



Economic Impact Assessment

Final Report – Kootenay Rockies Gran Fondo – Cranbrook, BC

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WHAT IS EI?

Economic Impact Assessment (EIA) studies measure the positive change in economic activity resulting from hosting an event in a specific city/town. There are three factors:

1. The spending of out-of-town visitors while they attend the event(s);
2. The expenditures of the event organizers in producing the event(s);
3. Capital construction costs that are directly attributed to hosting the event(s).

An EI study calculates the amount of new money being spent in the host community as a direct result of hosting the event(s), and then the impact these new monies have on the regional, provincial and national economies as a whole.



HOW DO WE MEASURE EI?

Sport Tourism Canada (formerly the Canadian Sport Tourism Alliance) has developed three tools called **STEAM**, **STEAMPRO** and **FESTPRO** to predict, collect, measure and analyze event data across the three primary channels.

STEAM is designed specifically as a predictive model to determine the expected economic impact of hosting a sport event, while **STEAMPRO** is utilized to generate the economic impact from actual spending data during the sport event itself.

STC's latest tool, called **FESTPRO**, is the sister model to **STEAMPRO**. It measures the economic impact of non-sport events like festivals, exhibitions and fairs using actual spending data collected during the event.

Our economic impact services empower event organizers and host cities to accurately assess economic impact resulting from hosting a specific event in a specific location.

RELIABILITY OF THE MODEL

In order to produce economic contribution assessments that are robust and reliable, STC has partnered with the **Canadian Tourism Research Institute (CTRI)** at **The Conference Board of Canada**. The CTRI serves the travel and tourism industry in providing sound economic forecasts and models with timely and insightful interpretation of data specifically relevant to travel.

The findings in this report make use of the most current and detailed input-output tables and multipliers available from Statistics Canada and leverages the credibility and robustness of sector specific tax data available from Statistics Canada's Government Revenues Attributable to Tourism (GRAT) report.



The Conference Board
of Canada



Statistics
Canada



Government Revenues
Attributable to Tourism

MODEL OUTPUTS

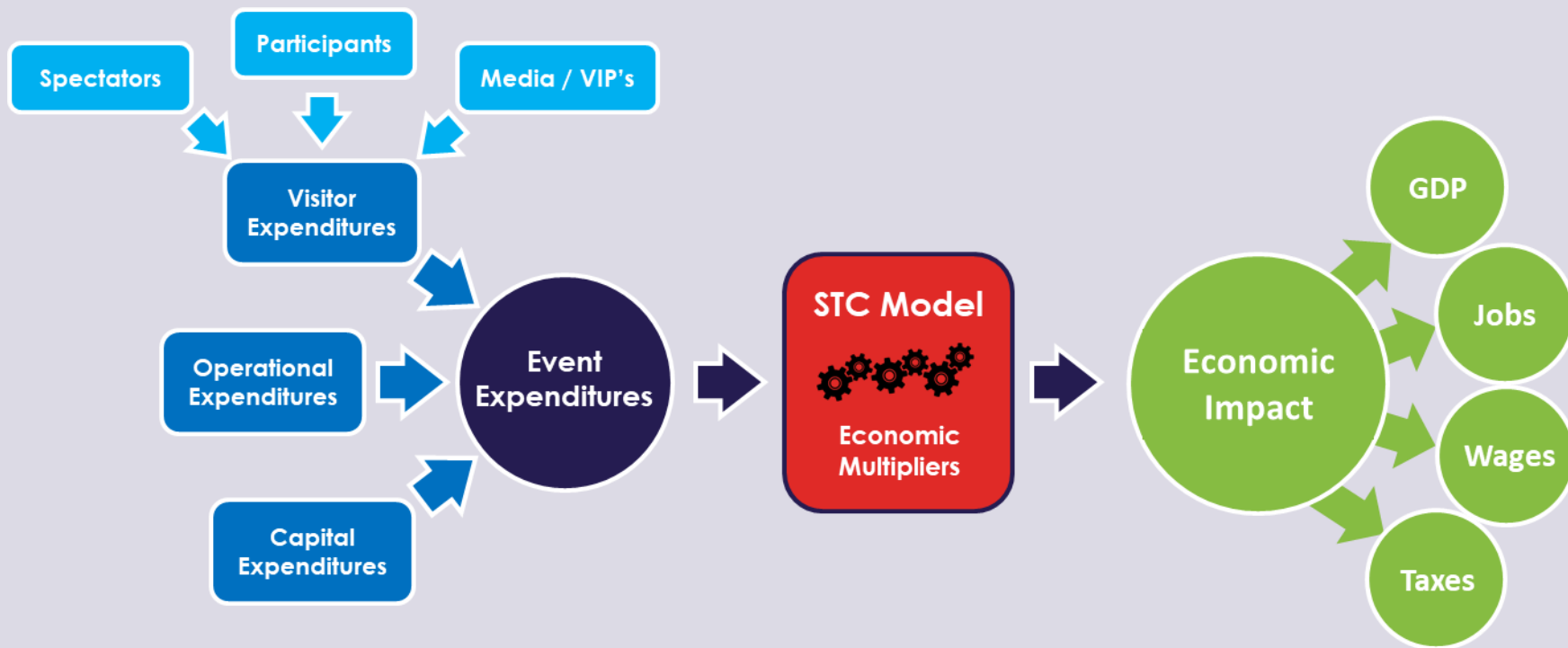
The elements (outputs of the model) used to measure the economic impacts are:

