

2010 BREAKOUT WEST MUSIC FESTIVAL ECONOMIC IMPACT ASSESSMENT

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ABSTRACT

This paper seeks to determine the economic impact of the Breakout West Music festival in the Central Okanagan. The research design for this study was descriptive in nature. The study collected data from individuals and organizations using an online survey.

The initial spending of visitors, national and international delegates and event organizers totalled \$1,502,318. Using a safety net in the analysis to represent short-term impacts, this resulted in total industry output (a measure of gross economic activity) of \$1,804,922 in the province. The net increase in economic activity (GDP) was \$970,756. The Breakout West Music festival estimated to have supported 19.77 person-years of employment, of which 4.03 person-year jobs were in the Central Okanagan. To represent long term impacts, calculations were done without using a safety net in the analysis. The total industry output was \$2,066,482 in the province, and a net increase in economic activity (GDP) was \$1,118,304. In addition, when looking at the long term impacts of the festival, it was estimated to have supported 22.02 person-years of employment, of which 4.03 person-year jobs were in the Central Okanagan.

A benefit-cost ratio was used to calculate the economic impact. Using a safety net, the ratio identified that for every dollar Breakout West event organizers spent to produce the festival \$3.43 of spending was generated in the Central Okanagan. Without using a safety net, \$3.93 of spending was generated in the Central Okanagan. Given that these ratios were higher than one, the festival had a positive economic impact in the Central Okanagan.

A model has been developed to assist in determining the economic impact of other events or festivals in the Central Okanagan. A limitation found in this research was that the findings could not account for quality. The study provided a quantitative analysis on the economic impact to the Central Okanagan, but it did not identify the quality of the festival and if people would return again. The research presented is valuable as it provides evidence that holding the Breakout West Music festival in the Central Okanagan brought positive economic growth to the region.

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GLOSSARY

Direct Impact: Relates only to the impact on “front line” businesses. These are businesses that initially received 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.

Employment: The estimated increase in the number of jobs available due to the event.

Gross Domestic Product (GDP): Refers to the total value of production of goods and services in the economy resulting from the initial expenditures under analysis (valued at market prices).

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, and cameras.

Industry output: Refers to the total economic activity (spending) attributable to the event. These figures represent the direct, indirect and induced impact generated by the initial tourism expenditure. It should be noted that the industry output measure represents the sum of all economic activity that has taken place and consequently involves 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.

Initial Expenditure: This figure indicates the amount of initial expenditures used in the analysis.

Input-Output (I-O) Model: a means of presenting a detailed analysis of the process of production and the use of goods and services (products) and the income generated in that production. An input output (IO) model is a way of understanding and estimating how economic changes in one industry can affect other industries. The simplest application of the IO model is to estimate the economic impacts of a change in the final demand for some commodity produced by the economy.

Input-Output (I-O) Multipliers: defined as the ratio of the total economic impacts associated with a given project or policy to the direct expenditure. A multiplier shows the additional (or indirect) change to the economy resulting from each change in a selected industry. For example, the direct effect employment multiplier for the construction industry is 2.3051. This means that each construction industry job supports another 1.3051 jobs provincially.

Person Years: One whole year, or fraction thereof, worked by an employee, expressed as a quotient (to two decimal places) of the time units worked during a year (hours, weeks, or months) divided by the like total time units in a year. For example: 80 hours worked is 0.04 (rounded) of a person-year; 8 weeks worked is 0.15 (rounded) of a person-year; 12 months worked is 1.0 person-year.

Safety Net (SN): Assumes that new jobs are filled by people formerly receiving assistance and that displaced workers are receiving assistance.

No Safety Net (NSN): Assumes that people without jobs have zero income.

Taxes: These figures represent the amount of taxes contributed to provincial and federal levels of government relating to the project under analysis. This information is broken down by the direct, indirect and induced impacts.

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CHAPTER 1 INTRODUCTION

For the first time The Breakout West Music festival was held in Kelowna, British Columbia. Geddes (2010) states, “This event is not only a celebration of music, but also a time to honor and recognize the achievements of artists and musicians from across Western Canada.” Stakeholders including the organizers of the event, the City of Kelowna, and the Central Okanagan Economic Development Commission (COEDC) are anticipating a valuation of the economic impact of this festival.

1.1 Background

The Western Canadian Music Alliance (WCMA) was formed in late 2002 when the Prairie Music Alliance expanded, inviting the Music Industry Associations of BC and the Yukon to join forces to create a new entity (Western Canadian Music Alliance, Inc., 2010). While the Breakout West Western Canadian Music Awards is a new event, the WCMA states, “there is a strong sense of history, a legacy of the successes of both Prairie Music Week and the West Coast Music Awards. The vision of developing the infrastructure of a regional music industry is intact and now shared across Western Canada” (Western Canadian Music Alliance, Inc., 2010).

The City of Kelowna has requested an economic impact assessment be completed in return for hosting the Breakout West Music festival in Kelowna, BC. The City of Kelowna provided the WCMA with \$40,000 for hosting the event in Kelowna; in return, a third party, OCEDC, must be involved to complete the economic impact assessment

According to Michael Blonde (personal communication September 24, 2010), the WCMA has asked the COEDC to develop a system that can measure variables that correlate to the net economic value of hosting the Breakout West Music festival in the Central Okanagan.

According to a Breakout West event coordinator, Breakout West wants to develop a model that can be used year after year to calculate the economic impact of the event (S. Stasiuk, personal communication, August 31, 2010). In this research project, Breakout West organizers would like to see the following:

- To obtain provincial multipliers

- Summing commodity expenditures and mapping them to industry multipliers categories
- Calculating economic impacts using provincial multipliers
- Making adjustments to estimates using input-output tables
- Making sub-regional estimates (e.g. to the Kelowna area) using industry labor force data

In addition to the requests by Breakout West, the COEDC requires an economic model to evaluate future music and sporting events that are held in the Central Okanagan. The OCEDC will be able to use the conceptual model to develop future economic impact studies. The OCEDC will use the findings of this study to report the economic impact that the Breakout West Music festival had in the Central Okanagan to the City of Kelowna.

According to Acordia and Whitford (2006, pg.8), “festivals have the potential to boost the economy in local regions due to their ability to provide various opportunities for positive tourism and commercial outcomes.” Acordia and Whitford (2006) explain that it is not only these positive economic impacts that need to be included in an economic impact assessment, but also the negative economic impacts of festivals, such as inflated prices, resident’s exoduses and interruption of normal business. It is important that economic impact studies identify not only the direct economic contribution to the region, but also the impact concerned with the social environment.

Previous economic impact studies include an Economic Impact Assessment of the 2007 Juno Awards and an Economic Impact Assessment of the Kelowna Rockets Hockey Club. The 2007 Juno Awards Economic Impact Assessment evaluated the impact of the Juno Music Awards in Saskatoon, Saskatchewan, at three different levels; direct, indirect and induced impact (Paradigm Consulting Group, 2007). This study identified wages and salaries, employment, and taxes as variables that needed to be measured when conducting an economic impact assessment. The Economic Impact Assessment of the Kelowna Rockets Hockey Club provided valuable information as to what economic variables can be measured. The study used the Sports Tourism Economic Alliance Model (STEAM) input-output model which identified gross domestic product (GDP), wages and salaries, employment, taxes and output as the deliverables to their project (Carlaw, 2010).

BC Statistics (2007) provided Input-Output (I-O) tables which include provincial industry multipliers to calculate total spending (output), employment growth, value added (GDP), and tax revenue. These I-O tables will provide the framework to develop a conceptual model to calculate the economic impact the festival had in the Central Okanagan. According to J. Vann Struth (personal communication, February 4, 2011), the key information required to evaluate the economic impact are the direct impacts. This includes increased tourists, revenues and jobs. Vann Struth continued to state that in addition to these direct activities there must be a clear idea of two things: time and geography. Defined by the Director of Economic Development (R. Fine, personal communication, October 19, 2010), the Central Okanagan area includes Lake Country, Kelowna, West Kelowna, and Penticton. The time frame for this event was four days, Thursday, October 21 – Sunday, October 24, 2010.

1.2 Purpose

In order to develop an economic impact assessment for the Breakout West Music festival in the Central Okanagan, the key decision faced by the Central Okanagan Economic Development Commission is stated as:

Did the Breakout West Music festival provide economic benefits to the Central Okanagan?

In defining the limits of this study, the COEDC identified the study areas to be addressed and a careful review of those areas led to the identification of the following specific research objectives.

R01. What spending (output) did the Breakout West Music festival generate in the Central Okanagan?

R02. What employment, both locally and provincially, did the Breakout West Music festival generate?

R03. How did the Breakout West Music festival contribute to Gross Domestic Product (GDP)?

R04. What tax revenue, federal and provincial, did the Breakout West Music Festival generate?

RO5. What is the distribution of total expenditures by Breakout West tourists in the Central Okanagan (by percent)?

2.3 Significance

This research study is necessary as it provides a detailed calculation of the economic impact of holding a music festival in the Central Okanagan. The value in the economic assessment lies in the overall impact generated by the festival. As Vann Struth explains (personal communication, February 4, 2011), economic impact assessments must include the direct, indirect and induced impacts generated by the festival. As a result, the economic impact assessment will not only include revenue in the direct industry, but it will also include revenues in indirect industries and the wages and other income earned in the direct and indirect industries that lead to extra household spending. If a ratio of the output generated from the Breakout West Music festival to the total cost of putting on the festival on is greater than one, we can prove that the Breakout West Music festival had a positive economic benefit to the Central Okanagan. Refer to figure 1.1 for the benefit-cost ratio equation.

$$\text{Benefit-Cost Ratio} = \frac{\text{Total Output (Direct, Indirect and Induced Impact)}}{\text{Event Organizers Total Organizational Budget}}$$

Figure 1.1: Cost-Benefit Ratio

2.4 Nature and Scope of Report

This report begins with a literature review to establish the conceptual framework for the study. The literature review is followed by the research methodology including the research and sample design, the data collection methods, and the fieldwork and analysis. Following the research methodology, the findings from the research are discussed. Conclusions and implications are then developed. The report ends with the limitations found within the study and recommendations for action.

CHAPTER 2 LITERATURE REVIEW

This chapter presents the theoretical foundation of the research study in determining the net economic benefits to the Central Okanagan for holding the Breakout West Music festival. Secondary research relating to economic impact assessments and the relevant issues and socioeconomic factors that need to be considered are identified in this chapter. In addition, alternative means for measuring economic impact are identified. The chapter concludes by discussing current Input-Output models and industry multipliers while looking at the distribution of tourists expenditures.

