



Travel-log

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Touriscope

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Older Canadians an Expanding and Lucrative Travel Market

BY LAURIE McDOUGALL

They're on the Move in Record Numbers

With time on their hands and money in their pockets, Canadians over the age of 55 are ready to travel. And indeed they do. In 1986, they embarked on 10.8 million overnight trips, 24% more than in 1980. Due to their accelerated trip taking, older travellers now represent 14% of the overnight domestic travel market, up from 12% in 1980. Their day travel climbed at an even faster rate: 6.7 million in 1986, up 37% from 1980.

Frequently referred to as the "Seniors Market", or more recently, the "Mature Market", this group also accounts for a growing segment of the population. In 1986 their numbers expanded 14% over 1980, compared to 7% for the remainder of the population¹ (Table 1).

Travel Participation on the Rise

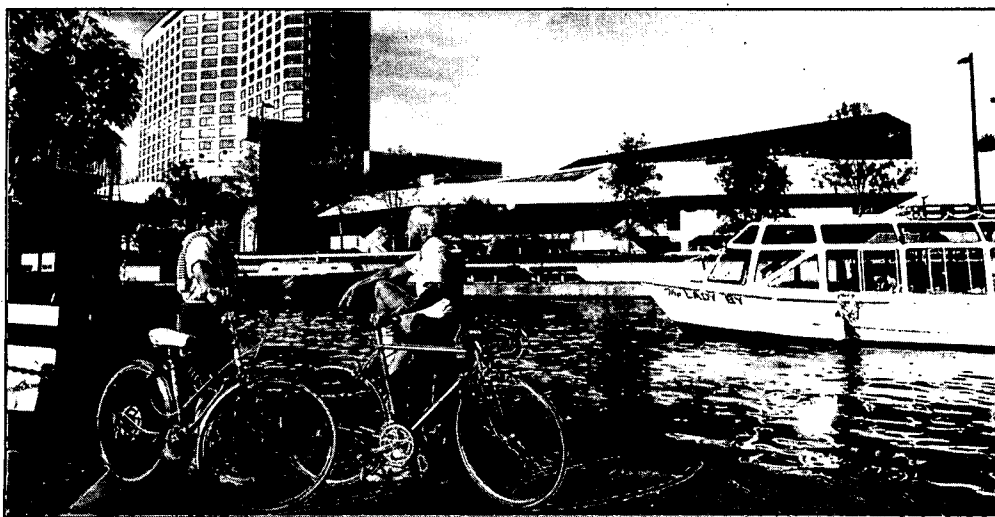
Older individuals participate in travel less frequently on a per capita basis than their younger counterparts, but

the gap is narrowing. Over the year, 26% of mature Canadians took at least one trip, up slightly from 25% in 1980. On the other hand, all other Canadians had a travel participation rate of 35% in 1986.

Those between the ages of 65-74 increased their tendency to travel the most: 29% of this age group travelled in 1986 compared to 26% in 1980. Mature travellers per capita participation ranged from a high of 38% in the summer quarter to a low of 18% in the first three months (Table 2).

During the Summertime

As with the majority of Canadians, the mature travellers favourite season for taking a trip in Canada is the summer. Close to 4 out of 10 journeys occurred from July to September, the time many Canadians are vacationing with friends or family or enjoying the warm weather at their cottage. The spring months (24%) were the next most popular time of the year for the mature travellers. Winter travel in Canada was the least



Continued from page 1
 popular (17%). At the same time though, older Canadians tend to travel to sunny southern destinations.

Weekend Excursions Not as Frequent

Mature travellers are not as apt to be off on a weekend excursion: 47% were weekend trips compared to 65% for those under 55. Those over 65 travelled even more often on non-weekend periods. Since they are more likely to be retired and therefore have more leisure time available, they can plan their holiday during the week or stay away longer than a weekend.

They generally take short break domestic holidays, on the weekend or during the week - in 1986, they stayed away one or two nights on over half of all trips (Chart 1). All other travellers stayed the same duration on two-thirds of their travels. Mature travellers were most inclined to take trips of longer periods, particularly holidays of one to three weeks: 21% compared to 14% for the under 55 group. They therefore had the longest average stay among all travellers - 5 nights versus 3 nights.

On the Road Again

Canadians have an affinity towards taking auto trips regardless of age. Mature travellers used their own car on 83% of overnight trips, while other ages used the car 87% of the time. However, use by the younger segment (55-64) and the more aged (75+) differed: the former were one of the most frequent auto travellers (86%), while the latter travelled the least by car (73%).

Those who don't drive opt for air or bus travel. In 1986, mature travellers took a flight on 8% of their trips, and boarded a bus on 6% of their journeys. Bus usage increased among the travellers over the age of 75. Canadians under 55 said they used airplanes for 7% of their trips and buses just 4% of the time.

Close To Home

Destinations tend to be close to home. In 1986, mature travellers did not go further than 200 miles (one way distance) on 6 out of 10 trips. They went beyond 800 miles on 8% of their trips, compared to just 5% for all other ages.



Table 1
Population and Domestic Travel By Age, 1980 and 1986

	Volume		Distribution		Change 1980-1986
	1980	1986	1980	1986	
	000's		Percentage		Percentage
Population ¹					
Total	18,056	19,632	100	100	9
15-54	13,825	14,790	77	75	7
55 +	4,231	4,842	23	25	14
Overnight Trips					
Total	74,487	75,275	100	100	1
0-14	15,472	13,135	21	17	-15
15-54	50,307	51,304	68	68	2
55 +	8,708	10,836	12	14	24

¹ Based on an average of quarterly Labour Force Survey population which excludes Canadians under 15 years of age. Source: Canadian Travel Survey, special tabulations

Table 2
Participation in Domestic Travel By Age, 1980 and 1986

	1980	1986
Travellers ¹		
Total		
15-64		
55 +		

¹ Based on an average of quarterly Labour Force Survey population which excludes Canadians under 15 years of age. Source: Canadian Travel Survey, special tabulations

Table 3
Distribution of Travellers by Age Group, 1986

	15-54	55-64	65-74	75+
Trip Characteristics				
Non-weekend				33
Use their car				33
Use bus transport				6
Travel over 800 miles				8
Stay with friends				54
Stay in hotels or motels				18
Non-business trips				54
Single party trips				38

