

PEI Snowmobile Association
2023 Economic Impact Study
Technical Report

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Atlantic Evaluation Group Inc

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This report was prepared by Paul Chaulk and Jennifer Jones, Atlantic Evaluation Group Inc.

This work relied on information from the most recent report completed by Harry Cummings and Associates for the Canadian Council of Snowmobile Organizations (CCSO).[1]

[1] Harry Cummings and Associates (2020). Economic Impact of Snowmobiling in Canada. Canadian Council of Snowmobile Organizations.

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EXECUTIVE SUMMARY

The Prince Edward Island Snowmobile Association

The Prince Edward Island Snowmobile Association (PEISA) is a volunteer led, not-for-profit association. On behalf of its member organizations, it provides a wide range of quality programs and services each year. The PEISA network of organized snowmobile trails provides snowmobilers an excellent opportunity for responsible, safe, environmentally sustainable, and enjoyable riding experiences.

Study overview

This study is primarily an economic impact assessment. The study examined such factors as: the number of PEISA trail permits issued; current travel patterns and fuel costs; and other snowmobiling-related expenditures. Other study factors included: the sector's contribution (snowmobile tourism) to the provincial GDP; tax revenues generated; as well employment generated because of the sector.

The methodology included document and statistics review; an online survey of snowmobilers; and business interviews. Economic impact multipliers were used from the national snowmobiling economic impact review conducted by Harry Cummings and Associates for the Canadian Council of Snowmobile Organizations.[2] Study limitations are detailed in the report.

Data collection

The snowmobiler survey was administered to a convenience sample of all Island snowmobilers. The survey was shared publicly on the PEISA website and social media (Facebook, Twitter). While this was not a random probabilistic survey, a survey margin of error was calculated to provide an estimate of confidence in survey findings. The 389 completed surveys provide a survey "accuracy" (also known as "margin of error") of +/- 4.7%, nineteen times out of twenty (corrected for a total of 3,061 trail permit holders in 2023).

A short (10 to 15 minute) interview was conducted with Island businesses to hear about the impact of snowmobiling over the past three years. A total of 9 businesses across the island were interviewed from a mix of restaurants, gas stations, dealers and service, and accommodations.

PEI Snowmobile Trail Permits and Registrations

There was an average (or statistical mean) of 3,355 trail permits sold annually in the last three years though the number varied by year. The average number of trail permits is taken to be the number of PEI Snowmobilers for purposes of calculating the economic impact of snowmobiling in PEI. There were few visitor (3-day) passes sold in the last three years due to COVID-19 travel restrictions and low snowfall in

[2] *Harry Cummings and Associates (2020). Economic Impact of Snowmobiling in Canada. Canadian Council of Snowmobile Organizations.*

2022/23. There was an average of 3,034 snowmobile registrations in the last three years though the number varied considerably by year.

Snowmobile Purchases in PEI

More than one-half (57%) of survey respondents purchased a snowmobile in the past three years. Nearly one-quarter (24%) bought a new snowmobile and just less than two in five respondents (39%) bought a used snowmobile (some bought both a new and a used snowmobile). The mean cost of used snowmobile purchases was $8,002 per machine and of new snowmobile purchases was $22,494 per machine.

Motivators

The main reasons for snowmobiling on PEI were related to a fun recreational activity, spending time outdoors, and spending time with family and friends, which were all chosen by over 60% of respondents.

Services

Many services and facilities were important to nearly all snowmobilers surveyed. Notably, 74% of survey respondents rated trail grooming as "very important" and 73% rated trail safety as "very important." In the next tier, over 60% rated trail signage; emergency response; and access to stores, restaurants, gas stations, etc. from trails as "very important." This demonstrates that the Association's investment in trail grooming, safety, and signage is an important driver of the economic impact of snowmobiling on PEI.

Economic Impact of Snowmobiling on PEI

The economic impact of snowmobiling-related activity on PEI from the 2020-21 to 2022-23 snowmobile seasons (which included the COVID-19 pandemic) was estimated based on actual purchase data, PEI survey data with a low margin of error, and national economic impact multipliers as follows:

- Total direct economic impact of $29,430,766
- Total economic activity was $46,206,302
- Gross Domestic Product (GDP) of $18,541,382
- Total jobs (direct, indirect and induced) = 279
- Total estimated taxes generated of $8,093,461

Many of the nine businesses interviewed noted the importance of snowmobilers to their business. It is a substantial portion of their income in winter for several businesses. In some cases, it leads to extra staffing in the winter season. The economic impact of the snowmobiling business depends on the amount of snow in any particular season.

