Brock University
Niagara Community Observatory

Working Paper
September 2023

Historical Trends in Niagara's Tourism Sector, 2001 to 2022

The United Nations' World Tourism Organization (UNWTO) defines tourism as "a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes. These people are called visitors (which may be either tourists or excursionists; residents or non-residents) and tourism has to do with their activities, some of which involve tourism expenditure." [1] Tourism in this regard, the agency notes, is not just limited to holiday activity, but more broadly, people travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure and not less than 24 hours for business and other purposes. It also involves both domestic (within the traveller's own country) and international.

The activities that constitute tourism are primarily a composite of cultural industries with facilities, services, and products geared towards visitors. These include establishments engaged in producing and distributing cultural products. The processes involved in their production and distribution "distinguish this sector from the goods-producing and services-producing sectors" such as manufacturing. "The value of these products lies in their information, educational, cultural or entertainment content, not in the format in which they are distributed."[2]

"Arts, entertainment and recreation" is part of tourism and is described by the North American Industry Classification System (NAICS) as including "establishments primarily engaged in operating facilities or providing services to meet the cultural, entertainment and recreational interests of their patrons. These establishments produce, promote or participate in live performances, events or exhibits intended for public viewing; provide the artistic, creative and technical skills necessary for the production of artistic products and live performances; preserve and exhibit objects and sites of historical, cultural or educational interest; and operate facilities or provide services that enable patrons to participate in sports or recreational activities or pursue amusement, hobbies and leisure-time interests."[2]

Finally, other vital activities related to tourism include "Accommodation and food services," and they are described by the NAICS as "establishments primarily engaged in providing short-term lodging and complementary services to travellers, vacationers and others, in facilities such as hotels, motor hotels, resorts, motels, casino hotels, bed and breakfast accommodations, housekeeping cottages and cabins, recreational vehicle parks and campgrounds, hunting and fishing camps, and various types of recreational and adventure camps. This sector also includes establishments primarily engaged in preparing meals, snacks and beverages, to customer orders, for immediate consumption on and off the premises."

In light of the above discussion, for this research, we define the tourism sector as a composite of the following industrial activities:

- Scenic and sightseeing transportation (land and water)
- Travel arrangement and reservation services
- Air transportation (scheduled and non-scheduled)
- Taxi and limousine service
- Charter bus industry
- Performing arts companies, spectator sports, promoters (presenters) of performing arts, sports and similar events
- Agents and managers for artists, athletes, entertainers and other public figures
- Independent artists, writers and performers
- Heritage institutions
- Amusement parks and arcades; gambling industries; other amusement and recreation industries
- Traveller accommodation
- Recreational vehicle (RV) parks and recreational camps
- Special food services
- Drinking places (alcoholic beverages)
- Full-service restaurants and limited-service eating places

[1] *United Nations' World Tourism Organization (UNWTO). "Glossary of Tourism Terms." https://www.unwto.org/glossary-tourism-terms*
[2] *Statistics Canada. 2022. North American Industry Classification System (NAICS) Canada 2022 Version 1.0. bit.ly/3s2lByH*

Charles Conteh, PhD | Director, NCO | cconteh@brocku.ca

This research is funded by the Wilson Foundation, a multi-year partnership with Brock University and facilitated by the Niagara Community Observatory to map Niagara's economic history and deepen the understanding of the region's economic and social development. Principal Investigator: Charles Conteh.

Research Method

For purposes of data analysis, we focus on a set of industries and occupations listed under the four-digit NAICS and National Occupation Classification (NOC) codes, respectively. The data was sourced from Lightcast's Labor Market Analytics and consists of two distinct sets of data that serve as prisms for analyzing trends in tourism, namely, jobs by industry and jobs by occupation. While the distribution of jobs by industry (represented in NAICS codes) gives us a good picture of current trends across Niagara's tourism sector, another lens through which we can view such trends is the distribution of jobs by occupation (represented in NOC codes).

