

Community Development Indicators and Tools: The Special Case of Elliot Lake

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Background and Tools

- Strategic planning
- Risk management
- Optimal allocation of resources
- Cost/benefit analysis
- Community engagement

Agenda

- Economic & Demographic Profile of The Community
- Economic Renewal Strategy
 - Use of the Community Development Impact Model (CDIM)



Elliot Lake

A Fragile Economy

Sources of Income (% of total income)

| | Elliot Lake | Ontario |
|----------------------|-------------|---------|
| Employment | 47.0% | 76.1% |
| Investment | 2.6% | 4.0% |
| Government Transfers | 30.9% | 10.5% |
| Private Pensions | 16.2% | 6.7% |
| RRSP | 0.8% | 0.3% |
| Other | 2.5% | 2.5% |
| Total | 100.0% | 100.0% |

Source: Stats Canada

Age (% of total population)

| | Elliot Lake | Ontario |
|---------|-------------|---------|
| 0 – 24 | 24.1% | 32.6% |
| 25 – 44 | 19.8% | 30.8% |
| 45 – 64 | 30.8% | 23.7% |
| 64+ | 25.1% | 12.9% |
| Total | 100.0% | 100.0% |

Source: Stats Canada

Mobility (% of total population)

| 5 Year Mobility | Elliot Lake | Ontario |
|-----------------------------|-------------|---------|
| Lived at Same Address | 54.6% | 57.2% |
| Lived in Same Province | 42.5% | 35.7% |
| Lived in Different Province | 2.8% | 7.1% |
| Total | 100.0% | 100.0% |

Source: Stats Canada

Elliot Lake – The Current Picture

- **Significant differences between the age structure of Elliot Lake's population and that of Ontario**
- **Residents in Elliot Lake appear to move more than the general population of Ontario**
- **Population is generally less educated**

Other

- **A greater proportion of Elliot Lake residents have trade certificates**
- **The distribution of income in Elliot Lake is skewed towards the lower levels.**
- **Elliot Lake's income flows are significantly dependent on non-employment income**

Other

- **Only 38% of Elliot Lake population is participating in the workforce vs. 67% in Ontario**
- **The employment structure shows quite low percentages in manufacturing and construction .**
- **Elliot Lake was in the middle range of the 13,000 and 14,500 population category in Ontario in 1996.**

What is Economic Impact

- A measure of:
 - Gross revenues & value added
 - Jobs & wages
 - Tax revenues
- 3 categories:
 - Direct impact – attributed to spending related to the activity
 - Indirect impact – attributed to industry that supplies the firms receiving the direct spending
 - Induced impact – spending associated with the workers

Terminology

- Expenditures – made directly by the subject of the activity, ie. Manufacturing expenditures, tourists expenditures
- Gross Output
- Value Added – profit that remains in the community.
Example:
 - Cost of Chair = \$40
 - Cost of raw materials = \$10
 - Value added = \$30
- Taxation – incremental income taxes, property taxes, GST, tariffs, tobacco & alcohol taxes and development charges

Impact of Retirees

- Retirement Related Income is \$93.1 Million
- Estimated Annual Expenditures is \$89.5 million
- Gross Output for Elliot Lake is \$

| Gross Output | Local | Ontario |
|--------------------|-----------|-----------|
| Direct Output | \$26.5 M | \$89.5 M |
| Indirect & Induced | \$83.6 M | \$111.7 M |
| Total | \$110.1 M | \$201.2 M |

| Taxes | Local | Ontario |
|-------------|----------|----------|
| Federal | \$12.2 M | \$20.3 M |
| Provincial | \$8.7 M | \$13.2 M |
| Elliot Lake | \$4.9 M | \$6.2M |
| Total | \$25.8 | \$39.7 |

Impact of Retirement

| | Wages | | Employment Years | |
|--------------------|----------|----------|------------------|---------|
| | Local | Ontario | Local | Ontario |
| Direct | \$11.4 M | \$30.5 M | 264 | 682 |
| Indirect & Induced | \$24.9 M | \$29.7 M | 670 | 871 |
| Total | \$36.3 M | \$60.2 M | 934 | 1553 |

Limitation of Model

- Does not account for the impact of expenditures made by government and others on behalf of retirees
 - Health care
 - Social services
- Population aged 55+ consumes ??% of government funded health care costs
- Employment associated with Health Care in Elliot Lake:
 - Jobs –
 - Wages - \$



What does it mean?

Dependency

- Is Elliot Lake still a single industry town?

