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Executive Summary

This report provides a comprehensive assessment of the impact of ECBC's Federal Development Programs over the five year fiscal period 1999/00 to 2003/04. Our impact assessment includes, by year, an economic impact (employment, income, gross domestic product), a fiscal impact (revenue as cost savings by level of government) and a review of changing structure of the Cape Breton economy and a county level assessment.

Our approach to this assessment involved collecting data from secondary sources, conducting client interviews and a desktop evaluation of ECBC files. We estimated ECBC's impacts using the Canmac economic impact model for Cape Breton.

Our report results show the significant role that ECBC plays in the Cape Breton economy. Over the period 1999/00-2003/04, ECBC provided grants and repayable loans to projects with eligible capital cost of $181.6 million. This leveraged additional project expenditures so that total expenditures over the period amounted to $783.1 million. Some of the major economic impacts associated with these expenditures are:

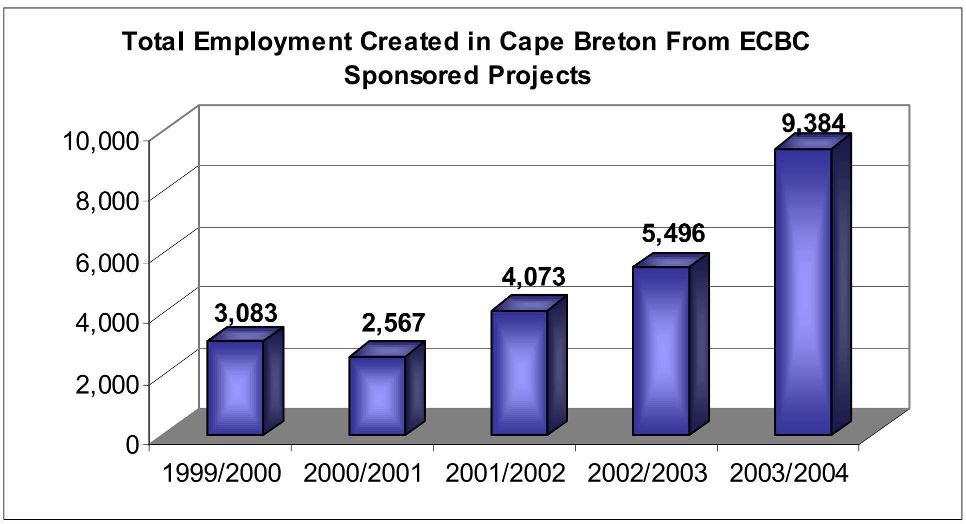
1. By the 2003/04 fiscal period, ECBC's overall annual employment creation had grown to 9,384 (full-time equivalents). This total employment is comprised of:
   - 6,339 (FTE) direct employment from sustainable activity;
   - 1,235 (FTE) direct employment from short-term job creation (primary construction);
   - 1,809 indirect and induced spinoff employment

2. The majority of ECBC's direct sustainable employment is generated by a small portion of its client base (tele-service centres, manufacturing). We estimate that the top ten (10) job creators account for 87.6% of the total direct sustainable employment.

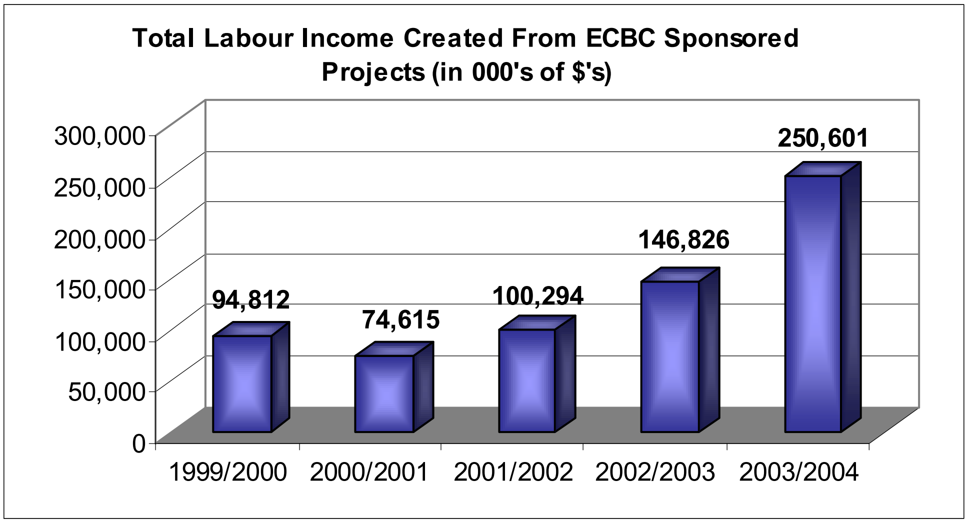
Short-term and spinoff employment is distributed throughout the Island's private sector.

3. Over the period 1999/00 to 2003/04 a total of 24,603 sustainable and short-term jobs were created or 4,921 jobs/year, on average.

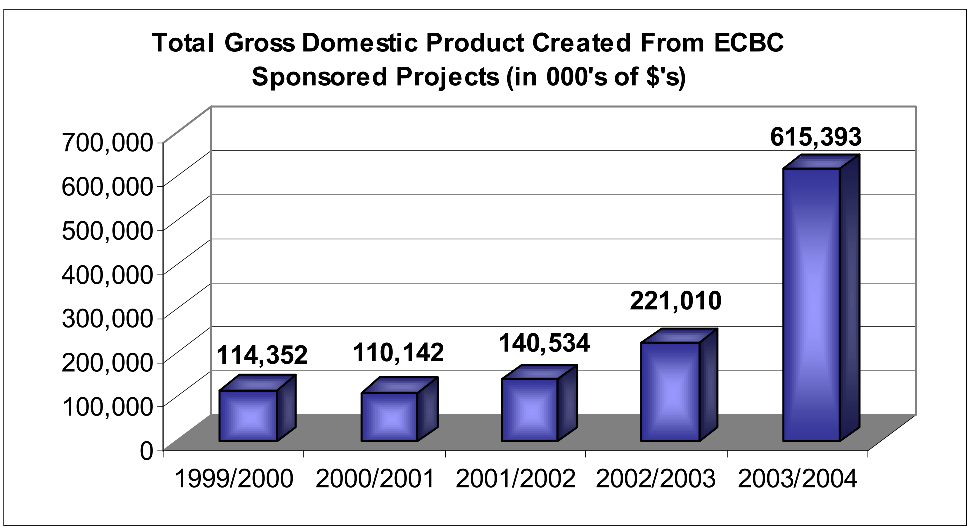
4. The most significant growth occurred in the 2002/2003 to 2003/2004 period. The primary reason for this growth is due to firms (such as call centres) that had previously received investment funding coming into full production in 2003/2004).



5. A total of $667.1 million of labour income was provided to Cape Breton households or $133.4 million/year, on average.

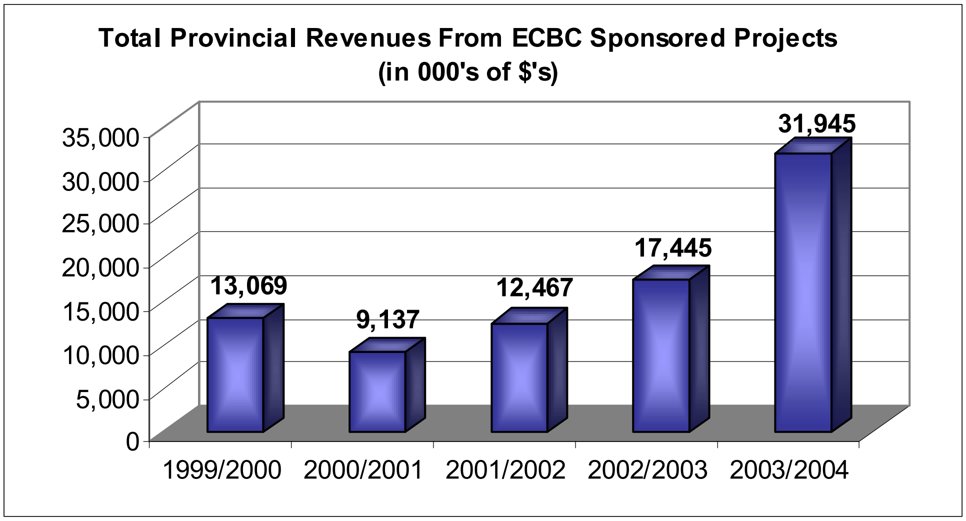


5. Total GDP creation of $1,201.4 million or $240.3 million/year, on average.

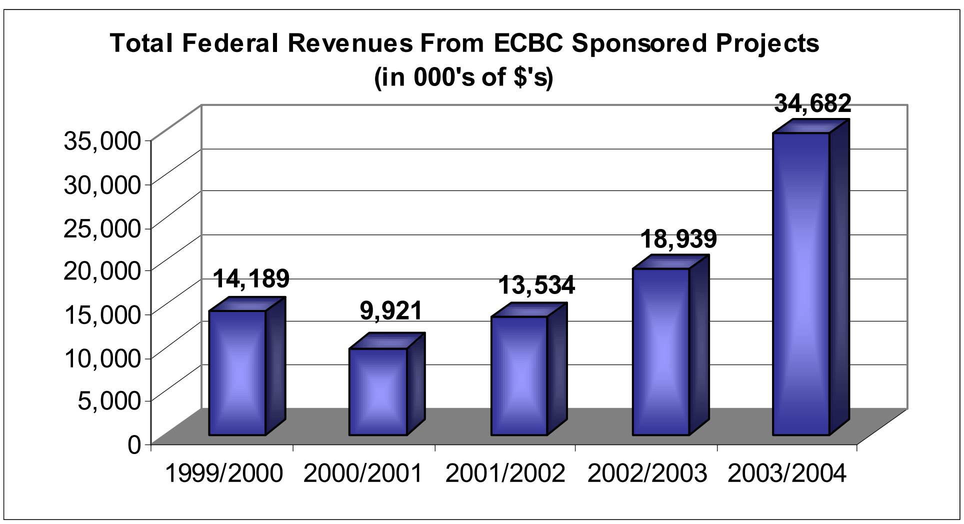


Some of the major fiscal impacts are:

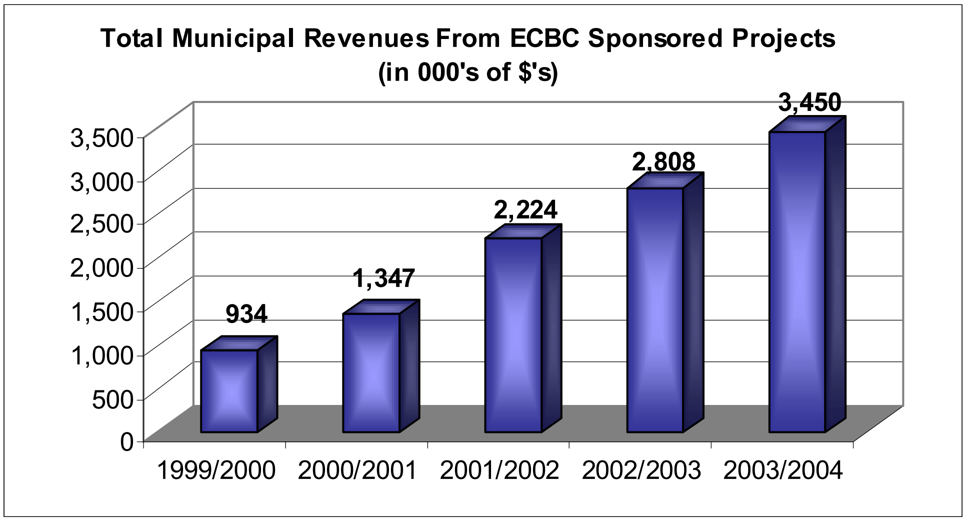
1. An increase of $84.0 million in Provincial Revenues or $16.8 million/year, on average.



2. Increase of $91.2 million in Federal Revenues or $18.2 million/year and an estimated EI savings of $30.6 million/year, on average.



3. An increased $10.8 million in Municipal Revenues or $2.2 million/year, on average.



At the county level we estimate that the major impacts in terms of job creation are in Cape Breton County (69%) followed by Inverness County (23%), Victoria County (5%) and Richmond County (3%).

In terms of returns to government with respect to the expenditure outlays we project:

1. Total government outlays of $354.9 million over the report period 1999/00-2008/09 or $35.5 million/year.
2. Total Fiscal Benefits of $982.0 million or $98.2 million per year.
3. The net present value of the fiscal benefits from ECBC projects totaled $368.6 million. The fiscal Benefit Cost ratio for the programs is estimated at $2.77 in benefits for every $1 spent.

