

Toronto's Visitor Economy

An Economic Catalyst for the City and the Region

PREPARED FOR:

TOURISM
TORONTO



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STUDY OVERVIEW

Tourism Toronto, in partnership with the Toronto Region Board of Trade, engaged Tourism Economics to assess the economic impact of visitor spending in the City of Toronto (“Toronto”) and the Toronto Census Metropolitan Area (“Toronto region”) based on 2018 data and analysis.

The analysis is organized into nine total sections, but more broadly into eight main parts:

1. Report Highlights – reviews major findings
2. Key Figures – highlights major statistics in the tourism sector
3. Local Visitors Trends – analyses recent trends in visitation, spending, and the accommodation sector
4. Economic Impacts – reports the amount of economic activity sustained by visitors
5. Figures in Context – places economic impact figures in perspective
6. Other Ontario Impacts – reviews the impact that Toronto visitors have outside the Toronto region
7. Appendix A: Regional Analysis – details visitor trends and economic impacts in the Toronto region.



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INTRODUCTION

Understanding the Economic Value of Visitors to Toronto

Every year, 27.5 million people visit Toronto. Those visitors, as diverse as the city itself, fuel the visitor economy. It's a term much broader than tourism. It encompasses the direct visitor spending in the destination and the indirect and induced economic activity that stems as a result.

The visitor economy matters. When more visitors come to Toronto, visitor spending increases. That means more spending on hotels, restaurants, attractions, and transportation. It's more money into the economy that becomes a catalyst for even more spending – fueling local businesses and the entire supply chain that is affected by the goods and services they provide. It creates jobs, generates tax revenue, and drives growth in the overall economy for the city, the region, and the province.

Whether someone visits Toronto for leisure or business, the visitor economy has a broader impact on economic development, influencing foreign direct investment decisions and the growth of our innovation economy.

Toronto is seeing a record number of visitors and an even faster rate of growth in visitor spending. It comes at a time when Toronto's reputation as a destination for technology, finance, education, and healthcare is growing. As Toronto takes its next step towards becoming a global destination, understanding the impact of Toronto's visitor economy is the key to unlocking its potential.

Tourism Toronto and the Toronto Region Board of Trade have partnered to produce this landmark report about the impact of Toronto's visitor economy. This report emphasizes what both organizations have long believed – that visitors to Toronto are a powerful economic driver that fuels the overall economy. It's an export business that brings in new money and generates even more spending.

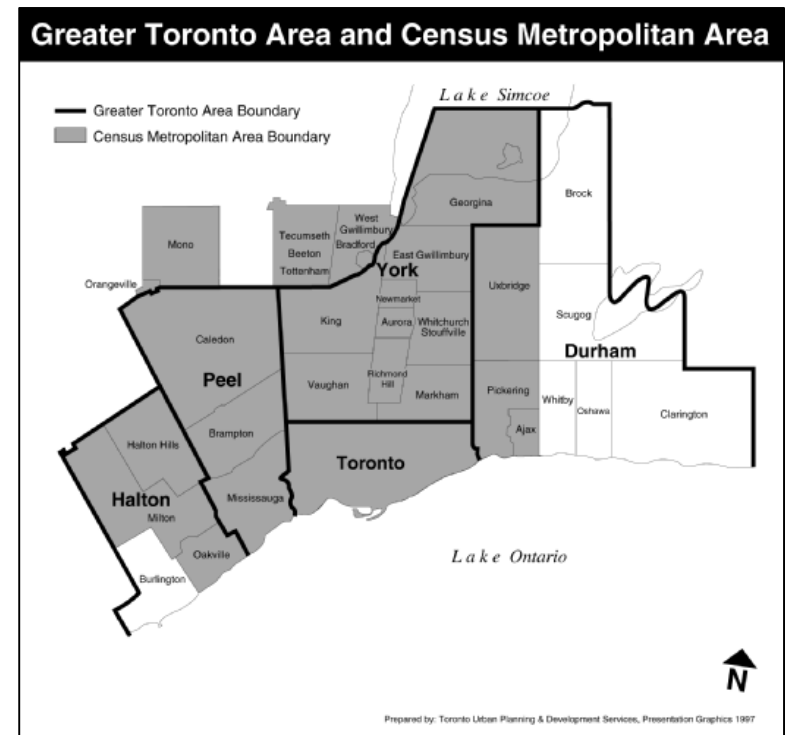
This report provides a comprehensive overview of tourism-generated economic impact, employment, wages and taxes. It highlights key trends and insights and delves into how visitors to Toronto impact cities and communities outside the region.

GEOGRAPHY NOTE

This report primarily analyzes the impact of visitors to the City of Toronto (Toronto), but also provides periodic references, as well as an appendix, describing results in the Toronto region.

The City of Toronto refers to the boundaries of the municipality itself, while Toronto region refers to the Census Metropolitan Area, a larger region extending from Oakville in the Southwest and Georgina in the Northeast. The GTA (Greater Toronto Area) is an even larger area which is not analyzed in this report.

While the City of Toronto represents only one of more than 20 cities within the Toronto region, the city hosts a majority of the region's tourism sector. The city of Toronto accounts for 57% of all room nights sold in the region as well as 65% of all hotel room revenue.



From: <https://www.toronto.ca/wp-content/uploads/2017/10/90c1-EDC-Map-GTA-region.png>

REPORT HIGHLIGHTS

REPORT HIGHLIGHTS

Visitation, economic impact summary, and key facts



Visitor Economy Growth

The visitor economy is growing faster than the general economy and becoming increasingly important to Toronto's economic health



Employment Generator

The tourism sector sustains 4.6% of all jobs in Toronto.



Impact Outside of Toronto

Visitors to Toronto spent \$2.0 billion on travel activities within Ontario but outside of Toronto.



Business events

398,993 business delegates attended major conferences and events in Toronto, generating \$858 million in economic impact

Key statistics and economic impact figures for Toronto's visitor economy

Visitors	27.5 million
Overnight visitors	9.5 million
Day visitors	18.1 million
Total hotel nights sold	6.4 million
Total economic activity supported	\$10.3 billion
Direct visitor spending	\$6.5 billion
Induced and indirect spending	\$3.8 billion
GDP supported by tourism	\$4.5 billion
Jobs supported by tourism	69,950
Wages supported by tourism	\$3.1 billion
Taxes supported by tourism	\$1.8 billion
Federal	\$0.7 billion
Provincial	\$0.9 billion
Municipal	\$0.3 billion

Source: Tourism Economics; Tourism Toronto 2018

Note: subcategories may not add up to totals due to rounding

ECONOMIC IMPACT IN CONTEXT

Spending, jobs, and income impacts in context



**\$6.5
BILLION**

VISITOR SPENDING

The \$6.5 billion in visitor spending means that almost \$739,000 is spent every hour in Toronto.



**\$3.1
BILLION**

PERSONAL INCOME

The \$3.1 billion in total wages generated by visitors is equivalent \$2,800 for every household in Toronto.



**69,950
JOBS**

EMPLOYMENT

The number of people employed with jobs supported by visitor spending has increased by 10,000 over five years.



**\$257
MILLION**

MUNICIPAL REVENUES

The \$257 million in municipal taxes and fees generated by tourism could fund government spending on services such as Toronto Paramedic Services (\$85 million), or Toronto Public Library (\$188 million).

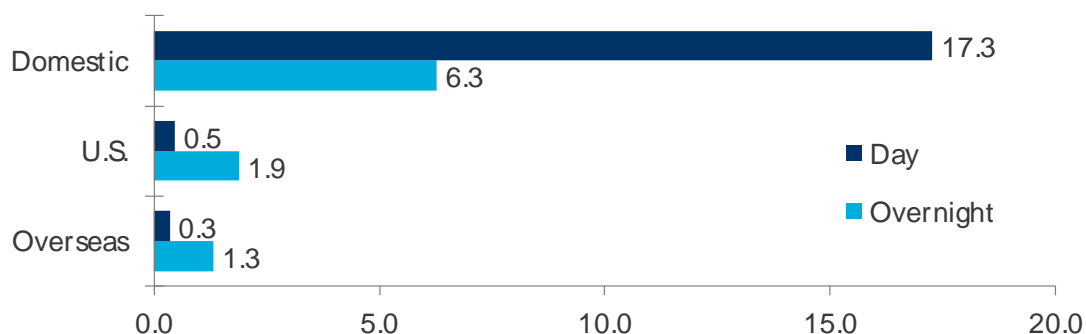
KEY FIGURES

KEY FIGURES

Visitor segments

Visitors to Toronto

Visitors, millions



Source: Tourism Toronto 2018

Visitors to Toronto

Number, millions

	Number, millions		Total	Percent of total			Total	Percent of overnight/day		
	Overnight	Day		Overnight	Day	Total		Overnight	Day	
Domestic	6.3	17.3	23.5	Domestic	23%	63%	85%	Domestic	67%	95%
U.S.	1.9	0.5	2.3	U.S.	7%	2%	9%	U.S.	19%	3%
Overseas	1.3	0.3	1.7	Overseas	5%	1%	6%	Overseas	14%	2%
Total	9.5	18.1	27.5	Total	34%	66%	100%	Total	100%	100%

Sources: Tourism Toronto 2018; Tourism Economics

Toronto hosted 27.5 million visitors, including 9.5 million overnight visitors and 18.1 million day visitors.

Domestic (85%) and day visitors (66%) make up the majority of visitors.

International visitors make up a larger share of the overnight market. 19% and 14% of all overnight visitors are from the U.S. and overseas respectively, meaning that one-third of all overnight visitors are international.

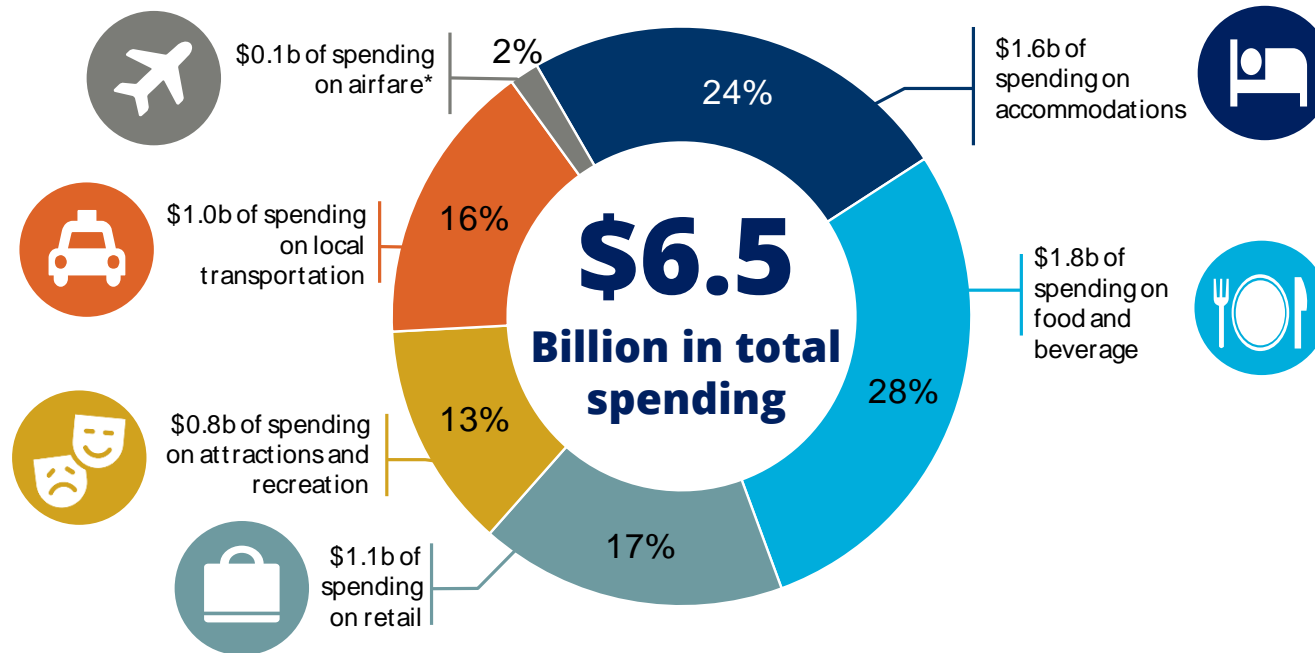
The Toronto region hosted 44.5 million visitors, including 15.9 million overnight visitors.

