The Importance of Tourism in the Foothills Model Forest

Adam Wellstead
Bill White
Mike Patriquin

Foothills Model Forest
Tech-Transfer Workshop
March 1st, 1998
Isn’t Odd for Canadian Forest Service Researchers to be Interested in Tourism? 
Are We Out of our Realm?

- NO
- Why?
- Nobody else does it
- Surprisingly there are very few tourism related studies that attempt to accurately measure the economic impact at a regional level
Why Research in Tourism is Important?

- A growing multi-billion dollar global industry
- In 1998, tourism became the third largest sector in Alberta overtaking forestry
- Tourism is often touted as “the” alternative economic generator and source of employment for resource dependent communities
  - However local decision-makers do not have adequate information
But Most Importantly,

- The FMF, especially Hinton, has experienced growth in tourism-related activity
Three Main Components of our Tourism Research in the FMF

- Provide Base Line Data
- Feed into Regional Economic Impact Models
- Develop New and Cost Effective Methodologies for Measuring Tourism Activity
Tourism Related Projects in the FMF

- Contribution of Visitors to the FMF’s Economy
- Contribution of Visitor-Related Employment to the FMF’s Economy
- Academic vs. Local Perceptions of Ecotourism
Project 1

Contribution of Visitors to the FMF’s Economy
Importance of the Visitor Sector to the FMF’s Economy

FMF Regional Economy Compared to Alberta’s Economy

- FMF:
  - Mining: 27.9%
  - CPNG: 11.9%
  - Sawmill: 5.6%
  - Pulp: 22.9%
  - Visitor: 16.5%
  - ROE: 15.2%

- Alberta:
  - Visitor: 3.0%
  - CFNG: 12.5%
  - Mining: 2.3%
  - Sawmill: 0.4%
  - Pulp: 0.6%
  - ROE: 81.1%
Difficulties Encountered

And there were many

- Difficult to separate the “Tourist” from other visitors (i.e., business travellers, work crews, conventions)
  ▷ For this reason our research considers all visitors rather than just tourists

- Difficult to separate local expenditures from visitor expenditures (i.e. gas stations, restaurants)

- Lack of regional data -- High costs of studies

- Self-serving tourism studies (Cheerleading vs. Research)
Past Regional Visitor Studies

- 1989 Rocky Mountain National Parks Utilization Study
- 1990 Alberta Non-Resident Travel Exit Survey
- 1991 Alberta Resident Travel Exit Survey
- 1994 Canadian Travel Survey Profile
Data Sources

- Alberta Department of Economic Development and Tourism
- Statistics Canada
- Local Government Agencies
  - Gerry Repecka
- Local Businesses
Our Study Methods

- Step 1) Determine known expenditures for Alberta resident and non-resident visitors
  - Accommodation
  - Restaurants
  - Camping Fees
Our Study Methods

- (Step 2) Determine percentage breakdown for known on-site expenditures from past studies Jasper/Hinton bound resident and non-resident visitors

  - 1990 Jasper Alberta Non-Resident Study
    - Accommodation  25.13% of onsite expenditures
    - Food & Beverage  23.70
    - Camping Fees  1.20

  - Total = 50.03%
(Step 3) Total current Expenditures were divided by the (1990 or 1991) Known Expenditure percentage breakdowns

- Non-residents visiting Jasper
  - $59,697,771/50.03% = $1,193,239
  - Therefore each percentage point (1%) of on-site expenditures represents 1,193,239
Our Study Methods

- (Step 4) Unknown expenditures were estimated by multiplying 1990/91 percentage breakdowns
  - 1990 Non-resident survey stated that retail expenditures comprised 11.8% of all expenditures in Jasper
    - 11.8% multiplied by $1,193,239=$11,927,401

- Step 4 was repeated for all unknown expenditures
Results

Total Expenditures of Non-Resident and Resident Visitors to Hinton and Jasper (millions of dollars)

Total Expenditures to FMF = $316 million
Results

Expenditure Contributions by Visitor Type
(A Tale of Two Towns)

Day/Pass/Friends
Tour groups
Crews/Business/Conventions/Other

Camping
Tourist (accom)
Project 2

Contribution of Visitor-Related Employment to the FMF’s Economy
Data

- Mail-out survey of all visitor driven or related businesses in the FMF in the Summer of 1998

- 453 Businesses were surveyed
  - 148 in Hinton
  - 305 in Jasper

- Statistics Canada for wage information
Five different surveys were developed that catered to:

- Car Repair/Gas Stations
- Accommodation and Restaurants
- Tours/Transportation
- Retail
- Various Others
The Survey Asked Only 5 Questions

- How many employees were on staff in an average year
- Their Occupation Type
- Their Status
  - Full time/Part time
  - Year round/Seasonal
- Number of Hours Worked Per Week per Person
- Percentage estimate of business activity dedicated to visitor related activity
Composition of Hinton’s Visitor Sector Employment Force

Total = 829
Composition of Jasper’s Visitor Sector Employment Force

Total = 4,927
Importance of this Finding

- Traditionally researchers have relied on the “Accommodation, food and beverage” numbers found in the Census
  - 1996 Census reported 3,260 employed in the FMF in this category
- Because our findings accounted for seasonal employment and other sectors
  - Our estimate of total employment for the FMF was 5,759
- Therefore there was a 43.4% underestimation of the number people employed in this sector
Contribution of Visitor Related Employment Wages to the FMF Economy

(Millions of Dollars)

Total = $69.7 million
Contribution to the FMF Economy

Hinton

- Hinton Full Time Year Round
  - $8,439,712
  - $18,797 average per year

- Hinton Part Time Year Round
  - $1,747,233
  - $7,731 average per year

- Hinton Full Time Seasonal
  - $370,559
  - $3,669 average per year

- Hinton Part Time Seasonal
  - $156,093
  - $2,945 average per year
Contribution to the FMF Economy

Jasper

- Jasper Full Time Year Round
  - $39,549,247
  - $18,150 average per year

- Jasper Part Time Year Round
  - $3,068,802
  - $8,055 average per year

- Jasper Full Time Seasonal
  - $15,061,654
  - $8,097 average per year

- Jasper Part Time Seasonal
  - $1,443,849
  - $2,847 average per year
Wage Comparisons

(Gross $ Per Week)

- Provincial Average
- Visitor Sector Average (Full-Time)
- Hinton Sawmill
Project 3

Understanding Ecotourism in the FMF: A Stakeholder Perspective
Ecotourism

- Developed Literature Review of Academic and Expert Definitions of Ecotourism
  - We found that there are many competing definitions
  - Definitions are subjectively derived

- Interviewed Key Stakeholders in the FMF
  - Most held much more broader definitions than the academic versions
  - Most acknowledge that ecotourism cannot be a substitute for natural resources as an economic generator