The importance of this "occupation" lens is that it sheds light on the human and talent dimensions of the tourism sector, providing insights into the nature of skillsets or expertise in the sector. NOC codes can help track changes in the types of jobs required within a sector or industry that NAICS cannot. They supply a framework to understand the composition, skill requirements, labour market trends, and other characteristics of economic sectors. The NOC codes facilitate the identification of emerging job sectors and the decline of traditional occupations. This information in turn allows us to make inferences about the region's existing talent pool, its implications for innovation, adaptability and resilience of the tourism sector, and thus allows for effective policy responses. The data cover a 20-year period (2001 to 2022) and consist of absolute and percentage changes over time. This paper also includes the national location quotients for each of the industries. We included the location quotients because they indicate an area's level of specialization in each industry. Specifically in this case it allows us to compare a region's job concentration in its tourism sector relative to total jobs concentration in Ontario's tourism sector. An LQ of 1.5 or higher shows a high degree of specialization.

The data largely focuses on Niagara.[3] However, for comparative reasons, it also includes provincial and national figures and trends for the same period as well as data from a select number of Census Metropolitan Areas (CMAs) within Ontario that have sizeable tourism sectors. We chose midsized regions as comparators because in addition to their demographic characteristic as midsized CMAs, they have identified the sector in their economic development strategies as one of their lead economic drivers, they attract a considerable number of tourists, have natural endowments favorable to the industry, have built facilities to leverage the potentials of the sector, and have undertaken active promotional activities as part of their economic development strategies.

SECTION 1: CHANGES IN NIAGARA'S TOURISM SECTOR, RELATIVE TO ONTARIO AND CANADA

In this section, we examine changes in Niagara's tourism sector, comparing job trends in the region with those of the province of Ontario and Canada as a whole. The analysis covers both NAICS and NOC data, examining changes in jobs by industry (number of jobs overall) and occupation (types of jobs). The discussion begins with NAICS data on industry trends and then proceeds to the NOC data on changes in occupation.

Table 1 presents a broad summary of changes in tourism jobs between 2001 and 2022, comparing Niagara with provincial (Ontario) and national trends. As the table and graph show, Niagara has seen an overall increase of four per cent in sector jobs over the past two decades, even if below the provincial and national averages of 21 per cent.

Moreover, as Figure 1 shows, Niagara closely mirrors the trajectory of provincial and national trends, experiencing a steady increase in tourism jobs for much of the past two decades until the massive drop in 2020 (most likely, due to the global COVID-19 pandemic). By 2021, the sector had rebounded. That renewed steady growth is projected to continue over the next five years, all things being equal.

Table 1: Change in tourism jobs,[4] 2001–2022; Niagara, Ontario and Canada compared

Region	2022 Jobs	Change	% Change
Niagara	30,321	1,125	4%
Ontario	661,813	116,480	21%
Canada	1,776,128	306,432	21%

[3] It is important to note that for this study, we used the geographical area of the St. Catharines-Niagara CMA, which does not include Grimsby and West Lincoln. This was necessary to be able to compare the local tourism sector to other CMAs (the geographic unit of economic analysis) in Ontario.
[4] Based on NAICS codes

Figure 1: Industry job growth in tourism, 2001–2022; Niagara, Ontario and Canada compared

