



Impacts of community events and festivals on rural places

June 2011

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EXECUTIVE SUMMARY

This research provides a literature-review-based overview of community events and festivals. This report also considers the event categories, their importance and the associated impacts on rural communities. The report reviews examples from Canada and other jurisdictions.

Events and festivals tourism is one of the fastest growing forms of tourism. They are becoming increasingly popular in rural areas as a means to revitalize local economies. Festivals and special events play important roles in destination development, image makers, animators of static attractions, and catalysts for other developments.

The term 'event' is used to describe a wide range of activities many of which have quite different characteristics. Events vary from local community based events (e.g. Folk Festivals) to major events (e.g. The Olympics).

Events have direct and indirect impacts on communities. They provide opportunities for participation, skills development, volunteering and social, cultural economic and environmental developments. Community events and festivals can attract tourists and visitors at regional, national and international level. Events help to capture attention and promote attractions and infrastructures. They make it possible to maximize and rationalize the use of certain spaces. Preservation of these spaces may result in financial benefits and dissemination of artistic and cultural heritages.

Benefits of festivals to communities can be extensive, particularly when the draw is from outside the region. Research shows that the more involved local people and suppliers are in terms of provision of services, food, beverages, and attractions, the greater the economic benefits to the region. Local vendors, artisans, craftspeople, restaurateurs, hoteliers and innkeepers may make a large portion of their annual income during the course of an event.

Festivals and events have impacts that go well beyond what can be measured in economic terms. They contribute to the quality of life across Canada by strengthening communities, providing unique activities and events, building awareness of diverse cultures and identities, and acting as a source of community pride.

Community festivals and events are also revolutionizing businesses and prompting economic development across the globe. Community events, festivals and arts venues create jobs, support local businesses and attract visitors across the UK, USA and Australia. Governments offer a wide range of products and services to help promote community events in rural areas.

Community events and festivals can make a significant contribution for rural development with strategic planning, well-defined goals, local level partnerships and funding. However rural communities often organize tourism events to inject cash into their economies. This cash is not enough to achieve comprehensive rural economic development. Events assist the tourism businesses of the region but are not enough to revive the entire economy.

1. INTRODUCTION

Festivals and special events are known to play important roles in destination development as attractions, image makers, animators of static attractions, and catalysts for other developments¹. In addition to the economic benefit that is derived from the increased number of tourists, festivals and special events also expand the tourist season of the destination², provide cultural and educational opportunities, foster a feeling of community pride³, help conserve sensitive natural, social and cultural environments, and contribute to sustainable development⁴.

Event and festival tourism is one of the fastest growing forms of tourism. It is becoming increasingly popular in rural areas as a means to revitalize local economies. Advancing technologies and changing weather patterns (i.e. increase in droughts and floods/storms) have brought about the need for diversification of industry in areas previously reliant on traditional industries such as farming, or narrowly focused tourism industries. Events and festivals have been used with great success in many such areas as a means to draw people to regions that traditionally have a seasonal tourist appeal⁵.

According to a survey conducted by the International Festival and Event Association (IFEA), the special events industry is estimated to include some 4 to 5 million regularly reoccurring events and has a significant economic impact globally⁶. The advantages of festivals and special events are demonstrated more explicitly in rural settings, particularly in boosting local economies, continuing employment, and rural destination promotion⁷.

Every year, festivals and events generate more than 22,000 jobs in Ontario. Tourism spending contributes more than \$22 billion annually to the economy, and supports approximately 300,000 direct and indirect jobs in Ontario⁸.

2. SCOPE OF RESEARCH

This research provides a literature-review-based overview of community events and festivals. Different categories of events, their success factors and the associated impacts on rural communities are examined in this report. The report reviews examples from Canada and other jurisdiction of the world. Some other examples of economic impact analyses are attached as Appendix A.

¹ Getz, 1991

² Allen, O'Toole, McDonnell, & Harris, 2002

³ Mill & Morrison, 2002

⁴ Backman, Backman, Uysal, & Sunshine, 1995

⁵ <http://www.crctourism.com.au/wms/upload/Resources/bookshop/Estimate%20Econ%20Impacts%20Festivals-Events.pdf>

⁶ IFEA, 2007

⁷ Felsenstein & Fleischer, 2003 and Boo & Busser, 2006

⁸ <http://www.news.ontario.ca/mag/en/2011/05/ontario-modernizes-liquor-laws-1.html>

3. Background

3.1. *What is a Festival?*

A festival can be defined as “A series of performances of music, plays, films/movies, etc., usually organized in the same place once a year; a series of public events connected with a particular activity or idea”⁹.

