Community Futures Big Country

Travel Drumheller UNCOVER WONDER

DRUMHELLER VALLEY

DDCC Drumheller & District Chamber of Commerce

April 2022

Drumheller and Region

Business Survey Results and Analysis

McSWEENEY
inspiring economic sustainability®

Drumheller and Region Business Survey Results and Analysis

April 2022

McSweeney & Associates
201-900 Greenbank Road
Ottawa, ON K2J 1A8
T: 1-855-300-8548
E: consult@mcsweeney.ca
W: www.mcsweeney.ca

ACKNOWLEDGEMENTS

We would like to thank the 113 local businesses who contributed their feedback, ideas and expertise to this community-driven study. We thank each business for taking the time to provide considerate, expansive responses that allowed us to better understand their realities of operating a business within Drumheller and the surrounding Region.

The Drumheller and Region Business Survey and Analysis project
is the result of a collaborative partnership.

As the project funder, Community Futures Big Country
would like to thank the project partners
for their valuable contribution of their time and expertise:

Community Futures Big Country

Drumheller & District Chamber of Commerce

Travel Drumheller

Town of Drumheller Economic Development Department

We respectfully acknowledge that we are on Treaty 7 territory, the ancestral and traditional territory of the Blackfoot Confederacy: Kainai, Piikani, and Siksika, as well as the Tsuut'ina First Nation and the Stoney Nakoda First Nation, and on the traditional territory of the Metis Nation of Alberta, Region 3. We recognize the land as an act of reconciliation and gratitude to those on whose territory we reside.

Table of Contents

List of Tables & Figures

EXECUTIVE SUMMARY

This report is the result of a partnership between Community Futures Big Country, Drumheller & District Chamber of Commerce, Town of Drumheller Economic Development Department, and Travel Drumheller.

The process began with a detailed statistical assessment of the Town of Drumheller and Starland County to analyze the local economy. Data presented includes:

- The number and size of businesses in the area by industry;
- Average wages, sales, and import/export data by industry;
- Employment by occupation, compared to provincial and national benchmarks;
- Employment by industry, again compared to provincial and national benchmarks; and
- Tourism-related data to highlight the importance of this industry to the local economy.

Following this, a surveying campaign was undertaken resulting in significant outreach to local business owners. The survey received 113 responses between January 26, 2022, and March 16, 2022. Due to public safety measures related to COVID-19, a more flexible approach was undertaken as surveying was unable to be done in person. Instead, surveys were completed over the phone and through an online survey.

Key themes identified in the report include that:

- Local businesses are generally optimistic about the future;
- While employers are, overall, happy with their current staff, they view the broader labour pool as a weakness;
- Many businesses in the community are seasonal in nature, relying on strong summer months to sustain their operations through lesser winter seasons;
- Benefits to doing business in the area include the "people" and its small-town appeal;
- Drawbacks to operating a business in Drumheller or Starland County include the lack of population growth and high operating costs;
- The strong tourism sector and geographic location were seen as both strengths and drawbacks to running a local business.
  - Tourism is perceived as a strength because it drives traffic to local businesses, but a drawback because it leads to a seasonal economy that does not create sustainable employment.
  - The geographic location is perceived as a strength because of the area's proximity to Calgary and key oil & gas sectors. Being so close to Calgary is also considered a weakness, however, because that at times discourages consumers from shopping local, as they prefer the larger stores in Calgary.

DATA SOURCES

Please note that every effort has been made to use the most current data available. There are three major sources of information for the remainder of this document:

- Canadian Business Registry (CBR) – December 2020
- Survey Response Data
- EMSI Analyst 2021.Q1

Canadian Business Registry (CBR)

The major sources of information for the business registry are updated from the Statistics Canada survey program and Canada Revenue Agency's (CRA) Business Number account files. This CRA administrative data source allows for the creation of a complete set of all business entities.

Survey Data

Survey responses were gathered from 113 respondents between January 26, 2022 and March 16, 2022. Each of the four project partners reached out to local organizations during this time to encourage engagement. Surveys were completed over the phone and through an online survey as a result of pandemic protocols. In the event that respondents wished to remain anonymous, they had the option to do so.

A note on confidence intervals: typically, in a survey of this size, confidence intervals are given. However, we have avoided doing so here for a number of reasons.

- First, due to the self-selective nature of the survey methodology. Businesses were contacted directly by the community partners, meaning that respondents were not entirely random. As well, COVID-19 has placed a unique burden on businesses, impacting them in unforeseen ways. As such, there is some natural self-selection going on, whereby businesses who had to close due to COVID-19 would not have been contacted, and those who are significantly struggling are less likely to respond.
- Second, the total number of businesses within the target area is an inexact target, as some local businesses may be unknown to the community. Although the Business Counts data provides an estimate, it is best seen as a close approximation rather than an exact figure.
- Third, not all respondents chose to answer all questions. As such, there is a different same size (N) for each question (sample sizes are denoted in Figure totals).

With these caveats in mind, while we stand behind all the information provided in the survey response data below, we feel it would be improper to provide a specific confidence interval.

EMSI Analyst

EMSI data brings the various snapshots of the Canadian economy together in a single picture. First, it aligns the geographies of the data from 2001 to the present, which means the Drumheller and Starland County region of 2001 is the same as the Drumheller and Starland County region of 2021. This results in geographically detailed data (down to the Census Subdivision level) that apply to today's economy.

The data is remarkably detailed, providing information on 305 industry classifications using the North American International Classification System (NAICS) system and 522 occupations from Statistics Canada's National Occupational Classification (NOCs) classification system in over 4,300 integrated geographical areas. The data is updated twice a year, so users have the most current information possible. And to top it all off, it adds future projections based on the CBR data so that it provides an idea of the future alongside the past and present.

EMSI Data Sources include:
Canadian Business Registry (CBR)
2001, 2006, and 2011, 2016 Census data
Survey of Employment, Payroll and Hours (SEPH)
Labour Force Surveys (LFS)
Canadian Occupational Projection System (COPS)
CANSIM Demographics
Post-secondary Student Information System (PSIS) Education Data

1. THE CURRENT STATE OF BUSINESS IN DRUMHELLER AND STARLAND COUNTY

1.1. Business Count Data

This subsection illustrates the number and size of employers by industry. The data in this section comes from Statistics Canada's Canadian Business Patterns dataset. Employers in this dataset include businesses in the Business Register, which are all Canadian businesses that meet at least one of the three following criteria:

- Have an employee workforce for which they submit payroll remittances to Canada Revenue Agency; or
- Have a minimum of $30,000 in annual revenue; or
- Are incorporated under a federal or provincial act and have filed a federal corporate income tax form within the past three years.

Statistics Canada divides businesses into two major groupings:

1. Businesses with a determinate number of employees; and
2. Businesses with an indeterminate number of employees.

Within Drumheller and Starland County, the two most common industries are "agriculture, forestry, fishing and hunting" (267 businesses within the area) and "real estate and rental and leasing" (135 businesses).

Table 1: Business Counts by Sector, Drumheller and Starland County, December 2020

Sector	Totals
Agriculture, forestry, fishing and hunting	267
Real estate and rental and leasing	135
Professional, scientific and technical services	44
Mining, quarrying, and oil and gas extraction	41
Construction	40
Other services (except public administration)	38
Retail trade	32
Health care and social assistance	29
Accommodation and food services	23
Administrative and support, waste management and remediation services	22
Transportation and warehousing	22
Finance and insurance	15
Wholesale trade	7
Arts, entertainment and recreation	7
Manufacturing	5
Information and cultural industries	4
Public administration	4
Educational services	3
Utilities	2
Management of companies and enterprises	1
Unclassified	54
Total	**795**

Source: EMSI Analyst 2021.1

The vast majority of businesses with employees within Drumheller and Starland County employ between 1 and 9 employees. Specifically, across all sectors, small businesses (1-9 employees) represent 90% of local businesses with employees. Furthermore, in all but two sectors (finance and insurance; public administration), businesses with 1-9 employees make up over half of all businesses.

Medium-size businesses (10-99 employees) are most often present in "finance and insurance" businesses, "public administration", and "health care and social assistance". Finally, the only sectors that house businesses with 100+ employers in the area are "public administration" and "public administration".

Table 2: Percentage of Business with Employees by Size, by Sector, December 2020

Sector	1-9 employees	10-99 employees	100+
Agriculture, forestry, fishing and hunting	95%	5%	0%
Real estate and rental and leasing	86%	14%	0%
Professional, scientific and technical services	86%	14%	0%
Mining, quarrying, and oil and gas extraction	100%	0%	0%
Construction	100%	0%	0%
Other services (except public administration)	93%	7%	0%
Retail trade	88%	12%	0%
Health care and social assistance	67%	25%	8%
Accommodation and food services	83%	17%	0%
Administrative and support, waste management and remediation services	100%	0%	0%
Transportation and warehousing	100%	0%	0%
Finance and insurance	50%	50%	0%
Wholesale trade	67%	33%	0%
Arts, entertainment and recreation	67%	33%	0%
Information and cultural industries	100%	0%	0%
Public administration	50%	25%	25%
Utilities	100%	0%	0%
Unclassified	94%	6%	0%
Total	**90%**	**9%**	**1%**

Source: EMSI Analyst 2021.1

1.2. Industry Data

1.2.1. Supply Chain Analysis

When assessing a local economy, it is useful to determine which economic activities "bring money in", and where money might be "leaking out". Another way to assess this metric is to assess the in-region and imported purchases made by each subsector within the area. Table 3 presents the local industries in terms of total purchases made, as well as the percentage of those purchases that are made in-region and out-of-region.

Across all sectors, imports represent approximately 75% of total purchases. This figure is comparable to other similar sized communities and is typically a function of reality; in many industries, especially those relying on natural goods, reliance on imported purchases is a necessity.

Table 3: Supply Chain Purchases, by Sector

NAICS	% In-region Purchases	% Imported Purchases	Total Purchases
Agriculture, forestry, fishing and hunting	36.6%	63.4%	$36,158,201
Mining, quarrying, and oil and gas extraction	26.8%	73.2%	$47,274,795
Utilities	28.8%	71.2%	$2,462,103
Construction	24.8%	75.2%	$19,261,284
Manufacturing	19.6%	80.4%	$22,802,606
Wholesale trade	6.5%	93.5%	$8,775,403
Retail trade	23.4%	76.6%	$14,397,263
Transportation and warehousing	29.0%	71.0%	$26,946,803
Information and cultural industries	29.4%	70.6%	$1,451,129
Finance and insurance	28.3%	71.7%	$4,467,776
Real estate and rental and leasing	38.8%	61.2%	$6,400,624
Professional, scientific and technical services	22.9%	77.1%	$12,774,512
Administrative and support, waste management and remediation services	7.1%	92.9%	$9,473,771
Educational services	32.1%	67.9%	$2,855,540
Health care and social assistance	19.4%	80.6%	$20,628,262
Arts, entertainment and recreation	19.6%	80.4%	$5,050,199
Accommodation and food services	18.0%	82.0%	$16,655,809
Other services (except public administration)	27.0%	73.0%	$5,571,222
Public administration	26.6%	73.4%	$34,449,533
Total	**25.2%**	**74.8%**	**$297,856,835**

Source: EMSI Analyst 2021.1

1.2.2. Economic Output

This subsection highlights industries with the largest economic impact. The following table illustrates industries with the highest level of economic output as measured by total sales. Average wages by industry are also illustrated. Four industries each account for over $75 million in total sales within Drumheller and Starland County; *mining, quarrying, and oil and gas extraction; public administration; agriculture, forestry, fishing and hunting;* and *health care and social assistance.*

Regarding wages, the two industries with the highest average wages are *utilities* ($83,987 average wages) and *mining, quarrying, and oil and gas extraction* ($78,252).

