

# Tourism Works for Alberta



## The Economic Impact of Tourism in Calgary and Area Tourism Destination Region, 2008

### Overview:

- Direct visitor expenditures from all tourists (resident and non-resident) in the Calgary and Area Tourism Destination Region (TDR) exceeded **\$1.35 billion** in 2008.
- These expenditures resulted in a net economic impact (value-added) that exceeded **\$1.49 billion** province-wide.
- A total of **22,844** full time equivalent jobs were sustained province-wide in 2008 as a result of visitor expenditures in the Calgary and Area TDR.
- Approximately **\$498 million** in total taxation revenue accrued to all three levels of government in 2008. This included **\$313 million** to the federal government, **\$135 million** to the provincial government, and **\$50 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 (2008 International Travel Survey, 2008 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  
780 415 –1310      [www.tpr.alberta.ca/tourism](http://www.tpr.alberta.ca/tourism)

ISSN: 1923-8827

ISBN: 978-0-7785-5855-2

## Travel to Calgary and Area TDR, 2008

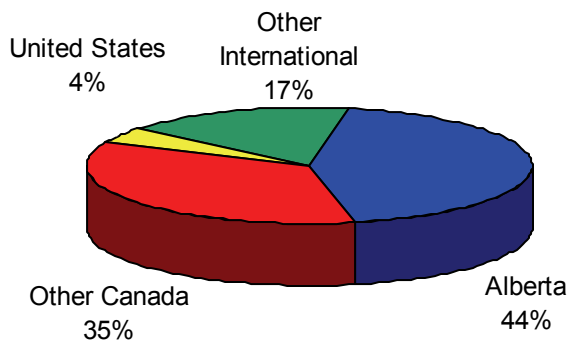
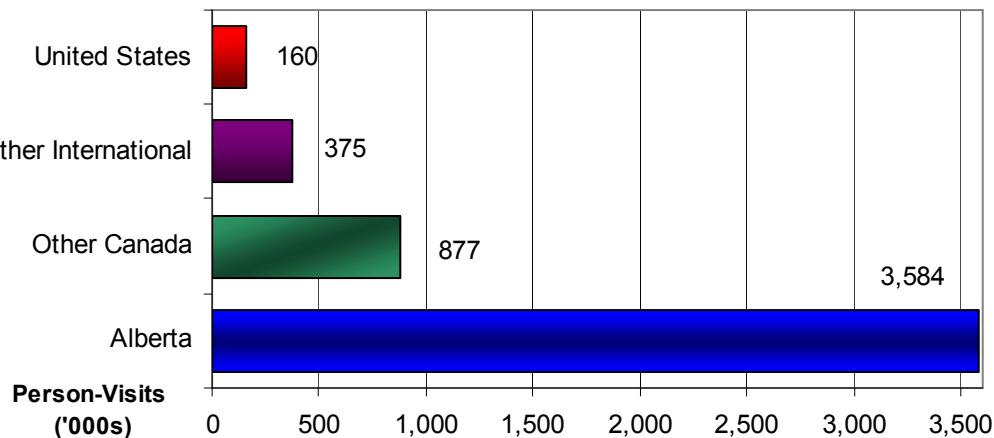
In 2008, exceeded **4.99** million person-visits were made to the Calgary and Area TDR by residents of Alberta, other Canadians, visitors from the United States and other international visitors. Direct trip expenditures by these visitors exceeded **\$1.35** billion.

	Alberta	Other Canada	United States	Other International	Total
('000s)					
Person-Visits	3,584	877	160	375	<b>4,996</b>
Trip Expenditures	\$591,614	\$482,866	\$50,199	\$232,914	<b>\$1,357,593</b>

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

### Person-Visits, 2008

Residents of Alberta accounted for 72% of all person-visits to the Calgary and Area TDR. Visitors from other parts of Canada accounted for 18%, other international visitors accounted for 7% and visitors from the United States accounted for 3% of the person-visits to the Calgary and Area TDR.



### Direct Trip Expenditures, 2008

Residents of Alberta accounted for 44% of the direct trip expenditures in the Calgary and Area TDR. Visitors from other parts of Canada accounted for 35%, other international visitors accounted for 17% and visitors from the United States accounted for 4% of the direct trip expenditures in the Calgary and Area TDR.



Source: ATPR, Photo and Video Library

## Trip Expenditures in Calgary and Area TDR by Category, 2008

Residents of Alberta ranked number one for spending in every trip expenditures category in the Calgary and Area TDR. Approximately 42% of all expenditures made by residents of Alberta in the Calgary and Area TDR was on accommodation, food and beverage, while another 28% was spent on private auto.

	Alberta	Other Canada	United States	Other International	Total
(\$000s)					
Public/Local Transportation	\$44,689	\$131,668	\$5,198	\$17,619	<b>\$199,174</b>
Private Auto	\$167,272	\$61,722	\$6,475	\$19,015	<b>\$254,484</b>
Accommodation, Food and Beverage	\$251,238	\$180,144	\$29,180	\$124,821	<b>\$585,383</b>
Recreation	\$35,513	\$28,981	\$4,219	\$22,117	<b>\$90,830</b>
Retail	\$92,902	\$80,351	\$5,127	\$49,342	<b>\$227,722</b>
<b>Total</b>	<b>\$591,614</b>	<b>\$482,866</b>	<b>\$50,199</b>	<b>\$232,914</b>	<b>\$1,357,593</b>

## Economic Impact of Tourism in Calgary and Area TDR, 2008

In 2008, the net economic impact (value-added) exceeded **\$1.49** billion province-wide. A total of **22,844** full time equivalent jobs were sustained province-wide. The value of wages and salaries associated with tourism-related employment was approximately **\$843** million.

	Alberta	Other Canada	United States	Other International	Total
(\$000s)					
Initial Expenditure	\$591,614	\$482,866	\$50,199	\$232,914	<b>\$1,357,593</b>
Value Added	\$638,316	\$546,008	\$56,220	\$257,995	<b>\$1,498,539</b>
Gross Output	\$1,381,120	\$1,124,359	\$118,962	\$552,330	<b>\$3,176,771</b>
Wages & Salaries	\$338,092	\$314,723	\$33,494	\$156,846	<b>\$843,155</b>
Taxes*	\$207,414	\$182,330	\$19,527	\$89,191	<b>\$498,462</b>
Employment (Full Time Equivalent)	9,241	8,039	981	4,583	<b>22,844</b>

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).

In 2008, approximately \$498 million in total taxation revenue accrued to all three levels of government (federal, provincial and local). This included \$313 million to the federal government, \$135 million to the provincial government, and \$50 million to local governments province-wide.