Chapter One

Introduction

1.1 Introduction

The purpose of this report is to provide a comprehensive economic impact assessment of the development programs delivered by ECBC and CBGF on behalf of the Government of Canada. More specifically this report....

1. estimates the direct, indirect and induced economic impacts of the programs delivered by ECBC and CBGF, on the Cape Breton economy categorized for the four counties as well as by fiscal year beginning on April 1st, 1999. The economic impact assessment includes:

    - the increase in Gross Domestic Product (GDP) as a result of the economic development assistance;
    - the growth in employment that came about as a result of the development assistance.
    - growth in incomes resulting from the development assistance.
    - the increased fiscal benefits from the Island that came about as a result of the development assistance.

In addition to the economic impact assessment, this report:

2. provides analysis on how the economic development assistance has helped to generate business activity, new business start-ups and sales. Part of this analysis included whether the development assistance is diversifying the economy in sustainable sectors;

3. analyzes the level of exports on Cape Breton to determine whether development assistance has increased the level of sales that go off island;

4. provides analysis on whether sustainable growth is being generated that will eventually allow the island economy to grow without government assistance.

1.2 Methodology Overview

Canmac's approach to this report involved three (3) main activities:

1. Review of Primary Data Sources
2. Direct Client Survey
3. Development and simulation of the Impact Model

Review of the Primary Data Sources

The Canmac Team conducted a desktop evaluation of the ECBC's client databases and statistical databases. A significant part of this effort involved merging several diverse data sets into a database able to provide a consistent view of the project size and funding that avoided duplication across the various data sets. Once the dataset was developed a comprehensive descriptive statistical analysis was completed.

Direct Client Survey

Secondary data sources (ECBC client data, statistical datasets from Statistics Canada etc.) represented one component of the project database. The second component was a direct client survey. Canmac conducted over 150 project surveys using a combination of direct interviews and telephone interviews. Appendix B provides an example of the survey instrument and a more detailed discussion of the survey plan.

Impact Model

The overall impact of the ECBC programs on the Cape Breton economy was measured using Canmac's economic impact model of the region. The impact model is comprised of two linked modules:

1. Our I-O impact model and
2. A set of equations that describe the macro-environment.

The results of the survey analysis provided data on the direct economic impact for each project distinguished by county, fiscal year, and program type. The data also provided measures of the project incrementality. The direct input data was used to conduct impact simulations using Canmac's Proprietory I-O Model of the Cape Breton economy. Canmac maintains and regularly updates its I-O Model of the Cape Breton economy. The micro simulation provided a significant level of detail on the project's impact. Projects were distinguished by program type, year and location. Results are reported on the total and incremental impact as measured by direct and spinoff GDP, employment (full-time equivalents) and income. Results are also reported on the fiscal revenue generation by level of government and major cost savings (EI).

The I-O simulation provides project specific impacts. However, the micro simulation must be linked to the macro economy to accurately measure the overall impact of federal development expenditures on the island and at the county level. Only through the macro simulation do we obtain total employment, income, GDP, labour force, and demographics that are linked to the macro aggregates. The macro model allows for the full economic accounting and the lags that operate in the economy.

1.3 Report Format

The report is presented in six (6) chapters including the present one. Chapter two provides an overview of the programs and a statistical profile. Chapter three presents a socio-economic profile of the Cape Breton economy. Chapter four provides our economic impact results and Chapter five presents the fiscal impact results. Chapter six provides a look forward into the overall direction and sustainability of the Cape Breton economy and the return to government in terms of the net benefits of governments development efforts. Report appendices provide more detailed support documentation for the results presented in the main body of the report.

Chapter Two
Overview of Programs

2.1 Program Description

Following is a brief description of the economic and community development vehicles and programs employed by the government of Canada for the enhancement and diversification of Cape Breton.

2.2 Enterprise Cape Breton Corporation

Enterprise Cape Breton Corporation (ECBC) is a federal Crown corporation established as part of a broadly based revitalization effort centred on transitioning Cape Breton from dependency on coal extraction to a more diversified and balanced economy. Originally the Industrial Development Division (IDD) of the Cape Breton Development Corporation (DEVCO), a Crown entity that emerged in 1967 following a Royal Commission on the future of Cape Breton's coal industry, ECBC was detached from DEVCO in the 1970s and allowed to operate as a stand alone Crown corporation.

In some respects, ECBC is unique within the federal economic development context. It has broad powers, considerable flexibility and legislative authority to develop singularly and/or in partnership virtually any area of the economy with the exception of coal extraction. In effect, the Corporation can and does employ anyone of a range of financial instruments in the pursuit of its objectives from loans to equity and direct ownership and operation. In recent years, its priorities and strategic activities have included youth retention and entrepreneurship, access to capital, export development, research and development, human resource development and marketing. On average, throughout the period 1999/00 to 2003/04, ECBC has operated with an annual Parliamentary appropriation of about $8.5 million of which approximately $6.5 million is invested across a range of projects in the pursuit of the Corporation's objectives.

By virtue of its mandate and legislative authority, ECBC pursues economic and community development within its service area by supporting business, otherwise known as commercial activity, and assisting communities which is considered to be noncommercial in nature. Commercial initiatives must be able to demonstrate the potential to benefit the economy through the generation of new incremental income and fall within one or more categories or type of activity considered to add economic value.

Applications are evaluated against risk employing criteria such as equity, managerial competency, financial mix, and market potential. As well, projects are assessed based on their individual potential to facilitate the advancement of the Corporation’s strategic activities: i.e. trade and/or tourism.

While the corporation is empowered to employ a range of financial instruments from equity through to non-repayable loans, the preponderance of financing is in the form of interest free repayable loans. Repayment periods normally span ten years. Typically 95% of loans in any given year are repaid in full. In some instance balloon repayment instrument are employed, particularly where forbearance is shown in the early years to allow an enterprise to settle in.

Leverage is a key factor in investment decision-making and ECBC seeks to optimize capital investment from private, public and commercial sources. Typically the corporation will limit its exposure in commercial projects to 50% of approved capital costs and requires of the project proponents a minimum of 20% equity.

Occasionally, ECBC will forgive a portion of an otherwise repayable loan depending on the nature and size of a particular project. Normally, forgiveness is tied to milestones and, therefore, must be earned. Job creation is the preferred milestone target and aggregate forgiveness is calculated on a per job basis depending on the level of wages/salary paid.

The Vice President is empowered to singularly approve financing up to a fixed ceiling, whereas sums above that amount require the approval of the Corporation's Board of Directors.

Non-commercial projects are considered on an individual basis and investment decisions are based on the potential of the initiative to contribute to the advancement of a sector of the economy of strategic importance: i.e. tourism. The Corporation can invest up to 75% of approved capital costs. Again leverage is an important consideration and an effort is made to secure financing from other public, commercial and community sources. Virtually all financing of non-commercial project is non-repayable. ECBC incorporates report mechanisms into individual contracts that set out deliberate processes to track the evolution of a project against stated goals and objectives. The control period for most projects is three years. The default rate averages 5% yearly.

2.3 Cape Breton Growth Fund Corporation

The Cape Breton Growth Fund (CBGF) is a wholly owned subsidiary of Enterprise Cape Breton Corporation. In 1999 following a decision by the national government to rationalize the Cape Breton coal industry following a protracted period of sustained operating loses a decision was taken to establish a special economic adjustment fund for the Island. CBGF was incorporated in 2000, as the delivery vehicle. Initially it was funded to the extent of $68 million and $12 million respectively by the federal and provincial governments. Total moneys available to the corporation increased by $28 million in 2001 coincidental with the announced closure of coal mining operations following unsuccessful efforts to attract private ownership. Ten million dollars of this amount was allocated to a special fund to help affected communities transition to a new more diverse economy. The Community Adjustment Fund supports a range of projects from strategic infrastructure, through to marketing and promotion and new business development. In aggregate, CBGF was funded to the level of $98 million in total.

CBGF's mission is to work in partnership with the private and public sector and the community to make investments complementary of existing incentive and development programs. The corporation is pursuing advancement in five priority sectors and undertakes strategic initiatives appropriate to attracting investment off Island. ECBC supports CBGF administratively in the delivery of the adjustment fund as part of a conscious effort to avoid duplication and minimize overhead expenditures.

Despite being a subsidiary of ECBC, the Growth Fund Corporation has a Board of Directors of its own. The Corporation is focused heavily on commercial projects and employs investment criteria, financial terms, leverage principles, control periods, tracking mechanisms, and forgiveness criteria like that of ECBC.

2.4 Atlantic Canada Opportunities Agency

The Atlantic Canada Opportunities Agency (ACOA) is the lead federal economic development agency in the Atlantic Provinces. Established in 1987 it focuses on innovation, entrepreneurship and trade, endeavours to facilitate R&D, attract new investment and build stronger communities. ACOA pursues strategic priorities such as innovation, community economic development and entrepreneurship and business skills development.

ACOA does not have the latitude or flexibility in investment decision-making that resides with ECBC and its subsidiary CBGF. As earlier noted, ECBC has broad legislative authority and the ability to employ a range of financial instruments in economic and community development. ACOA is largely program driven and, therefore, bound by parameters that limit investment decision. The range of programs includes business development, infrastructure, community economic development corporations, trade and investment and adjustment. ECBC is charged with the delivery of ACOA programs within its service area of Cape Breton Island and Mulgrave in Guysborough County.

2.4.1 Business Development Program

Business development has been one of the most active areas of ECBC effort in terms of its relationship with ACOA. The Business Development Program (BDP) provides support to eligible commercial and non-commercial projects with a view to facilitating expansion or modernization. Investment typically takes the form of interest-free, unsecured, repayable contributions. Most business sectors are eligible with the exception of retail/wholesale, real estate, government services and services of a personal or social nature.

Maximum level of assistance available for eligible costs such as construction of buildings, purchase of machinery and infrastructure is 50% whereas 75% applies to items like marketing, training, business proposal development and business support is available.

Commercial projects are typically assisted with repayable non-interest bearing loans whereas non-commercial initiatives, including items such as marketing, training, and the like are supported with non-repayable contributions.

2.4.2 Atlantic Trade & Investment Partnership

The Atlantic Trade & Investment Partnership is another ACOA program delivered by ECBC. It assists with the development of international trade and investment and includes five key initiatives: (i) trade missions, (ii) sector strategies, (iii) skill development, (iv) internships, and (v) investment strategies.

2.4.3 Entrepreneurship & Business Skills Development Partnership

The Entrepreneurship and Business Skills Development Partnership serves to build capacity and equip entrepreneurs with skills, management know-how and technical competencies. It also helps women entrepreneurs through the Women in Business Initiative. As well, young entrepreneurs are assisted to develop the attitudes and skills necessary to launch and grow a business.

2.4.4 Infrastructure Canada Program

The Infrastructure Canada Program is a six-year initiative to renew and enhance Canada's physical infrastructure. A first priority of the program is green municipal initiatives. Additionally local transportation, roads and bridges, affordable housing and telecommunications are priorities.

2.4.5 Atlantic Innovation and Strategic Community Investment Funds

Responsibility for delivery of two strategic regional funds also resides with ECBC as part of its relationship with ACOA. The Atlantic Innovation Fund (AIF) is a $300 million, 5-year program designed to accelerate the development of knowledge-based industry. It builds the region's capacity to carry out leading-edge research and development. The Strategic Community Investment Fund supports initiatives that respond to the economic development needs of Atlantic Canada by strengthening communities. It comprises $135 million over five years and along with AIF is administered within the Atlantic Trade and Investment Partnership.

2.4.6 Fisheries Restructuring and Adjustment Measures

A key adjustment program delivered by ECBC for ACOA was the Fisheries Restructuring and Adjustment Measures. Emphasis was on projects in communities affected by the down turn in the Atlantic ground fishery. Objectives were to stimulate with long-term employment and contribute to the diversification of traditional rural economies.

2.4.7 Community Business Development Corporations

ACOA strives to increase and maintain employment by financially supporting small and medium size enterprise (SME) through counseling and financing services provided by Community Economic Development Corporations.