INTRODUCTION

The Prince Edward Island Snowmobile Association

The Prince Edward Island Snowmobile Association (PEISA) is a volunteer led, not-for-profit association. On behalf of its member organizations it provides a wide range of quality programs and services each year. The PEISA provincial network of organized snowmobile trails connects PEI communities; access to these trails provides snowmobilers an excellent opportunity for responsible, safe, environmentally sustainable, and enjoyable riding experiences.

Study Overview

The PEISA contracted a consulting firm for the completion of an economic impact assessment regarding the sector's value and contribution to the PEI Economy. By completing a comprehensive assessment within the sector, the PEISA intended to demonstrate the nature and scope of the sector's economic impact on PEI.

Study Description

This study is primarily an economic impact assessment. The study examined such factors as: the number of PEISA trail permits issued; current travel patterns and fuel costs; and other snowmobiling-related expenditures. Other study factors included: the sector's contribution (snowmobile tourism) to the provincial GDP; tax revenues generated; as well employment generated because of the sector. The study also examined demographics, motivators for engaging in the sport, and service expectations.

METHODOLOGY

Document and statistics review

The PEI Snowmobile Association provided data on the number of registrations and permits. Economic impact multipliers were used from the most recent national snowmobiling economic impact review conducted by Harry Cummings and Associates for the Canadian Council of Snowmobile Organizations.[3]

Data collection

The PEI resident snowmobiler survey instrument was updated based on the previous economic impact survey. It was administered to a convenience sample of all Island snowmobilers. The survey was shared publicly on the PEISA website and social media (Facebook, Twitter). While this was not a random probabilistic survey, a survey margin of error was calculated to provide an estimate of confidence in survey findings. The 389 completed surveys provide a survey "accuracy" (also known as "margin of error") of +/- 4.7%, nineteen times out of twenty (corrected for a total of 3,061 trail permit holders in 2023).

The survey data was analyzed and presented in the report and used to generate the economic impact assessment using an accepted multiplier formula. The data is presented first for the number of surveys completed and then extrapolated to all snowmobilers in PEI based on the population information available on the number of trail permits issued in 2023. Where possible based on survey data, the number of Island snowmobilers who do not purchase trail passes (but still buy gas and accessories, purchase snowmobiles, use repair services, etc.) was also used to contribute to the economic impact assessment. Little information was available on the economic impact of snowmobiling by non-residents other than the negligible number of visitor (3-day) trail permits sold (due to the pandemic).

A short (10 to 15 minute) interview was conducted with Island businesses to hear about the impact of snowmobiling over the past three years. A total of 9 businesses were interviewed from a mix of restaurants, gas stations, dealers and service, and accommodations.

Study Limitations

This study has the following potential or actual limitations:

- The snowmobile survey respondents might be more avid snowmobilers which may slightly inflate the economic impact assessment though complete provincial data was used for several data points such as permits and registrations.
- The study did not develop a full input-output model for PEI but relied on ratios of GDP, employment, and taxation to direct impact based on multipliers from a national study.

[3] *Harry Cummings and Associates (2020). Economic Impact of Snowmobiling in Canada. Canadian Council of Snowmobile Organizations.*

PEI SNOWMOBILING STATISTICS

PEI Snowmobile Trail Permits

The table below presents the number of trail permits sold in each of the past three years. There was an average (or statistical mean) of 3,355 trail permits sold annually though the number varied by year. The average number of trail permits is taken to be the number of PEI Snowmobilers for purposes of calculating the economic impact of snowmobiling in PEI. There were few visitor (3-day) passes sold in the last three years due to COVID-19 travel restrictions and low snowfall in 2022/23.

