



# PALM BEACH COUNTY SPORTS COMMISSION

## ECONOMIC IMPACT OF THE 2023 WINTER EQUESTRIAN FESTIVAL



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## I. INTRODUCTION

This report contains the results of a study of the 2023 Winter Equestrian Festival (WEF) held at the Palm Beach International Equestrian Center in Wellington, Palm Beach County, Florida. The purpose of the study was to estimate the economic impact of the WEF on the Palm Beach County Economy, including the impact on Gross Domestic Product (GDP), employment (jobs) and labor earnings (wages and salaries, plus supplements to wages and salaries, plus proprietors' income).

The report was prepared for the Palm Beach County Sports Commission. The Sports Commission is a private, not-for-profit organization contracted by Palm Beach County to promote and market the County as a sports and sports tourism destination. The Commission attracts sports events and activities to the County to create economic impacts, stimulate tourist tax revenues and maximize utilization of sport venues.

The report contains seven sections. Following this Introduction in Section I, Section II is an Executive Summary that highlights key findings of the study. Section III provides details of the internet surveys used to collect data. The analysis is based on two surveys: a Participant Survey of Riders, Owners and Trainers which has been used for several years and a Spectator Survey which was introduced for WEF 2023

Both surveys focus on nonresidents of Palm Beach County for the purpose of economic impact analysis. Spending by nonresidents is usually financed by income earned outside Palm Beach County. Such spending represents new money being injected into the economy which causes it to expand.

Section IV contains a summary of the analysis undertaken of the data on horse expenditures by Nonresident Participants, obtained from the Participant Survey. Section V contains a summary of the analysis of tourist expenditures by Nonresident Participants, also based on data from the Participant Survey. Included are expenditures such as those on lodging, dining, shopping, local transportation etc.

in Palm Beach County during the WEF. Section VI contains an analysis of tourist expenditures made by Nonresident Spectators as obtained from the Spectator Survey. The last section of the report (VII) contains the total economic impact of the 2023 WEF, which is the sum of the impacts of horse expenditures and tourist expenditures. It also contains the impact of WEF Nonresidents on paid room nights in the Palm Beach County lodging industry.

The authors of this report have extensive experience in economic impact studies of local and regional economies. We would like to note that the equestrian industry is extremely complex regarding accurately assessing its economic impact. For this reason, we would like to thank the riders, owners, trainers who provided information during the course of our research. The spectators also provided information for which we are grateful. Finally, we thank the staff of ESP Productions who provided email lists for the Nonresident Participant Survey and administered the Nonresident Spectator Survey.

## II. EXECUTIVE SUMMARY

1. The Winter Equestrian Festival (WEF) is the largest, annual equestrian competition in the world with nearly 7,000 horses coming from over 42 countries and all 50 US states. WEF normally has 12 consecutive weeks of US Equestrian Federation (USEF) and Fédération Equestre Internationale (FEI) sanctioned competitions that begin each year in early January, and end in early April.
2. Two internet surveys were undertaken during WEF 2023: a survey of participants (riders, owners and trainers) and a survey of spectators. The data used to estimate the economic impact estimates of participants for this study were obtained from an email list of 4,604 unduplicated participants obtained from Equestrian Sport Productions (ESP) who produce the WEFs. All the emails on the list could not be contacted because 367 of the addressed were invalid and 177 opted out of participating on the survey. The resulting population size was 4,060. There were 876 responses, a response rate of 21.6 percent. This met our target of 20 percent. The 876 responses comfortably exceeded our target of 400.
3. The participant questionnaire was developed using previous studies and input from persons familiar with the equestrian industry.
4. The full 876 sample was not used in the analysis because one in eight respondents chose not to participate after they registered. Participants who were residents of Palm Beach County were also excluded, because their economic impact is small. They do not bring “new” money into the county; they reallocate existing funds. The participant sample amounted to 764, a high proportion of the surveys that were returned. It also comfortably exceeded the 400 target.
5. The spending of nonresidents, because of their participation in the 2023 WEF, contributed \$351.7 million to Palm Beach County GDP and supported 3,364 jobs. It resulted in labor earnings of \$103 million with an average earnings per job of \$30,618.

6. Most of the contribution to GDP (\$262.5 million or 74.6 percent) by participants was due to their horse expenditures. Participants' tourist expenditures on lodging, food and so on contributed \$85.7 million (24.4 percent).
7. Direct horse expenditures amounted to \$158.4 million or \$40,260 per horse. These expenditures include stabling, feed, training, supplements, and paid local horse transportation among other items. The direct expenditures stimulated indirect expenditures in the local supply chains and expenditures of the increased earnings of workers throughout the local economy which together amounted to just over \$100.0 million. The total of the direct and indirect expenditures was \$262.5 million, namely, the contribution to the GDP of Palm Beach County. The direct horse expenditures also created labor earnings of \$78.3 million and 2,690 jobs across all industries in the local economy. The average earnings per job was \$29,088.
8. Direct tourist expenditures were made by non-resident participants on items such as lodging, dining and groceries, entertainment, shopping, paid local transportation and other items. Direct tourist expenditures amounted to \$52.0 million or \$22,727 per visiting party. The increase reflected a large increase in the number of participants in 2023 and a sharp uptick in inflation. Variation among tourist parties reflected differences in party sizes and differences in lengths of stay. The average party size was 2.5 persons, and the average length of stay was 74 nights. Another factor was the share of visitors who paid for their lodging. A majority of nonresident participants paid for their lodging (55 percent). The remaining participants did not pay, of which the largest group owned their own lodging. The multiplier analysis indicated that nonresident participants' tourist expenditures increased Palm Beach County GDP by \$85.2 million.
9. The growth in Palm Beach County GDP supports 646 jobs resulting in an increase in labor earnings by \$23.7 million. The average earnings per job was \$36,687.

