



# Economic Impact Assessment (Prediction)

2020 Arctic Winter Games – Whitehorse, YK

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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, or region.

There are three factors:

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

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

# HOW DO WE MEASURE EI?

The Canadian Sport Tourism Alliance (CSTA) has developed three tools called **steam<sup>2.0</sup>**, **steam pro<sup>2.0</sup>** and **fest pro** to predict, collect, measure and analyze event data across the three primary channels.

**steam<sup>2.0</sup>** is designed specifically as a predictive model to determine the expected economic impact of hosting a sport event, while **steam pro<sup>2.0</sup>** is utilized to generate the economic impact from actual spending data during the sport event itself.

CSTA's latest tool, called **fest pro**, is the sister model to **steam pro<sup>2.0</sup>**. 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.

# STEAM VS. STEAM PRO

**steam<sup>2.0</sup>** uses standardized visitor expenditure profiles that have been developed with primary data provided by the event organizer, which is then supplemented with data from Statistics Canada. The model makes adjustments to the expenditure profile used in the preparation of the impact assessment based on these demographic characteristics, as well as the location of the event. This spending estimate is then combined with expected capital and operations expenditures to produce an overall estimate of the expenditures associated with the event, which is then entered into the economic impact assessment component of the model.

Using the same framework, **steam pro<sup>2.0</sup>** is an enhanced version of **steam<sup>2.0</sup>** featuring primary data collection on-site and detailed analysis. Its tag line *real data • real time* highlights the impact of live information collected directly from spectators and participants during the sport event which includes actual spending data.

For this unique study on the projected loss of economic impact resulting from the cancellation of this event, CSTA has used **steam<sup>2.0</sup>** and has integrated real figures where available to assess the projected loss of economic impact from the 2020 Arctic Winter Games.

# 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



Both CSTA's **steam<sup>2.0</sup>** & **steam pro<sup>2.0</sup>** measure the direct, indirect & induced effects for each of these elements specifically for sport events.

