

Tourism Works for Alberta



2009



The Economic Impact of Tourism in Alberta Central Tourism Destination Region, 2009

Overview:

- Direct visitor expenditures from all tourists (resident and non-resident) in Alberta Central TDR exceeded **\$773** million in 2009.
- A total of **11,475** full time equivalent jobs were sustained province-wide in 2009 as a result of visitor expenditures in the Alberta Central TDR.
- These expenditures resulted in a net economic impact (value-added) of over **\$821** million province-wide.
- Over **\$265** million in total taxation revenue accrued to all three levels of government in 2009 as a result of tourism activity in the Alberta Central TDR. This included **\$171** million to the federal government, **\$69** million to the provincial government, and **\$25** million to local governments province-wide.

Alberta

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What is Economic Impact Analysis?

Economic impact analysis is used to determine the impacts of additional tourist spending primarily on employment, income (value-added) and government tax revenues in an economy. It provides a snapshot of the economy at a particular point in time based on the initial spending. It is based on the premise that initial or direct impacts alone are poor measures of the total impact of tourism on the economy. It is often the case that indirect and induced impacts are just as large, if not greater, than direct impacts and frequently involve sectors and activities distantly, but importantly, connected to the initial activity.

Let's suppose a tourist travels to Alberta and spends \$100 at a gas station. In an economic impact analysis, the focus is not on the amount of sales (in this case \$100), but rather the impact of those sales on the provincial/regional economy.

If you consider:

- **Direct Impact:** The gasoline station owner must take part of the \$100 spent by the tourist and buy more gasoline from a wholesale distributor and pay wages and taxes.
- **Indirect Impact:** In the second round, the wholesale gasoline distributor buys additional items and pays salaries/wages with part of the \$100.
- **Induced Impact:** The gasoline station employees and the employees of the wholesale distributor spend part of their salaries on groceries, rent, automobiles, and so on.

This ripple effect based on the initial amount of tourist spending circulates throughout the economy and creates a "multiplier effect". In this analysis, the objective is to estimate and analyze the ripple effect of tourism spending in each Tourism Destination Region (TDR) and understand tourism's vital economic contribution to every region of the province.

All economic impacts include direct, indirect, and induced effects.

Sources:

Statistics Canada (2009 International Travel Survey, 2009 Travel Survey of Residents of Canada)
Econometric Research Limited

For more information, please contact the Tourism Business Development, Research and Investment Branch of Alberta Tourism, Parks and Recreation
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Travel to Alberta Central TDR by Visitor Origin, 2009

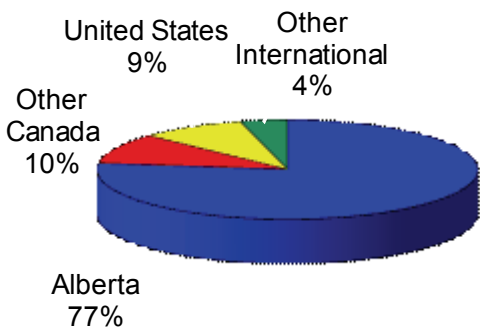
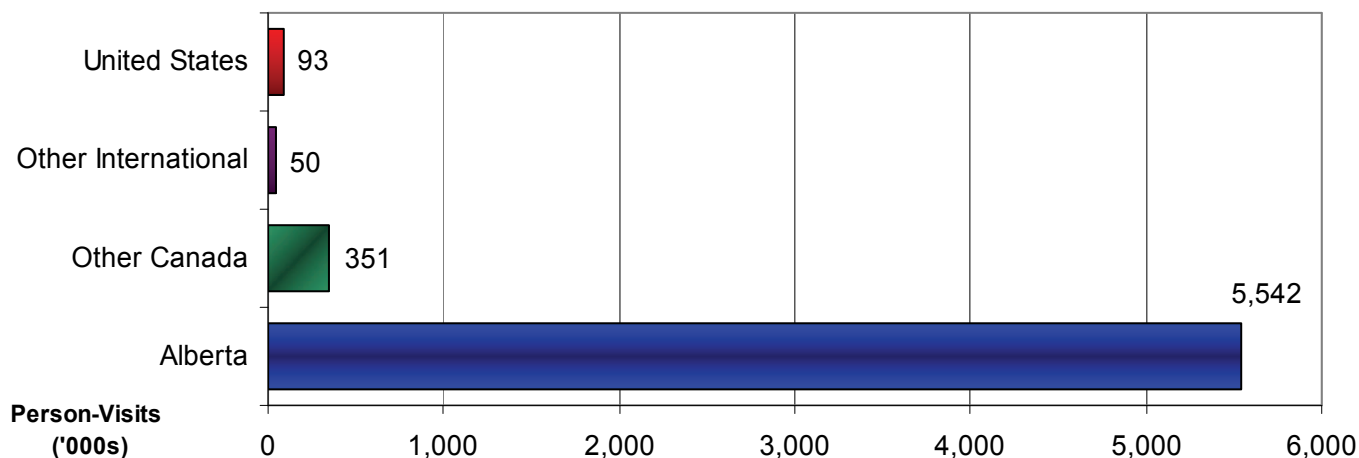
In 2009, **6.04** million person-visits were made to the Alberta Central TDR by residents of Alberta, other Canadians, visitors from the United States and other international visitors. Direct trip expenditures by these visitors exceeded **\$773** million.