2.5 Inside the Numbers

2.5.1 Aggregate Investment

In the report period April 1st, 1999 to March 31st, 2004, over 900 separate administration projects were funded within the framework of ECBC, ACOA and CBGF programs. Aggregate federal investment was almost $182 million that according to ECBC data levered approximately $600 million from other sources. ACOA funding was the most significant component of ECBC's program offerings at $100.7 million followed by ECBC at $40.9 million and CBGF at $40.0 (Chart 2.1)

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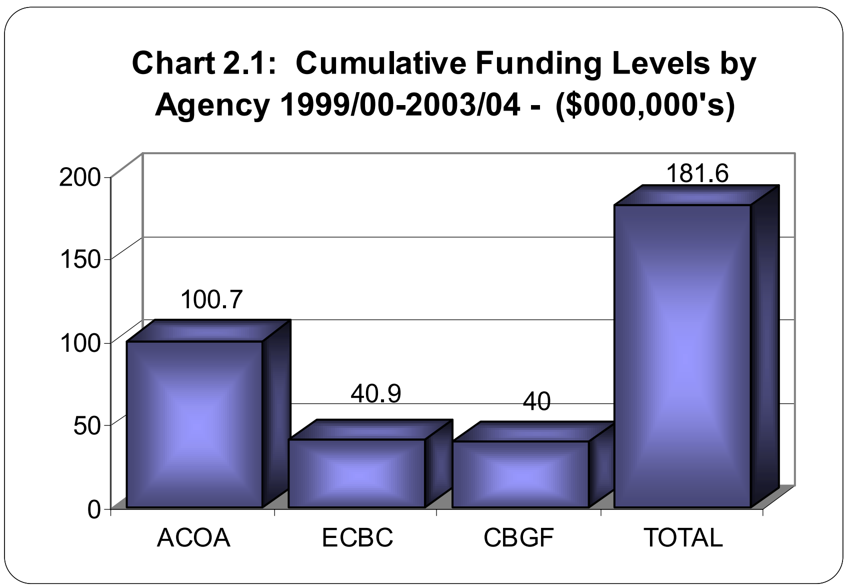
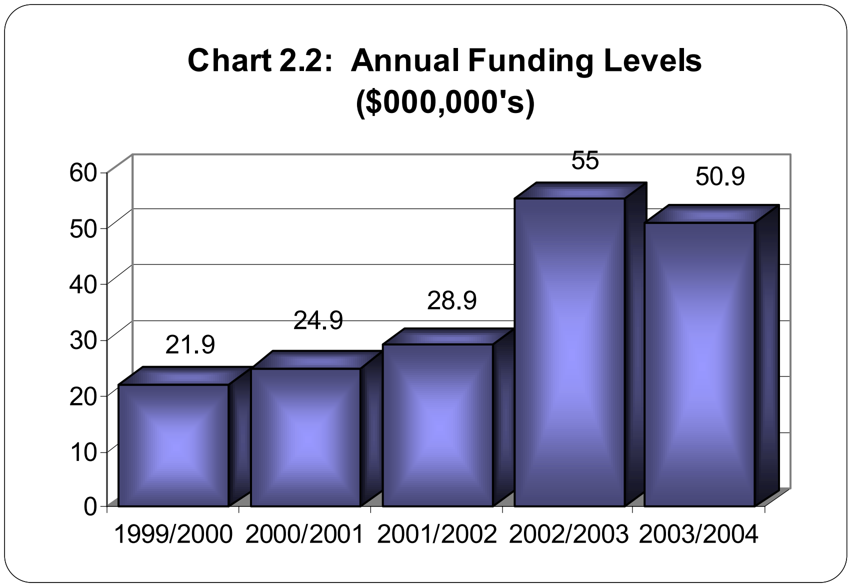


As mentioned earlier, funding totaled $181.6 million between 1999/2000 and 2003/2004 resulting in average annual funding of $36.3 million per year. In 1999/2000 assistance totaled $21.9 million, grew to $24.9 million in 2000/2001, with further growth to $28.9 million in 2001/2002. Funding peaked in 2002/2003 at $55.0 million with retraction to $50.9 million in 2003/2004 (Chart 2.2).



2.5.2 Cape Breton Growth Fund Corporation

During the period 1999/00 to 2003/04, CBGF assisted over 40 projects with a total of $40.0 million of assistance funding, this funding leveraged $203.9 million of new capital expenditures, generated 1,763 new jobs and greater than $570 million in incremental export sales. The preponderance of assistance (over 50%) was of a strategic nature and employed to fund specialized projects such as customer care centres, automotive parts manufacturing and retail food preparation and distribution. Average assistance per project was $.98 million while $22,689 was the average assistance per job created.

It should be noted that assistance includes both repayable and non-repayable contributions.

2.5.3 Atlantic Canada Opportunities Agency

ACOA programs were employed across ECBC's service area in support of a total of 621 projects over the 1999/00 to 2003/04 period with total assistance of $100.7 million. The preponderance (387 or 62%) were non-commercial in nature and the agency's business development program was the most active investment vehicle with $57.1 million or 57% of aggregate flowing through this channel with the majority of assistance being repayable. In total, ACOA investment is reported to have levered more than $130 million in new investment and created over 1,200 new jobs. After the Business Development Program, the Atlantic Trade and Investment Partnership (AIP) was the next most active area of investment activity with greater than 30% or $33.2 million of total assistance allocated to trade, skill development and investment strategies. It should be noted that the Strategic Community Investment Fund and Atlantic Canada Innovation Fund were both part of AIP.

Table 2.1 indicates that in the period April 2000 to March 2004, 74% of aggregate ACOA investment in Cape Breton was directed at three key economic sectors: knowledge Based, Manufacturing and Tourism and Culture.

Table 2.1: Commitments By Sector
ACOA - April 2000 to March 2004 ($000's)

ACOA	*2000/01*	*2001/02*	*2002/03*	*2003/04*	*4 Year Average*	*Total Investment (000's)*
Knowledge Based	29.7%	26.4%	12.3%	29.1%	24.4%	$21,514
Manufacturing	11.9%	17.5%	20.7%	15.2%	16.3%	$14,391
Tourism Culture	38.6%	25.6%	33.5%	34.7%	33.1%	$29,922
Oil & Gas	1.8%	3.6%	7.1%	1.7%	3.6%	$2,967
Strategic Initiatives	0.0%	0.0%	0.0%	0.0%	0.0%	--
Business Services	0.0%	1.0%	0.0%	0.0%	0.0%	$105
Resource	4.8%	3.3%	0.5%	2.9%	2.9%	$2,332
CED	13.2%	19.7%	25.6%	16.2%	18.7%	$16,345
Environmental Remediation	0.0%	2.9%	0.3%	0.2%	0.9%	$453
Total Investment	**$16,336**	**$10,662**	**$23,365**	**$37,636**	**$22,007**	**$88,029**

Note: Data by sector was not available for 1999/2000. Source: Canmac Economics, ECBC

2.5.4 Enterprise Cape Breton Corporation

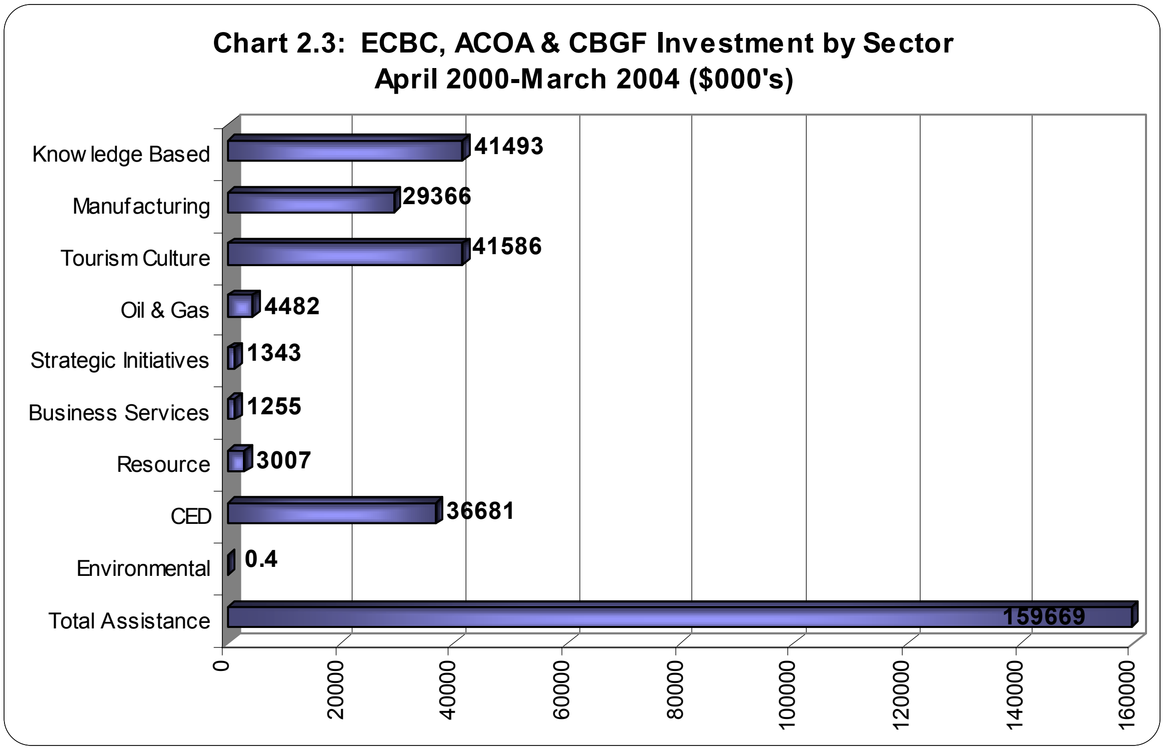
In addition to disbursing its core budget, the corporation was briefly responsible for delivery of the economic adjustment fund established following rationalization of coal mining on the Island and eventually was replaced with CBGF. As well, ECBC delivered the Community Adjustment Fund established specifically to transition former coal mining communities. In total, ECBC provided financial assistance in the amount of $40.9 million in the period 1999/00 to 2003/04. A total of 264 projects were funded of which 61% or 162 initiatives were non-commercial and received $14.7 million in support. Commercial initiatives were assisted to the extent of $13.4 million and former mining communities received $10.0 million under the CAF Program, while community economic development activities were assisted with $2.8 million. ECBC data suggest that $40.9 million in assistance had the effect of instigating more than $125 million in incremental investment. Jobs created as a consequence of ECBC assistance were 2,025, whereas CAF assistance is credited with 411 for a total of 2,436.

As indicated in Table 2.2, in the period April 2000 to March 2004, greater than 50% of ECBC investment, excluding CBGF and ACOA, was directed at knowledge based manufacturing, and tourism development.

Table 2.2: Commitments By Sector ECBC - April 2000 to March 2004 ($000's)						
ECBC	*2000/01*	*2001/02*	*2002/03*	*2003/04*	*4 Year Average*	*Total Investment*
Knowledge Based	46.2%	9.0%	9.5%	0.0%	16.2%	**$4,677**
Manufacturing	34.9%	5.3%	16.4%	2.8%	14.9%	**$4,869**
Tourism Culture	14.1%	33.6%	28.2%	24.8%	25.2%	**$8,664**
Oil & Gas	0.0%	7.2%	6.5%	2.0%	3.9%	**$1,515**
Strategic Initiatives	1.5%	0.0%	0.0%	0.0%	0.4%	**$93**
Business Services	0.0%	0.7%	0.0%	0.0%	0.2%	**$50**
Resource	2.8%	0.0%	0.0%	7.3%	2.5%	**$675**
CED	0.4%	44.2%	39.4%	63.0%	36.8%	**$12,693**
Total Investment	**$6,011**	**$6,886**	**$13,466**	**$6,870**	**$8,308**	**$33,236**
Note: Data by sector was not available for 1999/2000. Source: Canmac Economics, ECBC						

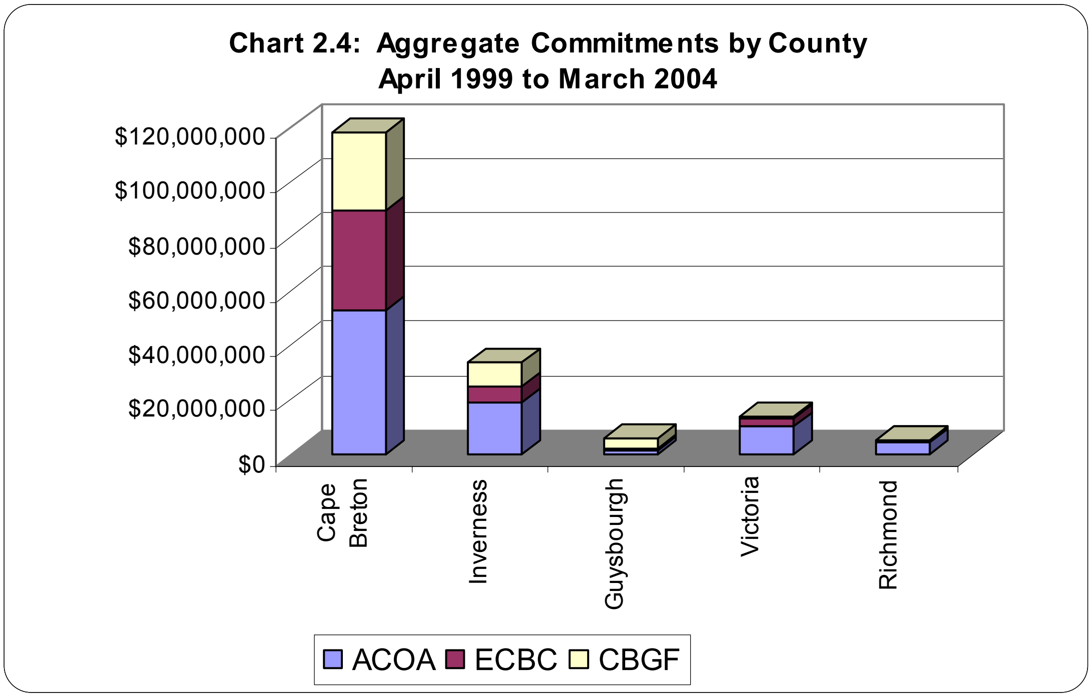
2.5.5 Aggregate Investment By Sector

As indicated in Chart 2.3, a total of $159.7 million was invested by ECBC, CBGF and ACOA in the period April 2000 to March 2004. Of that sum almost $42 million was directed to tourism development, greater than $41 million to knowledge based industry and almost $37 million to community economic development.