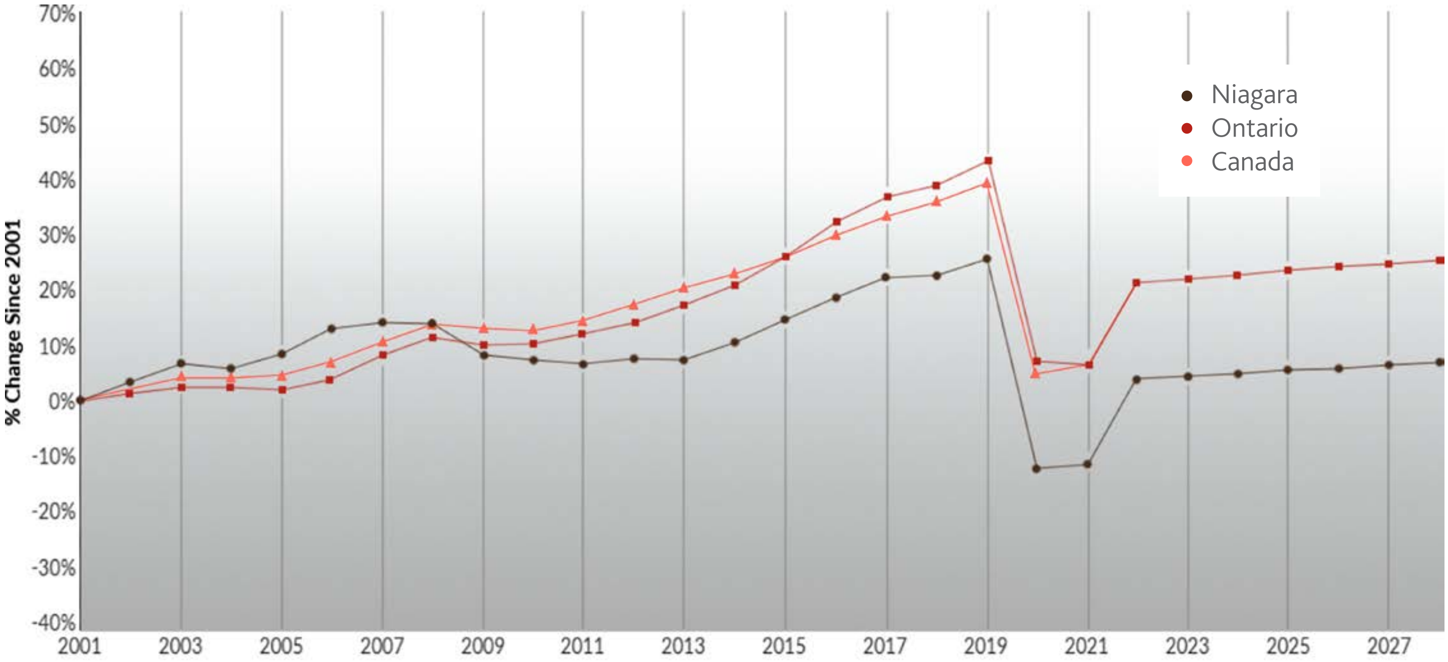


Table 2 shows percentage changes between 2001 and 2022 in tourism jobs. Industries such as "Amusement parks and arcades" saw a massive jump of 1,303 per cent, far outpacing the provincial and national rates of 60 per cent and 33 per cent, respectively. Other industries with relatively high rates of change over the past two decades are "Promoters (presenters) of performing arts, sports and similar events" (152 per cent), "Scenic and sightseeing transportation, water" (101 per cent), "Other amusement and recreation industries" (94 per cent), and "Heritage institutions" (94 per cent). In all these industries, Niagara's growth rate outpaced the provincial and national rates of change.

However, Niagara experienced declines in industries like "Spectator sports" (-94 per cent), "Charter bus industry" (-79 per cent), "Drinking places (alcoholic beverages)" (-77 per cent), "Gambling industries" (-61 per cent) and "Scenic and sightseeing transportation, land" (-39 per cent). The decline in "Scenic and sightseeing transportation, land" is set against of backdrop of provincial and national growth rates of 53 per cent and 24 per cent respectively.

Table 2: Tourism jobs by industry, percentage change 2001–2022; Niagara, Ontario and Canada compared

Industry	St. Catharines —Niagara	Ontario	Canada
Amusement parks and arcades	1,303%	60%	33%
Promoters (presenters) of performing arts, spots and similar events	152%	18%	37%
Scenic and sightseeing transportation, water	101%	15%	(40%)
Other amusement and recreation industries	94%	75%	53%
Heritage institutions	94%	58%	73%
Full-service restaurants and limited-service eating places	30%	39%	39%
Special food services	29%	7%	8%
Recreational vehicle (RV) parks recreational camps	(2%)	37%	23%
Performing arts companies	(9%)	15%	(8%)
Traveller accommodation	(12%)	(18%)	(17%)
Independent artists, writers and performers	(12%)	9%	41%
Taxi and limousine service	(13%)	40%	34%
Travel arrangement and reservation services	(30%)	(20%)	(24%)
Non-scheduled air transportation	(32%)	(10%)	(1%)
Scenic and sightseeing transportation, land	(39%)	53%	24%
Gambling industries	(61%)	(58%)	(12%)
Drinking places (alcoholic beverages)	(77%)	(53%)	(46%)
Charter bus industry	(79%)	(16%)	(22%)
Spectator sports	(94%)	(46%)	(33%)

Competitiveness (Location Quotient Scores)

Another lens through which we can understand the current state of tourism in Niagara is the location quotients (LQs) of jobs in the respective industries that make up the sector. As noted earlier, the LQ scores indicate an area's level of specialization in an industry, with a score above 1.5 indicating a significant degree of specialization compared to other regions.

