



**ECONOMIC IMPACTS OF  
“*Arts and Culture*” IN THE  
GREATER EDMONTON REGION**

**2005**

**Prepared by:**

**Knowledge Management Unit  
Edmonton Economic Development Corporation**

**November, 2006**



## Table of Contents

Foreword.....	4
Executive Summary .....	5
Introduction.....	7
Methodology .....	7
Results.....	8
Appendix A: Participating “Arts and Culture” Organizations .....	12
Appendix B: Operating Expenditures .....	15
Appendix C: Visitor Expenditures .....	16
Appendix D: Glossary of Terms.....	17

## Foreword

The following Greater Edmonton Region “*Arts and Culture*” impact analysis is the third time this type of assessment has been done as a partnership between the Edmonton Arts Council and Edmonton Economic Development Corporation (EEDC). The previous assessments were carried out for 1996 and 1999. Special thanks is extended to the arts and culture organizations who not only agreed to participate in the study but who were also patient in providing information in the format required for the analysis.

In producing the following report every effort has been made to achieve accurate estimates of the economic impacts related to “*Arts and Culture*” in Edmonton. However, this analysis is based on assumptions and data provided by a variety of external sources and as such, EEDC cannot assume any liability for damages or negligence which may occur as a result of use or reliance on the economic impact results or any other information contained in this report.

## Executive Summary

The “*Arts and Culture*” community in Edmonton is an established and very vibrant part of Edmonton’s mosaic. This study provides an analysis of the economic/financial impacts that the “*Arts and Culture*” sector has on the economy of the Greater Edmonton Region.

As noted in the previous two studies in 1996 and 1999, it is very difficult to define and capture information on all activities in the Edmonton area that might be considered part of the arts or culture industry. The term “*Arts and Culture*” throughout this study is limited to 126 arts and festival organizations who contributed detailed information on their operations and attendance during their 2005 season. As a result, the conclusions of this study represent only a portion of the total possible impact of “*Arts and Culture*” in the Greater Edmonton Region.

During the 2005 season the 126 participating organizations had total attendance of 3,869,979. Of this total 443,676 attendees were from Alberta, outside of the Greater Edmonton Area; 247,572 were from elsewhere in Canada; and 215,955 were from outside of Canada. Event attendance by residents of Greater Edmonton averaged 2.9 performances or venues per year, virtually unchanged from 1999.

In 2005 the 126 organizations spent \$49.4 million on local goods and services. These expenditures provide a total net economic impact of \$58.4 million to Alberta, of which \$44.7 million was incurred within the Greater Edmonton Region.

Visitors to Edmonton that took in a cultural event provided by the participating organizations spent an estimated \$146.7 million while in Edmonton. These visitor expenditures provide a total net economic impact of \$119.3 million to Alberta, of which \$79.1 million was incurred with the Greater Edmonton Region.

Combining these two sources of impact, it is estimated that in 2005 these 126 cultural organizations accounted for \$177.7 million of Alberta’s GDP, and \$123.7 million of Greater Edmonton’s GDP.

Because of the labour intensive nature of the “*Arts and Culture*” industry, most of the impact is realized in the form of wages and salaries which amounted to more than \$88.1 million to Edmonton area residents and another \$24.9 million to other Alberta residents. These wages and salaries were enough to sustain 3,400 person years of employment in Alberta - 2800 of which were concentrated in the Greater Edmonton Region.

Although the “*Arts and Culture*” organizations themselves are not subject to taxation, taxes to all levels of government resulting from their economic activities were estimated to be more than \$63.4 million. The share of these taxes to each level of government was as

follows: federal government -63%; provincial government – 27%; municipal government – 10%.

Each of the above impact estimates shows a substantial increase over the estimates from the 1999 study. Some of this increase is attributable to real growth, some is due to inflation, and some is due to the expansion of the number of organizations participating in the study.

## Introduction

The “*Arts and Culture*” community in Edmonton is an established and very vibrant part of Edmonton’s mosaic. Being recognized as Canada’s “Festival City” is directly attributable to the many individuals and organizations who collectively form the “*Arts and Culture*” community in Edmonton. The local pride and promotional value of this type of recognition is immeasurable.

“*Arts and Culture*” contribute immeasurably to our quality of life. The “Greater Edmonton Competitiveness Strategy” also confirms ‘arts, culture and sports’ as a major component of the growing Tourism cluster in Edmonton.