3.2. *Definition of Events*

The term ‘event’ is used to describe a wide range of activities many of which have quite different characteristics. Such events range from the Olympic Games at the mega-event end of the scale to small regional festivals. An event can be defined as ‘a onetime or infrequently occurring event of limited duration that provides the consumer with a leisure and social opportunity beyond everyday experience’¹⁰.

3.3. *Categorization of Events*

Events vary from local community based events (eg Folk Festivals) to major events (eg The Olympics)¹¹. The nature of events can also differ due to the number of venues used during the event. Events can be all inclusive at one venue or held at many venues throughout a region. Multiple venue events are more difficult to evaluate or assess as boundaries become blurred, the sample and study area gets larger, and there is often a chance of counting the same visitor many times.

A framework for the categorization of events is useful for determining strategic gaps through the identification of different events, their timing, location and themes. It is also useful to classify events in order to assess economic performance against criteria such as the timing of the event (whether a summer or winter event), its location, or its themes (whether it is an active sports event, or a passive music event).

3.4. *Factors that make an event successful*

The thematic nature of events can be used to either justify or disqualify the benefits or advantages of events based on their importance to the host community¹². An event that spreads the seasonality of tourism in a region also distributes the flow of money into a region, increasing the opportunities for full time employment. Other factors that may contribute to a successful event could include¹³:

- Increasing visitor length of stay in region/town;
- Increasing visitor expenditure in region/town;
- Improving destination awareness; and
- Increasing civic pride or community solidarity.

⁹ Oxford University Press Dictionary, 2005

¹⁰ Jago and Shaw 1998

¹¹ *McDonnell et. al 1999:10*

¹² *Jago & McArdle, 1999:7*

¹³ <http://www.crctourism.com.au/wms/upload/Resources/bookshop/Estimate%20Econ%20Impacts%20Festivals-Events.pdf>

These factors are beneficial to a region and its tourism industry, although the cost at which they are obtained must be justified. Furthermore, these impacts differ due to the size and scale of the event ranging from a local community based event such as an art show to a mega-event, such as the Olympics. For instance, little real estate speculation could occur as a direct result of the hosting of a local event such as an art show, compared with the hosting of a mega-event such as the Olympic Games.

Festivals attract tourists who might otherwise never visit the area, and the benefits of festivals extend well beyond generating tourism dollars and include strengthening rural communities and enriching the quality of small-town life¹⁴. In addition to the social positives, holding festivals also improves the environment of the host community.

3.5. *The importance of festivals*

Events or festivals are, according to the South Australia Tourism Commission, celebrations of something the community wishes to share; their objective is to attract the maximum number of people to participate¹⁵ or, to provide¹⁶ the opportunity for “a public, themed celebration.”

Goldblatt suggests the increasing number of festivals is due to small and large communities seeing the opportunity to obtain tourism dollars¹⁷. Dwyer et al. further suggest that events are seen as creating income and jobs in the short term and generating increased visitation and related investment in the longer term¹⁸. All levels of government see them as a way to promote tourism¹⁹, while regional tourism operators use them as part of their marketing strategy. Festivals can be organized for reasons that include the preservation of culture and history and the provision of recreation and leisure²⁰ or for their ability to give an area a competitive advantage by targeting special interest markets that may lead to the meeting of social, economic, and environmental goals²¹. Festivals and community events have the ability to revitalize, reimage, and expand existing markets and in most cases bring economic benefit to the destination that stages them²²

Festivals have direct and indirect impacts on their communities through the opportunities they provide for; participation, skills development and volunteering. They can also have environmental and political impacts.

