



The Economic
Impact
Of Tourism In Kelowna

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Tourism is a major economic contributor for Kelowna and the Central Okanagan Regional District. The economic impact of tourism includes:

- **Accommodations**
- **Attractions**
- **Kelowna International Airport**
- **Other businesses that benefit from the spending of tourists to the region**



Tourism: A Major Growing Industry for Kelowna

Kelowna has developed into an international destination that attracts tourists from around the globe year-round. As a result, tourism is now a major employment and economic contributor to the Kelowna area¹. Okanagan Lake and the abundant and accessible beaches, water recreation and parkland have provided the primary draw for summer vacationers for many years. In addition, the Kelowna area is truly a golf destination with 14 quality golf courses, and more are under construction. Dotting the surrounding countryside are 13 wineries where visitors can sample the renowned wines of the Okanagan Valley throughout the year. In Kelowna's Cultural District, a wide range of galleries, museums, theatres, fine dining restaurants, and unique shops are poised for discovery. Lake City Casino, numerous festivals and cultural events add to the vibrancy of this City. During the winter months, skiing, snowboarding and other winter activities are available at nearby Big White Resort and other wilderness lodges.

Meetings, conventions and sporting events play a vital role in supporting the local tourism industry. Kelowna has become a desirable destination for these activities, which are expected to grow due to the continual improvement in Kelowna's air access.

There are a number of dimensions to the economic impact of tourism in the Kelowna area. These include:

- **Accommodations.** There are over 45 hotels, motels and resorts, and over 100 bed & breakfasts in the Kelowna area, as well as nearby campsites, supplying a large number of jobs and tax revenues for the local economy.
- **Attractions.** The wineries, golf courses, ski resorts, galleries, museums and other attractions in the Kelowna area also generate a significant number of employment opportunities.
- **Kelowna International Airport.** Kelowna International Airport is the 10th busiest airport in Canada with daily nonstop departures to Seattle, Vancouver, Victoria, Calgary, Edmonton and Toronto.
- **Other businesses benefit from tourism.** The spending of tourists benefits a wide range of businesses including retailers, food & beverage providers, and ground transportation (taxis, buses, etc.).

What is Economic Impact?

Economic impact is a measure of the spending and employment associated with a business, a sector of the economy, or a change in government policy or regulation. There are three types of economic impact:

- **Direct economic impact** is the employment, valued-added or economic output created by tourism businesses in the Kelowna area. Thus, the direct employment base includes employees at accommodations, resorts, restaurants, retailers and attraction operators in the region.
- **Indirect economic impact** is the employment, valued-added or economic output generated in industries that supply goods and services to tourism businesses in Kelowna. For example, employment at a food wholesaler that supplies restaurants would be considered indirect employment.
- **Induced economic impact** is the employment, valued-added or economic output generated by the expenditures of individuals employed directly or indirectly by local tourism businesses. For example, a hotel manager spends his or her earnings on meals out, groceries, a new car, etc., which generates additional employment.

¹ The Kelowna area includes the City of Kelowna and the surrounding Central Okanagan Regional District.



Tourist Visitor Spending in Kelowna

Statistics Canada estimates that there were a total of 1.2 million person-visits to the Kelowna area in 2004 by non-local residents. Of the 1.2 million visitors, 1 million (83%) stayed overnight in the Kelowna area (the remaining 17% were day-visitors).

Each visitor to the Kelowna area spends an average of \$425 during their stay on accommodation, retail, food and beverages, attractions and other items. In total, it is estimated that visitors to the area spend a total of approximately \$346 million per annum.

Economic Impact of Tourism in Kelowna

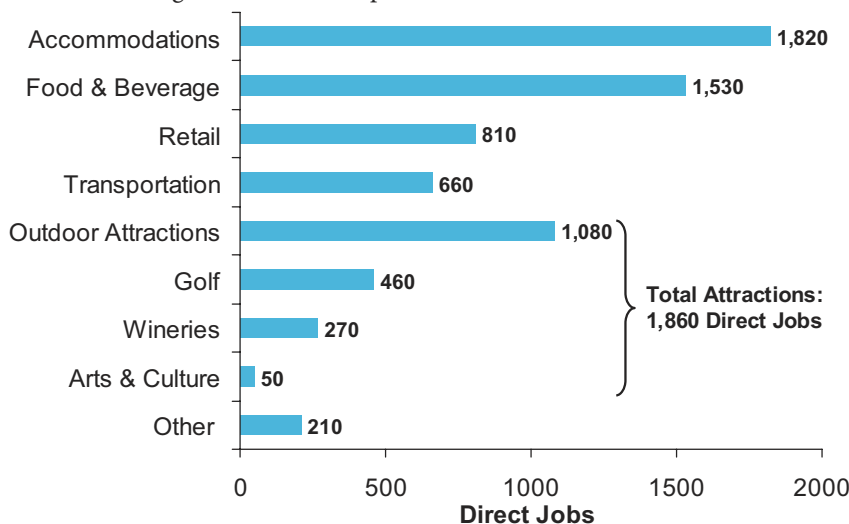
- Tourism in the Kelowna area generates 6,900 direct jobs in the region, equal to 5,100 Full-Time Equivalents (FTEs)². The total wages associated with tourism-related employment are \$130 million.
- Including multiplier impacts (indirect and induced), a total of 9,800 jobs (FTEs) may be generated in British Columbia by Kelowna's tourism industry.
- In addition to employment, Kelowna's tourism industry generates roughly \$220 million in direct Gross Domestic Product (GDP) and \$390 million in direct economic output.
- Including indirect and induced impacts, tourism in Kelowna generates \$320 million in GDP and \$610 million in economic output for the province of British Columbia.