In spite of these well recognized contributions to Edmonton there is still pressure for arts and culture organizations to substantiate their existence with sound economic argument particularly when their revenues are being supported by public and/or private sector sponsors. This study provides an analysis of the economic/financial impacts that the “*Arts and Culture*” sector has on the economy of the Greater Edmonton Region.

## Methodology

As noted in the two previous assessments in 1996 and 1999, it is very difficult to define and capture information on all activities in the Edmonton area that might be considered part of the arts or culture industry. The term “*Arts and Culture*” throughout this report is limited to 126 arts and festival organizations who contributed detailed information on their operations and attendance during their 2005 season. (A complete list of these organizations is shown in Appendix A.) As a result, the conclusions of this study represent only a portion of the total possible impact of “*Arts and Culture*” in the Greater Edmonton Region.

The following impact analysis was completed using the Tourism Economic Assessment Model (TEAM) - a computer model developed by the Canadian Tourism Research Institute (CTRI), a subsidiary of the Conference Board of Canada. The version of the model used by EEDC was calibrated by CTRI to reflect the unique structure of the Edmonton area economy. TEAM uses detailed input-output tables to show how a dollar spent (input) in one sector of the economy impacts the output of all other sectors of the economy. By using all expenditures related to “*Arts and Culture*” activities and attendance in the Edmonton area as inputs, the model generates a detailed picture of how the arts and culture sector in Edmonton impacts the total economy of the Greater Edmonton Region.

To capture all of the above expenditures, this analysis uses a combination of “*Arts and*

*Culture*” operating expenditures (supply-side) and visiting patron expenditures (demand-side). Detailed revenue and expenditure data were collected from each of the participating organizations by the Edmonton Arts Council. The information was provided to EEDC by the Arts Council and entered into TEAM as supply-side data. The supply side inputs are shown in Appendix B.

Demand-side data for visitors were estimated using attendance figures and visitor expenditure patterns derived from Statistics Canada’s Canadian Travel and International Travel Surveys, which are incorporated into the “2004 CITIES” data for Edmonton. The visitor expenditure profile used in this assessment is based on those visitors that engaged in one or more cultural activities while in Edmonton. This analysis assumes that the economic impact resulting from all visitor expenditures on the day or days that the visitor attends a cultural event are attributable to “Arts and Culture”. This assumption is clearly an oversimplification as in many cases the cultural activity will not have been the primary motivation for the visit to Greater Edmonton. For example, the visitor’s primary motivation may have been to attend a convention, a sporting event, or go shopping, with attendance at the cultural activity being a secondary activity. In such a situation other industries may also lay claim to some of the economic impact associated with those visitors.

To get as true a picture as possible of *only “Arts and Culture”* impacts, expenditures are limited to pleasure or leisure purchases. Coincidental purchases of household durable goods (furniture, vehicles, etc) or business supplies (computers, equipment, livestock, etc) have not been included in this analysis.

To avoid double counting of supply and demand-side visitor expenditures the expenditures by visitors on admissions, and on-site expenditures on food, beverage and souvenir purchases was estimated and then subtracted from the total visitor expenditures estimated using the 2004 Cities data. The demand-side inputs are shown in Appendix C.

Off-site expenditures such as restaurant meals or local transportation costs of Edmonton area residents attending “*Arts and Culture*” venues are not entirely attributable to arts and culture and as such are excluded from the analysis.

Given all of the above adjustments and exclusions used in the data inputs, the resulting impacts are considered to be a reasonable estimate.

## **Results**

During the 2005 season the 126 participating organizations had total attendance of 3,869,979. Of this total 443,676 attendees were from Alberta, outside of the Greater Edmonton Area; 247,572 were from elsewhere in Canada; and 215,955 were from outside

of Canada. Event attendance by residents of Greater Edmonton averaged 2.9 performances or venues per year, virtually unchanged from 1999.

The 126 organizations spent \$49.4 million on local goods and services. These expenditures provide a total net economic impact of \$58.4 million to Alberta, of which \$44.7 million was incurred within the Greater Edmonton Region.

Visitors to Edmonton that took in a cultural event provided by the participating organizations spent an estimated \$146.7 million while in Edmonton. These visitor expenditures provide a total net economic impact of \$119.3 million to Alberta, of which \$79.1 million was incurred within the Greater Edmonton Region.

Combining these two sources of impact, it is estimated that in 2005 these 126 cultural organizations accounted for \$177.7 million of Alberta's GDP, and \$123.7 million of Greater Edmonton's GDP. To put the Edmonton number into perspective, it represents 0.3% of Greater Edmonton's estimated \$40.5 billion GDP in 2005.