KEY FIGURES

Visitor spending

Visitor spending in Toronto

Percent of total



Sources: Tourism Toronto 2018; Tourism Economics

*For airfare, we only count the portion of total spending retained in Toronto. Since Pearson International Airport is located outside of city limits, this only includes the Billy Bishop Airport

*For the regional perspective, see Appendix A

KEY FIGURES

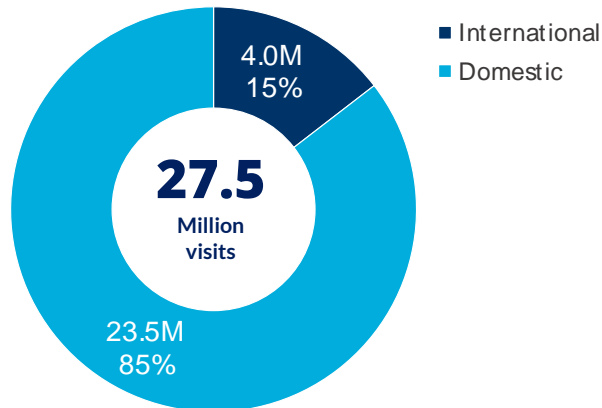
Visitation segments: domestic and international

International visitors make a substantial contribution to the visitor economy.

Domestic visitors account for a large share of all visitors. This is due to a high proportion of domestic day visitors (95% of day visitors are domestic). While international visitors account for only 15% of all visitors, they represent a third of overnight visitors.

Domestic and international visitation

Visits, millions and percent of total

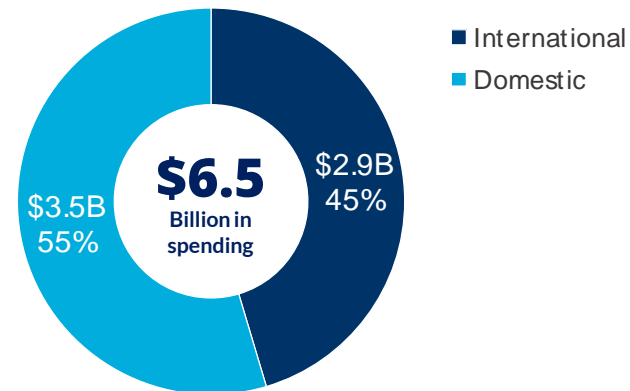


Source: Tourism Economics

International visitors are more likely to stay more than one night, and have a higher spend per-day. So while they represent a smaller percentage of total visitors, they make up a higher percentage of visitor spending. International visitor spending represents only 8% of day visitor spending, yet it accounts for 60% of overnight visitor spending and 45% of all spending.

Domestic and international visitor spending

Dollars, billions and percent of total



Source: Tourism Economics

KEY FIGURES

Major conferences and events

Major conferences and events have a significant impact on Toronto's economy.

In 2018, Toronto hosted 113 major conferences and events – those business events with more than 1,000 business delegates composed primarily of visitors.

Nearly 400,000 business delegates visit Toronto as part of major conferences, supporting more than \$858 million in local business sales.



113 major conferences and events hosted



398,993 business delegates



\$858 million in economic activity

Sources: Tourism Toronto, Metro Toronto Convention Centre, and Beanfield Centre and Enercare Centre at Exhibition Place, 2018.

Key Trends and Insights

KEY TRENDS AND INSIGHTS

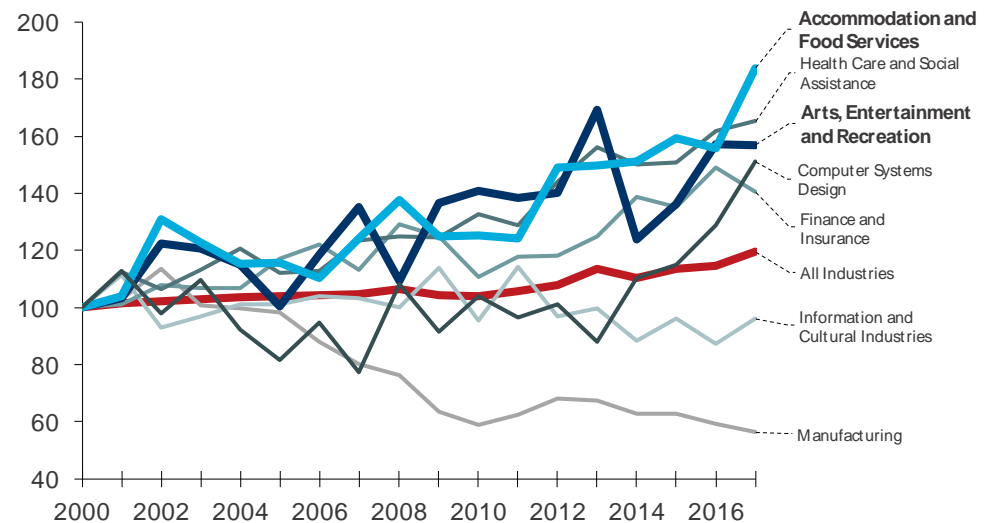
Tourism employment

Increases in visitor spending leads to accelerated growth in tourism-dependent industries.

In terms of jobs, visitor-related industries are driving economic growth in Toronto. Industries such as entertainment and recreation, accommodations, and food services are growing faster than the general economy and other key industries such as manufacturing and information. As economies and individuals become wealthier over time, spending on luxuries such as travel will continue to take a larger share of household budgets, and so this trend will continue in the future.

Job growth in select sectors in Toronto, 2000-2017

Index (2000=100)



Source: StatCan

KEY TRENDS AND INSIGHTS

Accommodation sector

Rapid increases in occupancy rate and ADR (average daily rate) have led to fast growth in RevPAR and room revenue.

Total room inventory in Toronto has not increased significantly since 2013, but room revenue has grown 55% over the last five years.

The accelerated increase in room revenue is driven by rapid increases in occupancy rate and ADR through 2018.

RevPAR (revenue per available room) has increased to \$174 in 2018, up from \$113 in 2013, a 55% increase in five years.

Across the region, 11.4 million rooms were sold with \$2.2 billion in revenue. Occupancy rate across the region was 77%

Key hotel sector metrics in Toronto

	2013	2014	2015	2016	2017	2018
Occupancy	72%	73%	72%	75%	76%	77%
ADR	\$157	\$163	\$176	\$195	\$212	\$225
RevPar	\$112	\$118	\$127	\$147	\$162	\$174
Hotel rooms (000's)	22,706	22,697	22,938	22,835	22,861	22,830
Annual room nights sold (000's)	5,946	6,014	6,062	6,291	6,369	6,449
Annual room revenue (millions)	\$932	\$981	\$1,070	\$1,226	\$1,351	\$1,449

Source: STR

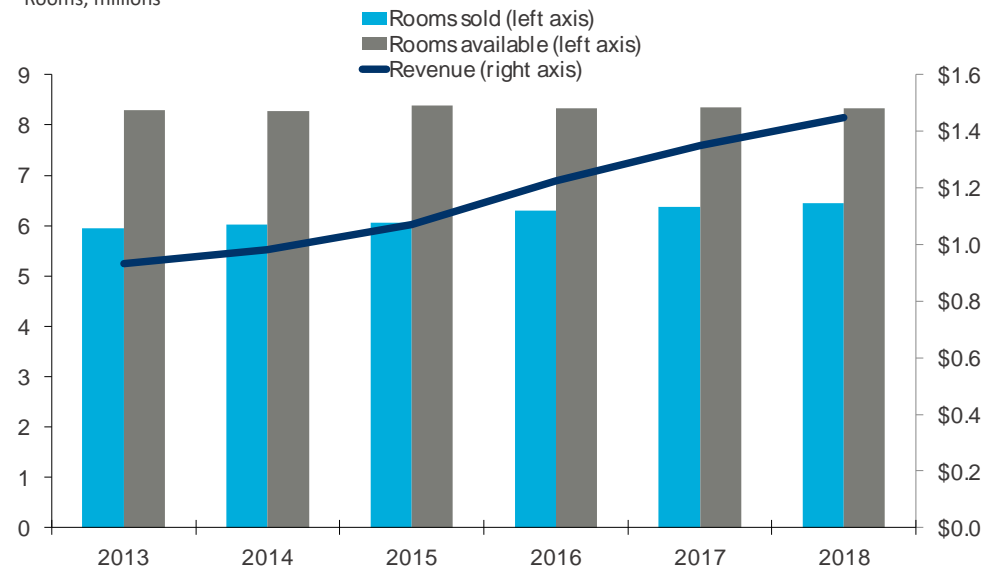
KEY TRENDS AND INSIGHTS

Accommodation sector

While rooms available has remained stagnant, rooms sold and room revenue have quickly increased.

Toronto hotel indicators

Rooms, millions



KEY TRENDS AND INSIGHTS

Visitors

Visitor arrivals show consistent growth.

Visits have increased 17% over the past five years.

Overnight visits have increased faster than day visits.

U.S. and overseas visits have increased much faster than domestic visits.

Visitors to Toronto

Millions

	2013	2014	2015	2016	2017	2018	2018 growth	2013-2018 growth
Day								
Domestic	15.0	15.3	15.7	16.3	17.0	17.3	1.7%	14.8%
U.S.	0.4	0.4	0.4	0.5	0.5	0.5	-5.4%	28.2%
Overseas	0.3	0.3	0.3	0.4	0.4	0.3	-4.3%	14.4%
Total day	15.7	15.9	16.5	17.1	17.8	18.1	1.4%	15.1%
Overnight								
Domestic	5.5	5.7	5.8	6.0	6.2	6.3	1.8%	13.5%
U.S.	1.5	1.6	1.7	1.8	1.8	1.9	1.5%	24.0%
Overseas	1.1	1.1	1.2	1.3	1.3	1.3	1.5%	22.7%
Total overnight	8.1	8.4	8.7	9.1	9.3	9.5	1.7%	16.6%
Total								
Domestic	20.6	21.0	21.5	22.3	23.1	23.5	1.8%	14.5%
U.S.	1.9	2.0	2.1	2.3	2.3	2.3	0.1%	24.8%
Overseas	1.4	1.4	1.5	1.6	1.7	1.7	0.3%	20.9%
Grand total	23.8	24.4	25.2	26.2	27.1	27.5	1.5%	15.6%

Source: Tourism Toronto 2018; Tourism Economics

KEY TRENDS AND INSIGHTS

Visitor spending

Visitor spending is increasing at a rate greater than arrivals.

Spending has increased 46% over the past five years.

Overnight spending has increased faster than overnight visits, driven in part by increasing ADRs.

U.S. and overseas spending has increased much faster than domestic spending.

