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The Changing Family and the Evolution of the Canadian Family Travel Market, 1980-1998

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Danielle Shaienks is Editor of the Tourism Statistical Digest, Tourism Statistics Program

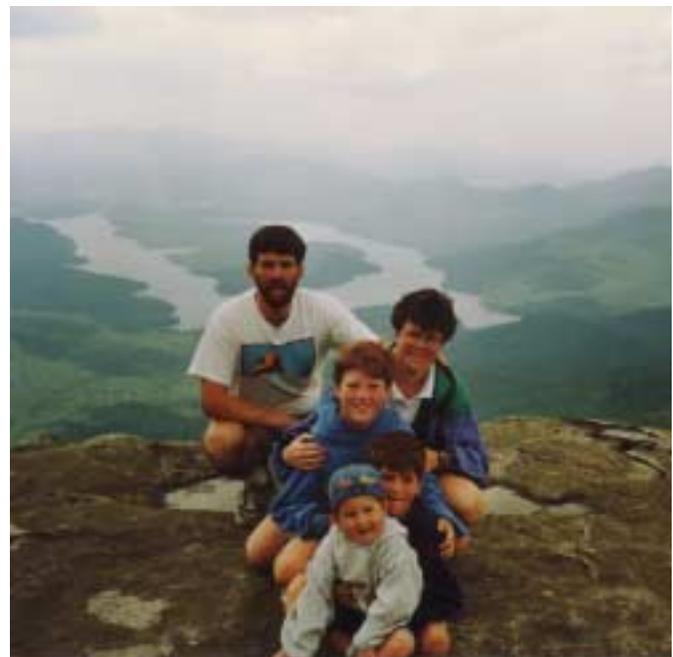
The traditional family, made up of two spouses with children, has changed significantly over the last two decades. The statistics on the family speak for themselves. The proportion of lone-parent families is steadily increasing, the number of legal marriages is declining and the number of common-law marriages is on the rise. Moreover, divorce is on the increase and the number of remarriages has grown considerably. The traditional family is no longer the predominant type of Canadian family. Lone-parent families, common-law families and blended families are increasingly common.

This same period has seen the ageing of baby boomers. They have slowly moved from the young family stage to the “empty nest” stage, when the children have left home. The stickers seen in the rear windows of their cars no longer say “baby on board” but rather “life begins at 50.” Because of their demographic weight within the Canadian population, they have influenced market trends as they have gone through the various life stages, and they will continue to do so.

In this article, we describe, first, the changes that have occurred in the family structure. An overview of the demographic changes that have marked the period from 1980 to 1998, will shed some light on the factors that seem to influence the travel market at the start of this millennium. We then paint a picture of travel by Canadian families in 1998 compared to that of adults travelling alone. In this latter section, we present some of the strategies the tourist industry uses to adapt to these new markets.

The changing family structure

While the vast majority of Canadians live in families, the proportion of those who do has slowly declined over the last two decades, from 86.6% in 1981 to 84.2% in 1996, while the proportion of people living alone has risen from 13.4% to 15.8% (Table 1). This trend is owing to a combination of



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factors, such as the ageing of the population, a rising divorce rate and a growing number of young people who, for one

reason or another, postpone the marriage (including common-law) until later in life.

Table 1

Census Families in Private Households, Canada

	1981	1986	1991	1996	Change 1996/1981
	(millions)				%
Total Population	23.8	24.8	26.8	28.4	19.3
Total persons in families	20.6	21.2	22.6	23.9	16.0
Total persons not in families	3.2	3.6	4.2	4.5	40.6
	%				
Distribution :					
Total Population	100.0	100.0	100.0	100.0	
Total persons in families	86.6	85.5	84.3	84.2	
Total persons not in families	13.4	14.5	15.7	15.8	

Source: Census of Population.

Methodology**Data Sources****Census of Population**

The demographic data are taken from the Census of Population for the years 1981, 1986, 1991 and 1996 as well as from the estimates produced by the Demography Division. The definition of the so-called census family used by Statistics Canada is as follows: a couple who are married or living common-law (with or without never-married sons or daughters living with them), or a lone parent living with at least one never-married son or daughter who occupy the same dwelling. For more information, see the Annual demographic statistics.

Canadian Travel Survey

The data on travel by Canadians in Canada are taken from the Canadian Travel Survey (CTS). Since 1997, this is a monthly survey that compiles over 30 characteristics, including socio-demographic information about travellers, activities, purpose, mode of transportation, length of stay, origin and destination, and expenditures.

The Canadian Travel Survey is conducted as a supplement to the Labour Force Survey (LFS) done monthly by Statistics Canada.

International Travel Survey

The data on travel by Canadians abroad are taken from the International Travel Survey (ITS). There are two components to the International Travel Survey: the border count of vehicles and travellers done at all ports of entry into Canada, and the survey by questionnaire used to gather information about expenditures and travel characteristics.

Variables

The variable used in both surveys to define family travel is the composition of the travel group. The composition of the travel group can assume the following different values: an adult travelling alone; two, three or more adults travelling together; one, two or three adults travelling with children. Tabulations were done to obtain the travel groups made up of adults only and the travel groups made up of adults travelling with children. In this study, family travel is defined as travel by adults accompanied by children, even if the relationship between the adults and the children is not established.

Limitations**Data Comparability**

In 1992 and 1994, changes to the CTS methodology disrupted the continuity of the data, such that they cannot be compared to the data from previous years. Also, slight changes were made to the 1996 survey. Data comparability is, however, assured between 1996, 1997 and 1998.

All comparisons between 1980, 1986, 1992 and 1998 are therefore based on the percentage distribution of the family travel characteristics that are comparable.

Data Quality

For the year 1998, the CTS sample used for the estimates of travel by Canadians in Canada increased to 42,260 questionnaires for adults travelling without children, and to 23,376 for adults travelling with children. The ITS sample used for the estimates of travel by Canadians to the United States increased to 11,821 questionnaires for adults travelling alone, and to 1,956 for adults travelling with children. For Canadians travelling overseas, the sample was 4,481 for adults travelling alone, and 333 for adults travelling with children.



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Note of appreciation

Canada owes the success of its statistical system to a long-standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued cooperation and goodwill.