PEI Snowmobile Trail Permits by Year (Excludes Visitor Permits)				
Type	**2020-21**	**2021-22**	**2022-2023**	**Average Last Three Years**
Early bird trail permits $200	2,465	2,610	2,286	**2,453.7**
Regular trail permits $300	170	287	71	**176.0**
Vintage trail passes $75	660	702	704	**688.7**
Visitor 3-day passes $75 *	111	0	0	**37.0**
Total trail passes	**3,406**	**3,599**	**3,061**	**3,355.3**

** Affected by Covid travel restrictions and in 2022/23 by low snowfall*

PEI Snowmobile Registrations

The table below presents the number of snowmobile registrations each year in the past three years. There was an average (or statistical mean) of 3,034 snowmobile registrations though the number varied considerably by year. The average number of registrations is used for the purpose of calculating the total annual spending on registrations when calculating the economic impact of snowmobiling in PEI.

PEI Snowmobile Registrations by Year				
	2021	**2022**	**2023**	**Average Past Three Years**
# registrations	3,406	3,128	2,569	**3,034.3**

PEI Resident Snowmobiler Survey 2023 Findings - Expenditures

Demographics

The table below shows the age of survey respondents compared to the total adult population of PEI (respondents needed to be 18 or older to complete the survey). Snowmobiler survey respondents represented all age categories from 18 to 65 but were concentrated among ages 25 to 64. Survey respondents were more likely to be age 35 to 64 and less likely to be other ages compared to the total adult population. The differences may be due to the differences between snowmobilers and the total population though the extent of bias in survey results (difference between the snowmobiler survey population and all snowmobilers) cannot be determined as the total profile of all snowmobilers is unknown.

Age of Survey Respondents Versus PEI Population			
Age Category	**% Survey Respondents**	**% Adult PEI Population**	**Difference**
18 to 24	4%	11%	-7%
25 to 34	10%	15%	-5%
35 to 44	19%	14%	+4%
45 to 54	32%	16%	+16%
55 to 64	29%	18%	+10%
65 and older	6%	26%	-20%
Total	**100%**	**100%**	

The table below shows the gender of survey respondents compared to the total adult population of PEI (respondents needed to be 18 or older to complete the survey). Snowmobiler survey respondents were largely male (81%). The differences may be due to the differences between snowmobilers and the total population though the extent of bias in survey results (difference between the snowmobiler survey population and all snowmobilers) cannot be determined as the total profile of all snowmobilers is unknown. Gender diverse respondents are not included due to small sample sizes.

Gender of Survey Respondents Versus PEI Population (excluding gender diverse persons)			
Age Category	**% Survey Respondents**	**% Adult PEI Population**	**Difference**
Male	81%	48%	+33%
Female	19%	52%	-33%
Total	**100%**	**100%**	

The table below shows the county of survey respondents.

County of Survey Respondents	
County	**% Survey Respondents**
Prince	38%
Queens	44%
Kings	18%
Total	**100%**

Snowmobile Ownership

The tables below shows that a large majority of survey respondents owned at least one snowmobile. Of snowmobiles personally owned; slightly more than one-half owned one snowmobile.

Snowmobile Ownership of Survey Respondent	
Snowmobile Ownership	**% Survey Respondents**
Yes	92%
No	8%
Total	**100%**

Number of Snowmobiles Personally Owned	
# Snowmobiles Owned in Working Order	**% Survey Respondents**
1 snowmobile	59%
2 snowmobile	27%
3 snowmobile	9%
4 or more snowmobiles	6%
Total	**100%**

Notes: Totals do NOT add to 100% due to rounding error.

Snowmobile Purchases in PEI

The table below shows that 57% of survey respondents purchased at least one snowmobile in the past three years. Nearly one-quarter (24%) bought a new snowmobile and just less than two in five respondents (39%) bought a used snowmobile (some bought both a new and a used snowmobile). The mean cost of used snowmobile purchases was $8,002 per machine and of new snowmobile purchases was $22,494 per machine.

- Of only those respondents that bought a used snowmobile, 64% bought 1 used snowmobile, 24% bought 2 used snowmobiles, and 12% bought 3 or more used snowmobiles. The mean cost of those used snowmobile purchases was $8,002 per machine. The mean number of used snowmobiles purchased by survey respondents was 1.5.

- Of only those respondents that bought a new snowmobile, 65% bought 1 new snowmobile, 29% bought 2 new snowmobiles, and 6% bought 3 or more new snowmobiles. The mean cost of those new snowmobile purchases was $22,494 per machine. The mean number of new snowmobiles purchased by survey respondents was 1.4.

