



Case Study – Economic Impacts of *Indian Horse*

**Prepared for the Canadian Media Producers Association
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1. ABOUT INDIAN HORSE

Indian Horse is a Canadian feature film, adapted from Richard Wagamese's award-winning novel that tells the story of fictional hockey player Saul Indian Horse. The film follows Saul's life as he survives an abusive residential school and later endures racial discrimination and harassment as a professional hockey player.¹

Indian Horse was produced by Screen Siren Pictures, Terminal City Pictures, and Devonshire Productions. It premiered at the Toronto International Film Festival on September 15, 2017. The film was theatrically released in Canada by Elevation Pictures on April 13, 2018. *Indian Horse* has received over 19 festival awards, including the Audience Award at the 2017 Vancouver International Film Festival and People's Choice Award at the Calgary International Film Festival.²

Indian Horse had a total Canadian budget of approximately \$8.6 million.³ Filming took place over 33 days from September 2016 to December 2016, primarily in and around Sudbury and Peterborough, Ontario. Through production spending in Ontario, the film created significant economic impacts for residents and businesses in Ontario, while also generating tax revenues for the federal, provincial and local governments.

ABOUT DEVONSHIRE PRODUCTIONS INC.

Located in Toronto, Ontario, Devonshire Productions is an independent film and television production company founded by Paula Devonshire. Past productions by Devonshire Productions include *Real Time*, *Survival of the Dead*, *Wet Bum*, and *The Dark Stranger*.⁴

ABOUT SCREEN SIREN PICTURES INC.

Located in Vancouver, British Columbia, Screen Siren Pictures is an independent film and television production company that has created award-winning feature films, documentaries and television. Founded by Trish Dolman, the company has been in business for 21 years. Past productions by Screen Siren Pictures include *Hector and the Search for Happiness*, *Foreverland*, *Daydream Nation*, *Year of the Carnivore*, and *The Score*.⁵

2. STUDY PURPOSE AND DISCLAIMER

This study was commissioned by the Canadian Media Producers Association (CMPA) and supported by Telefilm Canada. MNP LLP was engaged by the CMPA to develop a case study of the economic impacts of the production of *Indian Horse* on the Ontario economy. For the study, MNP used data provided by Screen Siren Pictures on production expenditures, to estimate the economic impacts that were generated by the production.

The following report solely reflects the views of the authors. Findings, conclusions or recommendations expressed in this report are those of the authors and do not necessarily reflect the views of the funders of this report, who are in no way bound by any recommendations contained herein.

This report is provided for information purposes and is intended for general guidance only. It should not be regarded as comprehensive or a substitute for personalized, professional, investment, or business advice.

¹ Retrieved from: <http://www.indianhorse.ca/en/film>

² Retrieved from: <http://www.indianhorse.ca/en/film/awards>

³ Based on spending data provided by Screen Siren Pictures.

⁴ Devonshire Productions Inc. Retrieved from: <https://www.devonshireinc.com/about>

⁵ Screen Siren Pictures Inc. Retrieved from: <http://www.screensiren.ca/more-of-our-story/>

3. PRODUCTION SPENDING

Production spending on *Indian Horse* engaged close to 425 vendors from across Canada. As shown in Table 1, this included 328 vendors from Ontario, 57 vendors in British Columbia (BC) and 40 vendors from the rest of Canada.⁶ In Ontario, there were 128 vendors from Greater Sudbury, 27 vendors from Peterborough, 17 vendors from other northern communities, and 156 vendors from other communities in the province. The production engaged a wide variety of vendors including vehicle and equipment rental agencies, post-production facilities, catering companies, professional services firms and various types of retailers.

Table 1: Vendor Data

Region	Number of Vendors
Greater Sudbury	128
Peterborough	27
Other Northern Ontario Communities ⁷	17
Other Communities in Ontario	156
BC	57
Rest of Canada ⁸	40
Total	425

Source: Screen Siren Pictures

Based on data provided by Screen Siren Pictures, total production expenditures in Canada for *Indian Horse* were approximately \$8.6 million. As shown in Table 2, *Indian Horse* was associated with total production-related spending in Ontario of approximately \$4.9 million.⁹ About \$2.4 million was spent in Ontario on wages, salaries and per diems for individuals involved in production and post-production of the film, and another \$2.5 million was spent on production-related goods and services. In addition, about \$3.7 million was spent in BC and the rest of Canada, which included \$1.6 million on labour and \$2.1 million on production-related goods and services.