Visitor spending in Toronto

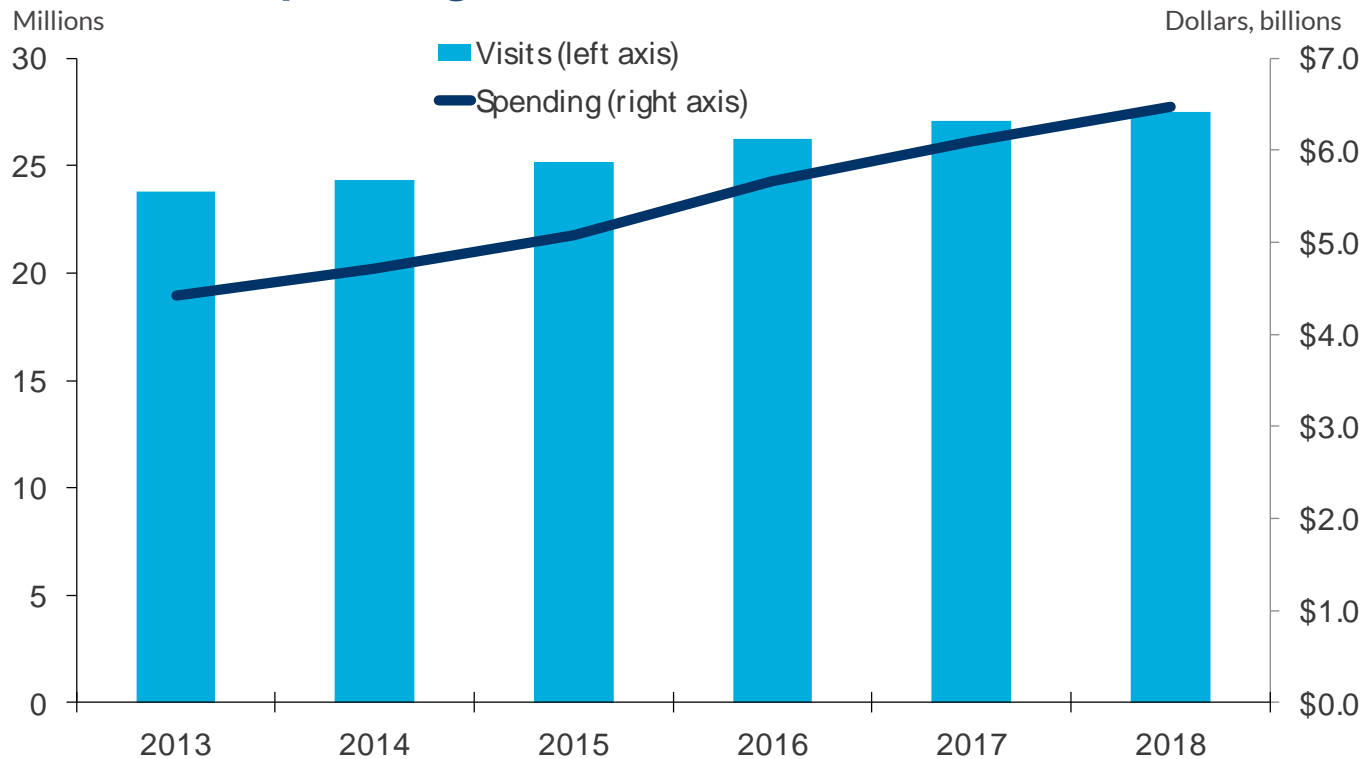
Billions	2013	2014	2015	2016	2017	2018	2018 growth	2013-2018 growth
Day								
Domestic	\$1.3	\$1.4	\$1.4	\$1.5	\$1.6	\$1.6	4.3%	23.6%
U.S.	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	-2.0%	41.9%
Overseas	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	-0.9%	27.1%
Total day	\$1.4	\$1.5	\$1.5	\$1.6	\$1.7	\$1.8	3.8%	24.4%
Overnight								
Domestic	\$1.4	\$1.4	\$1.5	\$1.6	\$1.8	\$1.9	6.1%	37.9%
U.S.	\$0.7	\$0.8	\$0.9	\$1.1	\$1.2	\$1.3	7.7%	82.7%
Overseas	\$0.9	\$1.0	\$1.1	\$1.3	\$1.4	\$1.5	7.9%	64.9%
Total overnight	\$3.0	\$3.2	\$3.5	\$4.0	\$4.4	\$4.7	7.1%	56.8%
Total								
Domestic	\$2.7	\$2.8	\$2.9	\$3.1	\$3.4	\$3.5	5.3%	30.8%
U.S.	\$0.8	\$0.9	\$1.0	\$1.2	\$1.3	\$1.4	7.1%	80.0%
Overseas	\$1.0	\$1.1	\$1.2	\$1.3	\$1.4	\$1.5	7.5%	62.7%
Grand total	\$4.4	\$4.7	\$5.1	\$5.7	\$6.1	\$6.5	6.2%	46.3%

Source: Tourism Toronto 2018; Tourism Economics

KEY TRENDS AND INSIGHTS

Visits and spending

Visits and spending in Toronto

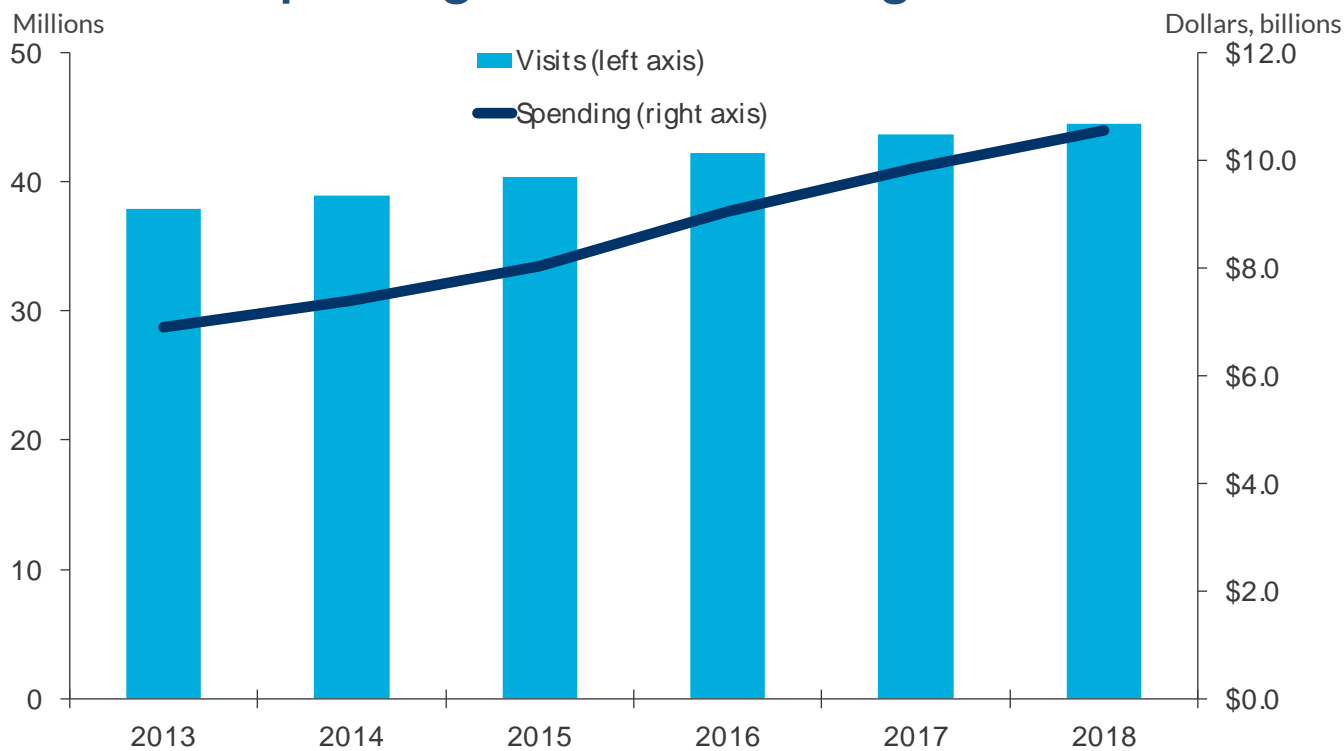


Source: Tourism Toronto; Tourism Economics

REGIONAL PERSPECTIVE

The Toronto region hosted 44.5 million visitors who spent \$10.6 billion.

Visits and spending in the Toronto region



Source: Tourism Toronto; Tourism Economics

ECONOMIC IMPACTS



ECONOMIC IMPACTS

How visitor spending generates employment and income

The visitor economy in Toronto starts with actual spending by visitors and also considers the downstream effects of this injection of spending into the local economy. To determine the total economic impact of visitor spending in Toronto, we input tourism spending into a I-O (input-output) model of Toronto's economy. This model was based on StatCan's model of the Ontario economy which was then further modified in IMPLAN's economic modeling software to better reflect Toronto's economy. This model calculates three distinct types of impact: direct, indirect, and induced.

1. **Direct Impacts:** Visitors create direct economic value within a discrete group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs, wages, taxes, and GDP within each sector.
2. **Indirect Impacts:** Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts.
3. **Induced Impacts:** Lastly, the induced impact is generated when employees whose wages are generated whether directly or indirectly by visitors, spend those wages in the local economy.

ECONOMIC IMPACTS

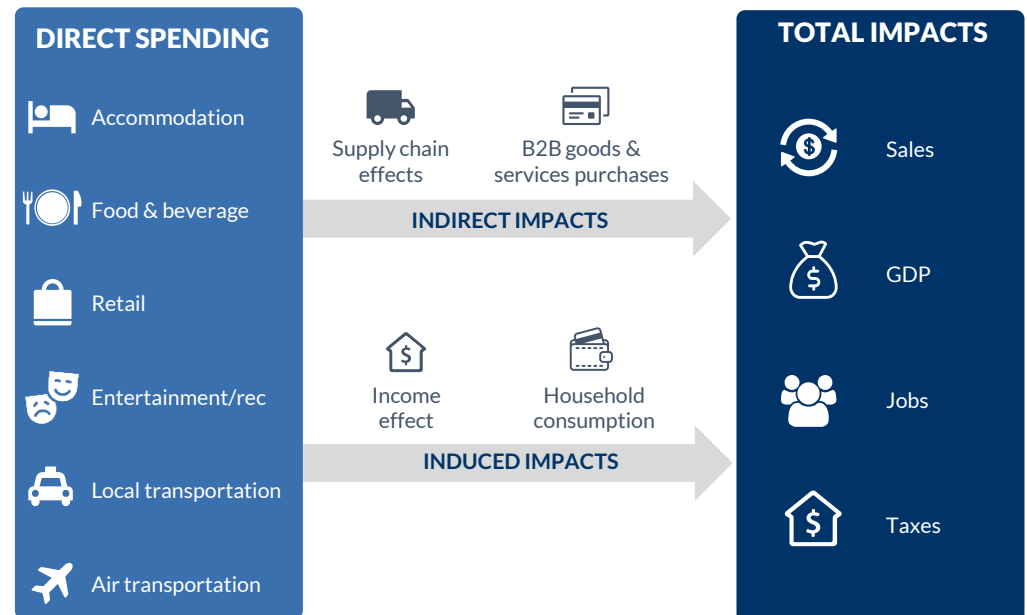
How visitor spending generates employment and income

Visitor spending flows through the economy and generates benefits through multiple channels.

I-O models are particularly effective because they calculate these three levels of impact – direct, indirect, and induced – for a broad set of indicators.

These include the following:

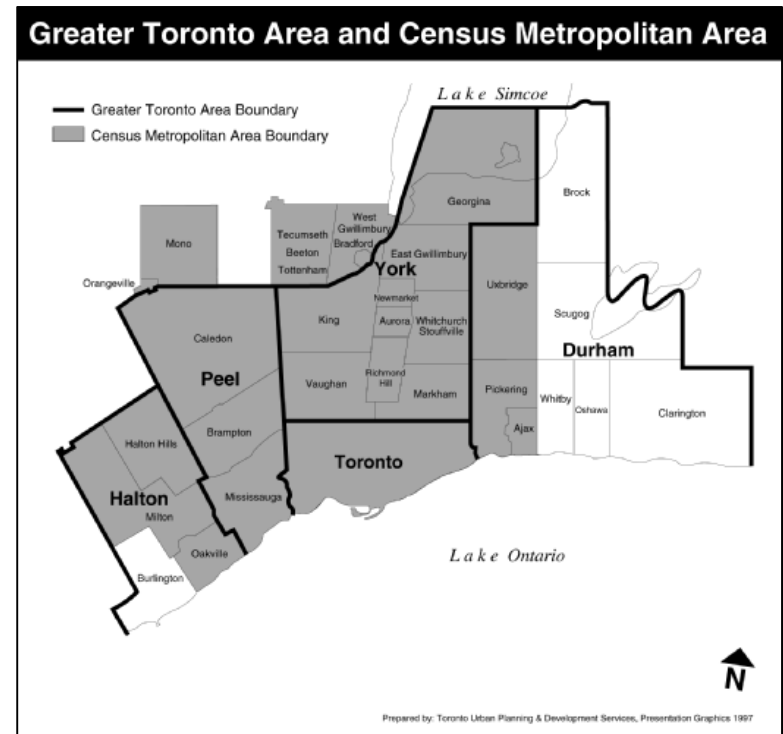
- Spending
- GDP
- Wages
- Employment
- Federal Taxes
- Provincial Taxes
- Municipal Taxes



ECONOMIC IMPACTS

Geography overview

Our analysis focuses on the City of Toronto (“Toronto”), and makes periodic references to the Toronto Census Metropolitan Area (“Toronto region”) While Toronto represents only one of more than 20 cities within the region, the city hosts a majority of the Toronto region’s tourism sector. Toronto accounts for 57% of all room nights sold in the region as well as 65% of all hotel room revenue.