10. Nonresident participants generated 143,755 paid room nights for the Palm Beach County lodging industry. The 2023 estimates was below the estimate for 2022, but in line with the estimate in 2021. As participants gain experience with the WEF they buy apartments and homes which reduces the number of paid room nights created by the WEF.
11. The Spectator survey resulted in 400 questionnaires in line with our target, but the response rate was less than 10 percent. This was the first year of the survey; it should be improved next year.
12. An outstanding feature of the WEF Spectators is their enthusiasm for the WEF. Attendance at most of the Saturday Competitions was between 40 and 45 percent of the respondents. More than 95 percent reported a high degree of enjoyment with the Competitions and 65 percent had attended the WEF in the previous year. WEF has a dedicated following, including many year-round and seasonal residents. It may be difficult for tourists to compete for the limited space available in the limited viewing area intended for the general public.
13. Most nonresident Spectators came to the County in order to attend WEF. Three fourths were from out of state (including those from other countries).
14. The direct expenditures of Nonresident Spectators amounted to \$2.1 million during the Saturdays of WEF 2023 and the contribution to GDP was \$3.4 million. The expenditures supported 28 jobs and increased labor earnings by about \$1 million. The average earnings per job was \$34,425.
15. The limited impact of WEF Spectators on the local economy reflects their attendance at only 12 or 13 days during the 12-week WEF, the small area available to the general public and the high proportion who did not pay for lodging. Spectators are an important part of sports events. They encourage participants to enter the competitions and endeavor to provide an excellent performance for their fans. The Palm Beach Winter Equestrian Festival is the largest winter

equestrian festival in the world, and it is likely the enthusiastic spectators are an important factor in its success.

16. The economic impact of the Winter Equestrian Festival (WEF) is caused by the “direct” spending pumped into the local economy because of WEF. There are two types of direct expenditures generated by the WEF, namely, total expenditures made by Nonresident Participants and expenditures made by Nonresident Spectators. 2023WEF caused an increase in the GDP of Palm Beach County of \$352 million, supporting 3,364 jobs throughout the economy and labor earnings of \$103 million. Over 70 percent of the impact was due to horse expenditures and 25 percent was due to tourist expenditures. The jobs that were created earned on average \$30,618 per job.



### III. DESCRIPTION OF THE INTERNET SURVEYS

The economic impact of WEF 2023 results from the expenditures made in connection with the festival by participants, namely riders, owners, and trainers. Data were collected by means of an internet survey sent to email addresses. There is also an economic impact from the expenditures made by spectators at Saturday Night Show Jumping Competitions. "Order Sheets" describing the Show Jumping Competition were offered to spectators as they entered the area of the "Blue Seats" reserved for the General Public in the International Arena by ESP employees. The Order Sheet contain information on the Spectator Survey and a QR Code that takes the Spectator to the web site where the Spectator Survey can be filled out at the Spectator's convenience. The information on the Order Sheet notes that filling out the survey makes the spectators eligible for \$100 prizes. The internet surveys use Survey Monkey software.

An internet survey has several advantages when compared with traditional mail surveys, telephone surveys and personal interview surveys. It is the least costly and fastest among the different methods. The questionnaire is self-administered (as is also true of a traditional mail survey) avoiding the costs of interviewers. The questionnaire is delivered to respondents almost instantly, although the respondents may respond at their convenience.

Respondents can fill out the questionnaire quickly by clicking a mouse for most questions. Branching among questions on the questionnaire is seamless to respondents since earlier answers can direct the respondent to the appropriate section of the questionnaire instantly. Reminders can be sent to non-respondents by clicking a button.<sup>1</sup>

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<sup>1</sup> It was not possible to send reminders to Spectators because contact information did not become available until the initial response was received..

## The Participant Survey and Response Rate

A database of almost 5,000 email addresses of participants was obtained from ESP Productions who produce WEF. The entries in the database contained information supplied by the participants as they registered as riders, owners, or trainers. Participants could register for more than one registration category, and also for more than one Saturday Competition during the 13-week WEF period. This resulted in more than 300 duplicate emails being removed from the email master list.

An edited version of the 2022 questionnaire was used in 2023. The edits were designed to make the questions more understandable to the respondents. The questionnaire contained two major parts: collection of data on horse expenditures including stabling, feed, training, local horse transportation and so on, and collection of data on the tourist expenditures made by non-resident participants including lodging, dining, groceries, shopping, local transportation and so on. The itemized list of horse expenditures was the same as had been collected in previous WEF surveys, and the itemized list of tourist expenditures contained the standard items collected in tourism research. The questionnaire contained 22 questions, plus a question that provided an opportunity for the respondent to evaluate the WEF and the questionnaire itself.

A total of 4,604 email addresses were initially contacted on March 18th. The Survey Monkey software indicated that 367 emails “bounced” because of an invalid email address or because the address did not accept email surveys. Additionally, 177 of those contacted “opted out” of the survey by clicking an unsubscribe button. Questionnaires were delivered to the remaining 4,060 emails and this can be viewed as the size of the *population* surveyed.

A total of 876 surveys were received after the initial mailing and six reminders were sent in March and April. The last reminder was sent on April 13<sup>th</sup>. The closest of the alternative survey methods to an email survey is a traditional mail survey because they are both self-administered. Our experience with mail surveys suggests that 20 percent is an adequate response rate because many respondents can refuse

to participate, for a variety of legitimate reasons. A minimum number of 400 returned questionnaires is required to ensure sufficiently accurate results provided any subpopulations of interest represent a large part of the sample.

A total of 876 surveys were returned and this represents the *sample* size. The 876 surveys amounted to 21.6 percent of the population surveyed (response rate).<sup>2</sup> The number of returned questionnaires far exceeded our 400 target and permitted analysis of two subpopulations.

### **Subpopulations**

The first question on the survey asked whether the respondent participated in WEF2023. This was intended to remove non-participants from the sample so that the analysis would be focused on respondents who participated in WEF as riders, owners or trainers. The sample indicated that 12.79 percent respondents did not participate in WEF 2023. The 876 sample of respondents contained 112 nonparticipants. The participant sample amounted to 764, a high proportion of the 876 returned. It exceeded the 400 target for a reliable analysis.

The fourth question on the survey asked about the residency of respondents. 249 respondents indicated they were residents of Palm Beach County and 455 respondents indicated they were nonresidents.<sup>3</sup> The number of nonresidents exceeded the 400 target for a reliable analysis.