Table 2: *Indian Horse* Production Spending

	Ontario Spending	BC and Rest of Canada Spending	Total Canadian Spending
Spending on labour related to production and post-production, including per-diems	\$2.4 million	\$1.6 million	\$4.0 million
Spending on goods and services	\$2.5 million	\$2.1 million	\$4.6 million
Total Spending	\$4.9 million	\$3.7 million	\$8.6 million

Source: Screen Siren Pictures

⁶ Estimated based on vendor data provided by Screen Siren Pictures.

⁷ This comprises vendors located in Englehart, Espanola, Garden River, Killarney, Parry Sound, Rutherglen, Sault Ste. Marie, Sioux Narrows and Sundridge.

⁸ These vendors were located in Quebec, Alberta, Newfoundland and Labrador, Manitoba and Nova Scotia.

⁹ Estimated based on information and expenditure data provided by Screen Siren Pictures.

4. ECONOMIC IMPACTS OF PRODUCTION SPENDING

MNP estimated the economic impact of the production of *Indian Horse* using Statistics Canada's provincial input-output multipliers. Statistics Canada's input-output model is the most widely used system for measuring economic impacts in Canada and provides a measure of the interdependence between an industry and the rest of the economy.¹⁰ The provincial economic multipliers show the direct, indirect and induced effects on economic metrics, and can be used to measure the quantitative impact of a change in the production or expenditure of a particular industry.

In general, economic impacts are viewed as being restricted to quantitative, well-established measures of economic activity. The most commonly used of these measures are output, gross domestic product (GDP), employment and government tax revenue:

- **Output** – the total gross value of all business revenue. This is the broadest measure of economic activity.
- **Gross Domestic Product (GDP)** – the “value added” to the economy (the unduplicated total value of goods and services).
- **Employment** – the number of jobs created or supported (in full-time equivalents or FTEs).
- **Government Tax Revenue** – the total amount of tax revenues generated for different levels of government.

Economic impacts may be estimated at the direct, indirect and induced levels:

- **Direct impacts** are due to changes to front-end businesses that receive expenses or operating revenue as a direct consequence of the activities of an industry or project.
- **Indirect impacts** are due to changes in the activity of suppliers of the front-end businesses.
- **Induced impacts** are due to shifts in spending on goods and services as a consequence of changes to the payroll of the directly and indirectly affected businesses.

In this analysis, MNP estimated the impacts of a set of direct expenditures related to the filming of *Indian Horse*. Like other productions, the film has an amount of direct expenditure, which in turn stimulates so-called indirect impacts across the industry supply chain. These expenditures also create or support jobs, as firms add or retain labour to meet rising demand. This, in turn, raises incomes and stimulates what are known as induced impacts, as higher incomes flow through to consumption. The total economic impact of the production spending is the sum of each of these direct, indirect and induced impacts.

Using Statistics Canada's input-output multipliers and a schedule of production-related expenditures provided by Screen Siren Pictures, MNP estimated the total economic impacts (i.e. direct, indirect and induced) arising from \$4.9 million of production spending in Ontario and from \$3.7 million of production spending in BC and the rest of Canada. The results of this analysis are presented in Table 3. (For an overview of the methodology used to estimate the economic impacts and for more detailed results, please see Appendices A and B of this report.)

¹⁰ Note that MNP used the 2013 provincial input-output multipliers. Please also note that Statistics Canada's input-output model is based on the assumption that there is no social safety net, i.e. those that do not earn wages have no income from social assistance or unemployment programs, and therefore all induced spending is new spending in the economy. Economic impacts estimated with a social safety net assumption would be slightly lower.