As Table 3 indicates, over the past two decades, Niagara has seen increased competencies in several industries, including "Amusement parks and arcades" (from 0.36 to 4.60), "Heritage institutions" (from 2.24 to 3.02), "Performing arts companies" (from 1.81 to 2.13), "Scenic and sightseeing transportation, water" (from 3.14 to 12.62), "Travel arrangement and reservation services" (from 0.92 to 1.02) and "Traveller accommodation" (from 3.12 to 3.97).

However, over the same period, the region has a decline in "Charter bus industry" (from 4.30 to 1.39), "Gambling industries" (from 8.63 to 4.62), and "Scenic and sightseeing transportation, land" (from 26.06 to 15.49). The opposing trends between scenic and sightseeing transportation, land versus water (land-focused businesses on the downswing with water-focused businesses on the upswing) present an interesting case for closer inspection.

Furthermore, as both Table 4 and Figure 2 indicate, relative to other regions across Canada (at a base of 1), Niagara boasts a strong showing in several industries such as "Scenic and sightseeing transportation, land" (15.49), "Scenic and sightseeing transportation, water"(12.62), "Gambling industries" (4.62), "Amusement parks and arcades" (4.60), "Traveller accommodation" (3.97), "Heritage institutions" (3.02), "Performing arts companies" (2.13), "Other amusement and recreation industries" (1.68), "Full-service restaurants and limited-service eating places" (1.58), and "Recreational vehicle (RV) parks and recreational camps" (1.50). Moreover, as Table 4 further reveals, Niagara outpaces the provincial scores in all of its 10 most competitive industries in the tourism sector.

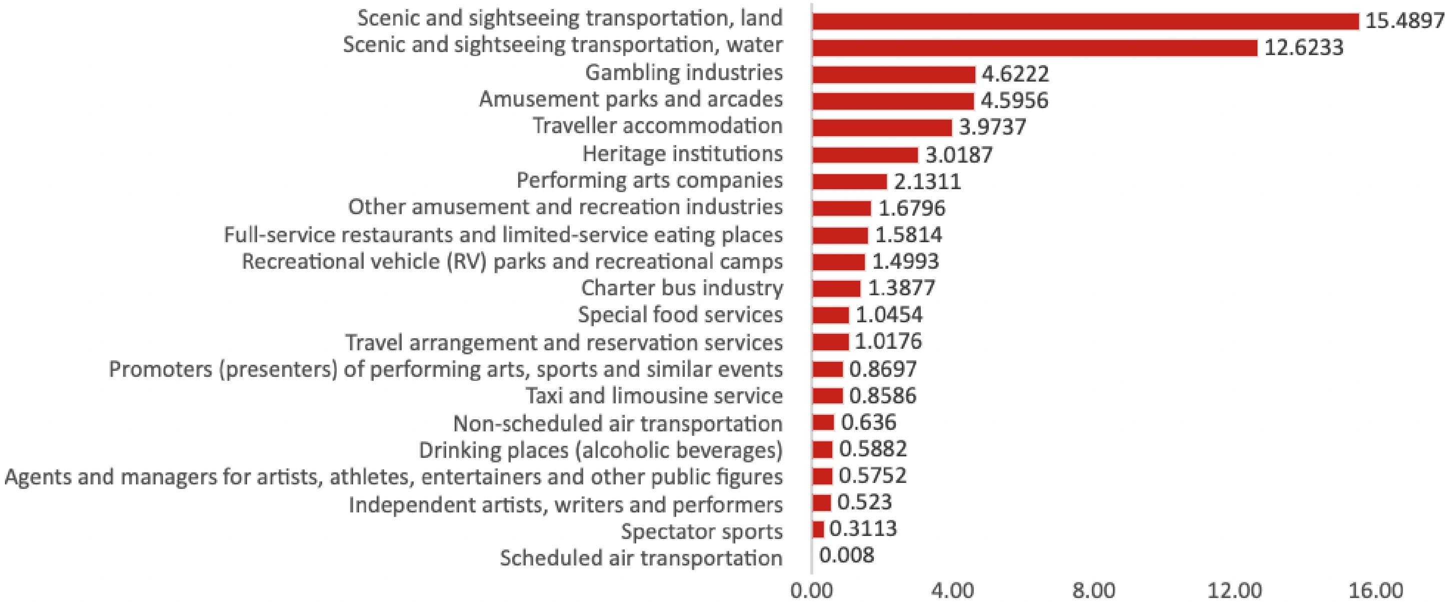
Table 3: Niagara's national location quotient for tourism jobs by industry, 2001 vs. 2022