2.1 Economic Impact Assessments

Economic impact is “the effects on the level of economic activity in a given area” (Weisbrod & Weisbrod, 1997, pg.1). Economic impact assessments trace spending through an economy and measure the cumulative effects of that spending. According to Morgan & Condliffe (2006) the purpose of an economic impact assessment is to measure the value of benefits that the community accrues due to the actual or anticipated economic activity. In addition, Morgan & Condliffe (2006) state that governments, policy makers, businesses, and the public across the country wrestle with weighing the costs and benefits of a wide array of projects. This includes convention centers, hotels, stadiums, museums, entertainment events, and sporting events.

2.1.1 Ensuring Validity in the Results

According to Morgan & Condliffe (2006) economic impact statements are often overstated. Sanders (2004, as cited in Morgan & Condliffe) believes that economic impact assessments completed on convention centres prior to the economic boom in the 1990s contributed to the exponential growth of convention centres across the United States (US). The growth created an overexpansion of exhibit space which led to many centers having to offer discounts to compete with other sites, causing disequilibrium between supply and demand. Sanders (2004) explains that when economic impact assessments over-predict the impact generated from an event it is due to inappropriate multipliers and failing to appropriately measure visitor spending. Assuming that the majority of attendees were drawn from outside the region can be a cause of inflated regional impacts.

Matheson (2002) indicates that many economic impact assessments ignore the crowding out effect. Many events are hosted in popular visitor areas where hotels and restaurants are already near capacity; therefore visitor expenditures may only displace rather than supplement regular spending from visitors.

2.1.2 Socioeconomic Factors

Socioeconomics refers to the “field of study that examines social and economic factors to better understand how the combination of both influences something” (Socioeconomics, n.d.). To understand the socioeconomic factors that contribute to this study, social capital needs to be defined.

2.1.2.1 Social Capital

Social capital has been described by Acordia & Whitford (2006, pg.4) as “the capacity of individuals to secure benefits by virtue of their membership in social structures”. As Putnam explains (as cited in Acordia & Whitford, 2006, pg. 4), “it involves the features of social organization, such as networks, norms, and trust that facilitate co-ordination and co-operation for mutual benefit”. Acordia & Whitford (2006) developed a conceptual model of festivals and the development of social capital (see Figure 2.1) that identifies the relationship between the community, festival and social capital. This model has yet to be tested.

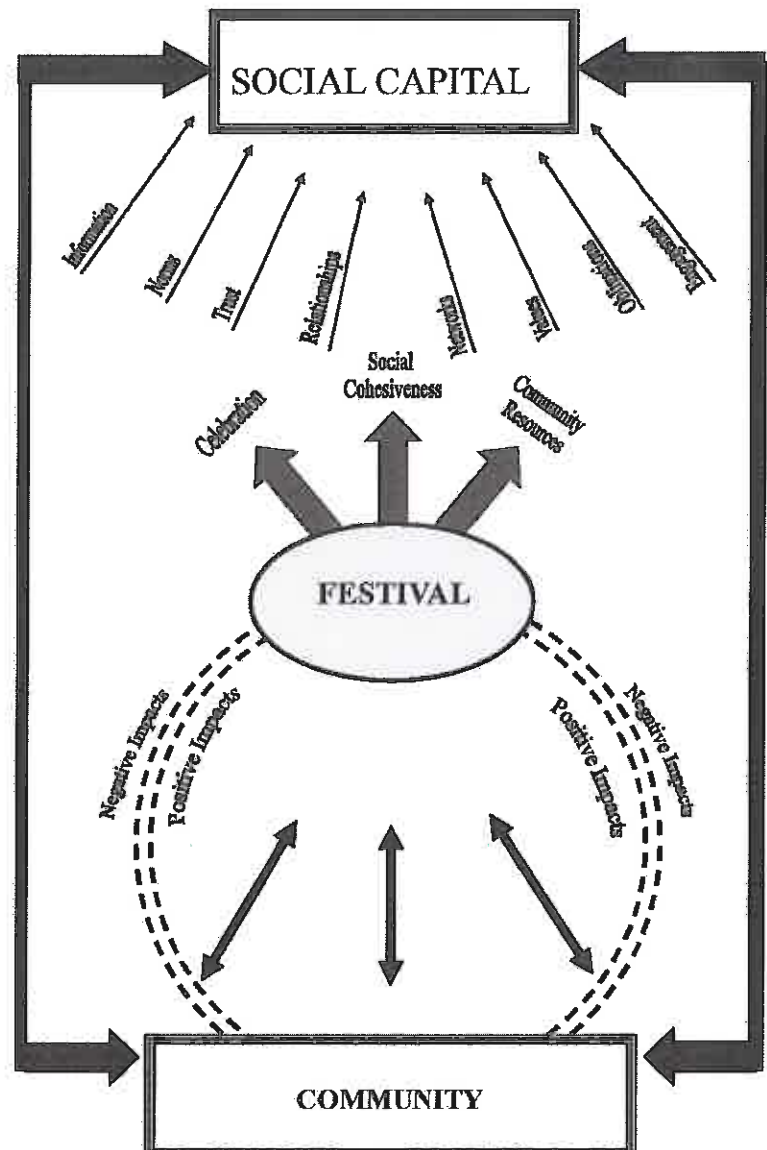


Figure 2.1: Conceptual Model of Festivals and the Development of Social Capital

Source: Acordia & Whitford, 2006, pg.7

2.1.2.2 Socio-Cultural Impacts

“The staging of a festival can impact the social life and structure of a community by either enhancing or detracting from the social environment of the region” (Acordia & Whitford, 2006, pg. 10). Many factors both positive and negative contribute to the socio-cultural factors in an economic impact assessment. According to Morgan & Condliffe (2006) economic studies need to account for negative externalities in their measurement of economic impacts such as traffic congestion and disruption to resident lifestyle. In addition, Acordia & Whitford (2006) state that vandalism, overcrowding, and crime are also social issues to consider. Positive externalities include community involvement and participation of local indigenous people. Limited information is found on socioeconomic factors that are present in events and festivals as the economic environment of festivals continues to dominate the literature.

2.2 Measuring Economic Impact

According to Weisbrod and Weisbrod (1997) there are five alternative ways to measure economic impact. These five alternative measurements are business output, wages and salaries, employment levels, value added (GDP), and wealth. Vann Struth (2011) identifies a sixth measurement of economic impact as tax revenue. This study will measure business output, employment, value added and taxes. See Figure 2.2 for the four alternative economic impact measurements for this study.

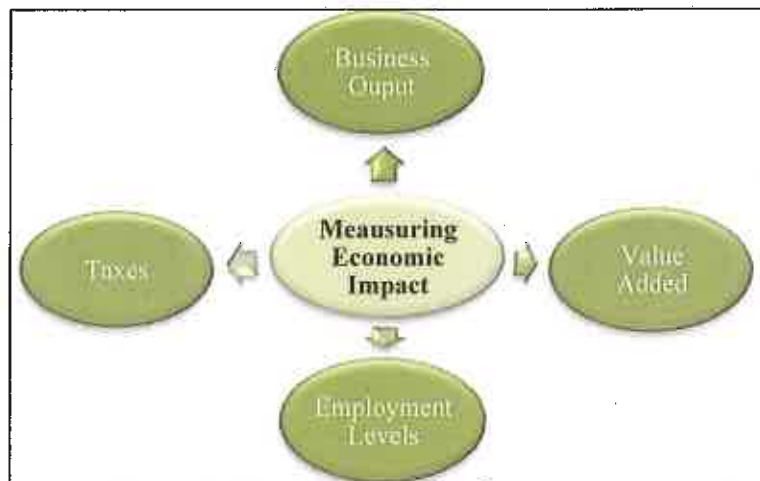


Figure 2.2: Alternative Measures for Economic Impacts

Source: Government of Ontario (1997), modified by the Student Researcher

2.2.1 Business Output

Business output (also referred to as revenue or sales volume) is identified by Weisbrod and Weisbrod (1997) as the broadest measure of economic activity. It consists of the full (gross) level

of business profits which includes both business revenue and the cost of labor and materials. As stated by the Government of Ontario (2007), “business output can be misleading as it does not distinguish between a high value added activity (generating substantial local profit and income) and a low value added activity (generating relatively little local profit or income from the same level of sales)”. Weisbrod & Weisbrod (1997) continues to state that business output is a difficult measurement of economic development because double and triple counting is hard to avoid. This leads to research objectives one.

R01. What spending (output) did the Breakout West Music festival generate in the Central Okanagan?

2.2.2 Employment Levels

According to Weisbrod and Weisbrod (1997), employment levels reflect the total number of additional jobs created by economic growth. This is the most popular measure of economic impact because it is the easiest to understand. According to the Government of Ontario (2007), job counts have two limitations, they do not reflect the quality of employment, and they cannot be easily compared to public costs of attracting jobs. This leads to research objective two.

R02. What employment, both locally and provincially, did the Breakout West Music festival generate?

2.2.3 Value Added

Weisbrod and Weisbrod (1997) explain that value added is referred to as the gross domestic product and is a broad measure of the full income effect. It reflects the sum of wage income and business profits generated in the area of study. The Government of Ontario (2007) argues that value added can over estimate the true income impact on a local area as it could include the paid out dividends to owners of businesses who do not reside in the area. In addition, these dividends could be reinvested in corporate facilities outside the area of study. This leads to research objective three.

R03. How did the Breakout West Music festival contribute to Gross Domestic Product (GDP)?

2.2.4 Taxes

According to Vann Struth (2011) a typical output for an economic impact assessment is taxes generated. Taxes can be calculated federally, provincially and locally. Vann Struth (personal communication, February 4, 2011) states that although the federal and provincial multipliers are current and reliable, local tax multipliers are not. Therefore the local tax estimates do not provide a result that is valid and reliable. These factors lead to research objective four.

RO4. What tax revenue, federal and provincial, did the Breakout West Music festival generate?

2.3 Input-Output Model

According to Statistics Canada (2011), “An input-output (I-O) model is generally used to simulate the economic impact on the business sector of an expenditure on a given basket of goods and services or the output of one of several industries”. In order to develop an I-O model, I-O tables provided by BC Statistics (2007) are required. These tables provide industry multipliers to determine the impact that the festival had in terms of output, employment, GDP and taxes. The I-O tables provide a “recipe” for each industry. The industry multipliers take into account the intermediate inputs from other industries, imports, and labor. The industry multipliers also consider how each commodity is used (inputs into other industries, final demand and exported). The I-O tables require that an input (revenues or expenses) be multiplied by an industry multiplier to calculate the total impact generated from the initial spending.