Because of the labour intensive nature of the arts and culture industry, most of the impact is realized in the form of wages and salaries which amounted to more than \$113 million to Alberta of which \$88.1 million was earned by Edmonton area residents. These wages and salaries were enough to sustain almost 3,400 person years of employment in Alberta, 2,800 of which were concentrated in the Edmonton Alberta Capital Region.

Although the "*Arts and Culture*" organizations themselves are not subject to taxation, taxes to all levels of government resulting from their economic activities were estimated to be more than \$63.4 million in 2005. The share of these taxes by each level of government is as follows: federal government – 63%, provincial government – 27%, municipal government – 10%.

A summary of the impacts is shown in Figure 1.

Figure 1

## Edmonton "Arts and Culture" Economic Impacts - 2005

	Operations Impact		Visitors Impact		Total Impact	
	Total Alberta	Greater Edmonton	Total Alberta	Greater Edmonton	Total Alberta	Greater Edmonton
<b>Initial Expenditure</b>	\$49,438,598	\$49,438,598	\$146,657,312	\$146,657,312	\$196,095,910	\$196,095,910
<b>Gross Domestic Product</b>						
Direct Impact	\$13,522,937	\$13,522,937	\$39,994,077	\$39,976,797	\$53,517,014	\$53,499,734
Indirect Impact	\$26,600,076	\$22,690,806	\$44,214,916	\$23,458,145	\$70,814,993	\$46,148,951
Induced Impact	\$18,304,216	\$8,450,777	\$35,100,132	\$15,621,525	\$53,404,347	\$24,072,302
<b>Total Impact</b>	<b>\$58,427,249</b>	<b>\$44,664,523</b>	<b>\$119,309,125</b>	<b>\$79,056,467</b>	<b>\$177,736,375</b>	<b>\$123,720,990</b>
<b>Wages &amp; Salaries</b>						
Direct Impact	\$13,522,937	\$13,522,937	\$28,835,978	\$28,821,713	\$42,358,915	\$42,344,650
Indirect Impact	\$19,284,438	\$17,538,065	\$23,165,294	\$14,053,923	\$42,449,731	\$31,591,987
Induced Impact	\$10,140,518	\$5,472,662	\$18,046,937	\$8,702,251	\$28,187,455	\$14,174,913
<b>Total Impact</b>	<b>\$42,947,898</b>	<b>\$36,533,664</b>	<b>\$70,048,208</b>	<b>\$51,577,886</b>	<b>\$112,996,106</b>	<b>\$88,111,550</b>
<b>Employment (Jobs)</b>						
Direct Impact	416	416	1,255	1,255	1,671	1,671
Indirect Impact	405	368	544	332	950	700
Induced Impact	292	183	521	291	813	474
<b>Total Impact</b>	<b>1,113</b>	<b>967</b>	<b>2,320</b>	<b>1,877</b>	<b>3,433</b>	<b>2,844</b>
<b>Taxes</b>						
Direct Impact	\$4,685,414	\$4,685,414	\$19,619,415	\$19,613,084	\$24,304,829	\$24,298,498
Indirect Impact	\$9,393,638	\$8,416,243	\$12,412,595	\$7,476,341	\$21,806,232	\$15,892,584
Induced Impact	\$6,265,794	\$3,530,114	\$11,062,421	\$5,584,877	\$17,328,214	\$9,114,991
<b>Total Impact</b>	<b>\$20,344,849</b>	<b>\$16,631,757</b>	<b>\$43,094,431</b>	<b>\$32,674,302</b>	<b>\$63,439,280</b>	<b>\$49,306,059</b>
<b>Imports</b>						
Direct Impact	\$0	\$0	\$0	\$0	\$0	\$0
Indirect Impact	\$9,315,585	\$6,000,330	\$62,448,319	\$48,591,435	\$71,763,903	\$54,591,765
Induced Impact	\$12,018,555	\$2,472,521	\$21,424,801	\$8,190,132	\$33,443,356	\$10,662,653
<b>Total Impact</b>	<b>\$21,334,141</b>	<b>\$8,472,847</b>	<b>\$83,873,120</b>	<b>\$56,781,566</b>	<b>\$105,207,261</b>	<b>\$65,254,413</b>
Personal Income Tax	\$10,141,750	\$8,481,756	\$4,433,198	\$4,429,380	\$14,574,948	\$12,911,136
Corporate Income Tax	\$2,686,706	\$1,677,765	\$1,395,326	\$1,394,720	\$4,082,031	\$3,072,485
S.S. Pension & Medical	\$3,591,767	\$3,083,407	\$3,146,728	\$3,145,635	\$6,738,495	\$6,229,043
Excise,Duties & Gas	\$857,594	\$724,352	\$415,343	\$415,041	\$1,272,937	\$1,139,392
Property (Personal)	\$1,288,453	\$1,096,017	\$865,079	\$864,651	\$2,153,533	\$1,960,669
Property (Business)	\$618,429	\$461,207	\$1,157,465	\$1,157,381	\$1,775,895	\$1,618,588
GST	\$1,160,155	\$1,107,256	\$7,698,458	\$7,698,458	\$8,858,613	\$8,805,714
PST	\$0	\$0	\$507,818	\$507,818	\$507,818	\$507,818
<b>Total</b>	<b>\$20,344,849</b>	<b>\$16,631,757</b>	<b>\$19,619,415</b>	<b>\$19,613,084</b>	<b>\$39,964,265</b>	<b>\$36,244,841</b>
Federal	\$11,907,732	\$9,679,738	\$13,333,854	\$13,330,370	\$25,241,586	\$23,010,108
Provincial	\$6,530,230	\$5,394,813	\$4,263,016	\$4,260,682	\$10,793,247	\$9,655,495
Municipal	\$1,906,849	\$1,557,221	\$2,022,545	\$2,022,032	\$3,929,393	\$3,579,254
<b>Total</b>	<b>\$20,344,849</b>	<b>\$16,631,757</b>	<b>\$19,619,415</b>	<b>\$19,613,084</b>	<b>\$39,964,265</b>	<b>\$36,244,841</b>

