

Economic Impact Analysis

Sailing Regattas, Newport, 2009

City of Newport
Waterfront Commission



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Methodology

At the request of local race organizers, the Newport Waterfront Commission initiated an economic impact study of selected sailing regattas during the 2009 summer racing season. The purpose of the research is to provide a perspective on the contribution of sailing regattas to the local economy, as well as serve as a guideline for planning of future events vis-à-vis other activities sharing the resources provided by the Newport waterfront.

Potential respondents were reached via email, using databases supplied by race organizers. Three separate regattas were chosen for the research, representing a range of various types of racing events.

Interviewing was restricted to race participants and spectators; anyone with an official connection to the regattas was excluded from the research.

In total, 236 interviews were conducted, broken down in the following way by regatta:

- NE Optimist Regatta: (Annual Youth oriented race, small one-person boats) 99 interviews
- Coastal Living Regatta: (Annual adult oriented race, multiple size boats and crews) 101 interviews
- 6 Metre World Cup: (One-time international regatta over one week period) 36 interviews

It is important to note that this research does not calculate the total economic impact of all regattas in Newport, but rather focuses on three individual events to provide examples of economic contribution.

The research design and report were completed by Performance Research (Newport, RI), a firm specializing in research services for the sports and special event industry.





ECONOMIC IMPACT - SUMMARY

Summary

Overall Economic Impact

- The total economic impact on Newport County of the Coastal Living Regatta, the NE Optimists Regatta and the 6 Metre World Cup was \$2,818,555 of direct, new spending.
- This can be considered a conservative estimate as no induced spending, multiplier effects, expenditure by local organizations or spending by local residents was included. Organizational spending was included but estimates and assumptions associated with this spending were also conservative.
- Included in this impact is \$221,088 in taxes and charges.
- Visitors attracted by the different regattas had different visitation patterns. Those attending the Coastal Living Regatta stayed an average of 2.7 days and spent \$183 per person per day. Those who came to Newport for the NE Optimist Regatta stayed 4.2 days and spent \$171 per person per day. Visitors attracted by the 6 Metre World Cup stayed an average of 11.6 days and spent \$318 per day.
- The Coastal Living Regatta attracted 680 people, 68% of whom were visitors to Newport County. The NE Optimist Regatta attracted 1,175 people of which 94% were visitors and the 6 Metre World Cup attracted 550 people, of which 75% were visitors.



Highlights: Economic Impact

	NE Optimist Regatta	Coastal Living Regatta	6 Metre World Cup	Total / Average for All 3 Regattas
Total Economic Impact	\$808,369	\$394,987	\$1,615,199	\$2,818,555
Total spending for visitors	\$788,264	\$229,271	\$1,522,562	\$2,540,097
Total organizational spending	\$20,105	\$165,716	\$92,637	\$278,458
Total taxes and charges (included within "Total Economic Impact")	\$63,333	\$18,620	\$139,135	\$221,088
Average daily per capita spend for all visitors	\$171	\$183	\$318	\$205
Average length of stay for all visitors	4.2	2.7	11.6	5.4
% Attendees from Newport County (Locals)	6%	32%	25%	16%
% From outside Newport County (Visitors)	94%	68%	75%	84%



Note: \$1 variation due to rounding

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ECONOMIC IMPACT - DETAIL

Economic Impact

Attendance

- For the purposes of accurate economic impact calculation, spending by locals (those living in Newport County) was entirely excluded. Once locals were excluded the remaining attendees were defined as visitors.
- The NE Optimist Regatta was held in Newport from August 4th to 6th 2009 and 365 boats competed over the 3 days of races. On average 3.2 people were associated with each boat, which resulted in a estimated attendance of 1,175. Nearly all the attendees at this regatta (94% or 1,105 people) lived outside Newport County and so their spending contributed to the overall economic impact.
- The Coastal Living Regatta was held from July 10th to 12th, 2009 and 250 boats competed in 3 days of races. On average 2.7 people were associated with each boat resulting in an estimated attendance of 680 people. Over two-thirds of attendees (68%) lived outside Newport County, and the spending of these 465 visitors contributed to the overall economic impact.
- The 6 Metre World Cup was held in Newport from September 8th to 12th, 2009 and 36 boats competed over the 5 days of races. Race organizers estimated an attendance of 550 people at the event. Three-quarters of the attendees (75%) were from outside the Newport area and the local spending of these 413 individuals contributes to the overall economic impact.
- The total number of attendees at these three events was 2,405. Of these, 1,983 were visitors attracted to the Newport County area by the regattas.



