Economic Impact of the Co-Operative Sector

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Measuring the Co-operative Difference Research Network
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/Trawlersmen  
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

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

Credit Unions  

<table>
<thead>
<tr>
<th></th>
<th>Number of Co-Ops</th>
<th>Revenue</th>
<th>Number of Members</th>
<th>Assets</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31</td>
<td>118,174,615</td>
<td>159,347</td>
<td>1,954,911,000</td>
<td>735</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Direct</th>
<th>Spinoff</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic Output</strong></td>
<td>(GDP, in $000s)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Co-Ops</td>
<td>260,909</td>
<td>338,442</td>
<td>$ 599,351</td>
</tr>
<tr>
<td>Credit Unions &amp; Insurance</td>
<td>104,854</td>
<td>94,444</td>
<td>199,298</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>$ 798,649</td>
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<tr>
<td><strong>Jobs</strong> (FTEs, person-years)</td>
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<td></td>
<td></td>
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<tr>
<td>General Co-Ops</td>
<td>4,434</td>
<td>4,495</td>
<td>9,379</td>
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<tr>
<td>Credit Unions &amp; Insurance</td>
<td>1,098</td>
<td>882</td>
<td>1,980</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>11,359</td>
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<tr>
<td><strong>Household Income</strong> ($000s)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>General Co-Ops</td>
<td>173,336</td>
<td>196,217</td>
<td>$ 369,553</td>
</tr>
<tr>
<td>Credit Unions &amp; Insurance</td>
<td>60,773</td>
<td>39,023</td>
<td>99,796</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
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<td>$ 469,349</td>
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<tr>
<td><strong>Taxes</strong> ($000s)</td>
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</tr>
<tr>
<td>Production taxes</td>
<td>$ 16,528</td>
<td></td>
<td>$ 16,528</td>
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<tr>
<td>Product taxes</td>
<td>5,721</td>
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<td>5,721</td>
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<tr>
<td>Household Income taxes</td>
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<td>73,218</td>
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<tr>
<td>Household HST</td>
<td>36,552</td>
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<td>36,552</td>
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<tr>
<td>Household Property Taxes</td>
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<td>9,968</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>$ 141,987</td>
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</tbody>
</table>
Thank You!

Hosting bi-annual
Community Business Conference

July 10-12, 2013
Sydney, Nova Scotia
www.cbu.ca/events/ccbc