

DECEMBER 2024



State of the Industry Report



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Welcome to the Association of Canadian Travel Agencies and Travel Advisors (ACTA) comprehensive analysis of the Canadian retail travel industry. This interactive report provides key insights into industry trends, challenges, and opportunities as we navigate the post-pandemic landscape.



5,351

Travel Agencies

\$2.8B

Industry Revenue

21,400

Employed Employees

Key Findings

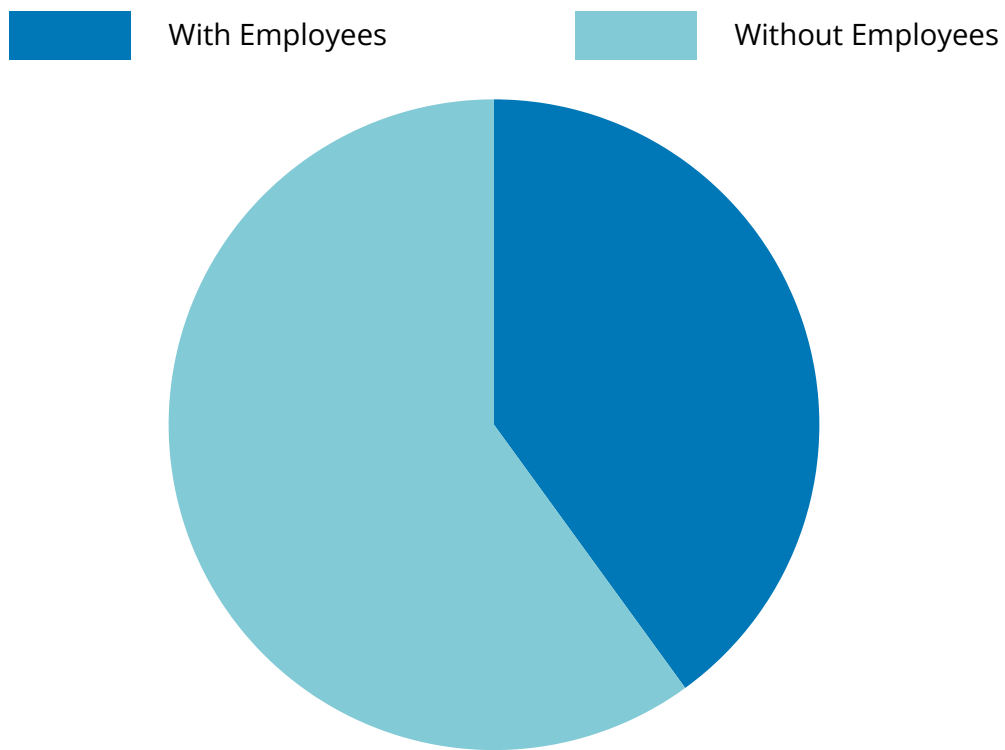
- Retail travel industry revenue reached \$2.8 billion in 2023, up 12% from 2019
- Operating profit margin improved to 14.8% in 2023
- Employment in the sector is recovering, with 21,400 employees as of Q2 2024
- Outbound travel demand is showing strong signs of recovery

Statistics Canada, ACTA member surveys, and validated third-party research.

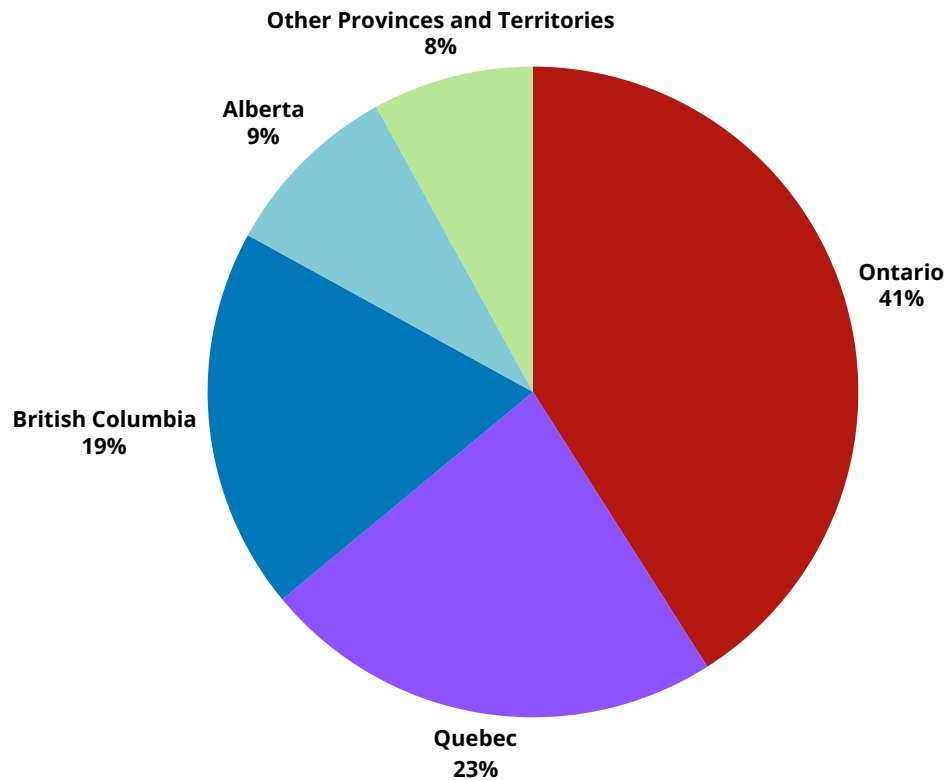
Industry Structure and Business Landscape