Benefits of festivals to communities can be extensive, particularly when the draw is from outside of the region. Local vendors, artisans, craftspeople, restaurateurs, hoteliers and innkeepers are kept busy and may indeed make a large portion of their annual income during the course of a weekend. Mainstreet revitalization can also be a positive economic spin-off from festivals and

¹⁴ Janiskee & Drews, 1998

¹⁵ South Australia Tourism Commission (1997)

¹⁶ Getz (1997)

¹⁷ Goldblatt (1997)

¹⁸ Dwyer et al. (2000a)

¹⁹ Walo, Bull, and Breen 1996

²⁰ Long and Perdue 1990

²¹ Getz 1997; Walo, Bull, and Breen 1996; Hall; 1989b

²² Goldblatt 1997; Hall 1992; Getz 1991

special events. Appearance improvements made for an annual celebration have year-round benefits and can create stimulus for improved downtown retailing and service industries.

3.6. *Importance of economic impact studies*

The economic impacts of events on the macro-economy of a region are categorized into primary and secondary economic impacts. The primary impact is the direct economic impact of the event measured by surveying participants or measuring business sales. Secondary impacts are those that result from the introduction of new money into the economy.

Economic impact studies provide a good tool to estimate the influence of particular events on the economy. The results of economic impacts are useful in making decisions and may assist developers and local politicians to justify public funds by citing the economic benefits events have for the whole community²³. The studies of economic impact focus on how a project can impact the surrounding community by creating employment, income, and helping territory spatial organization²⁴.

Economic impact is not just about direct or directly-induced expenditures. In a brief recently released by the National Governors Association (USA) on the Role of the Arts in Economic Development, it was noted that "the non-profit arts industry is a potent force in economic development nationwide. States and communities have integrated the arts into their economic development arsenal to achieve a wide range of direct and indirect economic goals. Arts and festivals assist municipalities in the following ways:

- They leverage human capital and cultural resources to generate economic vitality in underperforming regions through tourism, crafts, and cultural attractions;
- They restore and revitalize communities by serving as a centerpiece for downtown redevelopment and cultural renewal;
- They improve quality of life, expand the business and tax revenue base, and create a positive community image; and
- They make communities more attractive to highly desirable, knowledge-based employees thus stimulating new forms of knowledge-intensive production to flourish."

Events are increasingly used in place marketing and can offer the following advantages²⁵:

- They can attract tourists and visitors, both national and international. The tourism influx generated is especially welcome when it occurs in a medium or low-tourism season since it reduces seasonal ebbs.
- Events help to capture attention and promote attractions and infrastructures. They make it possible to maximize and rationalize the use of certain spaces. Preservation of these spaces may result in financial benefits and dissemination of artistic and cultural heritages.
- Through cultural events, places may attract not only tourists but also investments. The tourism industry that supports events generates employment and economic diversification.

²³ Gelan (2003)

²⁴ Goldman et al. (1997)

²⁵ Gibson, 1998; Getz, 2008

Other possible impacts of community events and festivals can be²⁶:

- Increased expenditures
- Creation of employment
- Increase in labor supply
- Increase in standard of living
- Increased awareness of the region as a travel/tourism destination
- Increased knowledge concerning the potential for investment and commercial activity in the region
- Creation of new accommodation and tourist attractions
- Increase in accessibility
- Construction of new facilities
- Improvement of local infrastructure
- Preservation of heritage
- Increase in permanent level of local interest and participation in types of activities associated with event(s)
- Strengthening of regional values and traditions
- Increased local pride and community spirit
- Increased awareness of non-local perceptions
- Enhanced international recognition of region and values
- Development of skills among planners

²⁶ Hall 1992: 8

4. SOME EXAMPLES FROM CANADA

4.1. Beaverhill Lake, Alberta

Beaverhill Lake, located in central Alberta, Canada, attracts thousands of Snow Geese and a wide variety of other birds on their spring migration. In turn, these birds attract thousands of bird watchers to the Lake and to Tofield, the nearest town (population of 1700 people). The annual Beaverhill Lake Snow Goose Festival, begun in 1993 and held in the third or fourth week of April, attracts 3000-7000 people each year²⁷. During the two-day festival, participants can go on a guided bus tour or hike, take a free shuttle bus to the lake, visit the nature centre, or take part in a wildlife trade show, art show, or nature's market.

Registered participants spent an average of \$32.68 per person, of which \$22.48 was spent in Tofield and \$10.20 outside of Tofield.