Snowmobile Purchases in Last 3 Years	
Type of Purchase	**% of All Survey Respondents**
Purchased any snowmobiles in last 3 years	57%
Purchased used snowmobile	39%
Purchased new snowmobile	24%
Total	**100%**

Note: The % who bought used and new snowmobiles does not add exactly to the % that bought a snowmobile as a small proportion of survey respondents purchased both a new and used snowmobile.

Truck, Trailer and Storage Purchases in PEI

Just under 1/5 of respondents (19%) purchased a truck in the past three years in part to transport their snowmobile(s) at a mean purchase price of $57,911. Note: 25% ($14,478) of the purchase price was allocated to snowmobiling economic impact.

Just over 1/4 of respondents (28%) purchased a trailer in the past three years to transport their snowmobile(s) at a mean purchase price of $9,834.

Slightly less than 1/4 of respondents (23%) spent money on a shed or garage in the past three years to store their snowmobile(s) at a mean spending amount of $18,874. Note: 25% ($4,718) of this spending was allocated to snowmobiling economic impact.

Snowmobile Repair and Maintenance

The table below outlines the ranges of annual spending on snowmobile repair and maintenance for the last three years. Using the midpoints of each category the average spending per snowmobiler survey respondent was calculated to be $754 per year.

Annual Snowmobile Repair and Maintenance in Last 3 Years	
Annual Spending	**% of All Survey Respondents**
$0	7%
$1 to $199 per year	9%
$200 to $399 per year	18%
$400 to $599 per year	18%
$600 to $799 per year	10%
$800 to $999 per year	10%
$1,000 to $1,499 per year	14%
$1,500 to $1,999 per year	5%
$2,000 or more per year	9%
Total	**100%**

Snowmobile Clothing

The table below outlines the ranges of annual spending on snowmobile clothing over the last three years. Using the midpoints of each category the average spending per snowmobiler survey respondent was calculated to be $617 per year.

Annual Snowmobile Clothing Expenditures in Last 3 Years	
Annual Spending	**% of All Survey Respondents**
$0	10%
$1 to $199 per year	15%
$200 to $399 per year	22%
$400 to $599 per year	16%
$600 to $799 per year	9%
$800 to $999 per year	8%
$1,000 to $1,499 per year	10%
$1,500 to $1,999 per year	5%
$2,000 or more per year	6%
Total	**100%**

Notes: Totals do NOT add to 100% due to rounding error.

Snowmobile Accessories and Safety Equipment

The table below outlines the ranges of annual spending on snowmobile accessories and safety equipment over the last three years. Using the midpoints of each category, the average spending per snowmobiler survey respondent was calculated to be $484 per year.

Annual Snowmobile Accessories and Safety Equipment Expenditures in Last 3 Years	
Annual Spending	**% of All Survey Respondents**
$0	13%
$1 to $199 per year	23%
$200 to $399 per year	22%
$400 to $599 per year	15%
$600 to $799 per year	6%
$800 to $999 per year	6%
$1,000 to $1,499 per year	8%
$1,500 to $1,999 per year	4%
$2,000 or more per year	3%
Total	**100%**

Fuel (From Snowmobilers Estimates)

The table below outlines the ranges of annual spending on snowmobile fuel (gasoline) over the last three years. Using the midpoints of each category the average spending per snowmobiler survey respondent was calculated to be $674 per year.

Annual Snowmobile Fuel (Gasoline) Expenditures in Last 3 Years	
Annual Spending	**% of All Survey Respondents**
$0	5%
$1 to $199 per year	11%
$200 to $399 per year	17%
$400 to $599 per year	19%
$600 to $799 per year	13%
$800 to $999 per year	9%
$1,000 to $1,199 per year	14%
$1,200 to $1,399 per year	4%
$1,400 to $1,599 per year	2%
$1,600 or more per year	6%
Total	**100%**

Notes: A number of respondents (22) did NOT answer this question or were unsure of their gasoline spending.

Overnight Trips and Accommodations

The table below shows that only 15% had made an overnight trip in the last 3 years.

Overnight Trips in Last 3 years	
	% of Survey Respondents
Yes	15%
No	85%
Total	**100%**

The table below shows the number of nights spent in a PEI hotel, motel or bed and breakfast in total over the past 3 years. This was calculated to be an average three-year total of 2.84 nights per person who spent a night in a hotel or 0.42 nights per person for all snowmobile respondents. The total three-year spending

was $130.28 for those with accommodations. This equates to an annual average spending by all Island snowmobilers of $18.42 per year on accommodations.

