



NEWS RELEASE

For Immediate Release
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Federal government would save billions with expanded fitness tax credit

Edmonton – The federal government would save \$2.5 billion over the next 21 years by extending the benefits of the current Children’s Fitness Tax Credit program to adults, Dave Hardy, President of the Fitness Industry Council of Canada (FIC) said today following the release of an economic study on the effects of the program.

“The financial incentive offered by a federal adult fitness tax credit will encourage nearly one million more Canadians to get active and healthier,” said Hardy. “These healthier Canadians will need less health care and miss less work due to illness.”

The economic report conducted by the Centre for Spatial Economics on behalf of FIC concludes that it would take just three years for the health care cost savings resulting from a more active and healthier population to outweigh the net personal tax losses incurred by the government. The credit takes the form of a non-refundable tax credit on eligible amounts of up to \$500 per person. Projecting 21 years outward, the report’s findings show the government would see cumulated health care savings of \$9.1 billion and cumulated net personal tax losses of \$6.6 billion.

“Consumers typically respond to a price decline for a given product or service by purchasing more of that product or service,” Tom McCormack, the report’s author said. “The economic benefits can be expected to grow each year throughout the projection period because of the cumulative benefits of increased physical activity on the well being of Canadians.”

Research consistently shows that a physically active person is more likely to have better health outcomes than a non-active person. Regular physical activity is effective in the prevention of several chronic diseases.

“With the Children’s Fitness Tax Credit, the federal government already agrees that a financial incentive is an appropriate way to increase physical activity among Canadians,” said Hardy. “Extending the program to include adults is not only good for the personal health of Canadians but also the financial health of the country. We urge the government to act quickly on this important initiative.”

Media are invited to attend the report's official release at 10:00 am MST, Tuesday January 29, at Clubfit, located 13543 St. Albert Trail in Edmonton, Alberta. The report can also be viewed at www.adultfitnessstaxcredit.ca.

As an industry association, FIC represents more than 2,000 Canadian fitness facilities with more than two million members. FIC is a not for profit organization formed to promote the Canadian fitness industry.

The Centre for Spatial Economics monitors and forecasts economic and demographic change throughout Canada at virtually all levels of geography. The Centre also prepares customized studies on the economic, industrial and community impacts of various fiscal and other policy changes, and develops customized impact and projection models for in-house client use. Clients include government departments, crown corporations, manufacturers, retailers and real estate developers.

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