Economic Impact

Spending and Length of Stay for Visitors

- In order to calculate spending by visitors most accurately, the impact of those staying in hotels within the Newport County was calculated separately from those who either did not stay in paid accommodation or stayed in paid accommodation outside the Newport County (as the impact of this spending on lodgings would not contribute to the Newport County economy). The impact of those who did not stay overnight at all was also calculated separately.
- When respondents checked the "Don't know" box their spending was assumed to be the average of those who did specify their spending for that category.
- For those staying overnight, one night was assumed to represent one day (based on half a day at the beginning and end of stay). For those who did not stay overnight, the number of days was based on the number of days they had competed in the regatta.

	# of Visitors	Avg. Daily Per Capita Spend	Length of Stay
Total/Average of all races	1,983 (Total)	\$205 (Average)	5.4 (Average)
NE Optimist Regatta	1,105	\$171	4.2
Coastal Living Regatta	465	\$183	2.7
6 Metre World Cup	413	\$318	11.6

Economic Impact

Spending by Visitors

- Each visitor's total spending over the course of the whole regatta was allocated as follows:

Total Visitor Spending by Category

	NE Optimist		Coastal Living		6M World Cup		Total	
	\$ For All Visitors	%	\$ For All Visitors	%	\$ For All Visitors	%	\$ For all visitors	%
Lodging	\$230,834	29%	\$43,704	19%	\$616,303	40%	\$890,841	35%
Food & beverage	\$250,555	32%	\$79,650	35%	\$474,800	31%	\$805,005	32%
Retail Shopping	\$120,467	15%	\$26,200	11%	\$129,671	9%	\$276,338	11%
Transportation	\$83,605	11%	\$27,448	12%	\$130,141	9%	\$241,194	9%
Entertainment	\$51,432	7%	\$10,963	5%	\$64,228	4%	\$126,623	5%
Miscellaneous	\$18,772	2%	\$7,146	3%	\$77,121	5%	\$103,039	4%
Race fees	\$32,599	4%	\$34,160	15%	\$30,298	2%	\$97,057	4%
Total	\$788,264		\$229,271		\$1,522,562		\$2,540,097	



Note: \$1 or 1% variations due to rounding

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Economic Impact

Spending by Visitors

- Each visitor's daily spending was allocated as follows:

Visitor Daily Spending by Category

	NE Optimist		Coastal Living		6M World Cup		Average	
	\$ Per Visitor Per Day	%	\$ Per Visitor Per Day	%	\$ Per Visitor Per Day	%	\$ Per Visitor Per Day	%
Food & beverage	\$55	32%	\$63	35%	\$99	31%	\$66	32%
Lodging	\$50	29%	\$35	19%	\$129	40%	\$63	31%
Transportation	\$18	11%	\$22	12%	\$27	9%	\$21	10%
Retail Shopping	\$26	15%	\$21	11%	\$27	9%	\$25	12%
Entertainment	\$11	7%	\$9	5%	\$13	4%	\$11	5%
Race fees	\$7	4%	\$27	15%	\$6	2%	\$12	6%
Miscellaneous	\$4	2%	\$6	3%	\$16	5%	\$7	3%
Total	\$171		\$183		\$318		\$205	

Economic Impact

Organizational Spending

- Organizational spending is the money spent in the Newport County economy by companies and organizations from outside the area and the local spending by individuals associated with those companies (such as sponsors and partners).
- Money spent by a race organizer should only be included if it started outside the area, was spent locally and has not been accounted for elsewhere in the calculation.
- The NE Optimist Regatta received \$20,105 from companies, organizations and individuals associated with the event. The Coastal Living Regatta received \$165,716 and the 6 Metre World Cup received a total of \$92,637 in organizational spending.
- The total economic impact of organizational spending on the Newport County for the three regattas was \$278,458.