Table 2
Changes in Canadian's Family Structure, 1981-1996

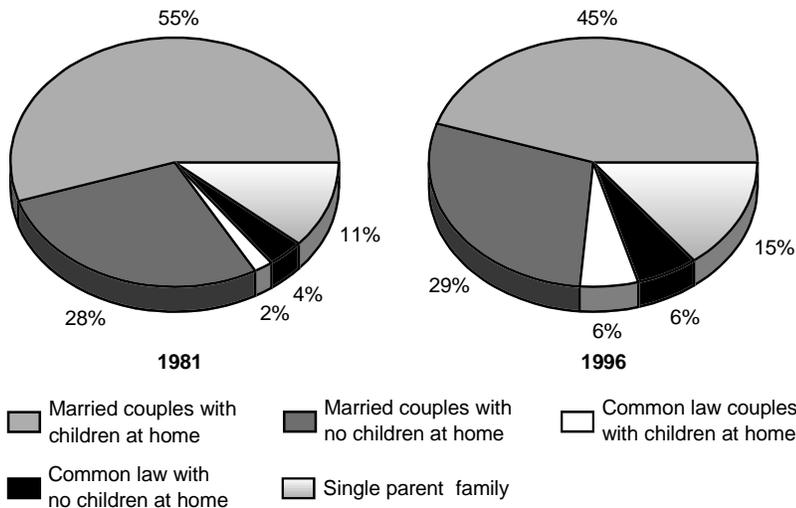
	1981	1986	1991	1996	Change 96/81
	(Thousands)				%
Total - Family Structure	6,325	6,734	7,356	7,838	23.9
Husband-wife families	5,611	5,881	6,402	6,700	19.4
Now-married couples	5,254	5,398	5,683	5,780	10.0
Common-law couples	357	482	719	921	158.0
Lone-parent families	714	853	954	1,138	59.4
Male parent	124	151	165	192	54.8
Female parent	590	702	788	945	60.2

Source :Census of Population.

The family as an institution is not in decline; rather, it has become diversified over the years. Today, in addition to the traditional family, we are seeing more and more lone-parent or blended families, where the parents of the children have married or live common-law. Whereas in 1981, 11.3% of Canadian families were lone-parent families, in 1996 these families represented 14.5% (Table 2).

Diversity is now the norm (Chart 1). In 1981, families consisting of married couples living with never-married children accounted for more than half of all families (55%). Fifteen years later, this type of family accounts for just 45% of families, and couples (married or living common-law) without children at home make up more than one third of families (35%).

Chart 1
Canada's Family Structure
Diversity is Standard



Source: Census of Population

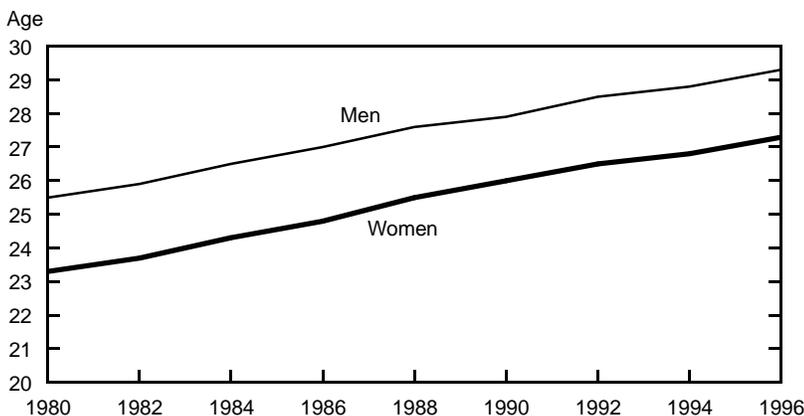
People are marrying later

The average age at first marriage continues to rise among both men and women. People want to complete their education, become established in a career, save a little money or live together. In 1981, the age at first marriage for women was 23.5, while in 1996 it was 27.3 years. The respective ages for men were 25.7 and 29.3 (Chart 2).

Yours, mine and ours

Blended families—couples who are married or living common-law and have at least one child from another marriage living with them—are increasingly common owing to the high rate of divorce and remarriage. According to The Vanier Institute of the Family¹, there were 343,400 blended families in Canada in 1990, or about 7% of all families raising children. In 1995, this figure reached 431,800, up 26% from 1990. These families tend to be larger than non-blended families. In these families, which can be described as “yours, mine and ours,” where one and sometimes both spouses bring one or more children into the union from previous relationships and the couple have at least a child together, if the parents are asked how many children they have, the children should also be asked how many parents they have. Family names, holidays and exchanges of gifts, once simple traditions, can become complex in the case of these families.

Chart 2
Mean Age at First Marriage



Source: Vital Statistics Compendium, 1996

¹ The Vanier Institute of the Family, *Profiling Canada's Families*, 1994.

Making both ends meet

The financial pressures on families are increasing. Whether working full- or part-time, for someone else or for themselves, more and more women are part of the labour force. Thus, the female participation rate² was 58.1% in 1998, versus 51.7% in 1981 (Chart 3).

Consequently, more and more women have two careers, one in the home and another in the workplace. While the participation rate of married women (including common-law) is lower than that of never-married women,³ in some families both spouses work outside the home. In 1996, 7 out of 10 couples with children under age 16 had two incomes.⁴ While, for some families, the second income goes to buy luxury items, for others, it is not a choice, but a necessity. Society is slowly adapting to this situation, although work schedules, hours of duty, and school regulations often still overlook this reality.

The ageing baby boom generation

While these profound changes were occurring in the structure of the Canadian family, the cohort of baby boomers, or nearly 10 million Canadians born between 1946 and 1965, was moving through the various stages of life. Their needs, tastes and behaviours have affected trends all along the way.

In 1981, female baby boomers began bringing the children of the boom's echo into the world (Table 3). Consequently, in the 1980s, a large number of baby boomers were busy raising children and "cocooning"⁵—they were happy staying at home, renting videos and buying take-out food. Now that their children are growing up, the baby boom generation is slowly emerging from its cocoon. Starting in 2001, more and more of them will be retiring and the ageing of the members of this generation will probably result in the

greatest surge of older travellers on the Canadian travel market.

