

# Economic Impact Analysis of Recreational Boating in Canada: 2001

*Prepared for:*

Discover Boating

*Prepared by:*

Goss Gilroy Inc.  
Management Consultants  
Suite 900 – 150 Metcalfe Street  
Ottawa, ON K2P 1P1  
Tel: (613) 230-5577  
Fax: (613) 235-9592  
E-mail: [ggi@ggi.ca](mailto:ggi@ggi.ca)

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**GOSS GILROY INC.**

Management Consultants  
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# Executive Summary

## National Highlights

Recreational boating activities include recreational fishing from boats, power boating, sailing, use of personal watercraft (PWC's) and human powered boating.

In 2001, recreational boating resulted in gross output from Canadian sources of 11.5 billion of which:

- 4.6 billion was spent directly by boaters, net of imports;
- 3.9 billion indirectly on inputs and materials to goods and services demanded by boaters; and
- 3.0 billion of induced expenditures arising out of earnings initiated by recreational boaters.

The total stimulus for this economic activity is the \$7.1 billion spent by recreational boaters. Net of expenditures on imported products and services of \$2.5 billion, recreational boaters spent a total of \$4.6 billion directly in Canada. Expenditures on inputs and materials, indirect expenditures, amounted to \$3.9 billion bringing the total of direct and indirect expenditures on recreational boating to \$8.5 billion.

Directly and indirectly, recreational boating created 84,000 full time equivalent jobs and generated \$2.6 billion in earnings, including supplemental benefits. The average total benefits package among all participating industries was \$31,000. In marinas, where many employees are part-time and seasonal, without readily available alternative employment opportunities, average remuneration tended to be lower.

Expenditures by those directly and indirectly employed by the industry in 2001 generated further economic activity, creating more jobs from which additional earnings, net of taxes, were also spent. These "induced impacts" are estimated to have added a further 26,000 full-time equivalent jobs to the economy, bringing the total employment impact to 110,000. Induced impacts also accounted for a further \$3.0 billion of economic activity ultimately stimulated by the recreational boating sector.

The combination of these direct, indirect and induced expenditures of \$8.5 billion generated gross economic output of \$11.5 billion in 2001. This figure represents the value shipped to satisfy boaters' needs and the impacts of the incomes generated by them. It involves some double counting since inputs may be counted several times.

To avoid double counting, Gross Domestic Product (GDP) measures only the value-added contribution of various players in each industry impacted. In 2001, Canadian recreational boating generated GDP of \$7.1 billion or 0.7% of total GDP.

Directly and indirectly, manufacturing accounted for \$689 million worth of total GDP, and 9,535 of the 84,000 full time equivalent jobs. In 2001, recreational boating activities are conservatively estimated to have generated at least \$2.2 billion worth of gross domestic tourism output and 27,785 full-time equivalent jobs in tourism. The upper limits for estimates of recreational boating impacts on tourism are \$5,680 million in gross output, \$2,842 million in GDP and full time employment of 53,215.

Income taxes paid by those employed directly and indirectly totalled \$500 million. Boaters and those employed in the industry consumed services provided by all three levels of government estimated at \$123 million.

## Activity Highlights

Based on only the direct and indirect effects:

- Recreational fishing accounted for:
  - \$4.2 billion worth of the activities' gross output;
  - \$730m worth of manufacturing gross output; and,
  - 41,862 full-time equivalent jobs, with 3,232 in manufacturing.
  
- Power boating accounted for:
  - \$2.9 billion worth of the sectors' gross output;
  - \$761 million worth of manufacturing; and,
  - 30,257 full-time equivalent jobs, with 3,691 in manufacturing.
  
- Sail boating accounted for:
  - \$400 million worth of the sectors' gross output;
  - \$65 million worth of manufacturing; and,
  - 4,370 full-time equivalent jobs, with 336 in manufacturing.
  
- PWC's accounted for:
  - \$783 million worth of the sectors' gross output;
  - \$397 million worth of manufacturing; and,
  - 6,259 full-time equivalent jobs, with 1,920 in manufacturing.
  
- Human powered water craft accounted for:
  - \$92 million worth of the sectors' gross output;
  - \$31 million worth of manufacturing; and,
  - 983 full-time equivalent jobs, with 174 in manufacturing.

## Regional Highlights

Even excluding recreational fishing activities:

- In BC, recreational boating generated at least:
  - \$1.439 billion in gross output;
  - 14,995 full-time equivalent jobs, with 1,813 in manufacturing; and,
  - \$476 million in total labour force income;
  
- On the Prairies, recreational boating generated:
  - \$1.366 billion in gross output;
  - 11,882 full-time equivalent jobs with 800 in manufacturing; and,
  - \$349 million in total labour force income;
  
- In Ontario, recreational boating generated:
  - \$3.019 billion in gross output;
  - 31,288 full-time equivalent jobs, with 2,396 in manufacturing; and,
  - \$996 million in total labour force income;
  
- In Quebec, recreational boating generated:
  - \$2.169 billion in gross output;
  - 20,693 full-time equivalent jobs, with 3,560 in manufacturing; and,
  - \$633 million in total labour force income
  
- In the Atlantic provinces, recreational boating generated:
  - \$460 million in gross output;
  - 5,187 full-time equivalent jobs, with 686 in manufacturing; and,
  - \$141 million in total labour force income.

A ten percent increase in any one of these activities could lead to a roughly proportional increase in the economic impact, if that increase were spread across more frequent trips by established boaters as well as the attraction of a modest additional number of boaters to any of the recreational boating activities.