Total Accommodation Nights in Last 3 Years (Not Annual Average)	
Accommodation Nights	**% of All Survey Respondents**
1 night in last 3 years	9%
2 nights in last 3 years	36%
3 nights in last 3 years	17%
4 or more nights in last 3 years	38%
Total	**100%**

Notes: Totals do NOT add to 100% due to rounding error.

Food and Beverages

The table below outlines the ranges of annual spending on food and beverages while snowmobiling for the last three years. Using the midpoints of each category the average spending per snowmobiler survey respondent was calculated to be $439 per year.

Annual Food and Beverage Expenditures While Snowmobiling in Last 3 Years	
Annual Spending	**% of All Survey Respondents**
$0	8%
$1 to $199 per year	25%
$200 to $399 per year	23%
$400 to $599 per year	20%
$600 to $799 per year	8%
$800 to $999 per year	5%
$1,000 to $1,199 per year	6%
$1,200 to $1,399 per year	2%
$1,400 to $1,599 per year	1%
$1,600 or more per year	3%
Total	**100%**

Notes: Totals do NOT add to 100% due to rounding error.

Snowmobiling Events and Activities

The table below outlines the ranges of annual spending on snowmobile events over the last three years. Using the midpoints of each category, the average spending per snowmobiler survey respondent was calculated to be $110 per year.

Annual Snowmobile Event and Activity Expenditures in Last 3 Years	
Annual Spending	**% of All Survey Respondents**
$0	36%
$1 to $99 per year	26%
$100 to $199 per year	18%
$200 to $299 per year	10%
$300 to $399 per year	6%
$400 to $499 per year	3%
$500 or more per year	3%
Total	**100%**

Notes: Categories above $500 were combined for ease of presentation. All categories were used for the economic impact analysis. Totals do NOT add to 100% due to rounding error.

Insurance

The table below shows that 72% of survey respondents currently had insurance on some or all their snowmobiles.

Current Snowmobile Insurance	
Is Your Snowmobile(s) Insured?	**% of Survey Respondents**
Yes	66%
No	28%
Some are but some are not	6%
Total	**100%**

The table below outlines the ranges of annual spending on snowmobile insurance over the last three years. Using the midpoints of each category, the average spending per snowmobiler survey respondent was calculated to be $385 per year.

Annual Snowmobile Insurance Expenditures in Last 3 Years	
Annual Spending	**% of All Survey Respondents**
$0	2%
$1 to $199 per year	28%
$200 to $399 per year	35%
$400 to $599 per year	16%
$600 to $799 per year	9%
$800 to $999 per year	6%
$1,000 to $1,199 per year	3%
$1,200 or more per year	3%
Total	**100%**

Notes: Totals do NOT add to 100% due to rounding error.

PEI SNOWMOBILER SURVEY 2023 FINDINGS - MOTIVATORS AND SERVICES

Motivators

The table below shows that the main reasons for snowmobiling on PEI were related to fun recreational activity, spending time outdoors, and spending time with family and friends, which were all chosen by over 60% of respondents.

Snowmobiling Motivators	
Main Reasons for Snowmobiling on PEI	**% of Survey Respondents**
Fun recreational activity	80%
Spending time outdoors	78%
Spending time with family and friends	62%
Scenery	57%
Social aspects	53%
Availability of PEI trail system	53%
To support my local Club/Association	37%
To visit specific destinations	24%
Fishing or hunting	3%
Hauling wood	3%
Other (e.g., thrill and excitement, a get away, just plain fun, relieve stress, etc.)	7%

Note: Totals do NOT add to 100% as respondents could choose multiple options.

Services

The table below shows that many services and facilities were important to nearly all snowmobilers surveyed including trail safety, signage, emergency response and, finally, access to retail stores. Notably, 74% of survey respondents rated trail grooming as "very important" and 73% rated trail safety as "very important." In the next tier, over 60% rated trail signage; emergency response; and access to stores, restaurants, gas stations, etc. from trails as very important. This demonstrates that the Association's investment in trail grooming, safety, and signage is an important driver of the economic impact of snowmobiling on PEI.

