Edmonton's Late Night Entertainment Economy

Economic Impact Assessment

Office of the Chief Economist
Responsible Hospitality
2016

Edmonton

Responsible Hospitality Edmonton

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1.0 Executive Summary

Edmonton's late night entertainment economy continues to be vibrant and thriving. It contributes to the social and cultural fabric of the city, and improves the city's viability and appeal for both local residents as well as tourists. This sector creates thousands of jobs and generates millions of dollars in economic output per annum.The late night entertainment economy is diverse, and constitutes any of the following types of establishments: eating and drinking establishments, bars, lounges, nightclubs, casinos, music venues and after-hours clubs.

Through Responsible Hospitality Edmonton, the City continues to take a leadership role in supporting the economic development of this growing industry. Initiatives like this economic impact assessment, receiving the international Purple Flag accreditation, along with late night transit, demonstrate the City's commitment in late night economy policy and program development.

In 2012, the City of Edmonton conducted the first late night economic impact study; the key findings are summarized in Table 1. Using 2010 data, the total economic output generated from this sector was $686,511,073, while the gross domestic product (GDP) generated from the late night economy was estimated to be $310,008,796. The late night entertainment economy also contributed 5,807 full-time equivalent jobs in 2010.

In 2016, the Office of the Chief Economist and Responsible Hospitality Edmonton updated the late night economic impact study using 2014 data. The key findings of the economic impact study of Edmonton's late night entertainment economy are summarized in Table 1. **Over the course of four years, Edmonton's late night economy has continued to contribute to Edmonton's economy and the number of individuals employed has grown.**

Table 1: Summary of Economic Impacts

Category	Total Economic Impact		
	2010	2014*	2014
Total Economic Output	$686,511,073	$1,334,474,085	$1,431,112,160
Gross Domestic Product (GDP)	$310,008,796	$672,467,947	$672,907,042
No. of Full-Time Equivalent Jobs	5,807	11,719	11,719
*2014 values are in 2010 dollars			

2.0 Introduction

Edmonton continues to have a vibrant nightlife and thriving late night entertainment economy. The nightlife economy contributes to Edmonton's social and cultural fabric, improving the city's viability and appeal for both local residents as well as tourists. This sector also creates thousands of jobs and generates millions of dollars in economic output.
Edmonton continues to be an international leader in recognizing the late night economy as a valuable sector that needs to be properly planned, managed and policed.

The 2012 late night economic study increased awareness and importance of the late night economy. It provided key data and insights to City Administration and City Council, leading the way to evidence-based decision-making. The study also built confidence within the industry and spurred a commitment to work together to improve the reputation and safety of the late night economy.

Since the release of the report in 2012, several advancements have been made to increase municipal support and safety of the late night economy. A late night transit bus route was piloted; in the fall of 2015, Edmonton Transit added five routes running seven days/week with service until 3 a.m. to its regular service. A Hospitality Industry Association was formed, led by owners and managers committed to high operating standards. Edmonton Police Service added a Hospitality Policing Unit and additional Beat Teams downtown.

These are examples where the 2012 Economic Impact Assessment report certainly acted as a catalyst. However, there is still work to be done. It is still difficult to assess what level of services should be provided in areas with a concentration of late night seats. Responsible Hospitality is examining how to better plan for late night areas at an early stage. How do we plan for and provide city services to areas of night-time vibrancy? What is the mix that provides vibrancy and limits chaos?

By conducting an economic analysis, we can better understand the economic significance of this sector. This report provides the key findings of an economic impact assessment of Edmonton's late night entertainment economy. It is intended to spur thought and discussion on the economic role this sector plays within the city. Furthermore, this report can be used as a foundation for the ongoing growth, development, and improvement of Edmonton's late night entertainment economy.

2.1 What is the late night Entertainment Economy?

The term "night-time economy" became prominent in the early 1990s to describe the large growth in economic activity at night across the UK.[1] While definitions of the term vary according to context, it has been described as: "the pursuit of nighttime leisure or work activities outside the home and the hosting of leisure events in the home."[2]

In this report, we focus on only the aspects of nighttime economy that relate to the late night entertainment economy. **For purposes of this study, we define a late night entertainment establishment as one that holds a business licence for "Alcohol Sales; Consumption on Premises; Minors Prohibited."**
This excludes most restaurants, which would have a license for "Alcohol Sales; Consumption on Premises,Minors Allowed." This is a change from the 2012 study. Earlier business license categories were: eating and drinking establishments, bars, lounges, nightclubs, casinos, music venues and after-hours clubs. As such, the criteria for the 2012 study was from all categories open for service after midnight at least one night of the week.

2.2 Why Focus on the late night Entertainment Economy?

Both day and night-time economies are important to the life of Edmonton. However, the issues and challenges facing each are significantly different from one another. In particular, the late night entertainment economy, which operates in the late hours of the night, poses unique issues with respect to the management, planning, and municipal services it requires.

Areas of the city that host the late night entertainment economy experience large volumes of nighttime visitors, and undergo significant changes at night. These

[1] Roberts, Marion. 2006. "From 'creative city' to 'no-go areas' – The expansion of the nighttime economy in British town and city centres." *Cities* 23(5): 331-38.

[2] Hadfield, Phil. (ed.) 2009. *Nightlife and Crime: Social Order and Governance in International Perspective*. Oxford University Press: UK.

changes affect public spaces and how they are used.[3] The demographics and diversity of people visiting certain neighbourhoods -- as well their motives for visiting -- also change at night.[4] Economic diversity, public transportation options, as well as the availability of other services are markedly different from day to night.[5] Furthermore, areas of the city that host nightlife businesses can also experience anti-social behaviour due to high levels of intoxication.[6] In many respects, Edmonton is a different city at night than in the day.

Edmonton's late night entertainment economy has experienced substantial growth; however, much of the necessary infrastructure, municipal services and planning have not kept abreast. This may result in public safety concerns, as well as reductions in quality of life. As the economy and population of Edmonton continue to grow, we can assume the late night entertainment economy will also continue to grow. Part of this growth will be attributed to the new Rogers Place Arena in downtown and expansion of Norquest College and MacEwan University. These developments will attract more late night entertainment venues and activity within downtown Edmonton.