2.5.6 Funding by County

As indicated in Chart 2.4 Cape Breton County was the recipient of the preponderance of federal investment in business and community development by ECBC, ACOA and CBGF on Cape Breton between 1999/00 and 2003/04. A $118,694,578 investment in Cape Breton County during the report period represented 66.6 percent of aggregate ($178,209,891). Again, ACOA programs proved to be the most active investment vehicle in Cape Breton County, with $52,852,939 or 44.5% of total flowing into the county.



2.5.7 Per Capita Funding

2001 Census data indicate the population of Cape Breton to be 147,454. Therefore, per capita investment by the national government in Cape Breton on economic, business and community development as per ECBC, ACOA and CBGF programs was $1,169 (Table 2.3). Cape Breton County received slightly less than the per capita average at $1,086 whereas Inverness secured $1,707 as compared with Victoria at $1,769 and Richmond at $547.

Table 2.3: Per Capita Federal Assistance April 1999 to March 2004			
Area	*Population*	*Federal Investment*	*Per Capita*
Cape Breton County	109,330	$118,694,578	$1,085.65
Inverness	19,937	$34,034,839	$1,707.12
Victoria	7,962	$14,086,875	$1,769.26
Richmond	10,225	$5,596,951	$547.38
Cape Breton Island	147,454	$172,413,243	$1,169.27
Guysborough	9,827	$5,710,653	$581.12
Source: Canmac Economics, ECBC			

2.5.8 Number of Projects

A total of 832 projects were funded in the report period. 573 were supported with ACOA program financing, 208 by ECBC and 51 by CBGF. Table 2.4 below highlights the dominant position of ACOA within Cape Breton in the case of federally driven economic and community development initiatives.

Table 2.4: Projects Assisted April 1999 to March 2004		
	Number	*% of Total*
ACOA	573	68.9%
ECBC	208	25.0%
CBGF	51	6.1%
Total	**832**	**100%**
Source: Canmac Economics, ECBC		

Chapter Three
Cape Breton Island Socio-Economic Profile

3.1 Introduction

This chapter presents a socio-economic profile of Cape Breton Island also referred to as the Cape Breton Economic Region by Statistics Canada or simply Cape Breton by those who live there as well as most Nova Scotians and Canadians.

The presentation of the socio-economic data is provided for the Island in total as well the data is also provided for the four provincial counties (census divisions) which make-up the Island. Appendix A provides a Historic (1981 to 2001) data series for population, labour force, industry, occupation and households, families and income.

3.2 Socio-Economic Profile

Cape Breton Island is made up of four of Nova Scotia's eighteen counties and is the most northeastern part of the province. The Island consisting of Cape Breton, Inverness, Richmond, and Victoria Counties is bordered by the Gulf of St. Lawrence to the north, the province of Prince Edward Island to the west, Mainland Nova Scotia and the Atlantic Ocean to the south and the Atlantic Ocean to the east. The Island has a land area of 10,416.2 square kilometers and was home to 147,454 individuals according to the 2001 Census of Canada. These figures represent 19.7% of the Nova Scotia land area and 16.2% of the provincial population.

The four counties, also Statistics Canada census divisions of Cape Breton Island as shown in Map 1 are profiled along with the Island in total.

Map 1: The Four Counties of Cape Breton Island

Cape Breton County, the north east corner of the Island represents 23.7% of the Island’s land area but 74.1% (109,330) of the Islands population and includes the Island’s only major urban centre, the Cape Breton Regional Municipality with a population of 105,968 or 96.9% of the counties population in 2001. Inverness County, the western side of the Island represents 36.8% of the Island’s land area but only 13.5% (19,937) of the Island’s population. Richmond County, the south east corner of the Island represents 11.9% of the Island’s land area and 6.9% (10,225) of the Islands population. The final county making up Cape Breton Island is Victoria County, located in the central portion of the Island, the County represents 27.6% of the Island’s land area but only 5.4% (7,962) of the Islands population in 2001 making Victoria Cape Breton’s most rural county.

3.2.1 Population

The population of Cape Breton Island is predominately English speaking with 90.0% speaking English only while 0.1% only speak French with the remaining 9.9% speaking both English and French (8.5%) or another language (1.4%) according to the 2001 Census of Canada. These language percentages are fairly consistent between Cape Breton County and Victoria County with about 95% speaking English only, few to none speaking French only and 5% speaking both English and French or another language. The County of Inverness has the highest proportion of French only speakers at 0.7% with English only spoken by 77.4% with the remaining 21.8% being bilingual. The County of Richmond has the highest percentage of bilingual population at 41.6% with the remaining population speaking only English at 59.3% and only French at 0.1%.

From an immigration standpoint, 96.6% of Cape Breton Island's population are Canadian born. Of the 3.4% who were foreign born, the majority (93.2%) immigrated before 1991. The Island is home to 5,770 aboriginal identified people or 3.9% of the population. This aboriginal population is spread across all four Island Counties with the majority 69.1% in Cape Breton County, 14.4% residing in Inverness County, 7.9% Richmond County and 8.7% residing in Victoria County. Only 1,670 people indicated they were part of a visible minority population (1.1%) with the bulk of these, 1,025 belonging to the black community. Visible minorities are concentrated in Cape Breton County with 86.2% followed by Inverness County 8.1%, Richmond County 4.5%, and Victoria County 1.2% of visible minorities.

Cape Breton Island has a reasonably well educated population, according to the 2001 Census of Canada, over 60% of the population aged 20+ had a high school graduation certificate or higher educational attainment, this is below the provincial figure of 68%. The educational level attained by the population in the counties reflect the urban/rural breakdown of the Island. The population aged 20+ who had a high school graduation certificate or higher educational attainment in 2001 was 61.2% in Cape Breton County, and 63.9% in Inverness County. In the more rural counties of Richmond and Victoria, higher percentages are employed in agriculture, forestry and fishing which is reflected in their educational attainment with Richmond County at 57.7% and Victoria County at 53.2% of the population aged 20+ having a high school certificate or higher.

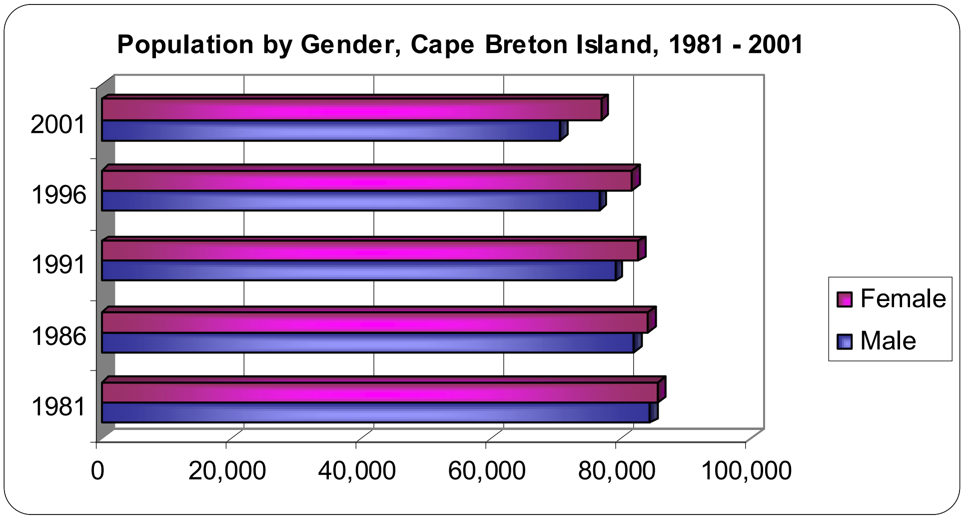
The population of Cape Breton Island is predominately of the Roman Catholic religion according to the 2001 Census of Canada. The population identified as 66.0% Roman Catholic, 29.1% Protestant, 26.9% other religious affiliations and 3.5% no religious affiliation. Richmond County had the highest percentage of Roman Catholics at 85.3% with Victoria County having more Protestants at 51.8% compared to only 42.5% Roman Catholics.

From 1981 to 2001 the population of Cape Breton Island contracted (declined) by 22,635 or 13.3%, the population had decreased by roughly 2 - 2.5% between 1981 and 1996 with the decrease tripling to 6.8% between 1996 and 2001. Richmond County experienced the greatest decrease at 16.8% followed by Cape Breton County at 13.9%, Inverness County at 10.7% and Victoria County at 5.6%. Table 3.1 presents the Island's population by gender between 1981 and 2001.

Table 3.1: Population by Gender, Cape Breton Island, 1981 - 2001

	1981	***1986***	***1991***	***1996***	***2001***
Male	84,385	81,950	79,115	76,590	70,555
Female	85,700	84,170	82,570	81,680	76,895
Total	**170,085**	**166,120**	**161,685**	**158,270**	**147,450**

Source: Statistics Canada Census Profiles, 1981, 1986, 1991, 1996 and 2001.



Population change is fairly consistent between the four counties which make up Cape Breton Island. Between 1981 and 2001 all four counties experienced population contraction between 5 to 17 percent resulting in the Islands population contraction of 13.3% or the loss of 22,635 people. Richmond County experienced the largest contraction of 16.8% or 2,060 people followed by Cape Breton County at 13.9% or 17,705 people, Inverness County at 10.7% or 2,400 people and Victoria County with the smallest population contraction of 5.6% or 470 people. Victoria County was the only county to experience any population increase over the 1981 to 2001 period. Between 1981 and 1986 the population increased by 3.3%, then held steady between 1986 and 1991, contracted by 2.6% between 1991 and 1996 and experienced its largest contraction of 6.2% between 1996 and 2001, as did all four counties. Table 3.2 provides the Cape Breton Island Census Division population by gender between 1981 and 2001.

Table 3.2: Cape Breton Island Census Division Population by Gender, 1981 - 2001					
	1981	**1986**	**1991**	**1996**	**2001**
Cape Breton County					
Males	62,570	60,415	58,180	56,450	51,790
Females	64,465	63,210	61,915	61,400	57,540
Total	**127,035**	**123,625**	**120,095**	**117,850**	**109,330**
Inverness County					
Males	11,325	11,135	10,860	10,410	9,790
Females	11,010	10,810	10,760	10,505	10,145
Total	**22,335**	**21,945**	**21,620**	**20,915**	**19,935**
Richmond County					
Males	6,200	5,960	5,655	5,500	5,040
Females	6,085	5,880	5,605	5,520	5,185
Total	**12,285**	**11,840**	**11,260**	**11,020**	**10,225**
Victoria County					
Males	4,290	4,440	4,420	4,230	3,935
Females	4,140	4,270	4,290	4,255	4,025
Total	**8,430**	**8,710**	**8,710**	**8,485**	**7,960**
Source: Statistics Canada Census Profiles 1981, 1986, 1991, 1996, and 2001					

Out migration from Cape Breton Island along with declining birth rates has contributed to producing an age shift within the Island's population. In 1981 close to 45% of the population was less than 25 years of age, in 2001 this has decreased to just over 31%, a drop of 14%. The aging of the population is not unique to Cape Breton or its counties, this phenomena can be seen throughout Europe and North America. Significantly Cape Breton is experiencing a high level of out migration of people in the younger age groups as they move in search of work and perceived better opportunities. This out migration combined with higher male death rates has resulted in a slight shift in the gender ratios.