Table 4: Regional Sales and Wage Data, by Industry

NAICS	Sales	Average Wages
Mining, quarrying, and oil and gas extraction	$134,072,154	$78,252
Public administration	$88,142,780	$67,562
Agriculture, forestry, fishing and hunting	$76,486,151	$40,532
Health care and social assistance	$76,243,338	$42,779
Manufacturing	$63,254,608	$58,206
Transportation and warehousing	$48,301,539	$48,408
Accommodation and food services	$40,568,413	$16,796
Retail trade	$39,334,652	$25,810
Professional, scientific and technical services	$35,019,452	$45,065
Construction	$34,508,201	$46,499
Wholesale trade	$22,359,878	$50,437
Administrative and support, waste management and remediation services	$20,091,177	$31,176
Real estate and rental and leasing	$18,066,350	$29,817
Finance and insurance	$17,352,249	$39,443
Educational services	$17,272,837	$52,065
Arts, entertainment and recreation	$15,121,285	$34,053
Other services (except public administration)	$14,206,019	$31,522
Utilities	$11,997,052	$83,987
Information and cultural industries	$3,730,714	$30,351
Total	**$776,128,849**	**$41,994 (Average)**

Source: EMSI Analyst 2021.1

1.2.3. Export Sales

Exports identify the amount of money that is spent by businesses located outside the region (domestically and internationally) in exchange for goods or services produced by an industry located in Drumheller and Starland County. **In 2017, the most recent data available, total export sales in the area amounted to $592,913,060**. Table 5 below highlights the export data from each of the sectors in the local economy.

Similar to the overall sales data above, the *mining, quarrying, and oil and gas extraction* sector led the way, representing $120.5 million in export totals, nearly $40 million in value larger than the second largest exporter (*public administration)*.

Table 5: Export Data, by Industry, 2017

NAICS	Exports from Region
Mining, quarrying, and oil and gas extraction	$120,459,787
Public administration	$83,318,794
Health care and social assistance	$63,951,985
Agriculture, forestry, fishing and hunting	$58,409,317
Manufacturing	$53,149,192
Transportation and warehousing	$35,696,766
Professional, scientific and technical services	$25,064,469
Accommodation and food services	$21,642,120
Retail trade	$21,035,616
Wholesale trade	$19,711,831
Administrative and support, waste management and remediation services	$16,747,764
Educational services	$14,212,505
Construction	12260186.69
Arts, entertainment and recreation	$11,389,395
Finance and insurance	$10,538,212
Utilities	$8,020,821
Real estate and rental and leasing	$7,656,915
Other services (except public administration)	$7,333,490
Information and cultural industries	$2,313,895
Total	**$592,913,060**

Source: EMSI Analyst 2021.1

1.3. Labour Data – Industry of Employment

We are further able to assess the impact of local sectors by measuring job totals within each industry. Table 6 presents job count data from 2019 (pre-pandemic), 2021, and 2028 (estimates) for each of the 10 largest local industries, measured by 2021 job counts.

Two sectors, *public administration* and *health care and social resistance* both represent over 500 jobs locally, and are expected to grow (3.9% and 2.2%, respectively) between 2021 and 2028.

Table 6: Top Industries of Employment, 2019, 2021, and 2028, Region

Sector	2019 Jobs	2021 Jobs	2028 Jobs	2021 - 2028 Change	2021 - 2028 % Change
Public administration	516	523	543	20	3.9%
Health care and social assistance	565	516	527	11	2.2%
Retail trade	490	466	456	-10	-2.1%
Accommodation and food services	534	392	394	2	0.6%
Educational services	251	229	254	25	10.7%
Professional, scientific and technical services	163	153	148	-5	-3.2%
Transportation and warehousing	166	146	136	-9	-6.3%
Other services (except public administration)	162	142	144	2	1.3%
Mining, quarrying, and oil and gas extraction	159	128	105	-24	-18.4%
Finance and insurance	104	102	105	3	2.6%
Total	3,840	3,422	3,379	-44	-1.3%

Source: EMSI Analyst 2021.1

1.3.1. Location Quotient

Location Quotient is used to measure the relative concentration of an occupation; that is, it compares the percentage of jobs per occupation in the labour shed, relative to the total percentage of jobs in the same occupation in Alberta and Canada. A location quotient above 2 means the labour recruiting area employs twice as many jobs in that occupation than is typical in the nation. Such a high concentration shows that there is some momentum in growing or attracting these jobs that is unique to the region.

Table 7 presents location quotient at a provincial and national level (i.e., comparing the economies of Drumheller and Starland County to Alberta- and Canada-wide economies) for all industries that represented over 100 jobs in 2021.

Table 7: Location Quotient Data, by Industry

NAICS	2021 Jobs	Provincial LQ	National LQ
Public administration	523	2.6	2.0
Health care and social assistance	516	1.3	1.2
Retail trade	466	1.1	1.2
Accommodation and food services	392	1.7	1.9
Educational services	229	0.9	0.8
Professional, scientific and technical services	153	0.8	0.7
Transportation and warehousing	146	0.8	0.9
Other services (except public administration)	142	1.0	1.2
Mining, quarrying, and oil and gas extraction	128	0.8	3.2
Finance and insurance	102	0.9	0.6
Total	**3,422**	**1**	**1**

Source: EMSI Analyst 2021.1

Table 8 builds off the data presented in Table 7 by highlighting each industry's location quotient adjustment over time. It is important to note here that these gains or losses are all relative. That is, an increase or decrease in location quotient does not directly translate to an increase or decrease in the number of jobs per sector. Instead, it reflects that the industry has become more, or less, concentrated when compared to provincial or national benchmarks.

- *Public administration* saw the largest relative growth against both provincial and national benchmarks, concentration growths of 0.8 and 0.7, respectively.

- Compared to Alberta, three sectors went from being slightly more heavily concentrated locally (a location quotient over 1.0) to slightly less heavily concentrated locally (a location quotient under 1.0) – *transportation and warehousing; mining, quarrying, and oil and gas extraction*, and *finance and insurance.*

- Benchmarked at a national level, *mining, quarrying, and oil and gas extraction* declined from a location quotient of 4.9 (nearly 5 times as concentrated locally than across the entire national economy) to 3.2 (still the highest national location quotient across all industries).

Table 8: Location Quotient, by Industry, Historical Change

	Provincial			National		
NAICS	2014 LQ	2021 LQ	LQ Change	2014 LQ	2021 LQ	LQ Change
Public administration	1.7	2.6	0.8	1.3	2.0	0.7
Health care and social assistance	1.5	1.3	0.1	1.1	1.2	0.1
Retail trade	1.2	1.1	0.1	1.1	1.2	0.1
Accommodation and food services	1.6	1.7	0.1	1.7	1.9	0.2
Educational services	0.8	0.9	0.1	0.7	0.8	0.2
Professional, scientific and technical services	0.6	0.8	0.2	0.7	0.7	0.1
Transportation and warehousing	1.1	0.8	-0.3	1.1	0.9	-0.2
Other services (except public administration)	1.1	1.0	-0.1	1.2	1.2	-0.1
Mining, quarrying, and oil and gas extraction	1.1	0.8	-0.3	4.9	3.2	-1.7
Finance and insurance	1.1	0.9	-0.2	0.7	0.6	-0.1

Source: EMSI Analyst 2021.1

1.3.2. Shift-share Analysis

Shift-share analysis compares the local employment growth/decline of regional jobs by industry to the employment growth/decline of that industry within Canada, as well as the job growth overall for Canada. More specifically, this analytical tool examines the job growth/decline by attributing growth, stability, or decline in particular industries over time due to three distinct forces:

- National economic growth: regional job growth/decline that is attributable to the growth, stability, or decline of the entire Canadian economy. Industries will be impacted positively or negatively by the state of the Canadian economy and consumer spending at a national level, external to any local factors.
    - Industry growth: regional job growth/decline that is attributable to the growth, stability, or decline of that particular economic activity in the Canadian economy (with the economic growth component removed). General industry trends are outside the influence of local actors and are therefore removed from the local impact.
- Local economic growth: local job growth/decline that is attributable to the local economy because it is growing/declining more or less quickly than jobs in the larger economy (with the Canadian economic and industry growth components removed).

This tool, when correctly interpreted, provides greater descriptive power than the location quotient method. It has been applied to NAICS Industries using place of work statistics. Shift-share analysis allows the examination of changes through time (trends) versus the static snapshot of location quotients.

Local Shift-Share Analysis

Table 9 looks to the past (2014) and current (2021) data to assess which sectors are most positively impacted by local factors. The table presents the expected change due to national and industry effects (expected change), contrasts that total with the reality (actual change) and therein assesses the regional/local effects (competitive effect).

Table 9: Shift-share Analysis, by Industry, 2014-2021

NAICS	2014 Jobs	2021 Jobs	Expected Change	Actual Change	Competitive Effect
Public administration	411	523	25	112	87
Health care and social assistance	547	516	76	31	107
Retail trade	582	466	27	116	90
Accommodation and food services	560	392	109	168	59
Educational services	218	229	13	11	1
Professional, scientific and technical services	158	153	23	4	27
Transportation and warehousing	220	146	10	75	84
Other services (except public administration)	214	142	22	72	50
Mining, quarrying, and oil and gas extraction	308	128	58	179	122
Finance and insurance	135	102	8	33	41
Construction	224	93	2	131	130
Manufacturing	82	86	2	4	6
Wholesale trade	114	86	1	28	27
Agriculture, forestry, fishing and hunting	105	81	2	25	23
Arts, entertainment and recreation	147	79	21	67	47
Administrative and support, waste management and remediation services	106	64	3	42	39
Real estate and rental and leasing	47	51	5	4	10
Utilities	49	20	3	29	32
Information and cultural industries	58	11	2	47	46
Total	**4,340**	**3,422**	**84**	**918**	**834**

Source: EMSI Analyst 2021.1

1.4. Occupation Data

Persons in the labour force can be classified using the National Occupational Classification (NOCs) codes; a four-tiered hierarchical arrangement of occupational groups with successive levels of disaggregation. It contains broad occupational categories (1-digit), major (2-digit code), minor (3-digit code) and unit groups (4-digit code).

Table 10 shows that two occupation classes in Drumheller and Starland County represent over 100 jobs each:

- Food counter attendants, kitchen helpers and related support occupations (with median annual wages of $31,690)
- Transport truck drivers ($58,446)

Table 10: Top 10 Occupations, by 2021 Jobs, 2020-2028, 4 Digit NOC

Occupation	2020 Jobs	2021 Jobs	2028 Jobs	Median Wages	2021 - 2028 % Change
Food counter attendants, kitchen helpers and related support occupations	129	127	121	$31,690	-4.6%
Transport truck drivers	113	112	111	$58,446	-0.2%
Retail salespersons	97	95	88	$32,962	-7.0%
Cashiers	81	79	75	$34,479	-6.0%
Nurse aides, orderlies and patient service associates	81	79	80	$41,069	1.5%
Police officers (except commissioned)	71	77	100	$86,426	30.2%
Registered nurses and registered psychiatric nurses	73	72	74	$82,378	3.3%
Food and beverage servers	67	70	81	$33,846	16.0%
Cooks	66	65	60	$31,518	-7.1%
Accounting technicians and bookkeepers	52	49	42	$49,316	-15.8%
Total (all)	**3464**	**3422**	**3379**	**$54,437**	**-1.3%**

Source: EMSI Analyst 2021.1

1.4.1. Location Quotient

As was completed for industries, a location quotient assessment can be done for occupation classifications. Once again, a location quotient above 1 means the labour recruiting area employs more jobs in that occupation than is typical in the province or nation. A high concentration suggests that there may be some momentum in growing or attracting these jobs that is unique to the region.

Table 11 presents location quotient at a provincial and national level (i.e., comparing the economies of Drumheller and Starland County to Alberta- and Canada-wide economies) for all occupation classes that represented over 100 jobs in 2021[1].

Table 11: Location Quotient, Top 20 Occupations of Employment, 2 Digit NOC, 2021

Occupation	2021 Jobs	Provincial LQ	National LQ
Service support and other service occupations	240	1.4	1.3
Service representatives and other customer and personal services occupations	227	1.5	1.4
Administrative and financial supervisors and administrative occupations	206	1.1	1.0
Office support occupations	205	1.3	1.4
Transport and heavy equipment operation and related maintenance occupations	187	1.4	1.6
Service supervisors and specialized service occupations	159	1.3	1.4
Sales support occupations	134	1.2	1.1
Sales representatives and salespersons - wholesale and retail trade	118	0.8	0.7
Technical occupations related to natural and applied sciences	113	0.8	0.9
Maintenance and equipment operation trades	110	0.8	1.0
Professional occupations in education services	109	0.8	0.7
Technical occupations in health	105	1.5	1.5
Total	**3,422**	**1**	**1**

Source: EMSI Analyst 2021.1

[1] A 2-digit NOC classification is used here, as using a higher level of specificity (i.e., 4 digit NOC) results in skewed location quotient data, due to small sample size challenges.

