

University of Nebraska - Lincoln

DigitalCommons@University of Nebraska - Lincoln

Great Plains Research: A Journal of Natural and
Social Sciences

Great Plains Studies, Center for

Fall 1998

The Economic Impact of Hockey in Saskatchewan: A Rural-Urban Comparison

David Fennell

Brock University, St. Catharines, Ontario L2S 3A1, Canada

Follow this and additional works at: <http://digitalcommons.unl.edu/greatplainsresearch>



Part of the [Other International and Area Studies Commons](#)

Fennell, David, "The Economic Impact of Hockey in Saskatchewan: A Rural-Urban Comparison" (1998). *Great Plains Research: A Journal of Natural and Social Sciences*. 393.

<http://digitalcommons.unl.edu/greatplainsresearch/393>

This Article is brought to you for free and open access by the Great Plains Studies, Center for at DigitalCommons@University of Nebraska - Lincoln. It has been accepted for inclusion in Great Plains Research: A Journal of Natural and Social Sciences by an authorized administrator of DigitalCommons@University of Nebraska - Lincoln.

THE ECONOMIC IMPACT OF HOCKEY IN SASKATCHEWAN: A RURAL-URBAN COMPARISON

David A. Fennell, PhD

*Department of Recreation and Leisure Studies
Brock University
St. Catharines, Ontario L2S 3A1, Canada*

ABSTRACT—Current research suggests that there may be positive local economic benefits associated with holding local sporting and other tourism-related events in communities. This study examined the economic impact of two municipal hockey tournaments, one urban and one rural, in the Canadian province of Saskatchewan. Based on the responses of three geographically-oriented travel groups (Total N=169), an estimated CDN \$137,442 was generated by both tournaments; 87% was associated with the larger urban tournament in Saskatoon. However, the smaller rural tournament generated \$10,635 revenue in Kamsack and vicinity. Evidence of the direct economic input from tourism should help communities and organizations who are interested in implementing similar tournaments provide incentives for local business owners to assist in the creation and continuation of such events.

Introduction

In the past, tourism development in Canada has typically been a provincial or federal concern. Increasingly, however, municipalities have begun to recognize the importance of taking a more proactive role in the development of tourism within their jurisdictions. There is the need for communities to know how their services impact the community in light of the fiscal demands that continue to be imposed on such jurisdictions (Goodale 1985). According to Goodale, facilities and services that generate income and stability will likely be more strongly supported than those that do not (see also Knopf, Virden, and Yoshioka 1994). The possibility of economic benefit has prompted many communities to examine the potential of implementing sporting and other tourism-related events as a means by which to generate needed revenue. In addition, however, such events are seen as a catalyst to develop community cohesion and pride as well as a means by which to generate revenue through business and pleasure travel. Evidence of this is the recently developed “Communities in Bloom” concept that has spread

across Canada. In this program municipalities strive to beautify their communities in a contest against other similarly sized jurisdictions across the nation.

Past economic studies have emphasized the overall economic impact of selected sporting events at a large scale. In Ontario, Canada, for example, the economic impact of recreation in the province was reported to be CDN \$7.3 billion in 1982 (Ontario Ministry of Tourism and Recreation 1983a; 1983b). Examples at the large scale include the economic impact of the world ecotourism industry which generated US \$25 billion in 1995 (Goodwin 1996), and the global international tourism industry as a whole which equalled to US \$423 billion in 1996 (Luhrman 1996). Such numbers say much about the growth of tourism, which is reported to be among the world's largest and fastest growing industries (Frangialli 1997).

These documented expenditures are clearly positive for the economy in a provincial or national context. However, Yardley et al. (1990) suggested that such data were not meaningful for those working locally in the recreation and tourism fields. Such figures do not reflect events or services that occur at a community level. Given this concern, it is important to document the economic impacts of sporting and other tourism-related events within communities. In the USA, for example, Della Bitta et al. (1976) estimated the economic impact of the arrival of the Tall Ships in Rhode Island in 1976 to be US \$15.6 million. The 6,000 crew members generated over 717,000 visitor days. In Regina, Saskatchewan, this phenomenon is most notably represented by "Roughrider" professional football games and the annual Agricultural Exhibition. Spectators for these events come from long distances, both from within and outside the province. Other major events, which include professional sports like the NHL and special events like the Pan American Games, provide significant opportunities for the community to realize tremendous economic benefits. The longer the event, the more potential for local income. Tourists and participants rely on a variety of services, and this can provide substantial revenue to the region. Bale (1989: 114) suggests:

At the stadium itself, spectators spend money on tickets, concessions of various kinds, (e.g., food, rosettes, programs) and parking. In addition, and in the USA in particular, a visit to a football game is often part of a visit to a city. Hence, lodgings, fuel for vehicles, shopping, outside-stadium parking, taxis, chartered buses, public buses and eating are all part of the expenditure generated by sport.

Yardley et al. (1990) found that even small sporting events generate substantial amounts of revenue for the community. The effect is enhanced if the events are annual. For example, Marsh (1984) studied the annual Atom Hockey Tournament (players 8 and 9 years of age) in Peterborough, Ontario, Canada. He found the influx of over 3,000 participants, coaches and spectators led to over CDN \$165,000 spent in the local community. Also, Yardley et al. (1990) found that a three-day old-timers hockey tournament in south-western Ontario led to a total expenditure of over CDN \$282,000. Family spending averaged between \$200 and \$300 per day. Recently, Fennell (1997) found that even a small old-timers hockey tournament in Estevan, Saskatchewan, had generated over CDN \$50,000 of expenditures in the host community.