- Gross Domestic Product (GDP)
- Wages & Salaries
- Employment
- Taxes
- Industry Output

STC's **STEAMPRO** measures the direct, indirect & induced effects for each of these elements.



HOW IT WORKS



METHODOLOGY

The visitor statistics cited in this report were derived from an online survey that was distributed to participants from the event organizers following the event.



The survey was developed by STC specifically for this event and included a variety of questions for participants with regards to their age, place of residence, days attended, event experience, etc., while respondents from out-of-town were asked about their length of stay in the local area, and the amount of money spent in various categories while in the area. Additionally, respondents were asked about their experience while in the area for the event along with travel preferences and likelihood of returning to the area, and the event in the future.



With **150** valid responses gathered from attendees in the surveying process produces a confidence level of +/-8.0% (at the 95% confidence level) for the results contained in this report.



THE EVENT

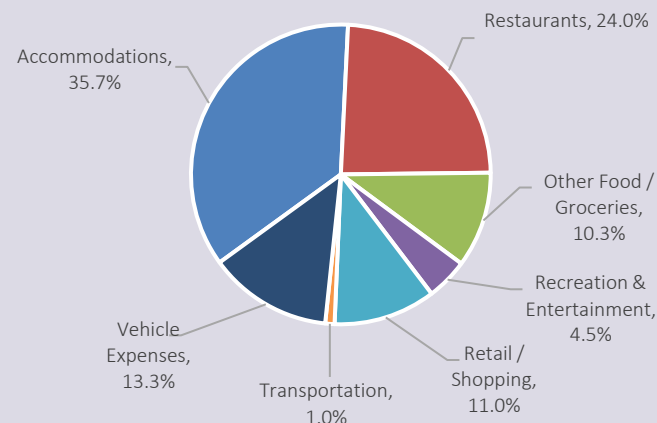
The Kootenay Rockies Gran Fondo is a world-class, fun and friendly cycling challenge for all ages and abilities. Participants experienced jaw dropping scenery at the foot of the Canadian Rockies while crossing three spectacular rivers. The 2023 edition took place September 9, 2023, in and around Cranbrook, British Columbia.



VISITOR SPENDING

	Per Party	Overall
Accommodations	\$263.15	\$130,628
Restaurants	\$176.63	\$89,834
Other Food / Groceries	\$76.08	\$38,695
Recreation & Entertainment	\$33.18	\$16,875
Retail / Shopping	\$81.60	\$41,504
Transportation	\$7.72	\$3,928
Vehicle Expenses	\$98.16	\$49,925
Total	\$736.53	\$371,390

Aggregate visitor spending
was just under **\$223,000**



OPERATIONAL & CAPITAL EXPENDITURES

To ensure the successful operation and staging of this event, the combined purchase of **goods and services** by the Kootenay Rockies Gran Fondo organizers were just over \$64,000.

Operational

\$64,062

Capital

\$0

These operational expenditures include, but are not limited to marketing and advertising services, insurance, facility rental, merchandise, and other supplies and expenses.

THE EI RESULTS

The combined spending of out-of-town participants, staff, spectators and other people who visited Cranbrook for the Kootenay Rockies Gran Fondo, in combination with the expenditures made by the event organizers, totalled \$435,452, supporting just under \$618,000 in overall economic activity in British Columbia, including almost \$531,000 of economic activity in the Cranbrook area.