Importance of Services			
Service/Facility	**% of Snowmobilers Surveyed**		
	Important	**Very Important**	**Total Important**
Safety on the trail	21%	73%	94%
Trail signage	25%	66%	91%
Emergency response	27%	63%	90%
Access to stores, restaurants, gas stations, etc. from trails	30%	60%	90%
Grooming of trails	15%	74%	89%
Length of available trails	26%	55%	80%
Having new or more trails	29%	44%	72%
Access to rest areas from trails	36%	23%	58%
Availability and location of clubhouses	33%	23%	56%
Access to service/dealers from trails	30%	22%	53%
Better washroom access from trails	28%	22%	49%
Areas for off-trail snowmobiling	27%	22%	49%
More trail wardens, policing, focus on safety	28%	21%	49%
More hotels, lodges, camps or stay packages	27%	19%	46%
Parking near start of trails	18%	13%	30%

Note: Response scale included "not at all important," "somewhat important," "important," "very important," and "not sure/not applicable."

In addition to the rating of the services and facilities in the table above, a few survey respondents suggested other services as important in an open-ended (fill in the blank) question. The other services suggested included:

- Lower cost passes, i.e., passes registered to person vs. machine, lack of snow, multi-year passes with discount (4 respondents)
- Better enforcement, i.e., speeding, impaired driving, partying/noise (4 respondents)
- Increase/improve signage, i.e., posted speed limits (3 respondents)
- Improve facilities, i.e., more/better washrooms for women, warming stations (3 respondents)

PEI Business Interview Findings

A short (10 to 15 minute) interview was conducted with Island businesses to hear about the impact of snowmobiling over the past three years. A total of 9 businesses were interviewed from a mix of restaurants, gas stations, dealers and service, and accommodations.

Snowmobiling is important to business income and often to winter staffing levels

Many interviewees noted the importance of snowmobilers to their business. It is a substantial portion of their income for several businesses. In some cases, it leads to extra staffing in the winter season. Proximity to trails was a key feature in attracting snowmobilers as well as special packages, activities, parking, spaces to store gear, hours of operation, etc.

> *"Snowmobiling is extremely import to our business. It's a huge impact! When [there's] enough snow, we get up to 40% more income, we are open full time, 7 days a week, with more staff." - Business interviewee*
>
> *When it's not enough snow, like last year, we'd still be open, but for a lot less hours and we'd be down to only [#] staff and just open in the evenings." - Business interviewee*
>
> *"We appreciate the snowmobilers. It's very convenient for the sledders to come here. We have a skidoo trail that pulls right up to our entrance... They can use our amenities while they are here." - Business interviewee*
>
> *"We are in a great location for snowmobilers, as we are right off their trail." - Business interviewee*
>
> *"… we do cater around the snowmobilers quite a bit. We hire … extra people for the snowmobile season. We layoff in the fall and then gear up in the winter for the snowmobilers. … wouldn't have any staff in the winter if it weren't for the snowmobilers." - Business interviewee*
>
> *"Snowmobiling is extremely important to our business, pretty much our entire operation in the winter months is dependant on it … Last year, when not a lot of snow, it really impacted us, had hardly any business as a result. … last year when no snow, they all cancelled." - Business interviewee*
>
> *"Snowmobiling is very important, a big part of our business, 20- 30% of our business. When there's snow, it's a very positive impact … We wouldn't be able to do what we do without our snowmobiling community." - Business interviewee*
>
> *"Snowmobiling is important to our business, but we wouldn't close down if we didn't have them as we are the only [business type] in the area, we'd just be less busy in the winter." - Business interviewee*
>
> *"Our operation is open all year, sledders are not really changing the way we operate our business, if they weren't here, we'd still be open. … Snowmobiling is important. … We would certainly miss them if they weren't here." - Business interviewee*

'We are open year-round and would still be open regardless. Sometimes in the winter we extend our hours … because the snowmobilers come in later in the evening. Snowmobilers are important to us as they increase our late-night sales. We do love having them come in." - Business interviewee

"Snowmobiling is not very important to our business as we still operate year-round regardless. Of course, if more snow, more income. It definitely helps with sales in the slower winter months." - Business interviewee

"30% of business is all about snowmobiling." - Business interviewee

Impact depends on the snow conditions

The economic impact of snowmobiling on businesses depends on the amount of snow during any particular season.