Owing to the ageing of the population, the number of families with children is declining slightly. In 1981, 68.2% of families had children living at home, while in 1996 this proportion had dropped to 65.2% (Figure 1). Families whose head of household is under age 45 will represent barely 44.3% of Canadian families in 2001⁶ and 36.7% in 2016.

The proportion of family travel is declining

One might wonder what effect these demographic changes—both the changes seen in the family structure and the ageing of baby boomers—are having on the travel market. For families where both parents work, it can sometimes be difficult to plan holidays at the same time and get together for a trip. In contrast, lone-parent families may not be able to afford to travel. As for blended families, planning a trip can become a fairly complex exercise in which getting the schedules of the various family members to come together can prove a puzzle.

CTS data show that the proportion of family travel in relation to all travel by Canadians clearly decreased between 1980 and 1998, from 42% to 32%. Since both parents are working in more and more families, it becomes more difficult to take the kids along on business trips. The demographic changes described earlier were certainly a factor in this decrease. The economic crisis of the early 1990s may also have contributed to the slowdown in family travel.

Canadian families travel in Canada in appreciably the same way as before

While it accounts for a smaller proportion of all travel, the data show that the characteristics of family travel by Canadians have not changed much over the last two decades (Table 4). Thus, when they

² Labour Force Survey, Statistics Canada, CANSIM, M3472, series D985048.

³ Statistics Canada, *Canadian statistics*, Internet site, November 1999.

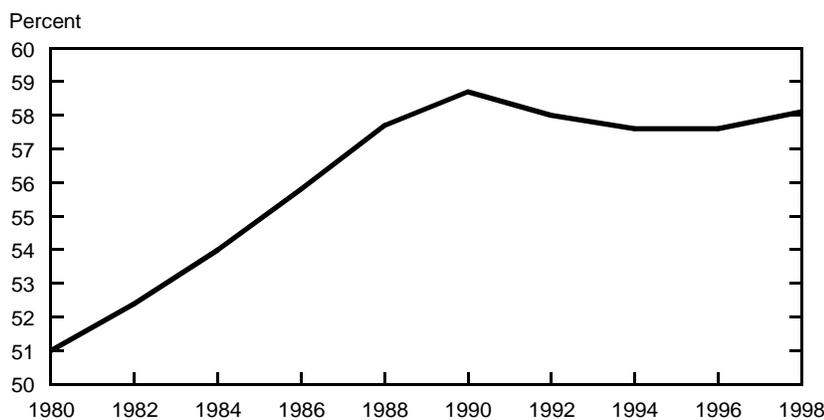
⁴ Statistics Canada, *Labour force annual averages*, 1996, Catalogue No. 71-220-XPB.

⁵ Foot, David K., *Boom, Bust and Echo*, Toronto, 1996.

⁶ Statistics Canada, *Projections of households and families for Canada, provinces and territories, 1994-2016*, Catalogue No. 91-522-XPB.

Chart 3

Women's Participation Rate in the Labour Force



Source: Labour Force Survey

Table 3

Demographic Cohorts

Generations	Year of Birth	Age in :		
		1981	1991	2001
Baby Boom				
First-wave	1946 to 1955	26 to 35	36 to 45	46 to 55
Second-wave	1956 to 1965	16 to 25	26 to 35	36 to 45
Baby Bust	1966 to 1979	2 to 15	12 to 25	22 to 35
Echo Boom	1980 to 1995	0 to 1	0 to 11	6 to 21

Source: *Travel-log, Summer 1998, Cat. No. 87-003, Volume 17 No. 3.*

Table 4
Trips Characteristics, One-or-More Nights Family Travel in Canada

	1980	1986	1992	1998
	%			
Trip purpose				
Visit friends or relatives	40,1	49,0	49,7	45,0
Pleasure	48,6	41,0	40,8	47,0
Personal	5,8	5,9	6,3	5,4
Business	5,5	3,8	3,2	2,2
Transportation mode				
Automobile	94,1	94,2	94,7	95,4
Plane	2,5	2,6	2,0	2,7
Bus	3,4	3,3	3,4	1,9
Accommodation				
Hotel	-	5,0	6,1	9,0
Motel	-	5,3	5,1	3,5
Camping or trailer park	-	13,4	13,5	16,1
Homes of friends or relatives	-	54,3	52,0	48,4
Private cottage	-	17,6	17,1	15,1
Commercial cottage	-	1,9	1,2	4,0
Other	-	1,6	1,2	5,4

- Not available

Source: Canadian Travel Survey.

travel in Canada, Canadian families still travel almost always by car. The proportion of trips by plane and other modes of transportation barely changed from 1980 to 1998. The purposes of their trips remained appreciably the same. Visits to friends and relatives were up towards the late 1980s and early 1990s, at the expense of pleasure travel. The economic crisis that hit those years may have something

to do with these changes. The proportion of family trips whose main purpose was business, already low in 1980, dropped steadily over this period. Although the home of friends or relatives remained the most popular type of accommodation, given that fewer such visits were made, the use of such accommodation was down slightly, while stays in hotels or campgrounds were up slightly.

Table 5
Trips Characteristics, One-or-More Nights Trips in Canada in 1998

	Adults Only	Adults with Children
	%	
Mode of transportation		
Automobile	87.5	95.6
Plane	5.9	2.5
Bus	4.1	0.9
Other	2.5	1.0
Trip purpose		
Visit friends or relatives	47.8	46.0
Pleasure	41.9	48.5
Personal	10.3	5.5
Months of travel		
January – March	15.4	15.6
April – June	23.3	22.0
July – September	38.9	47.1
October – December	22.5	17.3
Number of nights by accommodation type		
Hotel	9.0	8.5
Motel	4.6	3.5
Camping or trailer park	9.3	16.3
Homes of friends or relatives	54.9	48.7
Private cottage or vacation home	14.6	18.1
Other	7.6	4.9

Source: Canadian Travel Survey.

Comparison between the family travel market and that of adults travelling alone

Travel in Canada

In 1998, adults travelling alone in Canada travelled by plane twice as often, and by motor coach four times as often, as adults travelling with children (Table 5). For the latter, the automobile was the preferred mode of transportation, accounting for over 95% of their travel. It must be said that the destination of family trips was closer to home; adults travelling alone covered an average of 120 kilometres more per trip than travellers accompanied by children.