2.3.1 Multipliers

The multiplier is a tool used to determine how much additional economic activity will result from an investment in the economy (Government of Ontario, 2007). The term multiplier is used because the total impact will be larger than the initial direct impact. An economic impact assessment is based around the concept of the multiplier. “The relationship between one form of economic activity and the total additional activity it generates is called the multiplier effect” (Government of Ontario, 2007, pg 3). To understand the importance of multipliers, it is crucial to understand that one form of economic activity almost always leads to another.

2.3.1.1 Direct, Indirect and Induced Impacts

According to Vann Struth (2011), the concept of direct, indirect and induced impacts starts with a “shock” (see Figure 2.3). This initial shock is the direct impact generated from the program or event being evaluated. Direct impact refers to the new revenues generated by a project or development. Direct impact is the first level of spending. Following this direct impact there is also indirect and induced impacts. Indirect impacts refer to the new revenue generated for indirect industries such as revenue obtained by suppliers. Induced impacts refer to the extra wages and other income earned the direct and indirect impacts which leads to extra household spending. The induced impact refers to personal spending.



Figure 2.3: Concept of Direct, Indirect and Induced Impact

Source: Vann Struth, 2011

2.3.1.2 British Columbia Multipliers

To calculate the economic impact in the Central Okanagan for the Breakout West Music festival, the British Columbia Provincial Economic Multipliers Report and Local Area Economic Dependencies report is required. These reports consist of the most current I-O tables and will provide the most reliable and valid economic impact analysis. These reports have different multipliers available for each industry and provide multipliers for direct, indirect and induced impacts for output, GDP, employment and taxes.

2.4 Distribution of Total Expenditures

In 1996, BC Statistics (2007) published the results from a survey conducted to determine the expenditure estimates of travelers to different tourism areas. The South Thompson Okanagan region was one of twelve areas identified. See Appendix A for Distribution of Total Expenditures by BC Tourist (by percent). As this research study addresses the Central Okanagan the estimates provided in the BC Statistics study will vary slightly from the geographical area of interest. The study conducted identified six categories that tourists spend their money on while travelling to different areas of BC and included; accommodation services, food services and

drinking places, local transportation, recreation, retail trade and other expense. Other expenses account for 13% of tourist spending to ensure estimates were conservative. See Figure 2.4 for South Thompson Okanagan's distribution of total expenditures by tourist (by percent). This information addresses research objective five.



Figure 2.4: Distribution of Total Expenditures by Tourist for South Thompson Okanagan Area (by percent)

Source: BC Stats (2007)

RO5. What is the distribution of total expenditures by Breakout West tourists in the Central Okanagan (by percent)?

2.5 Conclusion

Previous studies show that there are a number of contributing factors when determining the net economic benefits of a festival. It is important to understand the contributing factors to ensure an economic impact assessment is reliable and valid. Most importantly, the study requires a model for the conceptual framework of this study. The lack of information in regards to music festivals in the Central Okanagan has led to the following research objectives.

R01. What spending (output) did the Breakout West Music festival generate in the Central Okanagan?

R02. What employment, both locally and provincially, did the Breakout West Music Festival generate?

RO3. How did the Breakout West Music festival contribute to Gross Domestic Product (GDP)?

RO4. What tax revenue, federal and provincial, did the Breakout West Music festival generate?

RO5. What is the distribution of total expenditures by Breakout West tourists in the Central Okanagan (by percent)?

The next chapter will describe the research methodology and design of the study.

CHAPTER 3 METHODOLOGY

This chapter identifies the methodology used to determine the economic benefits of holding the Breakout West Music festival in the Central Okanagan. This chapter presents the research methods that have been selected for designing the study, determining the sample, and gathering and analyzing the data.

3.1 Research Design

The research design for this study is descriptive in nature. This design is suited for the study as the research objectives looked to determine who, what, when, where and how the Breakout West Music festival contributed economically to the Central Okanagan. The research that was conducted described the economic benefits of holding the Breakout West Music festival in the Central Okanagan in terms of output, employment, GDP and taxes generated. In order to answer the research objectives, three questionnaires were developed and distributed to three different groups; hotels in the Central Okanagan, restaurants in the downtown core of Kelowna, and venues that held the Breakout West Music festival. I-O tables were used to determine the industry multipliers required to conduct the economic impact that the festival had in the Central Okanagan. The primary research looked to identify the distribution of total expenditures (by percent) by Breakout West tourists in the Central Okanagan. To ensure that all economic contributions were included in the study, secondary research previously conducted on visitors, delegates and event organizers were also used.

3.2 Sample Design

There were five target populations for this study; visitors coming to the Breakout West Music festival, national and international delegates coming to the event, venues that were used for the event, hotels in the Central Okanagan, and restaurants in the downtown core of Kelowna. The units of analysis for the study included both individuals and organizations. Individuals included the visitors coming to the Breakout West Music festival and the national and international delegates. Organizations included the venues that were used for the event, the hotels in the Central Okanagan and the restaurants in the downtown core of Kelowna. Data collected from individuals was used to determine the economic contribution of visitors and delegates, while data

on organizations determined the economic contribution of hotels, restaurants and venues that participated in the Breakout West Music festival.

Since each population had fewer than 112 units of analysis, an investigation of all the individuals' elements that made up a population was completed. A census was conducted on restaurants in the downtown core of Kelowna, venues participating in the Breakout West Music festival and hotels in the Central Okanagan. The sample frames were provided by the COEDC and each business or individual listed was included. See Appendix B for the sample frame.

3.3 Data Collection Methods

Data was collected from both primary and secondary sources. The COEDC conducted an intercept survey at the Breakout West Music festival that determined the economic contribution of visitors. The intercept surveys were conducted three times over the course of the Breakout West Music festival (Thursday, October 21st – Sunday, October 24th, 2011). On Friday, two intercept surveys were conducted at the Prestige Inn, which was the central location for the festival. One was conducted between 9:00am – 12:00pm, and another from 1:00pm to 4:00pm. The third survey intercept was done on the final day of the festival at the awards ceremony which was held at the Kelowna Community Theatre. The surveys were conducted between 6:00 – 9:00 pm. The visitor data was provided as a secondary source and the COEDC collected survey results from 110 respondents. In addition, the Breakout West event organizers provided their organizations expense report and survey results from national and international delegates.

Primary data was collected from venues, restaurants in the downtown core of Kelowna and hotels in the Central Okanagan. An internet survey was used to reach respondents. Respondents were emailed and then asked to complete the survey on a website. A follow-up email was sent to non-respondents one week after the survey was available to ensure a representative sample was obtained. Three surveys were designed to ensure that the data collected from each population was valid and reliable. See Appendix C for a copy of the surveys. The response rates of venues, restaurants and hotels was 0%, 0%, and .07% respectively.

3.4 Fieldwork

One fieldworker was used in this study. The student researcher was the fieldworker and her role was to collect the results. No supervision was required as the fieldworker had training from her professor as well as experience from past research projects. In order to minimize administrative error all surveys were completed online and controls were in place to ensure respondents answered questions correctly.

3.5 Analysis

In order to analyze the economic benefits of holding the Breakout West Music festival in the Central Okanagan a number of quantitative methods were used. This analysis ensured that not only the economic benefits to the Central Okanagan were determined but also that the distribution of total expenditures by Breakout West tourists in the Central Okanagan was found.

3.5.1 The Economic Impact

The I-O tables developed by BC Statistics provided the framework to develop a model that was used to calculate the total economic impact that the Breakout West Music festival had in the Central Okanagan. The I-O tables provided multipliers for each industry in order to calculate the direct, indirect and induced impacts from visitor, delegate and event organizers spending. To calculate the economic impact, a model was created using the spending from event organizers, international and national delegates, and visitors. These dollar amounts were then multiplied by the corresponding industry multiplier listed in the I-O tables to provide the total economic impact. These tables were used to determine the total output (spending), the employment generated (in terms of person-years), the contribution to GDP, and the tax revenue generated from the event.

3.5.2 Distribution of Total Expenditures

As mentioned in Chapter 2, BC statistics published a survey that determined the expenditure estimates of travelers to different tourism areas. This survey provided a model that can be used to determine the distribution of total expenditures by tourists to the Central Okanagan (by percent). As this model was created in 1996, primary research was conducted on venues, hotels in the Central Okanagan and restaurants in the downtown core of Kelowna to provide a more accurate representation of the distribution of expenditures. The primary research conducted was

done to determine the percentage of Breakout West visitors expenditures for each tourist category.

3.6 Conclusion

The methods selected to solve the decision statement included an online survey distributed to three different populations; the venues that are being used for the event, the hotels in the Central Okanagan, and the restaurants in the downtown core of Kelowna. The study collected data from both organizations and individuals using secondary and primary sources. One fieldworker collected the data and input-output tables were used to determine the direct, indirect and induced impacts from the spending of event organizers, visitors, and international and national delegates. The I-O tables provided the framework for the student researcher to create a model to determine the economic impact of the Breakout West Music festival in the Central Okanagan. The model developed includes the output (spending), employment, GDP, and tax revenue generated by the Breakout West Music festival.

The next chapter will discuss the findings of the research study.

CHAPTER 4 FINDINGS AND DISCUSSION

This chapter presents the findings that were produced from the research objectives. The chapter begins by describing the participants involved in the research project. Next, the findings are presented for each research objective. The chapter ends with a summary of what has been said in terms of significance to the research objectives.

4.1 Respondents Profile

In order to ensure the economic impact assessment for the Breakout West Music festival in the Central Okanagan was both reliable and accurate, research was conducted on both individuals and organizations.

4.1.1 Individuals

Individuals that were studied in this research project included visitors, event organizers and national and international delegates.

4.1.1.1 Visitors

Visitors included all Breakout West spectators that reside outside the Central Okanagan region. Based on the intercept survey results from the OCEDC, visitors accounted for 54.5% of spectators. Ticket sales suggest that there were a total of 2,494 spectators over the course of the event. Given that 54.5% of spectators were visitors, ticket revenue attributed to visitors was \$21,978 (see Table 4.1).