Why are some communities more at risk than others?

- Vulnerability to external shocks
- Limited opportunities in the economy
- Lack of diversification
- Cost of production tends to be high
- Absence of technical linkages with other sectors and regions

Attributes of Communities at Risk

- ✓ Small in size
- ✓ High rates of out-migration
- ✓ Unusual age structures
- ✓ High dependency ratios
- ✓ Physically separated from main centers
- ✓ Depend on narrow set of economic activities
- ✓ Limited employment opportunities
- ✓ Weak economic bases
- ✓ Limited scale and high cost of services & production
- ✓ Limited range of public and private services
- ✓ Small and declining resource base or rural hinterland
- ✓ Limited attractiveness for new capital investment and in-migration
- ✓ Harsh climates

What happens to communities at risk?

- Bi-polar income distribution
- Specialization in narrow production or extraction lines
- Fiscal base is tight
- Occupations are concentrated in a few sectors



Economic Renewal Strategy

CDIM

Components

- Quantitative Targets
- Focus on competitive fundamentals
- Increase value added activities
- Participation from all

Metropolitan Influence Zones

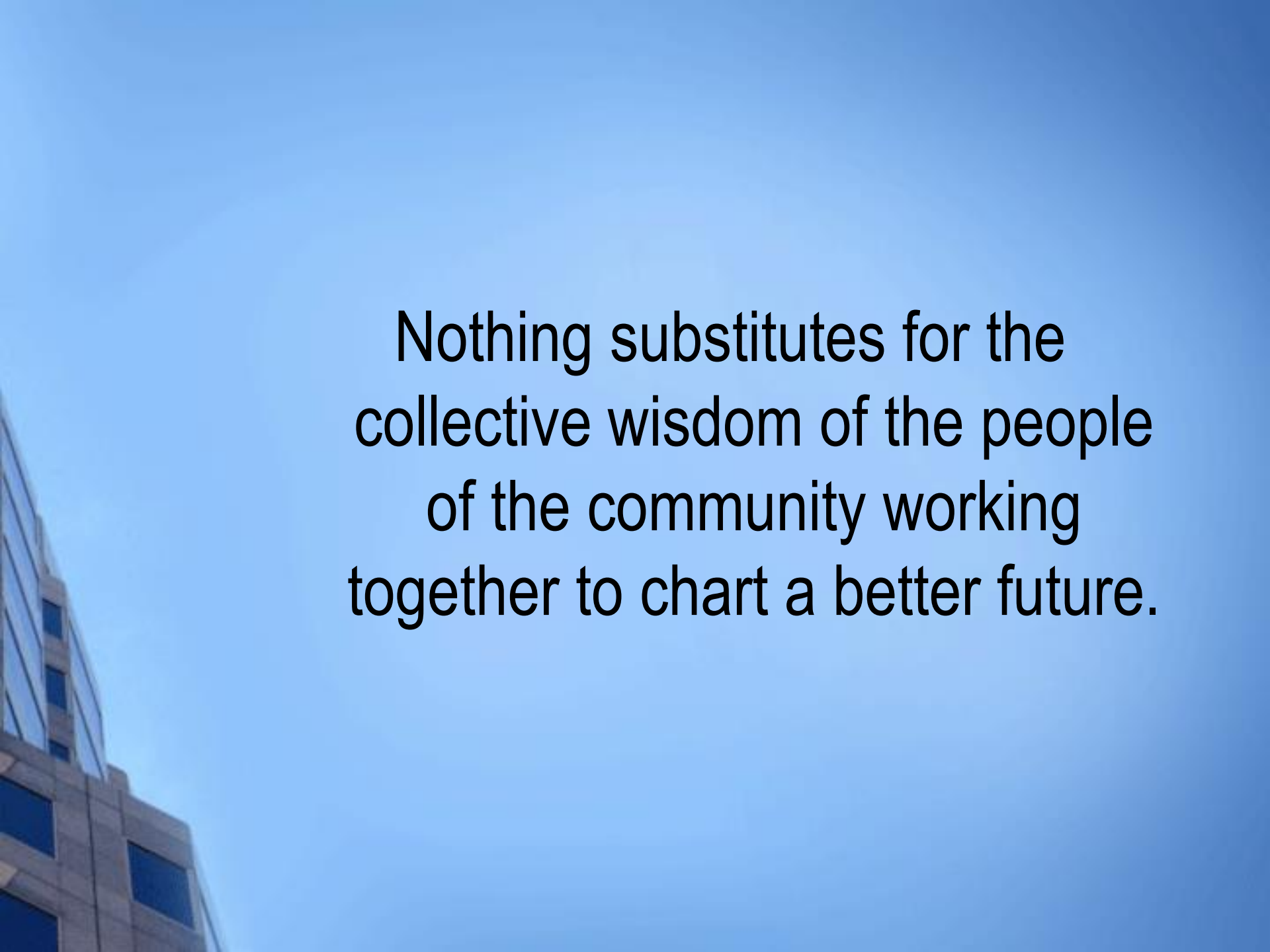
- Successful communities are ones that tap into the dynamism of urban centers
- Generally the more remote and isolated the poorer the economic performance
- Can counter strategies be created?