Total Impacts	Employment Jobs	Employment (FTEs) ²	Wages (\$ Million)	GDP (\$Million)	Output (\$Million)
Direct	6,900	5,100	130	220	390
Indirect	2,100	1,600	30	70	160
Induced	800	600	10	30	60
Total	9,800	7,300	170	320	610

Source: InterVISTAS Consulting Inc.

Tourism Jobs in Kelowna by Type of Business

The largest number of tourism-related jobs are in the accommodations businesses, with 1,820 direct jobs. In total, the attractions in the Kelowna area (wineries, golf courses, ski-resorts, etc.) generate a total of 1,860 direct jobs. Other major businesses types include food/beverage, retail and transportation.



² Part-time and seasonal jobs are converted to full-time equivalents.

Visitor spending in the Kelowna area totals approximately \$346 million per annum.

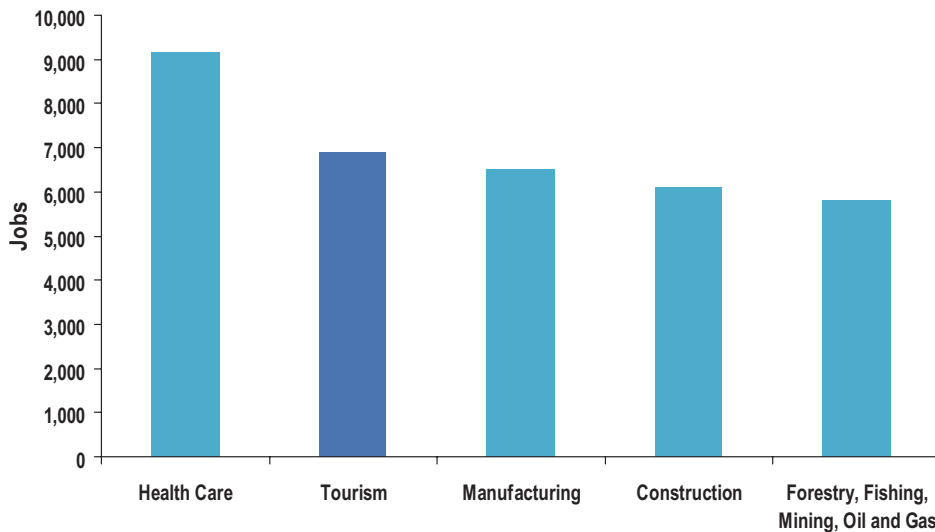
The tourism industry in the Kelowna area generates a total of 6,900 direct jobs, or 5,100 full-time equivalents.

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Tourism is a Major Employer in Kelowna

Tourism is one of the largest employers in the Kelowna area (i.e. the Central Okanagan Regional District). Tourism generates roughly the same number of jobs as manufacturing, and more than construction and forestry, fishing, mining, oil & gas.

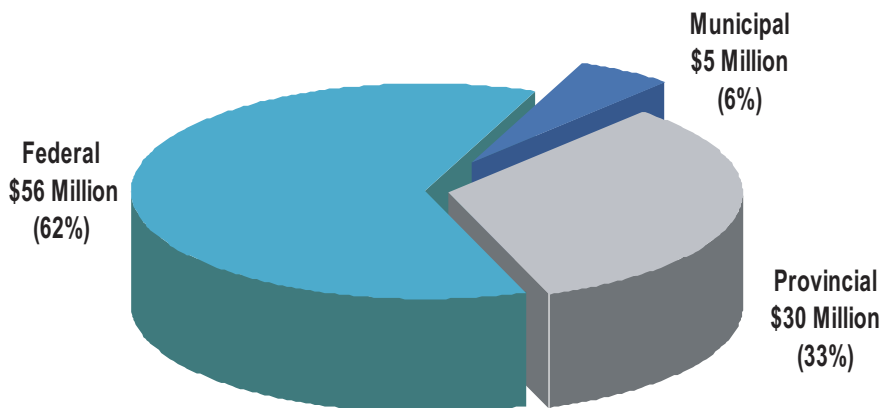


Source: Statistics Canada

Tourism in Kelowna Generates Tax Revenues for Governments

Kelowna's tourism industry is an important generator of tax and other revenues for all levels of government:

- The tax impact of tourism in Kelowna is \$91 million per annum.
- The federal government is the largest recipient of tax revenues, receiving \$56 million, or 62% of the total amount.
- The BC provincial government receives \$30 million, 33% of the total.
- The municipal governments receive \$5 million (6% of the total).



Total Taxes = \$91 Million

Source: InterVISTAS Consulting Inc.

Tourism is one of the largest employers in the Kelowna area.

The tourism industry in the Kelowna area generates a total of \$91 million per annum in taxes.

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Tourism Kelowna
by InterVISTAS
Consulting Inc.
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