The economic benefits of “*Arts and Culture*” activities in Edmonton extend to almost every sector of the economy. The service sector in Edmonton including accommodations, restaurants, recreational facilities and other related services receives the greatest amount of impact from “*Arts and Culture*” activities. The GDP impact by sector is shown in Figure 2.

Figure 2

**Greater Edmonton Arts and Culture Expenditures  
Their Impact on Other Sectors of the Alberta Economy - 2005**

	Operations Impact	Visitors Impact	Total Impact
Agriculture	\$542,995	\$3,130,344	\$3,673,339
Fishing & Trapping	\$80,084	\$336,190	\$416,274
Logging & Forestry	\$3,032	\$9,614	\$12,647
Mining	\$2,338,004	\$8,357,871	\$10,695,876
Manufacturing	\$3,582,333	\$16,258,480	\$19,840,813
Construction	\$621,926	\$896,446	\$1,518,372
Transport. & Storage	\$1,683,183	\$11,392,784	\$13,075,966
Energy & Other Utilities	\$3,697,125	\$7,190,467	\$10,887,592
Wholesale Trade	\$1,499,328	\$5,304,383	\$6,803,711
Retail Trade	\$3,917,727	\$20,048,599	\$23,966,326
Finance, Insurance & Real Estate	\$5,390,594	\$8,416,437	\$13,807,030
Owner-Occupied Dwelling	\$879,854	\$3,933,503	\$4,813,358
Services	\$34,191,064	\$34,034,007	\$68,225,071
<b>Total</b>	<b>\$58,427,249</b>	<b>\$119,309,125</b>	<b>\$177,736,375</b>

## Appendices

### Appendix A: Participating “Arts and Culture” Organizations

Alberta Ballet  
Alberta Baroque Music Society  
Alberta Book Fair Society  
Alberta Craft Council  
Alberta Dance Alliance  
Alberta Motion Picture Industries Association  
Alberta Opera  
Alberta Playwrights' Network  
Alberta Society of Artists' Edmonton Branch  
Alberta Ukrainian Dance Association  
Art Gallery of Alberta  
Association canadienne-française de l'Alberta régionale d'Edmonton  
Association of Traditional Capoeira Regional Edmonton  
Azimuth Theatre Association  
Book Publishers Association of Alberta  
Boyle Street Performing Arts Society  
Brian Webb Dance Company  
Canadian Music Centre, Prairie Region  
Cantilon Choral Society  
Catalyst Theatre  
Citadel Theatre  
Citie Ballet Society  
Concrete Theatre Society  
Copper Pig Writers Society  
Cosmopolitan Music Society  
Da Camera Singers  
Dreamspeakers Festival Society  
Earth Awareness Society of Edmonton  
Edmonton & District Historical Society  
Edmonton Accordion Society  
Edmonton Chamber Music Society  
Edmonton Classical Guitar Society  
Edmonton Columbian Choirs  
Edmonton Composers' Concert Society  
Edmonton Concert Hall Foundation  
Edmonton Dragon Boat Festival Association  
Edmonton Festival Ballet  
Edmonton Heritage Festival Association  
Edmonton International Street Performers Festival Association