Source: Canadian Travel Survey, special tabulations

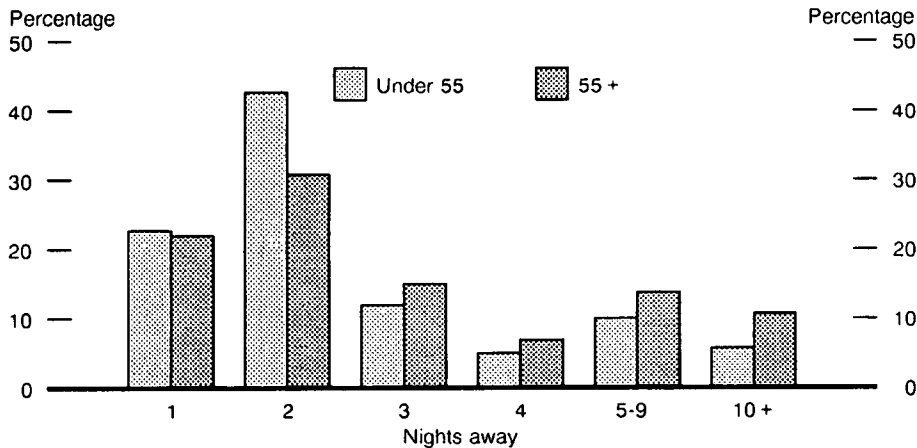
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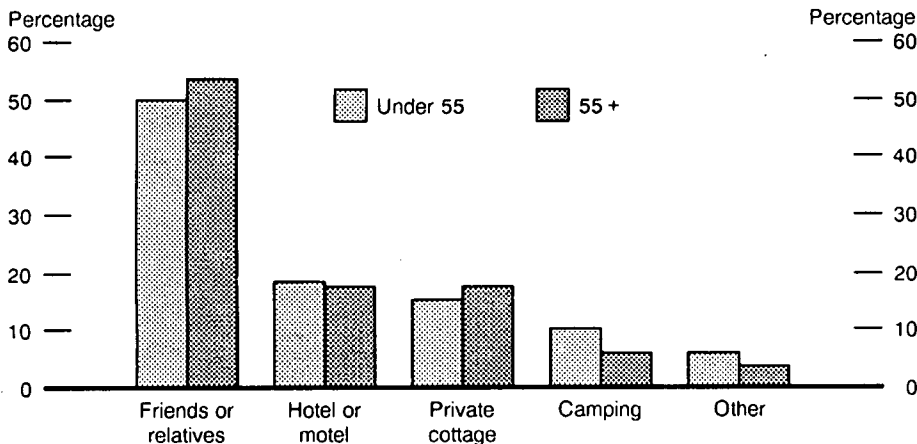
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Chart 1
Trip Duration by Age, 1986



Source: Canadian Travel Survey, special tabulations.

Chart 2
Accommodation Usage by Age, 1986



Source: Canadian Travel Survey, special tabulations.

Continued from page 2

Their domestic journeys are predominantly in their own province, which is typical for all other Canadians. As a proportion of all their trips, they did have a slightly higher tendency to travel elsewhere in Canada: 20% were to other provinces compared to 18% for those under 55.

Friends and Family Important Motivators

That visit to see the grandchildren or friends, or to take a vacation, is the reason most embark on a trip. Throughout 1986, 42% of mature travellers cited visiting friends or family while 38% stated pleasure as their trip purpose. The importance of visiting family or friends in motivating travel was most prevalent among the 75+ group: close to 6 out of 10 trips in 1986.

Pleasure trips occurred most frequently during the summer months (54%). Travel to see friends or family was more evenly distributed throughout the year, with a slightly higher occurrence in the third quarter (31%).

When they're away from home mature travellers therefore spend a large proportion of their nights at the home of friends or family (Chart 2). They also frequently visit that second home by a lake or river: 18% of nights away from home. Hotels and motels both provided accommodation for 9% of their overnight stays. Younger travellers checked into hotels more regularly, but indicated a lower incidence of motel nights.

Holiday Spending Outpaces Other Travellers

Mature travellers spent an average of \$223 per overnight trip, for a total of \$1.6 billion in 1986. Their spending accounted for 17% of overnight expenditures, slightly higher than their share of domestic trips.

When on a holiday mature travellers had about the same average trip spending: \$237 compared to \$234 for all other ages. But, their longer stays resulted in a lower nightly spending - \$24 per night versus \$32 for the under 55s. When visiting friends or family, older travellers also spent more per trip than other age groups: \$168 versus \$133.

How they spent their travel dollar did not differ that greatly from other travellers. A large proportion of their



- ▶ *Mature travellers spent an average of \$223 per overnight trip...*
- ▶ *a total of \$1.6 billion in 1986...*

▶ *Continued from page 3*

money went towards public transportation (23%) and restaurant meals and groceries (22%). Private automobile expenses and lodging consumed most of their remaining travel spending.

More Women Than Men Taking Non-business trips

Women outnumber men in the 55+ group of non-business travellers, as they do in the aging population segments. In 1986, 54% of those 55 years of age and over who took a non-business trip were women, compared to 42% among all other ages.

Most mature travellers are married (78%), although widows and widowers were responsible for approximately a quarter of the market.

65 to 74 Year Olds Make Largest Gains

Younger mature Canadians (55-64) are the largest population segment and therefore account for the majority of trips. In 1986, they represented close to 50% of the population over 55 and were responsible for 61% of trips. The more elderly (75+) accounted for the next largest population segment (33%), but took only 7% of the overnight journeys in 1986.

On the other hand, travellers between these two groups (aged 65-74), who accounted for 19% of the population, reported 31% of trips. This age bracket showed the highest increase in the number of trips taken in 1986 compared to 1980: 3.4 million trips, up 46% from 2.3 million.

Single Party Trips More Common

When those over 55 take a trip, many of them do not have another household member as a travelling companion. Single party trips² were indicated by 38% of mature travellers compared to 34% for those under 55. Mature travellers are most inclined to travel without other household members when they are taking trips to visit friends or family.

The majority of mature travellers had a household income under \$30,000 (57%). Approximately 44% of those under 55 reported this income range. Although their incomes are lower, their discretionary incomes are generally higher because they have fewer major expenses such as paying off a mortgage. In addition, the majority are "empty nesters" and therefore do not have the expense of dependents.

Those people who were retired or never in the workforce represented 4 out of 10 mature travellers. Their retirement status undoubtedly allows them more freedom or flexibility in their travel plans.

In Summary

Mature travellers reveal some travel habits that are consistent with their younger counterparts. However, compared to those under 55, the mature market travel more often during the off-peak times, travel longer distances, take longer holidays, take trips to see friends or family more frequently and travel more on their own or with friends.

As with any market group, mature travellers are composed of very diverse segments, which are dependent on such things as occupation, education, and age. The travel industry will undoubtedly become more aware of the older Canadian market as their numbers increase and their buying power becomes a major source in the industry.

² Party composition includes only members of the same household who were on the trip.

Laurie McDougall is an analyst with the Travel, Tourism and Recreation Section, Education, Culture and Tourism Division.



Travel-log

We've Changed...

Starting with this issue, Travel-log has evolved into a new format. In order to serve you better, this quarterly publication now includes a broader spectrum of topics.

Areas to be covered include regional trends in tourism, changing tourism markets and tourism implications of economic and demographic changes. Readers will learn how business and government are successfully applying tourism statistics in program development, marketing strategy and policy formulation.

TRAVEL-LOG is now a member of **TOURISCOPE**, a family of tourism-related publications. Each issue will keep you informed of recent tourism-related publications and data releases from Statistics Canada.