Table 4.1: Ticket Revenue Attributed to Visitors

Single Tickets Sold	959
Single Venue Ticket Price	\$10
Total Single Ticket Revenue	\$9,590
Weekend Wristbands Sold	1535
Weekend Wristband Ticket Price	\$20
Total Wristband Revenue	\$30,700
Total Revenue	\$40,290
Visitors as a percentage of total sales	54.5%
Total Ticket Revenue Attributed to Visitors	\$21,978

The intercept survey identified that only 32% of respondents stayed with friends or family, while 68% stayed in a hotel (see Figure 4.1). It was found that visitors who stayed with family or friends had larger party sizes than visitors who stayed in hotels (approximately 3.5 people per party compared to 2.58 people per party). In addition, visitors who stayed with friends spent a shorter time in the Central Okanagan than visitors who stayed in hotels (2.58 nights compared to 3.76 nights). This provided an average number of nights stayed for visitors of 3.38 nights (see Appendix E). Finally, on average visitors who stayed in a hotel spent more than visitors who stayed with friends and family (see Figure 4.2). Visitors staying in a hotel spent on average \$159.51 per day, while visitors who stayed with friends or family spent on average \$71.59 per day.



Figure 4.1: Where Visitors Stayed

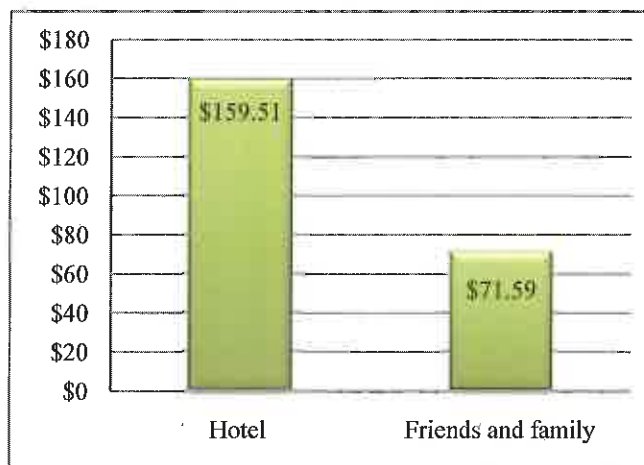


Figure 4.2: Average Daily Spending by Visitors

4.1.1.2 Event Organizers

As the Western Canada Music Alliance is not based in the Central Okanagan, the spending associated with the event organizers needs to be accounted for in the economic impact assessment. Event organizers for the Breakout West Music festival spent \$526,164 to produce the event. From that spending, approximately 41%, or \$216,661 was spent in the Central Okanagan. See Appendix D for the Breakout West event operational budget.

4.1.1.3 National and International Delegates

The total expenditures from national and international delegates over the course of the Breakout West Music festival was \$658,212. Information about national and international delegates was

provided to the student researcher from the Breakout West event organizers. Over the four day period of the Breakout West Music festival, 500 national and international delegates stayed in the Central Okanagan. Delegates on average spent \$139 per day, had a party size of approximately 2.7 people and stayed an average for 3.5 days (see table 4.2).

Table 4.2: Total Expenditures by National and International Delegates

Number of International and National Delegates	500
Average daily spending per delegate	\$139
Average number of days per delegate	3.5
Average party size per delegate	2.7
Average total spend per delegate party	\$1,316
Total Expenditures from Delegates	\$658,212

4.1.2 Organizations

Organizations that were studied in this research project included restaurants in the downtown core of Kelowna, hotels in the Central Okanagan, and venues that held the Breakout West Music festival. As mentioned in Chapter 3, these three groups had populations smaller than 112 units of analysis and therefore the sample frame included all units. Unfortunately the response rates for hotels, restaurants and venues were 0%, 0%, and .07% respectively. As the response rate for these three units of analysis were unreasonably small, quantitative findings from these units were not included in the analysis. The results derived from organizations would not be reliable or valid.

4.1.3 Initial Expenditures

The total spending from visitors, national and international delegates and event organizers provided an initial expenditure of \$1,502,298. See Appendix E for a breakdown of expenditures. These expenditures were used to determine the economic impact of the festival in terms of output, GDP, employment, and taxes.

4.2 Economic Impact

This section presents each research objective and the relevant results that were found. For each objective, two ways of measuring the total economic impact are identified. The first measurement has a safety net, and the second measurement has no safety net. According to BC Statistics (2007), when a safety net is included there is an assumption that new jobs are filled by

people formerly receiving assistance and that displaced workers are receiving assistance. Without a safety net there is an assumption that people without jobs have zero income. According to Vann Struth (personal communication, February 4, 2011), a safety net should be used when looking at the short term effects and a safety net should not be used when the economic impact is assessing the long term effects.

4.2.1 What spending (output) did the Breakout West Music festival generate in the Central Okanagan?

The combined spending from visitors, national and international delegates, and event organizers had a total industry output (a measure of gross economic activity) of \$1,804,991 with a safety net, and \$2,066,481 without a safety net. See Table 4.3 and Table 4.4 for details. Output is calculated as an aggregate of four items; event organizers' spending in the Central Okanagan, national and international delegates' spending, visitors' spending and ticket revenue.

Table 4.3: Output with Safety Net

	Direct Impact	Indirect Impact	Induced Impact (with safety net)	Total Impact
Event Organizers	\$6,335	\$113,117	\$49,129	\$168,582
National and International Delegates	\$19,746	\$737,197	\$85,568	\$842,511
Visitors	\$18,823	\$691,530	\$83,546	\$793,899
Total Impact	\$44,905	\$1,541,844	\$218,243	\$1,804,991

Table 4.4: Output without Safety Net

	Direct Impact	Indirect Impact	Induced Impact (with safety net)	Total Impact
Event Organizers	\$6,335	\$113,117	\$102,716	\$222,169
National and International Delegates¹	\$19,746	\$737,197	\$190,881	\$947,825
Visitors	\$18,823	\$691,530	\$186,135	\$896,488
Total Impact	\$44,905	\$1,541,844	\$479,733	\$2,066,481

¹ The spending of delegates fell under industry 56 - Travel, Entertainment, Advertising and Promotion. This industry has three multipliers, direct (.03) indirect (1.12) and induced (.13 or .29 depending on if safety net is used or not). Multiplying the total spending on delegates (\$658,211.58) with the corresponding multiplier provides the economic impact in terms of direct, indirect and induced impact.

The multipliers used to calculate the direct, indirect and induced impacts were derived from BC Statistics Industry Multipliers – Small Aggregation table and vary by sector. The total spending for each respondent profile (event organizers, delegates and visitors) was multiplied by the multipliers that correlated to the industry. Refer to Appendix F to see the industry multipliers that correspond to each spending.

4.2.2. What employment, both locally and provincially, did the Breakout West Music festival generate?

The Breakout West Music festival is estimated to have supported 19.77 jobs in person-years when using a safety net and 22.02 jobs in person-years without using a safety net (see Table 4.5 and Table 4.6). As defined by the Capital Projects Branch (2010, pg.37), “For practical purposes the job count should be considered as the aggregate *person-year equivalents* created over the life of the project, not simply new full time jobs.” Given that the event took place over four days, 19.77 or 22.02 jobs were created over that short time period. This is equivalent to 21.67%, or 24.13% of one full-time year of employment.

Table 4.5: Employment with Safety Net

	Local Area	Rest of British Columbia	Total
Event Organizers	3.55	0.70	4.25
National and International Delegates	0.00	7.78	7.78
Visitors	0.48	7.25	7.73
Total Impact	4.03	15.74	19.77

Table 4.6: Employment without Safety Net

	Local Area	Rest of British Columbia	Total
Event Organizers	3.55	1.17	4.72
National and International Delegates	0.00	8.68	8.68
Visitors	0.48	8.13	8.61
Total Impact	4.03	17.99	22.02

Employment was calculated using the industry employment multipliers generated by the provincial I-O tables developed by BC Statistics (2007). Refer to Appendix F for the industry

multipliers that correspond to each spending. According to the Capital Projects Branch (2010), these employment multipliers are determined from actual historical data on industry income and employment by Statistics Canada. These multipliers present a historical and accurate picture of the job creation associated with a particular level of expenditure in an industry section.

4.2.3. How did the Breakout West Music festival contribute to Gross Domestic Product (GDP)?

The net increase in economic activity (GDP) attributed to the Breakout West Music festival is \$970,757 with a safety net, and \$1,118,304 without a safety net (see Table 4.7 and Table 4.8). The aggregate of the event organizers' organizational budget, spending from delegates and visitors and ticket revenue was used to calculate the total contribution to GDP. The largest contributors to GDP were national and international delegates. Using a safety net, delegates contributed 40.68% of the total contribution to GDP, while event organizers and visitors contributed 19.88% and 39.44% respectively.

Table 4.7: Gross Domestic Product with Safety Net

	Direct Impact	Indirect Impact	Induced Impact (with safety net)	Total Impact	Percentage
Event Organizers	\$118,082	\$47,492	\$27,415	\$192,989	19.88%
National and International Delegates	\$0.00	\$342,270	\$52,657	\$394,927	40.68%
Visitors	\$11,209	\$320,557	\$51,075	\$382,841	39.44%
Total Impact	\$129,291	\$710,319	\$131,146	\$970,757	100.00%

Table 4.8: Gross Domestic Product without Safety Net

	Direct Impact	Indirect Impact	Induced Impact (with safety net)	Total Impact	Percentage
Event Organizers	\$118,082	\$47,492	\$57,935	\$223,509	19.99%
National and International Delegates	\$0	\$342,270	\$111,896	\$454,166	40.61%
Visitors	\$11,209	\$320,557	\$108,863	\$440,629	39.40%
Total Impact	\$129,291	\$710,319	\$278,694	\$1,118,304	100.00%

4.2.4. What tax revenue, federal and provincial, did the Breakout West Music festival generate?

Considerable tax revenue was supported through hosting the Breakout West Music festival in the Central Okanagan. Using a safety net, tax revenue totalled \$223,738 of which \$77,523 was federal tax revenue and \$146,215 was provincial tax revenue (see to Table 4.9). Without using a safety net, tax revenue totalled \$219,016 of which \$109,045 was federal and \$109,972 was provincial (see Table 4.10). See Appendix G for the industry multipliers that correspond to the spending using a safety net and Appendix H to see the industry multipliers that correspond to each spending without using a safety net.