Industry	2001	2022
Agents and managers for artists, athletes, entertainers and other public figures	0.00	0.58
Amusement parks and arcades	0.36	4.60
Charter bus industry	4.30	1.39
Drinking places (alcoholic beverages)	1.14	0.59
Full-service restaurants and limited-service eating places	1.40	1.58
Gambling industries	8.63	4.62
Heritage institutions	2.24	3.02
Independent artists, writers and performers	0.70	0.52
Non-scheduled air transportation	0.77	0.64
Other amusement and recreation industries	1.10	1.68
Performing arts companies	1.81	2.13
Promoters (presenters) of performing arts, sports and similar events	0.39	0.87
Recreational vehicle (RV) parks and recreational camps	1.56	1.50
Scenic and sightseeing transportation, land	26.06	15.49
Scenic and sightseeing transportation, water	3.14	12.62
Scheduled air transportation	0.05	0.01
Special food services	0.73	1.05
Spectator sports	2.71	0.31
Taxi and limousine service	1.09	0.86
Travel arrangement and reservation services	0.92	1.02
Traveller accommodation	3.12	3.97

Table 4: Niagara's national location quotient for tourism jobs by industry, 2022, compared with Ontario

Industry	Niagara	Ontario
Scenic and sightseeing transportation, land	15.49	1.52
Scenic and sightseeing transportation, water	12.62	1.15
Gambling industries	4.62	0.61
Amusement parks and arcades	4.60	1.32
Traveller accommodation	3.97	0.77
Heritage institutions	3.02	0.74
Performing arts companies	2.13	1.16
Other amusement and recreation industries	1.68	1.08
Full-service restaurants and limited-service eating places	1.58	0.98
Recreational vehicle (RV) parks and recreational camps	1.50	0.85
Charter bus industry	1.39	1.01
Special food services	1.05	1.09
Travel arrangement and reservation services	1.02	1.15
Promoters (presenters) of performing arts, sports and similar events	0.87	0.83
Taxi and limousine service	0.86	1.13
Non-scheduled air transportation	0.64	0.70
Drinking places (alcoholic beverages)	0.59	0.56
Agents and managers for artists, athletes, entertainers and other public figures	0.58	0.79
Independent artists, writers and performers	0.52	0.91
Spectator sports	0.31	1.14
Scheduled air transportation	0.01	0.80

Figure 2: Niagara's national location quotient for tourism jobs by industry, 2022 (sorted by highest to lowest)



Occupations in Tourism

As noted earlier in the introduction, while the distribution of jobs by industry gives us a good picture of current trends in Niagara's tourism sector, another lens through which we can view such trends is the distribution of jobs by occupation. The importance of this lens is that it shows us the *types* of jobs people hold in the sector, shedding light on the human and talent dimensions of the tourism sector, providing insights into the nature of skillsets or expertise required. This information in turn allows us to make inferences about the region's existing talent pool and its implications for innovation, adaptability and resilience.

When viewed through the lens of jobs by occupation, we see changes in Niagara's tourism sector through a slightly different lens. Table 5 shows the change in Niagara's top tourism occupations, comparing those in 2001 with those in 2022. The composition of the top performers looks largely unchanged. "Food counter attendants, kitchen helpers and related support occupations" has maintained its top position in the sector over the past two decades, increasing jobs from 3,918 in 2001 to 5,014 in 2022. "Food and beverage servers" at 3,267 jobs in 2001 still holds second place in 2022 but with fewer jobs at 2,414.