From: <https://www.toronto.ca/wp-content/uploads/2017/10/90c1-EDC-Map-GTA-region.png>

ECONOMIC IMPACTS

City impact summary

We estimate that in 2018, visitors to the City of Toronto spent \$6.5 billion, which in turn supported:

- \$10.3 billion in total business sales;
- \$4.5 billion in total GDP;
- \$3.1 billion in total income;
- 69,950 total jobs; and
- \$1.8 billion in taxes generated for all three levels of government.

Tourism supported 4.6% of all employment within Toronto and offset \$1,020 of tax revenue for every Toronto household.

The economic impact of visitor spending in Toronto

Dollar amounts in billions of dollars

Spending in Toronto	
Total tourism spending	\$6.5
Impacts on the City of Toronto	
Total business sales	\$10.3
Direct business sales	\$6.5
Indirect and induced sales	\$3.8
Total GDP	\$4.5
Direct GDP	\$2.5
Indirect and induced GDP	\$2.0
Total income	\$3.1
Direct income	\$1.9
Indirect and induced income	\$1.2
Total jobs	69,950
Direct jobs	50,270
Indirect and induced jobs	19,680
Total Government revenue	\$1.8
Federal	\$0.7
Provincial	\$0.9
Municipal	\$0.3
Key Ratios	
Tourism supported jobs as a share of CMA total	4.6%
Provincial and local tax revenue for every Toronto Household	\$1,020

Source: Tourism Economics

Note: Subcategories may not add up to totals due to rounding

ECONOMIC IMPACTS – REGIONAL PERSPECTIVE

See Appendix A for more information about visitor impact on the Toronto region

In 2018, visitors to the Toronto region spent \$10.6 billion, which in turn supported:

- \$17.6 billion in total business sales;
- \$7.5 billion in total GDP;
- \$5.2 billion in total income;
- 121,180 total jobs; and
- \$3 billion in taxes for all three levels of government.

Tourism supported 3.6% of all region employment and offset \$830 of tax revenue for every Toronto region household.

The economic impact of visitors on the Toronto region, 2018

Amounts in billions of current dollars

Spending in Toronto region	
Total tourism spending	\$10.6
Impacts on the Toronto Region	
Total business sales	\$17.6
Direct sales (visitor spending)	\$10.6
Indirect and induced sales	\$7.1
Total GDP	\$7.5
Direct GDP	\$3.8
Indirect and induced GDP	\$3.7
Total income	\$5.2
Direct income	\$3.1
Indirect and induced income	\$2.2
Total jobs	121,180
Direct jobs	83,250
Indirect and induced jobs	37,930
Total Government revenue	\$3.0
Federal	\$1.1
Provincial	\$1.5
Municipal	\$0.4
Key Ratios	
Tourism supported jobs as a share of CMA total	3.6%
Provincial and local tax revenue for every Toronto Household	\$830

Source: Tourism Economics

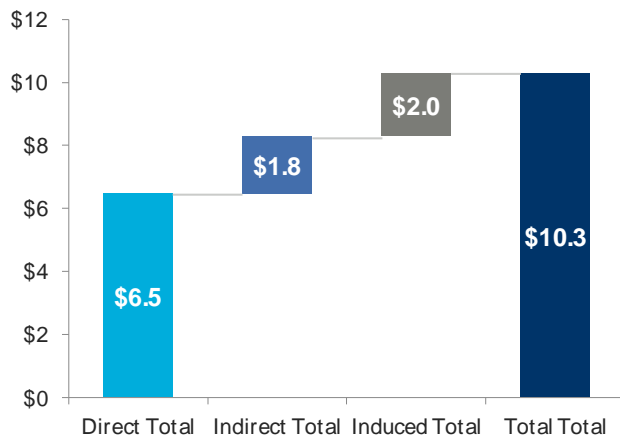
Note: Subcategories may not add up to totals due to round errors

ECONOMIC IMPACTS

Business sales impacts by industry

Visitors directly spend \$6.5 billion in Toronto and support \$10.3 billion in total economic activity when indirect and induced impacts are considered.

Summary economic impacts (\$ billions)



Business sales impacts by industry

Dollar amounts in millions	Direct sales***	Indirect sales	Induced sales	Total sales
Total, all industries	\$6,470	\$1,834	\$1,992	\$10,296
By industry				
Agriculture, Fishing, Mining	\$0	\$19	\$14	\$34
Construction and Utilities	\$0	\$491	\$373	\$863
Wholesale Trade	\$0	\$101	\$112	\$213
Retail Trade*	\$1,771	\$127	\$170	\$2,068
Air Transportation**	\$107	\$16	\$24	\$147
Other Transportation	\$685	\$107	\$61	\$852
Communications	\$0	\$102	\$75	\$177
Finance, Insurance and Real Estate	\$79	\$481	\$712	\$1,272
Business and personal services	\$0	\$280	\$186	\$466
Education and Health Care	\$0	\$12	\$85	\$97
Attractions and Recreation	\$815	\$23	\$34	\$872
Accommodations	\$1,485	\$1	\$0	\$1,487
Food services	\$1,527	\$33	\$84	\$1,644
Non-profit organizations	\$0	\$5	\$19	\$24
Government	\$0	\$36	\$43	\$80

*retail trade includes gas stations and grocery stores

**air transportation is NOT visitor spending, but the portion of airfare that impacts the local economy. The city analysis only includes Billy Bishop Airport as Pearson international is outside of city limits.

***visitor spending

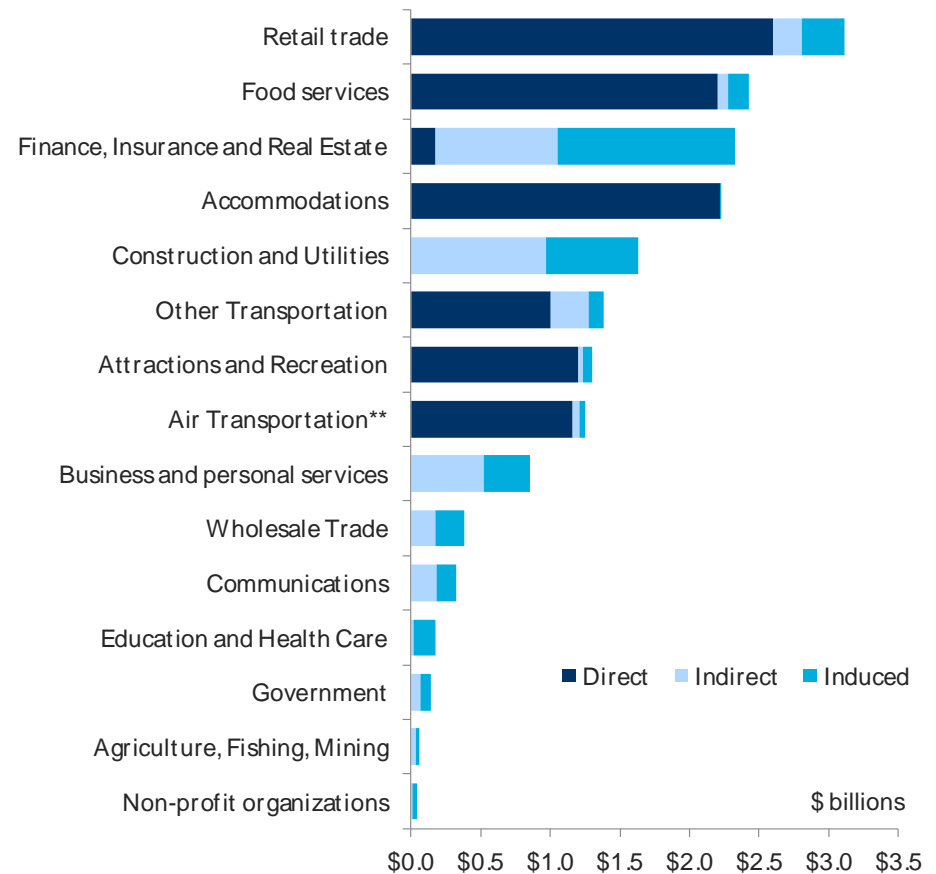
Source: Tourism Economics

ECONOMIC IMPACTS

Business sales impacts by industry

While the majority of sales are in industries directly serving visitors, significant benefits accrue in sectors like finance, insurance, and real estate from selling to tourism businesses and employees.

Business sales impacts by industry

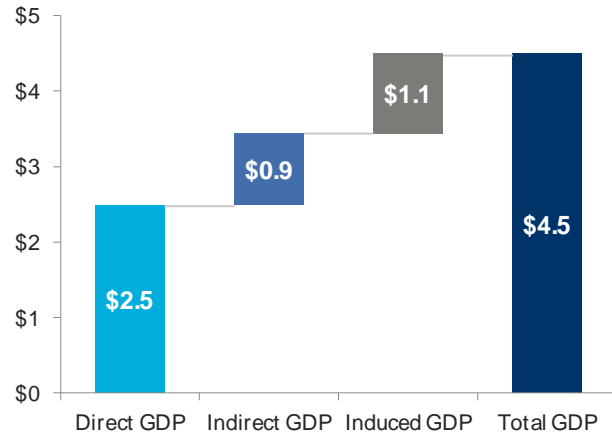


ECONOMIC IMPACTS

GDP impacts by industry

Visitors spending directly generates \$2.5 billion of GDP in Toronto and supports \$4.5 billion of GDP when indirect and induced impacts are considered.

Summary GDP impacts (\$ billions)



GDP impacts by industry

Dollar amounts in millions	Direct GDP	Indirect GDP	Induced GDP	Total GDP
Total, all industries	\$2,492	\$948	\$1,058	\$4,499
By industry				
Agriculture, Fishing, Mining	\$0	\$7	\$5	\$12
Construction and Utilities	\$0	\$193	\$146	\$339
Wholesale Trade	\$0	\$72	\$80	\$152
Retail Trade*	\$326	\$89	\$119	\$535
Air Transportation	\$30	\$5	\$7	\$42
Other Transportation	\$307	\$49	\$28	\$383
Communications	\$0	\$63	\$46	\$109
Finance, Insurance and Real Estate	\$32	\$246	\$365	\$643
Business and personal services	\$0	\$165	\$110	\$275
Education and Health Care	\$0	\$8	\$59	\$67
Attractions and Recreation	\$381	\$11	\$16	\$408
Accommodations	\$694	\$0	\$0	\$695
Food services	\$721	\$16	\$41	\$778
Non-profit organizations	\$0	\$3	\$10	\$12
Government	\$0	\$22	\$26	\$49

