

Economic Impact of the Co-Operative Sector

George Karaphillis
CED Institute, Cape Breton University

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of Business

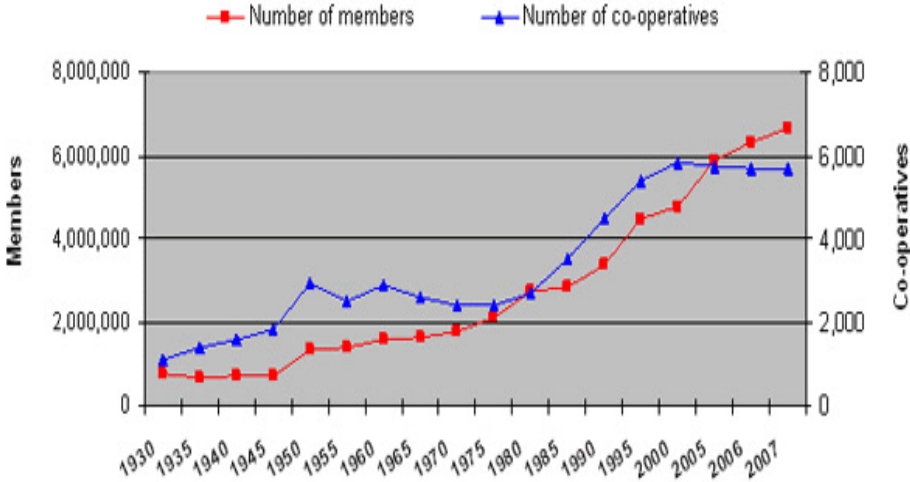


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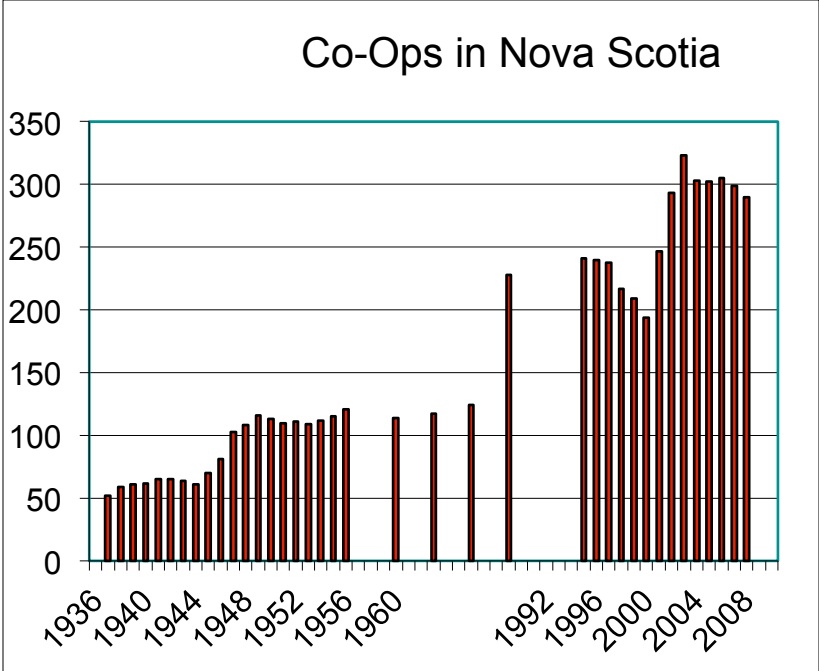
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Trends

Co-Ops in Canada



Co-Ops in Nova Scotia



Nova Scotia Trends

Co-Operatives

	2000	2003	2005	2008	2011
Co-Ops	194	256	273	280	290
Members (000s)		36	40	48	45
Revenue (\$M)	612	701	724	765	733
Employees		3,294	3,361	3,781	3,112

Source: NS Co-operatives Branch, Agriculture Canada Rural & Co-Operatives Secretariat



Nova Scotia Trends

Credit Unions

	2000	2005	2010	2011	
CUs	51	34	31	31	
Branches	83	81	82	81	
Members (000s)	161	169	163	159	
Revenue (\$M)	84.6	95.5	111.4	118.1	3.1%
Employees	519	632	744	735	3.2%

Source: Atlantic CU Central



Co-Operatives 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	1946
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

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

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Co-Operatives in NS 2011

Location	Number of Co-Ops	Revenue	Number of Members	Assets	Number of Employees
Rural	136	472,100,660	34,078	181,178,315	2,045
Urban	154	261,070,600	10,656	193,715,280	1,067
	290	733,171,260	44,734	374,893,595	3,112

Rural Co-Ops account for 76% of sector membership
 64% of sector revenue
 66% of sector employment



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

- ❑ **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

- **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.
 - Fairly large for any business activity in NS



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 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.



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

Impacts: **Economic Output** (GDP, in \$000s)

	Direct	Spinoff	Total
General Co-Ops	260,909	338,442	599,351
Credit Unions & Insurance	104,854	94,444	199,298
			798,649

Generated by I-O model of NS economy, NS Dept of Finance

NS GDP: \$36.352 B
Co-Op sector: 2.2% of NS economy



Measuring the Economic Impact

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

	Direct	Spinoff	Total
General Co-Ops	4,434	4,495	9,379
Credit Unions & Insurance	1,098	882	1,980
			11,359

Generated by I-O model of NS economy, NS Dept of Finance

NS total employment : 452,800
Co-Op sector: 2.5% of NS employment

vs. Federal Govt employment in NS: 12,870
vs. NS Provincial Govt employment: 9,314



Measuring the Economic Impact

Impacts: **Household Income** (\$000s)

	Direct	Spinoff	Total
General Co-Ops	173,336	196,217	369,553
Credit Unions & Insurance	60,773	39,023	99,796
			469,349

Generated by I-O model of NS economy, NS Dept of Finance



Measuring the Economic Impact

Impacts: Taxes (\$000s)

	Tax
Production taxes (Stats Can, Provincial I-O multipliers 2007)	\$ 16,528
Product taxes (Stats Can, Provincial I-O multipliers 2007)	5,721
Induced: Household Income Taxes (Stats Can 202-0501 2010, 15.6%)	73,218
Household HST (Stats Can 202-0501, 7.788%)	36,552
Household Property Taxes (Stats Can 202-0501, 2.1%)	9,968
	\$141,987

Using Stats Canada 202-0501, 202-0707, 203-0001 2010 and Provincial I-O Multipliers 2007 report

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