Economic Impact

Taxes & Other Charges

- The total amount of taxes and charges generated by the three regattas was \$221,088.
- The taxes were broken down in the following way:

TAX OR CHARGE	NE Optimist Regatta	Coastal Living Regatta	6 Metre World Cup
Hotel Taxes: 13.00% - Combined sales tax and Rhode Island Occupancy Taxes	\$31,069	\$8,830	\$82,260
Sales and Use Tax: 8% on "food & beverage" and 7% on "retail shopping", "entertainment" and "equipment rental" spend	\$32,263	\$9,790	\$56,875
TOTAL	\$63,333	\$18,620	\$139,135



Note: \$1 variation due to rounding

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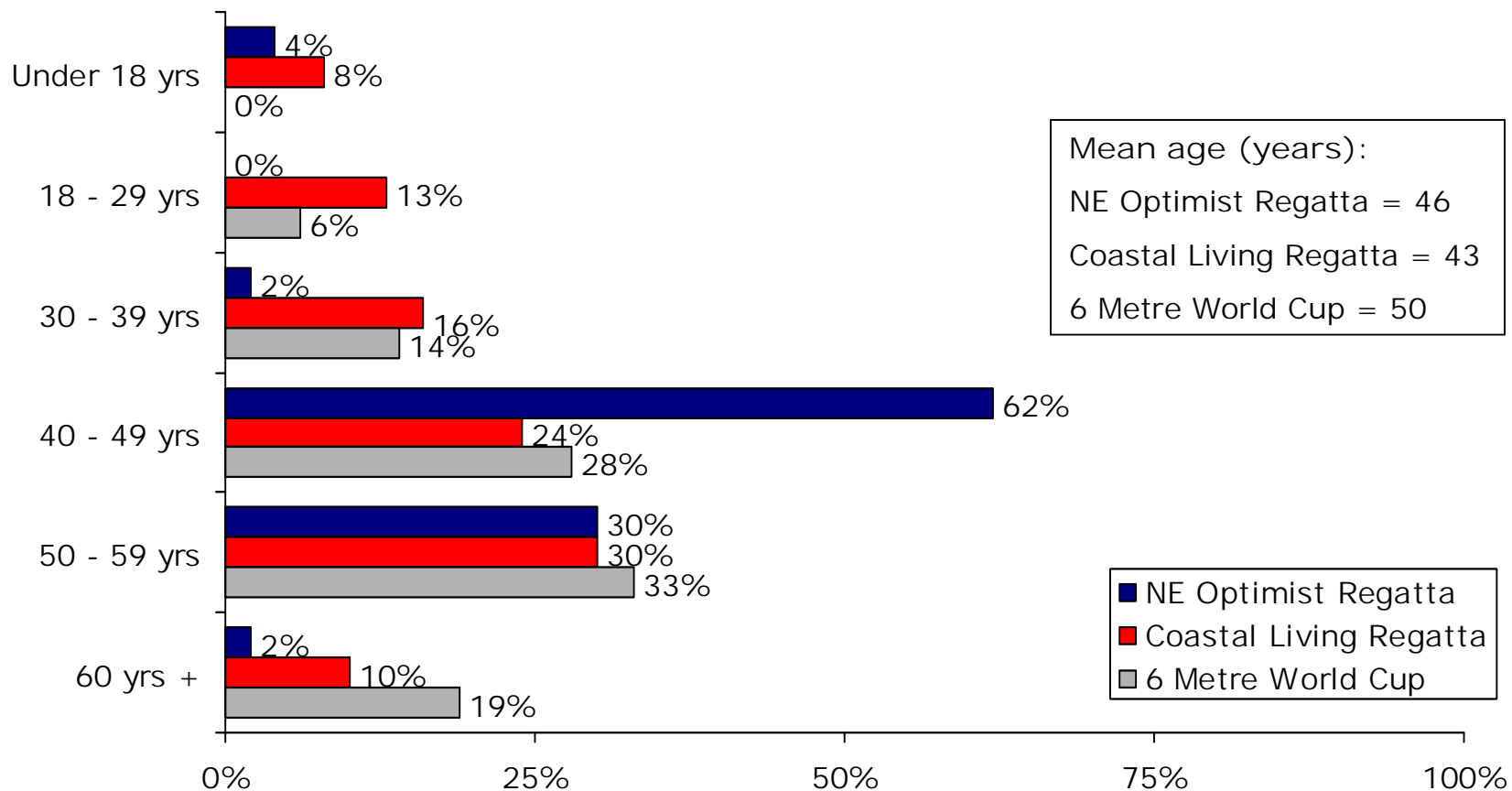


Demographics

Age

By Regatta

While Coastal Living Regatta respondents were most likely to be under 40 years of age, NE Optimist Regatta respondents were the most likely to be 40 years of age or older.