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Japanese Now Second Largest Overseas Market

By Gerald Bailie

Their government encourages them to travel overseas and Canada wants their travel business. The Japanese now constitute Canada's second largest overseas market, nudging West Germans into third position. Approximately 312,000 Japanese came to Canada in 1987 - up 33% from 235,000 visitors in 1986. Compared to 1980, 150,000 more Japanese have packed their bags for Canada - representing a 92% growth (Chart 3).

This Pacific Rim island now accounts for almost 12% of all tourists (excluding U.S. residents) coming to Canada, up from 8% at the beginning of the decade. Japanese tourists have been increasing their journeys to Canada faster than any other overseas nation. German travellers have not kept up with this pace, even though close to 299,000 came to Canada in 1987, 27% more than the previous year. They now represent 11% of the overseas market.

Asia, in general, has become an important growth area for Canada bound tourists. During 1987, Canada welcomed 648,000 Asian visitors, up from 385,000 in 1980 (Chart 4). Travellers from Japan comprise 50% of this market. The traditionally strong European market has not increased as rapidly, resulting in a shift in the proportion to 59% of all overseas visitors in 1987 from 64% in 1980. In fact, compared to 1980 levels, Canada welcomed 263,000 more Asian visitors as compared to only 186,000 additional travellers from Europe.

Japanese are noted for their penchant to see Canada's natural attractions, such as the Rockies and Niagara Falls. However, a large number also visit Canada's urban areas and some are drawn to Prince Edward Island to catch a glimpse of Green Gables. In 1986, pleasure travel was the reason cited by 46% of Japanese tourists travelling to Canada, compared to 51% in 1980¹.

Business related travel is becoming a more frequent activity among the Japanese. Over the six year period, business trips have expanded from 31,000 in 1980 to 61,000 in 1986. This purpose now represents 31% of travel, up from 25% in 1980. Since pleasure travel is often combined with a business trip, there has been a notable increase in trips with two purposes. In 1980, only 5,000 tourists identified a mix purpose trip, while in 1986 this value increased to 13,000 tourists.

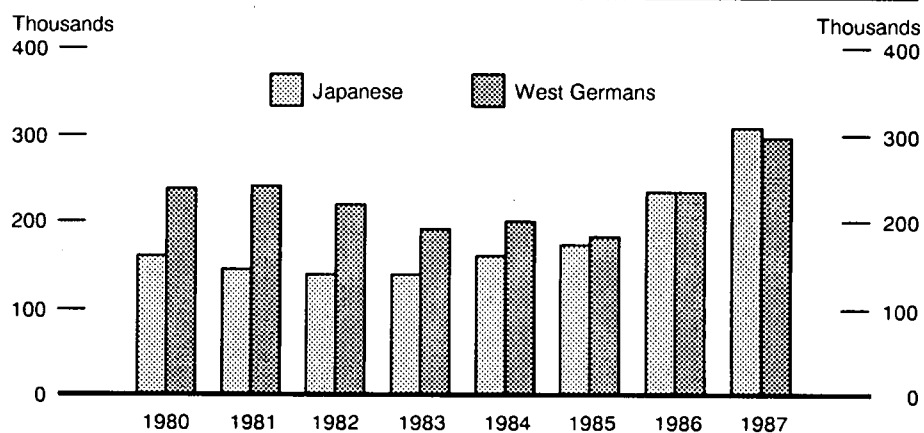
¹ Trip characteristics are based on 1986 annual data.

² Based on 1987 exchange rate of 0.009188 Canadian \$ per Japanese yen.

Japanese tourists are the second biggest spenders, despite averaging the shortest visits to Canada. In 1986 they spent an average of \$689 per visit and stayed just over a week (7.2 nights in 1980 compared to 7.7 in 1986). On a daily basis they typically spent 10,000 yen² or \$89, which was second to none. Visitors from the United Kingdom were not as big spenders, partly because many visit friends or family. United Kingdom travellers spent \$453 on an average trip which was approximately \$32 per day.

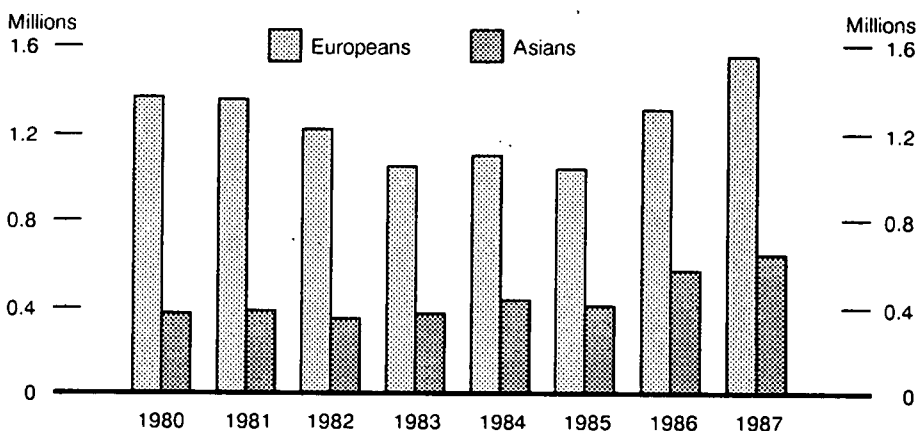
When a Japanese tourist embarks on a journey to Canada, he or she often lands in the United States first before continuing on to Canada. In 1986, just 24% came to Canada directly, down from 30% six years ago.

Chart 3
Japanese and West German Visitors to Canada, 1980-1987



Source: *Touriscope: International Travel, 1986*, Catalogue No. 66-201; special tabulations.

Chart 4
European and Asian Visitors to Canada, 1980-1987



Source: *Touriscope: International Travel, 1986*, Catalogue No. 66-201; special tabulations.

The rising value of the yen against most world currencies has spurred much of the increase in Japanese travel. Wanting to reduce their Nation's trade surplus, the Japanese government is promoting overseas travel by its residents. And they are encouraging these travellers to spend more. Last year, the government of Japan raised the ceiling on duty free goods purchased by travellers. Japanese can now spend 200,000 yen (\$1,800) on goods purchased overseas, double what they were allowed previously.

During the 80's, while Canada's traditional tourism markets have shown only moderate growth, the influx of Japanese visitors has been a welcome trend. Since the Japanese are one of the largest spenders, their increased interest in travelling to Canada is even more significant.

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destinations in 1986 - a shift upwards from nineteenth place at the start of the decade. Approximately 54,200 Canadians headed to Australia in 1986, an increase of 29% over 1985 and double the number of Australia bound travellers in 1980 (Chart 5).

In terms of travel expenditures, Australia's relationship with Canada is even more significant. During 1986, Canadians spent \$66.3 million (excluding fares), an increase of 41% from the previous year and two and a half times the spending reported in 1980. Australia moved from tenth to sixth place for Canadian spending in an overseas country.

Canada has traditionally attracted more Australians to our shores than it has sent visitors, but each year this gap is narrowing. In 1980, 30,000 more Australians came to Canada than Canadians to Australia: by 1986, this margin dropped to under 23,000.