Edmonton International Film Festival Society  
Edmonton Jazz Society  
Edmonton Kiwanis Music Festival Association  
Edmonton Klondike Days Association  
Edmonton Musical Theatre  
Edmonton New Shadow Theatre Society  
Edmonton Opera Association  
Edmonton Philharmonic Society  
Edmonton Pride Week Society  
Edmonton School of Ballet Society  
Edmonton Small Press Association  
Edmonton Student Art Society  
Edmonton Symphony Society  
Edmonton Vocal Minority Music Society  
Edmonton Weavers' Guild  
Edmonton Youth Choir  
Edmonton Youth Orchestra Association  
Film and Video Arts Society Alberta  
Firefly Theatre and Circus Society  
Free Will Players  
Friends of University Hospitals  
Fringe Theatre Adventures  
Edmonton International Fringe Theatre Festival  
Global Visions Festival Society  
Greenwood Chamber Singers Society  
Ground Zero Productions  
Hot Shots Creative Development Society  
I Coristi Chamber Choir Society  
iHuman Youth Society  
interFEAR Arts Society of Edmonton  
Kiwanis Singers Association of Edmonton  
Kokopelli Choir Association  
Kompany! Dance & Affiliated Artists Society  
KYKLOS Hellenic Performing and Literary Arts Group  
L'Association La Girandole  
Latitude 53 Contemporary Visual Culture  
L'Unithéâtre (Association Franco-Albertaine De)  
M.A.D.E. in Edmonton  
May Week Labour Arts Festival Society  
Mazur Polish Canadian Dancers of Edmonton  
Metro Cinema Society  
Mile Zero Dance  
Mill Creek Colliery Band  
Mill Woods Presidents' Council

New Edmonton Wind Sinfonia  
NeWest Publishers Ltd.  
Nextfest Society  
Northern Light Theatre  
Nova Musica Symphony Society  
Old Strathcona Business Revitalization Zone (BRZ)  
Old Strathcona Foundation  
Opera Nuova  
Other Voices Publishing Society  
Philippine Barangay Performing Arts Society  
Polonez Polish Folk Arts Ensemble  
Pro Coro Canada  
Rapid Fire Theatre Society  
Richard Eaton Singers  
Royal Canadian College of Organists  
Sadhana Music and Dance Society  
Society of Northern Alberta Print-artists  
Société Francophone du Centre d'Arts Visuels de l'Alberta  
St. David's Welsh Male Voice Choir Association  
Stroll of Poets Society  
Today's Innovative Music Edmonton Association  
TALES Edmonton The Alberta League Encouraging Storytelling  
Teatro La Quindicina  
Teen @ the Turn Festival  
The Edmonton Folk Music Festival Society  
The Works International Visual Arts Society  
Theatre Alberta Society  
Theatre Network (1975) Society  
Theatre Prospero Association  
Ukrainian Cheremosh Society  
Ukrainian Shumka Dancers  
Vinok Folkdance Society (Vinok Worldance)  
Visual Arts Alberta Association  
Visualeyez... a festival of Performance Art  
Viter Ukrainian Dancers  
Volya Ukrainian Dance Ensemble Association  
Walterdale Theatre Associates  
WECAN Society (Harcourt House Arts Centre)  
Western Carnival Development Association  
Workshop West Playwrights' Theatre Society  
Writers Guild of Alberta  
Young Alberta Book Society