Furthermore, many tourists and residents view vibrant nightlife economies as characteristics of an enjoyable and livable city. By fostering a healthy and vibrant late night entertainment economy, the City has the potential to realize its aspirations and become a global city.

2.3 Economic Impact Assessment

This economic impact assessment was undertaken by the City of Edmonton's Office of the Chief Economist, under the direction and initiative of Responsible Hospitality Edmonton (RHE), with support from Banister Research and Consulting Inc (Banister). This form of assessment calculates the economy-wide impacts created from the late night entertainment sector. This assessment uses Statistics Canada's Industry Accounts Division's input-output (I-O) multipliers as the basis for the analysis.

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[3] City of Sydney. 2011. *Open Sydney – Future directions for Sydney at night*. A discussion paper by the City of Sydney to help develop a policy to guide Sydney's night-time economy over the next 20 years.

[4] *Ibid*.

[5] *Ibid*.

[6] *Ibid*.

2.4 Survey Data

The survey approach collects primary information from licensed venues. In consultation with RHE, Banister implemented a web survey on November 2015, which was a voluntary survey of businesses operating within the late night entertainment industry. Banister followed up on the web survey with a telephone survey between January and February 2016.

A total of 25 late night entertainment establishments participated in the survey. The information collected includes employment data, patron attendance, and operational and financial values from their 2014 tax assessment. This survey data was used to estimate the direct expenditure stimulus from patrons of late night entertainment establishments.

3.0 Industry Overview

Late night entertainment establishments represent a significant proportion of all licensed establishments within the city. In 2014, a total of 1,104 licensed establishments were in operation, a 9% increase from 2010 (Table 2). There were a total of 295,485 licensed seats in Edmonton in 2014, a 12% increase in total licensed seats from 2010 (Table 2). Of the total establishments in Edmonton in 2014, 30% were late night entertainment establishments - up from 23% in 2010. While 38% of total licensed seats in Edmonton were late night licenses in 2014 – up from 27% in 2010. In 2010, 23% of the seats were late night seats. In 2014, this has grown to 38% of the seats.

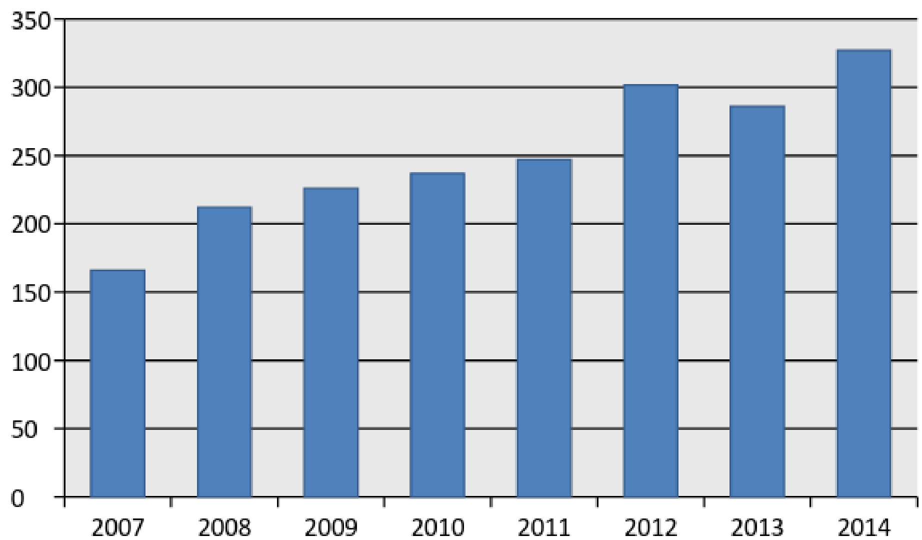
Table 2: late night Entertainment Establishments and All Licensed Establishments in Edmonton

Establishment Type	2010	2014	% change
Total Establishments	1,011	1,104	9%
Late night Establishments	235	327	39%
Total Licensed Seats	263,439	295,485	12%
late night Licensed Seats	69,865	112,854	62%

In 2014, Edmonton boasted a total of **327 late night entertainment establishments**, with a total **licensed seating capacity of 112,854** (Table 2). Some entertainment establishments do not fall within clearly defined categories, as they often transcend numerous service types. For example, a business may provide food and drink in a bar/lounge environment, but also have an adjoining nightclub section.

Over the course of seven years, the number of late night establishments has grown steadily with a slight decrease in 2013 (Figure 1). The number of late night establishments nearly doubled in 2014 from 2007.

Figure 1: Number of late night Entertainment Establishments, 2007–2014



Similarly, the number of licensed seats in the late night economy nearly doubled from 2007 to 2014 (Figure 2)

Figure 2: Number of Licensed Seats in late night Entertainment Establishments, 2007–2014

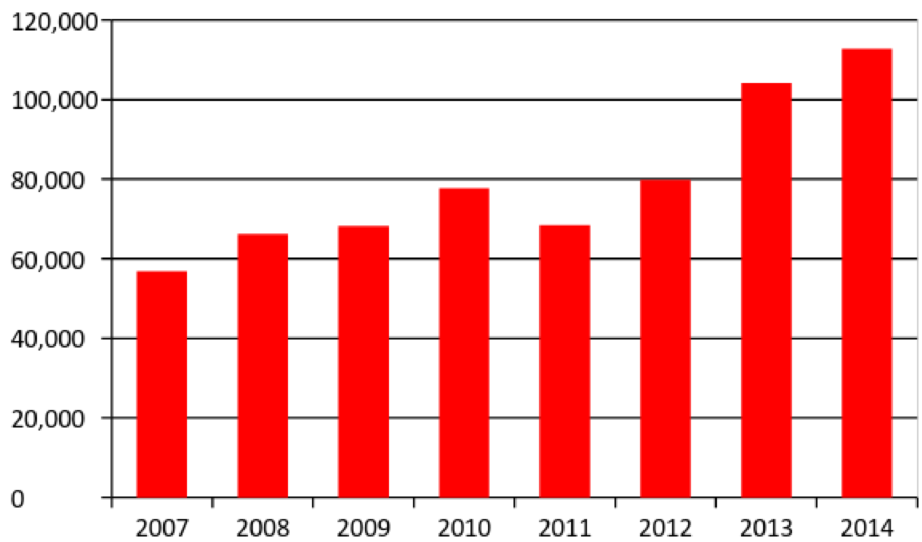


Figure 3 provides a map of all licensed establishments within Edmonton. Licensed establishments in Edmonton are scattered throughout the city and vary by occupancy count. Licenced establishments in Edmonton are highly concentrated in the central region of Edmonton.