These expenditures supported over \$180,000 in wages and salaries in the province through the support of 4.3 jobs, of which 3.8 jobs and over \$147,000 in wages and salaries were supported locally.

The total net economic activity (GDP) generated by the 2023 Kootenay Rockies Gran Fondo was:

- \$375,433 for Canada as a whole
- \$298,362 for the province of British Columbia
- \$231,119 for the city of Cranbrook

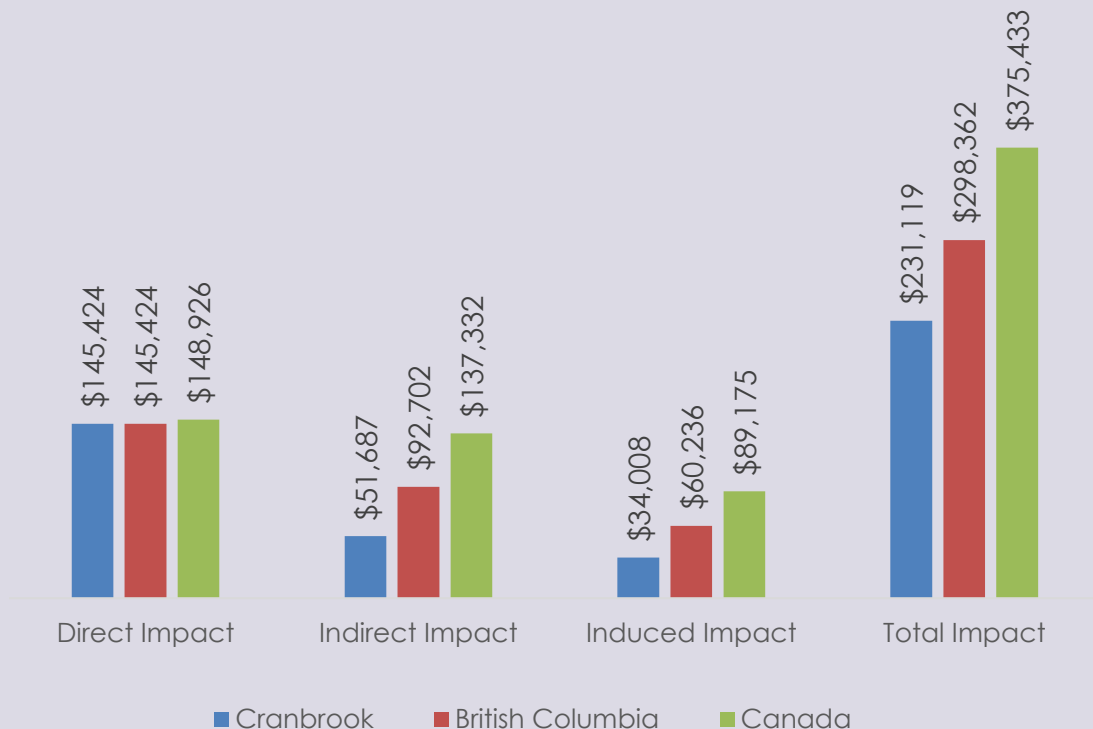
The 2023 Kootenay Rockies Gran Fondo supported tax revenues totaling \$138,558 across Canada.

	Cranbrook	British Columbia	Canada
Initial Expenditure	\$435,452	\$435,452	\$435,452
GDP	\$231,119	\$298,362	\$375,433
Wages & Salaries	\$147,129	\$180,402	\$222,287
Employment	3.8	4.3	4.9
Total Taxes	\$95,836	\$113,915	\$138,558
Federal	\$46,918	\$55,346	\$66,845
Provincial	\$39,835	\$49,513	\$60,173
Municipal	\$9,083	\$9,056	\$11,541
Industry Output	\$530,860	\$617,603	\$785,398

