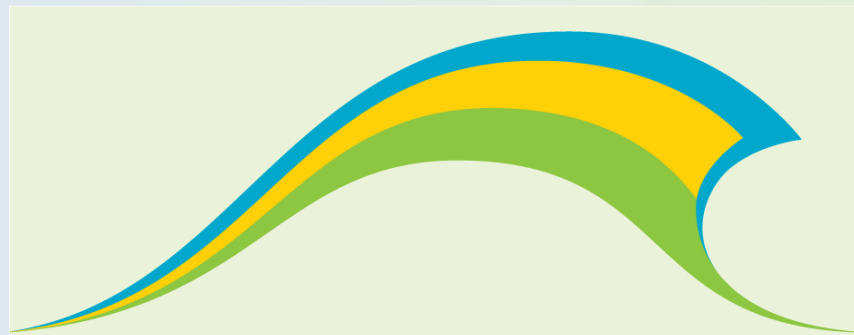


Economic Impact of the Co-operative Sector **DRAFT**

Réseau de recherche pour mesurer la
DIFFÉRENCE COOPÉRATIVE



Measuring the Co-operative Difference
RESEARCH NETWORK

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Why is conducting an economic impact of co-operatives study important?

- No study of this nature has ever been done nationally for Canada
- We should know our sector
- Provide baseline economic information about the co-operative sector
- Findings can then be used by sector, policy makers, academics, sector associations etc.
- Benchmark and spin off for future studies
- Findings can be used in comparison studies

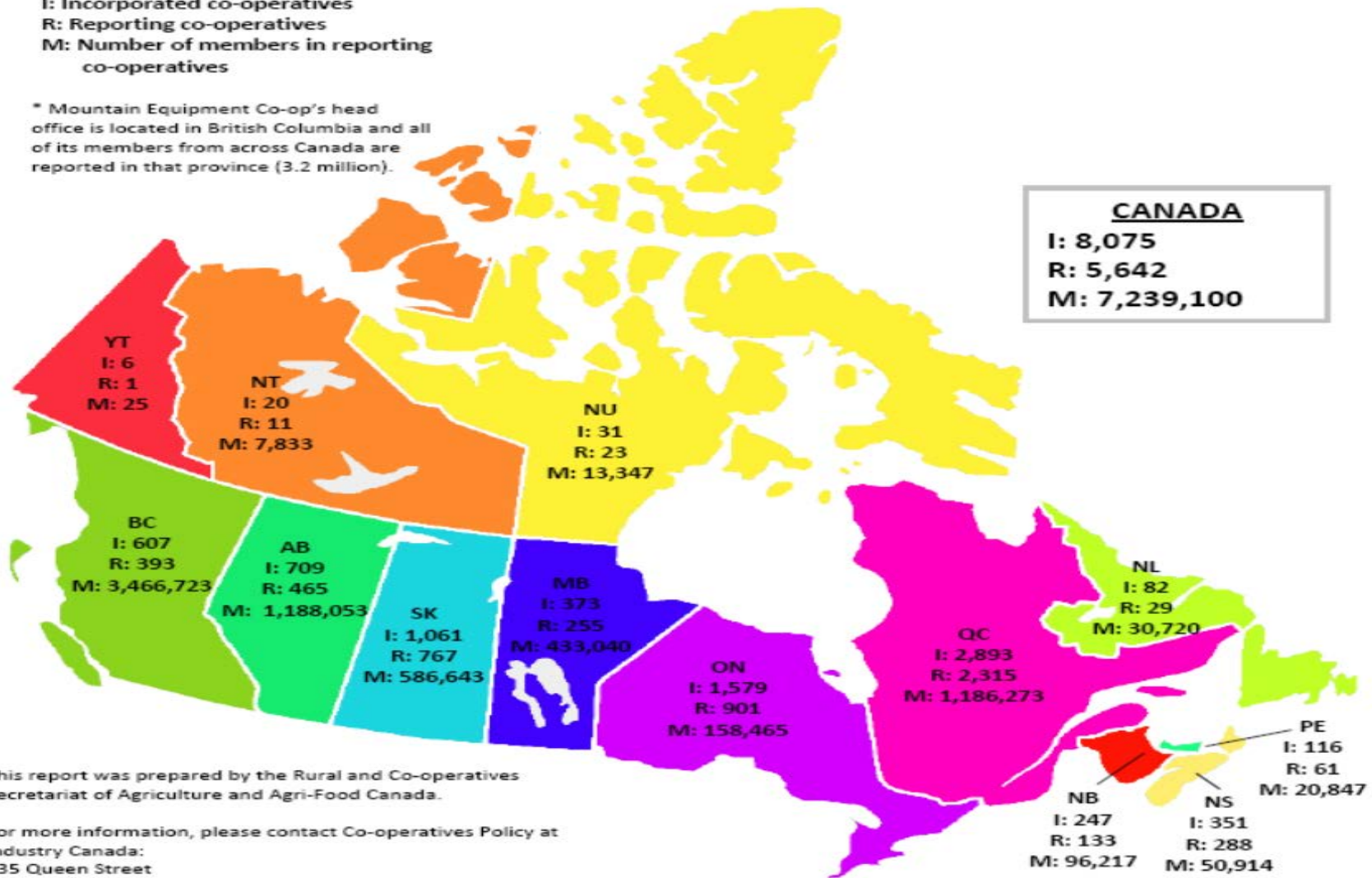
Some limitations to doing economic impact studies in co-op sector