The economic impact of most sporting events has largely been undocumented in Saskatchewan. This changed recently as a result of Sask Sport Inc's interest. This provincial not-for-profit agency is responsible for the delivery of sport within the province. Its new interest is in documenting the benefits of a variety of sports within municipalities of the province. This project is a continuation of previous work, especially that of J. G. H. Dunn, on the economic impact of softball tournaments in Saskatchewan. Dunn (1996) found that the four female softball tournaments in Regina, North Battleford, Carnduff and Lafleche, generated a total of over CDN \$111,000 for the province of Saskatchewan. This work provided some hard evidence on the economic benefits of these activities beyond the individual, sociological, and physical benefits associated with participation in sport.

Throughout the plains, including Canada and the USA, partnerships and cooperation are needed, especially in times of reduced budgets, to ensure event success. It is therefore critical to investigate the economic viability of such events at the community level. The present study examined the economic impact of two municipal hockey tournaments in Saskatchewan, to replicate and update previous studies. This study is unique, in that it directly compares an urban setting (Saskatoon) against a rural setting (Kamsack) in determining the economic impact of two comparable sporting events.

Methods

Information was solicited from the participants in the urban Saskatoon Female Hockey Tournament, 3 to 6 January, and the rural Kamsack Flyers Novice Hockey Tournament, 8 to 9 March 1997. Letters to the coaches, sent

one week prior to the tournament, (1) explained the general nature and purpose of the study, (2) informed them that a member of the research team would meet them at the tournament, and (3) asked for their assistance with the distribution of questionnaires. Tournament organizers were also sent a copy of the questionnaire, the name of the attending researcher, and information on the incentive offered for participation (free soft drinks to players).

During the first day of each tournament, the team coaches were contacted and asked them to distribute a questionnaire to each youth on the team, who in turn was to pass it on to their parents for response. Coaches seemed enthusiastic about the study and were cooperative. The survey package contained: (1) the questionnaire, (2) a letter explaining the study, and (3) a pre-paid return envelope. This method of data collection allows respondents to report actual expenditures in lieu of guessing (Dunn 1996).

Host Town Demographics & Tournament Schedules

The study settings were well suited for the urban-rural contrast, both geographically and demographically, and in relation to tournament size. The urban Saskatoon Female Hockey Tournament drew teams from Calgary, Alberta, to Winnipeg, Manitoba, for a tournament size of over 30 teams, 26 of which were surveyed. The rural Kamsack Flyers Novice Hockey Tournament included only regional communities, for a total of 8 teams. The Saskatoon tournament participants ranged from Pee Wee to Midget (11 to 16 yrs.), while the Kamsack tournament was comprised solely of Novice teams (8 to 10 yrs.). Tournament sizes were proportional to the population of each host community. The urban center of Saskatoon is a community of 195,597 and the rural community of Kamsack has approximately 2,323 citizens (Aldighieri 1996). The Saskatoon tournament lasted three days, and the Kamsack event lasted two. Both tournaments spanned a weekend and concluded on a Sunday.

Response Rates

Of the 460 questionnaires distributed, 169 (36.7%) were returned within the two month designated time (Table 1). In general, the chances of receiving questionnaires after this point sharply diminish (Dunn 1996). Response rates were grouped by the distance the team had to travel: (1) local, within the host community; (2) near, within 150 km of the host community; and, (3) far, greater than 150 km. Within each group, responses were broken down

TABLE 1

QUESTIONNAIRE RESPONSE RATES IN RELATION TO DISTANCE
TRAVELLED FOR THE URBAN SASKATOON AND RURAL
KAMSACK HOCKEY TOURNAMENTS

Tournament Response Rates	Travel Distances			Total Response	Total (%) Response
	Host	≤150 km	>150 km		
Saskatoon					
Number of Teams	5	4	17	26	
Number of Surveys Distributed	71	56	238	365	
Number of Surveys Returned	25	21	98	144	39.5%
Kamsack					
Number of Teams	1	5	2	8	
Number of Surveys Distributed	14	58	23	95	
Number of Surveys Returned	6	13	6	25	26.3%

Note: Total response rate for the entire study was 36.7% (169 out of 460 questionnaires were returned).

according to the number of teams, the total number of questionnaires distributed, and the number of questionnaires returned. The longer, larger Saskatoon tournament reported a higher percentage (65%) of attendees traveling greater than 150 km than for the smaller, shorter, rural Kamsack tournament

(25%). The urban Saskatoon tournament also had a higher return rate (39.5%) than the rural Kamsack tournament (26.3%). Follow-up correspondence with non-responding tournament participants was not possible as respondents were anonymous. The response rate in the present study is consistent with Dunn's (1996) return of 32.4%.

In this study the *estimated total expenditure* was used as a key measure in comparing family groups and their expenditure patterns. Total expenditures were estimated by, first, averaging expenditures reported by respondent family groups, defined as the immediate family members, relatives and friends of the child, excluding team mates. To include non-respondents as well as respondents for each travel distance category, the average expenditure per family was multiplied by the number of tournament participants. This generated an estimate of the total amount spent by tournament participants and their family groups in each expenditure category. For example, the total amount reported spent on transportation by all hometown families in Saskatoon was CDN \$236 (hereafter, all figures are in Canadian dollars). This total was then divided by the number of respondents for this group, providing an average expenditure of \$9.44 per family. The total dollars spent on transportation by families of local participants was estimated by multiplying the average per family (\$9.44) by the total number of hometown players (71), giving a total *estimated total expenditure* on transportation by the hometown group of \$670. Estimates were calculated for "within host city limits" and "outside host city limits" for both tournaments.