*retail trade includes gas stations and grocery stores

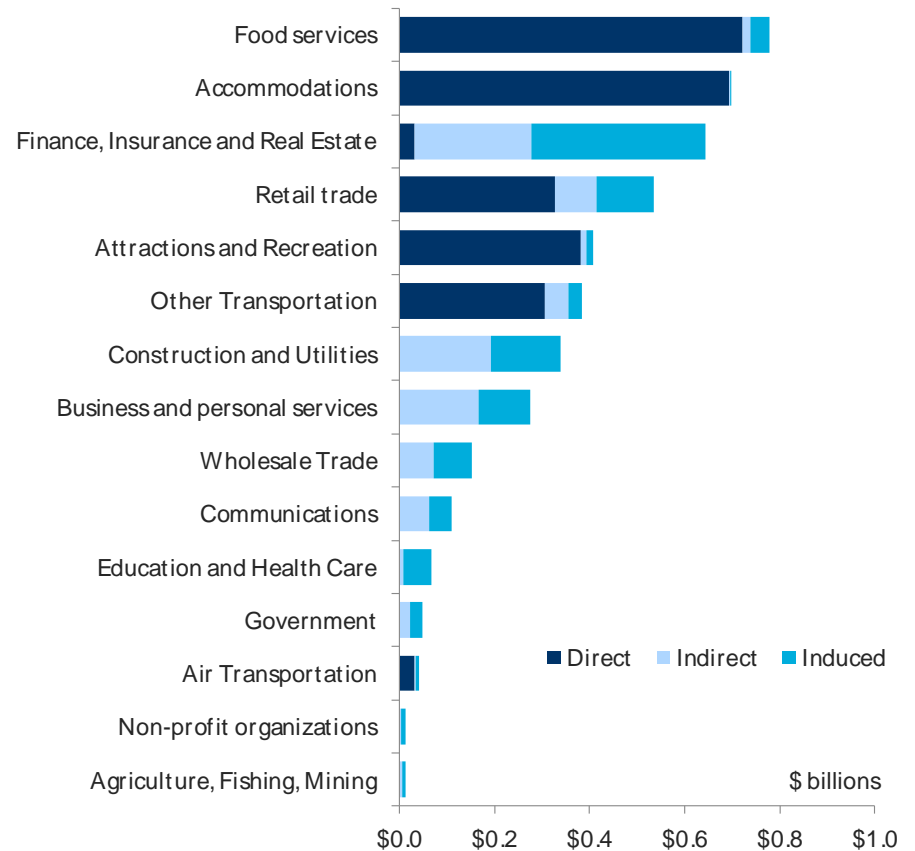
Source: Tourism Economics

ECONOMIC IMPACTS

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Business sales impacts by industry

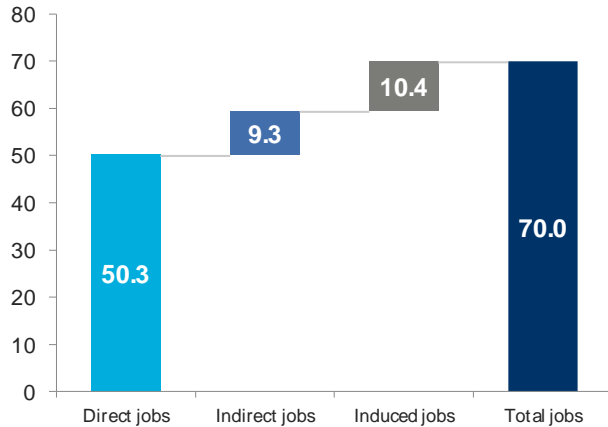


ECONOMIC IMPACTS

Job impacts by industry

Visitor spending directly generates 50,270 jobs and supports 69,950 jobs when indirect and induced impacts are considered.

Summary job impacts (000's)



Job impacts by industry

Includes seasonal and part time	Direct jobs	Indirect jobs	Induced jobs	Total jobs
Total, all industries	50,270	9,270	10,410	69,950
By industry				
Agriculture, Fishing, Mining	0	70	50	120
Construction and Utilities	0	1,520	1,150	2,670
Wholesale Trade	0	600	670	1,270
Retail Trade	6,290	1,710	2,290	10,290
Air Transportation	240	40	50	330
Other Transportation	3,960	550	310	4,820
Communications	0	360	260	620
Finance, Insurance and Real Estate	270	1,170	1,740	3,180
Business and personal services	0	2,280	1,510	3,790
Education and Health Care	0	90	600	690
Attractions and Recreation	7,460	220	320	8,000
Accommodations	13,550	10	0	13,560
Food services	18,500	430	1,090	20,020
Non-profit organizations	0	50	170	220
Government	0	170	200	370

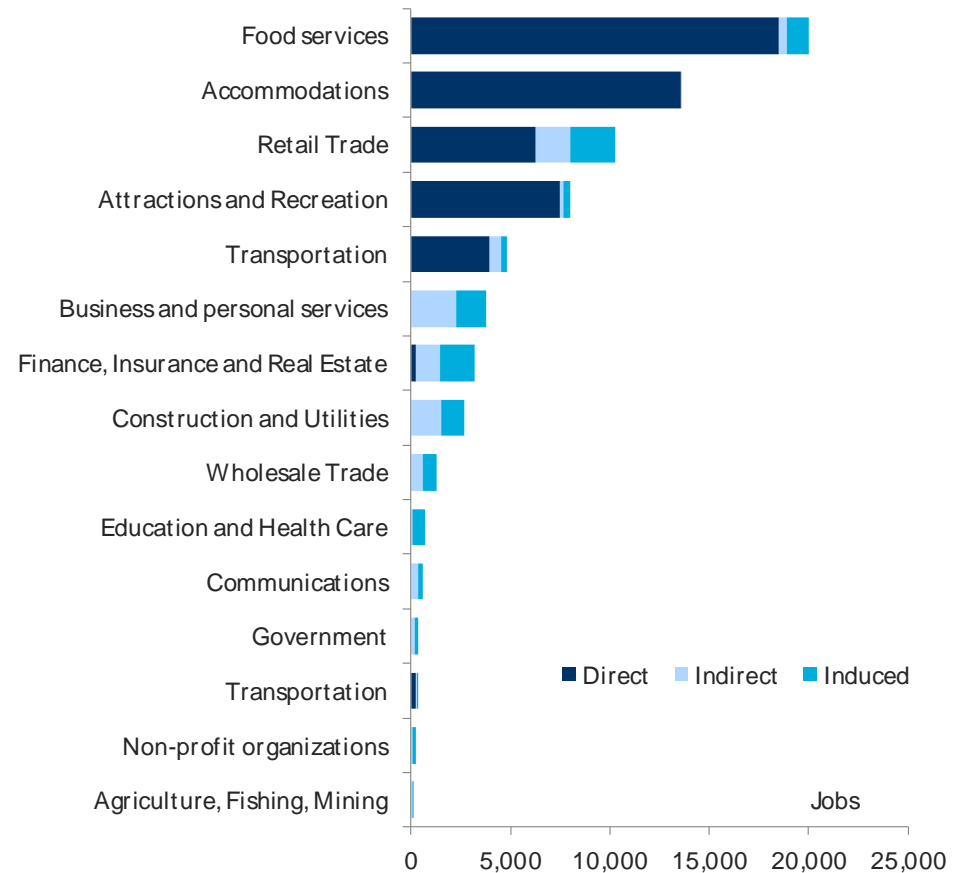
Source: Tourism Economics

ECONOMIC IMPACTS

Job impacts by industry

While the majority of jobs are in industries directly serving visitors, significant benefits accrue in sectors like finance, insurance, and real estate from selling to tourism businesses and employees.

Job impacts by industry

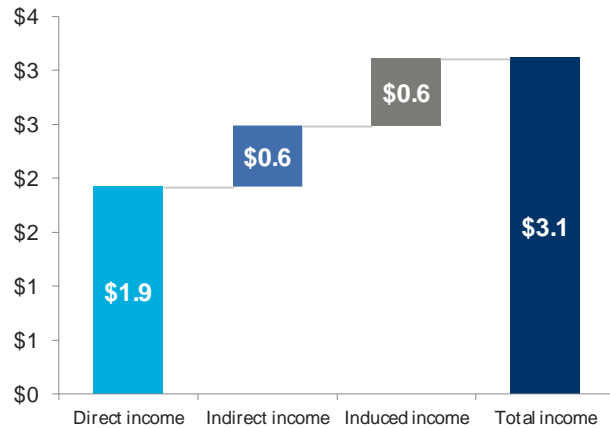


ECONOMIC IMPACTS

Income impacts by industry

Tourism generates \$1.9 billion in direct income and supports \$3.1 billion when indirect and induced impacts are considered.

Summary wage impacts (\$ billions)



Income impacts by industry

Dollar amounts in millions

	Direct income	Indirect income	Induced income	Total income
Total, all industries	\$1,921	\$570	\$624	\$3,115
By industry				
Agriculture, Fishing, Mining	\$0	\$3	\$2	\$5
Construction and Utilities	\$0	\$108	\$82	\$190
Wholesale Trade	\$0	\$44	\$49	\$93
Retail Trade	\$234	\$64	\$85	\$383
Air Transportation	\$20	\$3	\$5	\$28
Other Transportation	\$261	\$36	\$20	\$317
Communications	\$0	\$30	\$22	\$52
Finance, Insurance and Real Estate	\$23	\$104	\$154	\$282
Business and personal services	\$0	\$132	\$88	\$220
Education and Health Care	\$0	\$6	\$45	\$51
Attractions and Recreation	\$278	\$8	\$12	\$298
Accommodations	\$514	\$0	\$0	\$514
Food services	\$591	\$13	\$32	\$636
Non-profit organizations	\$0	\$2	\$8	\$11
Government	\$0	\$16	\$19	\$35

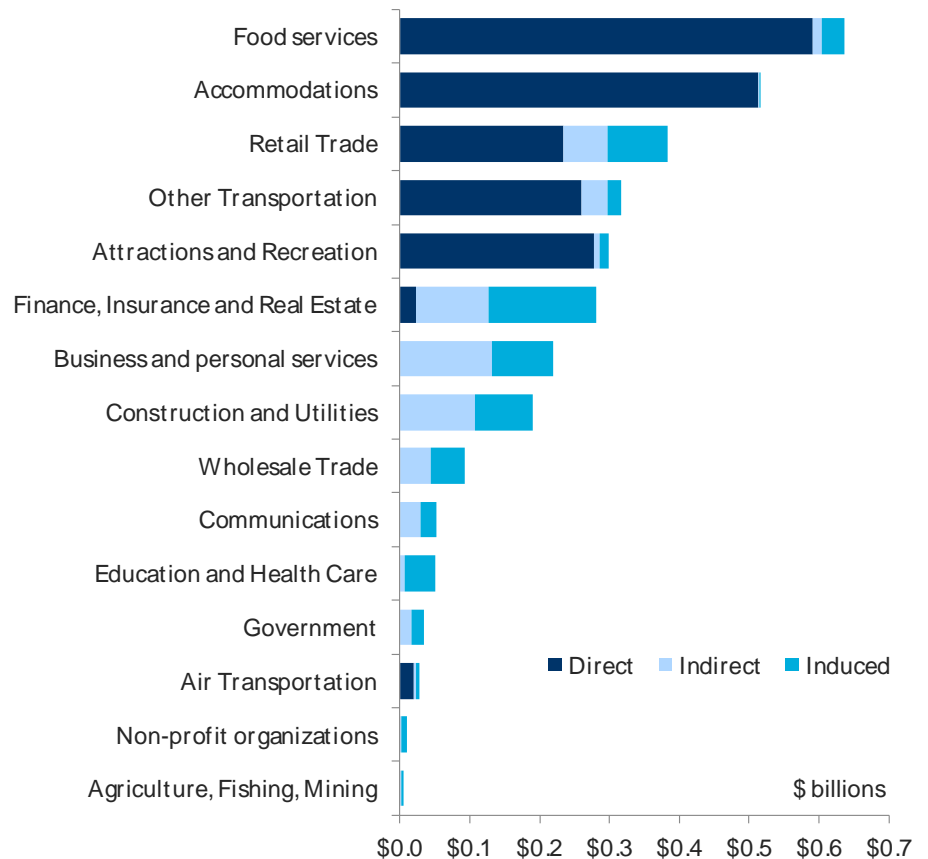
Source: Tourism Economics

ECONOMIC IMPACTS

Income impacts by industry

While the majority of wages are in industries directly serving visitors, significant benefits accrue in sectors like finance, insurance, and real estate from selling to tourism businesses and employees.

Labor income impacts by industry



ECONOMIC IMPACTS

Fiscal (tax) impacts

Tourism supports \$1.8 billion in total government revenue including \$1.3 billion in provincial and municipal government revenue.