Why Value Added ?

- Equals total sales – raw materials and goods and services from other industries
- The higher the value added the larger the income that can be shared by business, labour and government

How do we move to higher Value Added?

- Move away from exclusive dependency on one dominant activity
- Develop a stronger presence in the new economy
- Emphasize renewable sources of income
- Develop technological capabilities
- Involve higher education institutions
- Attract and retain a creative pool of talent



Nothing substitutes for the
collective wisdom of the people
of the community working
together to chart a better future.



Community Development Impact Model

Demonstration

CDIM

- Comparison Tool
- Demonstrate the incremental economic impact of development activities
- Based on expenditures

Impact of St. Joseph's Manor

| | Elliot Lake Region | Provincial |
|----------------------|--------------------|------------|
| Initial Expenditures | 3,544,698 | 3,544,698 |
| Gross Output | 4,767,627 | 8,675,512 |
| Value Added | 3,670,207 | 5,535,065 |
| Wages | 3,281,436 | 4,362,292 |
| Jobs | 70.1 | 91.8 |
| Federal Taxes | 711,483 | 1,080,274 |
| Provincial Taxes | 332,014 | 582,624 |
| Local Taxes | 405,955 | 394,741 |

Understanding Terminology

- Gross Output – Total value of goods and services sold by businesses
- Value Added – revenue minus cost of purchased inputs, ie. Raw materials

Six Activities to Compare

1. Construction of 100 condos and importation of 100 retirees to occupy the condos
2. Construction of 100 cottages and importation of 100 occupants (mix seasonal/permanent 60/40) residents
3. Attraction of 100 tourists
4. Hosting a 1000 attendee event
5. Attracting a 100 job manufacturing plant
6. Attracting 100 health care/professional services

100 condos & retirees

| | Elliot Lake Region | Provincial |
|----------------------|--------------------|------------|
| Initial Expenditures | 27,062,000 | 27,062,000 |
| Gross Output | 34,315,000 | 63,821,000 |
| Value Added | 17,089,000 | 31,063,000 |
| Wages | 12,890,000 | 21,253,000 |
| Jobs | 260.1 | 467.6 |
| Federal Taxes | 3,584,000 | 6,398,000 |
| Provincial Taxes | 2,235,000 | 4,007,000 |
| Local Taxes | 2,910,000 | 3,412,000 |

100 cottages & cottagers

| | Elliot Lake Region | Provincial |
|----------------------|--------------------|------------|
| Initial Expenditures | 29,578,800 | 29,578,800 |
| Gross Output | 35,979,705 | 69,698,643 |
| Value Added | 17,526,941 | 33,620,250 |
| Wages | 13,370,256 | 23,085,785 |
| Jobs | 264.0 | 504.5 |
| Federal Taxes | 3,677,169 | 6,926,566 |
| Provincial Taxes | 2,292,641 | 4,327,378 |
| Local Taxes | 2,298,888 | 2,823,472 |

100 tourists

| | Elliot Lake Region | Provincial |
|----------------------|--------------------|------------|
| Initial Expenditures | 52,000 | 52,000 |
| Gross Output | 49,000 | 121,000 |
| Value Added | 25,000 | 56,000 |
| Wages | 18,000 | 35,000 |
| Jobs | .6 | .9 |
| Federal Taxes | 5,000 | 11,000 |
| Provincial Taxes | 3,000 | 7,000 |
| Local Taxes | 2,000 | 3,000 |

1000 attendees at an event

| | Elliot Lake Region | Provincial |
|----------------------|--------------------|------------|
| Initial Expenditures | 435,000 | 435,000 |
| Gross Output | 374,000 | 1,001,000 |
| Value Added | 189,000 | 453,000 |
| Wages | 133,000 | 278,000 |
| Jobs | 4.1 | 7.7 |
| Federal Taxes | 39,000 | 91,000 |
| Provincial Taxes | 23,000 | 57,000 |
| Local Taxes | 17,000 | 25,000 |