As Table 5 shows, trips by adults travelling without children were more evenly distributed throughout the year, while about 1 in 2 family trips were made during the summer time. Compared to the latter, the proportion of nights spent in a tent or trailer park was higher, while adults travelling without children were more likely to sleep in the home of relatives or friends.

The main differences between the two groups of travellers have to do with activities (Table 6). Families are more active; excluding attendance at concerts or plays and certain activities forbidden to children, such as visits to casinos, bars or night clubs, family travellers have a higher participation rate than adults travelling unaccompanied by children. Families visited theme parks, zoos, national parks and historic sites, participated in outdoor and aquatic activities, swimming and hiking, far more often than did adults travelling alone.

Travel abroad

In 1998, 79% of all trips and 88% of expenditures by Canadians were made by adults travelling without children, versus 21% of trips and 12% of expenditures made by adults travelling with children. When they travelled abroad, Canadian families chose the United States in 85% of cases and headed to overseas destinations in the other 15%. Adults travelling alone chose an overseas destination more often, nearly 25% of the time. In both cases, overseas trips were longer or nearly 17 nights versus 6 for families, and 18 nights versus 9 for adults travelling alone. The transportation expenses and number

Table 6

Participation Rate to Selected Activities , One-or-More Nights Trips in Canada in 1998

	Adults Only	Adults with Children
		%
Visit a zoo, aquarium or botanical garden	1.9	4.4
Visit a theme or amusement park	1.8	6.7
Visit a national or provincial park	6.9	10.5
Go to a bar or a nightclub	10.0	3.6
Go to a casino	2.5	0.9
Participate in a sport or an outdoor activity	37.3	51.5
Swimming	10.7	27.8
Other water activities	6.3	15.1
Fishing	5.6	10.0
Bird or wildlife viewing	2.6	6.2
Walking or hiking	17.3	27.8
Cycling	2.8	6.7
Other sport or outdoor activity	7.9	10.5

Source: Canadian Travel Survey.

Table 7

One-or-More Nights International Travel, 1998

	Adults only	Adults with children
	(Thousands of travellers)	
Destination		
Total	10648	2,785
United States	7,837	2,345
Overseas	2,812	440
	(millions of \$)	
Total Spending		
United States	4,572	786
Overseas	3,751	390
	(\$)	
Spending per person-trip		
United States	583	335
Overseas	1,334	887
	(\$)	
Spending per person-night		
United States	65	54
Overseas	75	53
	(nights)	
Average number of nights		
United States	8.9	6.2
Overseas	17.7	16.6

Source: International Travel Survey.

Table 8

Distribution of One or More Nights Trips to the United States in 1998

	Adults only	Adults with children
		%
Transportation mode		
Automobile	62	76.4
Plane	26.6	22.7
Bus	4.8	0.6
Months of the Travel		
January to March	22.5	23.6
April to June	27.5	21.2
July to September	29.6	41.1
October to December	20.5	14.1

Source: International Travel Survey.

of person-nights was higher, the average expenditures per trip were greater for overseas travel than for travel to the United States. Families have appreciably the same daily budget whether they travel to the United States or overseas, whereas adults travelling without children spend slightly more per day on overseas trips.

The car is the most popular mode of transportation for both adults travelling alone and families, whether travelling in the United States or Canada. However, families travelling to the United States use the car more than do adults travelling alone, while the latter use the plane or motor coach more often (Table 8). Summer is also the most popular season for family travel to the United States, although over 40% of trips are made in the third quarter.

Families are as active when travelling abroad as when travelling in Canada. Theme parks, zoos, museums, aquatic and outdoor activities remain the activities of interest to families both abroad and in Canada. As it is the case when travelling in Canada, the participation rate for activities is higher for families travelling abroad than for adults travelling without children.

How the service offering is adapting to the clientèle

Like many Western families, the Canadian family is active when travelling, reflecting the family routine at home. In its *Profiling Canada's Families*, The Vanier Institute of the Family⁷ describes a typical day as being rather hectic: get up early, have breakfast, make the lunches, feed the pets, drop the children off at day care and go to work. Meetings, phone calls, clients, back into traffic jams, pick up the children from day care, prepare supper, ballet class or hockey practice, baths, homework, laundry, parents' meeting or fitness class, and finally, fall asleep in front of the TV.

Accustomed to this frantic pace of living, it is increasingly rare in our day to see parents piling the children into the car and "tour the Gaspé." Travel operators and agents who target this market will have to take refuge in well-defined niches in order to protect their market share and

⁷ The Vanier Institute of the Family, *Profiling Canada's Families*, 1994.

Table 9
Participation Rate to Selected Activities, One-or-More Trips to All Foreign Destinations, 1998

	Adults Only	Adults with Children
	%	
Visit of a zoo, museum, natural display	22.3	28.2
Visit a theme park	7.8	22.6
Participation in nightlife/entertainment	30.1	17.4
Dining at high quality restaurants	36.4	25.1
Participation in sports/outdoor activities	42.1	64.0
Swimming	26.3	51.5
Other water sports	8.0	12.0

Source: *International Travel Survey*.

develop the loyalty of their clientèle. The rest will have to adapt their products to the “greying of America” market—baby boomers whose children have left home and who will have the time and the money for travel that their parents did not have. Families are taking more trips than ever, but the trips are shorter. The market of the getaway of a few days is up,⁸ Adventure or outdoor travel, cruise or theme park, resort or ski centre, the children are welcome. Moreover, hotel operators who develop products that fit in with the frantic pace of life of their clients are becoming increasingly “kid-friendly.”⁹

Just like home . . .

It is no longer enough to have a few rooms with balloons painted on the walls. Some hotels invest considerable sums to offer attractive activity programs for children of all ages. In addition to menus and promotions where the children eat free, some hotels even provide milk and cookies for the little ones at naptime, as well as a selection of interesting books.

Others have developed even more sophisticated facilities, including “youth centres” stocked with video games, movies, a pool table, table-top hockey, and music. Some have opted for a huge complex with swimming pool, water slides, minigolf, bowling alleys, play areas for the little ones and supervised activities.