"The fact that it's so weather permitting, very few want to cater to it. It's a very inconsistent industry. Even when we do have good snow, there's not a whole lot here for them as far as accommodations, restaurants, etc. For us to create a bigger draw or events for them to come, it's extremely difficult because it's so weather permitting." - Business interviewee

"Just pray for snow! If we had the snow that NB has, we'd be golden. Snowmobiling is 25% of my business. If snowmobilers don't buy trail passes, … it would be a loss of income." - Business interviewee

Sales & service were down last year because of no snow." - Business interviewee

Desire for more government support

One interviewee noted the need for more government support for special requirements or in down years due to lack of snow.

"In other provinces, the thing I see is that the government caters to these businesses as part of their tourism. They step in and give them funds to help them through when the snowmobiling business is lacking. … It should be a two-way street; they class us as tourism, but the government doesn't help in any way [when there is a] … lack of snowmobiling business. One year, it really hurt in NB, their government stepped in and gave them funds to help them through." - Business interviewee

ECONOMIC IMPACT OF SNOWMOBILING ON PEI

Direct Expenditures

The table below summarizes estimated total PEI snowmobiling-related direct expenditures by category.

Annual Snowmobiling-Related Expenditures in Last 3 Years (2020-21 to 2022-23)	
Category	**Average annual expenditures**
Used snowmobile purchases	$3,488,179
New snowmobile purchases	$6,034,114
Truck purchases in part to haul snowmobiles (25% allocated to snowmobile economic impact)	$3,074,611
Trailer purchases to haul snowmobiles	$3,077,682
Shed or garage spending to store snowmobiles (25% allocated to snowmobile economic impact)	$1,213,018
Snowmobile repair and maintenance	$2,529,670
Snowmobile clothing	$2,070,035
Snowmobile accessories and safety equipment	$1,623,820
Gas	$2,261,270
Accommodations	$61,799
Food and beverages	$1,472,845
Events	$369,050
Insurance	$930,006
Trail permits (Island snowmobilers)	$595,192
Trail permits (3-day visitor passes)	$2,775
Registrations	$151,700
Association and club expenditures on trail grooming including equipment, fuel, signage, advertising, administration and other operational expenses (including taxes)**	$475,000
Total direct spending	**$29,430,766**

GDP, employment, and taxation

The direct impact from the above table was used to calculate the total economic impact, Gross Domestic Product (GDP) and employment shown in the table below, relying on national average multipliers from the recent national study by Harry Cummings and Associates (2020) for Canadian Council of Snowmobile Organizations.[4]

Annual Snowmobiling-Related Total Economic Activity, GDP, Employment, and Taxation in the Last 3 Years (2020-21 to 2022-23)	
Category	**Average annual amount**
Direct impact (see table above: Annual Snowmobiling-Related Expenditures in Last 3 Years)	$29,430,766
Total economic activity (based on ratio of 1.57 total economic activity to direct impact)	$46,206,302
Gross Domestic Product (GDP) (based on ratio of 0.63 GDP per direct impact $)	$18,541,382
Jobs based on direct impact	
Direct – directly created by snowmobilers and association expenditures (based on national ratio of 6.2 jobs for every $1Mil in direct impact excluding manufacturing and special events calculated by these authors)	182
Indirect + induced (based on national ratio of 3.3 jobs per $1Mil in direct impact excluding manufacturing and special events calculated by these authors)	97
Total jobs (direct + indirect/induced)	279
Taxation	
Total taxes generated (based on national ratio of 0.275 tax $ for every $1 in direct impact)	$8,093,461

[4] *Harry Cummings and Associates (2020). Economic Impact of Snowmobiling in Canada. Canadian Council of Snowmobile Organizations.*

CONCLUSIONS

The economic impact of snowmobiling-related activity on PEI from the 2020-21 to 2022-23 snowmobile seasons (which included the COVID-19 pandemic) was estimated based on actual purchase data, PEI survey data with a low margin of error, and national economic impact multipliers as follows:

- Total direct economic impact of $29,430,766
- Total economic activity was $46,206,302
- Gross Domestic Product (GDP) of $18,541,382
- Total jobs (direct, indirect and induced) = 279
- Total estimated taxes generated of $8,093,461

Many of the businesses interviewed noted the importance of snowmobilers to their business. It is a substantial portion of their winter income for several businesses. In some cases, it leads to extra staffing in the winter season. The economic impact of snowmobiling depends on the amount of snow during any particular season.