Table 3: Estimated Economic Impacts of *Indian Horse* Production Spending

	Ontario Production Impacts	BC and Rest of Canada Production Impacts	Total Canadian Production Impacts
Direct Production Expenditures	\$4.9 million	\$3.7 million	\$8.6 million
Total Output	\$9.1 million	\$6.2 million	\$15.3 million
Total GDP	\$6.0 million	\$4.2 million	\$10.2 million
Total Employment (FTEs¹¹)	77 FTEs	49 FTEs	126 FTEs
Federal Tax Revenues	\$0.7 million	\$0.6 million	\$1.3 million
Provincial and Municipal Tax Revenues	\$0.6 million	\$0.4 million	\$1.0 million

5. GOVERNMENT INCENTIVES

As shown in Table 4, the production benefited from federal and provincial government incentives, including approximately \$0.3 million in federal government incentives and \$1.7 million in Ontario government incentives.¹²

Table 4: Federal and Provincial Government Incentives for *Indian Horse*

	Incentive Amount
Federal Government Incentives	
Canadian Film or Video Production Tax Credit (CPTC)	\$0.3 million
Ontario Government Incentives	
Ontario Film and Television Tax Credit (OFTTC)	\$0.9 million
Northern Ontario Heritage Fund Corporation (NOHFC) Funding	\$0.8 million

Source: Screen Siren Pictures

MNP estimated the economic impacts per dollar of federal and provincial government incentives as follows.

¹¹ One FTE is equivalent to one person-year of employment.

¹² According to Screen Siren Pictures, the production also benefited from a repayable advance of \$400,000 from the Ontario Media Development Corporation, a recoupable investment of \$4,000,000 from Telefilm, and \$0.7 million in Film Incentive BC tax credit.

5.1 Federal Government Incentives

To estimate the economic impacts per dollar of federal government incentives, MNP used the estimated total Canadian production impacts shown in Table 3. Table 5 shows the economic impacts per dollar of the CPTC federal tax credit for *Indian Horse*.

Table 5: Estimated Economic Impacts per Dollar of the CPTC Federal Tax Credit

	Production Impacts
Output per dollar of federal government incentives	\$49.33
GDP per dollar of federal government incentives	\$32.83
Employment per \$100,000 of federal government incentives	41 FTEs
Federal tax revenues per dollar of federal government incentives	\$4.15

5.2 Provincial Government Incentives

To estimate the economic impacts per dollar of provincial government incentives, MNP used the estimated Ontario production impacts shown in Table 3. Table 6 and Table 7 show the economic impacts per dollar of the OFTTC and NOHFC funding for *Indian Horse*, respectively.

Table 6: Estimated Economic Impacts per Dollar of the OFTTC

	Production Impacts
Output per dollar of Ontario Film and Television Tax Credit	\$9.92
GDP per dollar of Ontario Film and Television Tax Credit	\$6.53
Employment per \$100,000 of Ontario Film and Television Tax Credit	8 FTEs

Table 7: Estimated Economic Impacts per Dollar of NOHFC Funding

	Production Impacts
Output per dollar of Northern Ontario Heritage Fund Corporation funding	\$12.17
GDP per dollar of Northern Ontario Heritage Fund Corporation funding	\$8.00
Employment per \$100,000 of Northern Ontario Heritage Fund Corporation funding	10 FTEs

6. COMPARISON WITH OTHER INDUSTRIES IN ONTARIO

To provide perspective on the size of the economic impacts of the production of *Indian Horse* in Ontario, it is useful to compare the impacts with those created by other industries. Examples of other industries are new home construction and tourism.

- **New Home Construction** – The estimated total employment in Ontario supported by the production of *Indian Horse* is equivalent to the direct and indirect employment supported by the construction of about 28 new homes in Ontario.¹³ In all of Canada, the employment supported by the production is roughly equivalent to that supported by the construction of 51 new homes.¹⁴
- **Tourism/Overnight Visitors** – The estimated total employment in Ontario supported by production spending on *Indian Horse* is equivalent to the employment supported by the spending of about 5,000 visitors to Ontario.¹⁵

¹³ CHBA. *Economic Impacts of New Home Construction 2017* – Ontario. Retrieved from: <https://www.chba.ca/CHBADocs/CHBA/HousingCanada/Information-Statistics/Impacts/1%20Ontario%20Economic%20Impacts%20of%20New%20Home%20Construction%202017.pdf>