Table 4.9: Tax Revenue with Safety Net

	Federal	Provincial	Total Taxes
Direct	\$8,405	\$7,190	\$15,595
Indirect	\$50,811	\$47,679	\$98,484
SN Induced	\$18,307	\$91,346	\$109,654
Total	\$77,523	\$146,215	\$223,738

Table 4.10: Tax Revenue without Safety Net

	Federal	Provincial	Total Taxes
Direct	\$9,993	\$7,977	\$17,969
Indirect	\$58,864	\$54,303	\$113,167
SN Induced	\$40,188	\$47,693	\$87,880
Total	\$109,045	\$109,972	\$219,016

Federal and provincial tax revenue was derived from the I-O table developed by BC Statistics (2007) and included an 80% recycling rate. According to Vann Struth (2011), an 80% recycling rate is the standard assumption made by BC Statistics for how much personal income is spent in BC. As the event took place over four days, the average daily tax revenue accumulated using a safety net was \$19,381 federally and \$36,553 provincially. Without using a safety net, the Breakout West Music festival generated \$27,261 daily for federal taxes and \$27,493 daily for provincial taxes.

4.2.5. What is the distribution of total expenditures by tourists in the Central Okanagan (percent)?

Organizational data was not sufficient to produce a new model for the Distribution of Total Expenditures. Due to this limitation, the total initial spending by event organizers, delegates and

visitors was categorized by tourist category using the previous percentages found by the BC Statistics (2007) British Columbia Visitors Study as shown in Table 4.11. Based on the previous findings, it was found that a total of \$631,747 was spent on food and beverage over the course of the festival, while \$306,849 was spent on accommodation. Local transport accounted for \$288,799 while recreation and retail accounted for \$252,699 and \$90,250 respectively. Thirteen percent of initial expenditures were included in the other expense category. According to Van Struth (2011), the other expense category is to ensure that estimates are conservative.

Table 4.11: Distribution of Total Expenditures by Visitors (by percent)

Percentage of Dollar Amount	Tourist Category	Total Spent
35%	Food & Beverage	\$631,747
17%	Accommodation	\$306,849
16%	Local Transport	\$288,799
14%	Recreation	\$252,699
5%	Retail	\$90,250
13%	Other Expenses	\$234,649

Source: BC Statistics (2007)

4.3 Conclusion

The combined spending of visitors, national and international delegates and event organizers totalled \$1,502,318. Using a safety net in the analysis to represent short-term impacts, this resulted in total industry output (a measure of gross economic activity) of \$1,804,992 in the province. The net increase in economic activity (GDP) was \$970,756. The Breakout West Music festival is estimated to have supported 19.77 person-years of employment, of which 4.03 person year jobs were in the Central Okanagan. See Appendix I for an economic results table.

To represent long term impacts, calculations were done without using a safety net in the analysis. The total industry output was \$2,066,482 in the province, and the net increase in economic activity (GDP) was \$1,118,304. In addition, when looking at the long term impacts of the festival, it was estimated to have supported 22.02 person-years of employment, of which 4.03 person year jobs were in the Central Okanagan.

The next chapter will continue with the conclusions and recommendations for this study.

CHAPTER 5 CONCLUSIONS AND RECOMMENDATIONS

This chapter begins with an evaluation on the findings from the research objectives and the decision statement. It continues with the implications of practice and limitations found within the progress of the research. Finally, recommendations will be made including a specific course of action.

5.1 Conclusions about Research Objectives

The findings from the research objectives confirm that the Breakout West Music festival contributed economically to the Central Okanagan. When compared to the study conducted by Paradigm Consulting Group on the 2007 Juno Awards, the Breakout West Music festival had a slightly lower economic impact than the Juno Awards. The Juno Awards had an operational budget of \$2.3 million. Taking into account that the Juno Awards are approximately four times as large as the Breakout West Music festival, a calculation was done to compare the two festivals in terms of output, gross domestic product, employment and taxes (See Appendix J for a comparison of the two events). It should be noted that the Juno Awards total output, GDP, employment and taxes was divided by four to ensure that the comparison between the two festivals was reliable and valid.

5.2 Conclusion about the Decision Statement

In order to determine if the Breakout West Music festival provided an economic benefit to the Central Okanagan a benefit-cost ratio was used. See Appendix K for the benefit-cost calculations. The ratio requires the total output generated from the festival be divided by the event organizers total operational budget (including spending made outside the Central Okanagan). Using a safety net, the benefit-cost ratio equalled 3.43 and without using a safety net the benefit-cost ratio equalled 3.93. This states that for every dollar Breakout West event organizers spent to produce the festival, \$3.43 or \$3.93 was spent in the Central Okanagan. Given that these ratios are above one the festival had a positive economic impact in the Central Okanagan.

5.3 Implications for Practice

This research report not only identifies the economic impact of the Breakout West Music festival but it also provides the methodology and tools to conduct additional economic impact studies in the Central Okanagan region. In addition to the research study presented, an economic model has been developed using an excel workbook. This model has been developed to assist in any additional economic impact studies that the COEDC wishes to conduct in the Central Okanagan. This model will provide the output, GDP, employment and taxes generated in the Central Okanagan, while also providing the benefit-cost ratio and distribution of total income of tourists for any future festival or event.

5.4 Limitations

Limitations encountered within this research project include interviewer bias, nonresponse error, and the tools used to complete the economic impact assessment.

5.4.1 Interviewer Bias

According to Zikmund, Babin, Carr and Griffin (2010), interviewer bias refers to a response bias that occurs because the presence of the interviewer influences the respondent's answers. As the intercept surveys were administered by Breakout West volunteers, this could have an effect on the results. The volunteer's age, sex, style of dress, tone of voice, facial expressions or other non verbal characteristic could have influenced the respondent's answers. In addition, if the volunteers, contrary to instructions, shortened or rephrases the questions to suit their needs, this could also have an effect on the responses provided. A possible remedy for future economic impact studies would be to have training for the volunteers prior to collecting responses, and if possible, have the same volunteer's throughout the event doing the fieldwork.

5.4.2 Nonresponse Error

According to Zikmund et al. (2010), "nonresponse error is the statistical difference between a survey that includes only those who responded and a perfect survey that would also include those who failed to respond" (pg. 190). The response rate for primary research on restaurants in the downtown core of Kelowna, hotels in the Central Okanagan, and venues that held the Breakout West Music festival had response rates of 0%, 0% and .07%. A few factors could have caused this nonresponse. Firstly, the elapsed time between when the event took place and when primary

research began. This could have caused organizations not to respond as it would have been too difficult to recall or provide the detailed information required. Secondly, the incentive for businesses to respond potentially did not motivate organizations. Organizations may not have seen the value of participating in the event. For future economic impact studies businesses should not be included as a unit of analysis. Vann Struth (personal communication, February 4th, 2011) states that by including businesses into the study the economic impact results will not be valid as “double dipping” would occur. Revenues from businesses would be included in addition to spending by visitors.

5.4.3 Economic Tools

Economic tools allow for a quantitative analysis on the economic impact of an event or project; however, they have some limitations. Firstly, According to Vann Struth (2011), using industry multipliers assumes a standard industry recipe that should always apply. Each event or project will differ in some way and the industry multipliers cannot account for that. Also, economic tools do not allow for an evaluation of alternatives. As the event has already taken place, the opportunity cost of holding an alternative event or project cannot be identified. Finally, the assessment cannot account for quality. The economic impact assessment will provide a quantitative analysis on the economic impact to the Central Okanagan, but it will not identify the quality of the festival and if people would return again.

5.5 Recommendations

Since the Breakout West Music festival had a positive economic impact in the Central Okanagan, the City of Kelowna and COEDC should consider supporting other music festivals and events. If the benefit-cost ratio is less than one, the event or festival that is being evaluated did not contribute economically to the region. If the benefit-cost ratio exceeds one then the event or festival being evaluated did contribute economically to the region. The model developed for the OCEDC should be used for an evaluation of future events as this model has been specifically developed for the Central Okanagan region and includes the industry multipliers that correlate to the spending by all relevant organizations and individuals.

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APPENDIX A: Distribution of Total Expenditures by BC Resident Tourists

BCVS Tourism Area	Accom.	Food & Beverage	Local Transport	Recreation	Retail	Other Expenses
1. East BC Rockies	18	34	23	10	5	10
2. West BC Rockies	20	39	15	15	3	7
3. South Thompson Okanagan	17	35	16	14	5	13
4. Vancouver Coast & Mountains	19	34	14	10	8	15
5. Vancouver Island	21	29	26	14	4	6
6. North Thompson Okanagan	19	31	14	13	7	15
7. Cariboo	18	32	18	9	3	20
8. Northwest	18	30	21	11	7	12
9. Northeast	13	23	23	8	7	26
10. Victoria	18	32	14	9	9	19
11. Vancouver	15	32	14	9	10	20
12. Whistler	20	27	11	14	13	15

Source: BC Statistics (2007)

APPENDIX B: Sample Frame

Venues	
1	Doc Willoughby's Pub
2	Cush
3	O'Flanningans Pub
4	Bohemian Cafe
5	Gotcha's Night Club
6	The Keg Lounge
7	Memphis Blues
8	Habitat
9	Streaming Cafe
10	The Grateful Fed
11	The Avenue (Prestige Hotel)
12	Rotary Centre for the Arts

Hotels in the Central Okanagan	
1	Accent Inns
2	Airport Inn Lakeside
3	Best Western Inn - Kelowna
4	Best Western Wine Country Hotel
5	Borgata Lodge
6	Casa Loma Lakeshore Resort
7	Chinook & Oasis Motel
8	Coast Capri Hotel
9	Comfort Inn
10	Comfort Suites
11	Cove Lakeside Resort
12	Davis Cove Resort
13	Days Inn
14	Delta Grand Okanagan Lakefront Resort
15	Dilworth Inn
16	Duck & Pug Lakeshore & Suites
17	Econo Lodge
18	Fairfield Inn & Suites
19	Hacienda on Lakeshore Road
20	Holiday Homestay
21	Holiday Inn Express
22	Holiday Inn West Kelowna
23	Hotel Eldorado
24	Hotel Enigma
25	Howard Johnson Inn
26	Kelowna Guest House Inn
27	Kelowna Inn & Suites
28	Kelowna Lakeshore Inn Ltd
29	Kokanee Beach Resort Motel
30	La Mission Motor Inn
31	Lake Country Inn
32	Lake Okanagan Resort
33	Manteo Resort
34	Mermaid Motel
35	Mill Creek Manor
36	Mission Park Inn
37	Okanagan Lodging Co Ltd
38	Okanagan Seasons Resort
39	Pandosy Inn