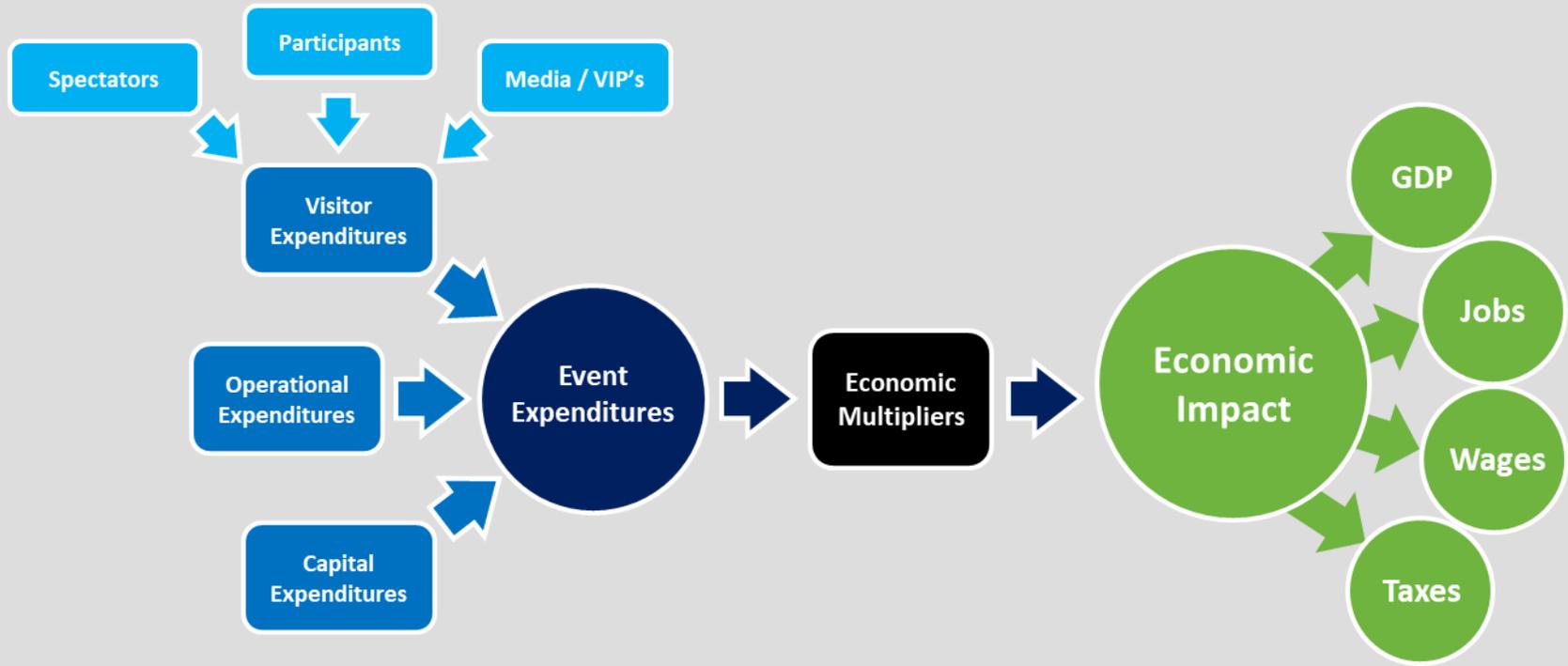
# RELIABILITY OF THE MODEL

In order to produce economic contribution assessments that are **robust** and **reliable**, the CSTA 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 most 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.



# HOW IT WORKS



# 2020 ARCTIC WINTER GAMES

On March 15, the Yukon was set to welcome 2,000 athletes, coaches, mission staff, officials and cultural performers from nine contingents for the 2020 Arctic Winter Games (AWG). Unfortunately, with the spread of COVID-19 and following a recommendation from Yukon's active Chief Medical Officer of Health, the Games have been cancelled.

The AWG are a high-profile Circumpolar sport competition for northern and Arctic athletes. The first Games were held in Yellowknife in 1970, with 500 participants from Yukon, NWT and Alaska. Participants now come from Alaska, Northern Alberta, Yukon, Nunavut, Nunavik, Northwest Territories, Russia, Greenland, Finland & Norway.

The Games were to be hosted at 15 venues in Whitehorse, on the traditional territories of the Kwanlin Dün First Nation and the Ta'an Kwäch'än Council.



# ASSUMPTIONS

This report has been compiled utilizing the CSTA's **steam<sup>2.0</sup>** model and populated with information provided by event organizers and Sport Yukon, as well as data taken from a **steam pro<sup>2.0</sup>** study on the 2018 Arctic Winter Games. The data built into the **steam<sup>2.0</sup>** model, combined with the conservative estimates in the table below, along with the operational budget submitted, is what derives the economic impact outputs throughout this report.

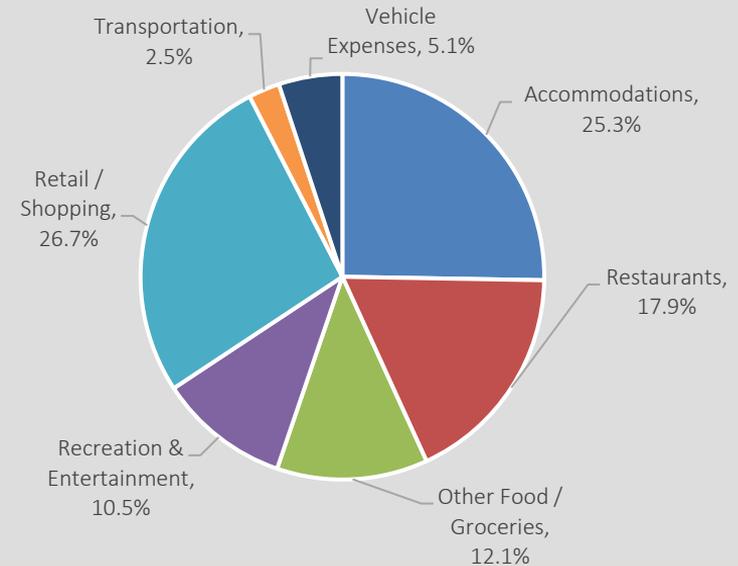
	Participants *	Out-of-Town Spectators	Media	VIP's
People	1953	900	102	293
% from out-of-town	80%	100%	70%	5%
Average number of nights	8	7	6	6

*\* Participants in this report includes athletes, coaches, support staff, etc.*

# EXPECTED VISITOR SPENDING

Category	Expected Visitor Spending
Accommodations	\$371,450
Restaurants	\$261,892
Other Food / Groceries	\$176,880
Recreation & Entertainment	\$153,613
Retail / Shopping	\$390,900
Transportation	\$36,811
Vehicle Expenses	\$74,869
<b>Total</b>	<b>\$1,466,415</b>

Aggregate visitor spending projected at nearly **\$1.5 million**



# EXPECTED EVENT EXPENDITURES

Event organizers had an operational budget of over **\$6.1 million** for various goods and services required for hosting the 2020 Arctic Winter Games.

Existing facilities were sufficient to host this event, but, prior to the event cancellation, organizers invested **\$110,275** in various machinery and equipment to both host this event and provide a legacy for future events.