To each his own . . . hotel

Hotels targeting families offer services as diverse as the clientèle they are after. In 1997, the Canadian Tourism Research Institute did a study¹⁰ on the family

holiday market for various Canadian hotel chains. This study identified three segments geared to types of families having different needs. The first is the destination family hotel geared to the youngest families who spend more time using the facilities and services made available to them, such as change table, swimming pool, videos, microwave oven and baby-sitting. The second is the hotel targeting more active families with teenagers. It is located near parks, attractions, museums, art galleries, theatres and sports centres. The third type is the stopover hotel located near airports.

Older travellers in the making

To hold onto their clientèle, hotels will have to grow with it. As baby boomers begin to retire, families without children at home (empty nesters) will swell the market of older travellers, and this age group will dominate Canada’s domestic travel market. According to a Statistics Canada study¹¹ that combines demographic forecasts with the participation rates and travel characteristics of Canadians travelling in Canada, the tourist industry will have to undergo changes as the demographic cohorts age. Following are some of the changes this study anticipates: the proportion of adults travelling without children will continue to increase, leading to an increase in trips by plane, train and motor coach; the duration of trips should increase; campgrounds will see more recreational vehicles than tents with young children; hotels will see fewer families and more adults travelling alone. Activities such as golf and cultural tourism (visits to museums, art galleries and

historic sites) should become more popular. Hotels geared to the active family will be well positioned to take advantage of these demographic changes.

Conclusion

As can be seen, the Canadian family has undergone a number of changes in the last two decades. Also, the baby boomers have slowly begun to move from the young-family stage to that of the “empty nest,” and some are now getting ready to retire.

We wanted to see whether these changes have been accompanied by shifts in the travel market, family trips perhaps being more difficult to plan than they once were.

The CTS reveals that family travel as a proportion of all travel by Canadians has declined over the last two decades, losing nearly 10 percentage points. The composition of the domestic market has therefore changed even though the travel habits of families have remained appreciably the same.

For the tourist industry, which must continually adapt to the realities of the market, some adjustments have yet to be made. It is now preparing to face the greatest surge ever in the market of older travellers and will have to modify its service offering accordingly. As the population ages, the market of travellers unaccompanied by children will steadily grow. After travel packages geared to the family, including children’s meals, babysitting and water slides, or week-long winter getaways where the children sleep and ski for free, will we see getaways targeting the grey-haired set or travel packages geared to active retired couples, including golf, gourmet meals, museums and art galleries?

⁸ Loveseed, Helga, “The North American Short Breaks Markets,” *EIU Travel & Tourism Analyst*, no. 4, 1992.

⁹ Scott, Jennifer, “Kid Friendly Hotels,” *Hotelier*, March-April 1998.

¹⁰ Redekop, David, “Knowing your family determines how you compete,” Canadian Tourism Research Institute, *Travel Exclusive*, July 1997.

¹¹ McDougall, Laurie, *Aging baby boomers and what it means for domestic travel in the 21st century*, Travel-log (Touriscope), Catalogue No. 87-003-XPB, Summer 1998 vol. 17 no. 03.

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Domestic Travel Third quarter 1999

Canadians made 49.6 million trips within Canada in the third quarter of 1999, a 3.8% decline of 2.0 million trips from the same period in 1998. This was the first quarter for 1999 in which domestic travel slackened.

A strong Canadian economy and a better Canada-U.S. exchange rate (1.9%) may have spurred Canadians to travel more in the United States (12.8%) during the third quarter. Pent-up demand had probably developed among Canadians who had shown less interest in this destination during the previous few years. Domestic travel weakened in August (3.5%) and in September (14.2%) compared with the same period in 1998. However, in July, the number of trips made by Canadians in Canada (4.2%) or to the United States (8.2%) was higher than in July 1998.

Of the trips made by Canadians within Canada in the third quarter of 1999, 20.7 million were same-day trips and 28.9 million included at least one night's stay. Compared with the same period last year,

the number of same-day trips within Canada declined 6.3%, although the number of overnight trips dropped only 2.0%.

The number of overnight stays for these trips differed little from the same period of 1998, dropping 0.7% to 113.7 million person-nights. Those spent in commercial lodgings rose 2.1%, while the number spent with family or friends went down 4.9%. For all domestic trips in the third quarter of 1999, 6 out of 10 overnight stays were spent in commercial establishments.

Domestic automobile trips in the third quarter of 1999 dropped 4.0% to 46.2 million, representing 93% of the 49.6 million trips made across the country. However, the number of trips by air totalled 1.7 million, a 3.1% rise from the same quarter of 1998. The number of bus trips rose 16.6% to 1.0 million. Trips by other modes of transportation (train, boat, etc.) fell 26.4%, barely reaching 0.7 million of the total number of domestic trips.

Domestic travel expenditures totalled \$6.9 billion in the third quarter of 1999, a 6.4% hike over the \$6.5 billion recorded a year ago. Factors that may have contributed to this increase included a rise in trip costs (5%, according to the Travel Price Index), a larger proportion of nights spent in commercial accommodations, an increase in the average spending per trip, greater distances travelled, as well as the balmy temperatures in the eastern part of the country during the summer of 1999.

Transportation-related costs represented 35% (\$2.4 billion) of total travel expenditures for the third quarter of 1999, a 4.0% increase over the same period of 1998. This hike may have been due to the

rise in prices of gasoline and local transportation, along with a greater number of trips by airplane and bus.

Food and beverage expenditures were second in importance and accounted for 25% (\$1.7 billion) of travel expenditures, a 5.7% rise over the third quarter of 1999. This increase was greater than the price hikes recorded for this category of expenditures, which would suggest travellers were not stingy when it came to buying food and drink on their trips.

Expenditures for accommodation made up 20% (\$1.4 billion) of total travel costs, up 11% in the third quarter of 1999. This advance was due to the marked increase in accommodation prices (6.2%, according to the Travel Price Index), combined with a greater proportion of nights in commercial accommodation. The last category of expenditures, which increased 7.2% and covers recreation, entertainment and miscellaneous, represented the remaining 20% (\$1.4 billion) of total travel costs.

In the third quarter of 1999, domestic overnight visitors travelled a one-way distance of 445 km per trip, and spent \$205 per person per trip and \$52 per person per night. For the same period last year, the distance travelled stood at 433 km per trip while expenditures per person averaged \$188 per trip and \$48 per night.