Figure 4 provides a map of all minor-prohibited establishments in Edmonton. As the figure indicates, late night entertainment establishments are clustered in larger numbers within certain city regions. The downtown core, Oliver, Gateway Boulevard/Calgary Trail, Jasper Avenue, Whyte Avenue, Stony Plain Road, and West Edmonton Mall contain high concentrations of late night entertainment establishments within close proximity to one another.

Figure 3: Map of Edmonton's Licenced Establishments

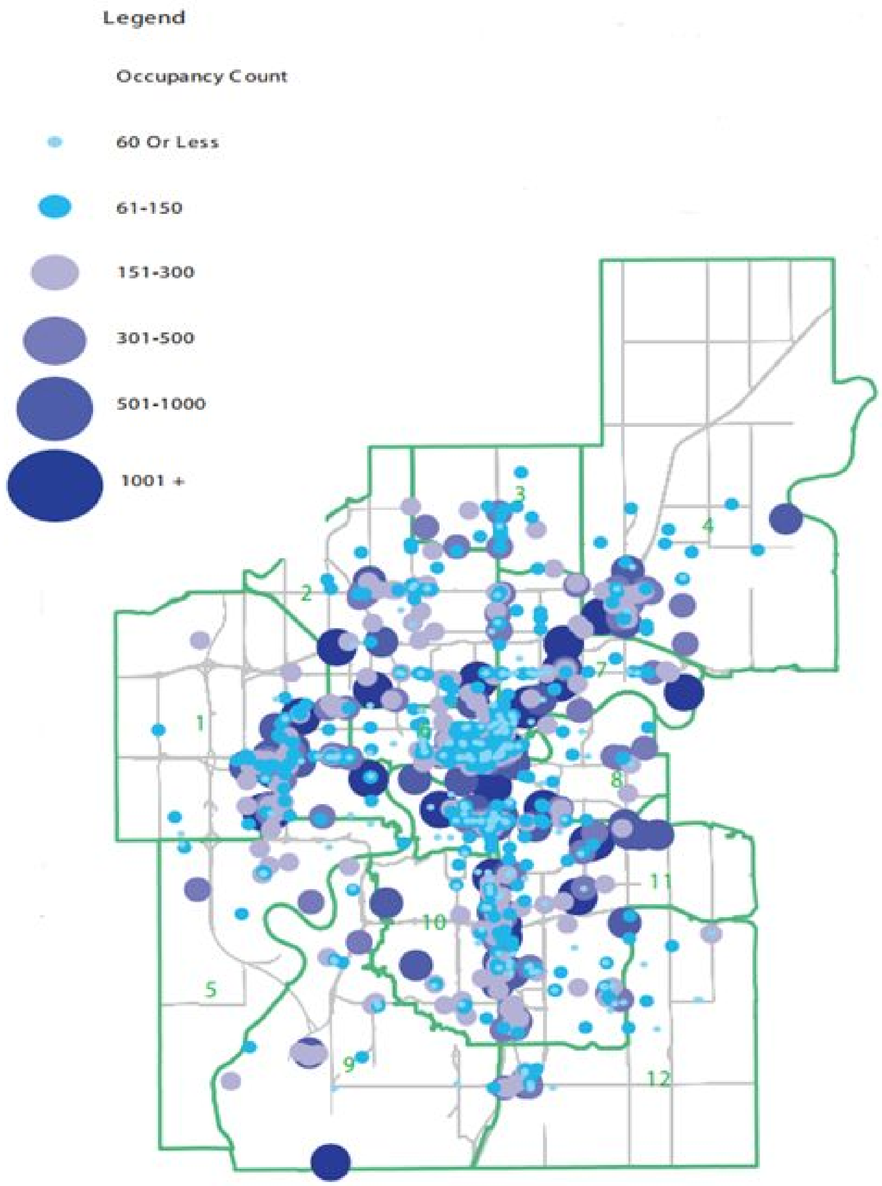
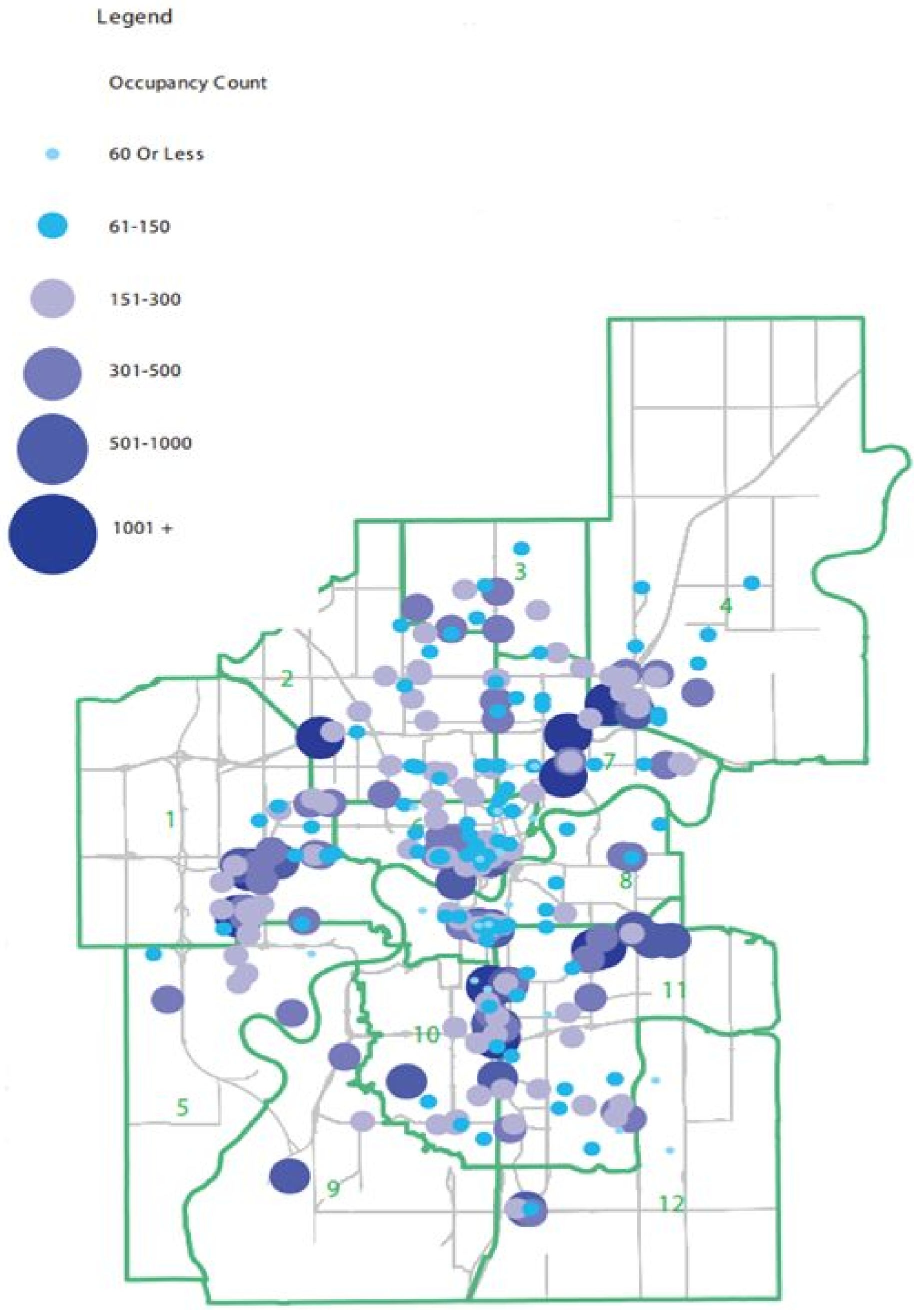


