

*Canadian Sport Tourism Alliance*



*Alliance canadienne du tourisme sportif*

# 2015 RBC Canada Cup & Nova Scotia Open Halifax, Nova Scotia

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Economic Impact Assessment

September 2015

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*The following analysis provides the economic impact of the RBC Canada Cup and web.com Nova Scotia Open hosted at the Ashburn Golf Club in Halifax, Nova Scotia from July 2-6, 2015, as generated by the Sport Tourism Economic Assessment Model, Professional version.*

## Economic Impact Assessment Funding Partners

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## 1.0 Background

For the second year, Halifax played host to the Web.com Nova Scotia Open in combination with the RBC Canada Cup. The Nova Scotia Open is the only Canadian competition on the prestigious 25 stop Web.com tour and featured a prize purse of \$650,000. The 2015 edition saw a PGA Tour record six players tied for the lead heading into the final round of 18 with Abraham Ancer emerging as the eventual victor. In addition the Nova Scotia Open featured the RBC Canada Cup where the Team Canada team of Mike Weir, Graham DeLaet and David Hearn took on Team World featuring Tom Watson, Andres Gonzales and Kolt Knost for international bragging rights. The top level golf talent attracted hundreds of players, spectators and sponsors to Halifax and the spending of these visitors, along with the expenditures made by the organizers in hosting the tournament has a substantial economic impact on the community.

The next section of the report provides details of the results obtained from the on-site survey that was given to spectators and participants at the Nova Scotia Open and RBC Canada Cup. The survey results were used to ascertain both the number and origin of visitors and the expenditures that visitors made while in Halifax for the tournament. Section 3 provides details of operational expenditures and revenues that further contributed to the impact of the event, while Section 4 presents the STEAM PRO<sup>1</sup> results from the combined expenditures of the visitors and the host committee's operational expenditures. The appendices include additional information regarding the economic impact model and a glossary of the terms used.

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<sup>1</sup>The Canadian Sport Tourism Alliance's (CSTA's) **Sport Tourism Economic Assessment Model**, Professional version (STEAM PRO) was used to generate the economic impact estimates detailed in this report. STEAM PRO, which was developed in 2006, is a model that has been designed to incorporate the results of primary data collected from event visitors and the budget / capital expenditures of event organizers and others to prepare economic impact assessments. The model is based on the Canadian Tourism Research Institute's (CTRI - a branch of The Conference Board of Canada) TEAM model, which is the most widely used tourism economic impact model in Canada. The results of STEAM PRO are fully consistent with the CSTA's STEAM model. A more detailed description of STEAM PRO is contained within Appendix 1.

## 2.0 Methodology / Survey Results

Information regarding the origin and spending of spectators and participants attending the 2015 Nova Scotia Open was collected through the administration of an on-site intercept survey. The survey captured information about the origin and opinions of the spectators attending the event. Out of town visitors were also asked questions about their visit and the expenditures while they were in Halifax. Surveys were conducted using tablet computers running Survey Analytics' Survey Pocket software.<sup>2</sup>

### Survey Results

A total of 386 parties were approached over the five days of the surveys were collected over the course of the event with 60 parties choosing not to participate and 57 having responded previously. Among the 194 valid surveys completed, 72% were spectators with the remainder split between participants, organizers and volunteers.

Among spectators, the survey found that 73% of spectators came from the HRM or within 40km while the majority of other spectator came from within Nova Scotia. The number of unique individuals attending the tournament as spectators was calculated by first allocating the total attendance of 12,485 by the origin of visitors and then dividing by the average number of days each spectator was in attendance. The end result shows that the 2015 Nova Scotia Open and RBC Canada Cup was attended by 5,565 spectators of which 926 were from outside of Halifax (Table 2.1)

**Table 2.1 Visitor Origin - Spectators**

	Spectator Origin	Spectator share	Days per person	Individuals	Share SD/VFR	Share Hotel
Halifax (HRM under 40km)	73%	9,098	2.2	4,060	n/a	n/a
Other Nova Scotia	14%	1,727	2.4	724	81%	19%
Other Atlantic	6%	797	1.8	435	58%	42%
Other Canada	5%	664	2.3	289	27%	73%
Other US	1%	133	3.0	44	0%	100%
International	1%	66	5.0	13	0%	100%
<b>Total</b>	<b>100%</b>	<b>12,485</b>	<b>2.3</b>	<b>5,565</b>	<b>62%</b>	<b>38%</b>
<i>Visitors</i>	<i>27%</i>	<i>3,387</i>	<i>2.3</i>	<i>1,505</i>	<i>926</i>	<i>579</i>