Canadians tend to stay longer and spend more per trip when travelling to Australia. On average, they left behind \$1200 during each visit and stayed 29 nights - double the averages for other overseas locations. However, their average nightly spending was \$42, which was comparable with other destinations. The long distance between Australia and Canada (approximately 15 hours from Vancouver) and resulting high transportation costs, influenced the longer than average length of stay.

An increasing number of Canadians travel to Australia for a holiday. In 1986, almost half of Canadians cited this purpose, compared to only 28% of the total in 1980. Visiting friends or relatives

and business travel have both increased between 1980-1986, but not as rapidly as the holiday traffic.

The winter months (Australia's summer) are the most popular time for Canadians visiting Australia. In fact, over one third of all travel to Australia occurs during January to March. Travel throughout the remaining quarters is fairly evenly distributed.

Mature Canadians (55 years and over) comprise a large proportion of travellers to Australia. Throughout 1986, they accounted for 37% of the Canadian outbound travel to the land "down under". Canadians 20-34 years and 35-54 represented the bulk of the remaining travellers, while youth took only 8% of the trips.

The favourable exchange rate between the Australian dollar and the Canadian dollar, may have been an added incentive for Canadian travellers in recent years. In 1986 the exchange rate was \$1.00 Australian to \$1.08 Canadian - a drop of 31% in the value of the Australian dollar compared to 1980.

Increased media coverage of such events as the America's Cup Yacht Race and success of the movie "Crocodile Dundee", may have also contributed to tourism promotion for Australia. The hosting of Expo 88 and the Bicentennial events may encourage even more Canadians to select Australia as a destination in 1988.

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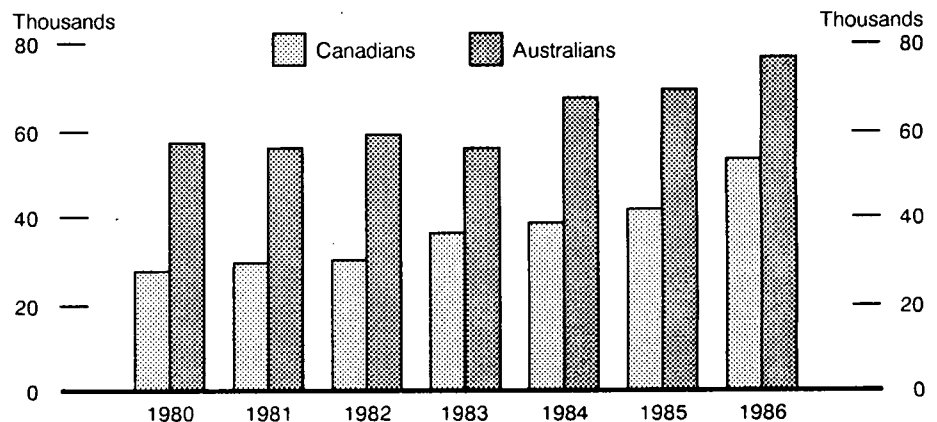
Going 'Down Under' More Popular Among Canadians

By Jeff Allen

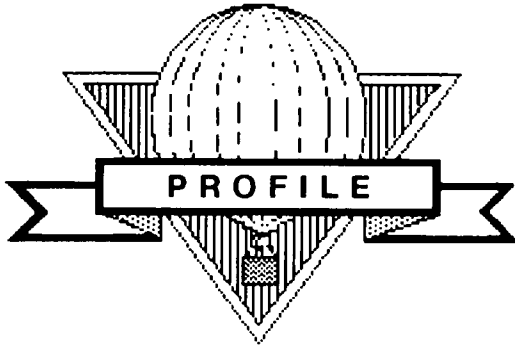
Two hundred years ago, a fleet of tall ships originating from London arrived at Sydney Harbour. In 1988, the land "down under" welcomes visitors from around the world as they celebrate this anniversary with a year filled with countless Bicentennial celebrations and the hosting of Expo 88 in Brisbane.

Australia is fast becoming a popular destination. Last year, its growth in tourists from around the world outpaced that of all other countries. For Canadian travellers, Australia ranked fifteenth among overseas

Chart 5
Travel Flows Between Canada and Australia, 1980-1986



Source: International Travel Survey, special tabulations.



Local Air Carriers – An Expanding Segment of the Airline Industry

By Anna MacDonald

The role played by local carriers¹ in the Canadian airline industry has changed tremendously in recent years. Over the 1983-1987 period, this sector of the industry grew at an accelerating rate. In the first three months of 1987, over one million people boarded a local carrier flight, more than triple the number of passengers during the same period in 1983 (Chart 6).

Prior to 1984, most local carriers operated independently from other carriers, offering services on routes not served by major airlines. Each local carrier operated within its limited network where competition was limited by strict regulations. This structure began to change quickly in mid 1984, following a radical shift in the Canadian air policy². This new policy favoured increased competition which was intended to foster creativity, initiative and increased productivity from the airlines as well as better services, higher frequency and lower fares for consumers.

Services Broaden

Today, several local carriers are affiliated with Air Canada and Canadian Airlines International Ltd. In addition to their servicing of small communities, local carriers are expanding feeder services at major Canadian airports. On several routes, commuter carriers from major airlines compete head to head. The affiliate carriers and the mother carriers share designators, reservation systems and luggage handling under commercial

¹ Local Carriers include levels II, III and IV Canadian carriers offering services under their class 2, 3, 9-2 or 9-3 licenses and foreign carriers offering services under their class 9-2 or 9-3 license.

² The new direction of the Canadian policy was first stated in the document, "New Canadian Air Policy", May, 1984 and later in the document, "Freedom to Move, a Framework for Transportation Reform", July 1985. The new policy is reflected in the National Transportation Act which was proclaimed January 1, 1988.

agreements. The increased exposure for these local carriers and the advantages of being identified with a major airline have generated a substantial growth in the number of passengers carried.

Short Distances More Economical For Local Carriers

During the last three years, the major carriers have progressively withdrawn services on shorthaul routes to concentrate on transcontinental and international markets. Their local carrier partners took over these services using turboprop aircraft which are more efficient for serving the shorter flights. They could now offer more frequent flights for travellers at a more economical price.