Figure 4: Map of Edmonton's Licenced minor-prohibited late night Establishments

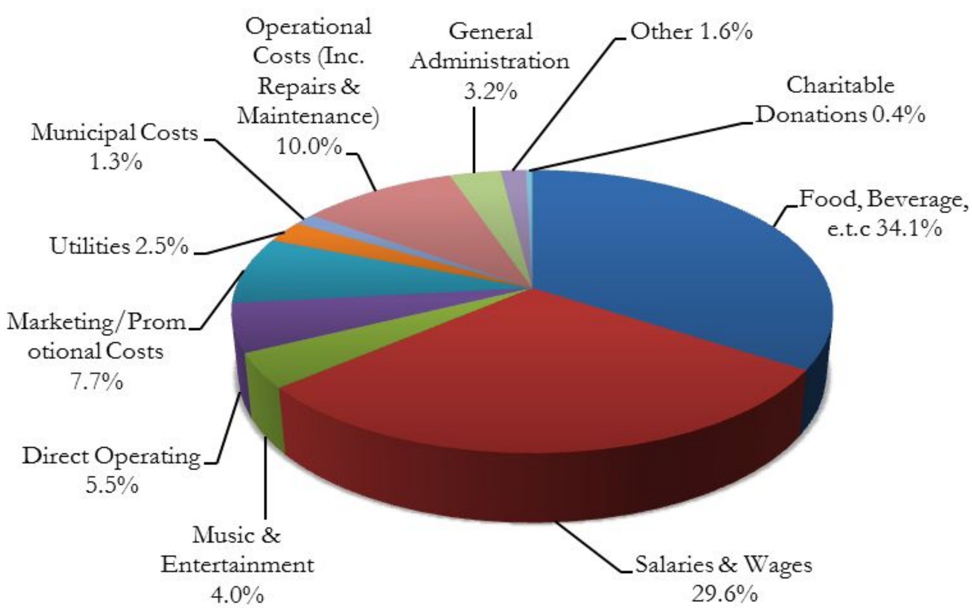


3.1 Expenditure Linkages with Other Industry Sectors

The sales and purchases that connect industries to one another are referred to as linkages. late night entertainment establishments must spend money on necessary inputs to ensure their business is viable; for example, renovations, construction, furnishings, food, staff, legal fees and consultant fees.

Figure 5 provides a glimpse into the average annual expenditure breakdown of late night entertainment firms. As is shown, these firms spend money in numerous areas of the economy. Over half of all expenditures attribute to: 1) food and beverages, and 2) salaries and wages. In the case of wages and salaries paid to employees: these become household income. They are spent by earners in various ways, including housing, clothing and food. In addition, significant expenditures are made on marketing, promotion, music and entertainment, administration, and occupancy costs (including repairs and maintenance).

Figure 5: Breakdown of late night Entertainment Sector's Annual Expenditures



3.2 Employment in the late night Entertainment Economy

The late night entertainment economy provides diverse opportunities within Edmonton's labour market. For example, the nightlife economy creates a large number of entry-level jobs for young individuals, gaining them access to the workforce. It offers employment for students and many individuals who do not seek full-time work.

The survey of late night entertainment businesses revealed that, on average, 31% of all employees in this sector were employed on a full-time basis in 2014. This is up from the 28% reported in 2010. As the number of full-time workers has increased, the number of part-time workers has decreased from 72% in 2010 to 69% in 2014. Female employees make the majority of part-time employees, comprising 57% of all part-time positions in 2014.

In 2014, students made up 36% of part-time employees in the late night entertainment economy, down from 60% in 2010. In addition, 41% of all part-time employees hold a second job in addition to their nightlife economy job, up from 32% in 2010. This job could either be a secondary job, or a primary job—in which case the part-time nightlife job is the secondary job.

3.3 Patron Profile

The total number of customers who patronized late night establishments was an estimated 2.5 million in 2014 down from 3.5 million customers in 2010. On average, males frequented late night establishments more than women. late night establishments cited a 58% male clientele, but only a 42% female clientele in 2014. This is gender split is similar to what was reported in 2010 where late night establishments cited a 55% male clientele and a 45% female clientele.

In 2014, approximately 75% of late night entertainment clientele were under the age of 25 or between the age of 25 and 40, while the remaining 25% of clientele were over the age of 40. In 2010, about 80% of late night entertainment clientele were under the age of 25 or between the age of 25 and 40, with the remaining 20% over the age of 40.

Additionally, 74% of all customers lived locally, while the other 26% were either regional or international customers in 2014. In 2010, 77% of all customers lived locally while 23% were either regional or international customers.