<sup>2</sup> For information see [www.surveypocket.com](http://www.surveypocket.com)

## Spectator Expenditures

Out of town spectators were also asked what they spent in Halifax while they were attending the 2015 Nova Scotia Open RBC Canada Cup. For the purposes of this study, out of town spectators were divided into two categories, those who stayed with friends & family or made day trips and spectators who stayed overnight in commercial accommodation. The survey found that average spectator expenditures were \$220 per person for those making day trips or staying in non-commercial accommodation, rising to \$733 per person when staying overnight in commercial accommodation. Combining the spending per person with the overall attendance shows that overall spectator spending reached \$628,500. As a final step, spectators from outside of Halifax were asked as to the importance of the Nova Scotia Open in their decision to travel. The survey found that the importance of the event was very high with an overall score of 90%.<sup>3</sup> The attribution factor is then applied to the aggregate expenditure calculation to determine the amount of spending that is directly as a result of hosting the event. The results show that the spending directly attributable to the 2015 Nova Scotia Open and RBC Canada Cup was \$566,400 in 2015.

**Table 2.2 Spectator Spending per Person**

<b>Per person</b>	<b>Sameday / Friends &amp; Relatives</b>	<b>Hotel &amp; Other</b>	<b>Total</b>
<i>Party Size</i>	2.28	2.80	2.48
Accommodation	\$0.00	\$269.29	\$103.57
Restaurant	\$58.80	\$215.38	\$119.03
Recreation & Entertainment	\$51.75	\$61.00	\$55.31
Merchandise	\$33.64	\$41.10	\$36.51
Shopping	\$35.29	\$58.38	\$44.17
Car	\$35.23	\$42.32	\$37.96
Rental	\$4.13	\$44.07	\$19.49
Taxi	\$1.79	\$1.21	\$1.57
<b>Total</b>	<b>\$220.64</b>	<b>\$732.75</b>	<b>\$417.61</b>
<i>Per Person Per Day Trip / Night</i>	<i>\$73.55</i>	<i>\$172.82</i>	<i>\$112.26</i>

<sup>3</sup> Using a scale of 0-10 with 0 indicating the event had no influence in the decision to travel and 10 indicating it was the only reason for coming to Halifax.

**Table 2.3 Aggregate Spectator Spending**

<b>Aggregate</b>	<b>Sameday / Friends &amp; Relatives</b>	<b>Hotel &amp; Other</b>	<b>Total</b>
<i>Visitors</i>	926	579	1,505
Accommodation	\$0	\$155,875	\$155,875
Restaurant	\$54,460	\$124,673	\$179,133
Recreation & Entertainment	\$47,933	\$35,308	\$83,240
Merchandise	\$31,156	\$23,789	\$54,945
Shopping	\$32,683	\$33,794	\$66,478
Car	\$32,631	\$24,498	\$57,128
Rental	\$3,826	\$25,511	\$29,337
Taxi	\$1,657	\$703	\$2,360
<b>Total</b>	<b>\$204,347</b>	<b>\$424,150</b>	<b>\$628,496</b>

**Table 2.4 Spectator Spending Adjusted for Importance of Event**

<b>Aggregate Scaled by Importance</b>	<b>Sameday / Friends &amp; Relatives</b>	<b>Hotel &amp; Other</b>	<b>Total</b>
<i>Importance</i>	88%	91%	90%
Accommodation	\$0	\$142,002	\$142,002
Restaurant	\$47,980	\$113,577	\$161,557
Recreation & Entertainment	\$42,229	\$32,165	\$74,394
Merchandise	\$27,449	\$21,671	\$49,120
Shopping	\$28,794	\$30,787	\$59,581
Car	\$28,748	\$22,317	\$51,065
Rental	\$3,371	\$23,240	\$26,611
Taxi	\$1,460	\$640	\$2,100
<b>Total</b>	<b>\$180,030</b>	<b>\$386,400</b>	<b>\$566,430</b>

### **Other Visitor Expenditures**

As previously notes information was also collected from Pro-Am and Pro golfers taking part in the Nova Scotia Open. The average golfer spent \$1,130 in Halifax and with 230 golfers, this amounted to \$260,000. In addition to the participant expenditures the study also includes estimates made by other attendees such as media and sponsors.