GROSS DOMESTIC PRODUCT

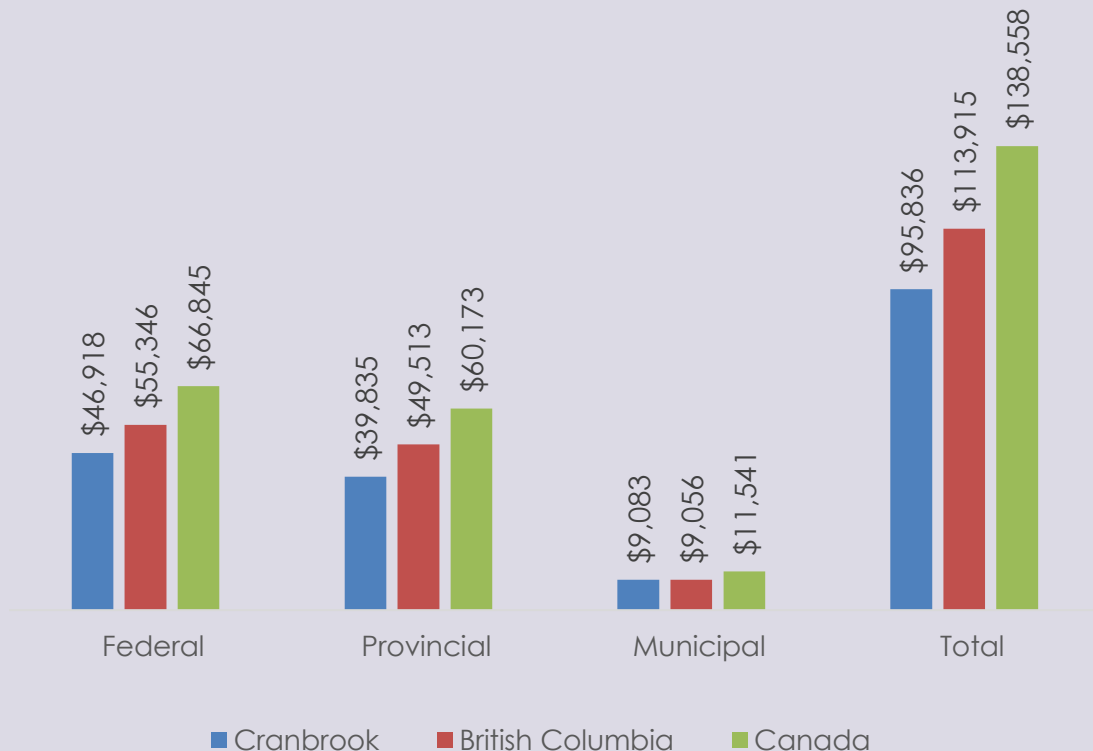
GDP (at basic prices)

The hosting of the **2023 Kootenay Rockies Gran Fondo** in Cranbrook contributed just over **\$375,000** in GDP to the Canadian economy through direct and spin-off impacts.



TAXES

The 2023 Kootenay Rockies Gran Fondo hosted in **Cranbrook** contributed just under **\$139,000** in federal, provincial, and local **taxes** through direct and spin-off effects throughout Canada.



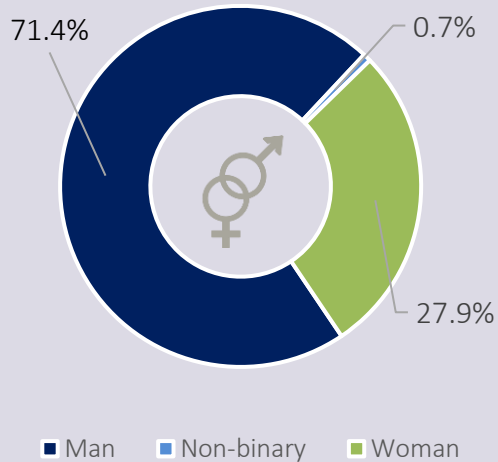
ADDITIONAL QUESTIONS



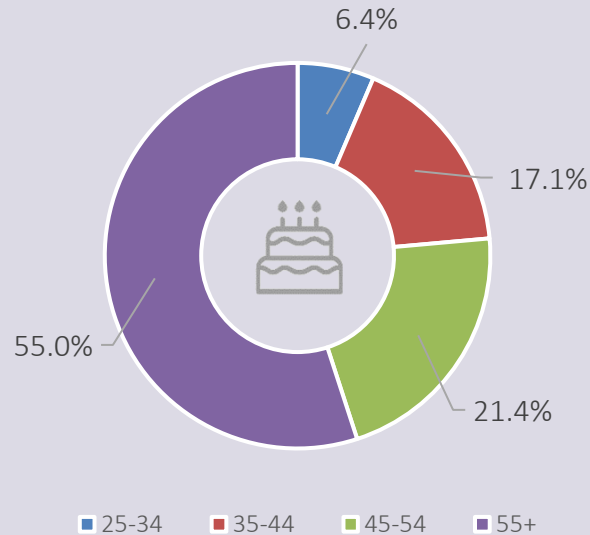
The following pages summarize the results from questions that were included as part of the survey but were not all necessarily required for the economic impact analysis calculations.