Table 5: Niagara's top tourism occupations by job numbers, 2001–2022

Top Occupations	2001
Food counter attendants, kitchen helpers and related support occupations	3,918
Food and beverage servers	3,267
Cooks	1,800
Restaurant and food service managers	1,584
Cashiers	1,373
Top Occupations	**2022**
Food counter attendants, kitchen helpers and related support occupations	5,014
Food and beverage servers	2,414
Cooks	2,256
Cashiers	1,629
Restaurant and food service managers	1,472

Table 6 compares the percentage changes in top occupations in tourism between 2001 and 2022. "Food counter attendants, kitchen helpers and related support occupations" has registered the largest increase at 28 per cent, closely followed by "Cooks" at 25 per cent. However, "Restaurant and food service managers" has seen a drop of seven per cent and "Food and beverage servers" has declined 26 per cent.

Table 6: Niagara's top tourism occupations, percentage change in jobs, 2001–2022

Top Occupations	Occupation change 2001–2022	Percentage change
Food counter attendants, kitchen helpers and related support occupations	1,096	28%
Cooks	456	25%
Cashiers	256	19%
Restaurant and food service managers	(112)	(7%)
Food and beverage servers	(853)	(26%)

SECTION 2: CHANGES IN TOURISM, NIAGARA & OTHER ONTARIO MIDSIZED REGIONS COMPARED

In this section, we examine changes in Niagara's tourism sector by comparing job trends in the region with those in a select number of midsized regions. As noted in the introduction, these regions were selected due their relative strength in the tourism sector as well as their demographic similarity to Niagara, a midsized region. For simplicity, the analysis focuses on NAICS data, examining changes in jobs by industry.

In Table 7, we see a summary of change in the tourism sector, comparing job trends in Niagara with those of other Ontario midsize regions. Niagara has witnessed an overall growth of four per cent, similar to Sudbury's but less than the growth rate in Hamilton (26 per cent) and London (27 per cent). Only Windsor experienced a decline (-24 per cent) over the same period.

Table 7: Change in tourism jobs, 2001–2022; Niagara and other Ontario regions compared

Region	2001 Jobs	2022 Jobs	Change	Percentage change
Niagara	29,196	30,321	1,125	4%
Hamilton	25,597	32,331	6,735	26%
London	19,992	25,394	5,402	27%
Windsor	20,276	15,356	(4,920)	(24%)
Greater Sudbury	6,898	7,202	304	4%

Figure 3 offers a visual portrait of job trends over the past two decades, with Niagara showing positive growth, though near the bottom of the pack slightly below Sudbury but better than Windsor.

Figure 3: Change in tourism jobs, 2001–2022; Niagara and other Ontario regions compared