**Table 2.5 Participant Expenditures**

<b>Participants</b>	<b>Per Person</b>	<b>Aggregate</b>
Accommodation	\$471.50	\$108,445
Restaurant	\$319.72	\$73,535
Recreation & Entertainment	\$95.23	\$21,902
Merchandise	\$31.72	\$7,295
Shopping	\$32.32	\$7,433
Car	\$41.14	\$9,463
Rental	\$136.70	\$31,441
Taxi	\$0.00	\$0
<b>Total</b>	<b>\$1,128.31</b>	<b>\$259,512</b>

### **3.0 Operations Expenditures**

The organizers of the 2015 Nova Scotia Open invested significantly in producing a high-caliber event in Halifax, with expenditures covering items such as rental of the venue, volunteers, advertising, food and beverages and the business operations of supporting the event.

Even though they are not included directly in the budget, the 2015 Nova Scotia Open and RBC Canada Cup was supported by hundreds of volunteers from Halifax who donated considerable amounts of their time to make the tournament happen.

## 4.0 Economic Impact Results

The combined spending of out of town spectators and participants in combination with the expenditures made by the organizers through hosting the 2015 Nova Scotia Open totaled \$1.9 million. This generated an estimated \$4.1 million in economic activity for the Province of Nova Scotia, of which \$2.9 million occurred in Halifax. These expenditures supported \$1.3 million in wages and salaries in the Province through the support of 31 jobs, of which an estimated 23 jobs and \$917,000 in wages and salaries were supported in Halifax.<sup>4</sup> The total net economic activity (GDP) generated by the event was \$2.1 million through the Province, with \$1.3 million occurring in Halifax.

Considerable tax revenues were also produced by the event, totaling \$779,000. The event supported federal government tax revenues of \$350,000 with an additional \$347,000 in taxes accrued to the Province of Nova Scotia. Moreover, \$82,000 in taxes was supported in Nova Scotia municipalities, of which \$61,000 accrued in Halifax.

**Table 4.1 Nova Scotia Open Economic Impact – Summary Table**

	Total Nova Scotia	Halifax
Initial Expenditure	\$1,897,413	\$1,897,413
GDP	\$2,075,834	\$1,286,269
Wages & Salaries	\$1,315,901	\$916,929
Employment	30.9	23.2
Industry Output	\$4,136,360	\$2,926,271
Total Taxes	\$779,469	\$543,619
Federal	\$350,205	\$237,911
Provincial	\$347,643	\$244,457
Municipal	\$81,622	\$61,251

<sup>4</sup> Jobs reported in this study refer to the number of jobs, vs. full time equivalent (i.e.: two people working half time in a job that typically features half time employment would represent two jobs or one FTE). Additionally, the direct employment effects are generally extra shifts or overtime for existing workers rather than new employment.

**Table 4.2 Total Economic Impact**

	Total Nova Scotia	Total Halifax	Rest of Nova Scotia
Initial Expenditure	\$1,897,413	\$1,897,413	\$0
<b>Gross Domestic Product</b>			
Direct Impact	\$537,090	\$537,090	\$0
Indirect Impact	\$998,258	\$496,380	\$501,879
Induced Impact	\$540,485	\$252,799	\$287,686
Total Impact	\$2,075,834	\$1,286,269	\$789,565
<b>Industry Output</b>			
Direct & Indirect	\$2,993,602	\$2,391,817	\$601,785
Induced Impact	\$1,142,758	\$534,454	\$608,305
Total Impact	\$4,136,360	\$2,926,271	\$1,210,089
<b>Wages &amp; Salaries</b>			
Direct Impact	\$421,962	\$421,962	\$0
Indirect Impact	\$565,846	\$339,113	\$226,733
Induced Impact	\$328,093	\$155,855	\$172,239
Total Impact	\$1,315,901	\$916,929	\$398,972
<b>Employment (Full-year jobs)</b>			
Direct Impact <sup>5</sup>	11.4	11.4	-
Indirect Impact	12.1	7.3	4.8
Induced Impact	7.4	4.5	2.9
Total Impact	30.9	23.2	7.7
<b>Taxes (Total)</b>			
Federal	\$350,205	\$237,911	\$112,294
Provincial	\$347,643	\$244,457	\$103,186
Municipal	\$81,622	\$61,251	\$20,370
Total	\$779,469	\$543,619	\$235,850

<sup>5</sup> Jobs reported in this study refer to the number of jobs, vs. full time equivalent (i.e.: two people working half time in a job that typically features half time employment would represent two jobs or one FTE). Additionally, the direct employment effects are generally extra shifts or overtime for existing workers rather than new employment.