The Victoria-Vancouver route reflects this occurrence. Today, with the exception of two daily flights by Air Canada, local carriers serve the Vancouver-Victoria circuit. Previously, Pacific Western Airline, CP Air and Air Canada operated between these two cities. In 1986, approximately 572,000

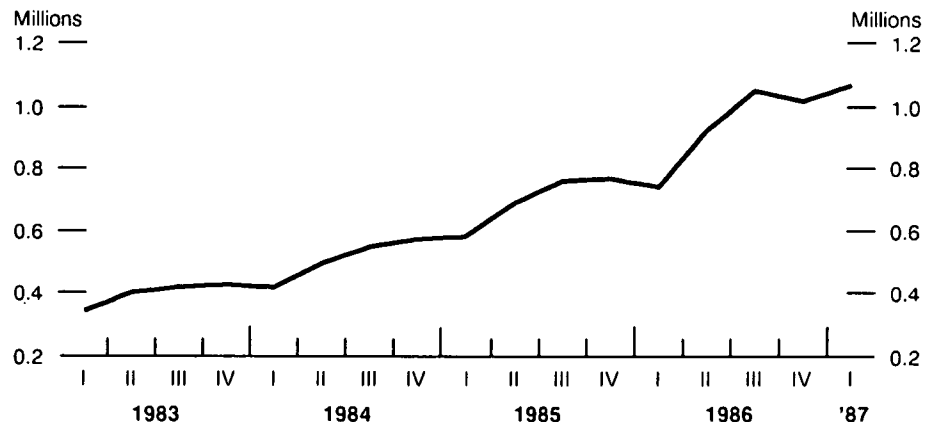
passengers travelled on the smaller aircraft at Victoria airport, more than four times the number of passengers in 1983 (Chart 7).

Similar cases are found across Canada, particularly in the Maritimes, where local carriers, such as Air Atlantic and Air Nova, now provide services on markets that were once served by Eastern Provincial Airways. In 1986, local carriers in the Atlantic Region served 529,000 passengers, up from 62,500 passengers in 1983.

Such a remarkable growth in traffic carried by local carriers in Canada represents a greater impact than just a transfer of traffic from the major airlines. By providing air services to more communities, using more suitable aircraft, higher frequency, lower fares, and better connections, local carriers made air transportation an attractive option for most travellers.

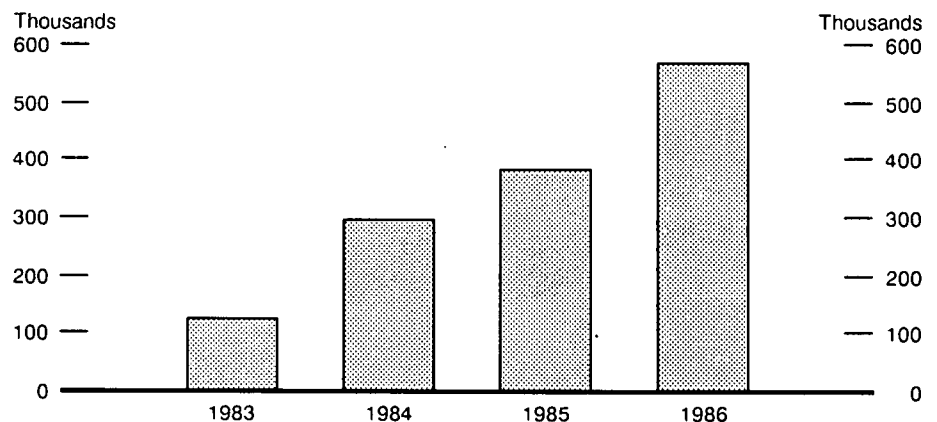
Anna MacDonald is a Statistician with the Aviation Statistics Centre, Transportation Division, Statistics Canada.

Chart 6
Passengers Travelling on Local Carriers, 1983-1987

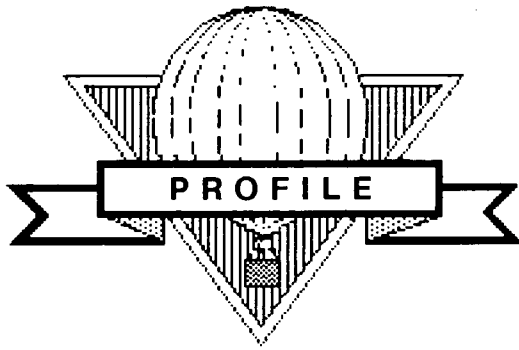


Source: System Passenger Origin and Destination Survey.

Chart 7
Passengers Travelling on Local Carriers at Victoria Airport, 1983-1986



Source: System Passenger Origin and Destination Survey.



Bicycle Ownership Climbs

By Laurie McDougall

You see them on the streets, country roads, bicycle paths - even on mountain slopes - and their numbers are growing. The bicycle has become increasingly popular among Canadians. In 1987, 4.7 million households owned at least one, up 11% from 1985 (Chart 8). This represented 49% of all households, the highest ownership level over the 1980-1987 period.

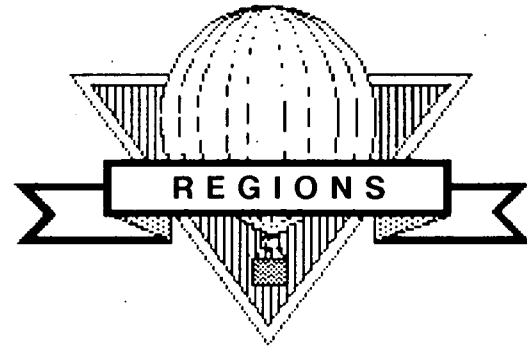
Albertans are still the most likely to own bicycles - 55% of households in 1987 compared to 45% in 1980. Quebecers ranked a close second, at 54%. Households in all provinces (except Prince Edward Islanders) reported owning more than in previously surveyed years (1980-1985).

Bicycles are frequently found in families where the head of the household is 35-44 years of age - 67% of this age group were bicycle owners. The more money Canadians earn, the greater the chance of ownership. Bicycles were found in close to 7 out of 10 households who made at least \$55,000 per year, compared to only approximately 29% of households with an income less than \$20,000.

The typical bicycle has changed significantly over the past few years. The market has diversified into such products as mountain bikes and commuter bikes, making it more appealing to a broader range of consumers. Coupled with the expansion in the industry, the accelerated interest in fitness by the general population is also an important factor in these trends.

Imports of bicycles reflect the increased demand. In 1987, Canada imported close to 395,000 bikes, up 27% from 1986 and a 50% increase from 1980 levels. Taiwan provides three quarters of these bike imports to Canada.

For the tourism industry such growth is significant, as travellers may be increasingly interested in tour packages that include cycling.



A Snapshot of Domestic Travel to Calgary

Two years ago, Calgary welcomed approximately 1.6 million visitors from Canada. With eyes focused on this western city during the 1988 winter Olympics, even more Canadians may be encouraged to select Calgary as a destination this year.

Most domestic visitors to Calgary hail from Alberta (65%). In fact, the Albertan market has been on the increase since 1980. In 1986, non-Albertans took

563,000 trips to Calgary, accounting for 35% of domestic visitors compared to 40% in 1980 (Table 4).

Albertans took just over 1 million overnight trips to Calgary, up marginally from 1984 levels. Edmontonians made 383,000 trips or approximately one third of these journeys. Compared to 1984 this represented an increase of 65%, but was below visitation levels of 1980.