Results

Visitation Attributes

Average size of families attending the tournaments varied among the three travel categories examined for both tournaments (Fig. 1). For the larger Saskatoon tournament, family size accompanying the participant for the host team was similar to the family size of those traveling from distances greater than 150 km. The largest family group travelled from within 150 km of the event (Fig. 1). Conversely, for the smaller Kamsack tournament the largest families were from home town teams. Family size traveling to this tournament decreased with travel distance (Fig. 1). In general, the average number of people in the family group travelling from out of town was higher for the larger, urban Saskatoon tournament than for the smaller, rural Kamsack tournament.

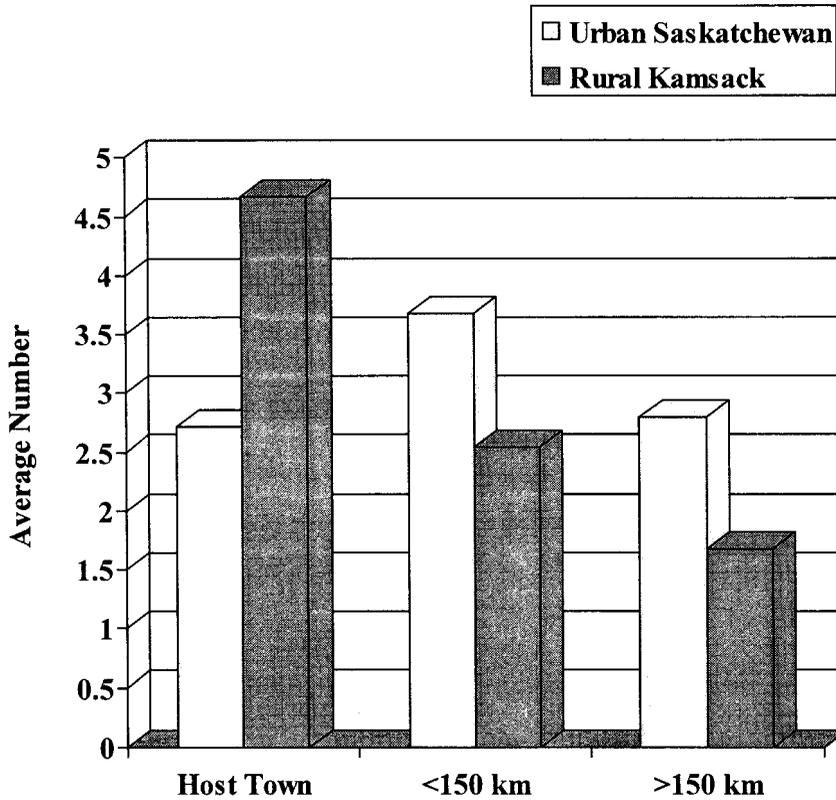


Figure 1. Average number of people in the family group accompanying tournament participants.

The frequency of the family accompanying the participant to weekend sports events was high (Fig. 2). Respondents reported how often they accompanied their children to weekend tournaments as a family group according to a five point scale of: “Always”, “Often”, “Sometimes”, “Occasionally”, and “Never”. Over 85% of respondents said they “Always” or “Often” attend tournaments. Responses were higher for the rural Kamsack tournament than for the urban Saskatoon tournament. Interestingly, 95% of those attending the rural Kamsack tournament “Always” or “Often” attended tournaments. These categories represent fewer (84%) of those attending the urban Saskatoon tournament. Additionally, 86% of the entire respondent sample (N=169)

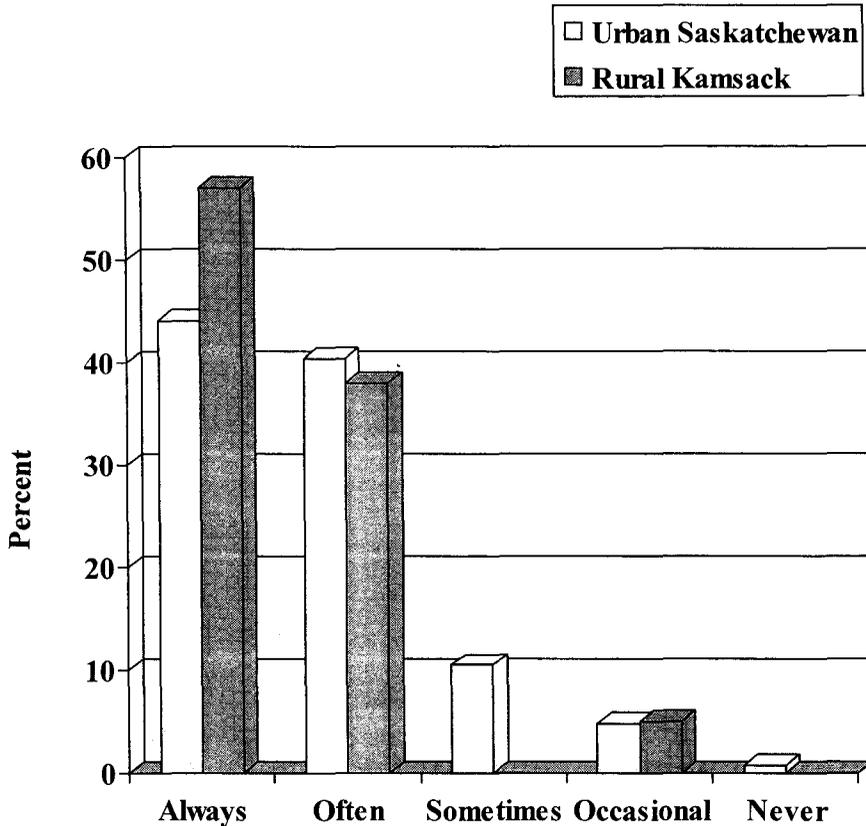


Figure 2. Response to regular tournament attendance. (Sample sizes: Saskatoon=124 [of 144], Kamsack=21 [of 25] for respondents indicating their child had previously participated in a least one weekend sport tournament.)

indicated that their child had previously participated in at least one weekend sport tournament. This result reinforces the potential for economic benefits of tournaments to both rural and urban host communities, if costs for running the tournament are controlled.