As of January 2024, there were 5,351 travel agency business entities in Canada, comprising 2,102 agencies with employees and 3,249 without employees. This represents a 15% decrease from January 2020, when there were 6,134 total agencies.

Distribution of Travel Agencies (2024)



Regional Distribution of Travel Agencies



The regional distribution of travel agencies has remained relatively stable since 2020, with a slight increase in Quebec's share:

- Ontario: 41%
- Quebec: 23%
- British Columbia: 19%
- Alberta: 9%
- Other provinces and territories: 8%

The vast majority (94%) of travel agencies employ fewer than 20 individuals, with 63% having fewer than five employees. The decline in agency numbers has affected businesses of all sizes compared to 2020:

- Mid-sized businesses (20-99 employees): down 26%
- Large businesses (100+ employees): down 26%
- Small employers (1-19 employees): down 24%

Five Year Comparison

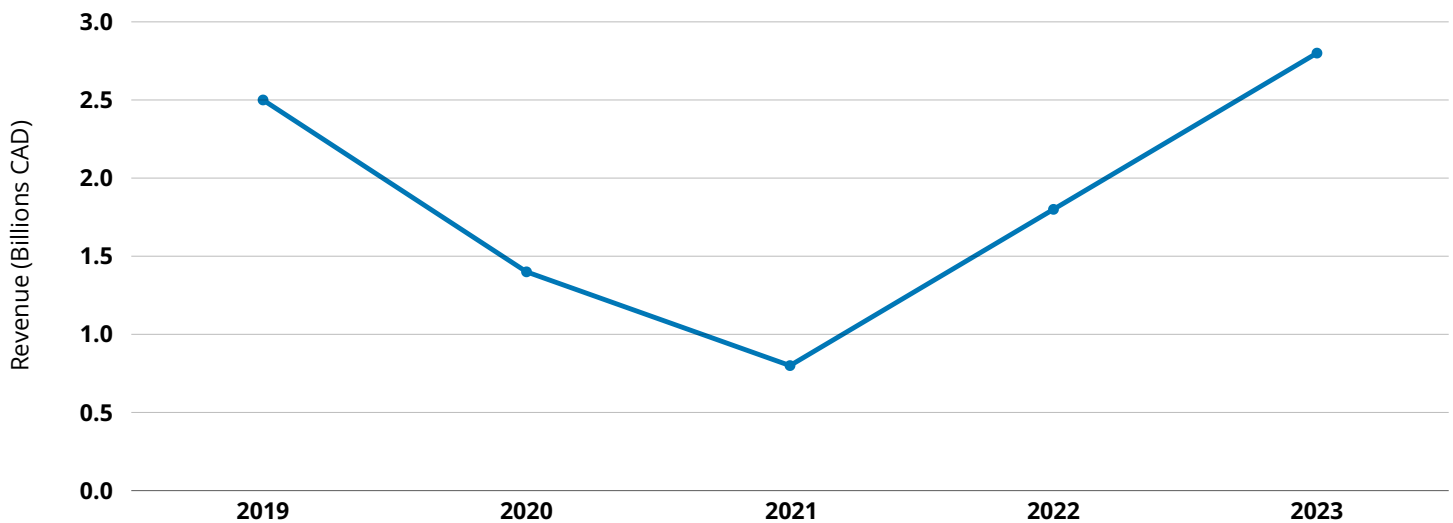
Comparison of key metrics from 2019 to 2024:

METRIC	2019	2024	CHANGE
Number of Agencies	6,134	5,351	-12.8%
Industry Revenue	\$2.5B	\$2.8B	+12.0%
Employees	32,200	21,400	-33.1%
Median Hourly Wage	\$18.50	\$19.75	+6.8%



Industry Performance and Economic Indicators

The travel agency industry has shown remarkable recovery in 2023, with operating revenue reaching \$2.8 billion, up 12% from 2019 levels. This growth outpaced operating expenses, resulting in an improved profit margin of 14.8%, up from 10.7% in 2019.