### **The Spectator Survey**

The year 2022 was the first year an internet survey was used to gather economic information on WEF spectators. Data for the 2022 survey were collected by handing out cards to the drivers of cars who were in the line to pay for public parking during the four Saturdays in March. The cards contained a link to the web site where the questionnaire was available. Although a reasonable response was obtained, an

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<sup>2</sup> Although meeting the target, this is lower than the response rates reported in earlier years.

<sup>3</sup> There were 60 non-respondents. They are ignored in the discussion above, because the focus is on whether there were 400 nonresidents.

insufficient number of questionnaires were returned. Our target was for a return of 400 completed surveys and the actual returns amounted to less than 50 percent of the target. It was clear that the survey should be expanded to cover the premier week and the full 12 weeks of WEF.

In 2023, the ESP marketing department suggested that the information on the cards including the QR code be placed on the “order sheets” which they hand to spectators, as they were proceeding to the “blue seats”, which are provided for the general public. The order sheets contain details on the program of events for the Saturday Competition and information on the riders and horses that have been entered.

The new methodology resulted in the target of 400 surveys being achieved, although it is clear that the target for returns needs to be increased, because almost 50 percent of the responses came from Palm Beach County residents, and economic impact is usually estimated for non-residents only, since their dollars are “new” to the county and the spending of residents may replace dollars that were previously spent on other activities.

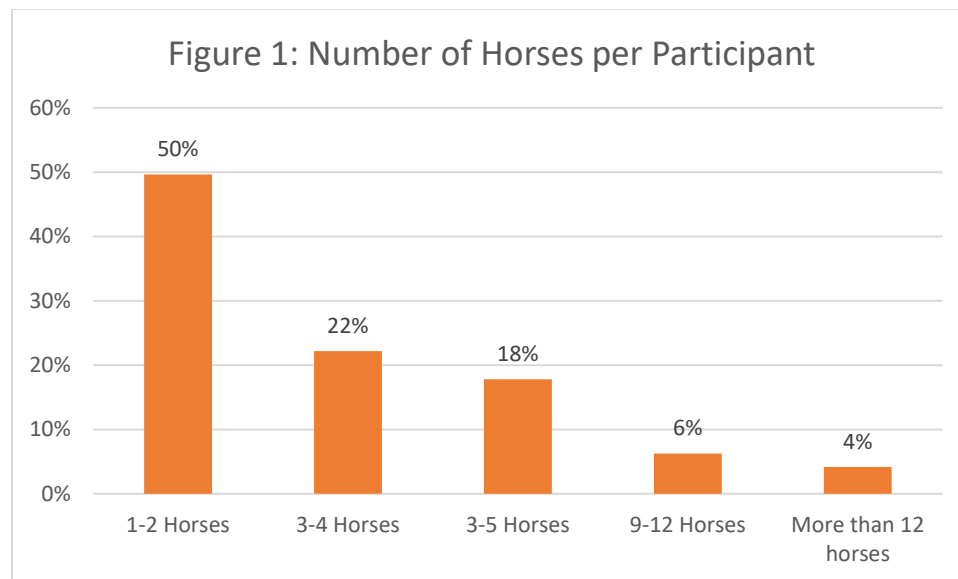
The change in methodology for collecting spectator data was made after WEF 2023 had begun. As a result, no data were collected in the premier week and WEF1. These will provide more data next year. Additional changes may also be made, including improvements to the questionnaire and an increase in the number of prizes.

#### IV. EXPENDITURES ON HORSES BY WEF 2023 NONRESIDENT PARTICIPANTS

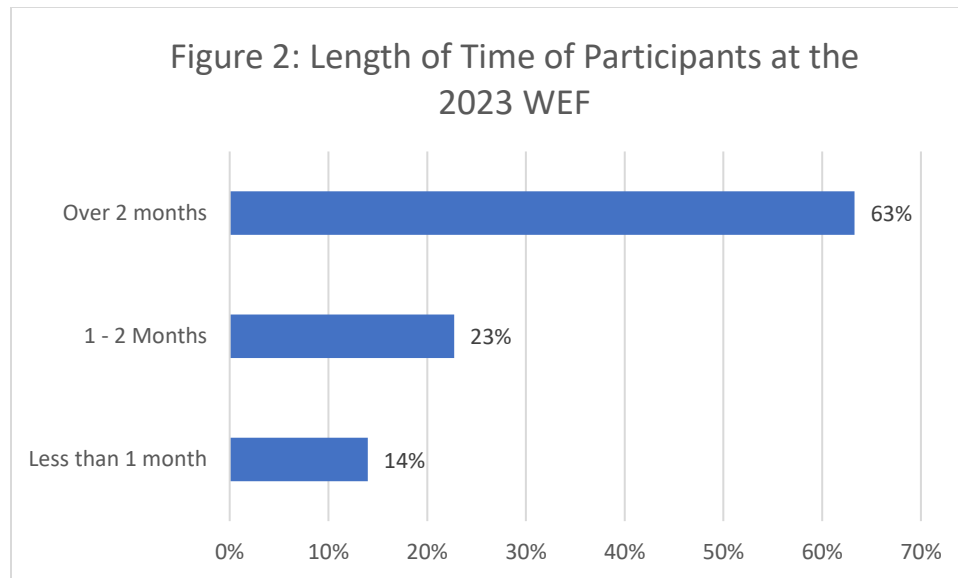
The internet survey discussed above is the source of the data on Horse Expenditures discussed in this section of the report. Horse expenditures were incurred by WEF nonresident participants, namely, riders, owners and trainers. Horse expenditures include stabling, feed, manure disposal, training, equipment maintenance & purchases, local horse transportation, supplements & farrier/shoeing services, and others. The data are for nonresidents because their spending is new to the economy and causes local GDP to expand.

##### Participant Characteristics

Two characteristics of participants are important in explaining the level of horse expenditures by participants, namely, the number of horses they were involved with at the WEF, and the length of time (months or weeks) they participated in the WEF. Participants with larger numbers of horses had higher expenditures as did participants who spent longer periods of time.



The average number of horses per participant was 2 with 50% of the participants involved with 1 or 2 horses. About three-fourths of the participants were involved with 4 or less horses.