Economic benefits of such events are often indirect, and not recognized by the local business community. Documentation of the importance of hockey tournaments to local economies often requires that the organizers demonstrate a direct relationship between expenditures and the event, e.g., arena concession sales. Yet, sponsorship and funding of community events like hockey tournaments can attract visitors who would not have otherwise trav-

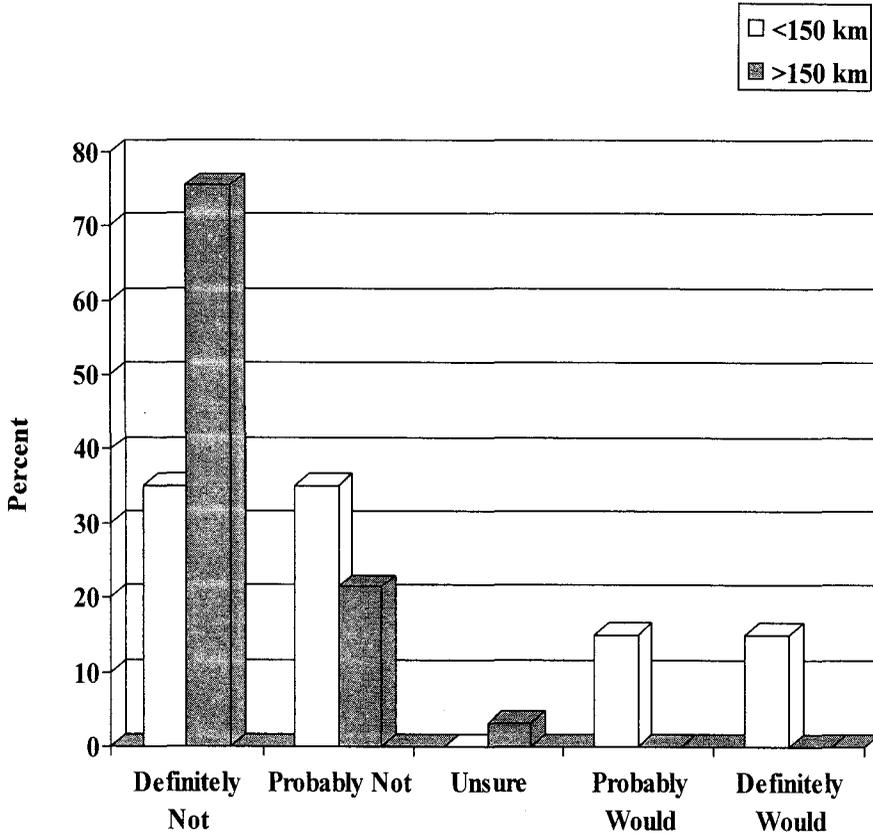


Figure 3A. Response rates to community visitation (Saskatoon tournament). (Note: Host teams were excluded from this question.)

eled to the host community. In order to verify that the event was the principal reason for travel to each host community, respondents were asked directly if they would have traveled to the host community if their child had not been participating in the hockey tournament. Of the respondents traveling greater than 150 km to the Saskatoon tournament (Fig. 3A), 76% would “Definitely Not” have traveled to the host town during the tournament weekend. And, 35% of those living outside of Saskatoon but within 150 km of the tournament said the same. Only 30% of families living 150 km or more from Saskatoon said they “Definitely Would” or “Probably Would” have visited this urban centre even though there was no tournament. Comparatively, 83% of those living greater than 150 km would “Definitely Not” have traveled to Kamsack during the tournament weekend, and 77% of those living within