Note: Domestic travel is defined as any trip of 80 kilometers or more one way, taken by Canadian residents and having a Canadian destination. Data for trips by Canadians going to the United States come from the International Travel Survey.

Characteristics of International Travellers

Third quarter 1999

International travel to Canada expanded in the third quarter of 1999 as Asian travel markets responded to improved economic conditions and travel from the United States levelled out.

International tourists made 8.4 million overnight trips to Canada during the third quarter of 1999, up 2.1% from the same quarter a year earlier.

More than three-quarters of these trips, about 6.6 million, came from the United States, an increase of just 1.0%. This followed a modest 0.9% increase in the second quarter.

On the other hand, overnight travel to Canada from overseas destinations expanded 6.2% to 1.8 million, the third consecutive quarterly increase. Travel from Asia alone increased 10.5%, making up for lost ground during the Asian economic crisis.

Overnight travellers from the United States injected almost \$3.3 billion (seasonally unadjusted) into the Canadian economy in the third quarter of 1999, up 4.2% over the same period in 1998. They spent about \$494 per trip, up 3.2%.

Travel from the United States rose in all eastern provinces, with Nova Scotia recording the largest gain. However, travel from south of the border declined in all western provinces, particularly in Saskatchewan, where the number of overnight trips from the United States fell 22.2%.

Air travel from the United States to Canada expanded just 3.0% in the third quarter, compared with an average 12% growth rate during the third quarters of the last four years. Americans made 1.5% more automobile trips to Canada in the third quarter.

Residents from countries other than the United States made 1.8 million trips to Canada in the third quarter, up 6.2% over the same quarter in 1998. This followed a 2.2% improvement in the second quarter of 1999.

Overseas visitors spent \$2.2 billion (unadjusted) in the third quarter of 1999, 9.5% more than in the same quarter of 1998.

Canadians made 4.7 million overnight trips to the United States in the third

quarter of 1999, up 12.9%, the first double-digit increase since 1991. The Canadian dollar rose 1.9% against its U.S. counterpart during the third quarter of 1999, after falling in value throughout most of 1998. Canadians spent over \$2 billion (unadjusted) south of the border in the third quarter, a 24.6% gain compared with the same period in 1998.

Canadians made 4.6% fewer overseas trips (987,000) in the third quarter, halting the growing trend in overseas outbound travel. They spent \$1.5 billion (unadjusted) during these trips, a 7.4% decline over the same quarter in 1998.

International travel account

1999 and fourth quarter 1999 (preliminary)

Foreigners injected record amounts of cash into the Canadian economy in 1999, pushing Canada's international travel deficit down to its lowest level in more than a decade. Non-residents spent a record \$14.9 billion in Canada, up 6.7% from 1998. Meanwhile, Canadians spent \$16.8 billion in other countries last year, an increase of 5.1%.

The resulting deficit of just under \$1.9 billion was the lowest since 1987 (\$1.7 billion). The revised deficit for 1998 was just over \$2.0 billion.

Most of this decline was attributable to foreign travellers, who made a record 49.1 million trips to Canada last year, up 2.1% from 1998—the seventh consecutive annual increase. For their part, Canadians

made 46.4 million international trips last year, down 1.1%.

Travel deficit with United States rises despite record spending in Canada by Americans

Canada's travel deficit with the United States rose in 1999 as increased spending by Canadians south of the border exceeded record spending by American travellers in Canada.

American travellers to Canada spent a record \$9.1 billion in 1999, up 5.4% from the previous high of \$8.7 billion in 1998. Canadians, meanwhile, spent \$10.5 billion south of the border, a 6.5% increase.

As a result, the travel deficit with the United States rose from a revised \$1.2 billion in 1998 to just over \$1.4 billion last year. This increase in the travel deficit occurred with the Canadian dollar at an average of 67 U.S. cents, practically unchanged from 1998.

Americans made 44.6 million trips to Canada last year, up 1.8% over 1998. Canadians, for their part, made 42.2 million trips to the United States, down 1.3%. This decrease was attributable mostly to a 4.5% decline in the number of same-day car trips to the United States, which fell to 27.1 million. The number of Canadians' overnight trips south of the border climbed 5.1% to 14.1 million.

Travellers from Asia making up for lost ground

Canada's travel deficit with countries other than the United States improved in 1999 as residents of overseas countries made up much of the ground they lost the previous year in the wake of the Asian economic crisis.

In 1999, travellers from overseas countries spent a record \$5.7 billion in Canada, an 8.8% increase from the year before. Canadian spending in overseas countries reached a record \$6.2 billion, up 2.7%. The resulting travel deficit between Canada and overseas countries fell from a revised \$785 million in 1998, down to \$485 million last year.

Overseas residents made 4.4 million trips last year to Canada, up 5.2% on the

Note to readers

This international travel account analysis is based on preliminary quarterly data that are seasonally adjusted unless otherwise stated. The amounts are in Canadian dollars and are not adjusted for inflation.

Receipts represent spending by foreigners travelling in Canada, including education-related spending and medical-related spending. Payments represent spending by Canadians travelling abroad, including education-related spending and medical-related spending. Overseas countries are countries other than the United States.

heels of a significant increase in Asian travel. Asian residents accounted for 1.3 million of these trips, a 7.6% increase. By comparison, Canadians made 4.3 million trips to overseas destinations in 1999, 0.8% more than the year before.

Fourth quarter 1999: Travel deficit on the rise

Canada's travel deficit with the rest of the world rose during the fourth quarter of 1999 compared with the previous quarter. During the last three months of 1999,

Canadians spent \$616 million more internationally than foreigners spent in Canada, up from a revised \$575 million deficit during the previous three months.

This higher deficit occurred primarily because of increased spending by Canadians travelling in overseas countries. Canada's travel deficit with overseas nations soared from a revised level of only \$3 million in the third quarter to \$231 million in the fourth. By contrast, the deficit with the United States fell over the same period from a revised \$572 million to \$385 million.

In the fourth quarter, Canadians spent a record of just under \$1.7 billion in overseas countries, a jump from the previous quarter of 20.1%. Meanwhile, residents of overseas countries spent \$1.5 billion in Canada, up 3.9% from the third quarter.