1.4.2. Shift-Share Analysis

Once again, we are able to apply the same analysis to occupations that was done for industry employment totals. That is, we can use shift-share analyses to estimate the local "competitive effect" for major occupations in Drumheller and Starland County.

Table 12 again looks to the past (2014) and current (2021) data to assess which sectors are most positively impacted by local factors. The table presents the expected change due to national and industry effects (expected change), contrasts that total with the reality (actual change) and therein assesses the regional/local effects (competitive effect).

Table 12: Shift-share Analysis, by Occupation, 2014-2021

Occupation	2014 Jobs	2021 Jobs	Expected Change	Actual Change	Competitive Effect
Service support and other service occupations	299	240	3	59	56
Service representatives and other customer and personal services occupations	241	227	21	14	7
Administrative and financial supervisors and administrative occupations	211	206	35	5	41
Office support occupations	292	205	74	87	13
Transport and heavy equipment operation and related maintenance occupations	253	187	9	67	58
Service supervisors and specialized service occupations	194	159	6	35	29
Sales support occupations	192	134	8	58	51
Sales representatives and salespersons - wholesale and retail trade	173	118	7	55	48
Technical occupations related to natural and applied sciences	121	113	5	9	13
Maintenance and equipment operation trades	154	110	2	44	42
Professional occupations in education services	119	109	1	10	9
Technical occupations in health	100	105	8	5	4
Total (all occupations)	**4,340**	**3,422**	**19**	**918**	**899**

Source: EMSI Analyst 2021.1

1.5. Commuter Flow

To better understand who works in Drumheller and Starland County, we can turn to commuter flow data from the 2016 Census. This data allows us to understand where those who are employed within Drumheller and Starland County typically live (Table 13). As the table illustrates, the communities are fairly inclusive – of the 3,370 individuals who travel to work, 2,830 also live within the area.

Table 13: Place of Residence for those Typically Employed Within Drumheller/Starland County

Place of Residence	Commuters
Drumheller, T	2,635
Starland County, MD	195
Kneehill County, MD	145
Wheatland County, MD	100
Morrin, VL	65
Munson, VL	50
Carbon, VL	50
Calgary, CY	35
Special Area No. 2, SA	25
Airdrie, CY	25
Stettler County No. 6, MD	25
Strathmore, T	20
Total	**3,370**

Source: Statistics Canada 2016 Census.

We are similarly able to understand where residents of Drumheller and Starland County travel to for work (Table 14). As can be seen, only 380 residents travel outside either Drumheller or Starland County to their place of employment.

Table 14: Usual Place of Work for Residents of Drumheller/Starland

Place of Work	Commuters
Drumheller, T	2,795
Wheatland County, MD	95
Hanna, T	70
Morrin, VL	65
Calgary, CY	45
Delia, VL	40
Starland County, MD	35
Acme, VL	25
Strathmore, T	20
Wood Buffalo, SM	20
Total	3,210

Source: Statistics Canada 2016 Census.

1.6. Tourism

The challenge for assessing the impacts of "tourism" is that there is no set definition of "tourism industries". Instead, various subsectors across a range of industries are all impacted by tourism. For example, the subsector *performing arts companies,* is heavily impacted by tourism but is instead nested within the broader *arts, entertainment and recreation* industry.

This report will rely on Industry Canada's profile of tourism industries to create a custom list of subsectors that can be classified as tourism related in Drumheller and Starland County[2] (Table 15). While there are spillover impacts to other industries, these sectors represent those where a significant portion of the sector is impacted by tourism activities.

Table 15: Tourism Sectors

Tourism Sectors
Scheduled air transportation
Non-scheduled air transportation
Rail Transportation
Deep sea, coastal and Great Lakes water transportation
Inland water transportation
Urban transit systems
Taxi and limousine service
Charter bus industry
Scenic and sightseeing transportation, land
Scenic and sightseeing transportation, water
Travel arrangement and reservation services
Performing arts companies
Spectator sports
Promoters (presenters) of performing arts, sports and similar events
Independent artists, writers and performers
Heritage institutions
Amusement parks and arcades
Gambling industries
Other amusement and recreation industries
Traveller accommodation
Recreational vehicle (RV) parks and recreational camps
Special food services
Drinking places (alcoholic beverages)
Full-service restaurants and limited-service eating places

Source: Industry Canada SME Profile: Tourism Industries in Canada

[2] Industry Canada, SME Profile: Tourism Industries in Canada. March, 2015

1.6.1. Tourism Industry and Occupation Data

Job counts for those tourism sectors with at least one job are presented in Table 16. Unsurprisingly, results are heavily impacted by COVID-19, with tourism sectors seeing decreases of 183 jobs between 2019 and 2021. Though current projections do not see increases in jobs between 2021 and 2028, it is likely that as the pandemic subsides we do see a slight uptick to pre-pandemic numbers.

These data suggest that, in 2021, 14.9%, or 1 out of every 6.7 jobs in Drumheller and Starland County are *directly related* to the tourism sector.

Table 16: Tourism Jobs, Drumheller and Starland County

Industry	2019 Jobs	2021 Jobs	2028 Jobs	2021 to 2028 Change	2021 - 2028 % Change
Full-service restaurants and limited-service eating places	364	283	278	5	-1.9%
Traveller accommodation	123	72	67	5	-7.4%
Heritage institutions	72	54	52	2	-4.6%
Special food services	44	34	38	4	11.9%
Recreational vehicle (RV) parks and recreational camps	23	23	28	5	19.7%
Other amusement and recreation industries	33	22	16	6	-25.9%
Travel arrangement and reservation services	22	15	13	2	-13.9%
Scheduled air transportation	<10	<10	<10	---	---
Performing arts companies	<10	<10	<10	---	---
Spectator sports	<10	<10	<10	---	---
Independent artists, writers and performers	<10	<10	<10	---	---
Drinking places (alcoholic beverages)	<10	<10	<10	---	---
Total (all)	694	511	495	16	-3.0%

Source: EMSI Analyst 2021.1

As with the broader industry assessments above, we are able to calculate the location quotient for tourism industries within the region. As expected, the majority of sectors within the tourism field have a location that is significantly higher than 1.0 – that is, tourism jobs are consistently more heavily concentrated within the Drumheller and Starland County economies, compared to the economies of Alberta or Canada.

Of particular note, jobs within the *heritage institutions* sector are approximately 10 times more concentrated locally when compared to both provincial and national totals, speaking to the importance of that subsector.

Table 17: Location Quotient for Tourism Industries

Industry	2021 Jobs	Provincial LQ	National LQ
Full-service restaurants and limited-service eating places	283	1.4	1.5
Traveler accommodation	72	2.0	2.5
Heritage institutions	54	10.4	9.8
Special food services	34	2.6	2.7
Recreational vehicle (RV) parks and recreational camps	23	9.7	7.1
Other amusement and recreation industries	22	0.7	0.7
Travel arrangement and reservation services	15	3.0	1.6
Scheduled air transportation	<10	0.9	0.1
Performing arts companies	<10	4.0	0.3
Spectator sports	<10	3.6	0.4
Independent artists, writers and performers	<10	0.2	0.0
Drinking places (alcoholic beverages)	<10	3.8	0.4
Total (all)	**511**	---	---

Source: EMSI Analyst 2021.1

Using staffing patterns, we are able to assess the occupations most frequently employed by tourism businesses. Notably, the majority of occupations are *food and accommodation services* related, led by *food counter attendants, kitchen helpers and related support occupations.*

Table 18: Tourism Occupations, Drumheller and Starland County

Occupation	2014 Jobs	2021 Jobs	2028 Jobs	2021 to 2028 Change	2021 - 2028 % Change
Food counter attendants, kitchen helpers and related support occupations	135	92	81	11	-12.1%
Food and beverage servers	70	69	80	11	15.3%
Cooks	77	49	42	7	-15.1%
Maîtres d'hôtel and hosts/hostesses	13	37	50	13	35.6%
Restaurant and food service managers	47	26	22	4	-14.8%
Food service supervisors	30	24	23	1	-3.2%
Light duty cleaners	62	15	12	3	-22.0%
Chefs	13	16	19	3	16.6%

Source: EMSI Analyst 2021.1

Another measure of tourism's impact in the community is through the number of businesses in tourism sectors. As noted in Table 19, in December 2020 there were 32 businesses in the tourism sector, most predominantly within the full-service restaurants and limited-service eating places. Once again, please note that these businesses may not entirely depend upon tourists. Instead, they are considered to be at least somewhat impacted by tourism, as per Industry Canada's definitions.

Of these businesses, 16 of them have unknown employment totals, while the majority of the rest are small businesses, with 1-9 employees.

Table 19: Business Counts by Tourism Subsector

Tourism Sector	1-9 Employees	10-99 Employees	Unknown	Total
Full-service restaurants and limited-service eating places	7	1	5	13
Traveler accommodation	2	1	2	5
Other amusement and recreation industries	0	0	3	3
Independent artists, writers and performers	2	0	0	2
Heritage institutions	0	1	1	2
Recreational vehicle (RV) parks and recreational camps	0	0	2	2
Special food services	0	0	2	2
Taxi and limousine service	1	0	0	1
Travel arrangement and reservation services	0	0	1	1
Drinking places (alcoholic beverages)	1	0	0	1
Total	13	3	16	32

Source: Canadian Business Counts, December 2020

1.6.2. Tourism Industry Outputs

Similar to job data, we can isolate total sales figures and average wages for tourism sectors.

These data suggest that tourism businesses are directly responsible for 7.5% of sales in Drumheller and Starland County, and that average wages in the tourism sector are $20,000. Average annual wages are not adjusted to part- and full-time work, so the low total speaks to the seasonal nature of tourism employment.

Table 20: Regional Sales and Wage Data, by Tourism Industry

NAICS	Sales	Average Wages
Full-service restaurants and limited-service eating places	$24,186,161	$16,728
Traveler accommodation	$12,256,537	$18,999
Heritage institutions	$10,190,998	$39,135
Other amusement and recreation industries	$3,691,721	$26,313
Special food services	$2,759,788	$15,132
Travel arrangement and reservation services	$1,610,229	$22,436
Recreational vehicle (RV) parks and recreational camps	$1,065,714	$9,015
Scheduled air transportation	$617,588	$49,433
Performing arts companies	$554,812	$29,601
Spectator sports	$549,987	$34,059
Drinking places (alcoholic beverages)	$300,213	$15,817
Independent artists, writers and performers	$133,768	$46,918
Total	**$57,917,515**	**$20,000**

Source: EMSI Analyst 2021.1

1.6.3. Indirect Tourism Outputs

In order to estimate the impact of tourism on sectors not captured by the above data, we can rely on direct and indirect multipliers. Multipliers are economic tools that measure where money is spent. When money is spent at a local business, the business typically reinvests a portion of that money into other local sectors, generating additional local revenue. As such, $1 spent by a tourist has a local impact greater than $1.

As a specific example, data suggests that for every $1 in sales in the *full-service restaurants and limited-service eating places* sector, $1.22 in economic activity is generated locally.

We are able to measure the local multiplier effect of tourism through three different pieces of data; jobs, sales, and wages. As Table 21 illustrates, though tourism is responsible for 511 jobs in the tourism sector directly, it is also responsible for another 58 jobs across all other sectors in Drumheller and Starland County.

Table 21: Total Impact on Local Economy by Tourism Sector

	Sales	Wages	Jobs
Direct Impact	$57,917,516	$13,867,221	511
Multiplier Effect	$11,614,983	$2,158,030	58
Total	**$69,532,499**	**$16,025,251**	**569**

Source: EMSI Analyst 2021.1

In an attempt to measure the impact of tourism on specific industries within Drumheller and Starland County, we can weight the multiplier effect by the sales, wages, and jobs by the proportion of the industry that each sector represents. For example, 14% of jobs in the region are housed within retail trades. Therefore, we would expect that 14% of the multiplier effect would be accounted for within this sector (8 jobs). Table 22 suggests the impact by sector within the region.