Fiscal (tax) impacts

Dollars, million	Indirect /		Total
	Direct	induced	
Total tax revenue	\$1,267	\$513	\$1,781
Federal	\$450	\$202	\$652
Federal Total	\$450	\$202	\$652
HST	\$292	\$64	\$356
Personal income	\$110	\$95	\$205
Provincial	\$647	\$230	\$876
HST	\$467	\$103	\$569
Personal income	\$84	\$52	\$135
Corporate income	\$44	\$28	\$72
Other	\$52	\$48	\$100
Municipal	\$171	\$82	\$252
Property taxes	\$67	\$46	\$113
User fees	\$23	\$14	\$37
Hotel taxes	\$58	\$0	\$58
Other	\$23	\$21	\$44

Source: Tourism Economics

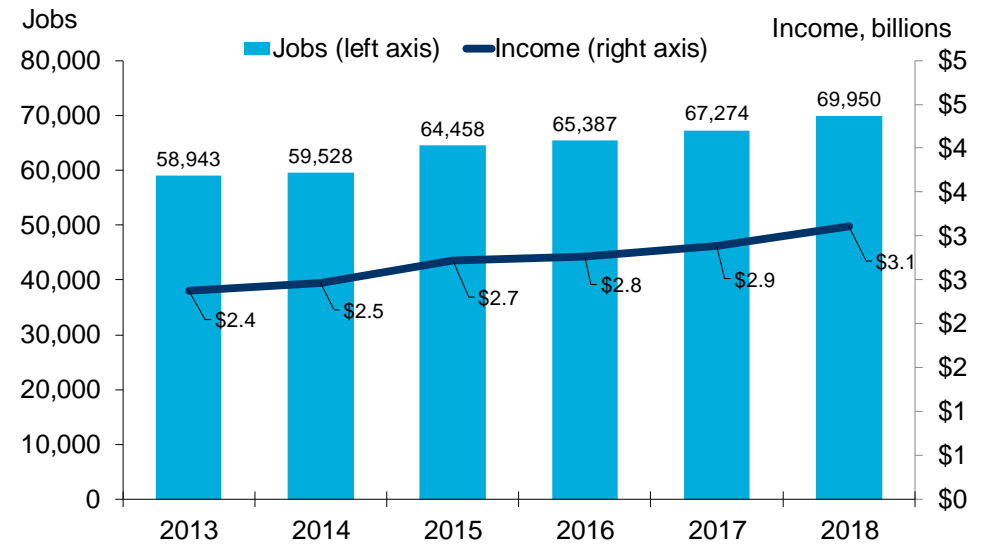
ECONOMIC IMPACTS

Fiscal (tax) impacts

Tourism supported jobs and income have increased 19% and 31% respectively since 2013.

The sector added 10,000 net-new jobs over a 5-year period.

Visitor spending supported job and income growth in Toronto, 2013-2018



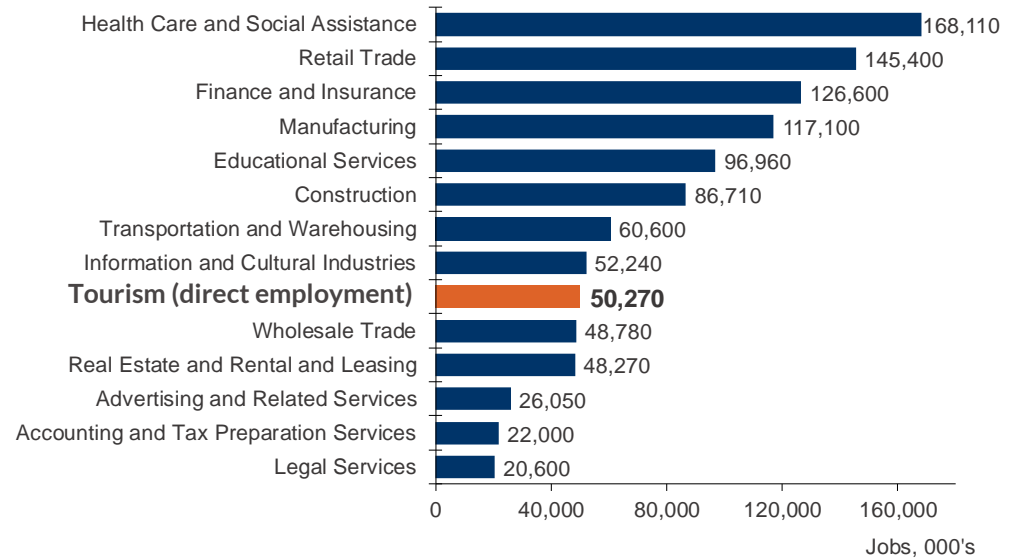
ECONOMIC IMPACTS IN CONTEXT

ECONOMIC IMPACTS IN CONTEXT

Visitor economy employment

Visitor spending supports a significant number of jobs, aligning the sector among other top sectors.

Employment in Toronto major sectors*, 2018



Source: Tourism Economics; StatCan

*This is a selection of sectors at the two, three, and four-digit NAICS code level.

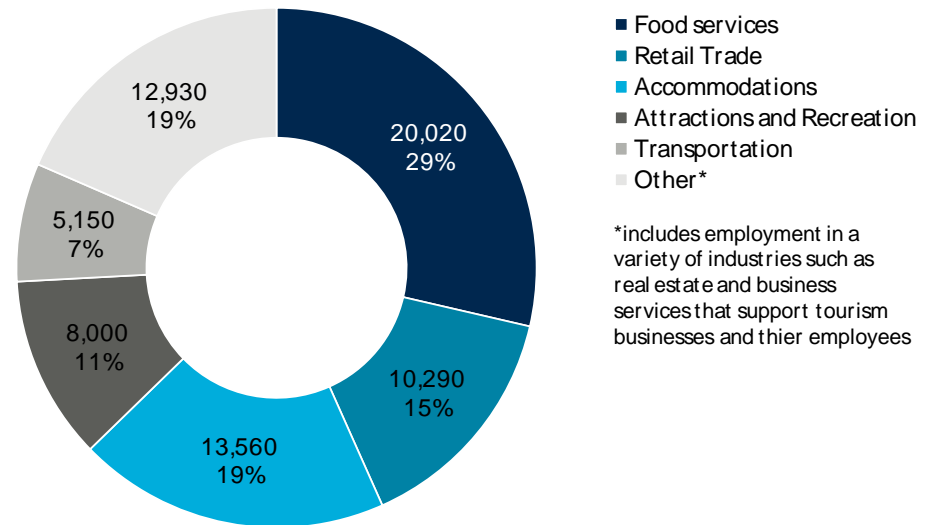
ECONOMIC IMPACTS IN CONTEXT

Visitor economy employment

Visitor spending supports significant employment outside of 'tourism' industries - 12,930 jobs in fields not typically associated with the visitor economy.

Visitor spending supported employment in Toronto, 2018

Number of jobs and percent of total



Source: Tourism Economics

*includes employment in a variety of industries such as real estate and business services that support tourism businesses and their employees

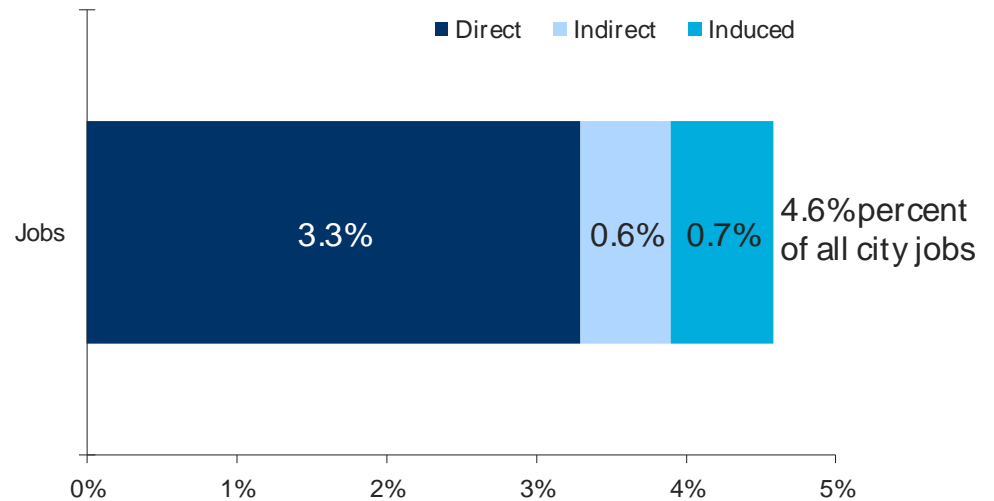
ECONOMIC IMPACTS IN CONTEXT

Visitor economy employment

Visitor spending supports 4.6% of all employment in Toronto.

Tourism's contribution to employment in Toronto

Percent of all jobs



Source: Tourism Economics

ECONOMIC IMPACTS IN CONTEXT

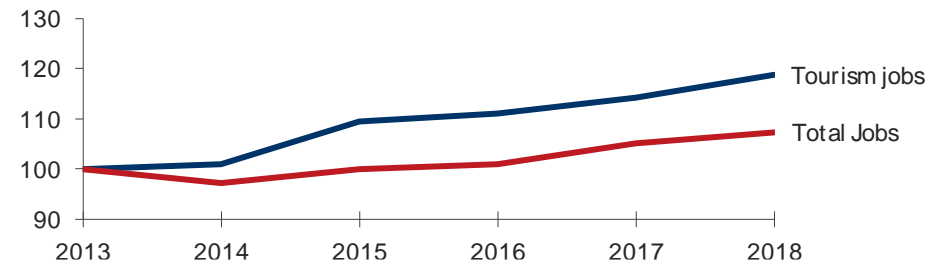
Visitor economy employment

Visitor-supported jobs and income are growing faster than jobs and income in Toronto.

As the visitor economy continues to outpace the general economy, it becomes an increasingly important sector for the city.

Visitor spending supported employment vs the general economy

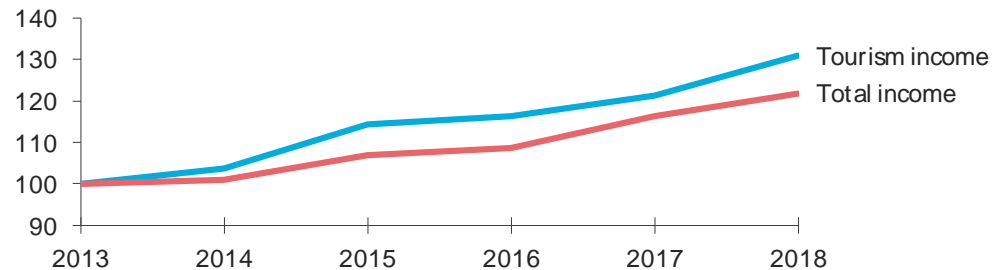
Index (2013=100)



Source: Tourism Economics

Visitor spending supported income vs the general economy

Index (2013=100)



Source: Tourism Economics; StatCan

ECONOMIC IMPACTS IN CONTEXT

Figures in context



Visitor spending

The \$6.5 billion in tourism spending means that almost \$739,000 is spent EVERY HOUR in Toronto.



Personal income

The \$3.1 billion in total wages generated by visitor spending is equivalent \$2,800 for every household in Toronto.



Employment

The number of people employed with jobs supported by visitor spending (69,950) has increased by 10,000 more jobs over 5 years.



Taxes - 1

The \$257 million in municipal tax revenues generated by visitor spending could fund government spending on services such as Toronto Paramedic Services (\$85 million) or Toronto Public Library (\$188 million).



Taxes - 2

To make up for the \$1.8 billion in taxes generated by visitor spending, each household in Toronto would need to contribute an additional \$1,020 annually to maintain the current level of revenue.

OTHER ONTARIO IMPACTS

OTHER ONTARIO IMPACTS

Additional Ontario spending

In 2018, visitors to Toronto spent \$2.0 billion on other travel activities within Ontario but outside of the Toronto region.

While on trips to Toronto, many visitors spend money in other parts of Ontario. This represents a major source of additional impact for the province.