Nonregistered participants spent slightly less. In total, festival participants spent \$146,145, of which \$98,050 was spent in Tofield. By expenditure category, the percent spent in Tofield was, from highest to lowest, restaurants (94.6), souvenirs (91.7), miscellaneous costs (89.2), other costs (84.9), registration (83.2), groceries (46.7), accommodation (34.3), and travel (29.9). Festival organizers also spent \$12,000, of which \$7,200 was spent in Tofield. During the festival, 58% of businesses reported that they had attracted new customers.

Of responding businesses, 30% of sales during the week of the festival were attributed to the festival. More than a third (37%) reported a moderate increase in income during the festival season. During the festival, 32% of businesses reported expenditures on advertising and facility development. Most (58%) of the businesses indicated moderate/partial support and 11% of the businesses indicated an overwhelming support for the festival.

4.2. Sylvan Lake, Alberta

The Sylvan Lake supports year-round recreation suitable for all visitors. The summer months promote swimming, sailing, boating, and fishing, while the winter months offer hockey, cross-country skiing, snowmobiling, and ice fishing. Boasting a beautiful natural ice surface, the town is able to host activities such as the Sylvan Lake Pond Hockey Tournament and outdoor speed skating competitions, Jazz at the Lake Festival and Shake the Lake festivals. These events and festivals contribute to the town's economy²⁸.

- The Town of Sylvan Lake hosts approximately 906,744 visitors annually.
- Visitor spending creates an economic impact of \$48.4 million each year.
- Food, beverage, accommodations, and recreational spending account for over 80 per cent of all visitors spending.

²⁷ Economic Impact of a Wildlife Festival in rural, central Alberta by Glen Hvenegaard, Augustana University College

²⁸ <http://www.sylvanlake.ca/economic-development.htm>

4.3. *Arts and Culture, Edmonton, Alberta*

The Edmonton Arts Council and Economic Development Edmonton collaborated on two studies of the economic impact of Edmonton's non-profit arts and festival organizations on the economies of the Edmonton region and on the Province of Alberta²⁹. The study was limited to 101 arts and festival organizations that applied for an operating grant from the City of Edmonton in 2000 and which contributed detailed information on their operations and attendance during their 1999 season.

During the 1999 season the 101 participating organizations (representative of the "Arts and Culture" community in the Greater Edmonton Region) entertained an estimated total of 2,737,268 patrons including approximately 590,264 patrons visiting from outside Edmonton. The results show that each local resident attends approximately 3 performances or venues per year. Patrons spent an estimated \$57.7 million in Edmonton during their trips to participate in Edmonton's "Arts and Culture" activities. The "Arts and Culture" organizations themselves spend approximately \$40.3 million annually on local goods and services. When spin-offs to other parts of Alberta are included the total impact that Edmonton's "Arts and Culture" has on the province of Alberta grows to approximately \$116.6 million.

4.4. *Prince Edward County, Ontario*

Prince Edward County (PEC) is a rural community in Eastern Ontario. It is located in the heart of Canada's Creative Corridor between Toronto, Ottawa, and Montreal - a "mega region" that represents 50% of Canada's GDP³⁰. This location provides PEC with a unique opportunity for growth in the creative economy. In 2006, the population was 25,496; however, the median age for PEC was 47.7 compared to 39.0 for Ontario³¹. PEC has a higher percentage of its population between 25 and 64 with a university degree when compared to other areas in the province that are outside a major urban region (17.2% and 12.3% respectively)³².

Agriculture has a long history in PEC. The dominant agricultural sectors include dairy, beef, and grains and oilseeds³³. Prince Edward County is at the forefront of Ontario's new creative food movement³⁴. In fact, PEC is quickly becoming one of Canada's fastest growing wine regions and it has been officially designated as Ontario's 4th Designated Viticultural Area (DVA).

Tourism also plays a significant role in the PEC economy, drawing traditionally from its natural amenities including Sandbanks Provincial Park³⁵. Over the last decade, PEC has led an aggressive strategy to attract educated and creative workers to the area. PEC has attracted many 'Escape Artists', creative professionals who desire to leave the city to work and live in rural areas³⁶. PEC is already home to over a hundred independent artists and galleries complemented

²⁹ Economic Impact of Arts and Festivals on the Edmonton Region by *John Mahon (Edmonton Arts Council)* Presented at the October 2001 ARPA Conference, Red Deer, AB

³⁰ *Canada's Creative Corridor: Connecting Creative Urban and Rural Economic within Eastern Ontario and the Mega Region* (Toronto: AuthentiCity and Millier, Dickinson and Blais, 2009)

³¹ Statistics Canada, 2007.