14.8%

Operating Profit Margin (2023)

9%

Increase in Operating Expenses

In constant 2019 dollar values, we can see that the industry came very close to recovery in 2023:

- Operating revenue reached 98% of 2019 levels
- Operating expenses reached 94% of 2019 levels

This data indicates that while inflation has contributed to the nominal increase in revenue and expenses, there has also been a substantial recovery in sales volume.



Profitability Metrics

The travel agency industry has shown remarkable financial recovery:

- Operating revenue: \$2.8 billion (2023), up 12% from 2019
- Operating expenses: \$2.4 billion (2023), up 9% from 2019
- Operating profit margin: 14.8% (2023), up from 10.7% in 2019
- In constant 2019 dollars, revenue reached 98% and expenses 94% of 2019 levels

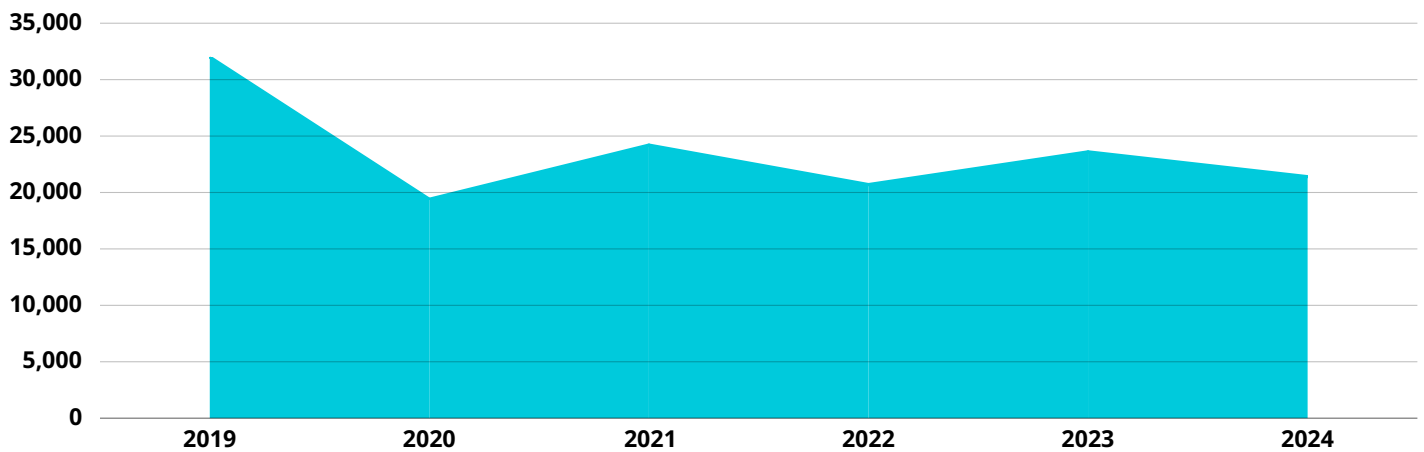
This data indicates both nominal growth and real recovery in sales volume.



Employment and Workforce Dynamics

As of Q2 2024, travel agencies employed an estimated 21,400 employees in Canada, compared to 32,000 in Q2 2019. Explore the trends and shifts in employment patterns:

Travel Agency Employment Trends



YEAR	NUMBER OF EMPLOYEES	CHANGE FROM PREVIOUS YEAR
2019	32,000	-
2020	19,400	-39%
2021	24,200	+25%
2022	20,700	-14%
2023	23,600	+14%
2024 (Q2)	21,400	-9%

Independent Travel Advisors (ITAs)

While official government statistics and ACTA data show approximately 5,400 self-employed workers in the travel services industry, this very likely underestimates the true number of ITAs. Data counts may miss ITAs who work part-time, earn under \$30,000, or are misclassified in government statistics.