	Alberta	Other Canada	United States	Other International	Total
('000s)					
Person-Visits	5,542	351	93	50	6,036
Trip Expenditures	\$598,772	\$76,330	\$70,277	\$27,725	\$773,104

Domestic visitors include same-day and overnight, while international visitors include overnight visitors only.

Person-Visits, 2009

Residents of Alberta accounted for 92% of all person-visits to Alberta Central TDR. Visitors from other parts of Canada accounted for 6%, visitors from the United States accounted for 1% and other international visitors accounted for 1% of the person-visits to Alberta Central TDR.



Direct Trip Expenditures, 2009

Residents of Alberta accounted for 77% of the direct trip expenditures in the Alberta Central TDR. Visitors from other Canada accounted for 10%, visitors from the United States accounted for 9%, and other international visitors accounted for 4% of the direct trip expenditures in the Alberta Central TDR.

Trip Expenditures in Alberta Central TDR by Category, 2009

Residents of Alberta ranked number one for spending in every trip expenditures category in the Alberta Central TDR. Approximately 39% of all expenditures made by residents of Alberta in the Alberta Central TDR were on accommodation, food and beverage, while another 38% was spent on private auto.

	Alberta	Other Canada	United States	Other International	Total
(\$000s)					
Public/Local Transportation	\$4,039	\$581	\$353	\$1,573	\$6,546
Private Auto	\$228,427	\$22,472	\$9,533	\$3,279	\$263,711
Accommodation, Food and Beverage	\$230,362	\$35,244	\$32,983	\$13,672	\$312,261
Recreation	\$44,365	\$4,181	\$17,713	\$3,391	\$69,650
Retail	\$91,579	\$13,852	\$9,695	\$5,810	\$120,936
Total	\$598,772	\$76,330	\$70,277	\$27,725	\$773,104

Economic Impact of Tourism in Alberta Central TDR, 2009

In 2009, the net economic impact (value-added) was approximately **\$821** million province-wide. A total of **11,475** full time equivalent jobs were sustained province-wide. The total value of wages and salaries associated with tourism-related employment was over **\$421** million.

	Alberta	Other Canada	United States	Other International	Total
(\$000s)					
Initial Expenditure	\$598,772	\$76,330	\$70,277	\$27,725	\$773,104
Value Added	\$632,865	\$81,917	\$75,988	\$30,587	\$821,357
Gross Output	\$1,407,726	\$179,650	\$171,284	\$66,373	\$1,825,033
Wages & Salaries	\$314,375	\$43,678	\$45,313	\$18,500	\$421,866
Taxes*	\$201,466	\$26,784	\$26,325	\$10,517	\$265,092
Employment (Full Time Equivalent)	8,353	1,183	1,415	524	11,475

Domestic visitors include same-day and overnight, while international visitors include overnight visitors only.

*Taxes accrue to all 3 levels of government (federal, provincial and local).