Table 22: Total Impact on Local Industries, by Tourism Sector

Sector	Jobs due to Tourism	Sales due to Tourism
Mining, quarrying, and oil and gas extraction	3	$2,006,427
Public administration	6	$1,319,081
Agriculture, forestry, fishing and hunting	1	$1,144,636
Health care and social assistance	11	$1,141,003
Manufacturing	2	$946,623
Transportation and warehousing	3	$722,846
Accommodation and food services	8	$607,118
Retail trade	8	$588,654
Professional, scientific and technical services	3	$524,076
Construction	2	$516,425
Wholesale trade	2	$334,622
Administrative and support, waste management and remediation services	1	$300,670
Real estate and rental and leasing	1	$270,368
Finance and insurance	1	$259,681
Educational services	2	$258,493
Arts, entertainment and recreation	2	$226,294
Other services (except public administration)	2	$212,597
Utilities	0	$179,539
Information and cultural industries	0	$55,831

Source: EMSI Analyst 2021.1

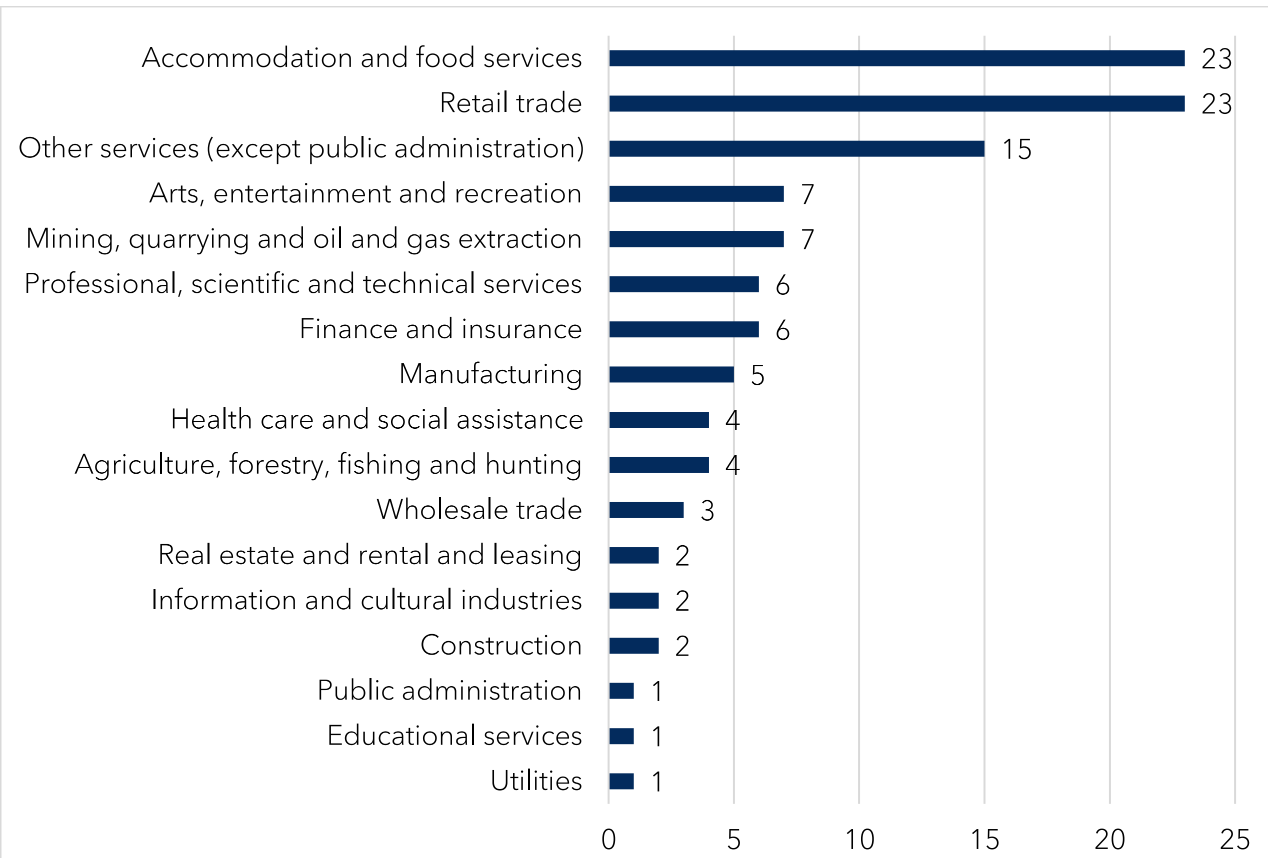
2. SURVEY RESPONSE DATA & SUMMARY

The Drumheller and Region Business Survey response survey received a total of 113 responses. Of those respondents, 39 wished to remain confidential. Within this report, all survey responses are either aggregated or remain confidential. However, for those businesses who were willing to share their contact information, complete response-data has been provided to project partners[3]. Not all questions required an answer, leading to different sample sizes per question. To ensure transparency, the number of respondents for each question has been included in the Figure title as "(N = x)".

2.1. Business Demographic Data

The most common sectors for respondents were "accommodation and food services" and "retail trade", each representing 23 businesses. These industries represented two of the top three most heavily concentrated industries (location quotient) in the area.

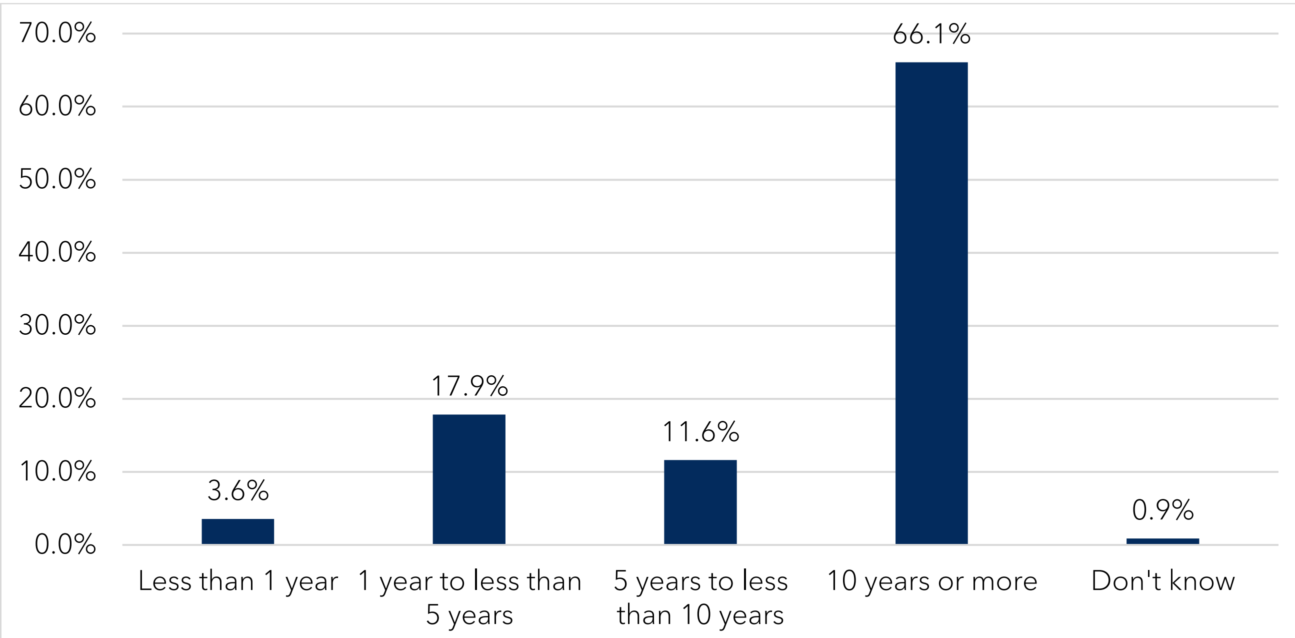
Figure 1: Business Industry for Respondents (N = 112)



[3] For a note on confidence intervals, please see the section on data sources (following the Executive Summary)

Regarding the length of time in operation, many local businesses have clearly established deep roots in the community. Of note, the majority of businesses spoken to had been in operation for 10 years or more (66.1% of respondents). Only approximately 1 in 5 businesses (21.5%) had been in businesses less than 5 years.

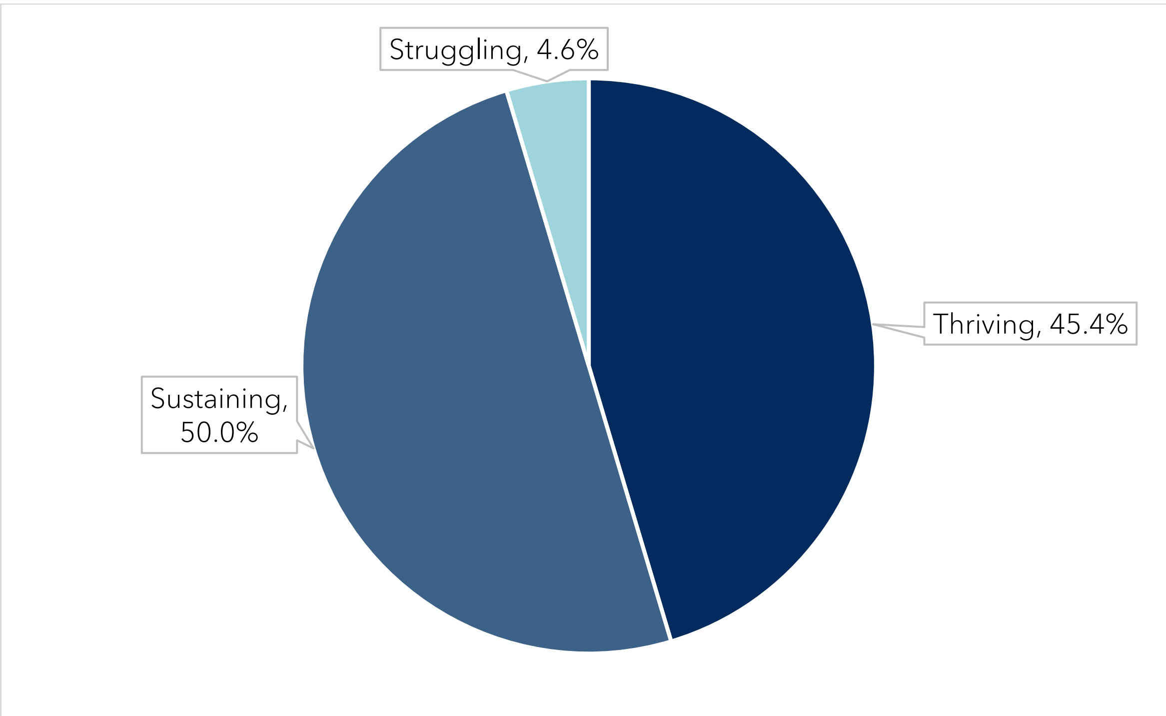
Figure 2: How Long has Your Business Been in Operation? (N = 112)



2.2. Business Status

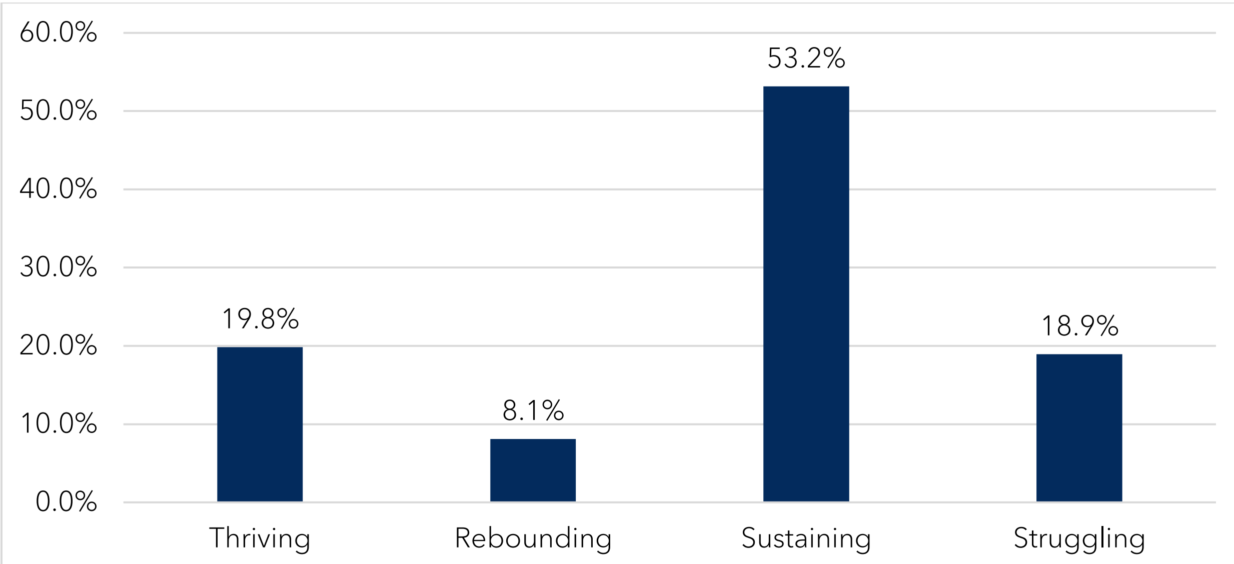
Prior to the pandemic, respondents appeared to be doing quite well, with 45.4% of businesses noting that they were “thriving” while a further 50.0% were “sustaining” operations. Only 4.6% of businesses responded that they were struggling *prior to the pandemic*.