NE Optimist Regatta N=99, Coastal Living Regatta N=101, 6 Metre World Cup N=36

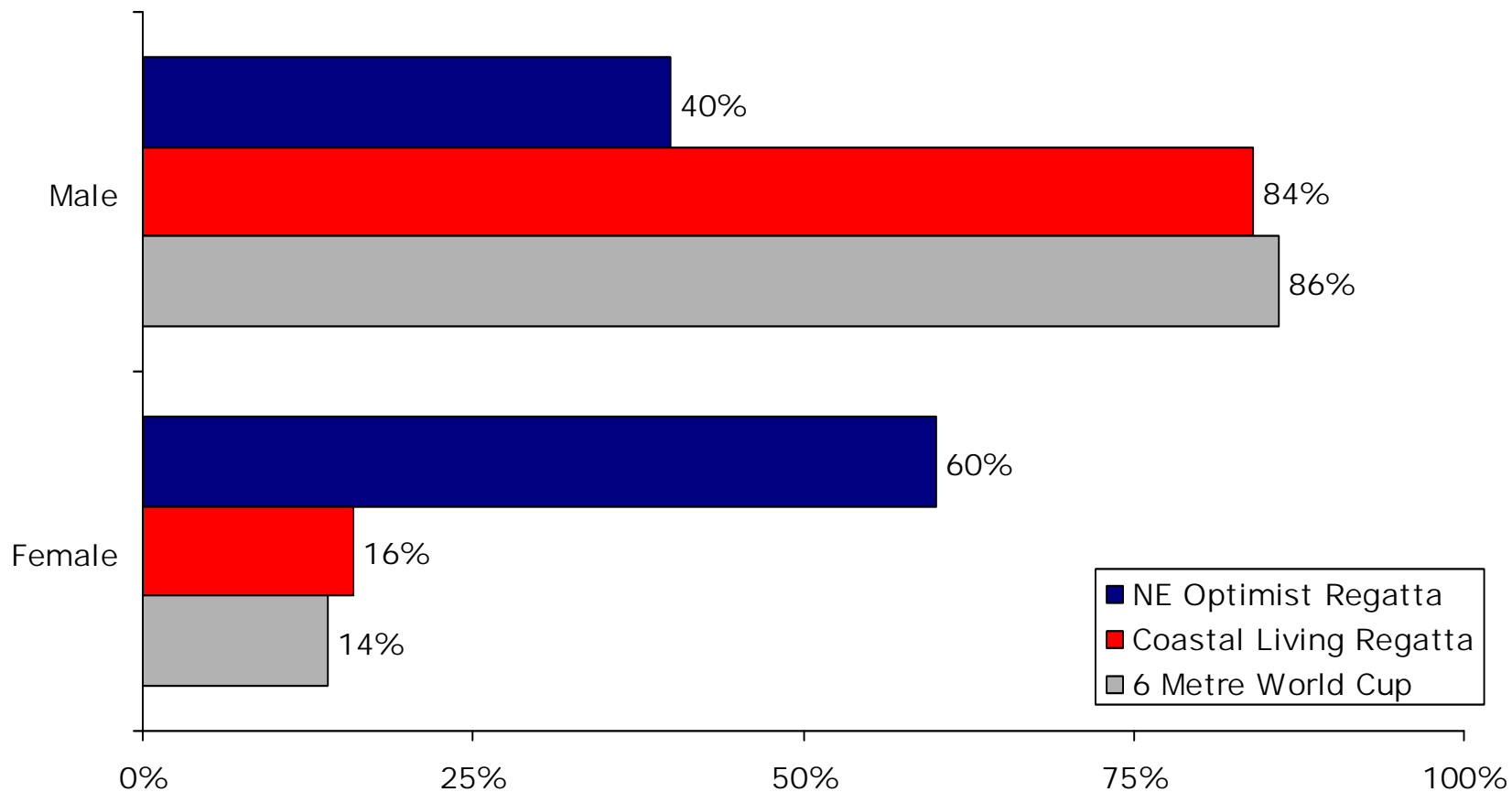


"Age?"

Gender

By Regatta

NE Optimist Regatta respondents were significantly more likely than all other to be female.