³² Stolarick et al

³³ *Ibid.*

³⁴ Hall and Donald.

³⁵ Stolarick, et al.

³⁶ "Escape Artists," The Corporation of Prince Edward County,

http://www.pccounty.on.ca/government/corporate_services/economic_development/arts_culture_heritage/escape.php

by artistic institutions like the Regent Theatre and an annual Jazz Festival. The County also uses an aesthetically-pleasing website, www.buildanewlife.ca, to attract creative investment. PEC has further recognized the importance of industry clustering in the creative economy through the Taste Trail. This involves strategic partnerships and co-marketing between farms, cheese producers, wineries, breweries and restaurants in the County.

4.5. *Economic Impacts of 97 Festivals and Events of Ontario*

Ontario's festivals and events provide significant economic benefits for the province through spending by the festivals themselves and by their visitors³⁷. The report, "Economic Impacts of 97 Festivals and Events of Ontario" prepared for the Ontario Trillium Foundation, examines the economic impacts of various sizes of festivals and events in the province. The overall impact of 97 culture, sports, recreation and community festivals and events amounts to nearly \$80 million in economic return to the province's Gross Domestic Product (GDP).

The 97 festivals and events also generate over \$30 million in taxes for all levels of government and help create 2,600 jobs and over \$50 million in wages and salaries. This fact sheet highlights the breakdown of these key economic impact figures for small, medium and large festivals and events, including 39 small festivals and events (with expenditures up to \$75,000), 37 medium-sized festivals and events (with expenditures between \$75,000 and \$300,000), and 21 large festivals and events (with expenditures over \$300,000).

There are significant differences between the 97 festivals and events in terms of type of event, budget, attendance and location. The festivals and events include non-profit organizations involved in culture, sports, recreation and community-based initiatives. Their expenditures range from a few thousand dollars to nearly \$2 million, and attendance figures vary between 150 and 700,000. In addition to these differences, the festivals and events vary in their staffing and use of volunteers. These differences mean that the results presented here should not be used to calculate the economic impacts of any one festival or event.

4.6. *Economic Impact Analysis of ECBC's Festival and Events Initiative*

Enterprise Cape Breton Corporation (ECBC) launched its Festival and Events Program in fiscal year 2002/2003 to assist incorporated, non-profit organizations in Cape Breton interested in hosting festivals and events³⁸. Since that time ECBC has provided approximately \$729,000 in funding assistance to two hundred and fourteen festivals and events throughout Cape Breton and Mulgrave area.

These festivals and events were attended by over 1.12 million people, of which 27% were off-Island visitors. These approximately 300,000 off-Island visitors generated a positive economic impact of \$76.2 million on the Gross Domestic Product (GDP) of Cape Breton, created 2,621

³⁷ Trillium Foundation, the Ontario Arts Council and the Ontario Cultural Attractions Fund Fact Sheet 2: Analysis by Size of Festival Prepared for the Ontario Trillium Foundation, April 2003 by Hill Strategies (www.hillstrategies.com)

³⁸ <http://www.ecbcsecb.gc.ca/English/Publications/Studies/Pages/EconomicImpactAnalysisofECBC'sFestivalandEventsInitiative.aspx>

person years of employment for the area, and added approximately \$19.6 million to provincial and federal tax revenues during the four years of program funding.

Based on the net economic impact or Gross Domestic Product the total contribution to the Cape Breton economy from every \$1 in Festival and Events Program funding is \$104. Obviously the Festival and Events Program has made a very significant contribution to the Cape Breton economy over the past four years.