In 1981, 49.6% of the Island's population was male, in 2001 this figure has dropped to 47.9%. Both the aging of the population and the shift in gender ratios are similar to the Island for each of the four counties. Tables 3.3 and 3.4 present the age/gender profile of Cape Breton Island and the four Cape Breton County's population according to the 2001 Census of Canada.

Table 3.3: 2001 Population by Age/Gender, Cape Breton Island				
Age	*Male*	*Female*	*Total*	*% of Total*
0-4	3,635	3,525	7,160	4.86%
5-9	4,545	4,445	8,990	6.10%
10-14	5,365	5,130	10,495	7.12%
15-19	5,690	5,415	11,105	7.53%
20-24	4,045	4,345	8,390	5.69%
25-34	7,275	8,030	15,305	10.38%
35-44	10,510	11,935	22,445	15.22%
45-54	11,620	11,810	23,430	15.89%
55-64	8,135	8,485	16,620	11.27%
65+	9,690	13,780	23,470	15.92%
Total	**70,555**	**76,895**	**147,450**	**100.0%**
Source: 2001 Census of Canada				

Table 3.4: Population by Age/Gender by Cape Breton Counties, 2001				
Age	***Cape Breton County***	***Inverness County***	***Richmond County***	***Victoria County***
Males 0-4	2,630	560	235	210
Males 5-9	3,430	580	290	245
Males 10-14	3,985	775	350	255
Males 15-19	4,165	820	385	320
Males 20-24	3,020	565	235	225
Males 25-34	5,280	1,035	565	395
Males 35-44	7,810	1,395	675	630
Males 45-54	8,545	1,605	830	640
Males 55-64	5,905	1,170	600	460
Males 65+	7,020	1,260	870	540
Males Total	**51,790**	**9,790**	**5,040**	**3,935**
Females 0-4	2,570	520	255	180
Females 5-9	3,320	590	300	235
Females 10-14	3,750	760	320	300
Females 15-19	4,060	705	335	315
Females 20-24	3,290	590	255	210
Females 25-34	5,965	1,095	555	415
Females 35-44	9,065	1,485	785	600
Females 45-54	8,785	1,580	805	640
Females 55-64	6,265	1,150	630	440
Females 65+	10,465	1,675	940	700
Females Total	**57,540**	**10,145**	**5,185**	**4,025**
Source: 2001 Census of Canada				

3.2.2 Labour Force/Employment

In 2001 Cape Breton Island had a labour force population (15 years of age and over) of 118,830, this is down 7,260 or 5.8% over 1981. While the labour force population decreased significantly the labour force experienced a greater decrease of 6.9% or 4,615 participants. These changes resulted in a slightly lower labour force participation rate of 52.1% down 0.6% from the 1981 level of 52.7%.

The decreasing participation rate has not positively effected the employment/unemployment situation. In 1981, the Island had 83.8% of its labor force employed or 16.2% unemployed, in 2001 only 79.0% of the labour force was employed leaving an unemployment rate of 21.0%.

Table 3.5 and 3.6 provide the 1981 and 2001 labour force activity for Cape Breton Island and the four Cape Breton Counties.

Table 3.5: Labour Force Activity, Cape Breton Island, 1981 and 2001

	1981	***2001***	***% Change***
Population 15+	126,090	118,830	-5.76
Labour Force	66,485	61,870	-6.94
Participation Rate %	52.73%	52.07%	-0.66
Employment	55,735	48,880	-12.30
Unemployment Rate %	16.17%	21.00%	4.83
Source: Statistics Canada Census Profiles 1981 and 2001			

Table 3.6: Labour Force Activity, Cape Breton Counties, 1981 and 2001			
	1981	**2001**	**% Change**
Cape Breton County			
Population 15+	94,735	88,155	-6.95%
Labour Force	49,690	44,590	-10.26%
Participation Rate %	52.45%	50.58%	-1.87%
Employment	42,105	35,820	-14.93%
Unemployment Rate %	15.26%	19.67%	4.41%
Inverness County			
Population 15+	16,115	15,880	-1.46%
Labour Force	8,870	9,290	4.74%
Participation Rate %	55.04%	58.50%	3.46%
Employment	7,400	7,425	0.34%
Unemployment Rate %	16.57%	20.08%	3.51%
Richmond County			
Population 15+	8,885	8,360	-5.91%
Labour Force	4,365	4,330	0.80%
Participation Rate %	49.13%	51.79%	2.66%
Employment	3,515	3,225	-8.25%
Unemployment Rate %	19.47%	25.52%	6.05%
Victoria County			
Population 15+	6,355	6,435	1.26%
Labour Force	3,560	3,660	2.81%
Participation Rate %	56.02%	56.88%	0.86%
Employment	2,715	2,410	11.23%
Unemployment Rate %	23.74%	34.15%	10.41%
Source: Statistics Canada Census Profiles 1981 and 2001			

The labour force on Cape Breton Island is well distributed across the major industrial sectors with the service sector having the largest share at 29.9% of the labor force involved in Business and Other Services. This is followed by Health and Education at 21.7%,

Wholesale and Retail Trade at 15.5% and Manufacturing and Construction at 14.4%. Table 3.7 presents Cape Breton Island and Nova Scotia labour force by major industry classification according to the 2001 Census of Canada.

Table 3.7: 2001 Labour Force by Major Industry Classification, Cape Breton Island & Nova Scotia

Industries	Cape Breton Island	% of Total	Nova Scotia	% of Total
All Industries	59,480		442,425	
Agriculture & Other Resource-based	5,075	8.5%	29,000	6.6%
Manufacturing & Construction	8,555	14.4%	70,955	16.0%
Wholesale & Retail Trade	9,220	15.5%	71,085	16.1%
Finance & Real Estate	1,815	3.1%	20,620	4.7%
Health & Education	12,880	21.7%	80,700	18.2%
Business Services	8,115	13.6%	70,270	15.9%
Other Services	9,715	16.3%	61,975	14.0%
Public Administration	4,090	6.9%	37,825	8.5%
Source: 2001 Census of Canada				

When we look at the distribution of industrial labour force within Cape Breton's four counties we see a balanced distribution amongst all industries. As expected Cape Breton County has by far the largest labour force followed by Inverness, Richmond and Victoria Counties.

In Cape Breton County, as in all counties the Service Industry (Business and Other Services) leads the way. This is followed by Health and Education, Trade and

Manufacturing Industries. In Inverness County the Service Industries are followed by Manufacturing and Construction, Health and Education and Trade Industries. Richmond County's Service Industries is followed by Manufacturing and Construction, Health and Education, and Trade Industries, the same profile as Inverness County. Victoria County being the most rural of the four counties, has the Service Industries, followed by Agriculture and Other Resource based Industries (Primary Industries) followed by Health and Education, and Manufacturing and Construction Industries.

Table 3.8 details the Industrial labour force for the four Cape Breton Counties according to the 2001 Census of Canada.

Table 3.8: 2001 Labour Force by Industry, Cape Breton Counties

	Cape Breton	*Inverness*	*Richmond*	*Victoria*
All Industries	42,630	9,100	4,175	3,575
Agriculture & Other Resource-based	2,620	1,235	380	840
% of Tota	6.15%	13.57%	9.10%	23.5%
Manufacturing & Construction	5,265	1,840	1,050	400
% of Tota	12.35%	20.22%	25.15%	11.19%
Wholesale & Retail Trade	6,950	1,410	570	290
% of Tota	16.30%	15.49%	13.65%	8.11%
Finance & Real Estate	1,380	250	135	50
% of Tota	3.24%	2.75%	3.23%	1.40%
Health & Education	9,975	1,490	850	565
% of Tota	23.40%	16.37%	20.36%	15.80%
Business Services	6,510	855	385	365
% of Tota	15.27%	9.40%	9.22%	10.21%
Other Services	6,710	1,545	575	885
% of Tota	15.74%	16.98%	13.77%	24.76%
Public Administration	3,210	475	225	180
% of Tota	7.53%	5.22%	5.39%	5.03%
Source: 2001 Census of Canada				

3.2.3 Occupation

Cape Breton labour force by occupation very much mirrors the industry breakdown with the largest occupation being the Sales and Service occupations at 30.3% of the labour force. This is followed by Trade, Transportation and Equipment Operators and related occupations at 17.3% and Business, Finance and Administration occupations at 13.5% of the labour force. Table 3.9 outlines Cape Breton and Nova Scotia labour force by occupation from the 2001 Census of Canada.

Table 3.9: 2001 Labour Force by Occupation, Cape Breton Island & Nova Scotia

Occupation	Cape Breton Island	% of Total	Nova Scotia	% of Total
All Occupations	59,480		442,425	
Management	4,155	7.0%	42,305	9.6%
Business, Finance & Administration	8,025	13.5%	70,735	16.0%
Natural & Applied Science & Related	1,915	3.2%	22,580	5.1%
Health	4,475	7.5%	26,850	6.1%
Social Science, Education, Government Service & Religion	4,870	8.2%	33,375	7.5%
Art, Culture, Recreation & Sport	1,270	2.1%	11,125	2.5%
Sales & Services	18,000	30.3%	120,290	27.2%
Trades, Transport & Equipment Operators & Related	10,270	17.3%	66,095	14.9%
Occupations Unique to Primary Industry	3,930	6.6%	24,825	5.6%
Occupations Unique to Processing, Manufacturing & Utilities	2,550	4.3%	24,245	5.5%
Source: 2001 Census of Canada				

The four counties which make up Cape Breton Island closely mirror the Island as a whole when looking at labour force by occupation. In the four counties, Sales and Service occupations make up the largest proportion of the labour force. Trades Transportation and Equipment Operators and Related occupations is the second largest occupations group in all but Victoria County. As mentioned earlier, Victoria County is considered the most rural of Cape Breton Counties and hence the second largest occupation group is occupations unique to primary industries. Table 3.10 presents the labour force by occupation for 2001 Cape Breton Counties.

Table 3.10: 2001 Labour Force by Occupation, Cape Breton Counties

Occupation	Cape Breton County	Inverness County	Richmond County	Victoria County
All Occupations	42,625	9,100	4,175	3,580
Management	2,960	635	280	280
% of Total	6.94%	6.98%	6.71%	7.82%
Business, Finance & Administration	6,200	1,010	440	375
% of Tota	14.55%	11.10%	10.54%	10.47%
Natural & Applied Science & Related	1,320	290	195	110
% of Tota	3.10%	3.19%	4.67%	3.07%
Health	3,555	515	225	180
% of Tota	8.34%	5.66%	5.39%	5.03%
Social Science, Education, Government Service & Religion	3,745	585	280	260
% of Tota	8.79%	6.43%	6.71%	7.26%
Art, Culture, Recreation & Sport	820	215	90	145
% of Tota	1.92%	2.36%	2.16%	4.05%
Sales & Services	13,640	2,545	1,015	800
% of Tota	32.00%	27.97%	24.31%	22.35%
Trades, Transport & Equipment Operators & Related	7,130	1,720	915	505
% of Tota	16.73%	18.90%	21.92%	14.11%
Occupations Unique to Primary Industry	1,850	1,010	310	760
% of Tota	4.34%	11.10%	7.43%	21.23%
Occupations Unique to Processing, Manufacturing & Utilities	1,395	570	425	160
% of Tota	3.27%	6.26%	10.18%	4.47%

Source: 2001 Census of Canada

3.2.4 Households, Families and Income

In 2001 Cape Breton Island contained 56,520 private households, of these 19,100 or 33.8% were households containing a couple (married or common-law) with children at home, 13,935 or 24.7% were households containing a couple without children at home, 13,880 or 24.6% were one person households with the remaining 9,605 or 17.0% being other household types.

Of the 56,530 total dwellings, 74.7% are owned with 24.0% being rented dwellings and the remaining 1.6% of dwellings being band housing. The majority of dwellings, 90.3% were constructed before 1991. The average value of Cape Breton dwellings was $76,224 in 2001. The 1996 to 2001 period has exhibited some significant changes in household demographics for both Nova Scotia and Cape Breton Island. In particular, couple households with children at home has decline by 13.16% over the 1996 to 2001 period (16.83% for Nova Scotia) while couple households without children at home grew by 12.88%. One person households grew by 11.71% and other types of household declined by 5.09%.