## Media Coverage

Although not calculated as part of the economic impact of the event, the Nova Scotia Open did receive significant media coverage. NBC's Golf Channel broadcasted nearly 24 hours of coverage between the four initial airings and five relays to an audience of more than 3.9 million viewers. Footage was distributed to 193 countries and territories including outlets in Asia, Europe, North America and Latin America.

Other coverage included;

### ELEVATED EXPOSURE

With a global audience reached through the Golf Channel and network affiliates CBS and NBC, the PGA TOUR leverages its assets to the benefit of its partners. The Nova Scotia Open received an elevated exposure and branding profile thanks to these partnerships and associated highlight coverage provided by the TOUR. Clips from the event were seen by an additional estimated five million viewers during coverage of The Greenbrier Classic with additional mentions on Golf Channel's Morning Drive and Golf Central programming.

### PGATOUR.COM

As an Official Event of the PGA TOUR, annual exposure is provided for the Nova Scotia Open on a global level via PGATOUR.COM, the No. 1 website in golf, which receives more than 16 million monthly page views.

This coverage includes competition highlights during the tournament week via scoring, editorial, video and photo uploads. Reaching fans on every level, scoring and editorial content is also extended to the PGA TOUR's Mobile App platforms, which have surpassed 3.7 million downloads since launch.

The Nova Scotia Open experienced a prominent branding presence on PGATOUR.COM in 2015 thanks to placement on the Web.com Tour home page during tournament week. Total pageviews for the week topped 472,493

### TOUR NEWS OUTREACH

The Web.com Tour provides turn-key promotion and media support to its events, which in turn receive a significant amount of ancillary promotion across PGA TOUR distribution channels and in non-paid media coverage. This outreach includes coordination of PR activities in conjunction with all tournaments, messaging and distribution of weekly PR materials and on-site media activities.

Additional support is given to events by way of stats, bio and general media document updates, facilitation of general media inquiries and communication of TOUR activities to both local and national media partners.

The Nova Scotia Open received media coverage from news outlets around the globe, including mentions from 594 sources in 20 countries, accounting for more than 1,482 articles. This resulted in an estimated 1.7 million readers.

### SOCIAL MEDIA

The Nova Scotia Open received extensive promotion through the Web.com Tour's social media channels. Through the Web.com Tour account, a hashtag of #NovaScotiaOpen was used to identify each tweet for the event. A total of 116 tweets were produced by the TOUR, accounting for more than 6.7 million users reached. The event was similarly promoted through the Web.com Tour Facebook fan page, which reached 36,730 users, and via the Tour's Instagram account, which posted 14 times during tournament week.

### PGA TOUR ENTERTAINMENT

Established in 1985, PGA TOUR Entertainment is a world class, innovative entertainment company and the full service video production arm of the PGA TOUR. Delivering content across all media platforms, PGA TOUR Entertainment is committed to producing compelling content to showcase the world's best golfers and the tournaments that host them. Entertainment also houses the PGA TOUR archive, the largest collection of golf footage in the world, and is responsible for the licensing of footage from all PGA TOUR sanctioned events during each week of competition.

Once again in 2015, the Web.com Tour provided an on-site videographer as an added asset to the event. Working in concert with Golf Coastal Canada, the TOUR arranged five vignettes featuring Web.com Tour pro Michael Hebert and his wife, who had the opportunity to travel through four provinces in four days, recording their journey as they went. The videos were posted to PGATOUR.COM and to the Web.com Tour YouTube channel.

