



Community Economic Analysis - What's Driving Your Community?

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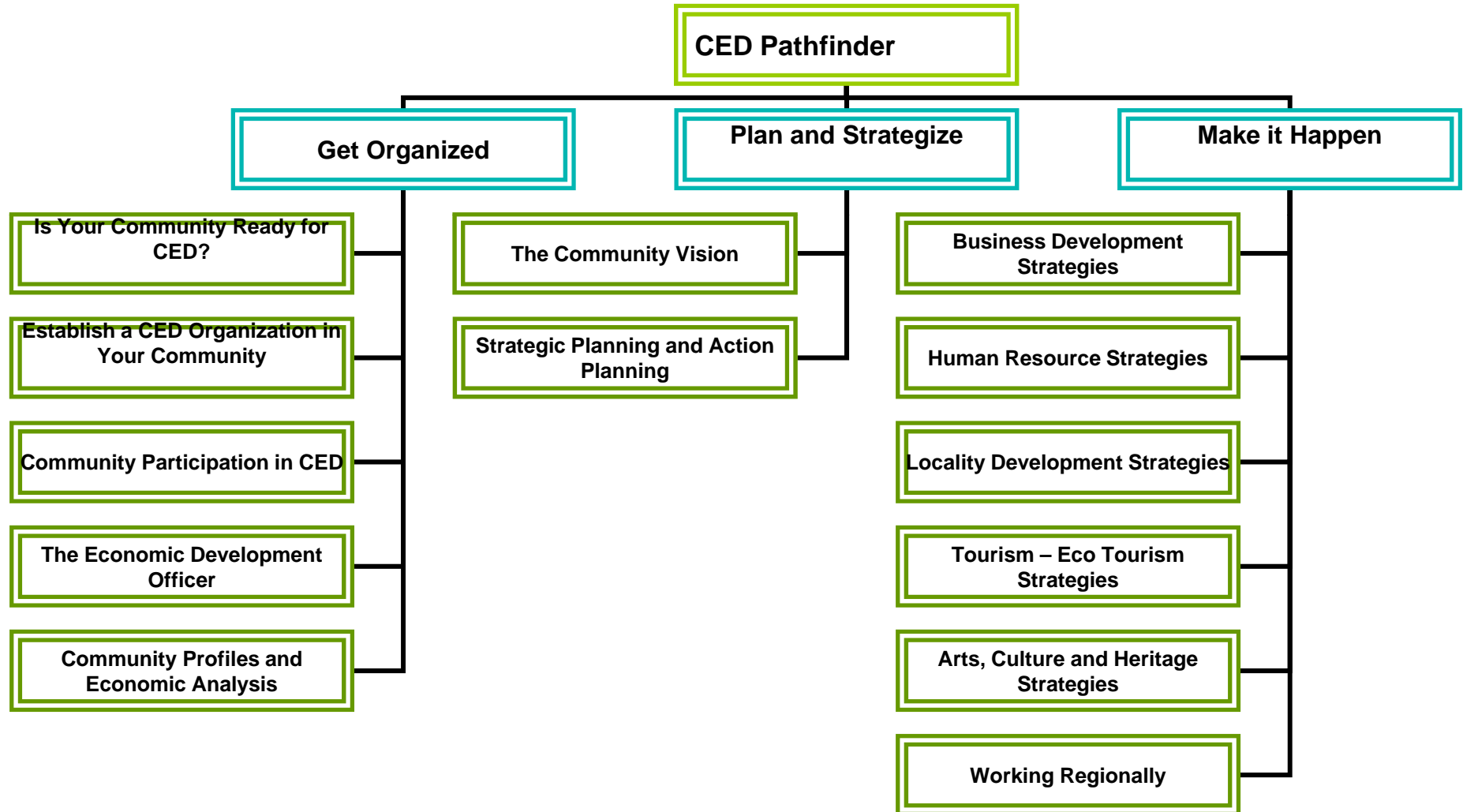
Agenda

- What is the CED Pathfinder
- The steps in completing an Economic Analysis of your community
- Examples
- Using the Pathfinder (Joy Dornian and Pamela McTavish)
- Economic Analysis is Just the Beginning – choosing appropriate strategies

What is the CED Pathfinder?

- CD – distributed to all CED contacts and municipalities in early March, 2010.
- Updates “Resource Manual for Community Development Corporations”.
- Expands information for economic development officers and any municipality, regardless of whether or not they have a CDC.
- Follows a step by step process for CED in rural communities.
- Uses links to on-line information, forms and contacts.

The Pathfinder Org Chart



Step One – Get Organized

- Are you ready to “do” CED?
- How to establish a CED organization (e.g. a CDC)
- How to get community involvement
- Roles and hiring an Economic Development Officer
- Analyzing your community’s economy

Step Two – Plan and Strategize

- Community Visioning
- Strategic Planning
- Action Planning

Step Three – Make It Happen

- Choose appropriate strategies
 - Business Development
 - Human Resource
 - Locality Development (e.g. infrastructure, tax sharing, zoning, land use plans, industrial parks, etc.)
 - Tourism, Eco-Tourism, Arts, Culture
- Working Regionally

Where are you in the CED Path?

