

Economic Impact of the Co-Operative Sector

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Measuring the Co-operative Difference Research Network

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Co-operating to Build a Better Nova Scotia

Coopérons pour une Nouvelle-Écosse meilleure

Scope

Economic Impact in the **province of Nova Scotia** of:

- General **Cooperatives**
- Financial Co-operatives: - **Credit Unions**
 - **Insurance co-ops**

Airports
Art galleries
Boatyards
Bus operators
Credit Unions
Dairy processors and distributors
Daycare centres
Doctor offices/clinics

Farmer's markets
Fishing/Trawlermen
Fish-plants
Filmmakers
Fitness centres
Forestry
Funeral homes
Grocery supermarkets
Housing

Insurance brokers
Investment funds (CEDIFs)
Marina operators
Museums
Nursing homes
Poultry Processors
Ranchers
Theatre productions
Water utilities



Co-Operative Sector in NS - 2011

Type	Number of Co-Ops	Revenue	Number of Members	Assets	Number of Employees
Agriculture	35	502,074,480	3,215	207,855,078	1,946
Craft Products	10	915,747	154	463,950	34
Fish Products	13	46,214,033	607	8,589,571	166
Forest Products	8	4,493,447	882	1,802,312	54
Housing	71	16,395,248	1,939	75,146,995	15
Investment	21	1,542,139	2,051	21,314,187	8
Miscellaneous	2	14,633	23	7,277	0
Retail Consumer	36	131,778,195	28,325	36,363,402	334
Services	55	6,118,169	4,903	10,581,283	257
Worker Labour	40	23,625,169	2,635	12,769,540	298
	290	733,171,260	44,734	374,893,595	3,112
Credit Unions	31	118,174,615	159,347	1,954,911,000	735

Source: NS Co-operatives Branch, Co-Op Atlantic, The Co-Operators



Measuring the Economic Impact

Sample excerpt from **NS Input-Output** vector table (301 industries)

- 1 Greenhouse, Nursery and Floriculture Production
- 2 A Crop Production (except Greenhouse, Nursery and Floriculture Production)
- 4 A Animal Production (except Animal Aquaculture)
- 5 Forestry and Logging
- 6 Fishing, Hunting and Trapping
- 8 Support Activities for Animal Production
- 9 Support Activities for Forestry
- 26 Water, Sewage and Other Systems
- 27 A Residential Building Construction
- 35 I Other Activities of the Construction Industry
- 44 Dairy Product Manufacturing
- 45 Animal (except Poultry) Slaughtering
- 46 Rendering and Meat Processing from Carcasses
- 47 Poultry Processing
- 48 Seafood Product Preparation and Packaging
- 54 Coffee and Tea Manufacturing
- 122 Clay Product and Refractory Manufacturing
- 151 Other Fabricated Metal Product Manufacturing
- 203 Doll, Toy and Game Manufacturing
- 207 Wholesale Trade
- 208 Retail Trade



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



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 NS and payments are made in NS, the effect of buying and paying them has an **impact across other sectors** of the provincial 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 NS Co-Operative sector to the provincial economy



Measuring the Economic Impact

- **Direct** Impacts
 - Revenue, jobs, and taxes generated by the co-ops
- **Indirect** Impacts
 - Revenue, jobs, and taxes generated by businesses that supply the co-ops
- **Induced** Impacts
 - Revenue, jobs, and taxes generated from spending by direct and indirect employment: spending by employees of co-ops, employees of suppliers to the co-ops, and their families



Using Input-Output model

- **Input-Output** models are commonly used to conduct economic impact analyses in Nova Scotia
- Used to quantify the **linkages** and **interactions** between industry sectors, households, and governments within a local economy
- The linkages in an I-O model are represented by **economic multipliers** that measure the total impact of a change in one industry on all other industries.
- Multipliers provided by **Stats Canada** estimate direct and indirect impacts, not induced impacts. **NSIO** model includes induced impacts.
- Require sales data by industry, by NAICS code (StatsCan W level)



Data Input

- Sales data for **general co-ops**, by industry code: 46 codes used

Sources: Co-operatives Branch, Service Nova Scotia
Co-Op Atlantic
Mountain Equipment Co-op

- Income data for **financial co-ops**

Sources: Atlantic Credit Union Central
The Co-operators



Data Analysis

- Via the **NSIO** system estimated *Direct* and *Spinoff* :
 - Economic Output - **GNP** (\$)
 - **Jobs** (FTEs, person-years)
 - **Employment Income** to households (\$)

- Used **Statistics Canada** *Input-Output multipliers* and *Household Expenditures data series* to estimate **Taxes**:
 - Production taxes
 - Product taxes
 - Household Income taxes
 - Household HST
 - Household property taxes



Measuring Economic Impact

	Direct	Spinoff	Total
Economic Output (GDP, in \$000s)			
General Co-Ops	260,909	338,442	\$ 599,351
Credit Unions & Insurance	104,854	94,444	199,298
			\$ 798,649
Jobs (FTEs, person-years)			
General Co-Ops	4,434	4,495	9,379
Credit Unions & Insurance	1,098	882	1,980
			11,359
Household Income (\$000s)			
General Co-Ops	173,336	196,217	\$ 369,553
Credit Unions & Insurance	60,773	39,023	99,796
			\$ 469,349
Taxes (\$000s)			
Production taxes (Stats Can, Provincial I-O multipliers 2007)	\$ 16,528		\$ 16,528
Product taxes (Stats Can, Provincial I-O multipliers 2007)	5,721		5,721
Household Income taxes (Stats Can 202-0501,202-0707,203-0001 2010 15.6%)		73,218	73,218
Household HST (NS provincial budget documents, FP Markets - 7.788%)		36,552	36,552
Household Property Taxes (Stats Can 203-0001, 2.1%)		9,968	9,968
			\$ 141,987



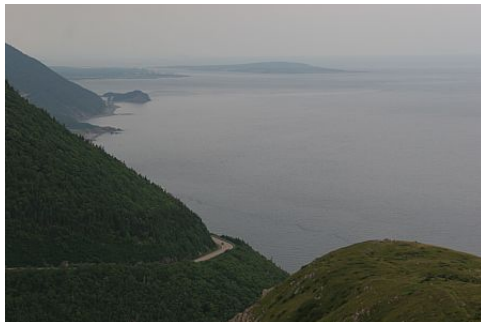
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Thank You !

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