Figure 3: In the Year Prior to COVID-19, How Would You Rate the State of Your Business? (N = 108)



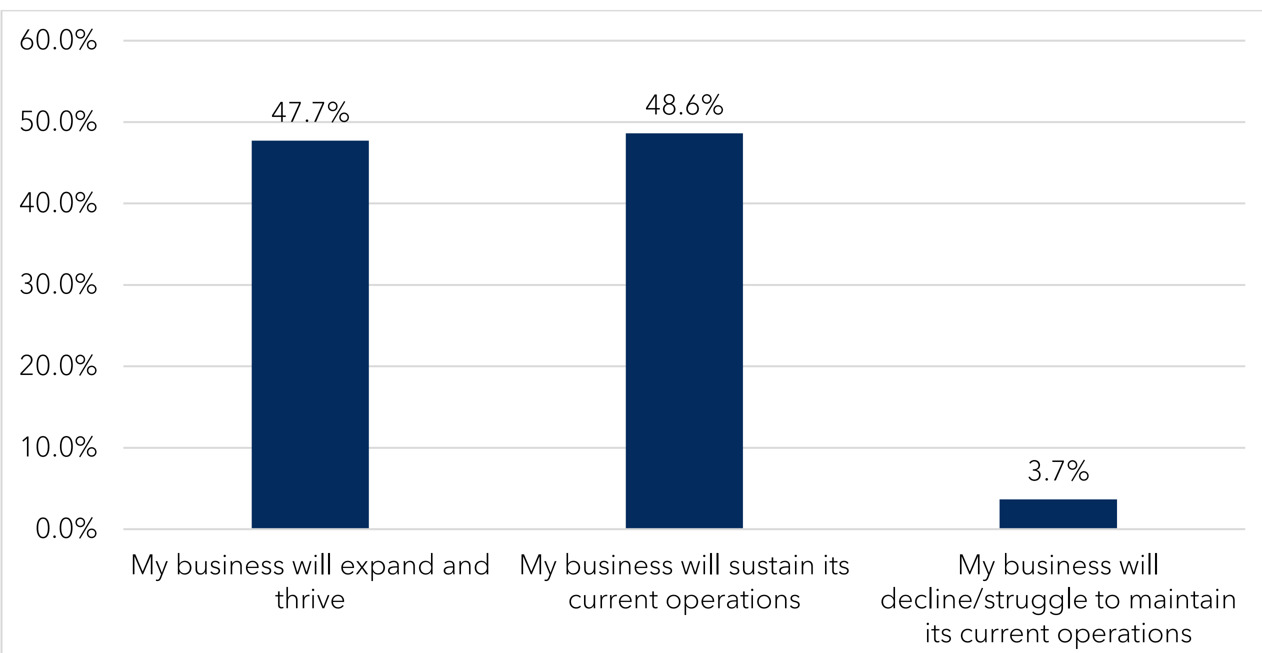
Unsurprisingly, the number of businesses that selected “struggling” when identifying their current situation increased during the pandemic, up to 18.9%. At the same time, this still only equates to 1 in 5 businesses struggling, a figure that should be seen as positive given the difficult circumstances brought on by COVID-19.

Figure 4: Through the Pandemic, How Would You Rate the State of Your Business? (N = 111)



Regarding their organization's future outlook, respondents appear optimistic. Specifically, only 3.7% of businesses expect to decline or struggle to maintain their current operations after the pandemic. This figure is less than the 4.6% of businesses that noted they were struggling prior to the pandemic (Figure 3), and significantly less than the 18.9% currently struggling due to the COVID-19.

Figure 5: What Best Represents Your Feelings About Your Business Expectations? (N = 109)



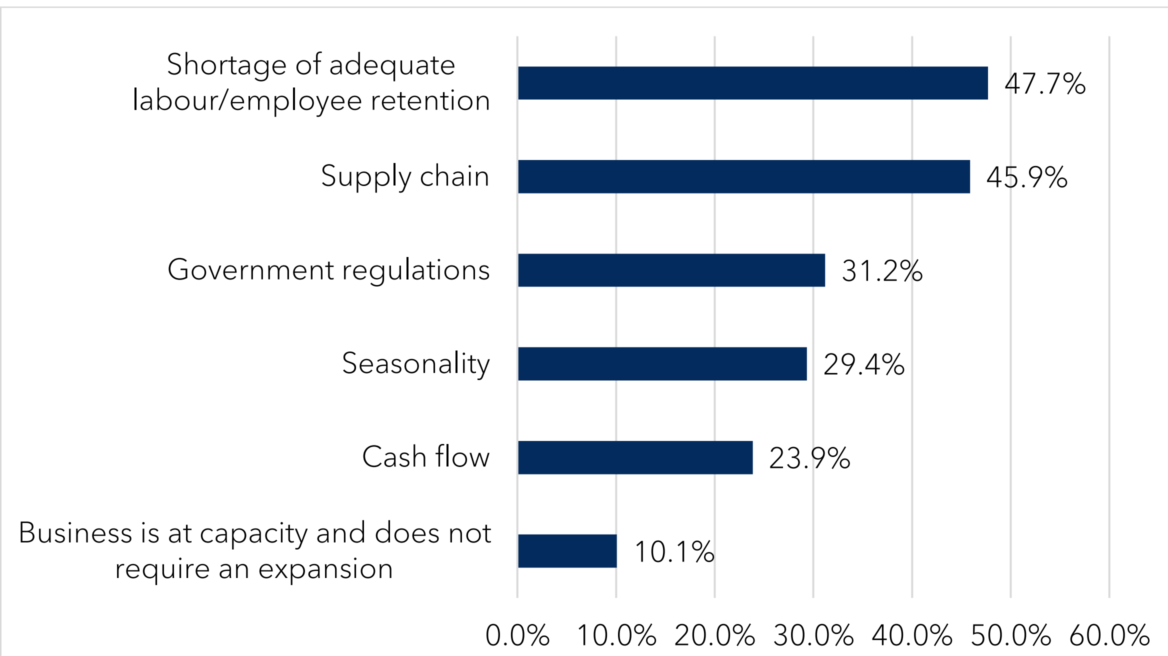
2.3. Business Supports

Turning to reasons regarding why businesses may be limited in their growth potential, a "shortage of adequate labour and/or employee retention" was noted by almost half of all businesses (47.7%). A shortage of labour and general notes regarding population growth were consistent themes throughout the survey. Supply chain challenges (45.9%) were also mentioned by almost half of all businesses[4]. Of note, only one in 10 local businesses felt they were restricted by their business being at capacity and therein not requiring an expansion.

For respondents who answered "other", common limitations for their business included:

- A lack of population (customer base) growth within the Drumheller area;
- High utility costs; and
- Public health guidelines associated with COVID-19

Figure 6: Which of the Following do You Consider to be Limiting Factors for Your Business? (N = 109)



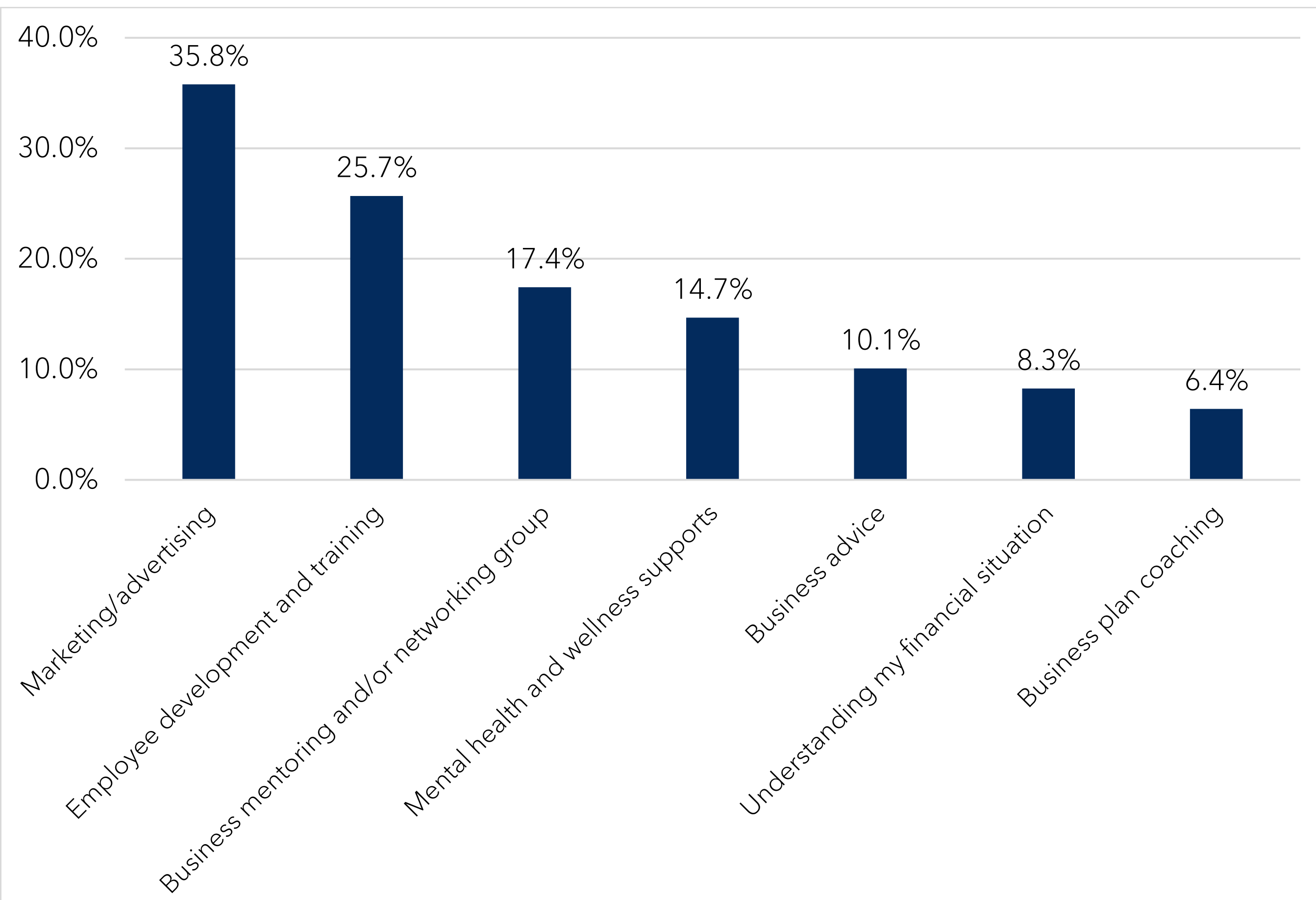
[4] For any questions where percentage totals equal greater than 100%, it is due to respondents being eligible to select more than one response.

When asked what help or support their business needs right now, enhanced "marketing/advertising" was most often chosen, being selected by over one-third of all businesses (35.8%). When compared to the previous Figure (listing challenges) businesses were significantly less likely to list specific supports (i.e., five limitations existed for over 20% of respondents, but only two supports were "needed" by over 20% of respondents). This suggests that, generally, respondents felt they were potentially able to address their problems without additional help or support.