5. EXAMPLES FROM OTHER JURISDICTIONS

5.1. UK

a) *The creative economy*

The arts are an important part of the rural economy. Across the country, arts venues create jobs, support local businesses and attract visitors³⁹. Cumbria, for example, has 21 theatres, each contributing to local cultural, social and economic vitality. In Keswick, the lottery-funded Theatre by the Lake is the town's second-largest employer, creating 80 jobs and bringing £2 million each year to the local economy. Many artists run businesses in rural areas, working in fine art, craft, design, advertising, music and digital media. Research in the South West – where 47 per cent of the population lives in rural areas – identified at least 5,000 craftspeople, most of them working from home in villages and small towns. Crucially, this research also showed that, between 1998 and 2002, regional employment in visual arts and crafts rose by 37 per cent, while income increased by 11 per cent. In the South West and other rural areas, the creative industries are a cornerstone of a strong rural development strategy.

b) *Art Connections*

Art Connections was developed to help North Yorkshire artists market their work, and provide business support. Established with support from local authorities, Yorkshire Forward, Arts Council England, the Countryside Agency and the Small Business Service, the project offers an information service, mentoring scheme and a website promoting the work of selected artists. A pilot business network with 12 members has generated over £150,000 of new business and £100,000 of orders for suppliers.

c) *Rural festivals*

The movement restrictions imposed during the FMD crisis highlighted the importance of tourism and leisure to the rural economy. The arts bring visitors to the countryside. Annual festivals, from international events such as the Three Choirs to local ones like Rye Festival (East Sussex), bring thousands of artists and audiences, giving a valuable boost to the local economy. Three quarters of the people who come to Buxton Festival (Derbyshire) live outside the town. The event contributes £1.3 million to the town's economy each year – and only 10 per cent of the festival's annual turnover comes from public sources.

³⁹ Arts in rural England Why the arts are at the heart of rural life
www.artscouncil.org.uk

d) *Cumbria festivals*

The Cumbria Rural Regeneration Company is working with the Arts Council England, the Cumbria Tourist Board and the county council to support over 60 festivals with a substantial arts element. The program includes new education work, research, publishing information resources and a £450,000 Festivals Fund, through the North West Regional Development Agency. One early outcome is planning a Cumbria Biennale that will build on the county's strengths in visual arts.

e) *Farm diversification*

Agricultural diversification has grown rapidly as farmers move away from mass food production, and the arts provide new opportunities to add value, for instance in marketing organic foods or in environmental initiatives. Artists' studios are being developed in redundant farm buildings while farms themselves are becoming sites for events and exhibitions. At Middle Rocombe, in Devon, a dairy farm and ice cream factory has become an 'art farm', where, each September, up to 50 artists show their work. In 2003, the event attracted over 3,200 visitors and produced sales of £13,000. Elsewhere, farms are used as sites for painting holidays, learning about traditional crafts and galleries.

5.2. USA

a) *Economic Impact of America's Nonprofit Arts & Culture Industry*

Nationally, the nonprofit arts and culture industry generates \$166.2 billion in economic activity every year—\$63.1 billion in spending by organizations and an additional \$103.1 billion in event-related spending by their audiences⁴⁰. The impact of this activity is significant, supporting 5.7 million U.S. jobs and generating \$29.6 billion in government revenue. *Arts & Economic Prosperity III* is the most comprehensive study of the nonprofit arts and culture industry ever conducted. It documents the economic impact of the nonprofit arts and culture industry in 156 communities and regions (116 cities and counties, 35 multicounty regions, and five states), and represents all 50 states and the District of Columbia. The diverse communities range in population (four thousand to three million) and type (rural to urban).

Researchers collected detailed expenditure and attendance data from 6,080 nonprofit arts and culture organizations and 94,478 of their attendees to measure total industry spending. Project economists customized input/output analysis models for each study region to provide specific and reliable economic impact data. The study demonstrates that the nonprofit arts and culture industry is an economic driver in communities—a growth industry that supports jobs, generates government revenue, and is the cornerstone of tourism. Nationally, the nonprofit arts and culture industry generates \$166.2 billion in economic activity every year—\$63.1 billion in spending by organizations and an additional \$103.1 billion in event-related spending by their audiences. The study is the most comprehensive study of the nonprofit arts and culture industry ever conducted. It documents the economic impact of the nonprofit arts and culture industry in 156 communities

⁴⁰ http://www.artsusa.org/information_services/research/services/economic_impact/default.asp

and regions (116 cities and counties, 35 multicounty regions, and five states), and represents all 50 states and the District of Columbia. The \$166.2 billion in total economic activity has a significant national impact, generating the following:

- 5.7 million full-time equivalent jobs
- \$104.2 billion in household income
- \$7.9 billion in local government tax revenues
- \$9.1 billion in state government tax revenues
- \$12.6 billion in federal income tax revenues

5.3. AUSTRALIA

a) Elvis Revival Festival

The annual Elvis Revival Festival in the small town of Parkes, in rural Australia explores the way in which a remote place with few economic prospects has created a tourism product. The festival subsequently captured national publicity, through a festival based around commemoration of the birthday of Elvis Presley, a performer who had never visited Australia, and certainly not Parkes. The Festival began in the early 1990s, when a keen Elvis fan rallied promoters (and other fans) around the idea of bringing Elvis impersonators to the town for an annual celebration. Since then, the Festival has grown in size, with notable economic impact.

The economic impact of the festival has been considerable, and visitor surveys in 2004 indicated the extent of the direct economic effects on Parkes. In 2004, visitors spent an average of A\$440 per person over the festival weekend, translating to an injection of over A\$1.1 million into the local economy. Accommodation (averaging A\$142 per person), food and drink (A\$134) and entertainment (A\$51) were the most common forms of expenditure, with smaller amounts spent on souvenirs (A\$43) and other services such as fuel (A\$28). The festival improved employment multiplier impacts by generating extra work in those activities that, in turn, are most closely embedded in the local economy rather than others that rely on goods and services (such as books and clothes) imported from Australia's large urban centres.

5.4. PORTUGAL

a) A Cherry Festival

A Cherry Festival contributes positively in the economy of a rural municipality of Funda~o, in the Beira Interior of Portugal⁴¹. Funda~o has 31.482 inhabitants, a geographic area of 700.4 square kilometers and is characterized as being a region that is losing population, for having an extremely old population, for having a high number of companies from the primary sector and for having a purchasing power per capita lower than the national average⁴².

This festival is organized by Funda~o's Town Council. During the festival (three days); some residents (mainly cherry producers) open the ground floors of their houses to visitors in what is called "small taverns". In these taverns, visitors can buy and experience cherries and their

⁴¹ Impacts of small tourism events on rural places by Helena Maria Baptista Alves

⁴² INE, 2001

derivatives (jams, compotes, liqueurs, etc.) along with other regional products such as wines, cheeses, and handicrafts, especially rattan baskets. The Cherry Festival through local tourism operators also enables tourists to experience a taste of the natural and cultural environment of the region, including cherry harvesting, mountain biking, walking, and garden tours. During the festival visitors and tourists also experience exhibitions, concerts, street fairs, and professional performances. With this festival, the municipality of Funda~o hopes to attract some tourism that helps to boost the region's economy and also promote the image of the cherry both nationally and internationally.

It was observed that in economic terms the Cherry Festival of 2008 had a direct and indirect effect of €267.55 for the local and regional community. Although this number is not in itself significant, its importance can be considered by increases in occupancy rates of hotels during the festival (45.67 percent), as well as increases in the number of meals served by restaurants (55 percent). That is, both the hotels and restaurants on average doubled their capacity during the days of the festival. In economic terms, the effect of the induced impact, an impact that although roughly estimated, is extremely important and should also be considered. Furthermore, these effects can also be seen in the future, as visitors and tourist's experience with the local hotels and restaurants may lead to future returns.

Another very important component of this event is its social impact on the community. In this study, it was found that this impact is perceived to be higher than the economic impacts, as both residents (tavern owners) and suppliers agree that the Cherry Festival has a greater social than economic impact in the local community. The residents and the suppliers agreed that the greater impact was on "building community pride" and "enhanced community image" than on economic impacts.

6. FINAL THOUGHTS

Event tourism can contribute to economic diversification and profitability by increasing employment, improving basic services, and increasing economic equity between urban and rural populations. Events and festivals can help people be more aware of their capabilities, perceive new job and business opportunities and improve quality of life.

Community events and festivals can attract local, national and international tourists and visitors. Events help to capture attention and promote attractions and infrastructures. They make it possible to maximize and rationalize the use of certain spaces. Preservation of these spaces may result in financial benefits and dissemination of artistic and cultural heritages.

Events and festivals play a role in putting a region on the map and distinguishing their basket of attractions from other similar regions. Events can also result in social benefit such as “increased community pride” and “enhanced community image.”