Operational Expenditures	
Salaries, Fees and Commissions	\$1,219,000
Advertising & Marketing	\$96,500
Professional Services	\$902,830
Insurance	\$10,000
Facility, Venue, and Office Rental	\$244,475
Communication	\$267,490
Other Supplies	\$246,500
Food and Beverages	\$822,618
Event Accommodations	\$479,740
Travel Costs	\$347,460
Transportation and Storage	\$598,250
Other Expenses	\$503,355
<b>Total</b>	<b>\$6,139,108</b>

# THE EXPECTED EI RESULTS

The combined spending of out-of-town athletes, non-competing supporters, spectators and other parties who were expected to visit Whitehorse for the event, in combination with the anticipated expenditures made by the organizers of the event, totals \$7.7 million, supporting \$9.96 million of overall economic activity in the Yukon, including \$9.19 million of economic activity in Whitehorse.

These expenditures would support \$4.1 million in wages and salaries in the territory through the support of 42 jobs, of which 32 jobs and \$3.2 million in wages and salaries would be supported locally.

The total net economic activity (GDP) expected to be generated by the 2020 Arctic Winter Games was:

- \$6.1 million for Canada as a whole
- \$5.7 million for the territory of the Yukon
- \$4.4 million for the city of Whitehorse

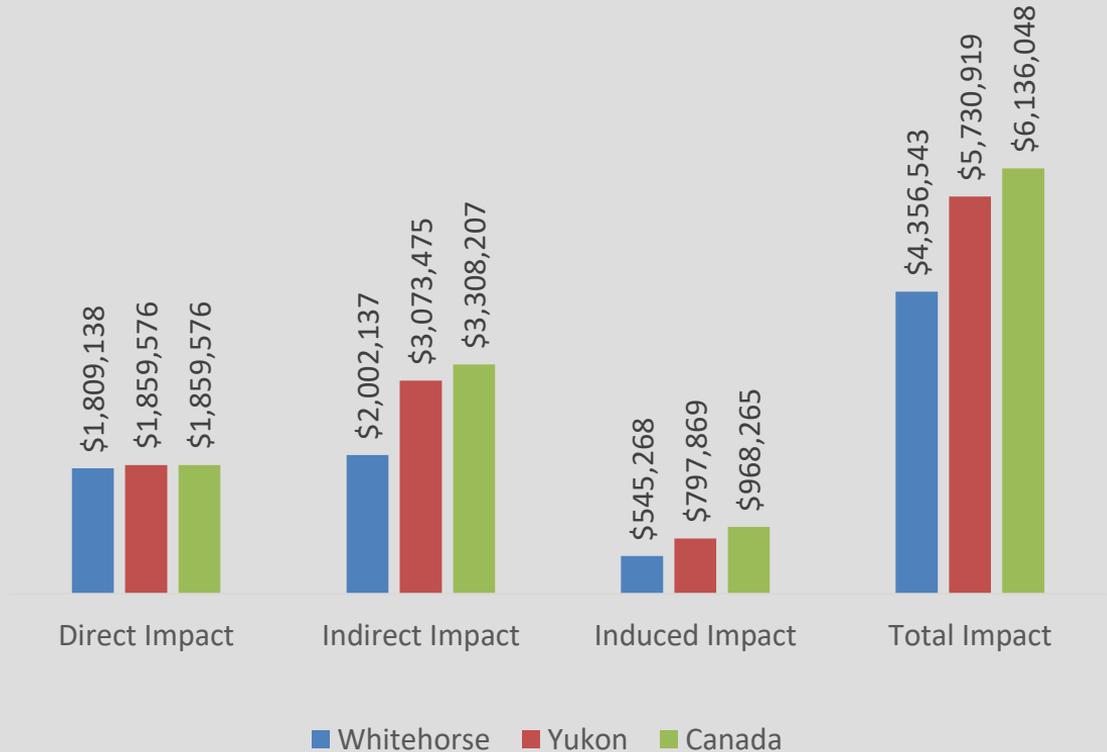
The 2020 Arctic Winter Games would also have expected to support tax revenues totaling just over \$1.3 million across Canada.