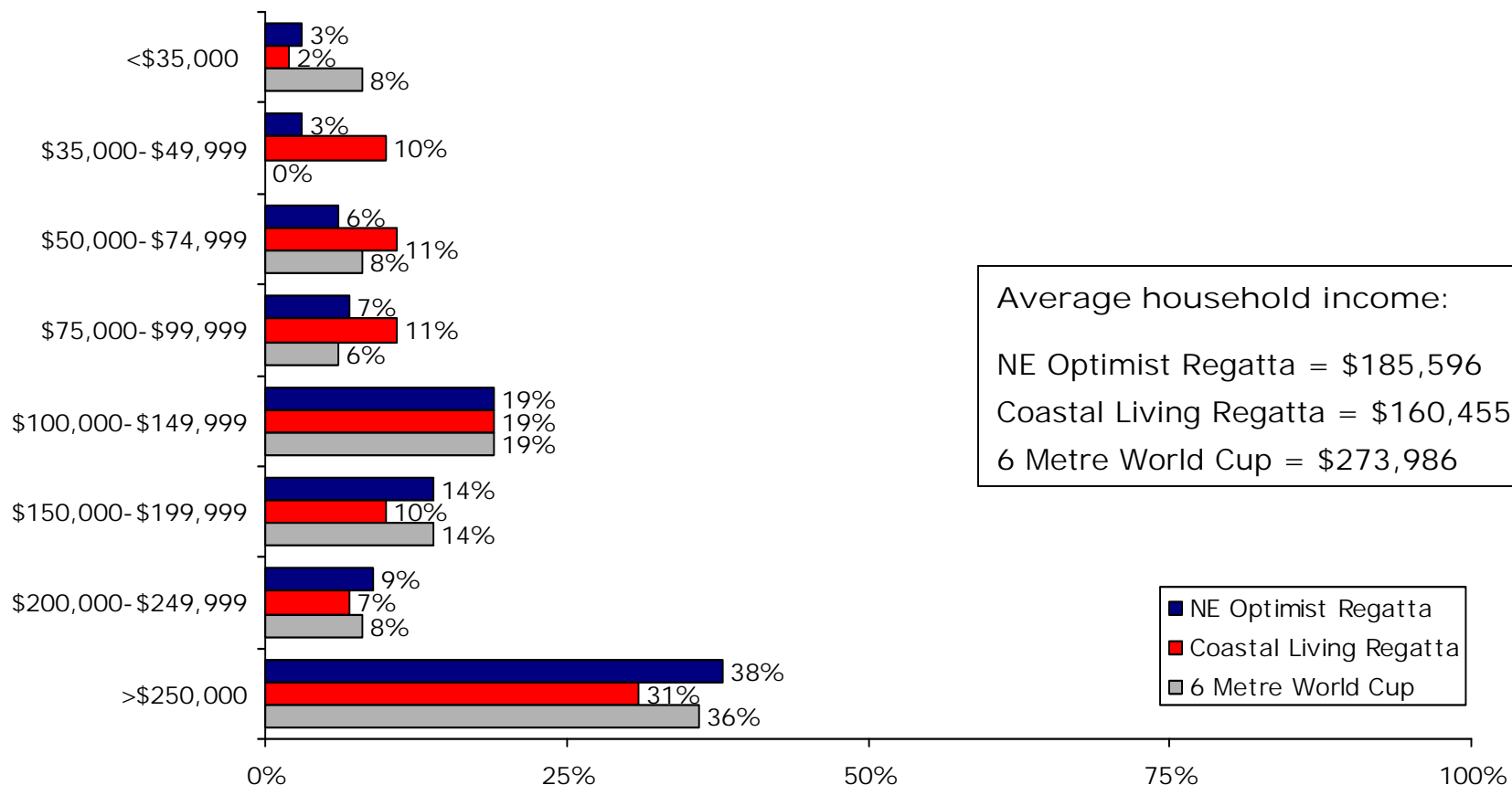


NE Optimist Regatta N=99, Coastal Living Regatta N=101, 6 Metre World Cup N=36

Household Income

By Regatta

In general, respondents reported high annual household incomes. 6 Metre World Cup respondents reported the highest mean income of all respondents.