DEMOGRAPHICS

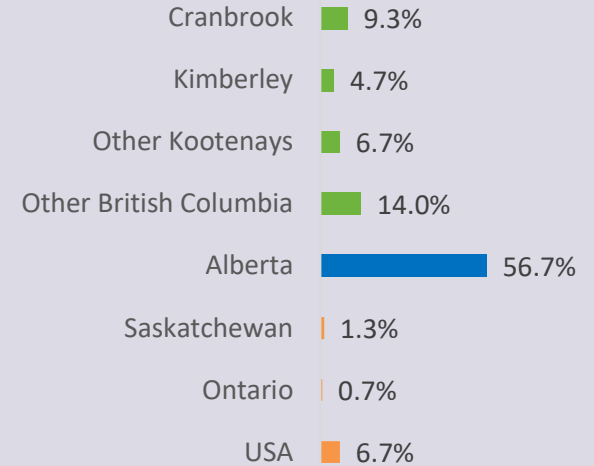
Gender



Age Range



Place of Residence



TRAVEL CHARACTERISTICS

98% of out-of-town attendees stayed overnight during their visit to Cranbrook



Location	Stayed	Nights
Cranbrook	49.2%	2.3
Kimberley	34.7%	4.0
Other Kootenays	8.9%	1.7
Elsewhere	12.1%	1.3

Average nights for event = **2.7**



Of those staying overnight...

- **38%** Stayed in a hotel / motel
- **18%** Stayed with friends/family
- **15%** Stayed in their 2nd property
- **15%** Camped
- **14%** Used a short-term rental



Average travel party size = **2.1** people

71% of attendees indicated that this event was the sole reason for their visit to Cranbrook.

Overall, the importance of this event in influencing visitation to Cranbrook was **9.3/10**.



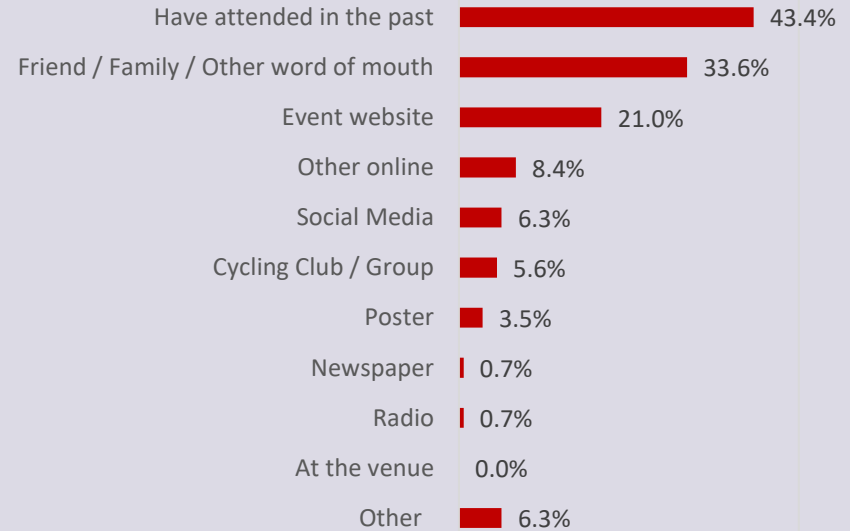
2% of out-of-town attendees made an average of **1.3** day-trips to Cranbrook