¹⁴ CHBA. *Economic Impacts of New Home Construction 2017* – Canada. Retrieved from: <https://www.chba.ca/CHBADocs/CHBA/HousingCanada/Information-Statistics/Impacts/1%20Canada%20Economic%20Impacts%20of%20New%20Home%20Construction%202017.pdf>

¹⁵ This refers to overseas overnight visitors to Ontario. Ontario Ministry of Tourism, Culture and Sport. *Tourism Regional Economic Impact Model (TREIM)*. Retrieved from: http://www.mtc.gov.on.ca/en/research/quick_facts/facts.shtml

7. COMMUNITY BENEFITS

It is worth noting that film and television productions can also generate additional community and social benefits. These may include the creation of opportunities for trainees or interns, the development of business partnerships, the creation of spin-off companies and contributions to community and culture. To illustrate some additional impacts and broader benefits of *Indian Horse*, MNP interviewed Paula Devonshire, Producer of the film. The interview focused on the social and community benefits related to the filming of *Indian Horse* and is described below.

According to Paula Devonshire, Producer of *Indian Horse*, the production was committed to engaging with the local Indigenous communities around Sudbury and Peterborough, Ontario, providing community members with new opportunities to work as actors, stunt doubles, and shadow directors, as well as in various roles in the production office, props, art, wardrobe, post production, music and camera departments. Additionally, all the extras were hired locally.

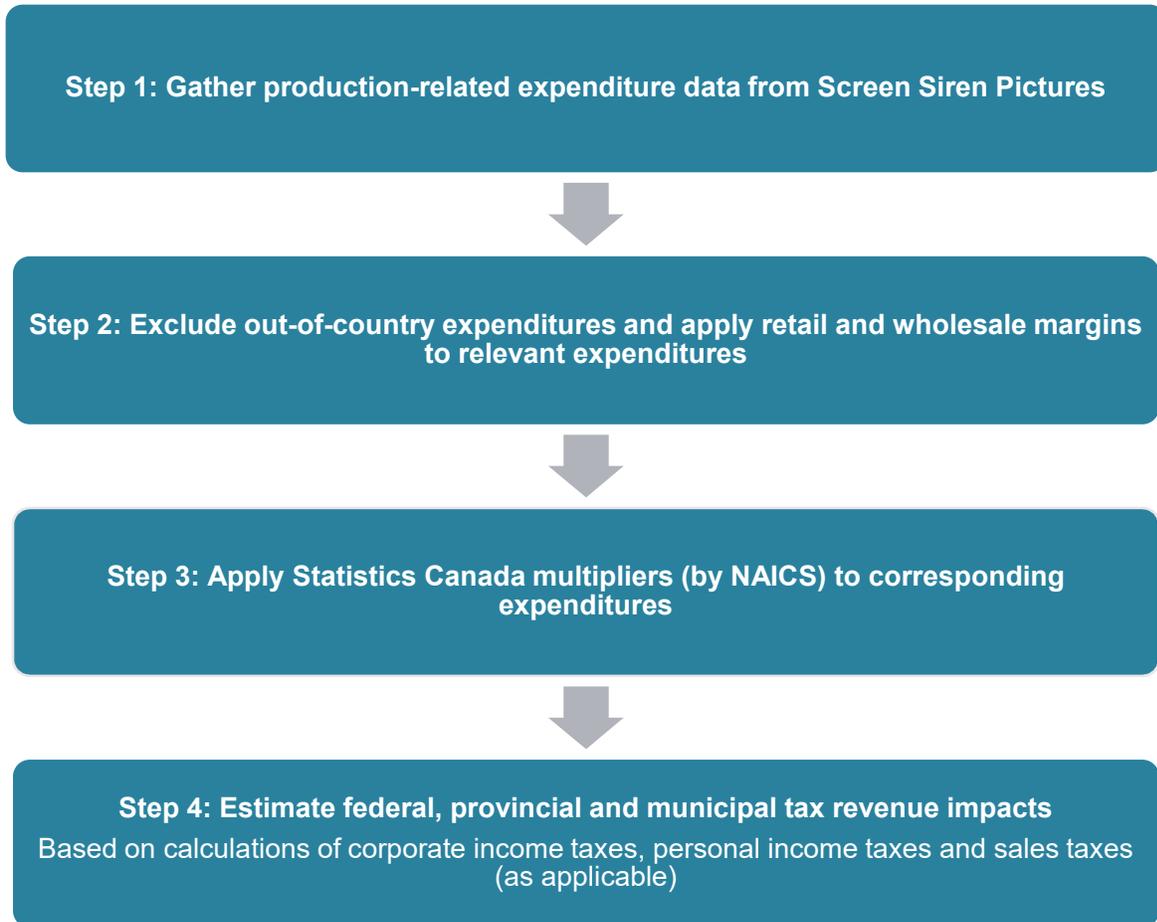
The production team reached out to the Indigenous communities for involvement, particularly when looking for Indigenous actors to cast the 25 Indigenous speaking roles in the film. The production utilized the talent pool of the local Little Native Hockey League to cast several first-time, Indigenous actors as hockey players and stunt doubles in the film, including Sladen Peltier, who played young Saul. The production also featured about 30 Indigenous youth from the Curve Lake, Hiawatha, Scugog Island and Alderville First Nations as extras during filming at the Mount Community Centre in Peterborough. In Sudbury, the Atikameksheng Anishnawbek First Nation worked with the production to provide cast, production crew, and supplies. As most of the local cast were first-time actors and many of the crew were gaining new production skills, Ms. Devonshire hoped that these opportunities would bring long-term benefits to the film industry in Ontario.