NE Optimist Regatta N=99, Coastal Living Regatta N=101, 6 Metre World Cup N=36

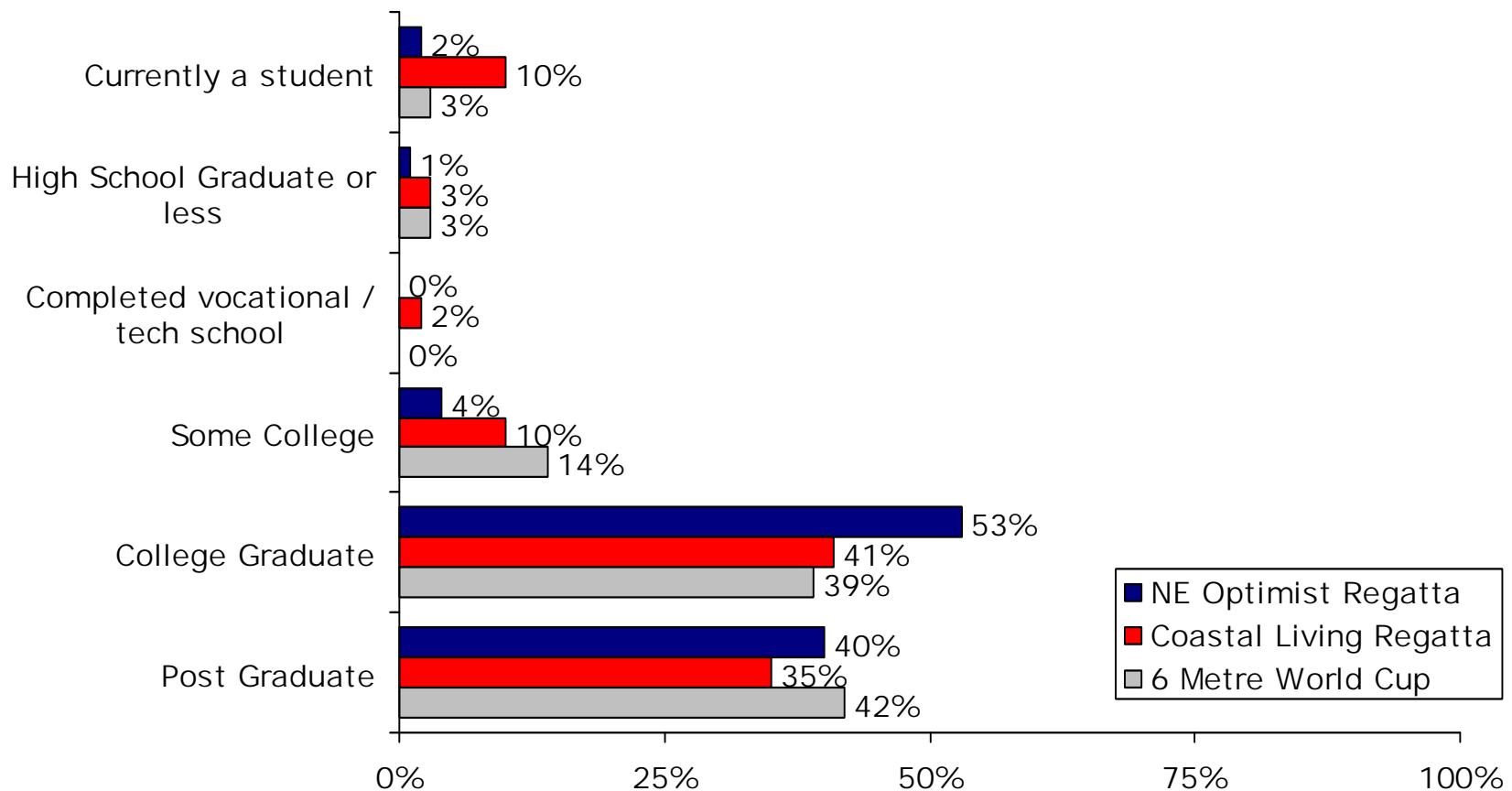


"Approximate annual household income?"

Education

By Regatta

Respondents from all the regattas were highly educated.