Hotels in the Central Okanagan	
40	Peachland Lakeshore Inn
41	Ponderosa Motel
42	Predator Ridge Golf Resort
43	Prestige Hotel Kelowna
44	Ramada Lodge Hotel
45	Recreation Inn & Suites
46	Royal Anne Hotel
47	Sandman Hotel & Suites
48	Siesta Suites
49	Stay 'n Save dba Accent Inns
50	Super 8 Kelowna
51	Teddy Bear Inn
52	Town & Country Motel
53	Travelers Choice Motor Inn
54	Travelodge Kelowna
55	Vineyard Inn
56	Walnut Grove Motel
57	Wayside Motor Inn

Restaurants in Downtown Kelowna	
1	Aisuka Japanese Restaurant
2	Aladdin Cafe
3	Artwalk Bistro
4	Bahama John's Rib Shack
5	Bai Tong Thai Restaurant (Kelowna) Ltd
6	Blenz Coffee
7	Blue Dog Cafe
8	Blue Gator
9	Boston Pizza (Harvey Ave)
10	Bouchons
11	Cafe Coffee
12	Cafe Marmello
13	Cafe Soleil
14	Cattle Country Steak & Seafood
15	Cheetas
16	Christophers Steak & Seafood
17	Club House
18	Cornerstone Cafe
19	Da Tandoor Restaurant
20	Dakoda's Bar & Grill
21	Dawett Fine Indian Cuisine
22	DeDutch Pannekoek House
23	DJ's Restaurant
24	Dragon King Restaurant
25	Duncan's Bistro & Bar
26	DunnEnzies Pizza Co
27	Earls on Top Restaurant
28	El Gatos Eatery
29	Everest East Asian Restaurant
30	Fat Daddy's Pizza
31	Fernando's Taqueria
32	Flashbacks Entertainment Ltd
33	Fresco Restaurant Ltd
34	Fresh Healthy Cafe
35	Ginza Japanese Restaurant
36	Giobean Espresso Ltd
37	Goochies Korean, Sushi & Ice Cream
38	Gorgeous George's Gourmet Burgers
39	Hanna's Lounge & Grill
40	Hungry Hound

Restaurants in Downtown Kelowna	
41	Industry Lounge
42	Itto Japanese Restaurant
43	Joey's Only Orchard Park
44	John Howard Society of the Central & South
45	Kelly O'Bryan's Neighbourhood Restaurant
46	Kelsey's
47	Ken's Dim Sum Chinese Restaurant
48	King of Kelowna
49	La Bussola
50	Lakeside Waterfront Restaurant
51	Le Triskell
52	Le Triskell Creperie
53	Level
54	Liquid Zoo Show Lounge Bar & Grill
55	Mad Mango Cafe
56	Maki Sushi Restaurant
57	Mamma Rosa Pizza Ltd
58	Manhattan Point
59	Markos Pizza
60	Mega Bites Bistro
61	Metro Liquor
62	Milestone's Restaurants Inc
63	Misato's Kitchen
64	Molly's Best Cup
65	Molly's Garden Cafe & Grill
66	Momo Sushi Cafe
67	Mongos Mongolian BBQ Ltd
68	Nagano Sushi
69	Nishi's Japanese Restaurant
70	OK Corral
71	Parks Cafe
72	Perk's Coffee Company (Water St)
73	Pho Soc Trang Vietnamese Cuisine Ltd
74	Pita Pit
75	Red Lotus Vietnamese Restaurant
76	Ric's Grill
77	Rose's Waterfront Pub
78	Saigon
79	Sal's Prime Steakhouse Ltd
80	Samosas Etcetera Foods Ltd
81	Shotsy's Sports Bar
82	Siam Orchid Restaurant

Restaurants in Downtown Kelowna	
83	Soul de Cuba Cafe
84	Staccatos Licensed Bistro & Gelateria
85	Starbucks Coffee Company
86	Sturgeon Hall
87	Sunnylake Sushi
88	Sweet Cravings
89	Swiss Chalet Rotisserie & Grill
90	The Bean Scene Coffee House
91	The Bean Scene North
92	The Best Cup
93	The Chippy Winger Restaurant
94	The Clubhouse Bistro
95	The Gallery Bistro
96	The Green Room
97	The Junction Cafe
98	The Kelowna Club
99	The Metro
100	The Old Bike Shop Cafe
101	The Perking Lot
102	The Rotten Grape
103	The Spot Restaurant Inc
104	The Wedding Cafe
105	Tokyo Sushi
106	Tonics Pub
107	Truffles Chocolate Cafe
108	Wasabi Izakaya
109	Wee Little Hobo Sandwich Shop
110	Woodfire Bakery
111	Yamas Taverna Ltd
112	Yellow House Restaurant

APPENDIX C: Surveys

Questionnaire for Venues

Thank you for participating in a research study that will provide an economic impact assessment of the Breakout West Music Festival that was held in Kelowna from Thursday, October 21 to Sunday, October 24, 2010. Please answer the following questions as best and as accurately as you can. The survey should take fifteen to twenty minutes of your time. Thank you

1. How many guests can your venue accommodate?
_____ Guests
2. Over the period of Oct 21-24, 2010 (Thursday to Sunday), on average how full was your venue? (in percentage eg. 25% full)
_____ %
 - a. Was this an increase compared to last year at this time?
 - i. Yes
 - ii. No
 - iii. If YES, how much of an increase of guests did your business experience?
(in percentage)
_____ %
3. What was the average bill per person between October 21-24, 2010
\$_____ per person
4. Did you need to hire additional staff to cover the increase in traffic at your venue?
 - a. Yes
 - b. No
 - c. If YES, how many additional staff were hired?
_____ people
5. On average, how many staff members were working per night?
 - d. 1-3
 - e. 4-6
 - f. 7-9
 - g. 10-12
 - h. 13-15
 - i. 16+

6. What is the average hourly wage for staff members?
\$ _____/hour

7. Did your business receive any free advertising over the weekend?

Yes

No

If YES, what advertising did you receive?

8. Please describe any negative effects that the festival had on your business

9. Was there damage to your restaurant or grounds over the course of the festival?

a. Yes

b. No

c. If YES, please describe the damages

10. Did you experience any problems with guests?

a. Yes

b. No

c. If YES, what problems did you experience?

11. How did your venue benefit from the Breakout West Music festival coming to Kelowna?

12. Have you experienced an increase in business since taking part of the Breakout Music Festival?

a. Yes

b. No

13. What percentage of revenues earned from Thursday, October 21- Sunday, October 24th do you contribute to being part of the Breakout West Music Festival?

_____ %

14. Do you have any additional comments about the Breakout West Music Festival?

15. If the Breakout West Music Festival were to return to Kelowna, would you participate again?

a. Yes

b. No

c. If NO, why not?

16. What street is your business located on?

17. What is the postal code of your venue?

Questionnaire for Hotels in the Central Okanagan

Thank you for participating in a research study that will provide an economic impact assessment of the Breakout West Music Festival that was held in Kelowna, BC.

The Breakout West Music festival was a celebration of music, and a time to honor and recognize the achievements of artists and musicians from across Western Canada. The event took place at various downtown locations from Thursday, October 21, 2010 to Sunday, October 24, 2010.

The weekend included various artists and musicians playing at downtown venues, and a conference for artists and musicians with workshops on songwriting, dealing with media, funding and touring. The weekend ended on Sunday night, October 24th, 2010 at the Kelowna Community Theatre with the 2010 Western Canadian Music Awards.

Please answer the following questions as best and as accurately as you can. The survey should take only fifteen to twenty minutes of your time. Thank you

1. Was your hotel impacted by the Breakout West Music Festival that was held Thursday, October 21 to Sunday October 24, 2010?
 - a. Yes
 - b. No
 - c. If YES, was your hotel impacted positively or negatively?
 - i. The Breakout West had a positive impact on our business
 - ii. The Breakout West has a negative impact on our business

**Survey continues to question 2.*
 - d. If No, why do you feel your hotel was not affected by the festival?

**survey is ended*

2. How many people can your hotel/motel accommodate each night?

3. What was your average nightly room rate from October 21-24, 2010
\$_____ per room
4. Over the period of Oct 21-24, 2010 (Thursday to Sunday), how many rooms on average were booked (in percentage to your overall hotel) eg. 25% full
_____%

5. What percentage of revenues earned from Thursday, October 21- Sunday, October 24th do you attribute to being part of the Breakout West Music Festival?
_____ %
6. Over the course of the Breakout West Music Festival (October 21-24, 2010), did your hotel have an increase in guests compared to last year at this time?
- a. Yes
 - b. No
 - c. If YES, please estimate the increase in the number of guests.
(in percentage)
_____ %
7. On average, what percentages of your guests were here for the Breakout West Music Festival?
_____ %
8. What was the average length of stay for guests when the Breakout West Event was taking place in Kelowna (October 21-24th)?
- a. 1 night
 - b. 2 nights
 - c. 3 nights
 - d. 4 nights
 - e. 5 nights +
9. Have you had any Breakout West visitors return to your hotel since the event took place in October? (repeat customers)
- a. Yes
 - b. No
 - c. If YES, what percentages of guests have returned?
_____ %
10. Do you feel your hotel benefited from having the Breakout West Music Festival come to Kelowna?
- a. Yes
 - b. No

- c. If YES: How do you feel your hotel benefited from the Breakout West Music festival coming to Kelowna?
-

- d. If NO: Why do you feel your hotel did not benefit from the Breakout West Music festival coming to Kelowna?
-

11. Was there damage to the hotel or grounds?

- a. Yes
 - b. No
 - c. If YES, please describe the damages
-

12. Were there complaints made by guests?

- a. Yes
 - b. No
 - c. If YES, on average how many complaints were made per night?
_____per night
 - d. What was the main cause of these complaints?
-

13. What is the postal code for your hotel?

14. What is your hotel rating?

- a. 1 star
- b. 2 star
- c. 3 star
- d. 4 star

Questionnaire for Restaurants

Thank you for participating in a research study that will provide an economic impact assessment of the Breakout West Music Festival that was held in Kelowna, BC.

The Breakout West Music festival was a celebration of music, and a time to honor and recognize the achievements of artists and musicians from across Western Canada. The event took place at various downtown locations from Thursday, October 21, 2010 to Sunday, October 24, 2010.

The weekend included various artists and musicians playing at downtown venues, and a conference for artists and musicians with workshops on songwriting, dealing with media, funding and touring. The weekend ended on Sunday night, October 24th, 2010 at the Kelowna Community Theatre with the 2010 Western Canadian Music Awards.