For those who selected "other", the most common supports needed included:

- Financial assistance;
- Assistance with employee attraction/hiring/retention; and
- More support from political leadership (local, provincial, or federal).

Figure 7: What Help or Support Does Your Business Need Right Now? (N = 109)

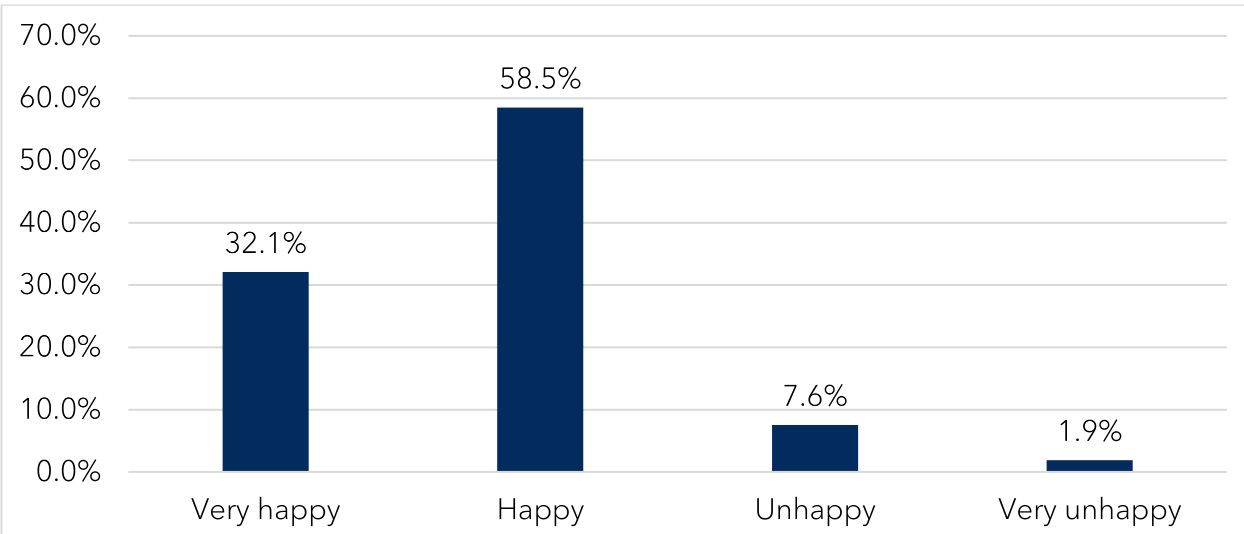


2.4. Local Workforce

2.4.1. Current Employees

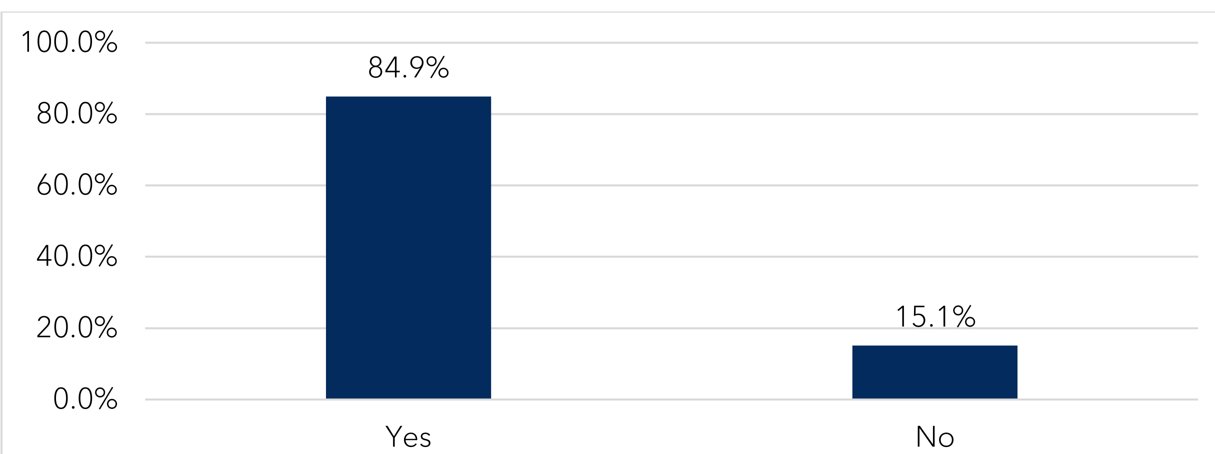
Businesses in Drumheller are generally pleased with their employees. To that end, 90.6% of those surveyed claimed to either be "very happy" or "happy" with their current workforce.

Figure 8: Are You Happy With Your Current Workforce? (N = 106)



Local businesses also appear to believe their employees are happy with them as employers, as 84.9% of respondents noted they "expect to be able to retain the employees they wish to retain over the next 12 months."

Figure 9: Do You Expect to be Able to Retain the Employees You Wish to Retain Over the Next 12 Months? (N = 106)



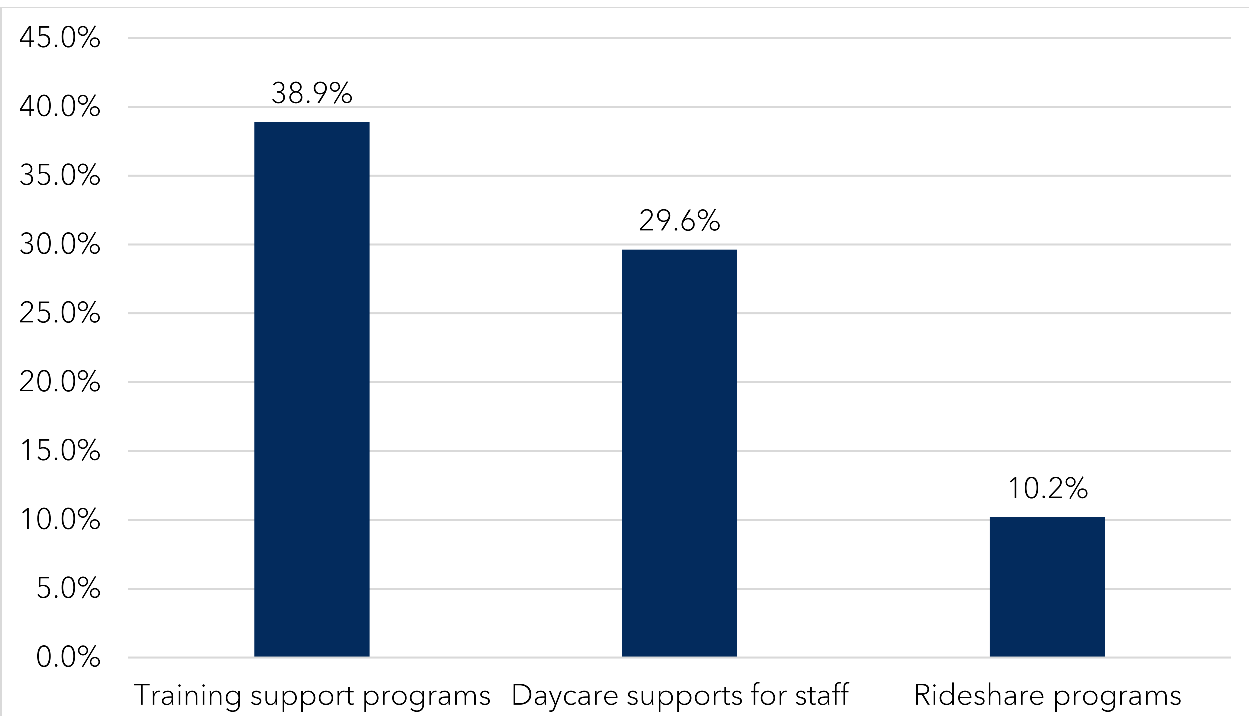
When asked how employee retention could be made easier for businesses in the region, "training support programs" (38.9%) and "daycare supports" (29.6%) were the two supports businesses most commonly needed.

"Other" supports answers focused on two key themes:

- Wage supports;
- Reduced local cost of living (e.g., housing supports).

Struggles related to the overall cost of living in the area where consistently mentioned across a number of questions.

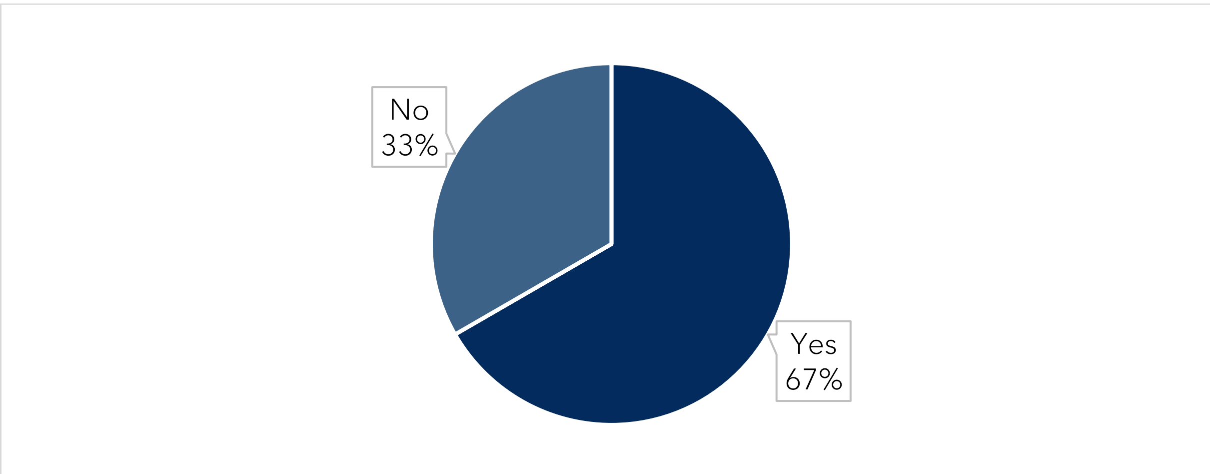
Figure 10: In What Ways Could Employee Retention be Made Easier for Businesses in the Region? (N = 108)



2.4.2. Local Labour Pool

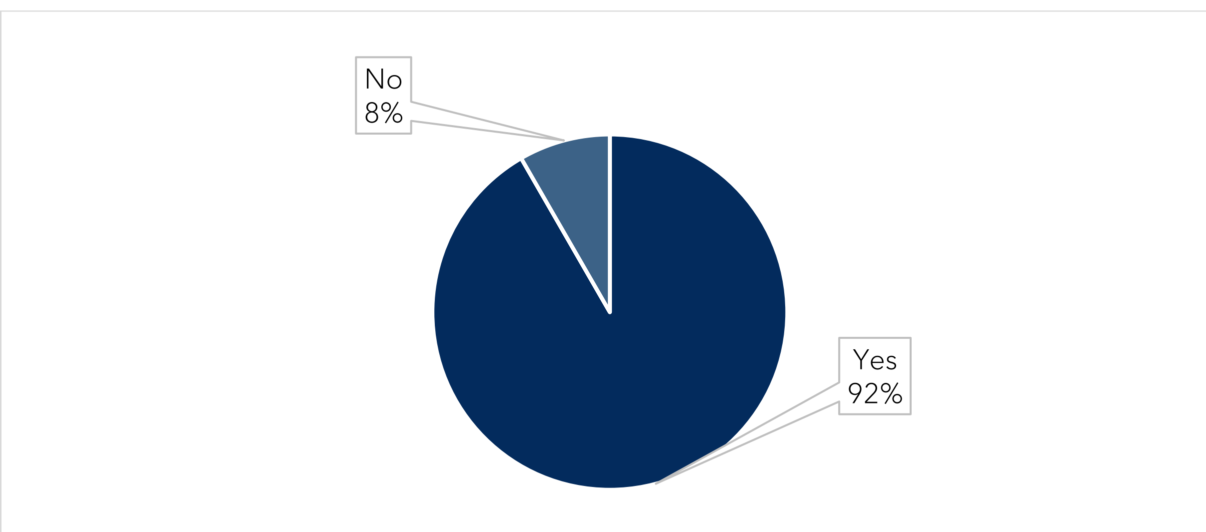
Similar to the positive outlook surrounding future operations (Figure 5), a general sense of optimism is clear among local respondents when they were asked about their hiring outlook. That is, 2/3rds of respondents expect to hire at least one additional employee within the next 12 months.