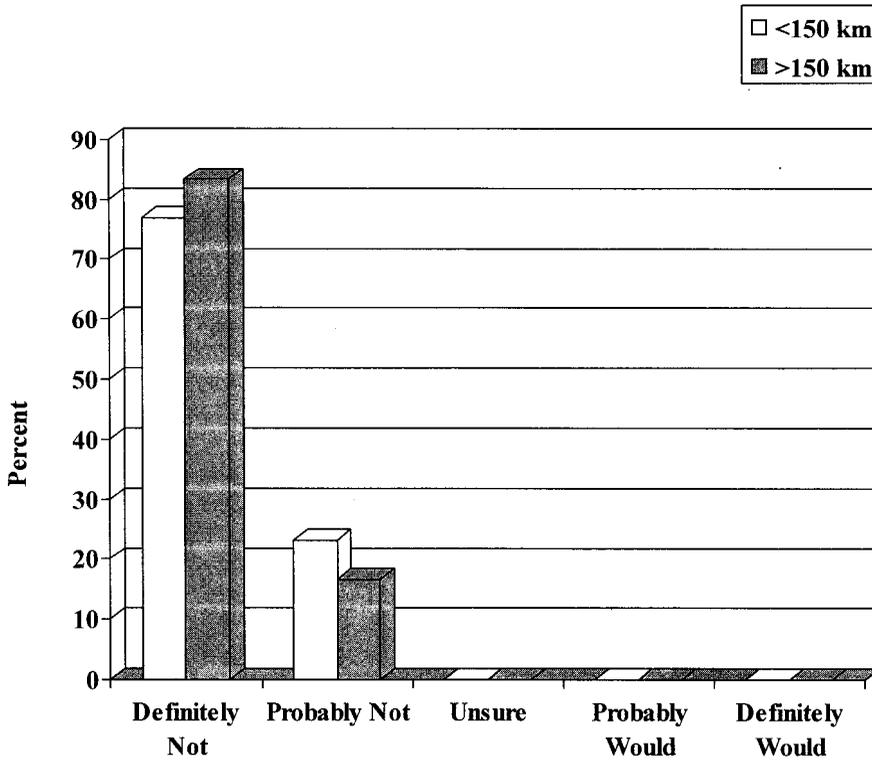


Figure 3B. Response rates to community visitation (Kamsack tournament). (Note: Host towns were excluded from this question.)

150 km of the tournament said the same (Fig. 3B). Most other respondents said they would have “Probably Not” traveled to either of the host towns if not for the tournament.

Expenditure Patterns

Respondents reported their expenditures, both within the host community and outside, in each of six categories, including: transportation, accommodation, food, entertainment, shopping, and “other” (Figs. 4, 5). Using this information, I estimated both the total reported expenditures in Canadian dollars for each category and the overall total expenditure. Estimated total

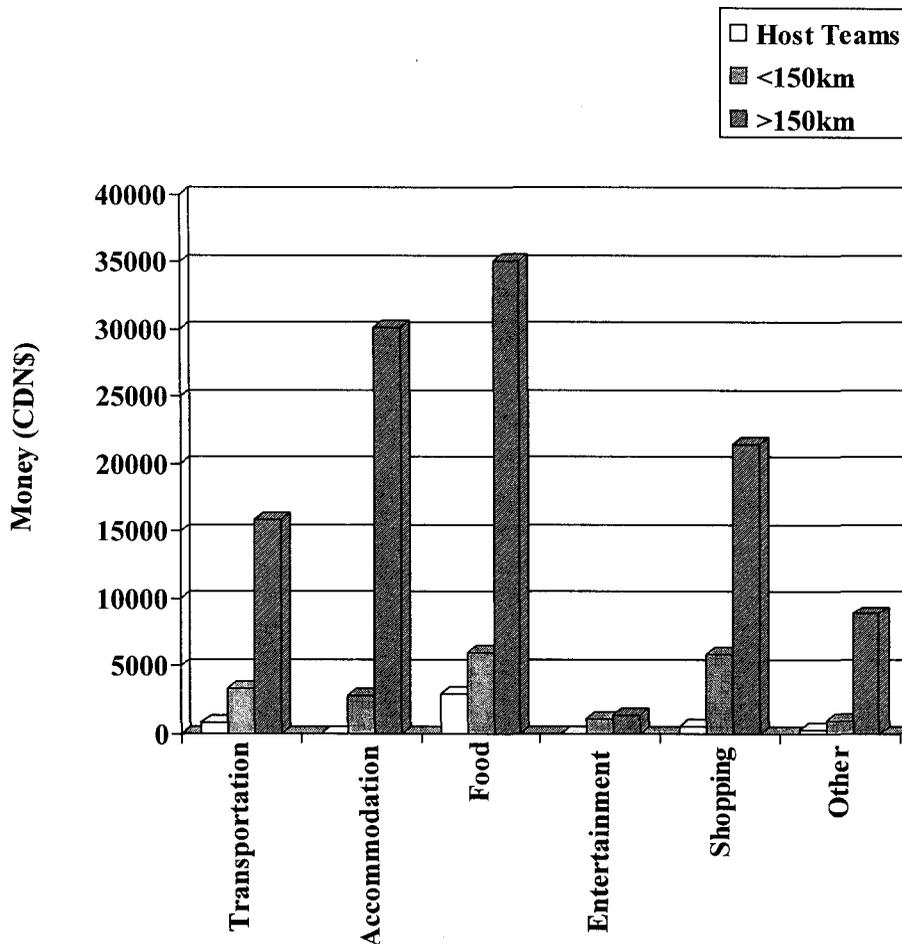


Figure 4. Total estimated family expenditures at both tournaments.

expenditures represent the total amount of money likely spent by all families attending, including non-respondents as well as respondents, and are shown in Figure 4.

The total economic impact of these two tournaments on the province of Saskatchewan was \$137,442, \$119,562 within the host cities and \$17,880 in outside communities (Fig. 4). The total economic benefit directly injected into the community by the smaller, rural Kamsack tournament was \$7,772,