ATTENDANCE CHARACTERISTICS

Supporters / Spectators

The average participant had **1.8** people accompany them to the event

Learned About the Event

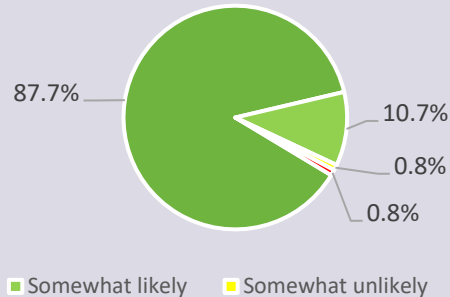


TOURISM RELATED

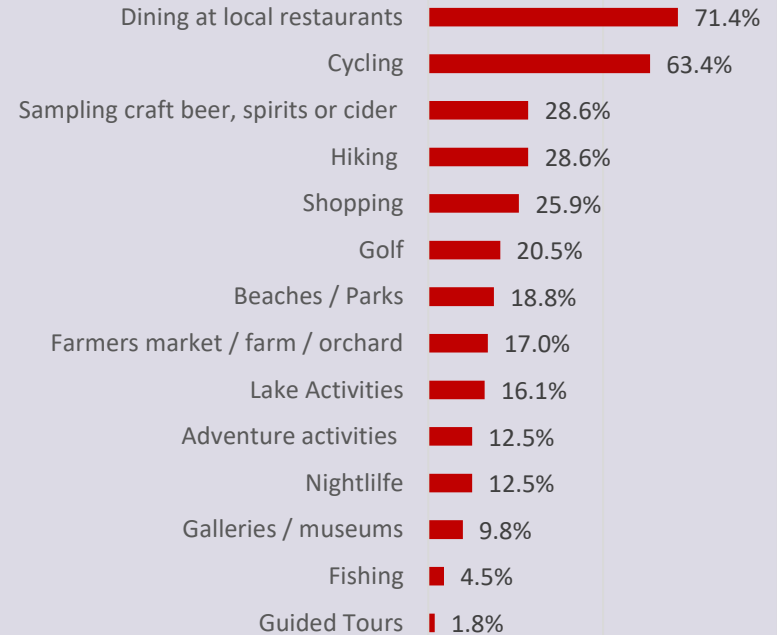
Extended Stay Before / After Event



Likelihood of Returning to the Area



Activities While in the Area



Very likely Somewhat likely Somewhat unlikely Very unlikely

SUMMARY | BY THE NUMBERS

2023 Kootenay Rockies Gran Fondo – Key Facts & Figures

\$435,452 of initial expenditures	\$223,000 of visitor spending	3.8 local jobs supported by the event	\$617,603 overall economic activity in the province
1,071 out of town visitors* in Cranbrook	\$147,129 of wages and salaries supported locally	\$298,362 boost to provincial GDP	\$138,558 in taxes supported across Canada

** Visitors derived from attendance figures obtained from event organizers combined with results from the survey.*

APPENDIX – GLOSSARY OF TERMS

Initial Expenditure - This figure indicates the amount of initial expenditures used in the analysis. This heading indicates not only the total magnitude of the spending but also the region in which it was spent (thus establishing the "impact" region).

Direct Impact - Relates ONLY to the impact on "front-line" businesses. These are businesses that initially receive the operating revenue or tourist expenditures for the project under analysis. From a business perspective, this impact is limited only to that particular business or group of businesses involved. From a tourist spending perspective, this can include all businesses such as hotels, restaurants, retail stores, transportation carriers, attraction facilities and so forth.

Indirect Impact - Refers to the impacts resulting from all intermediate rounds of production in the supply of goods and services to industry sectors identified in the direct impact phase.

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.

Gross Domestic Product (GDP) - This figure represents the total value of production of goods and services in the economy resulting from the initial expenditure under analysis (valued at market prices). **GDP (at factor cost)** - This figure represents the total value of production of goods and services produced by industries resulting from the factors of production. The distinction to GDP (at market prices) is that GDP (at factor cost) is less by the amount of indirect taxes plus subsidies.

Wages & Salaries - This figure represents the amount of wages and salaries generated by the initial expenditure. This information is presented by the aggregate of direct, indirect, and induced impacts.

Employment - Depending upon the selection of employment units (person-years or equivalent full-year jobs) these figures represent the employment generated by the initial expenditure. "Equivalent Full-Year Jobs", if selected, include both part-time and full-time work in ratios consistent with the specific industries.

Industry Output - These figures represent the direct & indirect and total impact (including induced impacts) on industry output generated by the initial tourism expenditure. It should be noted that the industry output measure represents the sum total of all **economic activity** that has taken place and consequently could involve some double counting on the part of the intermediate production phase. Since the Gross Domestic Product (GDP) figure includes only the net total of all economic activity (i.e. considers only the value added), the industry output measure will always exceed or at least equal the value of GDP.

Taxes - These figures represent the amount of taxes contributed to municipal, provincial, and federal levels of government relating to the project under analysis.

CONTACT INFORMATION

If you have any questions concerning the findings in this report, please contact:

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If you would like to conduct another EI study using **STEAM**, **STEAMPRO** or **FESTPRO** on any other type of event, please contact research@sporttourismcanada.com

