



# Juno Awards, Calgary An Economic Impact Analysis

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Calgary

Edmonton

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## Introduction

For a metropolitan area like Calgary, hosting the Juno Awards is not only a chance to showcase the city to the rest of Canada, but it is also a chance to give a boost to local artists and to generate economic spin offs.

Local artists and Calgarians will benefit from the *Music Lives Here* legacy program that was created as a result of the Juno Awards.

In addition, the economic impact generated a significant increase in the local and provincial GDP, increased employment, and increased tax revenues for all three levels of government.

This report examines the economic impacts related to hosting the Juno Awards in Calgary.

## Executive Summary

The Juno Awards had a significant economic impact on Calgary's metropolitan area and the rest of Alberta:

- ▶ An estimated \$5 million in direct expenditures by out-of-town visitors and CARAS
- ▶ Impact on Alberta GDP: \$5.3 million (Calgary: \$3.5 million; rest of Alberta: \$1.8 million)
- ▶ Impact on employment: \$3.1 million and 82 full-time jobs equivalent (Calgary: \$2.4 million and 68 FTEs; rest of Alberta: \$0.7 million and 14 FTEs)
- ▶ Impact on taxes: \$1.7 million (municipal: \$275,333; provincial: \$490,772; federal: \$982,535)
- ▶ Total industry output: \$11.3 million (Calgary: \$7.9 million; rest of Alberta: \$3.4 million)

## Methodology

Leger Marketing collected primary data using two different research methodologies to determine how much money out-of-town visitors spent while attending the Juno Awards in Calgary:

- ▶ On-site, one-on-one interviews
- ▶ Follow-up online surveys

In total, 166 surveys (in-person: 97; online: 69) were completed with out-of-town visitors.

Since this is a sample of convenience (not a random sample), it is not possible to calculate a sampling margin of error.

## Methodology (cont)

The on-site, one-on-one interviews were completed at the public event hosted at Olympic Plaza and at the Juno Awards Gala. Interviewers used hand-held computers to collect the information, which was later uploaded for data processing and analysis.

The online survey was distributed to potential respondents by CARAS. Although 113 people completed the questionnaire, only 69 were out-of-town visitors.

Information from both surveys was combined into one database. For the purpose of calculating out-of-town visitor spending associated with the Juno Awards in Calgary, average expenditures were computed from the survey and then multiplied by the number of estimated visitors and the proportion of visitors at the Awards show in order to obtain the total estimated spending by visitors.

## Methodology (cont)

Estimated out-of-town visitor spending was then combined with spending by the CARAS organization to produce the show and associated events.

The combined data were then submitted to the Conference Board of Canada's Tourism Economic Assessment Model (TEAM) for determining the economic impact of Calgary's Juno Awards.

The TEAM model then produced outputs that quantify the economic impact of the event, including the impact on GDP, wages and salaries, employment, taxes and the total industry output.

## TEAM Model Data Input

Initial Expenditure:

Inputs for the TEAM Model, based on average visitor expenditures derived from survey data, combined with production expenditures provided by CARAS, were as follows :

▶ Private Transportation - Rental	\$25,673
▶ Private Transportation - Operation	\$41,570
▶ Local Transportation	\$98,195
▶ Accommodation	\$1,336,007
▶ Food & Beverage	\$1,389,295
▶ Recreation & Entertainment	\$1,653,387
▶ Retail	\$435,560
▶ Total	\$4,979,687

## TEAM Model Output

Gross Domestic Product (GDP):

	<b>Total</b>	<b>Local Area Calgary</b>	<b>Rest of Alberta</b>
Direct Impact	\$2,060,052	\$2,060,052	\$0
Indirect Impact	\$1,886,511	\$737,976	\$1,148,536
Induced Impact	\$1,366,916	\$731,563	\$635,353
<b>Total Impact</b>	<b>\$5,313,479</b>	<b>\$3,529,590</b>	<b>\$1,783,889</b>

## TEAM Model Output (cont)

Wages and salaries:

	<b>Total</b>	<b>Local Area Calgary</b>	<b>Rest of Alberta</b>
Direct Impact	\$1,402,483	\$1,402,483	\$0
Indirect Impact	\$963,202	\$548,753	\$414,449
Induced Impact	\$747,420	\$416,891	\$330,530
<b>Total Impact</b>	<b>\$3,113,106</b>	<b>\$2,368,127</b>	<b>\$744,979</b>

## TEAM Model Output (cont)

Employment (full time equivalent jobs):

	<b>Total</b>	<b>Local Area Calgary</b>	<b>Rest of Alberta</b>
Direct Impact	43.6	43.6	-
Indirect Impact	19.9	11.1	8.8
Induced Impact	18.1	12.9	5.2
<b>Total Impact</b>	<b>81.5</b>	<b>67.6</b>	<b>14.0</b>

## TEAM Model Output (cont)

Direct taxes:

	<b>Total</b>	<b>Local Area Calgary</b>	<b>Rest of Alberta</b>
Federal	\$457,162	\$457,162	\$0
Provincial	\$196,154	\$196,154	\$0
Municipal	\$188,794	\$188,794	\$0
<b>Total</b>	<b>\$842,111</b>	<b>\$842,111</b>	<b>\$0</b>

## TEAM Model Output (cont)

Total taxes:

	<b>Total</b>	<b>Local Area Calgary</b>	<b>Rest of Alberta</b>
Federal	\$982,535	\$740,328	\$242,207
Provincial	\$490,772	\$350,656	\$140,116
Municipal	\$275,333	\$232,678	\$42,655
<b>Total</b>	<b>\$1,748,640</b>	<b>\$1,323,662</b>	<b>\$424,978</b>

## TEAM Model Output (cont)

Industry output:

	<b>Total</b>	<b>Local Area Calgary</b>	<b>Rest of Alberta</b>
Direct & Indirect	\$8,393,257	\$6,315,026	\$2,078,231
Induced Impact	\$2,881,700	\$1,542,263	\$1,339,436
<b>Total Impact</b>	<b>\$11,274,956</b>	<b>\$7,857,289</b>	<b>\$3,417,667</b>

## Definitions

Initial Expenditure: 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: indicates 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.

## Definitions (cont)

Induced Impact: impacts generated as a result of spending by employees (in the form of consumer spending) and businesses (in the form of investment) who 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): represents the total value of production of goods and services in the economy resulting from the initial expenditure under analysis (valued at market prices).

GDP (at factor cost): 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.

## Definitions (cont)

Wages & Salaries: 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: represents 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.

Industry Output: represents the direct & indirect and total impact (including induced impacts) on industry output generated by the initial tourism expenditure. This is the sum total of all economic activity that has taken place and consequently, may involve double counting on the part of the intermediate production phase.

Taxes: 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.