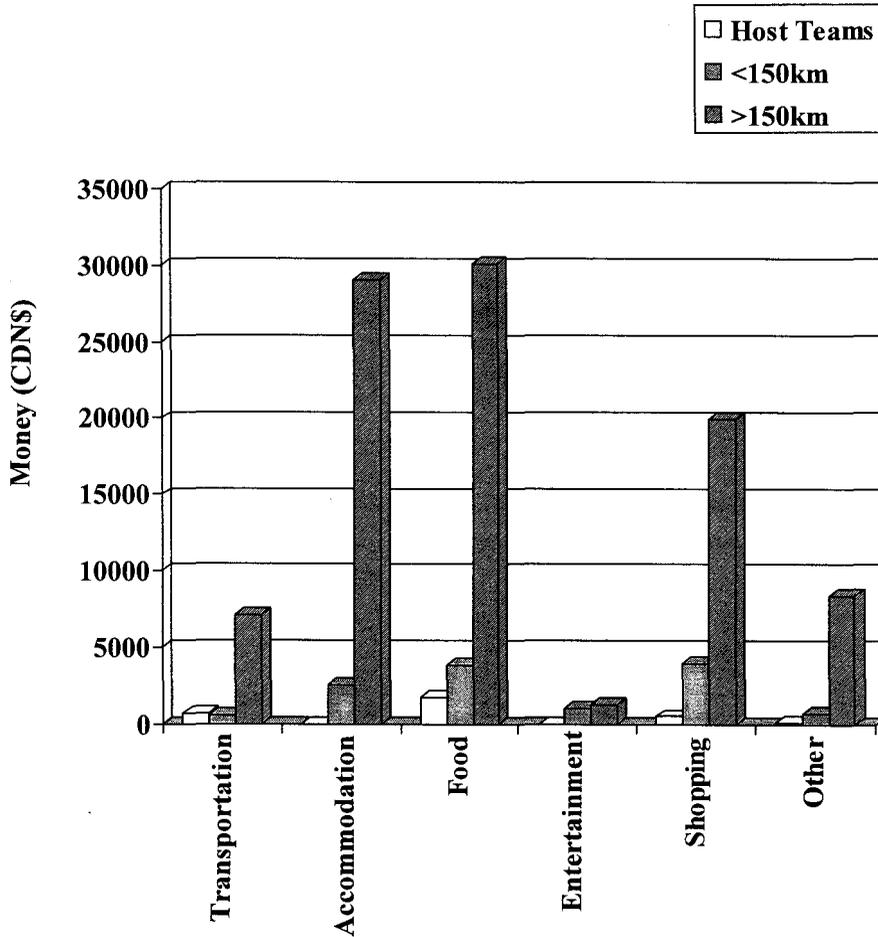


Figure 5A. Total expenditures in host community only, Saskatoon tournament (urban).

with another \$2,863 spent in surrounding areas, for a total of \$10,635 within a relatively confined geographical area. Accommodation, food, and shopping were the highest categories of spending (Figs. 5A, B). As expected, most spending occurred within the host tournament community. Saskatoon residents spent money outside of their community during the tournament (Fig. 5A), whereas residents of Kamsack did not (Fig. 5B).

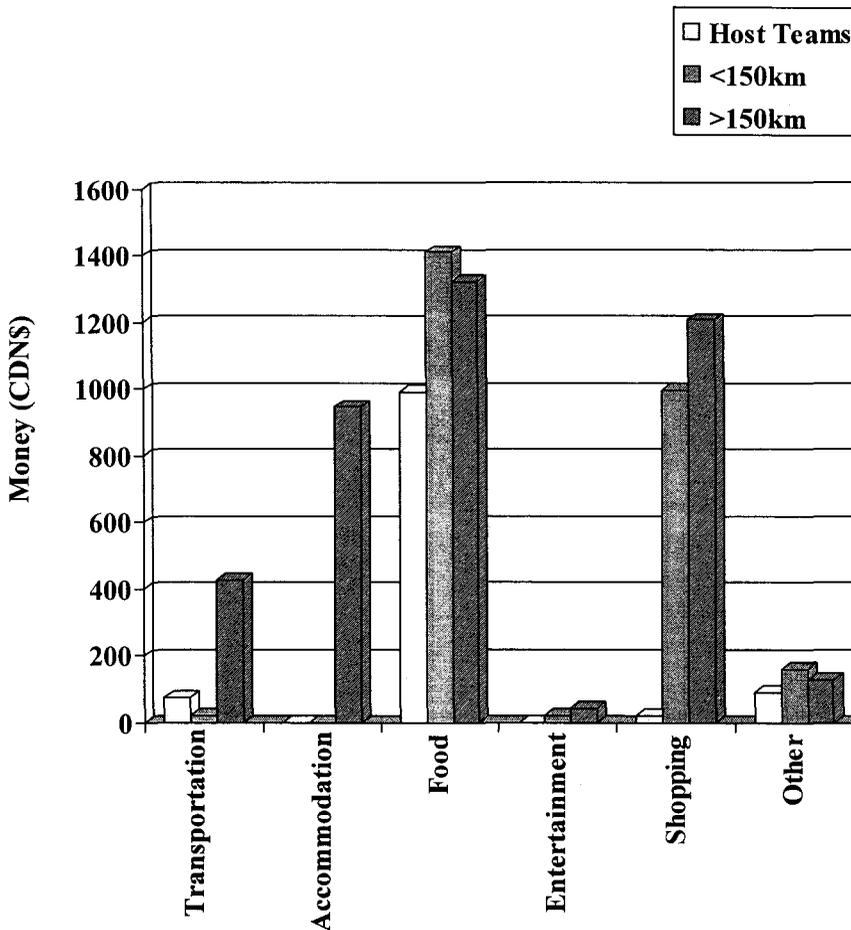


Figure 5B. Total expenditures, Kamsack tournament (spending in host community only).

Food and Drink

The largest category of expenditures was food and drink, injecting over \$36,000 (CDN) for all groups (Figs. 5A, B). Since people could buy food and drinks at any number of places in town, expenditures were examined by location: event site, local restaurants, or other establishments. The locations

were combined to give an overall estimated expenditure for this category. As expected, families traveling >150 km to the Saskatoon tournament spent significantly (\$30,096) more than the other two groups together (\$4,500) (Figure 5A). The same can not be said for the Kamsack tournament; the group traveling <150 km spent more on food and drink. This likely reflects the fact that there were over twice as many participants in the intermediate group than from the group traveling furthest to attend the tournament. In Kamsack, for instance, each of the three travel groups focussed spending on food in different areas. Host town and those participants from within 150 km spent most at the event site (\$875 and \$1,004, respectively), while those families traveling more than 150 km spent most at local restaurants (\$843).