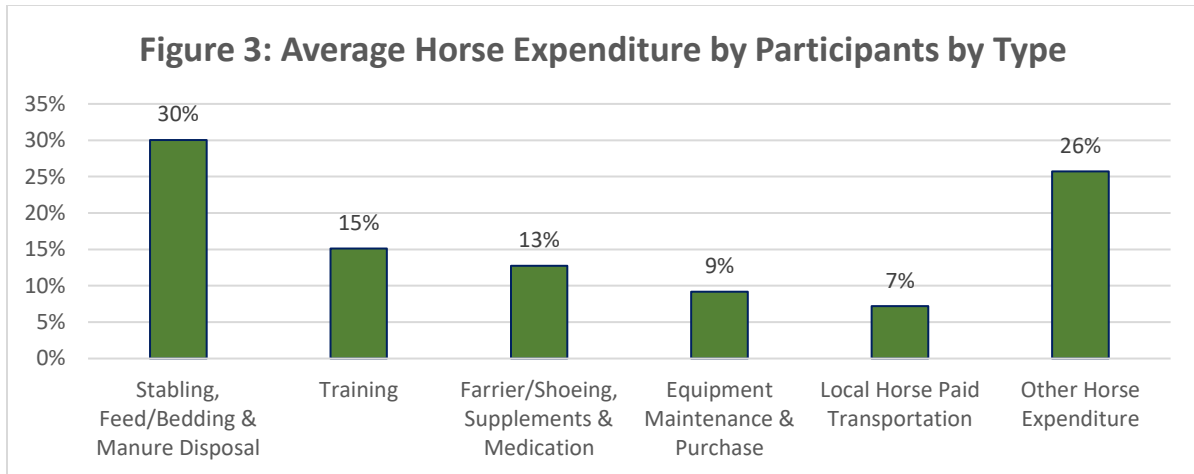


The average length of stay for the participants showing at the 2023 WEF was 11.17 weeks or around 2.79 months (Figure 2). The percent of participants who spent less than one month was 14 %, and just over 60% of the participants stayed more than 2 months.<sup>1</sup>

### **Average Horse Expenditure**

The average participant spent \$40,260 per horse at the 2023 WEF, an increase of 27% over the 2022 WEF average expenditure of \$31,586. This was mainly caused by an increase in the cost of feeding and bedding, equipment maintenance, training, fuel, and local horse transportation, all of which increased between 16% and 30%.

A breakdown of average expenditure per horse is given in Figure 3. Stabling, feed and manure disposal accounted for 30 percent, training accounted for 15%, farrier & shoeing, and supplements & medication accounted for 13 percent; equipment purchases & maintenance accounted for 9 per cent; paid local horse transportation accounted for 7 percent; and a residual “other” category, which contained a variety of items, accounted for 26 percent.<sup>2</sup>



**Total Horse Expenditures by Nonresident Participants**

From the Internet survey, the number of horses owned by nonresident participants in WEF 2023 was estimated to be 3934. This total was multiplied by the spending per horse estimates to derive the estimates for total horse expenditures by type given in Table H-1.

<b>Table H-1</b> <b>Total Horse Expenditures by</b> <b>Nonresident Participants in WEF 2023 by Type</b> <b>Millions of Dollars</b>	
<b>Type of Expenditure</b>	<b>Amount</b>
Stabling, Feed/Bedding & Manure Disposal	\$47.2
Training	\$23.8
Farrier/Shoeing, Supplements & Medication	\$20.0
Equipment Maintenance & Purchases	\$14.6
Local Paid Horse Transportation	\$11.4
Other Horse Expenditure	\$41.3
<b>Total</b>	<b>\$158.4</b>

The horse expenditures in Table H-1 are called “direct” expenditures in economic impact analysis because they result from the direct actions of participants. As a result of the expenditure, there was an expansion of “front line” industries such as those providing stabling, food, farrier and shoeing, supplements and medications, local horse transportation and so on. As the front-line industries

expanded, these was an increase in indirect horse-related expenditure, namely, increased expenditures made by businesses in the industries back up the various supply chains that provide the goods and services to the front-line industries. This increased the earnings of front-line workers as well as those further up the supply chain. Most of these increased earnings were spent on consumer goods such as food, clothing, housing, transportation, recreation, health and education services and so on. Two types of secondary expenditures, namely, the spending by supply chain industries and the spending by workers, taken together, are called indirect expenditures in economic impact analysis. The results are in Table H-2.

<p style="text-align: center;"><b>Table H-2</b>  <b>The Expansion of Palm Beach County GDP due to Horse Expenditures by 2022 WEF</b>  <b>Nonresident Participants</b>  <b>(Millions of Dollars)</b></p>			
	Direct Expenditures	Indirect Expenditures	Total (GDP)
Stabling, Feed/Bedding & Manure Disposal	\$47.2	\$30.7	\$78.9
Training	\$23.8	\$16.9	\$40.6
Farrier/Shoeing, Supplements & Medication	\$20.0	\$9.4	\$29.4
Equipment Maintenance & Purchases	\$14.6	\$9.6	\$24.3
Local Paid Horse Transportation	\$11.4	\$7.5	\$18.9
Other Horse Expenditure	\$41.3	\$30.0	\$71.3
<b>Total</b>	<b>\$158.4</b>	<b>\$104.1</b>	<b>\$262.5</b>

The total of the direct and indirect expenditures is the impact of horse expenditures on the production of the Palm Beach County economy (GDP). The spending by horse owners, riders, and trainers at the 2023 WEF increased the GDP of Palm Beach County by \$262.5 million.

Economists use multipliers to estimate the total impact corresponding to the direct impact. The multipliers used to calculate the total direct expenditures by type were obtained from a special run of the RIMS II Model of Palm Beach County obtained from the Bureau of Economic Analysis (BEA) of the US Department of Commerce. The BEA produces the official GDP estimates for the US nation, states, and



counties as well as RIMS II models for the various regions of the national economy. Each dollar of direct expenditure at the 2023 WEF resulted in an overall multiplier impact of 1.657.

Jobs Created and Labor Earnings

As the Palm Beach GDP expands due to the spending by participants at the 2023 WEF, jobs are created for Palm Beach County workers and their labor earnings are increased. The RIMS II Model produces estimates of the number of jobs created as well as the increase in earnings. The number of Jobs created, and the labor earnings are given in Table H-3.