Through households and dwellings are virtually the same in Cape Breton the number of families, according to the 2001 census was 42,595 or 75.4% of all households. A family is defined as married, common-law, or lone parent with or without children at home. A household is defined as a person or a group of persons who occupy the same dwelling.

From an income perspective, the average median household income in Cape Breton was $34,294 in 2000. One person households had an average median income of $14,864 while two or more person households had an average medium income of $41,782. Again families were very similar to households. In 2000 the average median family income in Cape Breton was $39,828, with couple families having an average median income of $46,164 and lone parent families having an average median income of $20,578.

Tables 3.11 presents 2001 Census of Canada Households, Family and Income data for Cape Breton Island and Nova Scotia while Table 3.12 presents the same data for the four Cape Breton Counties.

Table 3.11: 2001 Household, Families, and Income, Cape Breton Island

Characteristics	Cape Breton Island	1996-2001 % Change	Nova Scotia	1996-2001 % Change	C.B. Island as a % of N.S.
Private Households	56,520	-0.64%	360,020	5.09%	15.70%
Couple Households with Children	19,100	-13.16%	104,465	-16.83%	18.28%
Couple Households without Children	13,935	12.88%	109,070	23.01%	12.78%
One Person Households	13,880	11.71%	89,005	16.48%	15.59%
Other Households	9,605	-5.09%	57,485	10.75%	16.71%
Median Household Income(1)	$34,294	9.19%	$39,908	13.91%	85.93%
Median Household Income - One Person Household(1)	$14,864	n/a	$17,882	n/a	83.12%
Median Household Income two + Person Household(1)	$41,782	n/a	$48,042	n/a	86.97%
Total Number of Occupied Dwellings	56,530	-0.62%	360,020	5.09%	15.70%
Owned Dwellings	42,065	-0.13%	254,720	5.63%	16.51%
Rented Dwellings	13,580	-2.20%	103,655	3.80%	13.10%
Constructed Before 1991	51,050	-4.47%	311,370	-0.10%	16.40%
Constructed After 1991	5,460	58.49%	48,650	73.69%	11.22%
Average Value of Dwelling	$76,224	13.73%	$101,515	17.27%	75.09%
Total Number of Families	42,595	-1.40%	262,905	11.42%	16.20%
Median Family Income(1)	$39,828	9.45%	$46,523	15.10%	85.61%
Median Couples Family Income(1)	$46,164	n/a	$51,641	n/a	89.39%
Median Lone Parent Family Income(1)	$20,575	n/a	$23,021	n/a	89.37%

(1) Cape Breton Median Income was calculated as the average of four (4) Cape Breton Counties.
Source: Statistics Canada Census Profiles 1996 and 2001

Table 3.12: 2001 Household, Families, and Income, Cape Breton Island & Counties

Characteristics	*C.B. Island*	*C.B. County*	*% of Island*	*Inverness County*	*% of Island*	*Richmond County*	*% of Island*	*Victoria County*	*% of Island*
Private Households	56,520	42,150	74.58%	7,425	13.14%	3,935	6.96%	3,010	5.33%
Couple Households with Children	19,100	14,055	73.59%	2,635	13.80%	1,345	7.04%	1,065	5.58%
Couple Households without Children	13,935	9,990	71.69%	1,985	14.24%	1,155	8.29%	805	5.78%
One Person Households	13,880	10,515	75.76%	1,785	12.86%	890	6.41%	690	4.97%
Other Households	9,605	7,590	79.02%	1,020	10.62%	545	5.67%	450	4.69%
Median Household Income(1)	$34,294	$32,235	94.00%	$38,242	111.51%	$31,367	91.46%	$35,333	103.03%
Median Household Income - One Person Household(1)	$14,864	$14,968	100.70%	$15,324	103.09%	$13,248	89.13%	$15,917	107.08%
Median Household Income two + Person Household(1)	$41,782	$40,585	97.14%	$46,273	110.75%	$39,023	93.40%	$41,245	98.72%
Total Number of Occupied Dwellings	56,530	42,150	74.56%	7,425	13.13%	3,940	6.97%	3,015	5.33%
Owned Dwellings	42,065	30,480	72.46%	5,875	13.97%	3,190	7.58%	2,520	5.99%
Rented Dwellings	13,580	11,160	82.18%	1,395	10.27%	645	4.75%	380	2.80%
Constructed Before 1991	51,050	38,475	75.37%	6,510	12.75%	3,500	6.86%	2,565	5.02%
Constructed After 1991	5,460	3,670	67.22%	910	16.67%	435	7.97%	445	8.15%
Average Value of Dwelling	$76,224	$66,482	87.22%	$81,732	107.23%	$68,864	90.34%	$87,817	115.21%
Total Number of Families	42,595	31,720	74.47%	5,520	12.96%	3,010	7.07%	2,345	5.51%
Median Family Income(1)	$39,828	$38,228	95.98%	$45,207	113.51%	$37,159	93.30%	$38,718	97.21%
Median Couples Family Income(1)	$46,164	$44,885	97.23%	$50,743	109.92%	$42,206	91.43%	$46,820	101.42%
Median Lone Parent Family Income(1)	$20,575	$18,916	91.94%	$21,523	104.61%	$19,826	96.36%	$22,034	107.09%

Source: Statistics Canada Census Profiles 1981 and 2001
(1) Cape Breton Median Income was calculated as the average of four (4) Cape Breton Counties.

Chapter Four

Economic Impact

4.1 Introduction

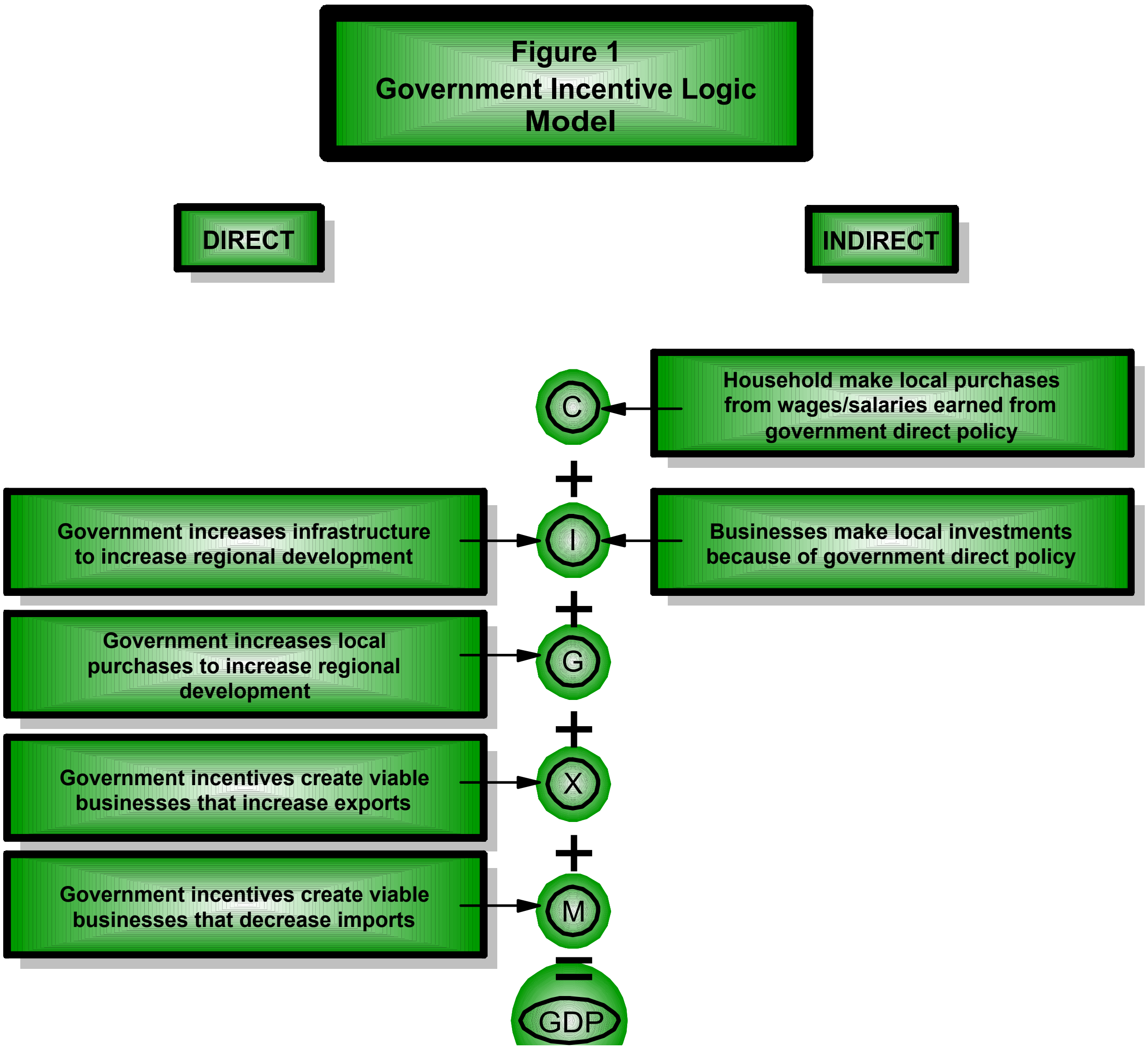
This chapter sets out the net economic impact of ECBC's programs over the 1999/00-2003/04 period. The next Chapter sets out the fiscal impact. The net economic impact provides measures of the employment, income and gross domestic product (GDP) directly and in total (including spinoff) that can be attributed to ECBC's programs. Section 4.2 describes the level of employment, income and GDP created by the agency. Section 4.3 describes what the total economy would have looked like if ECBC's economic impact was absent from the Cape Breton economy. Section 4.4 describes how Cape Breton's economic structure has strengthened and diversified as a result of ECBC's economic development policy.

4.2 Economic Development Impact

Increasing a region's economic output i.e., Gross Domestic Product (GDP) and hence employment and income must ultimately come from increasing one of the components that constitute GDP. We begin with the fundamental identity linking GDP to expenditures:

	GDP_{CB}	=	C + I + G + X - M
Where	GDP_{CB}	=	Gross Domestic Product in Cape Breton
	C	=	Consumption expenditures by Cape Breton households
	I	=	Investment expenditures in Cape Breton
	G	=	Government expenditures on goods and services in Cape Breton
	X	=	Region exports
	M	=	Region imports

Figure 1 provides a schematic of the various channels by which government incentives can directly increase the Cape Breton region's GDP. Government directly increases local GDP by incentives to business, direct infrastructure investment and purchasing local goods and services. The direct business incentives (for example, incentives to call centres) are effective to the extent that business activity would not occur without the incentive. In a similar fashion, government support for infrastructure is rational as regional development policy if it is incremental (i.e. it would not have been provided). Finally, governments, by increasing their expenditure on local goods and services above their normal expenditures also contribute directly to increasing the region's GDP.



These direct policy levers available to government when implemented create further economic impacts, i.e. further increase GDP by the multiplier effects of wages and salaries earned in the direct effect and business suppliers' wages and salaries being respent in the local economy.

Table 4.1 shows total ECBC project costs and total project costs. ECBC Project costs refer to the portion of total project cost that is eligible for ECBC's assistance whether as a repayable or non-repayable loan. A review of table 4.1 shows that ECBC's involvement results in a significant leverage effect. Over the fiscal period 1999/00 to 2003/04, ECBC project cost were 181.6 million with total project costs of 783.1 million a leverage factor of $4 for every $1 of ECBC assistance.

4.3 Economic Impact

Assessment of ECBC's total economic impact involved several activities; namely,

1. Identify and define the economic project assisted by ECBC
2. Assess short term impact
3. Assess long term sustainable impact

The first step involved identifying and defining the economic project. ECBC operates several programs that a given economic project would receive funding from. To ensure that projects were not double counted, each project was checked against each program file and for the project receiving funding from multiple sources total project costs were counted once in the database. Next each project was coded to reflect its economic activity. We defined projects according to:

1. Public infrastructure
2. Business studies
3. Business Development Projects that are classified as
    - Public infrastructure or
    - Business studies provide essentially short term economic impact activity.

Projects defined as Business Development provide both short term economic activity primarily through construction benefits and then long term sustainable jobs as the new activity is in place.