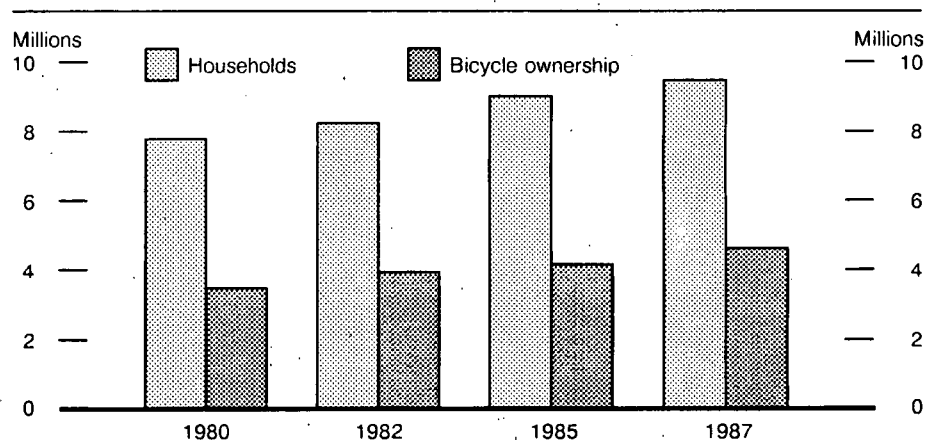
Table 4
Overnight Domestic Travel to Calgary, 1980-1986

	1980	1982	1984	1986
000's person-trips				
Origin:				
Canada	1,621	1,709	1,523	1,607
Alberta	979	1,078	991	1,044
Edmonton	435 ¹	331 ¹	232 ¹	383 ¹
Other Provinces	642 ¹	631 ¹	532 ¹	563 ¹

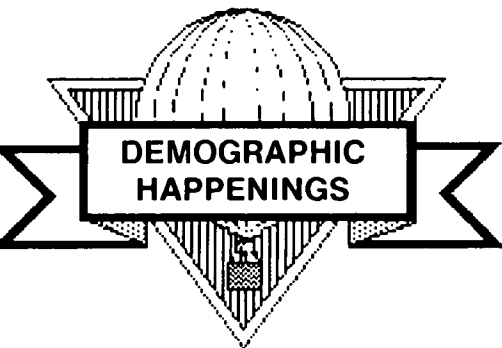
¹ Since the coefficient of the data is between 16.6% and 25% the data should be used with caution.

Source: Canadian Travel Survey, special tabulations

Chart 8
Bicycle Ownership, 1980-1987



Source: Household Facilities and Equipment Survey, Catalogue No. 64-202.



Canada's Aging Population: Highlights from the 1986 Census

The retirement party may be over, but the influence of people 65 years and over is here to stay. According to the 1986 Census, the number Canadians 65 and over has blossomed from 1.4 million in 1961 to 2.7 million in 1986, a rate of increase more than twice that of the population as a whole. Those 75 and over have increased the most - just over 1 million in 1986, double the numbers reported in 1961.

In 1986, nearly 11% of the population were 65 years of age and older compared to less than 8% in 1961. Current projections indicate that this percentage may reach 16% by 2011. During the 1970's and 1980's, the elderly population has grown more rapidly than any other age group. The high growth rate of the elderly population is expected to continue well into the next century.

Across the provinces, the concentration of older Canadians varies. In 1986, close to 13% of Prince Edward Islanders and Saskatchewan residents were 65 years of age and over. In contrast, only 3% of those living in the Northwest Territories were in this age bracket.

There is also a difference in the proportion of those 65 and over who live in rural versus urban areas and the number residing in various sizes of urban centers. Older people are more likely to reside in small urban centres (less than 30,000 persons). They are least likely to live in rural farm areas.

Women outnumber men in the older segments of the population. The 1986 figures show that there were 138 women aged 65 and over for every 100 men. This is largely due to differences in longevity, with women outliving men an average of seven years.

Married persons dominate the 65 to 74 age grouping: 71% according to the 1986 Census figures. However, that proportion drops to 40% for the persons aged 75 years and over. In that age group the majority of people are widowed.

The 1986 Census showed significant differences in living arrangements among the older age groups. The majority of those 65-74, about two-thirds, lived with their spouse or perhaps unmarried children. Living alone was characteristic of 22%, while only a small proportion (3%) were in nursing homes.

The rapidly growing population 75 years and over has quite a different pattern of living arrangements. The proportion of people living with either a spouse or unmarried children dropped to 38%. Those on their own accounted for 30% while 17% of the people lived in nursing homes or other institutions.



Key Publishers Looks at Long Distance Business Travel: Does Everyone Fly?

By Sydney Cohen

When most people think of business travel involving long distance, the usual expectation is that the great majority of travellers fly to their destination.

Not so.

Key Publishers operate hotel guest magazines in most Canadian major metropolitan centres. We wanted to get some idea of the number of people who travel to Canadian destinations on business. Recognizing that most pleasure travellers use their cars, an assumption was made that those travelling on business were more inclined to take a flight to their destination.

That's when a closer look at Statistics Canada's Canadian Travel Survey suggested that far more people whose main reason for travel was business, used their car rather than a plane. And for distances which required an overnight stay.

To put business travel in perspective, in 1986, Canadians took 10.6 million overnight domestic business trips. These travellers used their car for 70% of these trips, while only 28% arrived by plane. In other words, there were 7.1 million car trips compared to 2.9 million air trips.

Of the air trips, the most frequently travelled distance (one way) for overnight stays was between 320-799 km. There were 1.4 million such trips, accounting for just under half of all overnight business trips. Surprisingly there were close to 50% more auto-trips found in this distance range. A total of 2.1 million trips!

Only when distances exceed 800 km does overnight air travel exceed car use: 1.3 million trips by air versus .5 million auto-trips.

When business travellers go to a destination within 319 km, the differences are more dramatic - 4.5 million trips by car, compared to just 152,000 by plane.

This new insight opens up an entire range of possibilities for those marketers who want to target travellers who drive their own car when on a business trip.



Exchange Rate Fluctuations Influence Traveller's Spending

By Jocelyn Lapierre

Since 1985, Canadians travelling overseas have undoubtedly found that their travel dollars do not go as far. Over the past two years (1985-1987), the Canadian dollar has fallen substantially against major overseas currencies, after a four-year period of growth (1981-1985). At the same time though, Canada has become a more affordable destination for overseas travellers (Table 5).

Growth of Canadian Overseas Spending Slows Down

Between 1981 and 1985, when the dollar increased advantageously against most overseas currencies, Canadian spending overseas grew by leaps and bounds. However, as the dollar began to fall, particularly in 1987, the growth of Canadian expenditures in many European countries started to slow down (Chart 9).

Continued from page 9

Canadians travelling in France during 1985, who were exchanging their dollar for 6.5 francs, were only receiving 4.5 francs in 1987. During this period (1985-1987), their spending increased by only 3%, after a 65% growth from 1981 to 1985.

Between 1985 and 1987, when the dollar lost 37% of its value against the Japanese yen, Canadians spent 3% less in Japan, after a four-year period of substantial growth (74%).