## Appendix 1: Additional Survey Results

*Was this your first visit to Nova Scotia / Did you visit a tourism website prior to leaving home?*

	Other Atlantic	Other Canada	International	Overall
First visit to Nova Scotia?	20%	67%	86%	100%
Did you visit a tourism website?	33%	33%	29%	100%

*Gender & Age Category of respondent*

	Halifax HRM	Other NS	Other Atlantic	Other Canada	International	Overall
Male	64%	76%	75%	81%	71%	68%
Female	36%	24%	25%	19%	29%	33%
19 to 24	10%	6%	0%	19%	0%	9%
25 to 34	20%	21%	10%	25%	14%	20%
35 to 44	12%	9%	10%	31%	43%	14%
45 to 54	16%	35%	40%	13%	0%	19%
55 plus	42%	29%	40%	13%	29%	38%

*Household Income*

	Halifax HRM	Other NS	Other Atlantic	Other Canada	International	Total
Under \$30k	8%	0%	0%	6%	0%	6%
\$30k to \$49.9k	9%	6%	9%	19%	0%	9%
\$50k to \$74.9k	12%	10%	9%	19%	29%	13%
\$75k to \$99.9k	11%	10%	18%	19%	14%	12%
\$100k to \$149.9k	9%	16%	27%	19%	14%	12%
\$150k plus	11%	19%	9%	19%	14%	12%
Prefer not to disclose	39%	39%	27%	0%	29%	35%

*How did you hear about the RBC Canada Cup & Nova Scotia Open?*

	Halifax HRM	Other NS	Other Atlantic	Other Canada	International	Total
Word of Mouth	44%	45%	45%	25%	0%	42%
Golf Courses	34%	35%	18%	38%	0%	33%
Internet	25%	42%	36%	31%	14%	28%
Print	21%	32%	27%	13%	0%	22%
Radio	20%	23%	18%	25%	29%	21%
Other Please specify	15%	19%	18%	19%	57%	18%
Billboards	4%	10%	18%	25%	0%	7%

Note: sums to more than 100% as multiple responses allowed

*Compared with three years ago, would you say the economic conditions for your business operations in Nova Scotia are now:*

Economic Conditions	Halifax HRM	Other NS	Total
Better	21%	9%	19%
About the same	23%	24%	23%
Worse	9%	6%	8%
Company did not exist three years ago	7%	12%	8%
Don't know / No answer	40%	48%	42%

*Over the next 12 months, do you expect that your company's Nova Scotia business operations will: (Please check all that apply)*

Business Operations	Halifax HRM	Other NS	Total
Introduce a new product or service	9%	9%	10%
Enter a new market outside of Nova Scotia	10%	6%	9%
Make a major investment in facilities or equipment	7%	12%	8%
Make a major investment in research and development that is in R&D	4%	3%	4%
Increase sales	18%	12%	17%
Hire additional staff	17%	18%	17%
Downsize or reduce staff	3%	0%	3%
Don't know / Can't answer	69%	67%	68%

*Who is the title sponsor of the Canada Cup / do you bank with RBC?*

	Halifax HRM	Other NS	Other Atlantic	Other Canada	International	Total
RBC Title Sponsor?	99%	100%	89%	100%	100%	99%
Bank with RBC?	48%	52%	50%	55%	17%	48%

*How much, including membership dues, green fees, travel and equipment do you spend on golf each year?*

Spending per year	Halifax HRM	Other NS	Other Atlantic	Other Canada	International	Total
Under \$500	32%	13%	20%	10%	67%	29%
\$500 to \$1499	23%	31%	30%	30%	0%	24%
\$1500 to \$3499	27%	38%	30%	10%	17%	27%
\$3500 to \$6999	15%	13%	20%	40%	0%	15%
\$7000 plus	4%	6%	0%	10%	17%	5%

*Which Atlantic provinces have you played golf in / would you consider taking a golf trip to within the next 3 years?*

		Halifax HRM	Other NS	Other Atlantic	Other Canada	International	Total
New Brunswick	Have	56%	59%	70%	0%	0%	54%
	Like to	46%	53%	90%	30%	17%	48%
Newfoundland & Labrador	Have	28%	9%	20%	0%	0%	23%
	Like to	29%	34%	50%	50%	17%	31%
Nova Scotia	Have	93%	97%	70%	60%	17%	89%
	Like to	76%	72%	90%	50%	50%	74%
Prince Edward Island	Have	71%	72%	80%	20%	17%	68%
	Like to	76%	81%	90%	60%	50%	76%
None	Have	9%	0%	20%	30%	67%	11%
	Like to	12%	3%	10%	30%	33%	12%

## **Appendix 2: 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 (intra-regional), the higher the exponent.

## **Appendix 3: 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.