- Not measuring social and environmental impact of co-operatives
 - Not intention, but we think a big part of co-operatives' impact
- Not measuring the co-operative difference
- More analyses/studies need to be done to capture co-operative difference

Co-operatives in Canada

I: Incorporated co-operatives
R: Reporting co-operatives
M: Number of members in reporting co-operatives

* Mountain Equipment Co-op's head office is located in British Columbia and all of its members from across Canada are reported in that province (3.2 million).



This report was prepared by the Rural and Co-operatives Secretariat of Agriculture and Agri-Food Canada.

For more information, please contact Co-operatives Policy at Industry Canada:
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Canadian Trends

Non Financial Co-operatives

	2005	2006	2007	2008	2009
Co-ops (reporting)	5,710	5,751	5,795	5,686	5,642
Assets (\$M)	17,699	18,417	19,256	20,653	21,117
Members (000s)	5,886	6,340	6,647	6,925	7,239
Revenue(\$M)	27,686	28,794	30,804	35,728	33,853
Employees	87,600	87,172	87,620	87,918	87,735
Wages (\$M)					1,987

Canadian Trends

Credit Unions

	2005	2006	2007	2008	2009
Credit unions	1,158	1,108	1,059	1,008	945
Branches	3,465	3,424	3,404	3,341	3,302
Assets (\$M)	181,307	196,108	212,069	231,288	245,107
Members	10,661,995	10,815,428	10,846,512	11,222,276	10,818,031
Revenue (\$M)	10,871	12,201	14,121	15,916	12,980
Employees	63,425	64,397	65,260	67,335	67,692
Wages (\$M)				2,899	3,208

Non-Financial Co-operatives in Canada by Sector – 2009

Type	# of Co-ops	Revenue	Number of Members	Number of Employees	Wages	Patronage Dividends	Assets
Agriculture	655	14,970,026,023	519579	30315	841,573,451	40,977,937	6,045,511,560
Arts, Culture & Communication	65	180,336,452	109390	1183	23,407,777	-	338,509,086
Health & Social Services	341	245,907,824	125472	4166	126,889,719	1,029	154,657,254
Housing	1124	1,035,220,487	134510	2019	54,793,941	2,701	5,441,269,855
Natural Resources & Manufacturing	119	458,274,108	18459	8306	77,372,344	3,409	253,803,586
Other Services	558	665,472,901	476922	8324	183,353,411	1,861	1,073,063,272
Recreation, Accommodation & Food Services	217	41,243,718	41084	1362	11,956,055	230	65,887,984
Wholesale & Retail Trade	344	16,255,091,643	5812929	32034	666,969,876	373,965,526	7,744,907,380
Grand Total	3423	33,851,573,156	7238345	87709	1,986,316,574	414,952,693	21,117,609,977

Measuring the Economic Impact

Sample activity codes used by *Co-op Secretariat, Industry Canada* and *Statistics Canada*

111	Feed mill	BS111A00	Crop production (except greenhouse, nursery and floriculture production)
112	Petroleum (farm)		
113	Farm supplies - varied	BS111400	Greenhouse, nursery and floriculture production
119	Farm supplies - other		
131	Dairy products	BS112000	Animal production
132	Poultry and eggs	BS113000	Forestry and logging
133	Livestock	BS114000	Fishing, hunting and trapping
134	Grains and oilseeds	BS115A00	Support activities for crop and animal production
135	Fruits		
136	Vegetables	BS115300	Support activities for forestry
137	Honey and maple products	BS211113	Conventional oil and gas extraction
138	Farmers market	BS211114	Non-conventional oil extraction
149	Processing and marketing (agr)-other	BS212100	Coal mining
151	Farming	BS212210	Iron ore mining
152	Grazing	BS212220	Gold and silver ore mining
153	Machinery sharing	BS212230	Copper, nickel, lead and zinc ore mining
154	Feeder (financing)	BS212290	Other metal ore mining
155	Seed cleaning	BS212310	Stone mining and quarrying
159	Support to agriculture - other	BS212320	Sand, gravel, clay, and ceramic and refractory minerals mining and quarrying
211	Grocery stores	BS212392	Diamond mining