Assessment of the short term impact was performed using Canmac's Cape Breton impact model. Direct employment, income and GDP estimates were estimated using the model and the project's total project costs. Given direct effects, the model then simulated spinoff effects for infrastructure projects and business studies as appropriate. The distinguishing feature of short term impact analysis is that the project impacts last only for the short term period that the activity take place. For impact purposes we assumed the total direct effect occurred during the year the project was approved.

Long term sustainable impacts last for the life of the economic project, typically assumed to be ten (10) years from the project start up. Direct economic impacts were derived from survey data and the impact model was used to estimate total impacts by simulating the project output levels annually from start-up.

Our economic impact results are presented in tables 4.2 and 4.10. Table 4.2 provides by year total employment created and total employment created disaggregated by direct and total effects. Table 4.3 and 4.4 present the corresponding labor income and GDP direct and total effects. Table 4.5, 4.6 and 4.7. Present total sustainable employment, income and GDP disaggregated by direct and total effects. Table 4.8, 4.9 and 4.10 present the corresponding short-term employment again disaggregated by direct and total effects.

A review of tables 4.2 to 4.10 reveal some interesting features of ECBC'c role in the Cape Breton economy. The tables reveal the significant importance of ECBC to Cape Breton economy, and the relative contribution of sustainable employment versus the short term stimulation of the economy through short term employment.

Over the 1999/00-2003/04 period, ECBC programs and policies created 24,603 jobs (FTE's) or 4,921 jobs per year on average. The most significant growth occurred in the 2002/2003 to 2003/2004 period. The primary reason for this growth is due to firms (such as call centres) that had previously received investment funding coming into full production in 2003/2004). During this time period, the average employment level was 53.4 thousand. Hence, ECBC's job creation efforts represent 9.21percent of the total jobs in the Cape Breton economy. The Cape Breton economy is a $3,895 million dollar economy with labor income of $1,467 million. ECBC's development efforts represent 6.17 percent of total GDP and 9.1 percent of total labor income.

Over the five year period 1999/00-2003/04, ECBC created a total of 24,603 jobs of which 71.08% of these jobs were sustainable long term jobs from businesses creating long term opportunities. The remaining 28.92% of jobs were short term in nature, primarily construction related jobs. Hence, ECBC plays a dual role in the Cape Breton economy. It provides needed short term economic stimulus and creates long term sustainable employment opportunities.

Table 4.1: ECBC Project Costs
1999/00-2003/04

Year	*ECBC Project Eligible Costs*	*Total Project Costs*
1999/2000	$21,903,147	$212,029,789
2000/2001	$24,881,936	$93,671,131
2001/2002	$28,866,367	$199,124,157
2002/2003	$55,014,471	$132,426,720
2003/2004	$50,906,369	$145,830,018
Total	**$181,572,290**	**$783,081,815**

Source: Computed Canmac Economic Ltd from ECBC file Data.

Table 4.2: Total Employment Created by Direct, and Indirect and induced Effects for Projects that created Sustainable and/or Short-term Employment 1999/00-2003/04			
Year	*Direct*	*Indirect and Induced*	*Total*
1999/2000	2,225	858	**3,083**
2000/2001	2,073	493	**2,567**
2001/2002	3,455	618	**4,073**
2002/2003	4,507	989	**5,496**
2003/2004	7,575	1,809	**9,384**
Total	**19,835**	**4,768**	**24,603**
Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.			

Table 4.3: Total Labor Income Created by Direct, and Indirect and induced Effects for Projects that Created Sustainable and/or Short-term Employment (000's of $'s) 1999/00-2003/04			
Year	*Direct*	*Indirect or Induced*	*Total*
1999/2000	$70,755	$24,058	**$94,812**
2000/2001	$55,223	$19,392	**$74,615**
2001/2002	$74,842	$25,452	**$100,294**
2002/2003	$108,408	$38,418	**$146,826**
2003/2004	$199,904	$50,697	**$250,601**
Total	**$509,132**	**$158,016**	**$667,148**
Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.			

Table 4.4: Total Gross Domestic Product Created by Direct, Indirect and induced Effects Projects Created Sustainable and/or Short-term Employment (000's of $'s) 1999/00-2003/04			
Year	*Direct*	*Indirect and Induced*	*Total*
1999/2000	$79,289	$35,063	**$114,352**
2000/2001	$61,758	$48,384	**$110,142**
2001/2002	$83,283	$57,251	**$140,534**
2002/2003	$120,604	$100,406	**$221,010**
2003/2004	$224,773	$390,621	**$615,393**
Total	**$569,707**	**$631,725**	**$1,201,432**
Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.			

Table 4.5: Total Sustainable Employment Created by Direct, Indirect and induced Effects 1999/00-2003/04			
Year	*Direct*	*Indirect and Induced*	*Total*
1999/2000	614	146	**760**
2000/2001	1,457	244	**1,700**
2001/2002	2,597	270	**2,866**
2002/2003	3,785	699	**4,484**
2003/2004	6,339	1,338	**7,677**
Total	**14,791**	**2,696**	**17,488**
Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.			

Table 4.6: Total Sustainable Labour Income Created by Direct, Indirect and induced Effects (000's of $'s) 1999/00-2003/04			
Year	*Direct*	*Indirect and Induced*	*Total*
1999/2000	$15,713	$8,457	**$24,169**
2000/2001	$35,257	$14,233	**$49,490**
2001/2002	$45,932	$17,919	**$63,851**
2002/2003	$81,785	$31,546	**$113,331**
2003/2004	$158,097	$39,510	**$197,607**
Total	**$336,784**	**$111,664**	**$448,448**
Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.			

Table 4.7: Total Sustainable Gross Domestic Product Created by Direct, Indirect and induced Effects (000's of $'s) 1999/00-2003/04			
Year	*Direct*	*Indirect and Induced*	*Total*
1999/2000	$17,905	$16,382	**$34,287**
2000/2001	$39,612	$42,157	**$81,769**
2001/2002	$51,370	$48,242	**$99,612**
2002/2003	$89,898	$92,475	**$182,373**
2003/2004	$174,714	$377,422	**$552,135**
Total	**$373,499**	**$576,678**	**$950,177**
Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.			

Table 4.8: Total Short-term Employment Created by Direct, Indirect and induced Effects 1999/00-2003/04			
Year	*Direct*	*Indirect and Induced*	*Total*
1999/2000	1,612	712	**2,323**
2000/2001	617	250	**866**
2001/2002	858	349	**1,207**
2002/2003	722	290	**1,012**
2003/2004	1,235	472	**1,707**
Total	**5,044**	**2,072**	**7,116**
Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.			

Table 4.9: Total Short-term Labor Income Created by Direct, Indirect and induced Effects (000's of $'s) 1999/00-2003/04			
Year	*Direct*	*Indirect and Induced*	*Total*
1999/2000	$55,042	$15,601	**$70,643**
2000/2001	$19,966	$5,159	**$25,125**
20001/2002	$28,910	$7,533	**$36,443**
2002/2003	$26,623	$6,872	**$33,495**
2003/2004	$41,807	$11,187	**$52,994**
Total	**$172,348**	**$46,352**	**$218,700**
Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.			

Table 4.10: Total Short-term Gross Domestic Product Created by Direct, Indirect and induced Effects (000's of $'s) 1999/00-2003/04			
Year	*Direct*	*Indirect and Induced*	*Total*
1999/2000	$61,384	$18,681	**$80,065**
2000/2001	$22,146	$6,227	**$28,373**
2001/2002	$31,913	$9,009	**$40,922**
2002/2003	$30,706	$7,932	**$38,637**
2003/2004	$50,059	$13,199	**$63,258**
Total	**$196,208**	**$55,047**	**$251,255**
Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.			

Tables 4.11 to 4.13 report the total employment labor income, and gross domestic product by county over the period 1999-2003. Cape Breton County was the most significantly impacted by ECBC sponsored projects with 3,330 jobs/year on average being created, or 6.24% of total employment in Cape Breton.

An average of $133.4 million/year of labor income and 240.3 million/year GDP was created. ECBC sponsored projects had the smallest impact on Richmond County with 108 jobs/year being created, or 0.2% of Cape Breton's total employment. ECBC projects created $3.27 million/year in labor income and $9.6 million/year of GDP in Richmond. Note: Totals do not match Impact total due to 1.8% of investment outside of Cape Breton, but within ECBC's mandated area.

Table 4.11: Total Employment Created by Projects That Created Sustainable and/or Short-Term Employment 1999/00-2003/04					
Year	*Cape Breton*	*Richmond*	*Inverness*	*Victoria County*	*Total*
1999/2000	2,105	82	692	149	**3,027**
2000/2001	1,737	56	598	124	**2,514**
2001/2002	2,744	80	965	196	**3,986**
2002/2003	3,714	116	1,287	265	**5,383**
2003/2004	6,350	205	2,185	453	**9,193**
Total	**16,649**	**539**	**5,727**	**1,187**	**24,103**
Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.					

Table 4.12: Total Labor Income Created by Projects That Created Sustainable and/or Short-Term Employment (000's of $'s) 1999/00-2003/04					
Year	*Cape Breton*	*Richmond*	*Inverness*	*Victoria County*	*Total*
1999/2000	$64,557	$2,387	$21,499	$4,583	**$93,026**
2000/2001	$50,837	$1,904	$16,873	$3,608	**$73,221**
2001/2002	$68,289	$2,526	$22,741	$4,848	**$98,405**
2002/2003	$100,053	$3,761	$33,176	$7,099	**$144,089**
2003/2004	$169,735	$5,605	$58,117	$12,098	**$245,555**
Total	**$453,470**	**$16,183**	**$152,406**	**$32,236**	**$654,296**
Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.					

Table 4.13: Total Gross Domestic Product Created by Projects that Created Sustainable and/or Short-Term Employment (000's of $'s) 1999/00-2003/04					
Year	***Cape Breton***	***Richmond***	***Inverness***	***Victoria County***	***Total***
1999/2000	$78,282	$3,210	$25,323	$5,536	**$112,351**
2000/2001	$76,417	$3,891	$22,925	$5,351	**$108,583**
2001/2002	$97,191	$4,719	$29,701	$6,821	**$138,432**
2002/2003	$153,568	$7,988	$45,668	$10,741	**$217,965**
2003/2004	$435,330	$28,314	$116,024	$30,052	**$609,719**
Total	**$840,787**	**$48,122**	**$239,641**	**$58,501**	**$1,187,050**
Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.					

4.4 Macro Economic Impacts

The previous section presented the level of economic activity created by ECBC's programs and projects. This section examines the macro-economic effects of ECBC's activity. Macro-economic effects refer to the economy wide impacts on demographics, migration and unemployment that occur in the Cape Breton economy as a result of ECBC' actions. Canmac models the macro impacts using a proprietory economic model of the Cape Breton economy.

Macro impacts are measured by simulating the economy under the assumption that the ECBC did not exist and hence the incremental employment and income creation did not take place. The elimination of ECBC results in several reactions as follows:

- the number of unemployed persons would increase
- the increase in unemployed results in increased out-migration
- the increased out-migration results in decreases population growth.

The loss of ECBC jobs triggers a negative cycle of decline for the Cape Breton economy. The decline continues until two equilibrium conditions are restored.

1. Remaining economic export activity demand supports the existing population base and
2. The level of out-migration is restored to rates that existed before the ECBC job loss.

Table 4.14 presents the results of our model simulation of the Cape Breton economy without ECBC in the 1999-2004 period.

We estimate a reduction of 12,691 people in Cape Breton over the period 1999-2003 without the employment created by ECBC programs. This represents 10.59% of the actual population in 2003. The unemployment rate estimated to fall from an estimated 22.5% in 1999 (5.1% more than actual) to estimated 21.7% in 2003 (5.5% higher than actual). This unemployment drop can be attributed to a longer reduction in the size of the labour force relative to the number employed in Cape Breton. Over the period 1999 to 2003 the labour force is estimated to decrease by 8,509 (a 13.3% reduction) and the number of employed persons is estimated to drop by 9,384 (a 17.8% reduction).

Table 4.14: Macro Impacts
Cape Breton Without ECBC

	Population		*Labour Force*		*Employment*		*UN%*	
Year	***With ECBC***	***Without ECBC***	***With ECBC***	***Without ECBC***	***With ECBC***	***Without ECBC***	***With ECBC***	***Without ECBC***
1999	123,200	123,200	63,800	63,800	52,700	49,617	17.4	22.2
2000	122,800	120,918	63,500	61,958	52,400	49,833	17.5	19.6
2001	121,800	120,233	65,800	62,975	54,600	50,527	17	19.8
2002	120,700	118,214	64,200	59,339	54,500	49,004	15.1	17.4
2003	119,800	116,444	62,900	55,291	52,700	43,316	16.2	21.7

Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.