- No one will follow this “path” in a straight line!
- Communities can start anywhere along the path
- The path incorporates Best Practices of CED

What Is Economic Analysis?

- Community economic analysis is..... gathering, analyzing and interpreting information about the state of the local economy.
- Helps you to examine how the local economy compares to nearby economies and the rest of the province (or country).

Why is Economic Analysis Important?

- It is an important step in the CED process to “chart the course”, to influence the community vision and to help choose strategies that are appropriate.
- Provides solid data for planning instead of relying only on a “wish list” or a single agenda.
- More in-depth economic analysis helps to better understand what parts of the local economy are strong, which sectors have opportunity for growth, which parts are growing or declining

What is the role of Municipalities?

- Economic analysis helps municipalities to identify new growth opportunities....
- **BUT** the community must have the support of local government and have a process in place to pursue the opportunities:
 - An economic development officer
 - A CDC, CED organization or committee
 - Financial support for projects/initiatives

Analyzing the Analysis

- Results should be used in consultation with the community.
- The analysis leads to areas of opportunities, but doesn't tell you what to do about it.

Economic Analysis Methods

- The CED Pathfinder includes:
 - Location Quotient Analysis
 - Employment in your region compared to the rest of the province.
 - Shift Share Analysis
 - Employment in your region compared to the rest of the province, the country and the industry itself over a period of time.
- MAFRI staff can help you with an analysis of your community.

MAFRI BDS-CD Staff Available to Help

- Southwest – Joy Dornian
- South Parkland – Pam McTavish
- North Parkland – Ann Dandeneau
- Valleys North – Don Dunnigan
- Central Plains – Bob Wheeler
- Red River – Brian Nedohin
- Eastman – Hollis Kinsey
- South Interlake – Grant Carlson
- North Interlake – vacant (Grant Carlson)
- Pembina – vacant (Bob Wheeler or Joy Dornian)

Location Quotients

- A location quotient is a number value that is used to compare local employment (in a particular sector) with employment in the sector in a larger reference area (e.g. provincial).
- 1 (or close to) means local employment is at the provincial average
- Less than 1 means local employment is less than provincial average
- Greater than 1 means local employment is greater than average

Location Quotient Example – North Interlake community

• <i>Agriculture</i>	3.83
• <i>Construction</i>	1.41
• Manufacturing	0.98
• Wholesale/Retail	1.01
• <i>Transportation</i>	0.42
• Education	0.96
• Health	0.92
• Accommodation	0.84
• <i>Arts, Recreation</i>	0.69

Location Quotients Analysis

- LQ's equal to one (from .75 to 1.2)
 - (e.g. Wholesale/Retail 1.01)
- Employment in this industry is equal to the provincial average.
- Often interpreted that goods and services being produced in this sector are exactly equal to local demand - i.e. no “exporting” of goods and services

Location Quotients Analysis

- LQ's less than one (under .75)
 - E.g. Arts, Recreation 0.69
- Employment in this industry is less than the provincial average.
- Often interpreted that good and services produced in this sector are not meeting local demand for this industry and so must be imported.

Location Quotients Analysis

- LQ's greater than one (over 1.2)
 - E.g. Agriculture 3.83, Construction 1.41
- Employment in this industry exceeds the provincial average.
- Often interpreted to mean that the sector produces more goods/services than are needed to satisfy the local economy, so it “exports”
- Considered the “drivers” in an economy.
- Some industries are considered “exporters” no matter what their size (e.g. manufacturing, accommodations, agriculture)

What is the Analysis in this case?

- First - any analysis should be done in consultation with local stakeholders to “truth” the numbers. Is this right? Why is this happening?
- Second – if the goal is a diversified economy – you would want to see high numbers (or at least average) in a good cross section of sectors.

What is the analysis?

- High LQs for Agriculture and Construction
- These are what's "driving" this economy:
 - This is your competitive advantage,
 - Are there spin off opportunities? (e.g. farm equipment repair/sales, tech support, food processing, spec housing, construction trades training in schools, etc.)

What is the analysis?

- Low LQ for Transportation and Arts/Recreation
 - Are there opportunities for new business, or are they low for a reason?
 - where are the arts/recreation dollars leaking to?
- Good number of industries are at par with the rest of the province – solid economy.

Cautions / Notes

- Use these numbers with care. Local interpretation is extremely important.
- These numbers are about the relative importance of an industry, not the number of employees (Russell tourism example).
- Tracking these numbers over time provides great comparative data for a community or a region.

Example – South Central

- Significant LQs
 - Agriculture 2.30
 - Manufacturing 2.25
 - Construction 1.56
- Lower LQs
 - Accommodation and Food 0.57
 - Arts, Entertainment and Recreation 0.42

South Central

- What are the issues and opportunities?
 - Opportunity where the three strong sectors interrelate (e.g. ag machinery manufacturing, ag building construction, trades schools for all three sectors) (e.g. Cluster project in Central Plains and workshop at CO)
 - Opportunity for businesses that support all three strong sectors (e.g. tech support, common equipment or supplies)
 - spin offs in each sector (business expansion, new businesses to support existing ones),
 - new business opportunities in areas of less strength (food, accommodation, recreation)?