Accommodation

The second highest expenditure category for respondents was accommodation. Expenditures for accommodation injected an estimated \$32,999 total into local economies (Fig. 4). Respondents traveling greater than 150 km reported the majority of expenditure in this group, with 94.9% of these respondents requiring accommodation. The "greater than 150 km" group spent double the amount that respondents within 150 km spent for the Saskatoon tournament (Fig. 5A), of whom 57.1% required accommodation. The pattern of housing expenditures for the three groups mirrors the food expenditure pattern for the same groups, i.e., staying away from home often involves staying at a hotel, which includes the purchase of food and drink. The only accommodation expenditures at the smaller, rural Kamsack tournament were made by those traveling more than 150 km. Due to the scale and spatial characteristics of the tournament population, the rural community of Kamsack had a much smaller percentage of participants from greater than 150 km compared to the larger, urban Saskatoon tournament. So, accommodation expenditures at the Kamsack tournament were much smaller than those in other categories, i.e., food (Fig. 5B).

Shopping

The third highest reported expenditure category for respondents was shopping. Expenditures on souvenirs and other items generated an estimated total of \$26,045 between the two events (Figs. 5A, B). The greater proportion of this expenditure occurred in Saskatoon, the largest urban center in the province. In both cases, higher expenditures were reported by those traveling greater distances (Figs. 5A, B). However, respondents from the rural

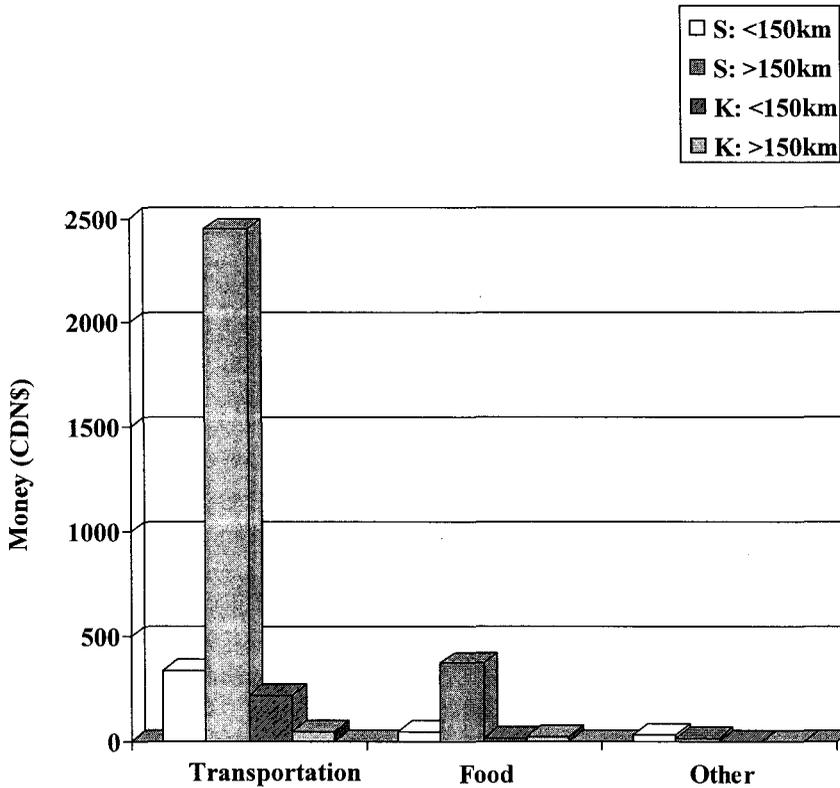


Figure 6. Expenditures by families in their own home towns, prior to leaving for tournament. (“S” = Saskatoon; “K” = Kamsack).

tournament reported a greater percentage of their spending outside the host community. Participants to the larger urban tournament, however, spent almost exclusively in this large center.

Gas and Transportation

As expected, those traveling furthest had the largest transportation expenditures overall (Fig. 4), and for both tournaments individually (Figs. 5A, B). A large proportion of this spending occurred outside of host community. Approximately one-third of total gas and transportation expenditures occurred at home in preparation for departure (Fig. 6). Approximately one-third of respondent spending was en route. This did not eliminate economic

benefits to local business. Gas and transportation businesses in the host community gained an estimated \$8,350 from the urban Saskatoon tournament and \$528 from the rural tournament (Figs. 5A, B). It is interesting to note the majority of participants for the rural tournament were from within 150 km. These participants spent most on transportation outside of the host town. This phenomenon was less visible at the larger Saskatoon event (Fig. 6).

Discussion

This study found that for the smaller, rural-based Kamsack tournament, the average family size attending the tournament increased with proximity to the tournament site. This was not the case for the urban Saskatoon tournament. For this larger tournament, the largest family groups to attend the event came from the intermediate distance (<150km) on average. Members of a rural community may be more extensively involved in the hosting and supporting of a local event, like a hockey tournament. Family members in larger urban centers may be involved in other activities over a typical weekend, leading to a "drop-off" attendance. The results show that the larger urban-based Saskatoon tournament attracted larger family groups, on average, from outside the host town than did the smaller Kamsack tournament. It is likely that the cost of bringing additional family members from within 150 km to attend the event is less than from beyond 150 km. Those traveling greater than 150 km have additional expenses, perhaps reducing the opportunity for additional family members to attend. Exploring the dynamics of participation in more depth, according to the ages of family members, might provide better understanding of the economic components of these decisions. The differences documented between the travel groups demonstrate the importance of including a geographical perspective outlining the distance people travel to such events as a component of their associated expenditures.

