

# OAA Members make Major Annual Contributions to Ontario's Economy

*First-ever Economic Impact Study of OAA's 1,000 innkeeper members*

by Bruce Gravel

For the first time ever, a thoroughly-researched professional Economic Impact Study has been done of the impact of the Ontario Accommodation Association's 1,000 innkeeper members on Ontario's economy. This ground-breaking study was conducted and co-sponsored by the University of Guelph's School of Hospitality and Tourism Management (HTM) in 2006. The Director of the School is Dr. Marion Joppe (recipient of OAA's Butler Award in 2002). The main author of the Study was Dr. Chris Choi, a professor at the HTM.

The Study reveals the major impact on Ontario's economy of OAA's innkeeper members, which are primarily small and medium-sized properties such as inns, motels, hotels, resorts, bed and breakfasts, and outfitter lodges. Here are the highlights:

OAA's innkeeper members contribute over **\$362 million** in revenue to Ontario's economy each year. Of this, over \$196 million is contributed by smaller properties under 40 units, and over \$166 million is contributed by larger properties over 40 units. This is purely a supply-side contribution; spending by guests staying in member properties are not factored into these impacts.

The association's members collectively contribute over **\$133 million** in total taxes (direct and indirect) to all three levels of government. Of this, almost \$60 million is federal taxes, over \$51 million is provincial taxes to the Ontario government, and over \$22 million is taxes to the various municipalities.

OAA's innkeeper members contribute over **\$100 million** in direct and indirect labour income (wages, salaries, tips) across the province.

The association's members contribute over **\$263 million** in direct and indirect revenue to Ontario's Gross Domestic Product (GDP).

The results of this Economic Impact Study were also broken-out by region.

OAA's innkeeper members in **Northern Ontario**

contribute over **\$66 million** to the economy.

OAA's members in **Eastern Ontario** contribute over **\$63 million** to the economy.

Members in **Central Ontario**, including Toronto, contribute over **\$159 million** to the economy.

Members in **Southwestern Ontario**, including the Niagara Region, contribute over **\$72 million**.

"This Economic Impact Study is a first for OAA, and it will really help when we represent our members' interests to government," said OAA President Bruce Gravel. "The majority of Ontario's tourism businesses are small to medium-sized, and this study shows the significant impact that the small and medium-sized innkeeper sector, which OAA represents, has on Ontario's economy. These numbers show government that there is much more to Ontario's accommodation sector than the large downtown urban hotels. An annual contribution of over \$362 million to Ontario's economy is hard to ignore."

## Economic Impact of OAA's 1,000 innkeeper members on Ontario's Economy


- ★ OAA's members contribute over **\$362 million** a year to Ontario's economy.
- ★ OAA's members contribute over **\$133 million** in taxes to all three levels of government.
- ★ OAA's members contribute over **\$100 million** in labour income.
- ★ OAA's members contribute over **\$263 million** to Ontario's GDP.

The statistics in this Study were obtained from a variety of professional resources, including Statistics Canada, the research division of the Ontario Ministry of Tourism, and OAA Allied Member PKF Consulting Inc. Operating results were also obtained from over 140 OAA members, representing all sizes of property (small, medium and large), both with and without foodservice, in all regions of Ontario. All numbers quoted in the Study

have been carefully researched and are defensible.

OAA warmly thanks Dr. Joppe and her team at the School of Hospitality and Tourism Management of the University of Guelph for their considerable work in producing this Study and for co-sponsoring it. Guelph's Hospitality and Tourism program likely combines the greatest research expertise for such an in-depth study in Canada, due to its large number of highly-qualified faculty actively engaged in industry research.

Copies of the entire Study are available by contacting the OAA office.

Founded in 1949, the Ontario Accommodation Association is Canada's largest provincial non-profit association specializing in innkeepers. OAA has over 1,000 members across Ontario, totalling over 23,000 guest rooms. OAA provides 45 benefits and services to its members, including representing them to government. 

## Total Economic Impact of OAA Member Properties

	Regional Economy	Total Rest of Ontario	Total
<b>Total Gross Revenue</b>	\$362,345,368		
<b>Total GDP Impact</b>			
Direct	\$241,637,688	\$5,233,679	\$246,871,367
Indirect	\$12,358,308	\$4,259,720	\$16,618,028
<b>Total</b>	<b>\$253,995,996</b>	<b>\$9,493,398</b>	<b>\$263,489,394</b>
<b>Labour Income</b>			
Direct	\$87,100,180	\$3,838,532	\$90,938,712
Indirect	\$6,942,385	\$2,557,067	\$9,499,452
<b>Total</b>	<b>\$94,042,565</b>	<b>\$6,395,597</b>	<b>\$100,438,162</b>
<b>Direct Taxes</b>			
Federal	\$55,419,237	\$1,147,712	\$56,566,949
Provincial	\$49,356,029	\$485,992	\$49,842,021
Municipal	\$21,530,304	\$107,779	\$21,638,083
<b>Total</b>	<b>\$126,305,572</b>	<b>\$1,741,482</b>	<b>\$128,047,054</b>
<b>Total Taxes</b>			
Federal	\$57,866,228	\$2,006,014	\$59,872,242
Provincial	\$50,455,388	\$860,980	\$51,316,368
Municipal	\$21,937,423	\$232,120	\$22,169,543
<b>Total</b>	<b>\$130,259,042</b>	<b>\$3,099,114</b>	<b>\$133,358,156</b>

### Economic Impacts of Travel Regions on GDP by industry (in dollars)

OAA members spent **\$115 million** in 2005 on supplies, agriculture, utilities, professional services, manufacturing, wholesale trade, maintenance, and other expenditures.

Industry	Regional Economy		Rest of Ontario	
	Direct GDP	Total GDP	Direct GDP	Total GDP
Crop and Animal Production	\$69,455	\$242,975	\$95,172	\$195,024
Forestry and Logging		\$11,193		\$11,665
Fishing, Hunting and Trapping	\$195	\$2,950	\$125	\$571
Support Activities for Agriculture and Forestry		\$9,527		\$5,626
Mining and Oil and Gas Extraction		\$47,179		\$18,361
Utilities		\$1,157,152		\$161,452
Construction		\$250,929		\$54,887
Manufacturing	\$448,218	\$2,804,433	\$368,478	\$1,132,721
Wholesale Trade	\$187,720	\$1,050,841	\$217,523	\$581,643
Retail Trade		\$549,519		\$111,833
Transportation and Warehousing	\$635	\$400,574	\$853	\$357,513
Information and Cultural Industries	\$21,345	\$394,669	\$21,880	\$344,029
Finance, Insurance, Real Estate and Renting and Leasing		\$4,005,394		\$1,061,801
Professional, Scientific and Technical Services		\$525,742		\$352,109
Administrative and Other Support Services		\$364,104		\$167,637
Education Services		\$17,232		\$3,958
Health Care and Social Assistance		\$35,343		\$18,544
Arts, Entertainment and Recreation		\$140,839		\$42,517
Accommodation and Food Services	\$240,909,749	\$241,311,580	\$4,529,272	\$4,675,335
Other Services (Except Public Administration)		\$270,540		\$83,810
Non-Profit Institutions Serving Households		\$46,915		\$13,561
Government Sector	\$373	\$356,363	\$380	\$98,797
<b>Total</b>	<b>\$241,637,688</b>	<b>\$253,995,996</b>	<b>\$5,233,679</b>	<b>\$9,493,398</b>