4.0 Methodology

4.1 Estimating Total Annual Expenditures by Patrons of late night Establishments

The method of economic impact assessment employed in this report is entirely demand driven. Therefore, to calculate the total economic impact of the late night entertainment industry, an estimate of total expenditures made by all patrons of this industry over the course of one year is needed. The economic impact assessment approach treats end users, or patrons, of the late night entertainment establishments as the catalysts for economic activity. Without their expenditures in this sector, the sector does not operate.

Because of lack of data on the exact quantity of money spent by patrons at all of Edmonton's late night entertainment establishments (imperfect information), an estimate of this value had to be derived. This was done by calculating the average annual revenue per licensed seat from survey respondents' food, beverage, tobacco and coat check service sales. This estimated annual revenue per-licensed-seat was then multiplied by the total number of licensed seats (112,854; Table 3) across all of Edmonton's late night entertainment venues.

In this report we treat the revenue of late night entertainment businesses as equivalent to the expenditures of late night entertainment patrons.[7] This assumption is not unreasonable, as the two values will be very close in reality. For example, a customer's expenditures at a late night venue become that business's revenue, and the expenditures of all customers over a year become that business's annual revenue. The estimated total expenditures made by patrons of the late night entertainment industry over the 2014 year are **$882,473,138**.

[7] This assumes that late- night entertainment establishments are only gaining revenue from customer expenditures, and by no other means (e.g. investment income).

Table 3: Total Annual Customer Expenditures in the late night Entertainment Sector in 2014

Estimated Expenditures per Seat per Year	Total Number of Licensed Seats in Edmonton	Total Estimated Annual Customer Expenditures
$7,819	112,854	$882,473,138

The estimate of total annual expenditures in the late night entertainment sector does not account for entertainment businesses that have a Alcohol Sales, Consumption on Premises Minors prohibited license. Therefore, the estimate can be interpreted as a lower bound, wherein the actual level of expenditures may be considerably higher when taking into account businesses that close prior to midnight.

4.2 Impact Analysis

The economic impact analysis is conducted using Statistics Canada's 2010 input-output (I-O) multipliers for Alberta. These multipliers are tabulated by Statistics Canada through the creation of I-O models. I-O models are essentially mathematical depictions of the economy that account for the complex interrelationships between industry sectors, and between industry sectors and end-consumers.

When one industry sector is shocked in the I-O model, it takes into account how all other industries are affected, and how the total economy is impacted. For example, if a government decided to purchase a fleet of new vehicles with a cost of $1 million, there would be a demand stimulus to the automobile manufacturing industry of $1 million. However, the story does not end there. This demand stimulus would elicit a long chain of expenditures throughout the economy: the automobile manufacturing industry would have to purchase raw inputs such as steel, plastics, and vinyl from other intermediate industries in order to produce the vehicles; steel, plastics, and vinyl manufacturing industries will need to further purchase their own requisite input mix in order to produce their product — for example, plastic and vinyl manufacturers will need to purchase petrochemicals. Even further down the chain, petroleum refiners will need to purchase heavy machinery and distillation equipment in order to yield the petrochemicals required by the plastic and vinyl manufacturers. This succession of expenditures continues indefinitely.

The above example illustrates how a 1$ million stimulus to the economy generates a total economic impact that is greater than $1 million. The $1 million expenditure from government represents the *direct impact*. The subsequent expenditures made by intermediate industries, for example the purchase of raw steel by the automobile manufacturer, constitute the *indirect impact*. The *total economic impact* is the sum of *direct* and *indirect impact*.

In addition to measuring the output effects on the economy, the impact analysis also estimates various income and employment effects: 1) total gross domestic product (GDP); 2) returns to capital; 3) wages and salaries; and 4) the number of full-time-equivalent jobs created. The I-O tables generated by Statistics Canada are lagged by 28 months from the reference year, hence, 2010 is the most recent available data.[8]

4.3 Regionalizing Multipliers

Statistics Canada's I-O accounts yield a valuable source of data at both the national and provincial/territorial levels. Unfortunately, this data is not tabulated at the municipal or sub-provincial level. In order to tailor the data for municipal use, multipliers must be scaled either up or down to more accurately reflect the economic relationships of the reference region. The method used for rescaling involves multiplying impact multipliers with employment location quotients

$$LQ = \frac{e_i / e}{E_i / E} \quad [1]$$

where

$$\begin{aligned} e_i &= \text{local employment in industry } i \\ e &= \text{total local employment} \\ E_i &= \text{provincial employment in industry } i \\ E &= \text{total provincial employment} \end{aligned} \quad [2]$$

[8] Lal, Kishori. 2001. *Evolution of the Canadian Input-Output Tables: 1961 to date*. System of National Accounts Branch. Statistics Canada. Catalogue no. 13F0031MIE2001009.

By regionalizing the impact multipliers, they are more accurately representative of Edmonton, as opposed to the broad economic region of the entire province. Statistics Canada's Labour Force Survey estimates were used to calculate location quotients. Employment data for the industry sector *Accommodation and Food Services* were used at both the Edmonton census metropolitan area level and the Alberta level.[9]

5.0 Economic Impacts

5.1 Total Economic Impacts

The *direct* economic impact to the late night entertainment industry in 2014 was $882,473,138 (Table 3). This is the amount of money spent by all patrons across all late night entertainment establishments over that year. In effect, these are the monies that flowed directly into Edmonton's late night entertainment sector over the 2014 year. Moreover, as discussed in section 4.2, these patron expenditures produce an *indirect* economic effect, giving rise to further expenditures by the late night entertainment sector. These monies trickle through the entire economy, generating multiple rounds of sales and purchases by numerous industries within the local economy.

The *total* economic output impacts are the sum of *direct* and *indirect* economic impacts. Table 4 outlines the *total* economic impacts over the 2014 year from the $882,473,138 spending stimulus to the late night entertainment sector. This *total* impact of $1.3 billion is the value of output created across all sectors of the local economy in 2014, from a $882,473,138 stimulus to the late night entertainment sector.