This study clearly demonstrates that local community sporting events can bring economic resources into the host community. It is clear that the economic impact of such events is directly proportional to the size of the community. Large urban centres, it appears, provide more of an opportunity for participants and their families to purchase goods and services while at the tournament, compared to their more rural-based counterparts. In rural Kamsack, for example, tournament participants and their families relied heavily upon the services of a specialized hockey shop during the tournament. Thus, while organizers larger urban centers can solicit chain malls and

stores for tournament support, the organizers in smaller communities may be restricted to concentrating on developing strong relationships with niche or specialized shops market related goods and services for sponsorship.

However, these documented economic impacts may help both regional sport and tourism organizations and local communities interested in implementing similar tournaments in the future gain additional support. The evidence of direct economic input from tourism may provide sufficient incentive to local restaurants, hotels and motels, shopping centers, gas stations, and civic facilities to assist in the creation and continuation of such events. For example, it is to their mutual benefit to tournament organizers and local gas stations to work together in supporting recreation opportunities to their communities. Through an understanding of how tournament attendees spend money at such events, local business can better develop a plan for involvement in local events, both through sponsorship and by having the appropriate amount of goods—food, hockey sticks, parking, and so on—to supply tournament participants and their family groups.

Additionally the full economic impact of the results on the local communities would be enhanced by estimation of the multiplier effect. The multiplier effect occurs when money originally spent by a visitor or community member is then re-spent by the local businesses or residents within their area. The cycling of money creates more economic activity that benefits the community further (Getz 1990). Although some economic studies apply an estimated multiplier to the data to calculate an event's total economic worth, Wang & Irwin (1993) have cautioned against this for small sporting events and communities; it is too easy to distort or exaggerate local projections. Given this consideration, I did not use a multiplier in this research.

The results also raise many new questions. Future research should endeavour to discover exactly where spending occurs, e.g., accommodation, restaurants, and sporting goods shops. It should also explore which type of spending benefits urban or rural communities most. Research on rural sporting events that seeks to identify the unique challenges and strengths of rural tournaments would contribute to economic planning. Additionally, in order for public entities to estimate the fiscal viability of sport tournaments, economic comparisons among critical variables are needed. I used an urban/rural contrast in this study. Economic effects of other contrasts, such as between sports, participant ages, skill levels, and other geographic and demographic distinctions, remain unknown. Additional economic data will allow agencies and communities to better plan and create recreational sport opportunities in the future.

Acknowledgments

Permission and funding to conduct the study was granted by Sask Sport Inc., the provincial governing body for sports. Thanks are extended to the tournament organizers, participants and their families for permission to conduct the study. Two external reviewers contributed helpful comments.

References

- Aldighieri, A. M. 1996. *Canada's Sourcebook: Canadian Almanac Directory 1997* (ed.). Toronto, Ont: Comp. Clark Professional.
- Bale, John 1989. *Sports Geography*. New York: E. & F. N. Spon.
- Della Bitta, A., D. Loudon, G. Booth and R. Weeks, 1976. Estimating the economic impact of a short-term tourist event. *Journal of Travel Research* 16: 10-15.
- Dunn, J. G. H. 1996. *The Economic Impact of Children's Weekend Sport Tournaments in Saskatchewan: Four Case Studies Involving the 1995 Pee Wee Girls Provincial Softball Finals*. Regina, SK: Sask Sport Inc.
- Fennell, David A. 1997. *The Economic Impact of an Old-Timers' Hockey Tournament in Saskatchewan: A Case Study of Estevan*. Regina, SK: Sask Sport Inc.
- Frangialli, F. 1997. Keynote address to the World Ecotour '97 Conference, Rio de Janeiro, Brazil, December 15-18.
- Getz, D. 1990. *Festivals, Special Events, and Tourism*. New York: Van Nostrand Reinhold.
- Goodale, T. 1985. The political economies of local leisure services. *The Journal of Parks and Recreation* 3: 14-27.
- Goodwin, H. 1996. In pursuit of ecotourism, *Biodiversity and Conservation* 5(3): 277-91.
- Knopf, R. C., R. J. Virden and C. F. Yoshioka. 1994. *A Refinement and Reapplication of the Economic Assessment Model in an Arizona Rural Community*. Tempe: Arizona State University.
- Luhrman, D. 1997. WTO Manila Meeting, Internet communication, May 23, WTO Press and Communications.
- Marsh, J. S. 1984. The economic impact of a small city annual sporting event: an initial case study of the Peterborough Church League atom hockey tournament. *Recreation Research Review* 11: 48-55.

- Ontario Ministry of Tourism and Recreation. 1983a. *Recreation: A Changing Society's Economic Giant. Final Report, vol.1.* Toronto: Ontario Ministry of Tourism and Recreation.
- Ontario Ministry of Tourism and Recreation. 1983b. *Recreation: A Changing Society's Economic Giant. Case Study—Ice Skating, vol. 3.* Toronto: Ontario Ministry of Tourism and Recreation.
- Wang, P. and R. L. Irwin. 1993. An assessment of economic impact techniques for small sporting events. *Sport Marketing Quarterly* 2 (3), 33-37.
- Yardley, J. K., J. H. MacDonald and B. D. Clarke. 1990. The economic impact of a small, short-term recreation event on a local economy. *Journal of Park and Recreation Administration* 8(4): 71-82.