<p align="center"><b>Table H-3</b>  <b>Impact of Horse Expenditures by WEF 2023 Nonresident Participants on Jobs and Labor Earnings</b>  <b>(Number of Jobs and Millions of Dollars)</b></p>				
	Jobs Multipliers	Jobs Created	Earnings Multipliers	Labor Earnings
Stabling, Feed/Bedding & Manure Disposal	23.23	805	0.53	\$24.6
Training	30.92	587	0.61	\$14.5
Farrier/Shoeing, Supplements & Medication	27.85	211	0.56	\$6.5
Equipment Maintenance & Purchase	16.72	185	0.46	\$7.0
Local Horse Paid Transportation	12.80	109	0.44	\$5.1
Other Horse Expenditure	26.51	794	0.51	\$20.9
<b>Total</b>	<b>23.81</b>	<b>2690</b>	<b>0.52</b>	<b>\$78.3</b>

The direct horse expenditures made by nonresidents of Palm Beach County who participated in WEF 2023 created labor earnings of \$78.3 million and 2,690 jobs across all industries in the local economy. The average earnings per job was \$29,088.

## V. TOURIST EXPENDITURES BY WEF 2023 NONRESIDENT PARTICIPANTS

This section of the report contains estimates of the “tourist” expenditures made by nonresident participants during WEF 2023. Tourist expenditures include spending on lodging, dining and groceries, entertainment and recreation, shopping, and local transportation.<sup>3</sup> Data on these expenditures were collected in the email survey discussed in previous sections of this report.

More than 60 percent of the respondents to the interview survey were nonresidents of Palm Beach County and these have the greatest impact on the local economy because their spending is financed by resources that are brought into the county. More than 75 percent of the nonresidents were from other states and territories of the US, and the remainder were evenly divided by visitors from elsewhere in the Americas and from Europe and Asia.

### Tourist Characteristics

People visiting an area away from home usually travel in parties. A party is a group of individuals traveling together who share expenses. As a result, the unit of observation for a visitor survey is the traveling party. Such parties have two characteristics that strongly influence their expenditures: their party size, namely, the number of persons in their party, and their length of stay, which is the number of days (or nights) that the members stay at a particular location.

2023 WEF participants had an average party size of 2.5 persons (same as in 2022) and an average length of stay of 74 nights (66 in 2022). The party size is similar to other surveys of Palm Beach County tourists, but WEF participants tend to have a longer stay than many other tourists. The length of stay is long because the event that draws WEF participants lasts 12 weeks.<sup>4</sup>

### Average Tourist Expenditures

The average tourist expenditure per party was \$22,727, (\$20,061 in 2022). Lodging was the largest item accounting for 29.2 percent of the total, followed by dining and groceries which together accounted for 26.9 percent. Shopping accounted for 17.8 percent and Entertainment and Recreation accounted for 7.1 percent. Local transportation accounted for 12.4 percent and a residual “other” category accounted for 6.6 percent.

Lodging (bedroom) expenses were incurred by those staying in hotels or vacation rentals. More than 50 percent of nonresident participants stayed in vacation rentals (condos or homes), although a small number did not pay for their lodging. In addition to this nonpaying group, there were larger groups that did not pay for their lodging. Of these, the largest group owned their place of lodging (42.6 percent). The second largest “nonpaying” group were those who stayed in vacation rentals but were not charged for their room (27.8 percent). Smaller groups stayed with friends or relatives, or in mobile homes or recreational vehicles. There was even a group who commuted to the WEF from nearby counties.

One in seven stayed in hotels/motels all of whom paid for their lodging. Adding these to those paying for their lodging in vacation rentals resulted in 55 percent of nonresident participants paying for their lodging and 45 percent who did not. Those “not paying” for their lodging made the expenditures on other items that “paying” parties did.

Nonresident parties of participants who paid for their lodging averaged \$1,635 each week during their 7.3 week stay at WEF. They rented 2.2 bedrooms. Stays were shorter in the hotel/motel category (5.9 weeks) than in the paid vacation rental category (7.8 weeks). Party sizes were also smaller for those in hotels (1.8 persons) compared to “paying parties” staying in vacation rentals (3.5 persons). The total expenditures on all items of these “paying” participants averaged \$4,216. Those in hotels spent about \$1,000 less than those in vacation rentals. The total expenditure of those who did not pay for lodging averaged \$1,522. This relatively low estimate reflected in part the lack lodging expenditures, but it also

may have reflected higher incomes by those who paid for their lodging. The higher incomes resulted in higher expenditures on the nonlodging items by paying parties, especially shopping.

**Total Tourist Expenditures**

Total tourist expenditures were obtained by multiplying average expenditures by type, by the estimated number of out of county participant parties (as obtained from the email survey). The result was total expenditures by visitors to WEF 2023 of \$52.0 million (\$31.6 million in 2022). The increase reflected an increase in the number of out of state participants of 50 percent plus relatively high inflation.

<p style="text-align: center;"><b>Table T-1</b>  <b>Total Tourist Expenditures of</b>  <b>WEF 2023 Nonresident Participants by Type</b>  <b>(Millions of Dollars)</b></p>	
Type of Expenditure	Amount
Lodging	\$15.2
Dining	\$8.8
Groceries	\$5.1
Entertainment & Recreation	\$3.7
Shopping	\$9.2
Local Transportation	\$6.5
Other Visitor Expenditures	\$3.4
<b>Total</b>	<b>\$52.0</b>

**Direct and Indirect Expenditures**

Economists refer to the total tourist expenditures estimated above as “direct” expenditures because they are made by the tourists to the “front line” industries they affect directly. Direct tourist expenditures result in indirect expenditures. These are the additional expenditures made by businesses in the local supply chains that supply the various inputs to the front line industries that provide the goods and services directly purchased by the WEF participants. There are also expenditures made by the workers who receive increased earnings because of the expansion of the supply chains. The spending by

workers goes on consumer goods and services such as lodging, food, educational, medical, and transportation services and so on. The direct expenditures by spending category are presented in Table T-1.

The total of the direct and indirect effect expenditures is the impact of WEF participant tourist expenditures on the production of the Palm Beach County economy (GDP). Participant tourist expenditures increased the GDP of Palm Beach County by \$85.7 million, the sum of direct and indirect spending. Each dollar of direct visitor expenditure resulted in \$1.62 so the overall multiplier was 1.62.