	Whitehorse	Yukon	Canada
Initial Expenditure	\$7,715,778	\$7,715,778	\$7,715,778
GDP	\$4,356,543	\$5,730,919	\$6,136,048
Wages & Salaries	\$3,209,514	\$4,090,570	\$4,321,188
Employment	31.7	41.5	44.6
Total Taxes	\$938,704	\$1,238,911	\$1,327,478
Federal	\$481,521	\$624,931	\$665,618
Provincial	\$361,077	\$490,152	\$516,136
Municipal	\$96,106	\$123,911	\$145,724
<b>Industry Output</b>	<b>\$9,187,624</b>	<b>\$9,958,047</b>	<b>\$10,770,278</b>

# GROSS DOMESTIC PRODUCT

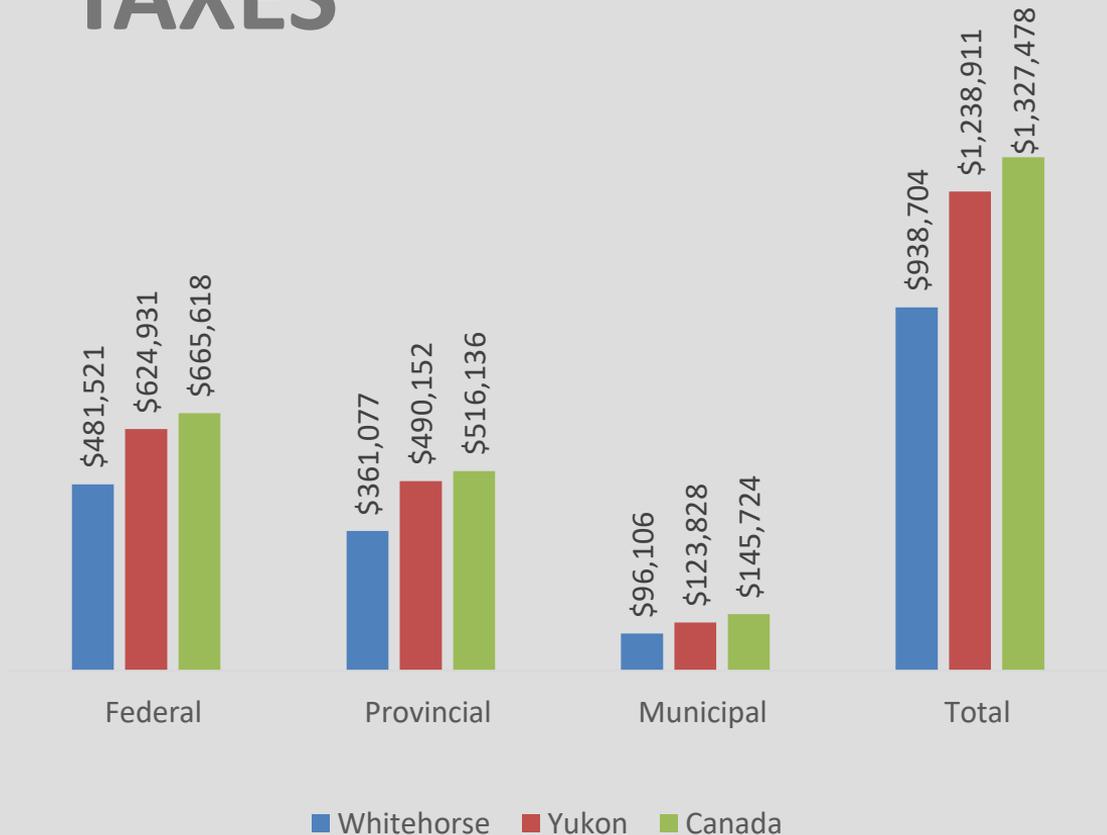
## GPD (at basic prices)

The 2020 Arctic Winter Games in Whitehorse was expected to contribute just over **\$6.1 million** in GDP to the Canadian economy through direct and spin-off impacts.



# TAXES

The 2020 Arctic Winter Games was expected to contribute over **\$1.3 million** in federal, provincial, and local taxes through direct and spin-off effects throughout Canada.



# SUMMARY | BY THE NUMBERS

## 2020 Arctic Winter Games – Expected Key Facts & Figures

<b>1,953</b> expected participants	<b>\$1.47 million</b> (projected) in visitor spending during event	<b>32</b> local jobs expected to be supported by the event	<b>\$9.96 million</b> in expected economic activity in the Yukon
<b>900</b> expected out-of-town visitors in Whitehorse	<b>\$3.2 million</b> of wages and salaries expected to be supported locally	<b>\$5.7 million</b> expected boost to territory GDP	<b>\$1.3 million</b> in taxes expected to be supported across Canada

# QUESTIONS?

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

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604.787.3605

If you would like to conduct another EI study using **steam<sup>2.0</sup>** or **steam pro<sup>2.0</sup>** on a future sport event or **fest pro** (for a non-sport event), please contact [research@canadiansporttourism.com](mailto:research@canadiansporttourism.com) . For more information about the **Canadian Sport Tourism Alliance**, visit our website at [www.canadiansporttourism.com](http://www.canadiansporttourism.com)