To follow cultural protocols while filming in Ontario, the production also employed the expertise of two elders, Edna Manitowabi and Shirley Williams, who were on set and acted as cultural advisors and traditional knowledge keepers. Ceremonies were performed daily on set and prior to emotionally challenging scenes by ceremony leaders Julia Pegahmagabow and Shirley Williams.

In BC too, the production worked with an Indigenous marketing team on the digital, social media and educational campaigns to support the release of *Indian Horse*: Animikii Indigenous Technology created the web site and social media channels; Leena Minifie was the social media manager and strategist for *Indian Horse*; and Hello Cool World created the educational support materials and educational outreach campaign with several Indigenous contractors.

APPENDIX A – ECONOMIC IMPACT METHODOLOGY

A step-by-step overview of our approach to estimating the economic impacts of *Indian Horse* is provided below.¹⁶



¹⁶ Retail margins were applied to expenditures on clothing and clothing accessories, furniture and home accessories, and miscellaneous retail purchases. Wholesale margins were applied to expenditures on building materials and supplies and machinery, equipment and supplies. (Statistics Canada Tables 20-10-0077-01 and 20-10-0066-01)

APPENDIX B – DETAILED RESULTS

Table B-1: Estimated Economic Impacts of the Production of *Indian Horse* in Ontario

	Output ¹⁷	GDP	Employment	Federal Tax	Provincial Tax	Municipal Tax
<i>Direct</i>	\$4,622,212	\$3,445,331	40	\$440,383	\$257,946	\$28,528
<i>Indirect and Induced</i>	\$4,505,145	\$2,558,196	37	\$275,540	\$217,498	\$126,390
Total	\$9,127,357	\$6,003,527	77	\$715,923	\$475,444	\$154,918

Table B-2: Estimated Economic Impacts of the Production of *Indian Horse* in BC and the Rest of Canada

	Output ¹⁸	GDP	Employment	Federal Tax	Provincial Tax	Municipal Tax
<i>Direct</i>	\$3,606,781	\$2,587,961	24	\$370,895	\$191,175	\$9,039
<i>Indirect and Induced</i>	\$2,557,747	\$1,585,866	25	\$199,748	\$156,483	\$53,247
Total	\$6,164,528	\$4,173,827	49	\$570,643	\$347,658	\$62,286

¹⁷ Direct output includes adjustments for spending on retail and wholesale purchases. Retail margins were applied to expenditures on clothing and clothing accessories, furniture and home accessories, and miscellaneous retail purchases. Wholesale margins were applied to expenditures on building materials and supplies and machinery, equipment and supplies. (Statistics Canada. CANSIM Tables 20-10-0066-01 and 20-10-0077-01.)

¹⁸ Ibid.