Please answer the following questions as best and as accurately as you can. The survey should take only fifteen to twenty minutes of your time. Thank you

1. Did the Breakout West Music Festival that was held Thursday, October 21 to Sunday October 24, 2010 have an impact on your restaurants revenues?
 - a. Yes
 - b. No
 - c. If YES, what percentage of revenues do you attribute to the Breakout West Music Festival that was held in Kelowna, BC?
_____ %
 - d. If NO, why do you feel your restaurant was not affected by the festival?

**survey is ended*

2. How many people can your restaurant accommodate each night?

3. What was your average bill per person between October 21-24, 2010
\$_____ per person
4. Over the period of Oct 21-24, 2010 (Thursday to Sunday), on average how full was your restaurant? (in percentage eg. 25% full)
_____ %

- a. How does this compare to the same time last year?
 - i. Increase of guests
 - ii. Same amount of guests
 - iii. Decrease of guests
 - iv. If INCREASE, how much increase in the number of guests did your business experience?
(in percentage)
_____ %
 - v. If DECREASE, how much decrease in the number of guests did your business experience? (in percentage)
_____ %
 - b. Is this an increase compared to other weekends?
 - i. Yes
 - ii. No
 - iii. If YES, approximately how much was the increase (in percentage)?
_____ %
5. How did your restaurant benefit from the Breakout West Music festival coming to Kelowna?
- _____
- _____
6. Did you need to hire additional staff to cover the increase in traffic at your restaurant?
- a. Yes
 - b. No
 - c. If YES, how many additional staff members were hired?
_____ people
7. On average, how many servers were working per night?
- a. 1-3
 - b. 4-6
 - c. 7-9
 - d. 10-12
 - e. 13-15
 - f. 16+

8. What is the hourly wage for servers?

\$ _____ /hr

9. Please describe any negative effect that the festival had on your business

10. Was there any damage to your restaurant or grounds?

a. Yes

b. No

c. If YES, please describe the damages

11. Did you experience any problems with guests?

a. Yes

b. No

c. If YES, What problems did you experience?

12. Did your business receive any free advertising over the weekend?

a. Yes

b. No

c. If YES, what advertising did you receive?

13. Do you have any additional comments about the Breakout West Music Festival?

14. What street is your business located on?

15. What is the postal code for your restaurant?

16. How would you classify your restaurant? Pick one.

- a. Fast-food
- b. Family
- c. Casual dining
- d. Fine dining
- e. Café
- f. Coffeehouse
- g. Pub
- h. Bistro
- i. All-you-can-eat buffet and smorgasbord
- j. Ethnic Cuisine

APPENDIX D: Breakout West Organizational Budget

BOW Kelowna Expenses	Expense	Central Okanagan Impact	Outside Central Okanagan
Staff			
Executive Director	65,000.00		\$65,000.00
Admin Assistant	28,000.00		\$28,000.00
Event Manager	40,000.00	\$40,000.00	
Festival Director	15,000.00	\$15,000.00	
Publicist	5,000.00		\$5,000.00
Casual Labour	2,468.00	\$2,468.00	
Volunteer Coordinator	2,500.00	\$2,500.00	
Staff	157,968.00	\$59,968.00	\$98,000.00
Hospitality			
Food/Beverage	20,000.00	\$20,000.00	
Hospitality	20,000.00	\$20,000.00	
Promotion/Advertising			
Marketing	3,000.00		\$3,000.00
Advertising	8,500.00	\$8,500.00	
Poster Distribution	0.00		\$0.00
Web Site	3,000.00		\$3,000.00
Printing	11,500.00	\$11,500.00	
Delegate Passes	800.00		\$800.00
Wrist Bands	495.00		\$495.00
Video/CD Rom			
Promotion/Advertising	27,295.00	\$20,000.00	\$7,295.00
Production			
Travel/Airfare	18,358.00		\$18,358.00
Sound	1,760.00	\$1,760.00	
Lighting	4,495.00	\$4,495.00	
A/V Equipment	40,248.00	\$40,248.00	
Video Production	3,000.00	\$3,000.00	
Host Hotel Guest Rooms	31,634.00	\$31,634.00	
Other Hotel	5,656.00	\$5,656.00	
Conference Venue	2,155.00	\$2,155.00	
Festival Venue	3,865.00	\$3,865.00	
Awards Venue	1,810.00	\$1,810.00	
SOCAN Fees	1,500.00		\$1,500.00
Box Office Fees	79.96	\$79.96	
Nominee Video Edit	13,750.00		\$13,750.00
Backline	10,700.00		\$10,700.00

BOW Kelowna Expenses	Expense	Central Okanagan Impact	Outside Central Okanagan
Stage Design	820.00		\$820.00
Stage Hands	6,690.00	\$6,690.00	
Production	146,520.96	\$101,392.96	\$45,128.00
Professional Fees			
Musician Fees	12,839.92		\$12,839.92
Panelist/Speakers	2,820.00		\$2,820.00
Host Fees	5,750.00	\$5,750.00	
Awards Producers	35,000.00		\$35,000.00
Awards Bursaries	5,000.00		\$5,000.00
Graphic Design	8,000.00		\$8,000.00
Accounting Fees	4,368.00		\$4,368.00
Legal Fees	3,000.00		\$3,000.00
Computer Services	20,100.00		\$20,100.00
Professional Fees	96,877.92	\$5,750.00	\$91,127.92
Board			
Board Travel	4,500.00		\$4,500.00
Planning/Meetings	500.00		\$500.00
Board	5,000.00		\$5,000.00
Administration			
Office Rent	18,000.00		\$18,000.00
Banking Fees	1,500.00		\$1,500.00
Visa Charges and Fees	1,300.00		\$1,300.00
Insurance	4,250.00		\$4,250.00
Maintenance	3,200.00		\$3,200.00
Phone/Fax	4,000.00		\$4,000.00
Internet	1,200.00		\$1,200.00
Office Supplies	3,500.00		\$3,500.00
Volunteer T-Shirts	4,235.00		\$4,235.00
Awards	9,567.00		\$9,567.00
Fees & Subscriptions	200.00		\$200.00
Staff Travel	12,000.00		\$12,000.00
Staff Accommodations	1,154.00	\$1,154.00	
Staff Per Diems	8,000.00	\$8,000.00	
Office Equipment	396.00	\$396.00	
Administration	72,502.00	\$9,550.00	\$62,952.00
Total Expenses	526,163.88	\$216,660.96	\$304,502.92

Source: Central Okanagan Economic Development Commission (2011)

APPENDIX E: Initial Spending by Event Organizers, Delegates and Visitors

Economic Contribution from Event Organizers	
Staff	\$59,968
Hospitality	\$20,000
Promotions & Advertising	\$20,000
Production	\$101,393
Professional Fees	\$5,750
Administration	\$9,550
Total Expenditures from Event Organizers	\$216,661
Economic Contribution from National and International Delegates	
Number of International and National Delegates	500
Average daily spending per delegate	\$138.79
Average number of days per delegate	3.5
Average party size per delegate	2.71
Average total spend per delegate party	\$1,316.42
Total Expenditures from Delegates	\$658,212
Economic Contribution from Visitors	
Single Tickets Sold	959
Single Venue Ticket Price	\$10
Total Single Ticket Revenue	\$9,590
Weekend Wristbands Sold	1535
Weekend Wristband Ticket Price	\$20
Total Wristband Revenue	\$30,700
Total Tickets Sold	2494
Total Revenue	\$40,290
Visitors as a percentage of total sales	54.55%
Total Visitors	1360
Total Ticket Revenue Attributed to Visitors	\$21,978
Total Number of Visitors Surveyed	60
Number of visitors staying with friends or family	19
Percentage of Total Visitors staying with friends or family	31.67%
Average daily spending per visitor (staying with friends and family)	\$71.59
Total Daily Spending by Visitors Staying with Friends or Family	\$30,842
Number of visitors staying in hotel or motel	41
Percentage of visitors staying in hotel or motel	68.33%
Average daily spending per visitor (staying in hotel or motel)	\$159.51
Total Daily Spending by Visitors Staying in Hotel or Motel	\$148,290
Total Daily Spending from Visitors	\$179,132
Average number of nights stayed	3.38
Total Expenditures from Visitors	\$605,447
Total Initial Spending	1,502,298

APPENDIX F: Spending and the Corresponding Industry Multipliers for Output, GDP and Employment

Spending	Industry Multiplier		Direct Multiplier	Indirect Multiplier	SN Induced Multiplier	NSN Induced Multiplier
Staff	49 - Arts, Entertainment and Recreation	Output	.03	.61	.22	.48
		GDP	.51	.26	.12	.27
		Employment	19.21	5.18	1.89	4.14
Hospitality	51 - Food Services and Drinking Places	Output	0	.53	.18	.41
		GDP	.42	.22	.10	.23
		Employment	20.06	3.49	1.53	3.53
Promotions & Advertising	44 - Professional, Scientific and Technical Services	Output	.09	.50	.25	.53
		GDP	.59	.21	.14	.30
		Employment	12.01	3.55	2.15	4.56
Production	40 - Motion Picture and Sound Recording Industries	Output	.02	.48	.23	.46
		GDP	.57	.20	.13	.26
		Employment	9.10	3.33	1.96	4.01
Professional Fees	44 - Professional, Scientific and Technical Services	Output	.09	.50	.25	.53
		GDP	.59	.21	.14	.30
		Employment	12.01	3.55	2.15	4.56
Administration	45 - Administrative and Support Services	Output	.02	.46	.27	.57
		GDP	.64	.19	.15	.32
		Employment	21.73	3.02	2.33	4.96
Total Expenditures from Delegates	56 - Travel, Entertainment, Advertising and Promotion	Output	.03	1.12	.13	.29
		GDP	0	.65	.09	.19
		Employment	0	10.66	1.16	2.53
Total Revenue Attributed to Visitors	49 - Arts, Entertainment and Recreation	Output	.03	.61	.22	.48
		GDP	.51	.26	.12	.27
		Employment	19.21	5.18	1.89	4.14
Total Expenditures from Visitors	56 - Travel, Entertainment, Advertising and Promotion	Output	.03	1.12	.13	.29
		GDP	0	.65	.09	.19
		Employment	0	10.66	1.16	2.53

Source: BC Statistics (2007)

APPENDIX G: Spending and the Corresponding Industry Multipliers for Federal and Provincial Taxes with Safety Net