100 manufacturing jobs

| | Elliot Lake Region | Provincial |
|----------------------|--------------------|------------|
| Initial Expenditures | 6,150,000 | 6,150,000 |
| Gross Output | 7,797,000 | 15,671,000 |
| Value Added | 5,831,000 | 9,499,000 |
| Wages | 4,269,000 | 6,440,000 |
| Jobs | 135,6 | 184,3 |
| Federal Taxes | 1,109,000 | 1,852,000 |
| Provincial Taxes | 536,000 | 1,003,000 |
| Local Taxes | 548,000 | 537,000 |

100 professional service jobs

| | Elliot Lake Region | Provincial |
|----------------------|--------------------|------------|
| Initial Expenditures | 8,308,000 | 8,308,000 |
| Gross Output | 10,527,000 | 20,471,000 |
| Value Added | 8,405,000 | 12,962,000 |
| Wages | 7,674,000 | 10,277,000 |
| Jobs | 146.8 | 199.5 |
| Federal Taxes | 1,627,000 | 2,538,000 |
| Provincial Taxes | 742,000 | 1,399,000 |
| Local Taxes | 946,000 | 1,119,000 |

How do they compare?

Local Impacts (with construction)

| | Retirees | Cottagers | Tourists | Event | Manuf. jobs | Prof. Jobs |
|--------------|------------|------------|----------|---------|-------------|------------|
| Expenditure | 27,062,000 | 29,578,800 | 52,000 | 435,000 | 6,150,000 | 8,308,000 |
| Gross Output | 34,315,000 | 35,979,705 | 49,000 | 374,000 | 7,797,000 | 10,527,000 |
| Value Added | 17,089,000 | 17,526,941 | 25,000 | 189,000 | 5,831,000 | 8,405,000 |
| Wages | 12,890,000 | 13,370,256 | 18,000 | 133,000 | 4,269,000 | 7,674,000 |
| Jobs | 260.1 | 264.0 | .6 | 4.1 | 135.6 | 146.8 |
| Federal Tax | 3,584,000 | 3,677,169 | 5,000 | 39,000 | 1,109,000 | 1,627,000 |
| Prov. Tax | 2,235,000 | 2,292,641 | 3,000 | 23,000 | 536,000 | 742,000 |
| Local Tax | 2,910,000 | 2,298,888 | 2,000 | 17,000 | 548,000 | 946,000 |

How do they compare?

Local Impacts (non construction)

| | Retirees | Cottagers | Tourists | Event | Manuf. jobs | Prof. Jobs |
|--------------|-----------|-----------|----------|---------|-------------|------------|
| Expenditure | 4,262,000 | 3,268,800 | 52,000 | 435,000 | 6,150,000 | 8,308,000 |
| Gross Output | 5,297,000 | 3,831,584 | 49,000 | 374,000 | 7,797,000 | 10,527,000 |
| Value Added | 2,910,000 | 2,122,175 | 25,000 | 189,000 | 5,831,000 | 8,405,000 |
| Wages | 1,748,000 | 1,203,883 | 18,000 | 133,000 | 4,269,000 | 7,674,000 |
| Jobs | 45.2 | 31.6 | .6 | 4.1 | 135.6 | 146.8 |
| Federal Tax | 584,000 | 421,374 | 5,000 | 39,000 | 1,109,000 | 1,627,000 |
| Prov. Tax | 411,000 | 287,087 | 3,000 | 23,000 | 536,000 | 742,000 |
| Local Tax | 234,000 | 303,805 | 2,000 | 17,000 | 548,000 | 946,000 |

Assessment Criteria

- Which impacts have the highest value to Elliot Lake?
 - Gross Output?
 - Value Added?
 - Wages?
 - Jobs?
 - Local Taxes?
- One time impacts or ongoing

Resources?

Financial

- Taxation
- Reserves
- Grants

Human

- Management
- Labour
- Knowledge

Other

- Equipment
- Marketing

Allocation of Resources



Integration with Strategic Planning Process

- Assess the priority of activities
- Determine the resource requirements for each activity
- Define the resources available
- Allocate the resources based

Conclusion

- Elliot Lake is still a single industry town
- Renewal Strategy
 - Focus on competitive strengths
 - Increase value added activities
 - Set targets
 - Work together