Despite the strong devaluation of the dollar against the German mark (37%) between 1985-1987, Canadian travellers increased their spending in West Germany by 12% over the same period. Although they continued to spend more, their visits have shown a 13% drop since 1985.

Overseas Visitors Spending Reaches Record Levels

On the other hand, the recent weakness of our currency has encouraged overseas travellers, especially those from France, West Germany and Japan, to spend in our country at record levels (Chart 10).

Total spending by travellers from France on trips to Canada went up by 100% during the 1985-1987 period. In comparison, spending from France decreased by 28% between 1981 and 1985.

In addition, Japanese travellers spent 100% more in 1987 than they did in 1985, following a four-year period where their travel spending in Canada remained at the same level.

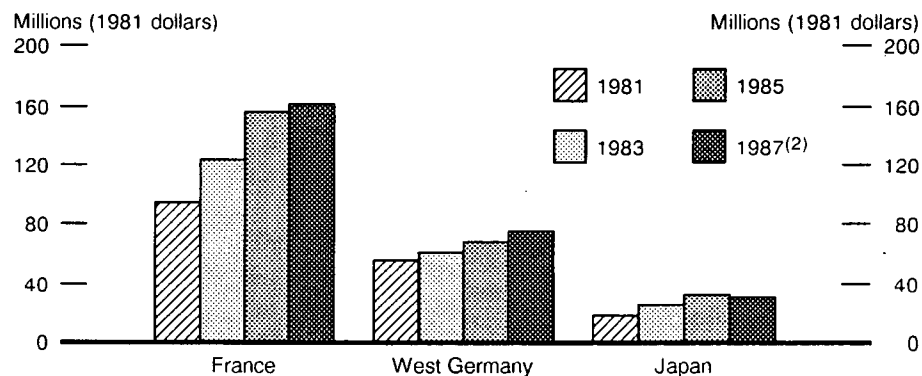
Spending by travellers from West Germany went from a 38% decline during the 1981-1985 period to a 61% rise during the following period.

The exchange rate is not, of course, the only factor that can affect tourism trends between Canada and overseas countries. Factors such as inflation rates, political unrest, government incentive/restrictive measures on foreign spending, promotional campaigns to publicize specific tourism attractions and special events such as Expo 86 can also influence Canadians and overseas residents in selecting their next tourism destination.

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Chart 9

Canadian Spending¹ in Selected Countries, 1981-1987



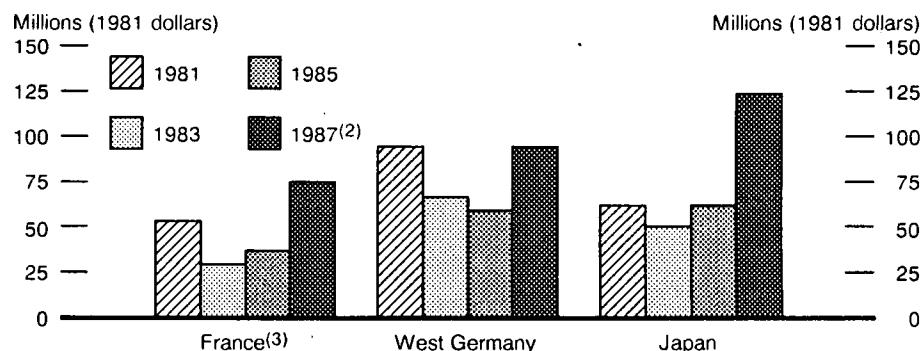
(1) Excludes fares to foreign carriers paid by Canadian residents.

(2) The 1987 annual figures are estimates.

Source: *International Travel Survey*, special tabulations.

Chart 10

Visitor Spending¹ in Canada by Selected Origins, 1981-1987



(1) Excludes fares to Canadian carriers by non-residents.

(2) The 1987 annual figures are estimates.

(3) Includes Monaco and Andorra.

Source: *International Travel Survey*, special tabulations.

Table 5

Canadian Dollar's Exchange Rate Against Selected Overseas Currencies Annual Averages, 1981-1987

	Canadian dollar expressed in foreign currencies				Percentage change	
	1981	1983	1985	1987	1981-85	1985-87
					%	%
British pound	0.41	0.54	0.56	0.46	37	-18
French franc	4.33	6.16	6.52	4.53	51	-31
German mark	1.88	2.07	2.14	1.35	14	-37
Swiss franc	1.63	1.70	1.78	1.12	9	-37
Japanese yen	183.49	192.68	173.40	108.84	-5	-37

Source: *Bank of Canada*.

Travel Price Index, Fourth Quarter and Annual, 1987

By Jocelyn Lapierre

For the first time in three years, travel prices did not increase. According to the fourth quarter Travel Price Index for 1987, prices were 0.7% lower than the third quarter (Table 6).

The decline in the TPI was mainly the result of decreases in prices for inter-city transportation (-16.7%), accommodation (-2.8%) and food (-0.2%), which more than offset the increases recorded in the other components.

In comparison, the cost of consumer goods as a whole, as measured by the Consumer Price Index, reached 140.2, an increase of 0.7% from the third quarter of 1987.

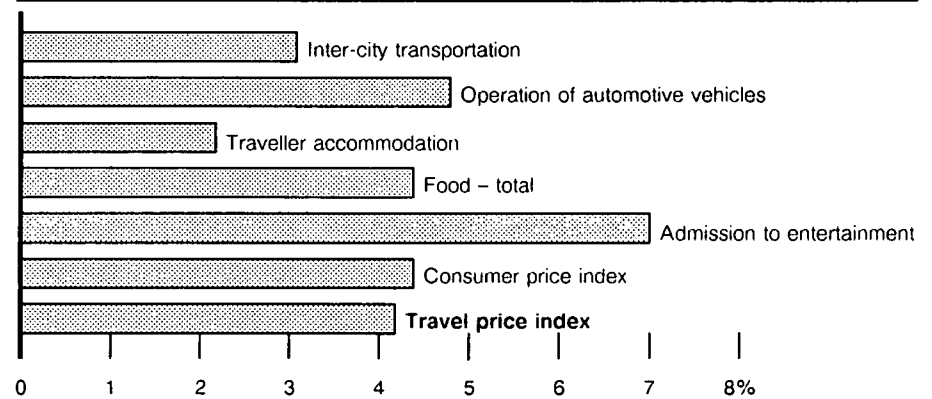
Compared to a year ago, the fourth quarter TPI rose 4.0%, compared to a 4.2% increase in the CPI. The increases recorded in the cost of operation of automotive vehicles (8.7%) and admission to entertainment (7.2%) were the major contributors to this year-to-year growth in the TPI.

Inter-city transportation was the only component that did not increase in the fourth quarter of 1987 from the prices a year earlier.

In 1987, the annual Travel Price Index averaged 145.9, a 4.2% increase over last year. This increase was less than that recorded in the CPI. A 7.0% rise in the prices of admission to entertainment, coupled with a 4.8% increase in the cost associated with the operation of automotive vehicles and a 4.4% growth in food prices were the main factors in this annual advance of the TPI (Chart 11).