Table T-2 The Expansion of Palm Beach County GDP due to the Tourist Expenditures of WEF 2023 Nonresident Participants. (Millions of Dollars)			
	Direct Expenditures	Indirect Expenditures	Total Expenditures (GDP)
Lodging	\$15.2	\$9.7	\$24.9
Dining	\$8.8	\$6.4	\$15.2
Groceries	\$5.1	\$3.2	\$8.3
Entertainment & Recreation	\$3.7	\$2.6	\$6.3
Shopping	\$9.2	\$5.9	\$15.1
Local Transportation	\$6.5	\$3.8	\$10.3
Miscellaneous	\$3.4	\$2.2	\$5.6
<b>Total</b>	<b>\$52.0</b>	<b>\$33.7</b>	<b>\$85.7</b>

The “multipliers” that convert direct expenditures by type into total expenditures by type were obtained from a special run of the RIMS II Model of Palm Beach County obtained from the Bureau of Economic Analysis (BEA) of the US Department of Commerce. The BEA produces the official GDP estimates for the US nation, the states, and counties as well as RIMS II models for the various regions of the national economy.

### Jobs Created and Labor Earnings

As the Palm Beach GDP expands due to the tourist spending by 2023 WEF nonresident participants, jobs are created for Palm Beach County workers and their labor earnings are increased. The RIMS II Model also produces estimates of the number of jobs created as well as the increase in earnings. These are shown in Table T-3.

The expenditures of the 2023 WEF nonresident participants created 646 jobs in all local industries, including supplying industries and consumer industries serving the needs of workers in the various supply chains which received increases in their labor earnings. The total increase in labor earnings was \$23.7 million. The average earnings per job was \$36,687

Table T-3 Impact of Direct Tourist Expenditures of Nonresident WEF 2023 on Jobs and Labor Earnings Number of Jobs and Millions of Dollars				
	Jobs Multipliers	Jobs Created	Earnings Multipliers	Labor Earnings
Lodging	9.4084	126	0.4185	\$6.4
Dining	13.9666	109	0.4810	\$4.3
Groceries	15.2812	69	0.4847	\$2.5
Entertainment & Recreation	13.4325	44	0.4775	\$1.8
Shopping	13.5594	110	0.4540	\$4.2
Local Transportation	25.9220	147	0.4828	\$3.1
Miscellaneous	13.5994	41	0.4540	\$1.6
Total		646		\$23.7

### Paid Room Nights Occupied by 2023 WEF Non-Resident Participants

Spending by 2023 WEF nonresident participants had a positive impact on the paid room nights at Palm Beach County lodging places. The room nights were generated at hotels/motels and vacation rentals. A total of 143,755 room nights were generated, down sharply from the 195,671 generated in 2022, but similar to the room nights generated in 2021.

## VI. TOURIST EXPENDITURES BY WEF 2023 NONRESIDENT SPECTATORS

This section of the report contains estimates of the “tourist” expenditures made by nonresident spectators who attended the Saturday Show Jumping Competitions during WEF 2023. The WEF consists of 12 weeks of qualifying and other competitions every Wednesday through Sunday, culminating in a Grand Prix competition on Saturday night. Grand Prix competitions enable professional competitors to achieve national ranking on the Show Jumping Circuit. This ensures that they provide opportunities for spectators to witness the equestrian sport at its highest level. The Saturday Night competitions attract the largest numbers of spectators and are marketed as The Saturday Night Lights series. Tourist expenditures include spending on lodging, dining and groceries, entertainment and recreation, shopping, and local transportation.<sup>5</sup> Data on these expenditures were collected in the internet Spectator Survey discussed in SECTION III of this report.

**Table S-1**  
**Attendance at WEF 2023**

Week	Event	Percent Who Attended
Premier	SNL Battle of the Sexes	30.5
WEF1	SNL \$140,000 Southern Arches Grand Prix CSI3	39.0
WEF2	SNL: \$50,000 Palm Beach Equine Clinic Grand Prix	39.3
WEF3	SNL: \$216,000 NetJets Grand Prix CSI4	43.6
WEF4	SNL: Great Charity Challenge	37.8
WEF5	SNL: \$406,000 Fidelity Investments® Grand Prix CS15	44.6
WEF6	SNL: \$100,000 WCHR/USHJA Hunter Spectacular	40.8
WEF7	SNL: \$406,000 Lugano Diamonds Grand Prix CSI5	41.3
WEF8	SNL: \$150,000 Nations Cup CSIO4	38.4
WEF9	SNL: \$406,000 Wellington Equestrian Realty Grand Prix CSI5	42.6
WEF10	SNL: \$216,000 Horseware Ireland Grand Prix CSI4	56.2
WEF11	SNL: \$140,000 1.50m Final CSI4	60.0
WEF12	SNL: \$500,000 Rolex Grand Prix CSI5	43.6

### **General Spectator Characteristics**

Table S-1 shows the attendance level of spectators at the Premier week competition and the 12 regular competitions during WEF1, WEF2, ..., WEF 12. The data come from the surveys returned at the

end of WEF 12, namely, at the end of WEF 2023. Table S-1 shows that attendance at most competitions was between 40 and 45 percent of respondents. The Battle of the Sexes, which took place before the regular season began, attracted the lowest attendance (30.5 percent). WEFs 10 and 11 attracted between 55 and 60 percent. The high rates of attendance suggest a degree of enthusiasm for WEF among the respondents to the survey.

The high level of enthusiasm is confirmed by the data in Table S-2. Eighty percent of the respondents indicated that they found WEF 2023 very enjoyable and a further 14.7 percent found it enjoyable.

<b>Table S-2</b>	<b>Percent of</b>
<b>Enjoyment of WEF 2023</b>	<b>Respondents</b>
Enjoyed Very Much	80.0
It was enjoyable	14.7
It was OK	5.3
I was disappointed	0.0
Total	100.0

Finally, more than 65 percent of respondents were repeat spectators from WEF 2022. This is a very high repeat rate and provides further evidence of a high level of enthusiasm for WEF.