Measuring the Economic Impact

- All sectors in the economy are **interrelated**. Any activity that buys products/services and generates payments has an effect on other sectors of the economy
- If these products/services are generated in Canada and payments are made in Canada, the effect of buying and paying them has an **impact across other sectors** of the national economy
- Economic impact analysis **measures** these effects across all sectors of the economy: the **ripple effect**
- Will use it to **measure the contribution** of the Co-operative sector to the national economy

Measuring the Economic Impact

- **Input-Output** models are commonly used to conduct economic impact analysis.
- Used to quantify the **linkages** and **interactions** between industry sectors, households, and governments within a local economy
- The linkages in an Input-Output model are represented by **economic multipliers** that measure the total impact of a change in one industry on all other industries.

Measuring the Economic Impact

Multipliers provided by **Stats Canada**
estimate direct, indirect, and induced impacts:

- **Direct** Impacts
 - Revenue and jobs generated by the co-ops
- **Indirect** Impacts
 - Revenue and jobs generated by businesses that supply the co-ops
- **Induced** Impacts
 - Revenue and jobs generated from spending by direct and indirect employment

Measuring the Economic Impact

- **Gross Domestic Product** (GDP) - Value-added output
- Labour **Income** - Employment income to workers / households
- **Employment** - Full-time equivalents jobs
- **Tax** Revenue - Tax on products and production, to all levels of government

Measuring the Economic Impact

Impacts: **Economic Output** (GDP, \$ Millions)

	Direct	Spinoff	Total
General Co-ops	10,395	11,872	22,267
Credit Unions	7,929	10,527	18,456
Co-op Insurance	5,440	8,101	13,541
			54,264

Using Stats Canada I/O Multipliers 15F0046XDB

Measuring the Economic Impact

Impacts: **Jobs** (FTEs, person-years)

	Direct	Spinoff	Total
General Co-ops	218,801	131,988	350,789
Credit Unions	104,886	105,419	210,305
Co-op Insurance	23,679	86,823	110,502
			671,596

Using Stats Canada I/O Multipliers 15F0046XDB

Canada total employment : **14,374,928**
Co-op sector: **4.67%** of employment

vs. Total Government employment : **1,037,286**
Total Auto Sector employment : **111,745**

Source: CANSIM, table 281-0024.

Measuring the Economic Impact

Impacts: **Household Income** (\$Millions)

	Direct	Spinoff	Total
General Co-ops	7,766	5,958	13,724
Credit Unions	6,524	5,816	12,340
Co-op Insurance	1,980	4,969	6,949
			33,013

Using Stats Canada I/O Multipliers 15F0046XDB

Measuring the Economic Impact

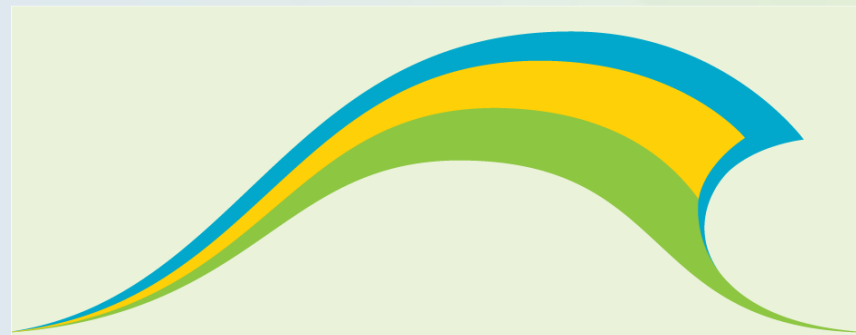
Impacts: **Taxes** (\$Millions)

	Tax
Co-op Production taxes (Stats Can 15F0046XDB)	2,816
Co-op Product taxes (Stats Can 15F0046XDB)	635
Household Income Taxes (Stats Can 384-00402009 - 17%)	5,612
Household Sales Taxes (Stats Can 15F0041XDE - 7.416%)	2,448
Household Property Taxes (Stats Can 203-0001, 1.33%)	439
	\$11,950

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Thank You !

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