While prices in inter-city transportation went up by 3.1% on average between 1986 and 1987, the costs in traveller accommodation rose by only 2.2%, the lowest annual increase recorded among all TPI components during this period.

Chart 11
Travel Price Index and Components, Annual Per Cent Change, 1986-1987

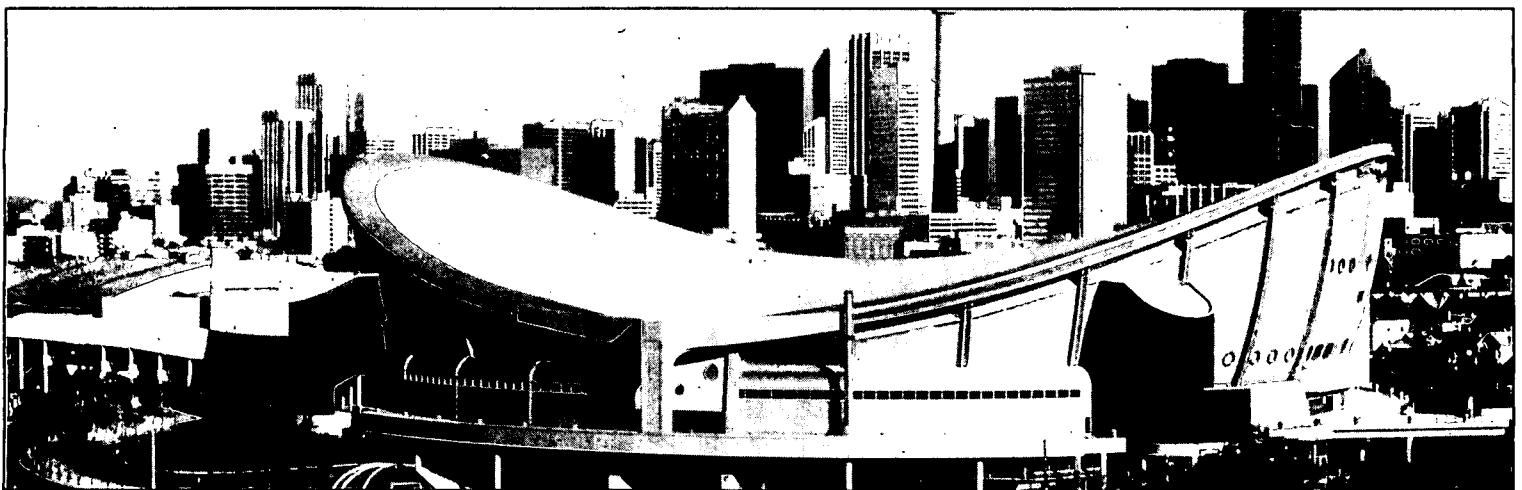


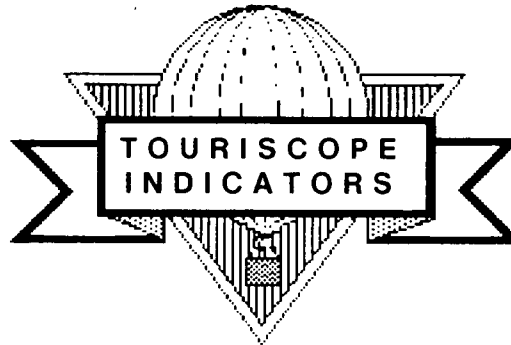
Source: Consumer Price Index, Catalogue No. 62-001.

Table 6
Travel Price Index and Components
(Not Seasonally Adjusted, 1981 = 100)

TPI components	Per cent change		
	Fourth quarter 1987	Previous quarter	Previous year
Inter-city transportation	178.3	-16.7	-0.1
Operation of automotive vehicles	141.9	0.4	8.7
Traveller accommodation	155.1	-2.8	4.1
Food - total	132.7	-0.2	2.3
Admission to entertainment	160.2	3.6	7.2
Consumer price index	140.2	0.7	4.2
Travel price index	148.1	-0.7	4.0

Source: Consumer Price Index, Catalogue No. 62-001.





	Percentage Change 1986-1987				
	Year	Quarter			
		I	II	III	IV
	percentage				
VISITORS TO CANADA					
From United States	-3.3	3.4	-2.5	-7.0	-0.8
Overnight visits	-5.9	5.8	-5.7	-9.8	0.7
By auto	-6.3	6.7	-5.6	-10.9	1.3
From Overseas	12.0	14.6	12.9	10.4	14.0
Top Five Countries					
United Kingdom	15.5	21.2	13.1	15.3	17.6
Japan	32.8	47.4	30.2	31.9	28.9
West Germany	26.7	14.3	35.8	25.7	17.1
France	35.5	21.4	51.4	38.0	12.0
Italy	27.2	25.0	31.6	31.6	26.7
CANADIANS OUTSIDE CANADA					
To United States	17.2	9.4	17.3	18.8	22.8
Overnight visits	13.6	8.6	15.1	14.5	15.5
By auto	17.0	12.5	19.2	15.6	21.9
To Overseas	15.9	15.1	16.9	17.1	14.4
INDUSTRY					
Airline passengers	1.6	2.1	7.7	-3.7	0.7
Airline passenger-km	-0.2	0.6	-1.9	0.5	-0.1
Inter-city bus passengers	-5.4	-7.6	-3.9	-3.4	-7.2
Restaurant receipts	9.4	7.5	7.8	8.7	13.4
PRICES					
1981 = 100 (not s.a.)					
Travel price index	4.2	3.3	4.2	5.0	4.0
Consumer price index	4.4	4.1	4.6	4.6	4.2
Restaurant meals	4.0	5.1	4.3	3.5	3.3
Inter-city transportation	3.1	4.3	1.5	6.4	-0.1
Gasoline	4.8	-14.8	7.6	14.8	16.0
ECONOMIC					
1981 = 100 (s.a.)					
Gross domestic product	4.0	2.7	3.2	4.4	5.7
Amusement and recreation	6.1	4.5	5.2	6.6	7.9
Accommodation and food services	1.9	1.4	0.1	0.2	6.1
Personal disposable income per capita	5.3	3.7	4.3	6.1	7.0
LABOUR FORCE					
Labour force (s.a.)	2.0	1.3	1.8	2.2	2.4
Unemployed	-5.6	--	-3.9	-7.5	-11.4
Employed	2.8	1.5	2.4	3.2	3.9
Accommodation and food services	4.9	11.2	7.9	0.7	0.6
EXCHANGE RATES					
In Canadian Dollars:					
American Dollar	-4.6	-4.7	-3.7	-4.6	-5.3
British Pound	6.6	2.0	4.8	3.8	16.2
Japanese Yen	10.8	16.6	14.6	1.2	12.2
German Mark	14.9	21.6	19.7	8.1	11.5
French Franc	9.9	12.1	14.1	5.4	8.2
Mexican Peso	-56.7	-56.6	-57.5	-55.2	-57.3
s.a. - seasonally adjusted.					