

Tourism Works for Alberta



2012



The Economic Impact of Tourism in the Calgary and Area Tourism Region 2012

Overview:

- Direct visitor spending by all tourists (resident and non-resident) in the Calgary and area region was approximately **\$2.25** billion in 2012.
- This spending resulted in a net economic impact (value-added) of over **\$2.55** billion province-wide.
- A total of **34,895** full-time equivalent jobs were sustained province-wide in 2012 as a result of visitor expenditures in the region.
- Approximately **\$1.05** billion in total tax revenue accrued to all three levels of government in 2012 as a result of tourism activity in Calgary and area. This included **\$577** million to the federal government, **\$333** million to the provincial government, and **\$140** 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 region 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's 2012 International Travel Survey and 2012 Travel Survey of Residents of Canada
Econometric Research Limited

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Travel to the Calgary and Area Tourism Region by Visitor Origin, 2012

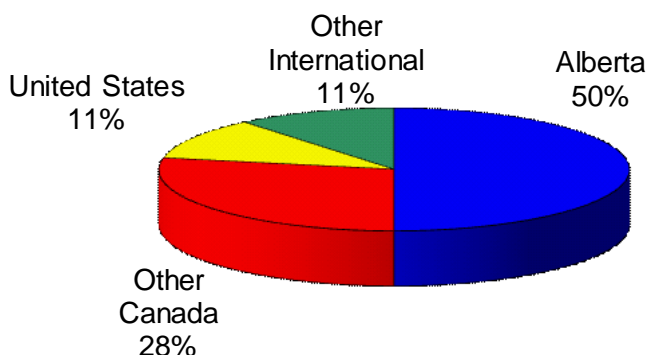
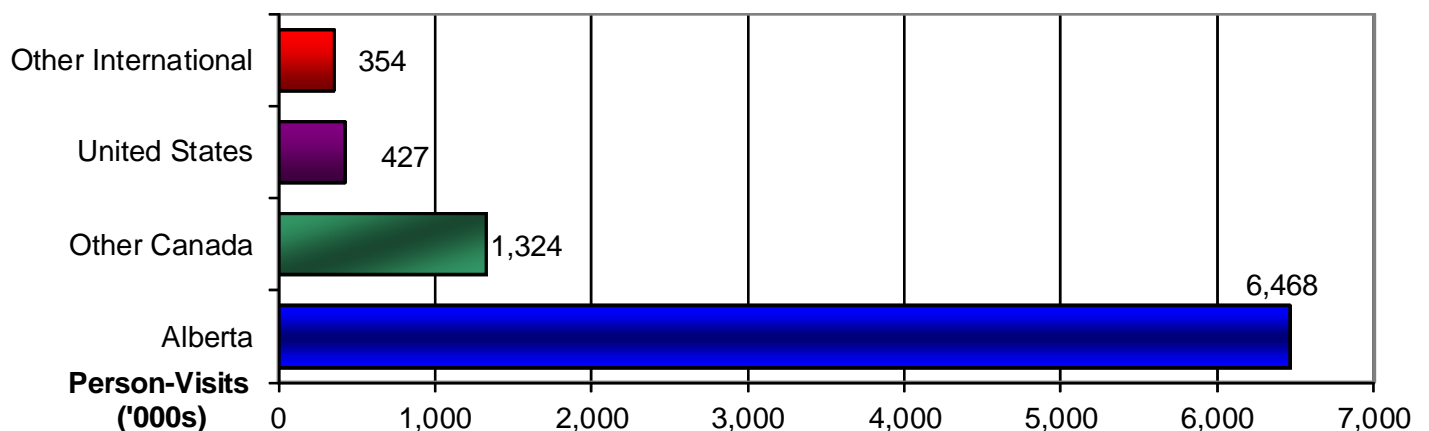
In 2012, **8.57** million visits were made to Calgary and area by residents of Alberta, other parts of Canada, visitors from the United States and other international visitors. Direct tourism expenditures by these visitors were approximately **\$2.25** billion.

	Alberta	Other Canada	United States	Other International	Total
('000s)					
Person-Visits	6,468	1,324	427	354	8,573
Tourism Expenditures	\$1,139,231	\$626,313	\$241,364	\$242,405	\$2,249,313

Person-visits for domestic visitors include same-day and overnight, while international visitors include overnight visitors only.

Person-Visits, 2012

Residents of Alberta accounted for 76% of all visits to Calgary and Area. Visitors from other parts of Canada accounted for 15%, visitors from the United States accounted for 5% and other international visitors accounted for 4% of the visits to the region.



Direct Tourism Expenditures, 2012

Residents of Alberta accounted for 50% of direct visitor spending in Calgary and Area. Visitors from other parts of Canada accounted for 28%, other international visitors accounted for 11%, and visitors from the United States accounted for 11% of the direct tourism expenditures in the region.

Tourism Expenditures in the Calgary and Area Tourism Region by Category, 2012

Residents of Alberta ranked number one for spending in every tourism expenditure category in the Calgary and area region. Approximately 34% of all visitor spending made by residents of Alberta in the region was on accommodation, food and beverage, while another 29% was spent on private/rental auto.

	Alberta	Other Canada	United States	Other International	Total
(\$000s)					
Public/Local Transportation	\$201,372	\$173,086	\$15,491	\$18,004	\$407,953
Private/Rental Auto	\$335,599	\$97,550	\$21,172	\$17,258	\$471,579
Accommodation, Food and Beverage	\$381,758	\$253,901	\$175,029	\$139,964	\$950,652
Recreation/Entertainment	\$61,042	\$28,852	\$12,427	\$20,418	\$122,739
Retail/Other	\$159,460	\$72,924	\$17,245	\$46,761	\$296,390
Total	\$1,139,231	\$626,313	\$241,364	\$242,405	\$2,249,313

Economic Impact of Tourism in the Calgary and Area Tourism Region, 2012

In 2012, the net economic impact (value-added) was over **\$2.55** billion province-wide. A total of **34,895** full-time equivalent jobs were sustained province-wide. The total value of wages and salaries associated with tourism-related employment was approximately **\$1.64** billion.

	Alberta	Other Canada	United States	Other International	Total
(\$000s)					
Initial Expenditure	\$1,139,231	\$626,313	\$241,364	\$242,405	\$2,249,313
Value-Added	\$1,265,302	\$721,500	\$285,886	\$279,792	\$2,552,480
Gross Output	\$2,868,954	\$1,557,098	\$606,583	\$605,001	\$5,637,636
Wages & Salaries	\$771,721	\$472,916	\$199,745	\$193,178	\$1,637,560
Taxes*	\$511,850	\$297,444	\$123,131	\$117,788	\$1,050,213
Employment (Full-Time Equivalent)	15,759	9,859	4,808	4,469	34,895

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