

Tourism Works for Alberta



2009

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



Overview:

- Direct visitor expenditures from all tourists (resident and non-resident) in Alberta South TDR exceeded **\$438 million** in 2009.
- A total of **6,790** full time equivalent jobs were sustained province-wide in 2009 as a result of visitor expenditures in the Alberta South TDR.
- These expenditures resulted in a net economic impact (value-added) of over **\$470 million** province-wide.
- Over **\$154 million** in total taxation revenue accrued to all three levels of government in 2009 as a result of tourism activity in the Alberta South TDR. This included **\$98 million** to the federal government, **\$41 million** to the provincial government, and **\$15 million** to local governments province-wide.

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

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Travel to Alberta South TDR by Visitor Origin, 2009

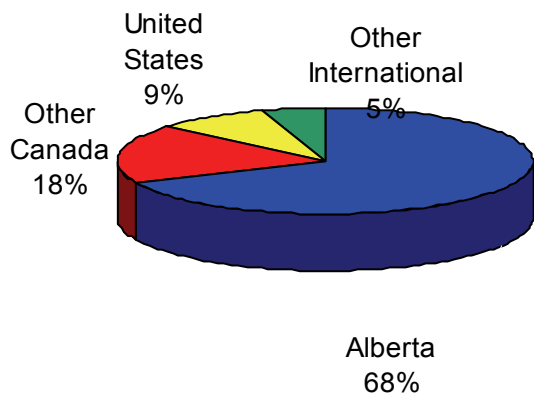
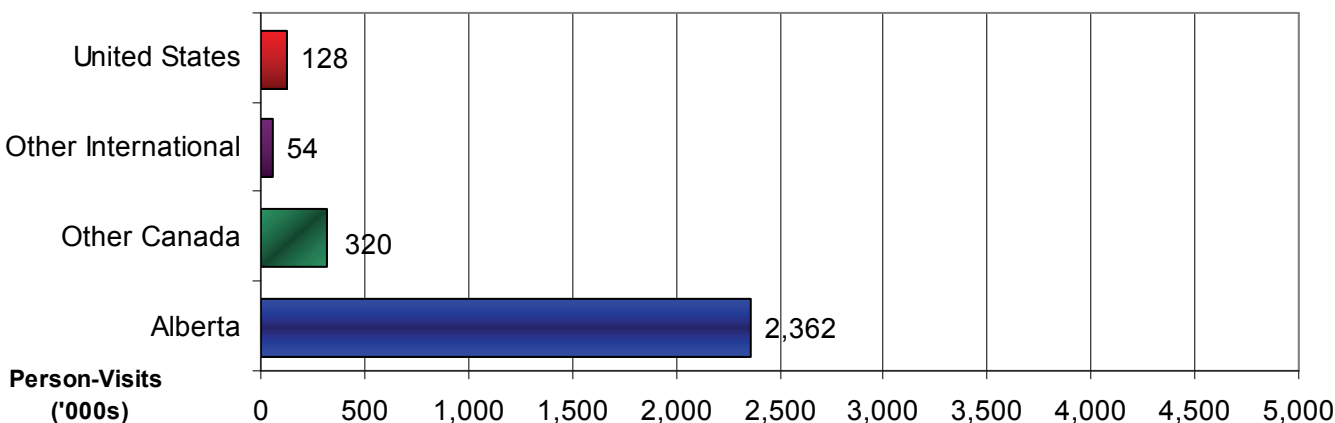
In 2009, **2.86** million person-visits were made to the Alberta South TDR by residents of Alberta, other Canadians, visitors from the United States and other international visitors. Direct trip expenditures by these visitors exceeded **\$438** million.

	Alberta	Other Canada	United States	Other International	Total
('000s)					
Person-Visits	2,362	320	128	54	2,864
Trip Expenditures	\$297,391	\$80,778	\$39,345	\$21,394	\$438,908

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

Person-Visits, 2009

Residents of Alberta accounted for 82% of all person-visits to the Alberta South TDR. Visitors from other parts of Canada accounted for 11%, visitors from the United States accounted for 4% and other international visitors accounted for 3% of the person-visits to the Alberta South TDR.



Direct Trip Expenditures, 2009

Residents of Alberta accounted for 68% of the direct trip expenditures in the Alberta South TDR. Visitors from other Canada accounted for 18%, visitors from the United States accounted for 9%, and other international visitors accounted for 5% of the direct trip expenditures in the Alberta South TDR.

Trip Expenditures in Alberta South TDR by Category, 2009

Residents of Alberta ranked number one for spending in every trip expenditures category in the Alberta South TDR except for public/local transportation. Approximately 42% of all expenditures made by residents of Alberta in the Alberta South 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	\$3,795	\$6,497	\$848	\$921	\$12,061
Private Auto	\$112,324	\$17,319	\$6,001	\$3,480	\$139,124
Accommodation, Food and Beverage	\$123,150	\$36,115	\$21,425	\$11,141	\$191,831
Recreation	\$22,754	\$8,946	\$5,682	\$1,991	\$39,373
Retail	\$35,368	\$11,901	\$5,389	\$3,861	\$56,519
Total	\$297,391	\$80,778	\$39,345	\$21,394	\$438,908

Economic Impact of Tourism in Alberta South TDR, 2009

In 2009, the net economic impact (value-added) was over \$470 million province-wide. A total of 6,790 full time equivalent jobs were sustained province-wide. The total value of wages and salaries associated with tourism-related employment was over \$246 million.

	Alberta	Other Canada	United States	Other International	Total
(\$000s)					
Initial Expenditure	\$297,391	\$80,778	\$39,345	\$21,394	\$438,908
Value Added	\$316,335	\$88,234	\$42,645	\$23,716	\$470,930
Gross Output	\$699,052	\$191,341	\$94,143	\$50,864	\$1,035,400
Wages & Salaries	\$158,203	\$49,325	\$24,516	\$14,445	\$246,489
Taxes*	\$101,589	\$29,663	\$14,668	\$8,270	\$154,190
Employment (Full Time Equivalent)	4,281	1,368	735	406	6,790

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).