Figure 11: Do You Expect to Hire Employees Over the Next 12 Months? (N = 108)



That positive outlook is tempered slightly, however, but the outlook of respondents regarding the process of hiring new employees. Specifically, of those who expect to hire at least one employee over the next 12 months, 92% of businesses felt they would encounter challenges in some form when hiring. Only 8% of respondents expected the process to have no challenges.

Figure 12: Do You Expect to Face Challenges When Hiring? (N = 72)



The above response rate is likely due in part to the overall feeling of satisfaction with Drumheller's *available* labour force. That is, only 3.9% of respondents felt the available labour force was "excellent", compared to 35.3% who felt it was "poor".

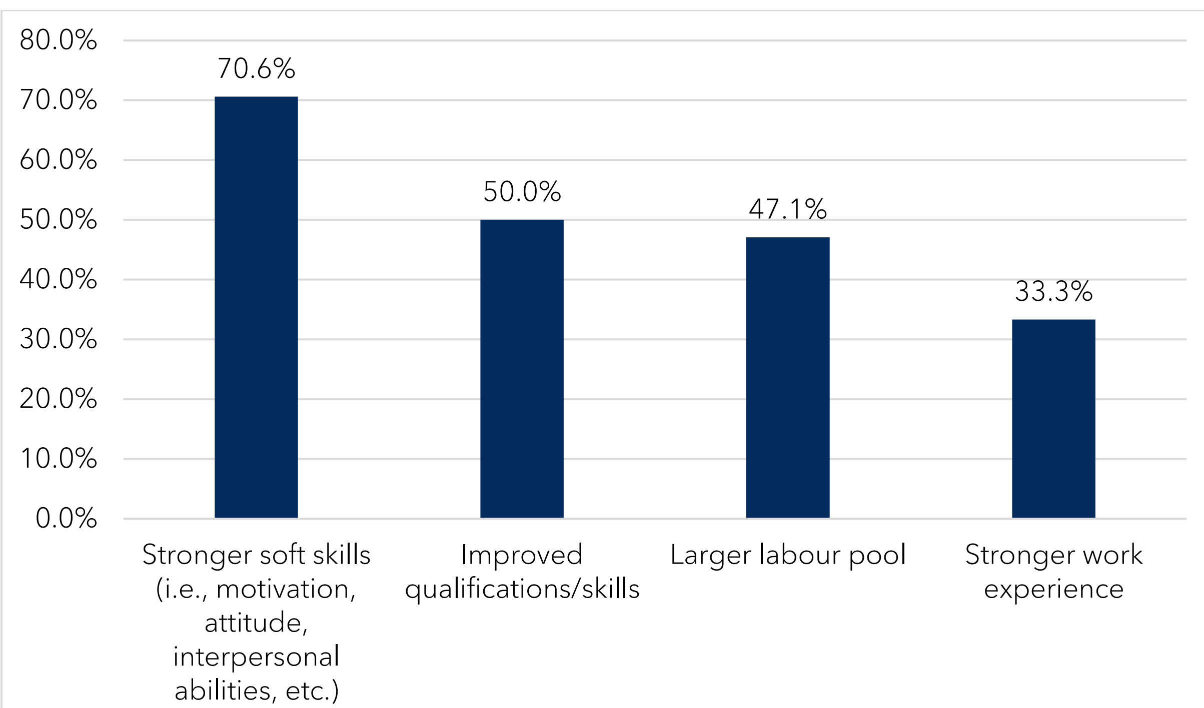
Table 23: How Would You Rate the Drumheller Region's Available Labour Force? (N = 102)

Rating	Percentage of Responses
Excellent	3.9%
Good	18.6%
Fair	42.2%
Poor	35.3%

When asked how the labour pool could be improved, over 7-in-10 businesses wished applicants had "stronger soft skills (i.e., motivation, attitude, interpersonal abilities, etc.)" (70.6%).

"Other" responses centered around a lack of motivation to find work among potential applicants. Respondents consistently felt that various government subsidies (whether pandemic related or general supports) encouraged people to resist finding employment.

Figure 13: In What Ways Could the Available Labour Force Be Improved? (N = 102)



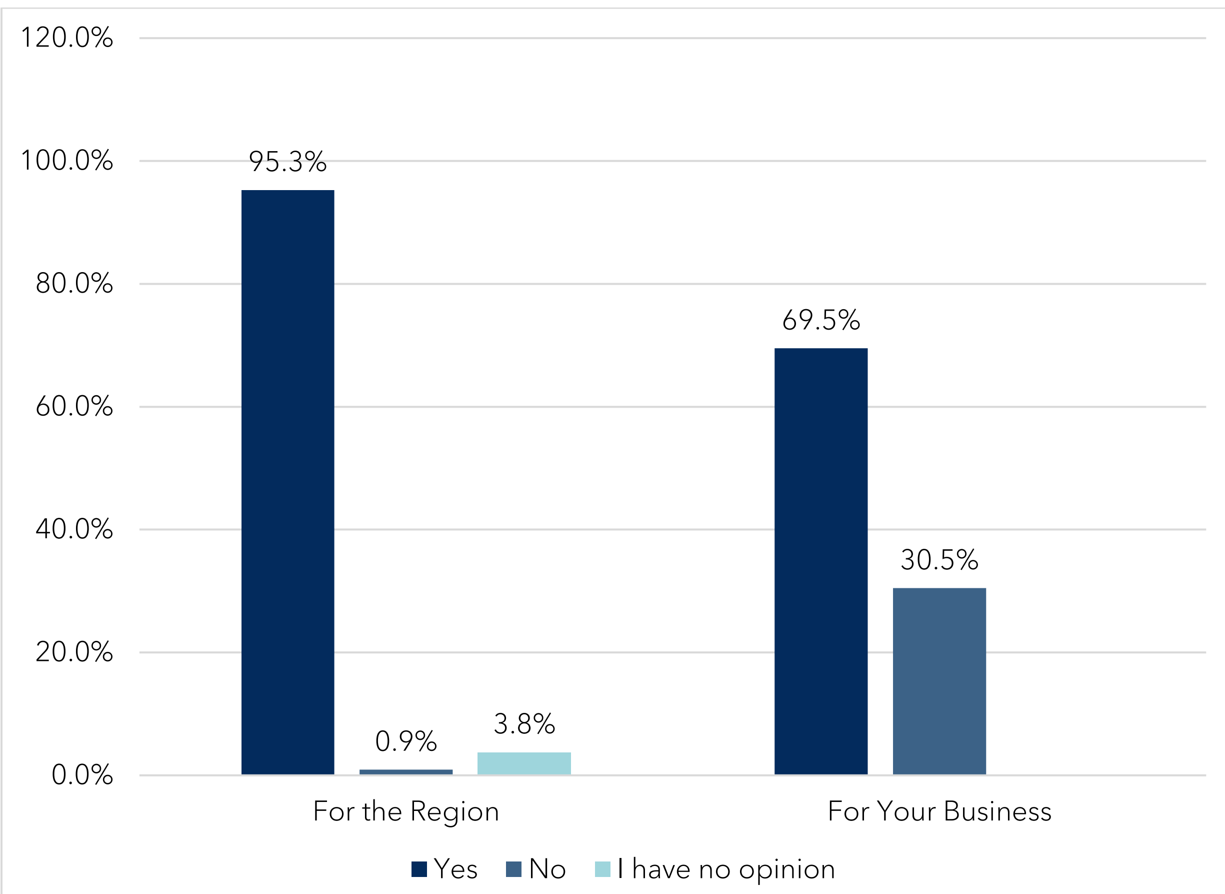
2.5. Tourism

Data provided in Section 1 made clear that tourism is a significant driver of economic activity within Drumheller and Starland County. It was estimated that tourism-driven sales in the area approach $70 million annually, creating upwards of 569 jobs (which collectively earn over $16 million in wages). At the same time, having a strong tourism sector does not inherently mean that its impact on the local economy and business community will be viewed in a positive light.

In Drumheller and Starland County, however, tourism was overwhelmingly viewed as a positive among respondents. Of the 106 businesses who responded when asked whether they considered tourism a positive for the region, 101 answered "yes", four "I have no opinion", and only one considered tourism to not have a positive influence.

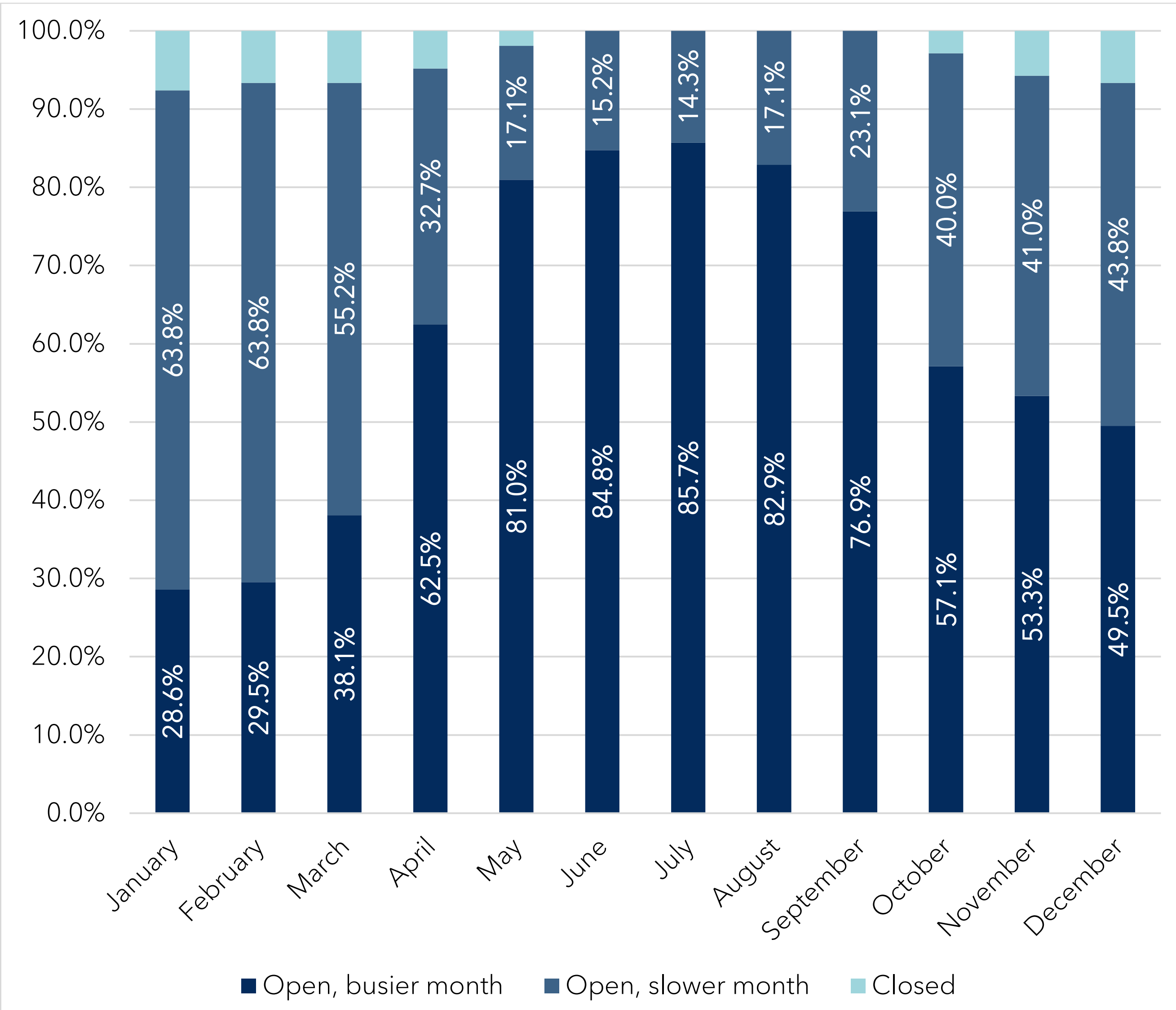
At the same time, respondents were somewhat less likely to feel that tourism was a positive for their business, with 30.5% saying they did not view it as a positive. Still, though, 69.5% of respondents felt it was a benefit for their business, suggesting strong overall approval.

