

# New online calculator tracks economic impact of events, festivals

The South African Cultural Observatory (SACO) will enable South African festival and event organisers to track the economic impact of their events by launching the [South African Festival Economic Impact Calculator](#) (SAFEIC) - a new and critical online tool to measure the impact of events on the South African cultural and creative economy.



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Prof Richard Haines, SACO's chief executive officer, says: "This free online calculator, developed by the Cultural Observatory, has been carefully and conservatively designed and tested to produce reliable and valid results for a wide range of festivals and events – provided the data inputted is accurate."

The calculator ultimately reports on three key elements of economic impact: total spending on accommodation, total amount spent by the organisers in the host economy, and the actual economic impact including the multiplier effect on the host economy. SAFEIC was developed by two experienced cultural economists: Prof Bruce Seaman from Georgia State University, Atlanta, Georgia, and Prof Jen Snowball, SACO Chief Research Strategist, and an economics lecturer at Rhodes University.

The tool is based on a regional economic impact calculator developed specifically for cultural events in the United States and adapted for South Africa with the assistance of the original modeller.

## Driven by data

The SAFEIC is driven by data – and works best when accurate data is inputted. Sourcing the data is the most difficult part, but the calculator works either way. "Ideally, some information should come from a visitor survey, but if a survey is not possible, SAFEIC uses default values and provides guidance on things like average visitor spending to ensure the report developed, is as valid as possible," said Snowball.

**To run SAFEIC, a festival or event requires a minimum of seven pieces of information including:**

1. the number of days the festival or event is run over;
2. the population of the host city or town (obtainable from Stats SA);
3. the total number of attendees;
4. the average visitor spend on accommodation per night (obtainable via visitor survey or data from SA Domestic Tourism);
5. the average visitor spending on items other than accommodation (also obtainable from a survey or SA Domestic tourism);
6. funding or sponsorship received from outside the host town or city; and
7. earnings derived from tickets sales.

"The online calculator provides a free tool for cultural festival and event organisers to estimate the economic (financial) impact of their event on the economy of the town or city the event takes place in.

"Of course, the financial value of culture is only part of the overall value, but it can be a powerful way of showing local communities and sponsors how the cultural economy helps to encourage regional economic growth and create jobs," said Snowball.



## **Communicating the value an event to funders and stakeholders**

Economic impact studies also show the financial benefits of hosting cultural festivals and events and can be effective in communicating the value of the event to funders, local residents and other stakeholders.

"Until now, the only way to estimate the economic impact of an event was to run an expensive visitor survey and employ a researcher to analyse the data and calculate the impact. Not all events have the budget to do that, so the SAFEIC offers a reliable way of estimating economic impact at no cost to the organisation. "While it won't provide the same level of detail as

a survey and impact study done for that specific event, it will provide a realistic estimate of what the economic impact is. An added bonus is that the results can be used in feedback to communities and sponsors,” she added.

Haines said the calculator would unlock both an understanding of the impact of events and reporting that supports decision-making. “We are very proud of this SACO product, which we are offering free to industry practitioners and researchers. It’s been a great collaboration of minds and we are excited by its potential impact on the industry,” he said. The SACO is hosted by Nelson Mandela Metropolitan University in partnership with the universities of Rhodes and Fort Hare.

*To mark the launch of this initiative, SACO will host a workshop on 23 May 2017 to empower events and festival organisers as well as roleplayers across the creative and cultural industries with the knowledge and skills to use the SAFEIC. The South African Festivals Economic Impact Calculator Training workshop will take place at the Market Photo Workshop, 138 Lilian Ngoyi Street in Newtown, Johannesburg and is free to all registered participants. Register on the [SACO website](#).*

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