From the third to the fourth quarter, Canadian spending in the United States declined 7.4% to just over \$2.6 billion. Meanwhile, spending by Americans in Canada fell 1.0% to \$2.2 billion.

Travel Price Index Fourth quarter of 1999 and Year 1999

Note to readers

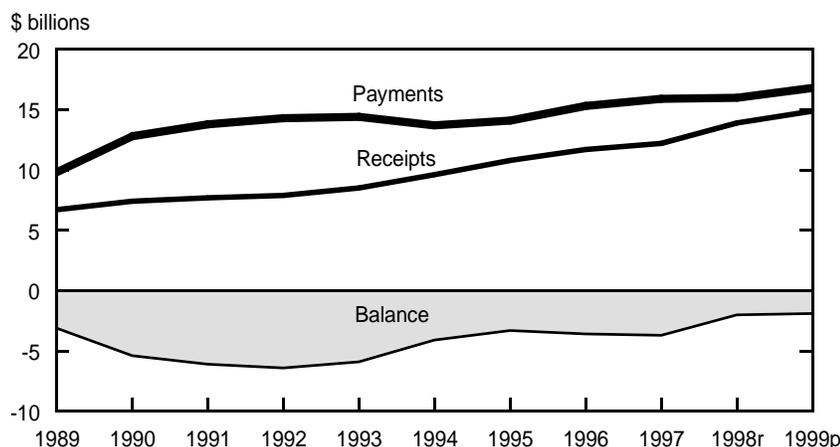
The Travel Price Index (TPI) is an aggregate index of the goods and services used by travellers in Canada. Price movements are derived from the detailed Consumer Price Index (CPI) series. A technical report on the Travel Price Index is available from the Tourism Statistics Program at (613) 951-1673.

TPI up 5.6% from same period last year

In the fourth quarter of 1999, consumers experienced a 5.6% increase in the prices of goods and services included in the Travel Price Index basket, compared with the same quarter of last year. This is the largest fourth-quarter increase since 1991. All components of the TPI were up between the fourth quarter of 1998 and the same quarter of 1999. The largest price increases were in inter-city transportation and operation of automotive vehicles, at 10.1% and 8.7% respectively. Since consumers devote approximately 40% of their overall travel budget to those items, these increases are especially important to them. Traveller accommodation, which accounted for 16.1% of the travel budget in the fourth quarter of 1999, rose 4.9% compared with the fourth quarter of 1998.

By comparison, the Consumer Price Index (CPI), which measures the change in the prices of all goods and services, stood at 111.5, up 2.4% from the fourth quarter of 1998.

Deficit in international travel account falls to lowest level in over 10 years



International travel account receipts and payments

	Fourth quarter 1998 ^r	Third quarter 1999 ^r	Fourth quarter 1999 ^p	1998 ^r	1999 ^p
seasonally adjusted ¹					
\$ millions					
United States					
Receipts	2,342	2,254	2,232	8,650	9,120
Payments	2,519	2,826	2,617	9,885	10,529
Balance	-177	-572	-385	-1,235	-1,409
All other countries					
Receipts	1,369	1,407	1,462	5,285	5,749
Payments	1,603	1,410	1,694	6,070	6,234
Balance	-234	-3	-231	-785	-485
Total					
Receipts	3,711	3,661	3,694	13,935	14,869
Payments	4,121	4,236	4,311	15,955	16,762
Balance	-411	-575	-616	-2,020	-1,894

^r Revised figures.

^p Preliminary figures.

¹ Data may not add to totals due to rounding.

TPI down 2.9% from preceding quarter

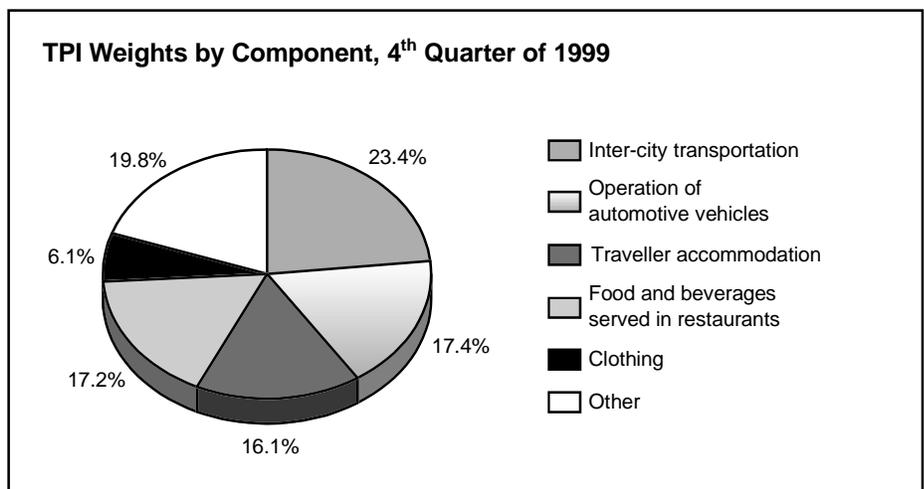
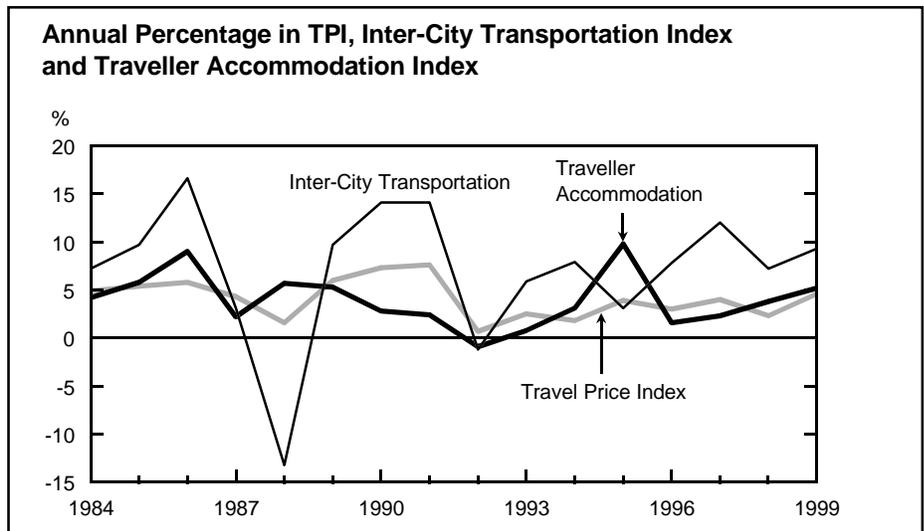
The Travel Price Index was down 2.9% in the fourth quarter of 1999 in comparison with the preceding quarter. The 17.5% reduction in the cost of traveller and the reduction in inter-city transportation prices also contributed to the overall drop in the TPI in the fourth quarter of 1999. In fact, the decrease in the prices of these two major components largely offset the increases in almost all other components.