Figure 14: Do You Consider Tourism to be a Positive for the Drumheller Region? (N = 106) and Do You Consider Tourism in the Drumheller Region to be a Positive For Your Business? (N = 105)



Tourism's impact on the economy becomes clear when businesses reflected on busier and slower months for their organization. Figure 15 below shows clearly that June-August are significantly busier months, with April, May, and September fairly busy as well, while October-March is a much slower period.

Figure 15: What Months of the Year Are You Open for Business? (N = 105)

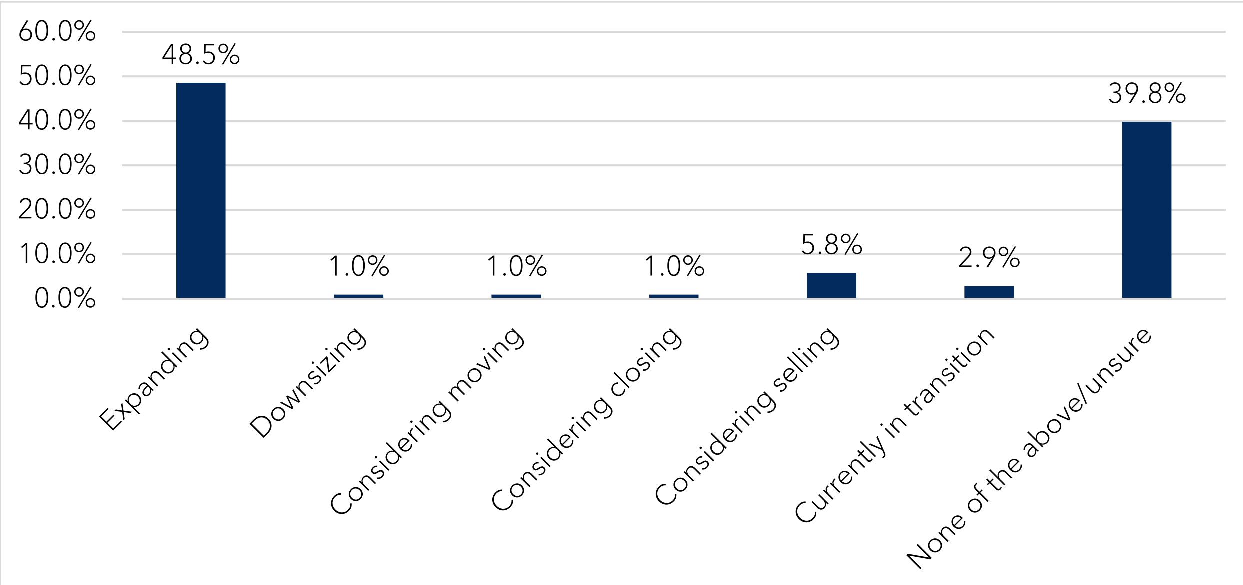


When asked what additional tourism advocacy efforts businesses would like to see supported, businesses often were not entirely sure. However, for those who provided specific responses, three key themes emerged:

1. Additional marketing. Businesses mentioned that they were unable to afford marketing campaigns themselves and therefore hoped there could be more centralized marketing of the Drumheller area. This includes drawing people for extended stays, rather than just encouraging day trips to the main attractions.
2. A revamped downtown core. Respondents mentioned that a large drawing card might entice more visitors to the area. Suggestions included enhanced beautification of downtown, business incentives to fill downtown vacancies, and promoting smaller downtown businesses.
3. More winter activities, helping businesses and jobs become more sustainable. Businesses felt that Drumheller was marketed as a summer destination and increased non-summer activities and draws would increase activity throughout the entire year.
4. Fees for tourism activities. Respondents were consistent in their belief that tourists should pay "destination"-esque fees that would allow for the further development.

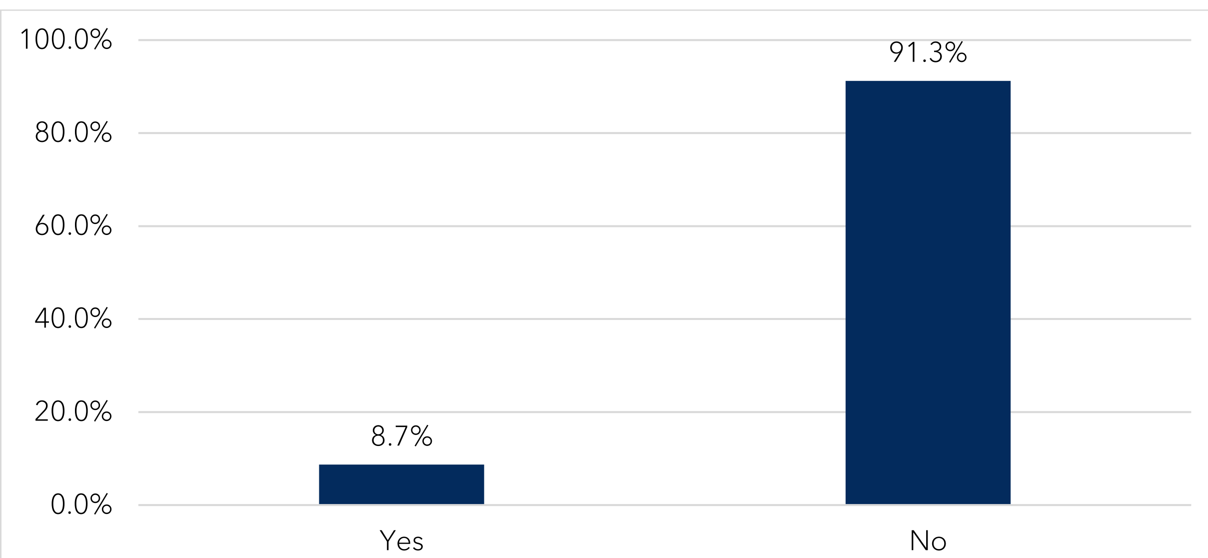
2.6. Succession

Figure 16: What Would Best Describe Your Plans for the Business Within the Next 2 Years (2022 and 2023)? (N = 103)



Typically, transition plans are an area where businesses look for support. However, for 9 in 10 local businesses, assistance was viewed as not needed at this time. It is possible that this is due in part to the lack of interest, noted in Figure 16, of any form of transition in the near future.

Figure 17: Do You Need Assistance with a Business Transition Plan or a Succession Plan? (N = 103)



2.7. Operating a Business in Drumheller

To ensure local businesses had a chance to speak freely, businesses were asked open-ended questions regarding the biggest perceived benefits and drawbacks of operating a business in Drumheller. Responses were collected and summarized as four key themes for each question.

2.7.1. Benefits to Operating in Drumheller (N = 91)

- Community. A significant draw for many respondents was the feeling of community, including grassroots support for local businesses and the "great people" that live in Drumheller and Starland County.
- Tourism. Many businesses were thankful for the tourism sector drawing visitors to Drumheller and helping to expand their business operations, especially in the summer.
- Small town appeal. This includes the community aspect noted in the first theme but also expands to note short commutes for their employees and a strong business community.
- Geographic location. The surrounding natural beauty alongside the area's centrality to the oil and gas industry was seen as a significant boon to many respondents. Moreover, being close to a big urban centre (Calgary) while maintaining its small-town feel was appealing.

2.7.2. Drawbacks to Operating in Drumheller (N = 92)

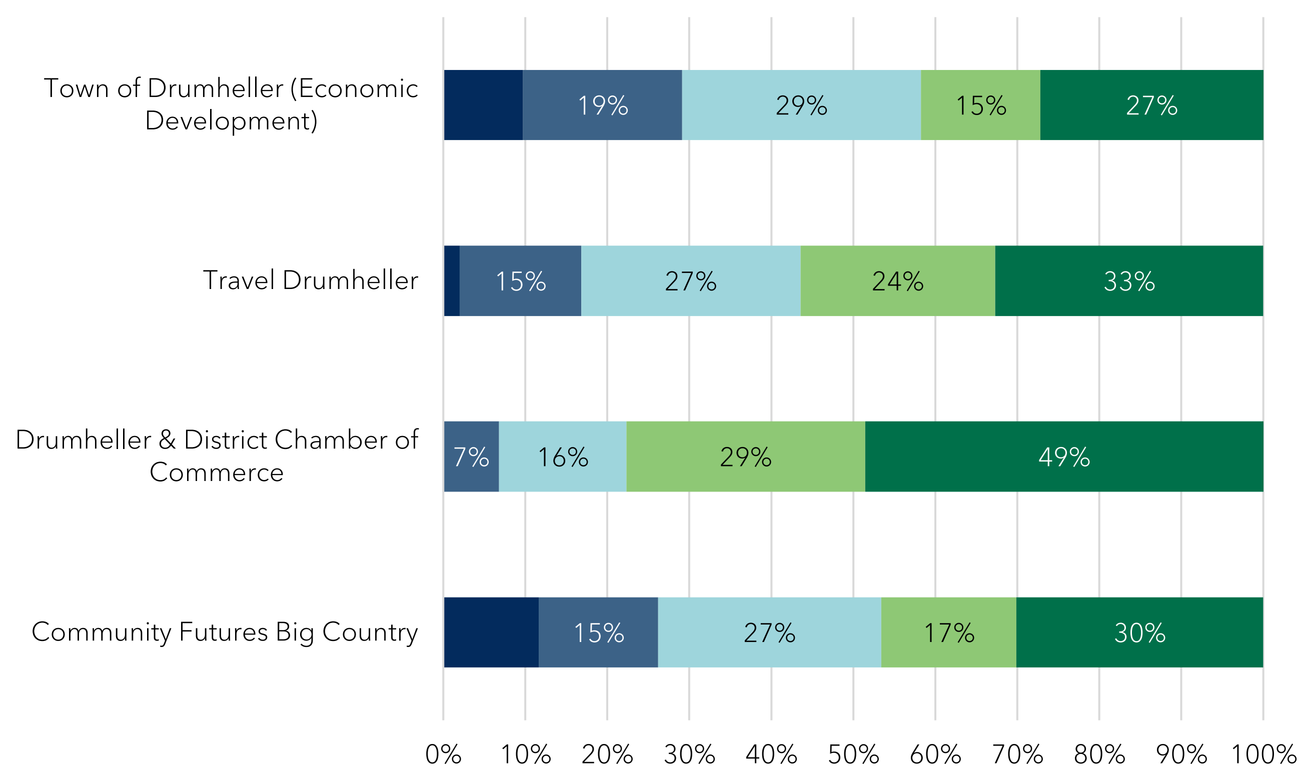
- Lack of population growth. By far, the most consistently mentioned challenge was a lack of population growth. Businesses noted that this was a problem on both the supply and demand side: a lack of population growth meant that their consumer base was not growing, but also for businesses who wanted to hire, the labour pool was not large enough either.
- Seasonality. Though tourism was considered a net-positive, many businesses noted that the seasonal nature of tourism demand made it challenging to maintain employees and promote a sustainable business model.
- Geographic location. Though many businesses felt their proximity to Calgary was a positive, others saw it as being a drawback because too many customers who may otherwise shop local were instead travelling to Calgary to shop due to greater opportunity in the "big city".
- High costs. These high relative charges included general operating costs, property tax rates, or freight charges due to not having the local shipping economies of scale associated with larger urban areas.

2.8. Familiarity with Partners

Respondents were asked to rate, on a scale from 1 (have not heard of the organization) to 5 (very familiar with the organization), how familiar they were with each of the four partner organizations (Community Futures Big Country, Drumheller & District Chamber of Commerce, Travel Drumheller, and the Town of Drumheller – Economic Development).

Generally, each of the four partners are well known, with over 70% of respondents selecting answers between "3" and "5" for each of the organizations and over 25% of respondents being "very familiar" with each of the organizations.

Figure 18: How Familiar are You with the Following Organizations and Their Roles? (N = 103)



	Community Futures Big Country	Drumheller & District Chamber of Commerce	Travel Drumheller	Town of Drumheller (Economic Development)
1 (have not heard of organization)	12%	0%	2%	10%
2	15%	7%	15%	19%
3	27%	16%	27%	29%
4	17%	29%	24%	15%
5 (very familiar with the organization)	30%	49%	33%	27%

■ 1 (have not heard of organization) ■ 2 ■ 3 ■ 4 ■ 5 (very familiar with the organization)