Table 4: Output Impacts[10]

Category	Total Economic Impacts
Economic Output	$1,334,474,085

Table 5 lists the income and employment effects experienced within Edmonton from a $882,473,138 stimulus to the late night entertainment sector. In 2014, this

[9] A detailed breakdown of the sector *Accommodation and Food Services* – North American Industry Classification Sector (NAICS) 72 – into its constituent sub-sectors, industry groups, and industries is presented in Appendix 1.

[10] For a full definition of total output, see Appendix 2.

stimulus created over $627 million in GDP, over $159 million in returns to capital, over $406 million in wages and salaries, and over 11,700 full-time equivalent jobs. In 2014, the late night economy contributed 0.70% into the Edmonton economy, up from 0.68% in 2010. In 2014, wages and salaries from the late night economy comprised of 0.98% of total wage and salaries in the Edmonton economy, up from 0.77% in 2010. In addition, 1.88% of total full-time equivalent jobs in Edmonton came from the late night economy, up from 1.46%.

It should be noted that full-time equivalent jobs do not necessarily imply that all the jobs are full-time. Rather, they can be either full- or part-time. Full-time equivalent jobs is defined as total hours worked, divided by the average annual hours worked in a full-time job.

Table 5: Income and Employment Impacts[11]

Category	Total Economic Impact	% of Edmonton's Economy
Gross Domestic Product (GDP)[12]	$627,467,947	0.70%
Returns to Capital	$159,076,381	N/A
Wages & Salaries	$406,528,529	0.98%
No. of Full-Time Equivalent Jobs	11,719	1.88%
Note: total economic impact figures are in 2010 dollars		

On their own, these numbers are large, and somewhat difficult to interpret. By comparing and contrasting them with the economic impacts generated by other industry sectors and events, we can form a better understanding of what these numbers mean. A study conducted in 2006 of the four Edmonton Airports—the Edmonton International, Edmonton City Centre, Villeneuve, and Cooking Lake—estimated their *total* annual economic impact (*direct* plus *indirect* effect) to be $1,383 million in output, $570 million in GDP, and 8,613 full-time equivalent jobs.[13] Comparing these figures with the late night entertainment economy, which in 2014 generated over $1.3 billion in output, over $627 million in GDP, and over 11,700 full-time equivalent jobs, we can see the late night entertainment economy is just as large as Edmonton Airports, on an economic output basis.

[11] For a full definition of the income and employment categories, see Appendix 2.

[12] This represents GDP at basic price, which is defined by the Organization for Economic Co-operation and Development (OECD) as: the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any tax payable, and plus any subsidy receivable, on that unit as a consequence of its production or sale; it excludes any transport charges invoiced separately by the producer.

[13] InterVISTAS Consulting Inc. 2006. *Edmonton Airports Economic Impact Study: Summary Report*.

Edmonton's Capital Ex is a large fair held each year in Edmonton, Alberta, that generates $20 million in economic output, $11 million in GDP, and 243 full-time equivalent jobs.[14] The Calgary Stampede is another large festival held each year in Calgary, Alberta, that generates $172 million in economic output, 83 million in GDP, and creates over 1,580 full-time equivalent jobs.[15] On an economic output basis, Edmonton's late night entertainment economy is over 67 times as large as Capital Ex, and approximately eight times as large as the Calgary Stampede.

5.2 Ancillary Impacts

The event of "going out for the night" often involves more than simply attending an entertainment venue, followed by a departure for home. It is common to partake in additional activities before or after attending late night entertainment establishments. For example, shopping for "going-out" attire, spending money on personal care and accessories, dining out, attending shows and theatre, and using taxi services are all common expenditure practices associated with a night out. The impacts that result from these expenditures are referred to as ancillary economic impacts.

These ancillary economic activities are induced by late night entertainment establishments; without the existence of an attractive late night entertainment sector, these activities would not occur. Hence, in addition to the direct and indirect economic impacts generated by the late night entertainment sector, ancillary economic impacts also take place.

In 2013 RHE conducted a survey to determine ancillary expenditures. The survey asked 1,145 individuals to estimate how much money on average they spend on clothing and accessories, personal care, transportation, food and restaurants, and other entertainment. Approximately 72% of the individuals were between the age of 18 and 30 years of age. Additionally, 57% of the individuals were male. The results of the survey indicated that, on average, individuals spent about $318.72 per month on ancillary expenditures, with most of the money going towards other entertainment, and clothing and accessories (Figure 6).

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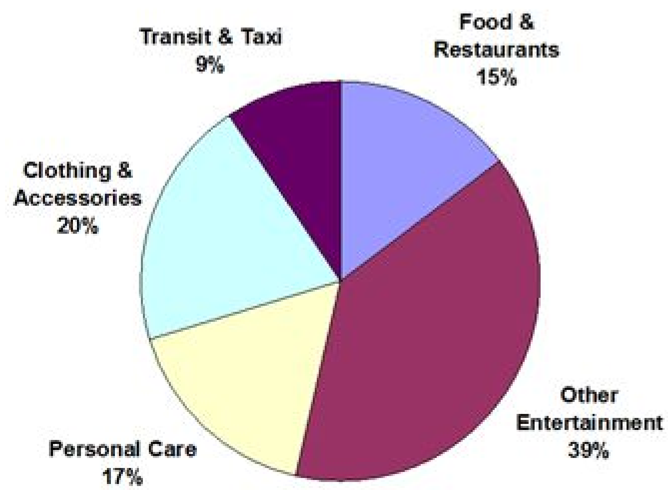
[14] Enigma Research Corporation. 2008. *Large Fair Benefits Study: The Economic, Social, and Educational Benefits of Large Fairs.*

[15] *Ibid.*

Figure 6: Average Monthly Ancillary Expenditures



In 2013, the Jasper and Whyte Avenue late night entertainment cluster indicated approximately 85,000 individual visits per month. late night economic activity in these two clusters was associated with ancillary spending of approximately $27 million per month in 2013.

5.3 Non-Market Benefits

In addition to direct, indirect, and ancillary economic impacts, there are many benefits to the City of Edmonton for sustaining an attractive late night entertainment sector. These benefits are not easily captured by traditional economic metrics, and are referred to as non-market benefits.

A large number of people view the appeal of a city by its ability to support a high quality of life. A city with a diverse array of entertainment options can boost the quality of life for many different demographic groups. A thriving nightlife is not the *only* requirement for a great city, but it does contribute to a city's overall viability and greatness. By supporting these types of sectors, a city can make it itself more attractive to tourists, migrant labourers, highly-skilled professionals, the creative class[16], students, and so forth.