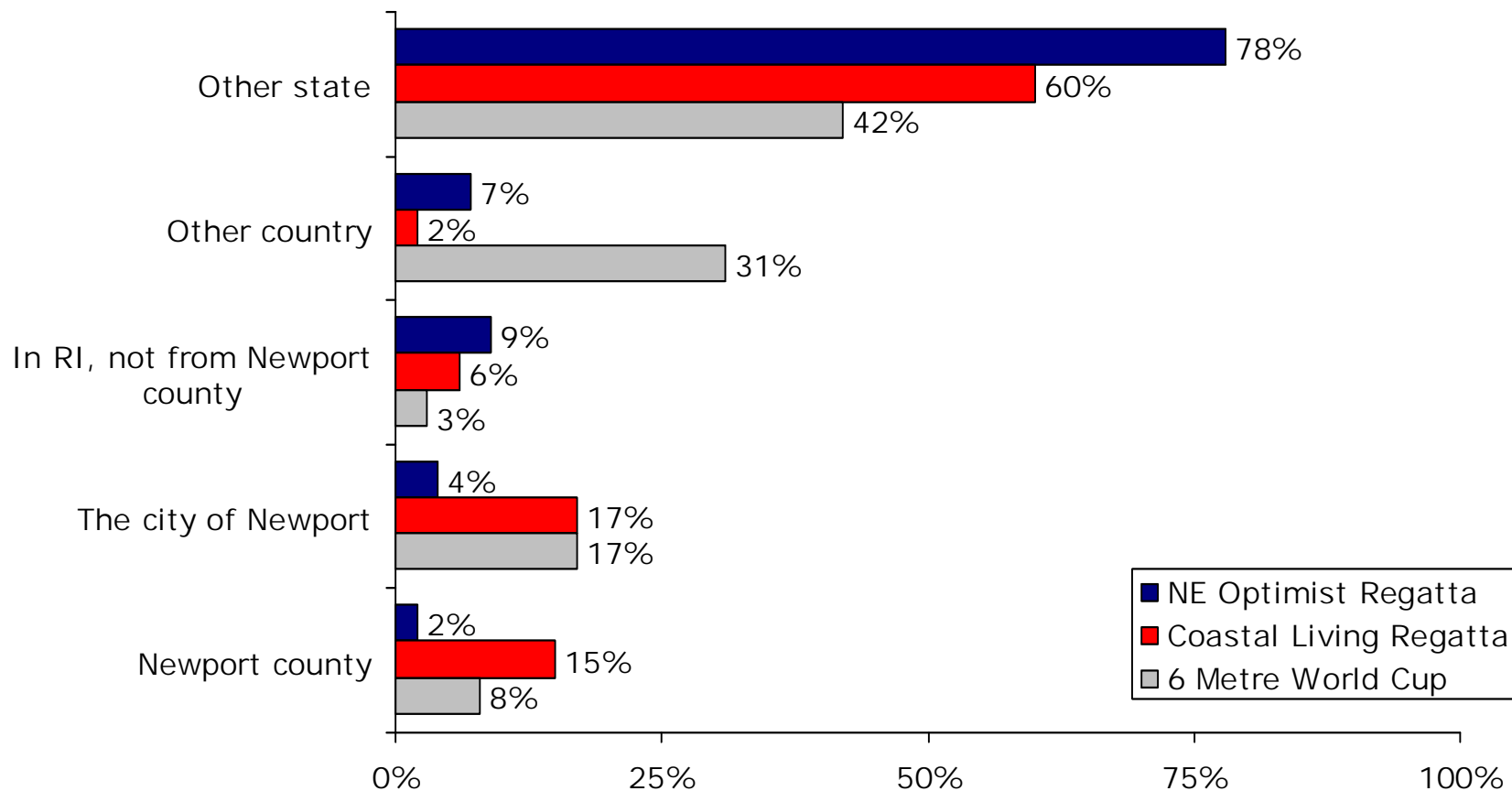


NE Optimist Regatta N=99, Coastal Living Regatta N=101, 6 Metre World Cup N=36

Residence

By Regatta

NE Optimist Regatta respondents were most likely to have arrived from 'Another state',
6 Metre World Cup respondents were most likely to have arrived from 'Another country'.

