How to Calculate an Event’s Economic Impact

To figure the economic impact of your show on the surrounding area, the following formula can be used:

\[(\text{Actual number of horses} \times 3 \text{ people per horse} = \text{total people}) \times (\text{Actual show days} + 1 \text{ move-in/out days} \times \$150 \text{ per diem} = \text{total$}) = \text{$ directly into city.}\]

Then, multiply $ directly into city by 2 (estimated number of times each tourist dollar turns over in the economy) = total economic impact.

**SAMPLE Two-Day Show**

\[(70 \text{ actual horses} \times 3 \text{ people per horse} = 210 \text{ people}) \times (2 \text{ actual show days} + 1 \text{ move-in/out days} \times \$150 \text{ per diem} = \$450) = \$94,500\]

\[\$94,500 \times 2 = \$189,000 \text{ total economic impact on community.}\]

**History of This Formula**

This formula originally was developed by the American Quarter Horse Association in conjunction with the Fort Worth Texas Chamber of Commerce utilizing a multiplier effect of seven (7). Several years ago, that multiplier was revised to four (4), and two years ago it was revised to two (2) based on advice from various economists that it’s only feasible to trace a dollar two times in a given economy.

Additional modifications have been made (2.5 people/horse to 3 people/horse and a per diem increase for inflation from $140 to $150/day).