[16] For a discussion on the creative class, see: Florida, Richard L. *The Rise of the Creative Class: And How It's Transforming Work, Leisure, Community and Everyday Life*. New York, NY: Basic Books, 2002. Print.

In past years, a key constraint to the economic development of Edmonton was the extent to which it could address a tight labour market. A fast growing economy, coupled with a considerably low unemployment rate put the City of Edmonton in a position where population growth and in-migration could not keep up with the rate of economic growth. As such, employers were often straining to acquire the level of skilled human resources they needed to conduct their businesses efficiently. Fostering an attractive late night entertainment economy can help improve the perceived quality of life in Edmonton, helping to both attract skilled workers and retain graduates from our city's post-secondary institutions. This will in turn help to avoid similar tight labour market conditions as growth in the city accelerates in the years to come.

A higher level of social offerings from a city, such as a vibrant nightlife economy, can also yield higher degrees of community attachment.[17] Community attachment is the emotional connection residents have for their city. High levels of attachment are associated with civic pride, a positive outlook on the city's future, happiness with one's surroundings, and the sense that the city is the perfect place to live.[18] High levels of attachment generate higher levels of local GDP growth, as residents are more inclined to invest in and spend money in their city.[19]

The late night entertainment sector can also have positive spillover effects into various other niche sectors of the economy; for example, live music, DJs and other types of performing artists. The nightlife economy supports these types of artists by providing a vehicle for them to perform and earn income.

6.0 Avenues for Further Study

The late night entertainment economy is diverse and constitutes any of the following types of establishments: eating and drinking establishments, bars, lounges, nightclubs, casinos, music venues, and after-hours clubs. A future study into Edmonton's late night entertainment economy can expand and include non-entertainment establishments such as McDonalds or Tim Hortons, which often operate for 24 hours. Such a study would provide a comprehensive analysis of how the late night economy contributes to the overall Edmonton economy.

[17] Knight Foundation. 2010. *Soul of the Community: why people love where they live and why it matters.*

[18] *Ibid.*

[19] *Ibid.*

7.0 Appendix

Appendix 1: Breakdown of NAICS Sector 72 - Accommodation and Food Services

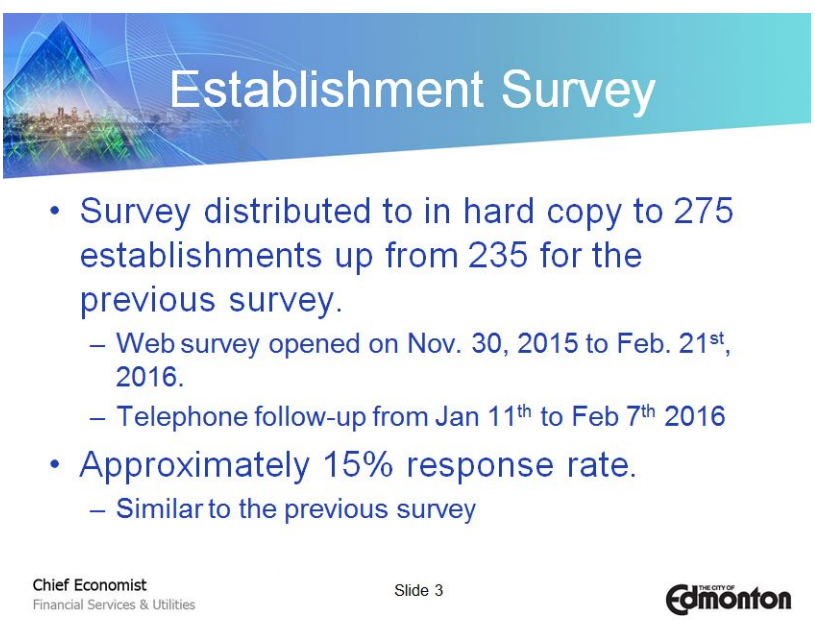
72 Accommodation and food services
721 Accommodation services
7211 Traveller accommodation
72111 Hotels (except casino hotels) and motels
721111 Hotels CAN 721112 Motor hotels CAN 721113 Resorts CAN 721114 Motels CAN
72112 Casino hotels
721120 Casino hotels
72119 Other traveller accommodation
721191 Bed and breakfast US 721192 Housekeeping cottages and cabins CAN 721198 All other traveller accommodation CAN
7212 Recreational vehicle (RV) parks and recreational camps
72121 Recreational vehicle (RV) parks and recreational camps
721211 Recreational vehicle (RV) parks and campgrounds US 721212 Hunting and fishing camps CAN 721213 Recreational (except hunting and fishing) and vacation camps CAN
7213 Rooming and boarding houses
72131 Rooming and boarding houses
721310 Rooming and boarding houses US
722 Food services and drinking places
7223 Special food services
72231 Food service contractors
722310 Food service contractors
72232 Caterers
722320 Caterers
72233 Mobile food services
722330 Mobile food services
7224 Drinking places (alcoholic beverages)

72241 Drinking places (alcoholic beverages)
722410 Drinking places (alcoholic beverages) US
7225 Full-service restaurants and limited-service eating places
72251 Full-service restaurants and limited-service eating places
722511 Full-service restaurants US 722512 Limited-service eating places CAN

Appendix 2: Impact Category Definitions

Category	Definition
Total Output	The value of both *intermediate* and *final* goods and services produced in a given period.
Gross Domestic Product (GDP)	The value of all *final* goods and services produced in a given period.
Returns to Capital	The return on the capital inputs used as factors of production by firms.
Wages & Salaries	The amount paid out to employees as remuneration for their labour.
No. of Full-Time Equivalent Jobs	Full-time equivalent jobs is defined as total hours worked, divided by the average annual hours worked in a full-time job.

Appendix 3: Understanding the Trends in the Late Night Economy Presentation



Estimating Late Night Revenues and Expenditures

- For sample revenues and expenditures per seat were calculated from survey results.
  - Per seat values varied significantly
- Total licensed seats (total occupant factor of 112,854) for late night venues were used to scale up sample results up to estimate for the entire sector

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Estimating Impacts

- Sector scale values were used to 'shock' City of Edmonton Economic Impact Model.
  - The impact model is derived from Provincial I/O information that has be adjusted to reflect the economic structure of the City.
- Model estimates direct, indirect and secondary impacts for Output, GDP and Employment.