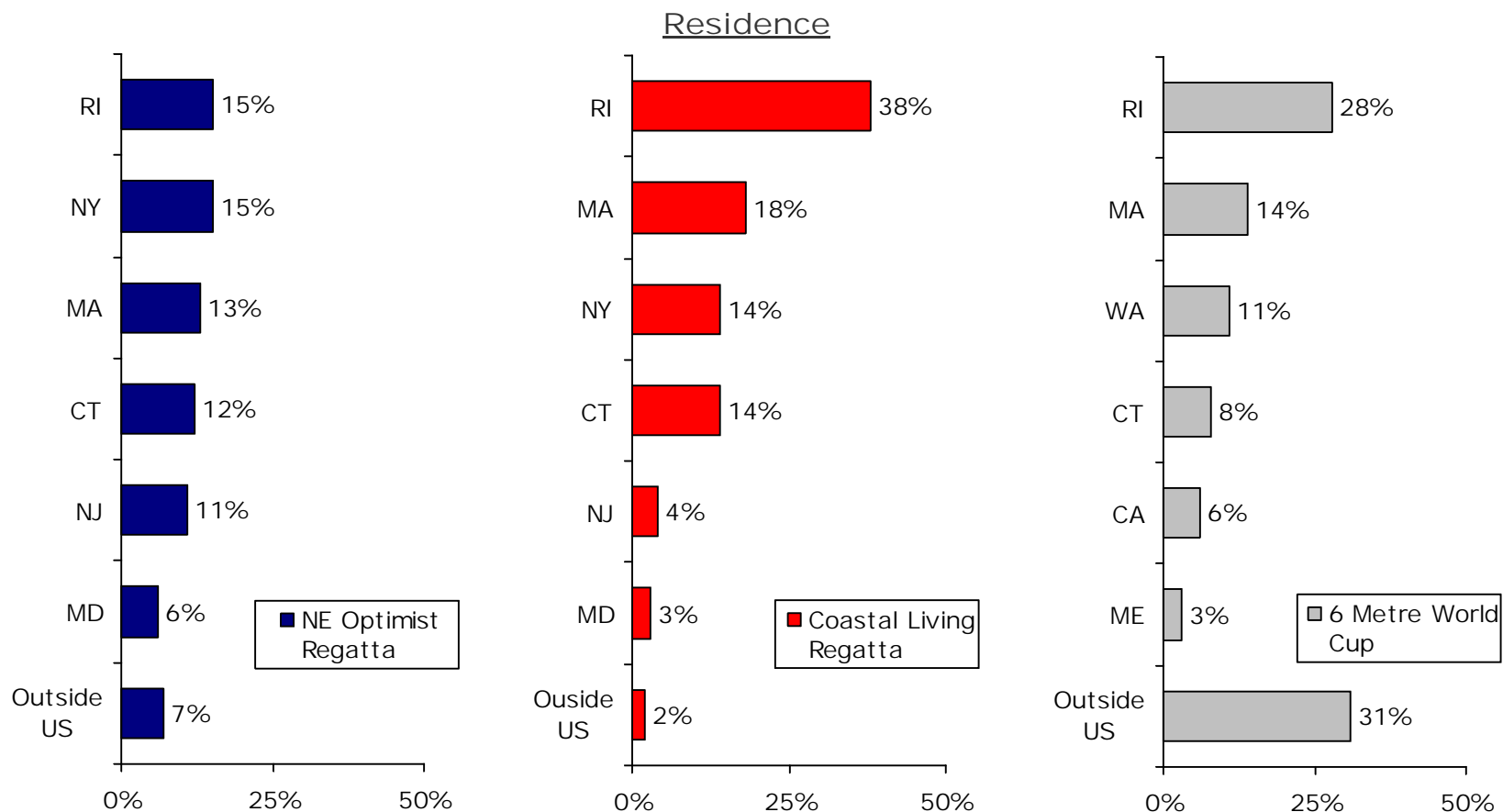


NE Optimist Regatta N=99, Coastal Living Regatta N=101, 6 Metre World Cup N=36

Residence

By Regatta – Top 6 State Mentions

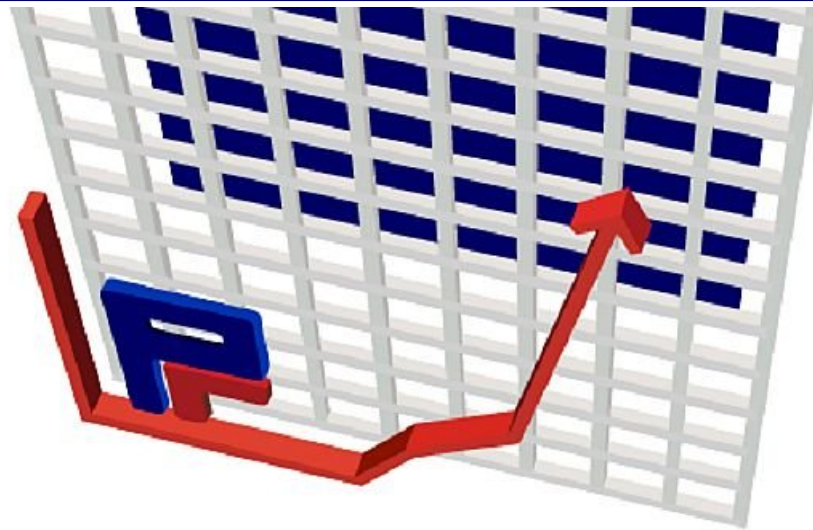
Visitors for regattas are most likely to reside in neighboring states Connecticut and Massachusetts, as well as New York.



NE Optimist Regatta N=99, Coastal Living Regatta N=101, 6 Metre World Cup N=36



"Do you live in.....? (Please specify)"



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