Example - Southwest

- Significant LQs
 - Agriculture 5.59
- Lower LQs:
 - Construction 0.70
 - Manufacturing 0.16
 - Information/Culture 0.64
 - Arts, Recreation 0.00

Example - Southwest

- What are the issues and opportunities?
 - Agriculture is the driver, but single industry dependence
 - Concentrate on business development – processing and manufacturing?
 - What type of industries in manufacturing make sense for this area?
 - How do rural communities make their own opportunities in the knowledge economy (i.e. information and culture)?

Example – Close to Winnipeg

- Significant LQs
 - Agriculture 1.87
 - Transportation 1.78
 - Information/Culture 1.23
- Lower LQs
 - Arts/Recreation 0.67

Example – Close to Winnipeg

- What are the issues and opportunities?
 - All LQs are relatively strong – urban influence shows
 - Opportunities where Ag and Transportation meet?
 - Spin-offs in information sector – knowledge economy will be the new driver.

Now What?

- Analyzing your economy is the first step
- Once you have done the analysis, what do you do about it?
 - Helps to focus your efforts
 - Helps to identify appropriate strategies
 - Provides benchmark information/data for your community – can track this over time to gauge community progress

What Strategy to Choose?

- Business Development
- When might you choose this?
 - When there are areas of strength and you identify spin off opportunities to pursue
 - where there are gaps in the economy that you want to fill
 - When you want to move from a single industry economy to a more diverse economy.

Business Development tactics

- Information on these Business Development tactics are in the pathfinder:
 - Cluster development
 - Business support (new entrepreneurs)
 - Business Retention projects
 - Business Incubators
 - Business Alliances

What Strategy to Choose?

- Human Resource Development
- When might you choose this strategy?
 - When you want to strengthen or influence the labour pool in your community.
 - Likely more appropriate in diverse economies.
- What are some tactics in this strategy?
 - Supporting workforce development training programs
 - Succession planning
 - Setting up a job bank

What Strategy to Choose?

- Locality Development
- When might you choose this strategy?
 - When you want to improve the live-ability of your community (beautification, clean up derelict lots/houses, etc.)
 - When you want to create a community brand or a unique sense of identity.
 - When you want to attract new residents because of quality of life in your community.
 - When you want to plan land use strategically (land banking, industrial parks, tax sharing agreements, preserving sensitive lands, etc.)

Locality Development Tactics

- Land Use Planning
- Industrial Parks
- Land Banking
- Beautification (Home Town applications in??)
- Business Improvement Districts
- First Impressions program
- Tax Sharing Agreements (to share costs of infrastructure)

What Strategy to Choose?

- Tourism – Eco Tourism
- When would you choose this strategy?
 - When you have natural or man made amenities (e.g. lakes, water park, etc.)
 - When you have existing strengths or assets (e.g. a great hotel in your region)
 - When there are enough people, businesses and local investors who want to “build” and support tourism strategy (e.g. Disneyland)
 - Rule of thumb – need one day of activity for every hour of travel to your community.

What Strategy to Choose

- Arts/Cultural Strategy
- When would you choose this strategy?
 - When there is a strong cultural identity
 - When there is a strong arts presence
- Some examples:
 - Dauphin Ukrainian Festival
 - “Art is Big in Boissevain”

- The CED Pathfinder can help you analyze your economy and can provide you with many ideas within a variety of strategies that might just be what your community needs.....
- But – it doesn't help you if it sits on a shelf in your CAO's office.
- Putting the Pathfinder to good use is up to you!

How can municipalities and community economic development organizations use the Pathfinder and Economic Analysis?

- MAFRI Business Development Specialists-Community Development
 - Pamela McTavish, South Parkland GO Team
 - Joy Dornian, Southwest GO Team

Pamela McTavish

- South Parkland GO Team
 - Neepawa and area regional planning
 - Plan to utilize economic analysis to further identify strategic priority areas for the region
 - Asessippi Parkland region
 - Economic analysis has been used to demonstrate progress with the regional economic development strategy
 - Archie community development
 - Using the CED Pathfinder to get organized for CED and initiate community visioning and planning

Joy Dornian

- Southwest
 - Introduced the Pathfinder to Boissevain Morton, Melita, Rivers Daly and Killarney
 - Melita initiating process of research and sector consultation

Possibilities for use of the Pathfinder

- Develop regional economic analysis
- Encourage communities to use local economic analysis to focus attention and direction
- Enable EDO's and other community based resources to use the Pathfinder and other analysis tools to research local economy
- Encourage communities to track community identified indicators based upon their vision and goals

Need help?

- Want help with the CED Pathfinder?
 - A presentation?
 - A facilitated discussion?
 - Assistance?
- Contact your local Manitoba
Agriculture, Food and Rural Initiatives
Business Development Specialist-
Community Development today!

Thank You!

- Questions?