Job Types and Patterns

Members report that the travel agency workforce is evolving:

- Shift towards more part-time positions
- Increase in independent travel advisors (ITAs)
- Growing importance of digital skills and specialization
- Trend towards remote work and flexible arrangements

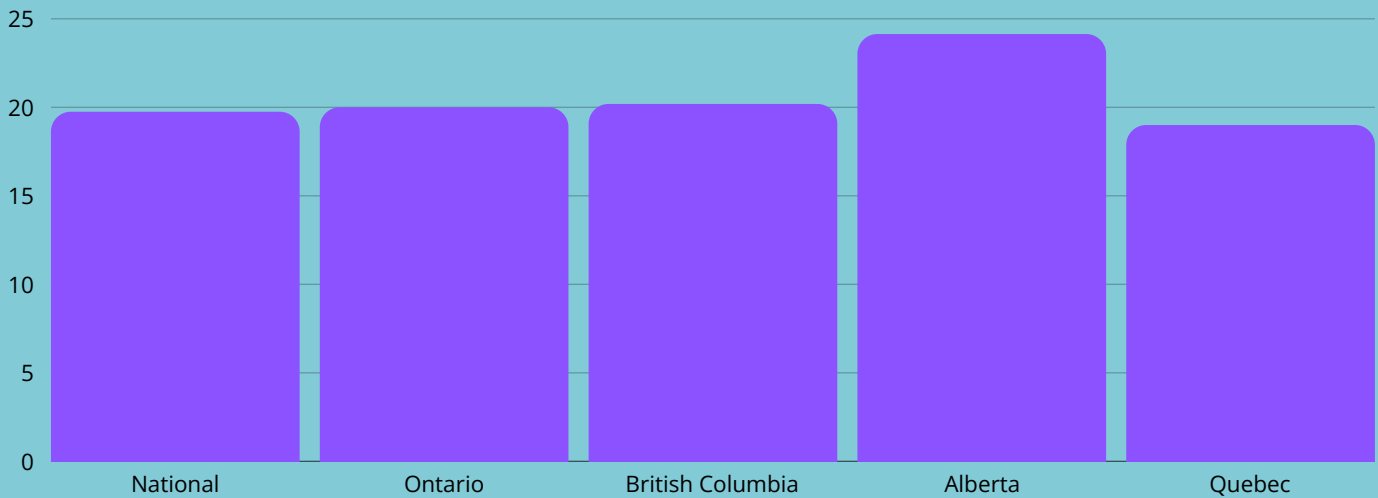
These changes reflect broader industry trends and adaptations to new market realities.



Compensation Analysis

The national median hourly wage for travel advisors is \$19.75. Dive into the detailed compensation data across regions and experience levels.

Median Hourly Wage by Region (2023)



REGION	MEDIAN HOURLY WAGE
Canada (National)	\$19.75
Ontario	\$20.00
British Columbia	\$20.19
Alberta	\$24.14
Quebec	\$19.00

Compensation by Experience Level including Base Salary and Commission (2022)

The data shows a clear correlation between experience and compensation:

- Less than 2 years experience: \$40,000 median
- 2-5 years experience: \$41,400 median (3.5% increase)
- More than 5 years experience: \$48,975 median (18.3% increase from 2-5 years)

Challenges and Areas for Improvement

While the industry is recovering, several challenges persist:

15.8%

Female/Male Gender Pay Gap
(Full-time Advisors)

3.3%

Immigrant Pay Gap

Key Challenges:

- Adapting to rapidly changing consumer preferences and travel patterns
- Integrating new technologies and digital platforms
- Narrowing sectoral pay gaps
- Promoting diversity for a more resilient industry
- Managing the shift towards independent and remote work models
- Navigating ongoing global uncertainties affecting travel demand
- Attracting and retaining skilled professionals in a competitive job market

Opportunities and Future Outlook

The Canadian travel industry is well-positioned for growth, with recovering demand and improved profitability. Key areas of focus for the future include:

- Supporting the growth and stability of independent travel advisors
- Investing in technology and efficiency improvements
- Developing and retaining experienced professionals
- Adapting to changing consumer preferences and travel patterns
- Encouraging suppliers to follow travel agency and advisor seven best practices

The improved profit margins in the travel agency sector indicate that businesses have adapted to the new market realities, potentially through increased efficiency, adoption of technology, or focusing on higher-margin products. This positions the industry well for future growth and investment.

Strategic Recommendations

1. Invest in digital transformation and online booking capabilities
2. Develop specialized expertise in high-value, complex travel arrangements
3. Implement mentorship programs to support new entrants and promote retention
4. Create targeted marketing campaigns emphasizing the value of professional travel advisors
5. Collaborate with educational institutions to develop relevant training programs
6. Advocate for supportive government policies and industry standards