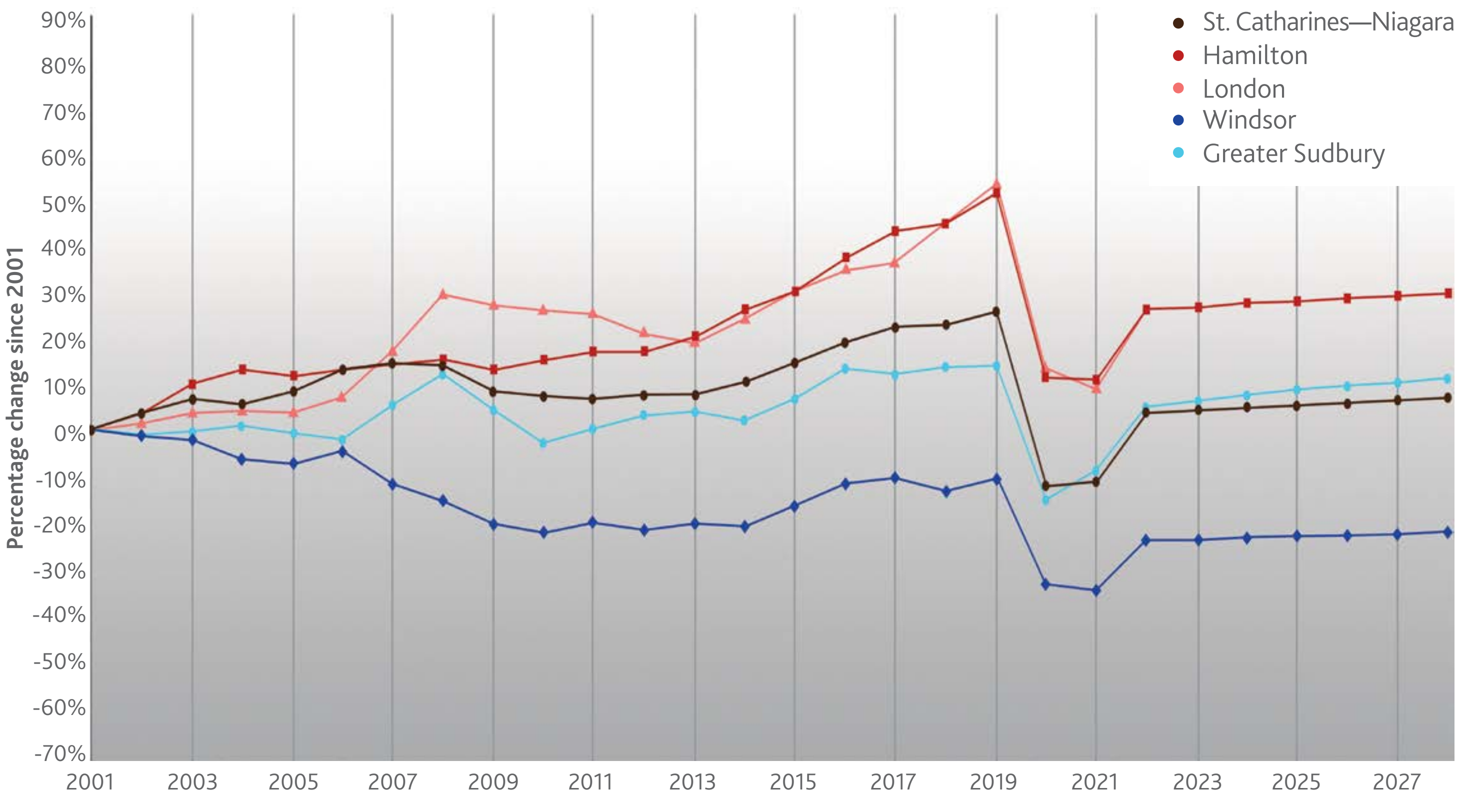


Table 8 provides a breakdown of percentage changes between 2001 and 2022 in tourism jobs, by industry, comparing Niagara with similar midsize regions in Ontario. Note that the graph plots comparison of growth rates, not absolute size of sector. While the overall picture reveals a broad pattern of decline in a relatively large number of tourism industries, a few industries point to significant and promising trajectories of change where Niagara seems to have outperformed its peers. These include industries such as "Amusement parks and arcades" (1303 per cent), "Promoters" (presenters) of performing arts, sports and similar events" (152 per cent), "Scenic and sightseeing transportation, water" (101 per cent), "Other amusement and recreation industries" (94 per cent), and "Heritage institutions" (94 per cent). While not leading the rate of change in industries like "Full-service restaurants and limited-service eating places" (30 per cent) and "Special food services" (29 per cent), Niagara nevertheless posts noteworthy and respectable growth trends in these two industries over the past two decades.

Table 8: Percentage change in tourism jobs by industry, 2001–2022; Niagara and other Ontario regions compared

Industry	Niagara	Hamilton	London	Windsor	Sudbury
Amusement parks and arcades	1303%	(1%)	69%	(38%)	NSD
Promoters (presenters) of performing arts, spots and similar events	152%	57%	55%	(15%)	NSD
Scenic and sightseeing transportation, water	101%	0%	0%	0%	0%
Other amusement and recreation industries	94%	74%	88%	69%	(24%)
Heritage institutions	94%	14%	24%	(52%)	71%
Full-service restaurants and limited-service eating places	30%	34%	30%	14%	17%
Special food services	29%	(10%)	9%	(49%)	36%
Recreational vehicle (RV) parks recreational camps	(2%)	232%	252%	NSD	(34%)
Performing arts companies	(9%)	(8%)	(15%)	118%	NSD
Traveller accommodation	(12%)	18%	52%	(61%)	(34%)
Independent artists, writers and performers	(12%)	58%	203%	27%	214%
Taxi and limousine service	(13%)	43%	60%	(51%)	(28%)
Travel arrangement and reservation services	(30%)	(33%)	(51%)	(57%)	93%
Non-scheduled air transportation	(32%)	47%	(100%)	(100%)	NSD
Scenic and sightseeing transportation, land	(39%)	0%	NSD	NSD	0%
Gambling industries	(61%)	(61%)	(67%)	(80%)	(52%)
Drinking places (alcoholic beverages)	(77%)	(58%)	(43%)	(79%)	0%
Charter bus industry	(79%)	NSD	(32%)	(3%)	0%
Scheduled air transportation	NSD	40%	(94%)	NSD	15%
Spectator sports	(94%)	(41%)	(67%)	(88%)	(87%)