<b>Table S-3</b>	<b>Percent of</b>
<b>Repeat Spectators from WEF 2022</b>	<b>Respondents</b>
Attended WEF 2022	65.2
Did not attend WEF 2022	34.8

**Characteristics of Nonresident WEF 2023 Spectators**

The economic impact of a spectator depends on whether he/she is a resident or a nonresident of Palm Beach County. Nonresidents are the major source of economic impacts



because they are spending “new” money that they brought into the county. Residents are reallocating money already in the county and their net impact is very small.

**Table S-4  
Palm Beach County Residency**

	<b>Percent of Respondents</b>
Year-Round Resident (6 months or more in the county)	46.6
Seasonal Resident (3 months to 5.9 months in the county)	20.5
Tourist (Less than 3 months in the county)	32.9
Total	100.0

Table S-4 shows the breakdown of the sample by Palm Beach County Residency. Fewer than 50 percent of the survey respondents (46.6 percent) were year-round residents, defined as those who spend 6 months or more in Palm Beach County. Nonresidents included seasonal residents who spent 3 months or more but less than 6 months (20.5 percent) and tourists who spent less than 3 months (32.9 percent). Nonresidents accounted for 53.4 percent of respondents.

**Table S- 5  
Purpose of Visit to Palm Beach County  
by Nonresident WEF 2023 Spectators**

<b>Purpose</b>	<b>Percent of Respondents</b>
Business/Convention	5.9
Pleasure/Leisure	22.3
Visit Friends/Relatives	11.4
Attend the Winter Equestrian Festival	59.9
Other	0.5
Total	100.0

Table S-5 presents the purpose of their visit to Palm Beach County. The primary purpose of the visit to the County of nonresident WEF Spectators was to attend the WEF. This was the purpose cited by almost 60 percent of the respondents and is consistent with the enthusiastic nature of the general population for WEF shown in Tables S-1 to S-3 above. Nonresidents also have great enthusiasm for the WEF.

**Table S-6**  
**Length of Stay in Palm Beach County**  
**by Nonresident WEF 2023 Spectators**

<b>Length of Stay</b>	<b>Percent of Respondents</b>
Number of Days if less than a Week	34.7
Number of Weeks if Less than a Month	18.3
Number of Months if Less than 6 months	47.0
Total	100.0

Another characteristic of non-residents is their length of stay in Palm Beach County, Table S-6 contains information on the length of stay of WEF 2023 Spectators. A plot of the percentages against length of stay is u-shaped, indicating that the highest percentages are for relatively short stays of less than a week (34.7 percent), and relatively long stays of more than a more than a month (47.0 percent). Stays of intermediate length accounted for less than 20 percent of the total. The high percentage of short stays reflects the relatively large number of spectators who are day visitors from the neighboring counties, and the relatively large percentage for long stays reflects the relatively large number of seasonal residents in the sample.

Information was also collected on the geographic origin of nonresidents (Table S-7). Out of state residents accounted for about three quarters of total non-residents.<sup>4</sup> Almost 60 percent were from other US States or Territories, and 16 percent were from Other Countries. One in four nonresidents were from other Florida counties. This shows the appeal of WEF to residents of other parts of Florida, particularly nearby counties.

**Table S-7**  
**Geographic Origin of Nonresident WEF 2023 Spectators**

<b>Geographic Origin</b>	<b>Percent of Respondents</b>
Other Florida County	24.8
Other US State or Territory	58.9
International	16.3
Total	100.0

**Economic Impact of Nonresident WEF 2023 Spectators**

The economic impact of a nonresident WEF Spectator is proportional to the level of expenditures they make in Palm Beach County when they attend the WEF. Because of the methodology used to deliver the questionnaire to spectator, the “unit of observation” is an individual, rather than the traveling party which is more common for a tourist-type study. The purpose of the internet survey was to estimate the average level of spending by spectators on

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<sup>4</sup> Seventeen “nonresidents” declared themselves to be residents of Palm Beach County. The most likely explanation is that some seasonal residents consider themselves to be residents. They may have two or more other residences outside the county and the time spent in Palm Beach County may be the longest spent among the several locations, or their preferred residential location may be Palm Beach County. We added those who declared themselves to be residents of the county to the out of state total in Table S-7. This category contains the most seasonal residents.

the day when they received the questionnaire. Individuals received the survey rather than traveling parties.

An important determinant of a non-resident's expenditure is their lodging expenditures. It is useful to distinguish among nonresident spectators by the type of lodging they used. Table S-8 shows a breakdown of the sample of nonresident spectators by lodging type. The Table shows that 61.9 percent of nonresident WEF Spectators were staying in the first three listed categories, namely day visitors, those who stayed with friends or relatives and those who stayed in their own home or condo or RV. These lodging types are not associated with significant lodging expenditures. Significant lodging expenditures were incurred by spectators staying in vacation rentals and hotels/motels.

**Table S-8**  
**Lodging of Nonresident WEF 2023 Spectators on WEF Days**  
**By Lodging Type**

<b>Lodging Type</b>	<b>Percent of Respondents</b>
None Because the Spectator was a Day Visitor	12.7
Stayed with Friends or Relatives	21.7
Stayed in Own Home, Condo or RV	27.5
Hotel/Motel	14.3
Vacation Rental	23.8
Total	100.0

Average daily lodging expenditures by lodging type are given in Table S-9. The highest daily expenditures (\$84.86) were incurred by spectators who stayed in hotels/motels, followed by those in Vacation Rentals (\$30.76). This is because traveling parties who share expenses tend to have shorter stays and smaller party sizes if they stay in Hotels/Motels than do those who stay

**Table S-9**  
**Average Lodging Expenditures of Nonresident WEF 2023 Spectators**  
**on WEF Day By Lodging Type**

Lodging Type	Expenditures
Day Visitor	\$0.00
Friends or Relatives	\$1.37
Own Home, Condo or RV	\$0.00
Hotel/Motel	\$30.76
Vacation Rental	\$84.86

in Vacation Rentals.

Our estimate of the total population of nonresident spectators was 12,905.<sup>5</sup> The expenditures by lodging type was multiplied by the population to obtain total expenditures by nonresident spectators (Table S-10).