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Results based on reporting for 2014

Category	Impact
Total Output	$1,431 Million
GDP	$673 Million
Wages & Salaries	$436 Million
Employment	11,700 FTE's

Represented 1.5% of the City of Edmonton's economy and about 2.4% of the City's total employment in 2014.

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What's Changed?

Category	2010 Data	2014 Data	Change 2010 to 2014
Occupant Load	69,865	112,854	62%
Expenditures per Seat	$6,690	$7,820	17%
Total Expenditures	$467 Million	$882 Million	89%
Total Output	$687 Million	$1,431 Million	108%
GDP	$310 Million	$673 Million	117%
Wages & Salaries	$215 Million	$436 Million	103%
Employment	5,800	11,700	101%

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Key Conclusions

- The Late Night Economy is growing at a much strong rate than the rest of the Edmonton economy.
  - Share of Edmonton GDP went from 0.7% in 2010 to 1.5% in 2014 and share of employment went to from 1.5% to 2.7% over the same period.
  - Growth has been driven largely by expanding capacity.
- The Late Night Economy is becoming more integrated with the rest of the City's economy.
  - 'Multipliers' for the sector are getting larger making its impacts on employment and GDP bigger over time.
- It continues to be relatively labour intensive.
  - Growth in this sector generates proportionally more jobs than an equivalent amount of growth in the rest of the economy.
- Continuing employment, population and income growth in Edmonton will support ongoing if more moderate expansion.

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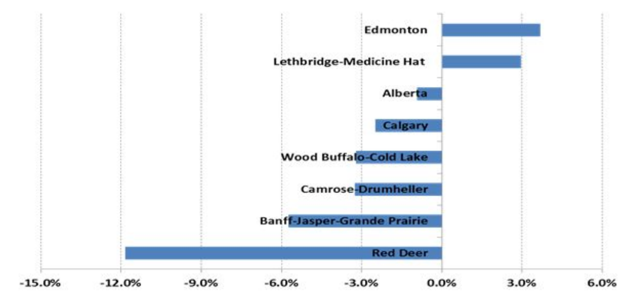
Employment Growth by Region

March 2015 to March 2016

3 Month Moving Average



Source: Statistics Canada

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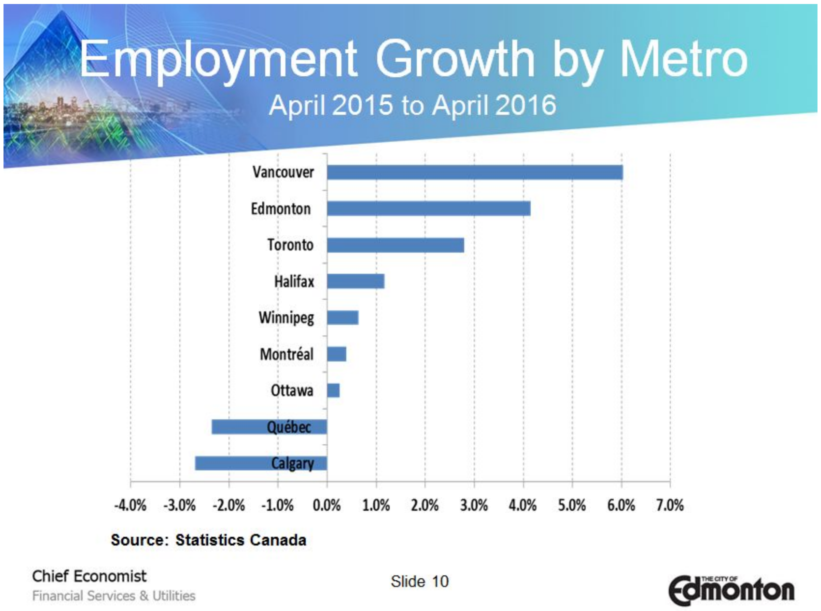
Employment Growth by Metro
April 2015 to April 2016
Vancouver
Edmonton
Toronto
Halifax
Winnipeg
Montréal
Ottawa
Québec
Calgary
-4.0% -3.0% -2.0% -1.0% 0.0% 1.0% 2.0% 3.0% 4.0% 5.0% 6.0% 7.0%
Source: Statistics Canada
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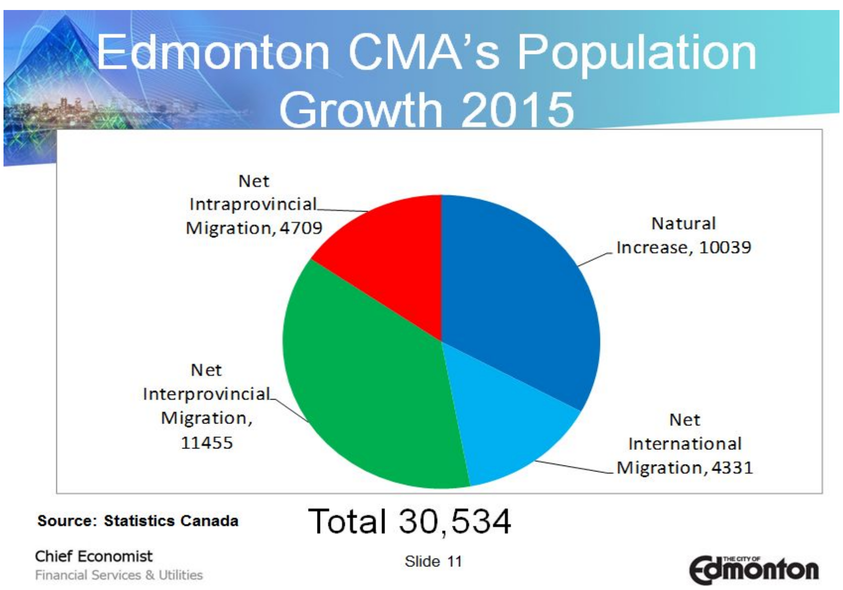
Edmonton CMA's Population Growth 2015
Net Intraprovincial Migration, 4709
Natural Increase, 10039
Net Interprovincial Migration, 11455
Net International Migration, 4331
Source: Statistics Canada
Total 30,534
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