*NSD=Not Sufficient Data

Competitiveness (Location Quotient Scores)

For an even clearer picture of how Niagara is faring in each of these tourism industries compared to other regions in Ontario, we juxtapose Niagara's LQ scores with the same midsize regions. Table 9 compares the tourism industry LQ scores of a few midsized regions. Relative to these other regions, Niagara reported high LQ scores in "Scenic and sightseeing transportation, land" (15.49) and "Scenic and sightseeing transportation, water" (12.62); and seems to have no clear competition in the province. This should come as no surprise given the region's globally recognized brand in these areas of tourism. Apart from these two top industries where Niagara has almost no competition, the region's competency and competitiveness is significantly greater in the following industries: "Gambling industries" (4.62), "Amusement parks and arcades" (4.60), "Traveller accommodation" (3.97), "Heritage institutions" (3.02), "Performing arts companies" (2.13), "Other amusement and recreation industries" (1.68), "Full-service restaurants and limited-service eating places" (1.58), "Recreational vehicle (RV) parks and recreational camps" (1.50), and "Charter bus industry (1.39)".

Table 9: Tourism national location quotient by industry, 2022; Niagara and other Ontario regions compared

Industry	Niagara	Hamilton	London	Windsor	Sudbury
Scenic and sightseeing transportation, land	15.49	0.00	0.00	0.00	0.00
Scenic and sightseeing transportation, water	12.62	0.00	0.54	0.68	0.00
Gambling industries	4.62	0.25	0.32	3.13	1.01
Amusement parks and arcades	4.60	0.26	0.59	0.55	0.66
Travel accommodation	3.97	0.38	0.76	0.58	0.56
Heritage institutions	3.02	0.86	0.37	0.17	1.89
Performing arts companies	2.13	0.96	0.65	1.06	0.87
Other amusement and recreation industries	1.68	1.05	1.42	1.11	0.57
Full-service restaurants and limited-service eating places	1.58	1.07	1.11	1.25	1.04
Recreational vehicle (RV) parks and recreational camps	1.50	0.51	0.56	0.02	0.37
Charter bus industry	1.39	0.13	1.13	1.04	0.00
Special food services	1.05	0.95	1.17	0.74	0.92
Travel arrangement and reservation services	1.02	0.90	0.61	0.74	1.03
Promoters (presenters) of performing arts, sports and similar events	0.87	0.54	1.14	0.30	0.10
Taxi and limousine service	0.86	0.77	1.18	0.73	0.65
Non-scheduled air transportation	0.64	1.26	0.00	0.00	0.03
Drinking places (alcoholic beverages)	0.59	0.48	0.85	0.73	0.89
Agents and managers for artists, athletes, entertainers and other public figures	0.58	0.02	0.63	0.00	0.00
Independent artists, writers and performers	0.52	0.82	0.83	0.31	0.45
Spectator sports	0.31	1.18	0.55	0.57	0.42
Scheduled air transportation	0.01	0.22	0.04	0.02	0.10

Wages

Another lens for determining the vitality of Niagara's tourism sector is comparing the wage distribution of the sector to those of similar regions. As indicated in Figure 4, Niagara reported the highest median income of $26,072.

Niagara's performance is a positive reflection on the region's demonstrated competencies and competitiveness in the tourism sector. By all indication, the tourism sector remains a critical component of the region's smart specialization strategy not only provincially or nationally but globally.

Figure 4: Tourism median annual income; Niagara and other Ontario regions compared