**Table S-10**  
**Nonresident WEF 2023 Spectators**  
**Total Expenditures on WEF Days**

Expenditure Type	Total Expenditures
Lodging	\$234,795
Dining	\$533,596
Groceries & Supplies	\$423,594
Shopping	\$470,505
Local Transportation	\$339,413
Miscellaneous	\$57,704
<b>Total</b>	<b>\$2,059,607</b>

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<sup>5</sup> We estimated these attendance figures ourselves. It should be remembered that the attendance figures refer only to attendance at the 13 Saturday Night competitions and who were seated in the area adjacent to the parking area that is reserved for the general public. It also includes only nonresident spectators, who amounted to a little over one half of the total.

Multiplying average expenditures by the total population results in total expenditures (\$2.1 million) of all nonresident spectators as shown in Table S-10. It is called by economists the “direct” impact of nonresident spending on the Palm Beach County economy. The largest items were \$0.5 million for Dining and Shopping, followed by \$0.4 million in Groceries & Supplies. The direct expenditures in Table S-10 are supplemented by indirect expenditures. These are the expansion of production in local supply chains as goods and services are delivered to the WEF Spectators. Additionally, there is an “induced” impact as locally employed workers in the direct and indirect industries receive additional earnings which they spend on locally produced consumer goods such as housing, food, health care, recreation, and transportation. The multiplier is a factor that multiplies the direct impact to derive the total impact.

As noted above, the multipliers in this study were derived from an economic model of the Palm Beach County economy known as a RIMS II model.

**Table S-11**  
**The Impact of the Tourist Spending by Nonresident**  
**WEF 2023 Spectators on Palm Beach County GDP**  
**Millions of Dollars**

Expenditure Type	Direct Expenditures	Indirect Expenditures	Total Expenditures (GDP)
Lodging	\$0.235	\$0.197	\$.432
Dining	\$0.534	\$0.382	\$.916
Groceries & Supplies	\$0.424	\$0.261	\$.685
Shopping	\$0.471	\$0.298	\$.769
Local Transportation	\$0.339	\$0.202	\$.542
Miscellaneous	\$0.058	\$0.037	\$.094
<b>Total</b>	<b>\$2.060</b>	<b>\$1.378</b>	<b>\$3.438</b>

The total economic impact of WEF 2023 Spectators is the sum of the direct impact given in Table S-10 and the indirect impact given by the RIMS II Model. It can be interpreted as the contribution to the GDP (Gross Domestic Product) of the county (See Table S-11 on the previous page). The multipliers increased the economic impact by about two-thirds.

As the Palm Beach GDP expands due to the tourist spending by 2023 WEF Nonresident Spectators, jobs are created for Palm Beach County workers and their labor earnings are increased. The RIMS II Model also produces estimates of the number of jobs created as well as the increase in earnings.

The direct expenditures of the 2023 WEF Nonresident Spectators created 28 jobs in the Palm Beach County economy. The total increase in labor earnings was \$963,913. The average earnings per job was \$34,425.

The big economic impact of the WEF results from the spending of WEF participants who are predominantly nonresidents of the county and who have lengthy stays, usually about 8 weeks. It may be best to view the spectators as part of the “infrastructure” for the participants. A stadium with more than 2,000 enthusiastic and applauding spectators may make the activities of the participants more enjoyable, even if the economic impact of the spectators is low. The spectators encourage riders to enter the Saturday Competitions and they contribute to making the WEF the largest and most successful winter equestrian festival in the world.

## VI. TOTAL ECONOMIC IMPACT WEF 2023

The economic impact of the Winter Equestrian Festival (WEF) is caused by the “direct” spending pumped into the local economy because of WEF. There are two types of direct expenditures generated by the WEF, namely, total expenditures made by Nonresident Participants and expenditures made by Nonresident Spectators.

Table IM-1 Economic Impact of the 2023 WEF Nonresident Participant Expenditures on the Palm Beach County Economy (GDP) Millions of Dollars			
Impacts	Direct Expenditure	Total Expenditures (GDP)	Percent of Total
Nonresident Participant Horse Expenditures	\$158.4	\$262.5	74.6
Nonresident Participant Tourist Expenditures	\$52.0	\$85.7	24.4
Nonresident Spectator Tourist Expenditure	\$2.1	\$3.5	1.0
<b>Total Expenditures by Nonresident Participants</b>	<b>\$212.5</b>	<b>\$351.7</b>	<b>100.0</b>

The 2023 WEF caused an increase in the GDP of Palm Beach County of \$352 million, resulting in the creation of 3,364 jobs throughout the economy and labor earnings of \$103 million. Over 70 percent of the impact was due to horse expenditures and 25 percent was due to tourist expenditures. The jobs that were created earned on average \$30,618 per job.

Table IM-2 Economic Impact of the 2023 WEF Nonresident Participant Expenditures on Palm Beach County Labor Earnings and Jobs Millions of Dollars and Number of Jobs		
	Labor Earnings	Jobs
	Impact	Impact
Nonresident Participant Horse Expenditures	\$78.3	2,690
Nonresident Participant Tourist Expenditures	\$23.7	646
Nonresident Spectator Tourist Expenditure	\$1.0	28
<b>Total</b>	<b>\$103.0</b>	<b>3,364</b>



WEF 2023 participants and visitors generated 143,755 paid room nights for the Palm Beach County lodging industry. This was a decrease from the 2022 figure, although it was in line with 2021.

## End Notes

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<sup>1</sup> As noted in endnote 6 below, we capped the length of time participants were at the WEF at 13 weeks.

<sup>2</sup> This category included entry fees.

<sup>3</sup> These items are normally included in tourist surveys.

<sup>4</sup> Some participants arrive more than one week early so that they could participate in the Holidays and Horses and December Schedule. Some other participants stayed longer in the area to take advantage of other events for in the post WEF season. We capped the length of stay at 13 weeks, namely, the duration of the WEF, plus a few days before and afterwards to allow participants to arrive and set up for Week 1 and to prepare for departure after week 12. Some non-resident participants behave like seasonal residents attracted to the county because of the warm weather and friends whom they have met on previous visits. They may participate in other events during their extended stays. Like many seasonal residents, some participants have purchased condominiums or single family homes in the county.

<sup>5</sup> These items are normally included in tourist surveys.