During the fourth quarter of 1999, the cost of all goods and services covered by the Consumer Price Index was up 0.4% compared with the preceding quarter.

Average annual TPI for 1999 up 4.6% from 1998

Compared with the average for 1998, the average TPI for 1999 was up 4.6%, the largest year-over-year increase since 1991. The TPI and the CPI are now nearly 14 points apart, the widest gap ever recorded.

Apart from photographic equipment, all components of the TPI were up in 1999 in comparison with 1998. The largest increase was in inter-city transportation, followed by traveller accommodation. While the reduction in accommodation prices between August and December was actually slightly greater than in the corresponding period of last year, the increase in summer rates between May and June was larger in 1999 than in 1998. Costs related to the operation of automotive vehicles rose, on average, 4.1% between 1998 and 1999.



Components of the TPI	Fourth Quarter 1999	Year 1999	Percentage Change		
			Third Quarter 1999	Fourth Quarter 1998	1999/1998
Inter-city transportation	169.9	166.8	-0.8	10.1	9.3
Local and commuter transportation	125.7	124.4	0.2	2.8	2.3
Rental of automotive vehicles	122.0	118.4	2.6	2.3	2.7
Operation of automotive vehicles	122.3	117.6	1.6	8.7	4.1
Traveller accommodation	125.2	129.4	-17.5	4.9	5.2
Food purchased from stores	109.6	110.3	-0.3	0.6	1.0
Food purchased from restaurants	113.4	112.4	0.7	2.3	1.9
Served alcoholic beverages	109.4	108.6	0.4	2.1	1.4
Alcoholic beverages purchased from stores	112.3	112.4	0.0	0.7	1.9
Clothing	104.9	105.4	-1.6	0.7	1.3
Footwear	108.7	106.7	2.6	2.0	2.0
Travel Price Index (TPI)	125.5	124.3	-2.9	5.6	4.6
Consumer Price Index (CPI)	111.5	110.5	0.4	2.4	1.7

Sources: The Consumer Price Index, Cat. No. 62-001-XPB and the Tourism Statistics Program



	Fourth Quarter		Percentage Change	Year		Percentage Change
	1998	1999		1998	1999	
FOREIGNERS TO CANADA (000s)						
From United States	9,393	9,171	-2.4	43,857	44,630	1.8
One-or-more-night trips	2,673	2,659	-0.5	14,892	15,326	2.9
- By auto	1,596	1,591	-0.4	9,402	9,609	2.2
From Overseas	725	799	10.2	4,207	4,425	5.2
One-or-more-night trips	688	766	11.4	3,977	4,231	6.4
Top Seven Countries:						
United Kingdom	129	138	7.5	758	795	4.9
Japan	89	99	11.6	487	521	7.1
France	64	71	10.1	403	415	2.9
Germany	54	58	6.1	382	396	3.7
Taiwan	27	35	27.7	126	158	25.1
Australia	30	29	-0.3	148	154	4.5
Hong Kong	23	23	1.5	151	139	-8.0
CANADIANS OUTSIDE CANADA (000s)						
To United States:	9,177	9,832	7.1	42,768	42,196	-1.3
One-or-more-night trips	2,693	3,003	11.5	13,430	14,111	5.1
- By auto	1,325	1,469	10.9	7,605	7,869	3.5
To Overseas (one or more nights)	862	855	-0.8	4,218	4,252	0.8
INDUSTRY						
Airline passengers (Level I) (000s)	5,940	5,651	-4.9	24,571	24,047	-2.1
Airline passenger-km (Level I) (000,000s)	15,215	14,865	-2.3	64,426	65,711	2.0
PRICES 1992=100 (not s.a.)						
Travel Price Index	118.9	125.5	5.6	118.9	124.3	4.6
Consumer Price Index	108.9	111.5	2.4	108.6	110.5	1.7
- Food purchased from restaurants	110.9	113.4	2.3	110.3	112.4	1.9
- Inter-city transportation	154.3	169.9	10.1	152.6	166.8	9.3
- Renting of automotive vehicles	97.5	122.0	2.3	115.3	118.4	2.7
- Gasoline	119.2	118.2	21.2	99.1	108.0	9.0
ECONOMIC						
Gross Domestic Product 1992=100 (s.a.) (000,000s)	729,272	762,657	4.6	721,005	750,040	4.0
- Amusement and recreation (000,000s)	7,745	7,946	2.6	7,641	7,832	2.5
- Accommodation and food services (000,000s)	19,272	19,860	3.1	19,345	19,702	1.8
Personal disposable income per capita (s.a.)	18,417	19,059	3.5	18,297	18,786	2.7
LABOUR (000s)						
Labour force (s.a.)	15,551	15,787	1.5	15,416	15,722	2.0
Unemployed	1,252	1,098	-12.3	1,278	1,189	-7.0
Employed	14,299	14,690	2.7	14,139	14,533	2.8
- Accommodation and food service	907	927	2.2	923	925	0.2
EXCHANGE RATES (in Canadian dollars)						
American Dollar	1.5422	1.4727	-4.5	1.4835	1.4857	0.1
British Pound	2.5844	2.4011	-7.1	2.4591	2.4041	-2.2
Japanese Yen	0.0129	0.0141	9.2	0.0114	0.0131	15.1
German Mark	0.9274	0.7817	-15.7	0.8454	0.8106	-4.1
French Franc	0.2766	0.2331	-15.7	0.2522	0.2417	-4.2
(s.a.) seasonally adjusted.						