We analyzed data sources such as StatCan and a survey of travellers at Pearson International Airport to determine the potential extent of this spending. The two areas analyzed include visits to other major Ontario destinations, and spending by visitors motivated by outdoors activities that appear very unlikely to have occurred in the Toronto Region (e.g. downhill skiing and hunting).

Other Ontario spending on Toronto Region visits, 2018

Category	Spending (millions)	Sources	See note
Domestic visitors, outdoor activities	\$139	StatCan 2016 data on spending on other activities participated in during overnight trip to Toronto	1
Domestic visitors, other city visits	\$138	StatCan 2016 data on Toronto visitors that also visit Niagara and/or Ottawa; Tourism Toronto Pearson Airport Survey data on Toronto visitors that also visit Niagara and/or Ottawa; StatCan 2016 data on average visit or spending in Niagara and Ottawa	2
International visitors, outdoor activities	\$368	StatCan 2014 data on spending on other activities participated in during overnight trip to Toronto	1
International visitors, other city visits	\$1,394	StatCan 2014 data on Toronto visitors that also visit Niagara and/or Ottawa; Tourism Toronto Pearson Airport Survey data on Toronto visitors that also visit Niagara and/or Ottawa; StatCan 2014 data on average visit or spending in Niagara and Ottawa	2
Total	\$2,038		

Sources: Tourism Economics; Tourism Toronto; StatCan

1) Includes spending by Toronto visitor spending on these activities: national, provincial or nature park, camping, hiking or backpacking, hunting, snowmobiling, and downhill skiing or snowboarding. Assumes 50% of spending occurs in other parts of Ontario and 50% in Toronto or in other provinces or countries.

2) Does not include spending on transportation between cities. There are reasons to expect that this is an underestimation as there is no data available for other cities or regions such as London, Kingston, etc.

OTHER ONTARIO IMPACTS

Additional Ontario spending

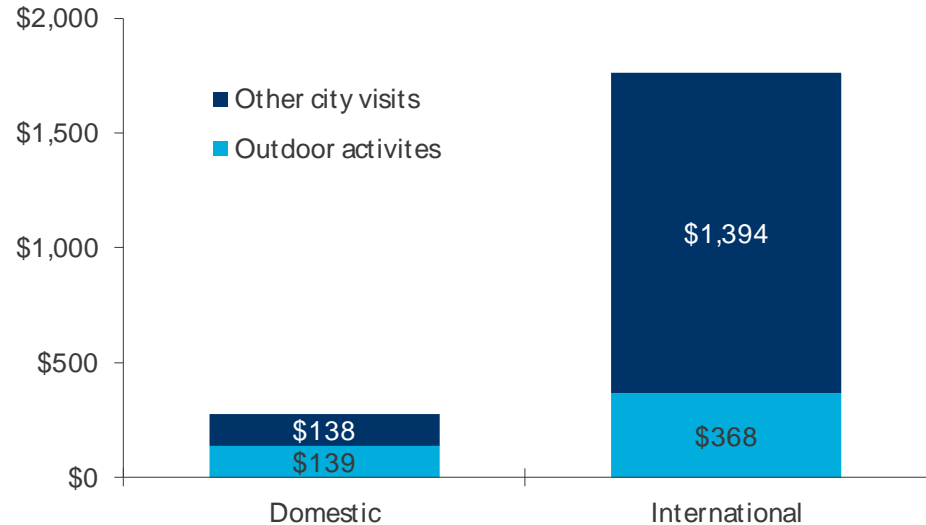
Spending by international visitors to other Ontario cities drive this additional impact

International visitors take longer trips on average and are therefore more likely to visit multiple destinations and/or participate in more types of activities during their trip. They also have higher per day spending than domestic visitors.

A very high proportion of U.S. and overseas visitors to Toronto visitors also visit the Niagara region, which accounts for a large share of the additional impacts.

Other Ontario spending on Toronto region visits, 2018

Dollars, millions



Sources: Tourism Economics; StatCan; Tourism Toronto

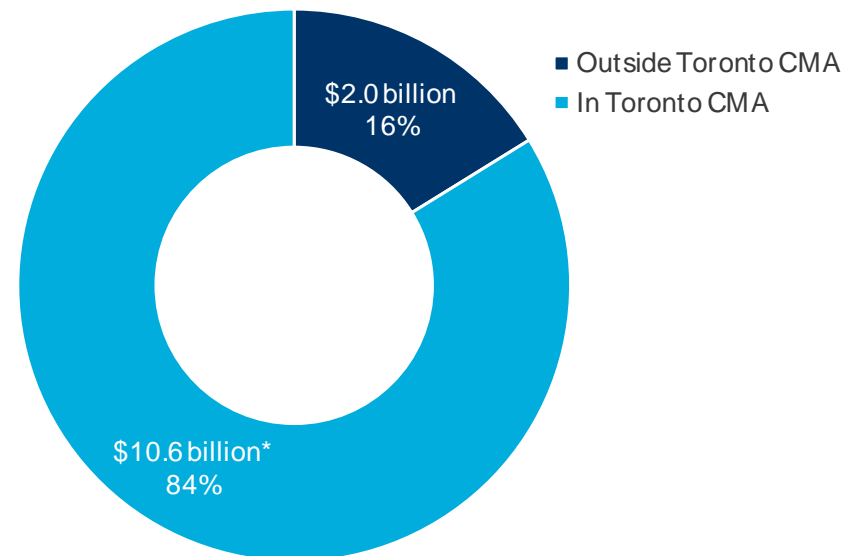
OTHER ONTARIO IMPACTS

Additional Ontario spending

16% of all spending in Ontario by Toronto regional visitors occurs outside of the Toronto region.

Spending in Ontario by Toronto region visitors, 2018

Dollars, billion and percent of total



Sources: Tourism Economics; Tourism Toronto; StatCan

*There is \$10.6 billion of visitor spending in the Toronto region, the previously referenced \$6.5 billion refers to spending in the City of Toronto. See appendix for additional details on regional impacts

OTHER ONTARIO IMPACTS

Economic impact Summary

We estimate that in 2018, visitors to the Toronto region spent \$2.0 billion outside of Toronto, which in turn supported:

- \$4.2 billion in total business sales;
- \$1.9 billion in total GDP;
- \$1.2 billion in total income;
- 27,210 total jobs; and
- \$0.6 billion in taxes for all three levels of government.

The economic impact of Toronto visitors on the rest of Ontario, 2018

Amounts in billions of current dollars

Spending in Ontario	
Total tourism spending	\$2.0
Impacts on Ontario	
Total business sales	\$4.2
Direct sales (tourism spending)	\$2.0
Indirect and induced sales	\$2.1
Total GDP	\$1.9
Direct GDP	\$0.8
Indirect and induced GDP	\$1.1
Total income	\$1.2
Direct income	\$0.6
Indirect and induced income	\$0.6
Total jobs	27,210
Direct jobs	15,940
Indirect and induced jobs	11,270
Total Government revenue	\$0.6
Federal	\$0.3
Provincial	\$0.3
Municipal	\$0.1

Source: Tourism Economics

CONCLUSION

The visitor economy matters. It is an important economic driver in Toronto, generating jobs, supporting local businesses, and bringing new money into the overall economy.

Toronto's visitor economy is also a vital component of the regional and provincial economy. It provides a resource for governments at all levels and creates opportunities for growth in a diverse range of businesses.

When the visitor economy grows and prospers, the Toronto region grows and prospers.

More still, tourism is also a chance to showcase Toronto to the world. When visitors come to the city they can observe firsthand Toronto's many assets; our top talent, innovation, technology, and discover opportunities for investment.

Visitor arrivals to Toronto, both for leisure and for business, are at record highs. Overnight and overseas visitors are staying longer, doing more, and spending more while they're here; and at the heart of this thriving visitor economy is a strong business sector.

Business events, such as conferences and exhibitions, play an important role in attracting visitors to the region, bringing on average 400,000 delegates every year and generating \$858 million in economic impact.

The visitor economy is at the heart of how Toronto is viewed around the world. Now, more than ever, this multifaceted sector presents new opportunities to expand our global reach, support jobs, and grow the economy at home.

Understanding this critical piece of the economy is the key to unlocking its potential. The insights from this report can be a resource for those looking better understand the full impact of the visitor economy in Toronto and the many opportunities for growth and prosperity it represents.

About Tourism Economics

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of tourism dynamics with rigorous economics in order to answer the most important questions facing destinations, developers, and strategic planners. By combining quantitative methods with industry knowledge, Tourism economics designs custom market strategies, destination recovery plans, tourism forecasting models, tourism policy analysis and economic impact studies.

With over four decades of experience of our principal consultants, it is our passion to work as partners with our clients to achieve a destination's full potential.

Oxford economics is one of the world's leading providers of economic analysis, forecasts and consulting advice. Founded in 1981 as a joint venture with Oxford University's business college, Oxford Economics enjoys a reputation for high quality , Quantitative analysis and evidence-based advice. For this, it draws on its own staff of more than 250 professional economics; a dedicated data analysis team; global modeling tools, and a range of partner institutions in Europe, the US and the United Nations Project Link. Oxford economics has offices in London, Oxford, Dubai, Philadelphia and Belfast.

For more information:

info@tourismeconomics.com

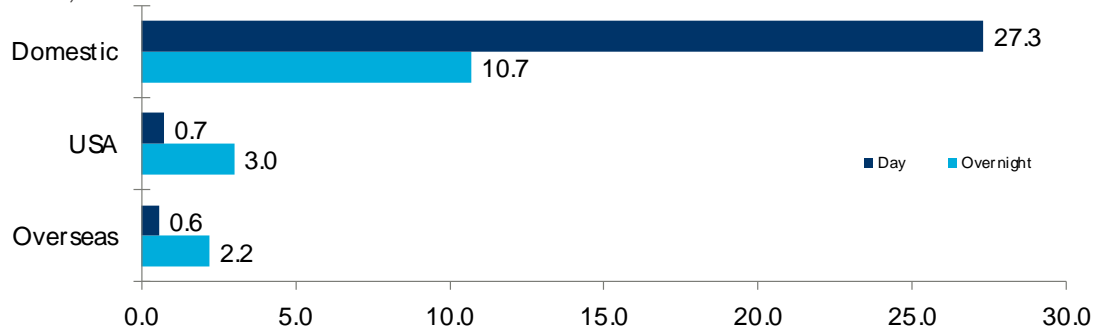
APPENDIX A: REGIONAL ANALYSIS

REGIONAL ANALYSIS

Visitation segments

Visitors to the Toronto Region, 2018

Visitors, millions



Source: Tourism Toronto

Visitors to the Toronto Region, 2018

Number, millions

	Overnight	Day	Total
Domestic	10.7	27.3	38.0
USA	3.0	0.7	3.7
Overseas	2.2	0.6	2.8
Total	15.9	28.6	44.5

Percent of total

	Overnight	Day	Total
Domestic	24%	61%	85%
USA	7%	2%	8%
Overseas	5%	1%	6%
Total	36%	64%	100%

Percent of overnight/day

	Overnight	Day
Domestic	67%	95%
USA	19%	3%
Overseas	14%	2%
Total	100%	100%

Sources: Tourism Toronto

Toronto hosted 15.9 million overnight trips and 28.6 million day trips.

Domestic (85%) and day visitors (64%) make up the majority of visitors.

International visitors make up a larger share of the overnight market than the total market. 19% and 14% of all overnight visitors are from the U.S. and overseas respectively, meaning that one-third of all overnight visitors are international.

REGIONAL ANALYSIS

Visitation segments

Visits are quickly increasing.

Visits have increased 17% over the past five years.

Day visits have increased faster than overnight visits.

U.S. and overseas visits have increased much faster than domestic visits.