## Appendix B: Operating Expenditures

<b>Edmonton “Arts and Culture” Operating Expenditures – 2005 (TEAM Supply-side Input Data)</b>	
<b>Expenditure Type</b>	<b>Total Expenditures</b>
Salaries, Fees and Commissions	\$13,522,937
Advertising Services	\$4,085,705
Professional Services	\$15,612,896
Financial Services	\$530,957
Insurance	\$635,996
Rent	\$2,670,958
Laundry and Cleaning Services	
Other Services	\$1,292,422
Communication	\$430,564
Energy and Other Utilities	\$1,075,662
Guest Room Supplies	
Office Supplies	\$1,367,235
Kitchen Supplies	
Other Supplies	\$3,431,303
Repairs	\$1,141,401
Food and Beverages	\$782,339
Merchandise and Retail	\$987,799
Personal Travel	\$1,444,511
Transportation and Storage	\$425,913
<b><i>Total expenditures itemized above (including all taxes)</i></b>	<b>\$49,438,598</b>
Total revenue	\$51,367,916
Operating Surplus	\$1,929,318
Direct Employment	416

## Appendix C: Visitor Expenditures

### Edmonton “Arts and Culture” Visitor Expenditures – 2005

(TEAM Demand-Side Input Data)

<b>Expenditure Type</b>	<b>Total Expenditures</b>
Public Transportation	\$3,449,598
Private Transportation-Rent	\$4,752,174
Private Transportation-Op	\$11,168,795
Local Transportation	\$11,546,578
Accommodation	\$10,156,353
Food & Beverage-Stores	\$15,298,409
Food & Beverage-Restaurants	\$16,938,947
Recreation & Entertainment	\$10,785,146
Retail - Clothing	\$10,306,163
Retail - Other	\$52,255,150
<b>Total Visitor Expenditures</b>	<b>\$146,657,312</b>
Visitor Attendance	
Alberta (excluding Greater Edmonton)	443,676
Other Canada	247,572
International	215,955
<b>Total Visitors</b>	<b>907,203</b>
Visitor Person-Days	
Alberta (excluding Greater Edmonton)	723,328
Other Canada	330,131
International	256,864
<b>Total Person-days</b>	<b>1,310,323</b>

## **Appendix D: Glossary of Terms**

### **Direct Impact**

This impact phase handles any “spill-over” impacts encountered through initial expenditures made to the retail sector. The retail sector, in input-output terminology, does not actually constitute a production sector and therefore only a portion of the expenditures made to retail can be allocated to retail. This is referred to as the retail margin (or mark-up). The left over amount must be allocated to the last production sector involved in the commodities actually sold. The impact to these sectors appear in the direct impact. The intermediate production impacts for all commodities, identified either through the initial or direct impact, are captured in the indirect impact phase.

An example of this would be a clothing manufacturer. In this case the initial impact would only cover the retail margin (or mark-up) involved in selling clothing, while the direct impact would capture the value added of the clothing manufacturer. The intermediate production requirements of the clothing manufacturer would be captured in the indirect impact phase. The intermediate production impacts for all commodities, identified either through the initial or direct impact, are captured in the indirect impact phase.

### **Employment**

Depending upon the users selection of employment units (person-years or jobs) these figures represent the employment generated by the initial expenditure. These figures, again, distinguish between the initial, direct, indirect and induced impact. “Jobs”, if selected, include both part-time and full-time work in ratios consistent with the specific industries.

### **Gross Domestic Product (GDP)**

This figure represents the total value of production of goods and services in the economy resulting from the initial expenditure under analysis (valued at market prices).

### **Imports**

These figures indicate the initial, direct, indirect and induced final demand and intermediate production requirements for imports both nationally and internationally.

### **Indirect Impact**

Refers to the impacts resulting from all intermediate rounds of production in the supply of goods and services to industry sectors identified either in the initial or direct impact phase. An example of this would be the supply and production of bed sheets for a hotel.

### **Induced Impact**

These impacts are generated as a result of spending by employees (in the form of consumer spending) and businesses (in the form of investment) who benefited either

directly (the initial or direct impact phase) or indirectly (the indirect impact phase) from the initial expenditures under analysis. An example of induced consumer spending would be the impact generated by hotel employees on typical consumer items such as groceries, shoes, cameras, etc. An example of induced business investment would be the impacts generated by spending retained earnings, attributable to the expenditures under analysis, on machinery and equipment.

### **Initial Expenditure**

This figure indicates the amount of initial expenditures used for analysis. It indicates not only the total magnitude of this spending but also the region in which it was spent (thus establishing the “impact” region).

### **Taxes**

These figures represent the amount of taxes contributed to municipal, provincial and federal levels of government relating to the initial tourism expenditure. This information is broken down by the initial, direct, indirect and induced impacts.

### **Wages and Salaries**

This figure represents the amount of wages and salaries generated by the initial expenditure. This information is broken down by the initial, direct, indirect and induced impacts.