Research shows that the more involved local people and suppliers are in terms of provision of services, food, beverages, and attractions, the greater the economic benefits to the region. Local vendors, artisans, craftspeople, restaurateurs, hoteliers and innkeepers may make a large portion of their annual income during the course of an event.

Organizers should build partnerships and involve the greatest number of possible local operators. Organizers should think about all the potential benefits, and consider the community events to be an investment in community sustainability.

Community events and festivals can make a significant contribution for rural development with strategic planning, well-defined goals, local level partnerships and funding. However, rural communities often organize tourism events to inject cash into their economies. This cash is not enough to achieve comprehensive rural economic development. Events assist the tourism businesses of the region but are not enough to revive the entire economy.

Some other examples

Some other examples of economic impact analyses are as follows⁴³:

- The tourist spending of 90,000 visitors to Louisbourg in 1995 was assessed in terms of its impact on GDP (\$6.1 million)⁴⁴.
- Two spending estimates, one “conservative” and one “optimistic” were developed for the Cabot ’97 events in Cape Breton (impact ranged from \$2.1 million to \$7.0 million)⁴⁵.
- An assessment was carried out of the total economic impact of the Louisbourg “Encampment ‘99” event (\$1,415,000)⁴⁶.
- An analysis of the Tall Ships 2000 event determined the incremental visitor spending which resulted in Nova Scotia (\$53,869,046)⁴⁷.
- A “social cost-benefit analysis” of the Stan Rogers Folk Festival in Canso calculated the net social benefit (\$295,447)⁴⁸.
- A study of Festivals and Events in Nova Scotia used data collected from a sample of F&E to calculate a “province-wide economic impact assessment” (\$31.6 million)⁴⁹.
- The Atlantic Theatre Festival in Wolfville assessed the economic impact of their event after three years of operation (\$4 million)⁵⁰.
- A 2002 study of 19 major events in Québec for REMI (Regroupement des événements majeurs internationaux) evaluated the contribution to the economy (\$293 million) and estimated that for each dollar invested in the industry, another \$5.36 was generated⁵¹.
- A 1997 study of festivals in Ottawa determined the spending by visitors from outside the municipality (\$23,514,044), the gross economic impact resulting from this spending (\$32,280,273), and the federal, provincial, and municipal taxes collected (\$9,439,549)⁵².
- A study of Ontario’s festivals and events industry calculated the total direct revenue (\$22,640,999)⁵³.
- The Edmonton Arts Council’s study of festivals and the arts calculated the total net impact on the Edmonton region (\$82.5 million), and, with spin-offs included, the impact on the province of Alberta (\$116.6 million)⁵⁴.
- The City of Langley, British Columbia calculated overall visitor spending for “cultural tourism” (\$17,522,000), and, using the provincial government’s multiplier formula, determined the economic spin-off (\$22,550,000)⁵⁵.
- The economic impact of the Springfest event in Ocean City, Maryland was calculated (\$1,922,000 US), together with the economic impact on personal income (\$1,101,000 US), which the authors feel to be the most meaningful measure⁵⁶.

⁴³ Strategic Analysis of Nova Scotia Festival and Events Industry Final Report July 2004 12PRAXIS RESEARCH & CONSULTING INC

⁴⁴ Dan White and Associates and Gardner Pinfold

⁴⁵ Corporate Research Associates

⁴⁶ Parks Canada and Tourism Cape Breton

⁴⁷ ATi Consulting

⁴⁸ (Dayton-Johnson and King

⁴⁹ The Randolph Group

⁵⁰ Bergman

⁵¹ Groupe Conseils KPMG

⁵² Ottawa Tourism and Convention Authority

⁵³ Ontario Ministry of Tourism and Recreation, 2001 (203 F&E)

⁵⁴ Economic Development Edmonton

⁵⁵ Grant Thornton

⁵⁶ Crompton, Lee, and Shuster

- The Association of Festival Organizers and the Arts Council in England determined the total expenditures arising from 350 folk festivals in England (77 million pounds -- \$191 million Canadian)⁵⁷.
- In the United States, the International Festivals and Events Association assessed the combined economic impact of festivals and events produced by IFEA members (estimated to exceed \$15 billion US)⁵⁸.

⁵⁷ Association of Festival Organizers

⁵⁸ Zoltak