Visitors to the Toronto region

Millions	2013	2014	2015	2016	2017	2018	2018 growth	2013-2018 growth
Day								
Domestic	23.8	24.2	24.9	25.7	26.8	27.3	1.7%	14.8%
USA	0.6	0.6	0.7	0.8	0.8	0.7	-5.4%	28.2%
Overseas	0.5	0.5	0.5	0.6	0.6	0.6	-4.3%	14.4%
Total day	24.8	25.2	26.1	27.1	28.2	28.6	1.4%	15.1%
Overnight								
Domestic	9.1	9.5	9.8	10.1	10.4	10.7	2.8%	17.7%
USA	2.3	2.4	2.6	2.9	2.9	3.0	2.0%	29.6%
Overseas	1.7	1.8	1.9	2.1	2.2	2.2	2.2%	33.0%
Total overnight	13.1	13.7	14.3	15.1	15.5	15.9	2.6%	21.8%
Total								
Domestic	32.8	33.6	34.7	35.9	37.2	38.0	2.1%	15.6%
USA	2.9	3.1	3.3	3.7	3.7	3.7	0.4%	29.4%
Overseas	2.2	2.2	2.4	2.7	2.8	2.8	0.7%	28.7%
Grand total	37.9	38.9	40.4	42.2	43.7	44.5	1.8%	17.4%

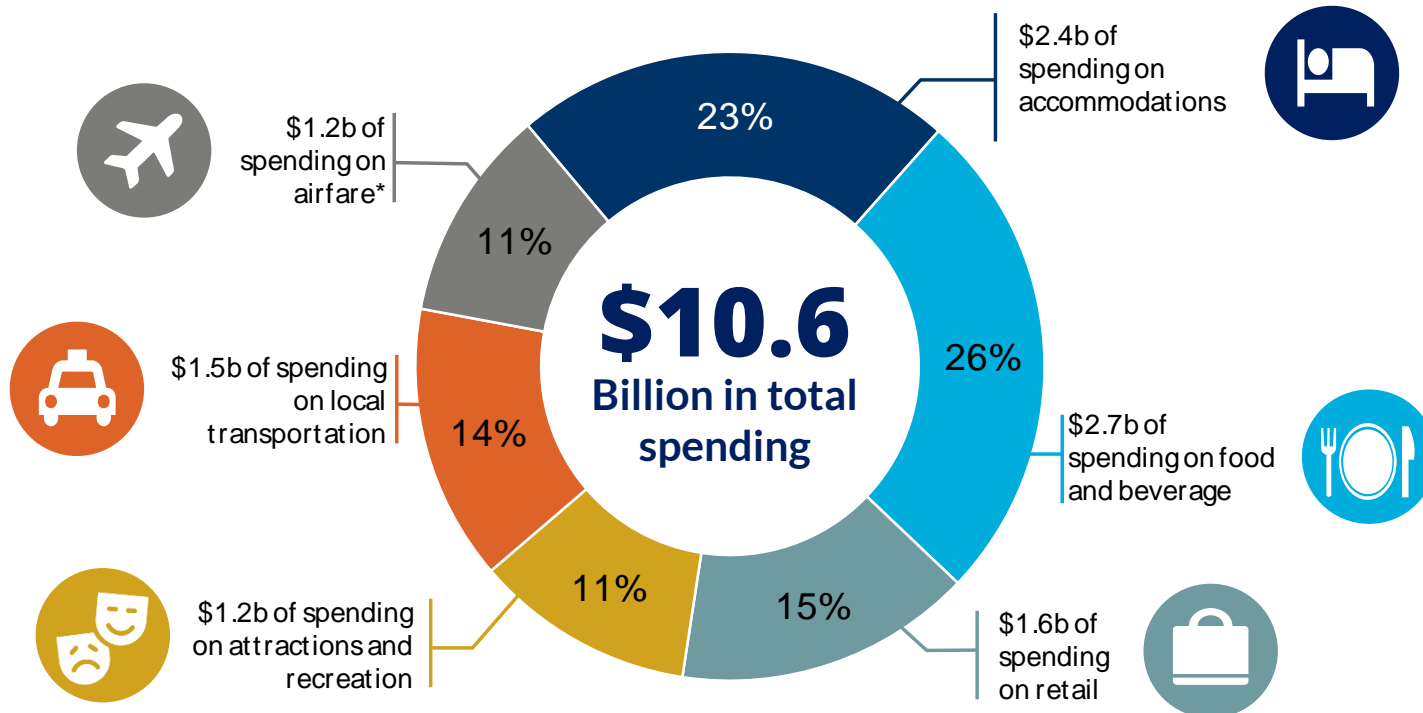
Source: Tourism Toronto; Tourism Economics

REGIONAL ANALYSIS

Visitor spending

Visitor spending in the Toronto region

Percent of total



Sources: Tourism Toronto; Tourism Economics

REGIONAL ANALYSIS

Visitor spending

Visitor spending is quickly increasing.

Spending has increased 53% over the past five years.

Overnight spending has increased faster than overnight visits, driving in part by increasing ADRs.

U.S. and overseas spending have increased much faster than domestic spending.

**Airport impacts are not segmented between day and overnight and so is not accounted for here*

Spending in the Toronto region

Billions	2013	2014	2015	2016	2017	2018	2018 growth	2013-2018 growth
Day								
Domestic	\$1.9	\$1.9	\$2.0	\$2.1	\$2.2	\$2.3	4.3%	23.6%
USA	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	-2.0%	41.0%
Overseas	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	-0.9%	27.8%
Total day	\$2.0	\$2.1	\$2.2	\$2.3	\$2.4	\$2.5	3.8%	24.3%
Overnight								
Domestic	\$2.3	\$2.4	\$2.6	\$2.8	\$3.0	\$3.2	7.1%	42.2%
USA	\$1.1	\$1.3	\$1.5	\$1.8	\$2.0	\$2.2	8.7%	90.8%
Overseas	\$1.5	\$1.6	\$1.8	\$2.2	\$2.4	\$2.7	8.6%	80.1%
Total overnight	\$4.9	\$5.3	\$5.9	\$6.8	\$7.4	\$8.0	8.0%	65.0%
Total								
Domestic	\$4.1	\$4.3	\$4.6	\$4.9	\$5.2	\$5.5	5.9%	33.8%
USA	\$1.2	\$1.3	\$1.6	\$1.9	\$2.1	\$2.3	8.2%	87.9%
Overseas	\$1.6	\$1.7	\$1.9	\$2.3	\$2.5	\$2.8	8.2%	77.3%
Grand total	\$6.9	\$7.4	\$8.0	\$9.1	\$9.9	\$10.6	7.0%	53.1%

Source: Tourism Toronto; Tourism Economics

REGIONAL ANALYSIS

Impact summary

In 2018, visitors to the Toronto region spent \$10.6 billion, which in turn supported:

- \$17.6 billion in total business sales;
- \$7.5 billion in total GDP;
- \$5.2 billion in total income;
- 121,180 total jobs; and
- \$3 billion in tax revenue for all three levels of government.

Tourism supports 3.6% of all region employment and offset \$830 of tax revenue for every Toronto region household.

The economic impact of visitors on the Toronto Region, 2018

Amounts in billions of current dollars

Spending in Toronto region	
Total tourism spending	\$10.6
Impacts on the Toronto Region	
Total business sales	\$17.6
Direct sales (visitor spending)	\$10.6
Indirect and induced sales	\$7.1
Total GDP	\$7.5
Direct GDP	\$3.8
Indirect and induced GDP	\$3.7
Total income	\$5.2
Direct income	\$3.1
Indirect and induced income	\$2.2
Total jobs	121,180
Direct jobs	83,250
Indirect and induced jobs	37,930
Total Government revenue	\$3.0
Federal	\$1.1
Provincial	\$1.5
Municipal	\$0.4
Key Ratios	
Tourism supported jobs as a share of CMA total	3.6%
Provincial and local tax revenue for every Toronto Household	\$830

Source: Tourism Economics

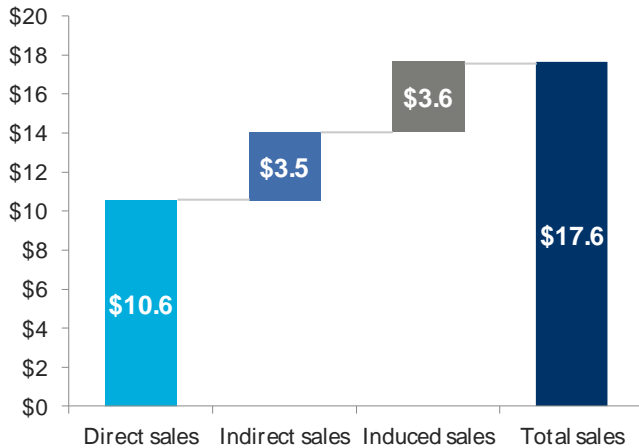
Note: Subcategories may not add up to totals due to round errors

REGIONAL ANALYSIS

Business sales impacts by industry

Visitors directly spend \$10.6 in the Toronto Region and support \$17.6 billion in business sales when indirect and induced impacts are considered.

Summary economic impacts (\$ billions)



Business sales impacts by industry

Amounts in millions of current dollars	Direct sales***	Indirect sales	Induced sales	Total sales
Total, all industries	\$10,554	\$3,505	\$3,573	\$17,631
By industry				
Agriculture, Fishing, Mining		\$32	\$26	\$58
Construction and Utilities		\$967	\$668	\$1,635
Wholesale Trade		\$177	\$202	\$379
Retail Trade*	\$2,596	\$210	\$305	\$3,112
Air Transportation**	\$1,157	\$54	\$43	\$1,254
Other Transportation	\$1,000	\$274	\$109	\$1,384
Communications		\$187	\$135	\$322
Finance, Insurance and Real Estate	\$177	\$871	\$1,276	\$2,325
Business and personal services		\$521	\$333	\$854
Education and Health Care		\$22	\$153	\$175
Attractions and Recreation	\$1,200	\$38	\$61	\$1,299
Accommodations	\$2,216	\$2	\$1	\$2,218
Food services	\$2,207	\$72	\$150	\$2,429
Non-profit organizations		\$9	\$35	\$44
Government		\$68	\$77	\$145

*retail trade includes gas stations and grocery stores

**air transportation is NOT visitor spending, but the portion of airfare that impacts the local economy

***visitor spending

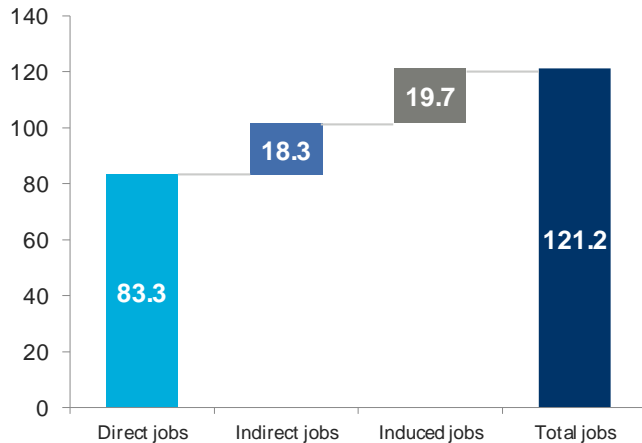
Source: Tourism Economics

REGIONAL ANALYSIS

Job impacts by industry

Tourism directly generates 83,250 jobs in the region and supports 121,180 jobs when indirect and induced impacts are considered.

Summary job impacts (000's)



Job impacts by industry

Includes seasonal and part time	Direct jobs	Indirect jobs	Induced jobs	Total jobs
Total, all industries	83,250	18,280	19,650	121,180
By industry				
Agriculture, Fishing, Mining	0	130	110	240
Construction and Utilities	0	2,820	1,950	4,770
Wholesale Trade	0	1,130	1,290	2,420
Retail Trade	11,030	3,050	4,420	18,500
Air Transportation	2,730	130	100	2,960
Other Transportation	6,230	1,570	620	8,420
Communications	0	700	510	1,210
Finance, Insurance and Real Estate	640	2,330	3,410	6,380
Business and personal services	0	4,540	2,910	7,450
Education and Health Care	0	170	1,160	1,330
Attractions and Recreation	11,810	390	620	12,820
Accommodations	24,290	20	10	24,320
Food services	26,520	860	1,810	29,190
Non-profit organizations	0	90	340	430
Government	0	350	390	740

Source: Tourism Economics