Spending	Industry Multiplier	Tax Type	Direct Multiplier	Indirect Multiplier	SN Induced Multiplier
Staff	18 - Arts, Entertainment and Recreation	Federal	.027	.019	.017
		Provincial	.030	.017	.019
Hospitality	19 - Food Services and Drinking Places	Federal	.024	.016	.014
		Provincial	.036	0.014	0.15
Promotions & Advertising	14 - Professional, Scientific and Technical Services	Federal	.042	.016	.020
		Provincial	.029	.013	.021
Production	14 - Professional, Scientific and Technical Services	Federal	.042	.016	.020
		Provincial	.029	.013	.021
Professional Fees	14 - Professional, Scientific and Technical Services	Federal	.042	.016	.020
		Provincial	.029	.013	.021
Administration	15 - Administrative and Support Services	Federal	0.39	.015	.020
		Provincial	.034	.013	.022
Total Expenditures from Delegates	22 - Travel, Entertainment, Advertising and Promotion	Federal	0	.037	.011
		Provincial	0	.035	.012
Total Revenue Attributed to Visitors	18 - Arts, Entertainment and Recreation	Federal	.027	.019	.017
		Provincial	.030	.017	.019
Total Expenditures from Visitors	22 - Travel, Entertainment, Advertising and Promotion	Federal	0	.037	.011
		Provincial	0	.035	.012

Source: BC Statistics (2007)

APPENDIX H: Spending and the Corresponding Industry Multipliers for Federal and Provincial Taxes without Safety Net

Spending	Industry Multiplier	Tax Type	Direct Multiplier	Indirect Multiplier	NSN Induced Multiplier
Staff	18 - Arts, Entertainment and Recreation	Federal	.030	.022	.040
		Provincial	.031	.018	.042
Hospitality	19 - Food Services and Drinking Places	Federal	.027	.018	.034
		Provincial	.038	.015	.037
Promotions & Advertising	14 - Professional, Scientific and Technical Services	Federal	.027	.018	.034
		Provincial	.038	.015	.037
Production	14 - Professional, Scientific and Technical Services	Federal	.027	.018	.034
		Provincial	.038	.015	.037
Professional Fees	14 - Professional, Scientific and Technical Services	Federal	.027	.018	.034
		Provincial	.038	.015	.037
Administration	15 - Administrative and Support Services	Federal	.047	.017	.046
		Provincial	.037	.014	.049
Total Expenditures from Delegates	22 - Travel, Entertainment, Advertising and Promotion	Federal	0	.043	.024
		Provincial	0	.039	.026
Total Revenue Attributed to Visitors	18 - Arts, Entertainment and Recreation	Federal	.030	.022	.040
		Provincial	.031	.018	.042
Total Expenditures from Visitors	22 - Travel, Entertainment, Advertising and Promotion	Federal	0	.043	.024
		Provincial	0	.039	.026

Source: BC Statistics (2007)

APPENDIX I: Economic Results Table

Initial Expenditure	\$1,602,318	
	With Safety Net	Without Safety Net
Industry Output		
Direct Impact	\$44,905	\$44,905
Indirect Impact	\$1,541,844	\$1,541,844
Induced Impact	\$218,243	\$479,733
Total Impact	\$1,804,922	\$2,066,482
Gross Domestic Product		
Direct Impact	\$129,291	\$129,291
Indirect Impact	\$710,319	\$710,319
Induced Impact	\$131,146	\$278,694
Total Impact	\$970,756	\$1,118,304
Employment (person years)		
Total Local Jobs	4.03	4.03
Total Non-Local Jobs	15.74	17.99
Total Jobs in BC	19.77	22.02
Total Taxes		
Federal	\$77,523	\$109,044
Provincial	\$146,215	\$109,971
Total	\$223,738	\$219,015

APPENDIX J: Breakout West Music Festival Economic Impact Compared to 2007 Juno Awards Economic Impact

	Breakout West Music Festival	Juno Awards ²	Variance
Initial Expenditure	\$1,502,318	\$1,078,567	28%
Output			
Direct Impact	\$44,905	\$1,751,547	
Indirect Impact	\$1,541,844		
Induced Impact	\$218,243	\$611,125	
Total Impact	\$1,804,992	\$2,362,671	-30.9%
Gross Domestic Product			
Direct Impact	\$129,291	\$246,544	
Indirect Impact	\$710,319	\$533,895	
Induced Impact	\$131,146	\$296,792	
Total Impact	\$970,756	\$1,077,205	-11%
Employment			
Total Impact	19.77	18.825	4.8%
Taxes			
Federal	\$77,523	\$199,951	
Provincial	\$146,215	\$173,523	
Total	\$223,738.00	\$373,474	-66.92%
Benefit – Cost Ratio			
Total	3.43	4.11	-19.79%

Source: Paradigm Consulting Group (2007), modified by the Student Researcher

² The Juno Awards had an operational budget of \$2.3 million which is four times as large as the Breakout West Music Festival. The economic results provided by Paradigm Consulting (2007) on the 2007 Juno Awards Economic Impact Assessment was divided by four to ensure validity when comparing the 2010 Breakout West Music Festival with the 2007 Juno Awards.

APPENDIX K: Cost-Benefit Ratio

Benefit-Cost Ratio = $\frac{\text{Total Output (Direct, Indirect and Induced)}}{\text{Event Organizers Total Organizational Budget}}$

Benefit-Cost Ratio using a Safety Net = $\frac{\$1,804,991.42}{526,163.88} = 3.43$

Benefit-Cost Ratio without a Safety Net = $\frac{\$2,066,481.36}{526,163.88} = 3.93$



AGENDA

1. Background Information
2. Purpose of the Study
3. Research Methodology
4. Findings
5. Conclusions & Recommendations
6. Question / Answer Period

BACKGROUND INFORMATION

- 2002, Prairie Music Alliance collaborated with Music Industry Associations of BC and Yukon.
 - Formed the Western Canadian Music Alliance (WCMA)
 - Event Organizers for the Breakout West Music Festival
- 2010 Breakout West Music Festival
 - Kelowna, BC
 - October 21- October 24, 2010

PURPOSE

1. Decision Statement
2. Research Objectives

DECISION STATEMENT

Did the Breakout West Music festival provide economic benefits to the Central Okanagan?

RESEARCH OBJECTIVES

- RO1.** What spending (**output**) did the Breakout West Music Festival generate in the Central Okanagan?
- RO2.** What **employment**, both locally and provincially, did the Breakout West Music Festival generate?
- RO3.** How did the Breakout West Music Festival contribute to **Gross Domestic Product (GDP)**?
- RO4.** What **tax revenue**, federal and provincial, did the Breakout West Music Festival generate?
- RO5.** What is the **distribution of total expenditures** by Breakout West tourists in the Central Okanagan (by percent)?

METHODOLOGY

1. Research Design
2. Analysis

RESEARCH DESIGN

- Descriptive Research
 - Who, What, When, Where & How
- Primary Research
 - Intercept Survey conducted at Breakout West Music Festival on attendees
- Secondary Research
 - Breakout West Event Organizers Budget
 - National and International Delegates spending



ANALYSIS

- Inputs Required to conduct economic impact
 - Spending from Event Organizers, Visitors and Delegates
 - Input-Output Tables
 - Industry Multipliers
 - Direct, Indirect and Induced Impact



FINDINGS

1. Initial Spending
2. Output
3. GDP
4. Taxes

VISITORS' TICKET REVENUE

Single Tickets Sold	858
Single Venue Ticket Price	\$10
Total Single Ticket Revenue	\$9,590
Weekend Wristbands Sold	555
Weekend Wristband Ticket Price	\$20
Total Wristband Revenue	\$11,100
Total Revenue	\$20,690
Visitors as a percentage of total sales	34.5%
Total Ticket Revenue Attributed to Visitors	\$7,138



VISITORS' INITIAL SPENDING



Total Daily Spending from Visitors	\$179,132
Average number of nights stayed	3.38
Total Expenditures from Visitors	\$605,447



DELEGATES' SPENDING

Number of International and National Delegates	500
Average daily spending per delegate	\$139
Average number of days per delegate	3.5
Average party size per delegate	2.3
Average total spend per delegate party	\$1,316
Total Expenditures from Delegates	\$658,212

EVENT ORGANIZERS' SPENDING

Staff	\$54,948
Hospitality	\$20,000
Promotions & Advertising	\$20,000
Production	\$101,893
Professional Fees	\$4,750
Administration	\$9,350
Total Expenditures from Event Organizers	\$216,661

TOTAL INITIAL SPENDING

Visitors Ticket Revenue	\$73,978
Visitors Initial Spending	\$605,447
National and International Delegates	\$658,212
Event Organizers	\$216,661
Total Initial Spending	1,502,298

RO1. OUTPUT

	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Event Organizers	\$6,335	\$115,117	\$48,125	\$169,587
National and International Delegates	\$35,748	\$727,197	\$85,568	\$848,511
Visitors	\$18,823	\$691,530	\$81,546	\$791,899
Total Impact	\$44,905	\$1,541,844	\$218,243	\$1,804,991

RO3. GROSS DOMESTIC PRODUCT

	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Event Organizers	\$118,082	\$47,492	\$27,415	\$192,989
National and International Delegates	\$0.00	\$342,270	\$92,657	\$434,927
Visitors	\$11,308	\$320,557	\$51,075	\$482,941
Total Impact	\$129,391	\$710,319	\$131,146	\$970,757

RO4. TAXES

	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Federal Taxes	8.40%	\$50,811	\$18,307	\$77,523
Provincial Taxes	\$7,190	\$47,679	\$91,346	\$146,215
Total Taxes	\$15,595	\$98,484	\$109,654	\$223,738

Average daily tax revenue

- \$19,381 federally
- \$36,553 provincially

CONCLUSIONS AND RECOMMENDATIONS

1. Cost-Benefit Ratio
2. Implication for Practice
3. Recommendations

ECONOMIC IMPACT

Benefit-Cost Ratio =

$$\frac{\text{Total Output (Direct, Indirect and Induced)}}{\text{Event Organizers Total Organizational Budget}}$$

Breakout West Benefit-Cost Ratio =

$$\frac{\$1,804,991.42}{526,163.88} = 3.43$$

IMPLICATION & RECOMMENDATIONS

- Model has been developed
 - Use for future economic impact studies in the Central Okanagan
 - Determines Output, GDP, Employment, Taxes & Distribution of Tourist Income
- Benefit-Cost Ratio
 - When ratio > 1 Event was successful
 - When ratio < 1 Event is unsuccessful

THANK YOU

I would like to thank the board for listening to my analysis and at this time appreciate any input and questions you may be having

2010 BREAKOUT WEST MUSIC FESTIVAL ECONOMIC IMPACT ASSESSMENT

Prepared by: Katelyn Hartman, Student Researcher

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