4.5 Additional Impacts

ECBC plays a dominant role in the Cape Breton economy. We have seen that it creates on average 4,921 jobs/year. This job creation is all the more startling because it is provided in an economy that is essentially stagnant. Hence, job creation is being provided in an environment of job contraction. In this section, we examine the structural changes in the Cape Breton economy and the role of ECBC in this structural change.

An analysis of firm registry data reveals that at the aggregate level there has not been a significant impact on the economic structure of the Cape Breton economy. Our analysis reveals that:

- Total growth in the number of firms from 1999 to 2003 has been minimal. In 1999, business registry data estimated there were 4,714 firms in Cape Breton; by 2003 the number was 4,614 excluding firms of indeterminate size.
- The relative distribution of firms across counties has been stagnant. In 1991 63.6% of all firms where in Cape Breton County; by 2003 61.3% of all firms were in Cape Breton County excluding firms of indeterminate size.
- The size of the firms appears to be growing. In 1999 70.3% of all firms had between 1 to 4 employees; by 2003 this number had decreased to 63.3 percent. The major increase in firm growth areas in the 5 to 9 category (from 14.6 to 15.5 percent of total) and the 10 to 19 category (from 7.6 to 10.5 percent total).
- The sectorial distribution of firms has changed very little over the period 1999 to 2002 in Cape Breton. The largest change was seen in the retail sector with insignificant change of .78% over the period 1999 to 2002.

We examined additional impacts of ECBC by direct survey of its client base. The major findings of our survey are presented in tables 4.15 to 4.17. As shown in table 4.15 ECBC clients are growth oriented with 51.43% of clients stated that their project increased sales in existing markets and 52.66% stating increased sales in new markets. We also found that 57.14% of respondents hired new workers as a result of the project. Twenty-five point seven percent of clients stated that their project maintained the threatened jobs.

In general, ECBC clients met or exceeded their objectives as shown in table 4.16 clients with an objective of increased sales exceeded or met their objectives.

Finally, Table 4.17 reveals the extent that ECBC clients are highly export oriented.

In 1999, ECBC's surveyed client base had exported sales (outside Cape Breton) of 97.18%; in 2003 exports increased to 97.91%, an increase of .73%. The distribution of exports changed dramatically from 1999/00 to 2003/04 from exporting the majority of the sales to the rest of Canada, to export mostly to the United States. The large export component is due to the significant export activities of the Island's dominant industry (call centres, auto parts manufactures, etc.)

Although aggregate data do not reveal major structural change, there has been significant change in the selected sectors. For example, the steel industry and coal industry has been all but eliminated as a key driver to the economy and been replaced by a new sector not in existence prior to 1999, i.e. the teleservice sector.

Table 4.15: Expected Impacts from ECBC Sponsored Projects on Surveyed Clients Organization

Expected Impact	***% of All Economic Projects***
Increase Sales to Existing Markets	51.43
Increase Sales to New Markets	52.86
Maintain Threatened Jobs	25.71
Hire New Workers	57.14
Increase Productivity	30.00
Other	31.43

Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.

Table 4.16: Success in Meeting Project Objectives of Surveyed ECBC Clients (in %)						
Expected Impact	***Objective Exceeded***	***Objective Met***	***Objective Not Met***	***Too Early To Tell***	***Not Sure***	***Total***
Increase Sales to Existing Markets	16.67	47.22	11.11	22.22	2.78	**100.00**
Increased Sales to New Markets	18.92	39.73	13.51	37.84	0.00	**100.00**
Maintain Threatened Jobs	16.67	72.22	5.56	5.56	0.00	**100.01**
Hire New Workers	17.50	77.50	2.50	2.50	0.00	**100.00**
Increase Productivity	28.57	52.38	0.00	19.05	0.00	**100.00**
Other	36.36	54.55	4.55	4.55	0.00	**100.01**
Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.						

Table 4.17: Sales Distribution of Surveyed ECBC Clients for years 1999 and 2003 (in % of Total Sales)		
	1999	***2003***
Cape Breton	2.82	2.09
Other Atlantic Canada	4.31	3.21
Other Canada	53.07	29.58
United States	39.80	63.99
Rest of World	0.00	1.13
Total	**100.00**	**100.00**
Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.		

Chapter Five
Fiscal Impact

5.1 Introduction

This chapter sets out the fiscal impact of ECBC's policies and programs. Successful economic development creates fiscal revenues. This chapter presents the revenue returns to the federal, provincial and municipal governments over the 1999-2004 period.

5.2 Fiscal Impact

Fiscal impacts are measured using Canmac's fiscal impact model. The fiscal impact model links fiscal revenues to the economic impacts created by projects. The model uses effective tax rates - actual revenues received per unit of income rather that statutory tax rates to more accurately reflect actual taxes collected. Municipal revenues were calculated from survey results.

Table 5.1, 5.2 and 5.3 present our fiscal revenue impacts. Table 5.1 shows that federal revenues increased by $91.2 million over the 1999/00-2003/04 period or $18.2 million per year on average. The most significant contribution to federal coffers was personal income tax revenues which represent 56.6% of the total impact revenue

Table 5.2 shows provincial revenues over the years 1999/00-2003/04. Provincial revenues increased by $84.0 million over the period, or $16.8 million/year on average. Provincial government received 34.6% of this increase from personal income tax, which was the largest contribution to incremental Provincial revenues.

Table 5.3 reports total revenues received by federal, provincial, and municipal governments over the period 1999/00-2003/04 from ECBC sponsored projects.

Total government revenues increased by $177.4 million over the 1999/00-2003/04 period, or $35.5 million/year. The most significant increase was received by the federal government and account for 47.75% of total revenues. Municipal revenues from ECBC projects accounted for 7.93% of the total government revenues and was the smallest increase to federal, provincial and municipal governments.

Table 5.4 reports total municipal revenues received from ECBC projects over the period 1999/00-2003/04. Municipal governments in Cape Breton received a total of $10.8 million from ECBC projects, or $2.15 million/year on average.

Table 5.1: Federal Revenues from ECBC Sponsored Projects that Created Sustainable and/or Short Term Employment 1999/00-2003/04

Year	Personal Income Tax	Corporate Income Tax	Sales Tax	Indirect Taxes	Total
1999/2000	8,027	1,666	3,170	1,326	**14,189**
2000/2001	5,612	1,165	2,216	928	**9,921**
2001/2002	7,656	1,589	3,023	1,266	**13,534**
2002/2003	10,715	2,224	4,231	1,770	**18,939**
2003/2004	19,621	4,072	7,747	3,242	**34,682**
Total	**51,631**	**10,716**	**20,386**	**8,532**	**91,265**

Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.

Table 5.2: Provincial Revenues from ECBC Sponsored Projects that Created Sustainable and/or Short Term Employment 1999/00-2003/04

Year	Personal Income Tax	Corporate Income Tax	Sales Tax	Indirect Taxes	Total
1999/2000	$4,554	$2,530	$3,455	$2,530	**$13,069**
2000/2001	$3,184	$1,769	$2,415	$1,769	**$9,137**
2001/2002	$4,344	$2,414	$3,295	$2,414	**$12,467**
2002/2003	$6,079	$3,377	$4,611	$3,377	**$17,445**
2003/2004	$11,130	$6,185	$8,444	$6,185	**$31,945**
Total	**$29,291**	**$16,276**	**$22,220**	**$16,276**	**$84,063**

Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd. from ECBC file data

From a full cost perspective, Employment Insurance Commission (EI) savings from employment created by ECBC in Cape Breton is an impact benefit to the federal government. Table 5.5 reports EI savings from employment created by ECBC in Cape Breton net of migration for the years 1999-2003. The estimated total benefit from EI savings was $153.2 million or $30.6 million/year average.

Table 5.3: Total Provincial, Federal and Municipal Revenues From ECBC Sponsored Projects That Created Sustainable and/or Short-Term Employment (in 000's of $'s) 1999/00-2003/04

Year	*Total Provincial Revenues*	*Total Federal Revenues*	*Total Municipal Revenues*	*Total*
1999/2000	$13,069	$14,189	$934	**$28,192**
2000/2001	$9,137	$9,921	$1,347	**$20,405**
2001/2002	$12,467	$13,534	$2,224	**$28,225**
2002/2003	$17,445	$18,939	$2,808	**$39,192**
2003/2004	$31,945	$34,682	$3,450	**$70,077**
Total	**$84,063**	**$91,265**	**$10,764**	$186,092

Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.

Table 5.4: Municipal Revenues from Projects that Created Sustainable and/or Short-Term Employment 1999/00-2003/04

Year	*Property Tax*
1999/2000	$934
2000/2001	$1,347
2001/2002	$2,224
2002/2003	$2,808
2003/2004	$3,450
Total	**$10,764**

Source: Canmac Economics Ltd. ECBC Survey

Table 5.5: EI Savings Surveys from New Impact Created by ECBC Projects 1999/00-2003/04	
Year	***EI Savings (000's)***
1999/2000	$19,206
2000/2001	$15,989
2001/2002	$25,372
2002/2003	$34,240
2003/2004	$58,459
Total	**$153,266**
Source: Computed by Canmac Economics Ltd.	

Chapter Six
Summary and Conclusions

6.1 Introduction

This chapter brings together the material presented in the previous chapter to provide conclusions with respect to the benefit/costs associated with ECBC's economic development efforts. We examine ECBC's benefits/costs from two perspectives. First, a fiscal perspective with benefits defined as fiscal revenues received and costs as the grants, repayable loans expenditures made. The second perspective is an economic development perspective. The benefits associated with economic development are defined as the incremental incomes created on the Island economy. Costs are the program expenditures.

6.2 Fiscal Benefits

Our assessment of the fiscal benefit/cost ratio is based on table 6.1 and 6.2. Deviation of total program expenditures is based on expected cash outlays. ECBC, from an expenditure perspective operates two types of programs - repayable and grant. Repayable programs are basically interest free loans - the principle is required to be paid back usually beginning in year two from project award. Table 6.1 presents total project costs dis-aggregated by repayable loans and grants by year.

Table 6.1: Total Project Assistance Cost
Repayable/Grants
1999/00-2003/04

Year	*Total Project Assistance (millions)*	*Repayable (millions)*	*Grant (millions)*
1999/00	21.9	13.9	8.0
2000/01	24.9	9.2	15.7
2001/02	28.9	8.4	20.5
2002/03	55.0	19.9	35.1
2003/04	50.9	14.9	36.0

Table 6.2: Total Provincial, Federal and Municipal Fiscal Benefits and Costs From ECBC Sponsored Projects (in 000's of $'s) 1999/00-2008/09

	Fiscal Benefits					Net Fiscal Expenditures				
Year	***Total Provincial Revenues***	***Total Federal Revenues***	***Total Municipal Revenues***	***EI Savings***	***Total***	***Grants***	***Repayable***	***Total***	***Net Benefit***	***Discounted Net Benefit***
1999/2000	$13,069	$14,189	$934	$19,206	$47,398	$8,000	$13,900	$21,900	$25,498	$25,498
2000/2001	$9,137	$9,921	$1,347	$15,989	$36,394	$15,700	$9,200	$24,900	$11,494	$10,449
2001/2002	$12,467	$13,534	$2,224	$25,372	$53,596	$20,500	$5,620	$26,120	$27,476	$22,708
2002/2003	$17,445	$18,939	$2,808	$34,240	$73,432	$35,100	$15,280	$50,380	$23,052	$17,319
2003/2004	$31,945	$34,682	$3,450	$58,459	$128,536	$36,000	$8,600	$44,600	$83,936	$57,330
2004/2005	$31,945	$34,682	$3,450	$58,459	$128,536	$36,000	$4,620	$40,620	$87,916	$54,589
2005/2006	$31,945	$34,682	$3,450	$58,459	$128,536	$36,000	$1,640	$37,640	$90,896	$51,309
2006/2007	$31,945	$34,682	$3,450	$58,459	$128,536	$36,000	$1,440	$37,440	$91,096	$46,747
2007/2008	$31,945	$34,682	$3,450	$58,459	$128,536	$36,000	$300	$36,300	$92,236	$43,029
2008/2009	$31,945	$34,682	$3,450	$58,459	$128,536	$36,000	$-1,000	$35,000	$93,536	$39,669
Total	$243,787	$264,677	$28,013	$445,562	$982,039	$295,300	$59,600	$354,900	$627,139	$368,649

Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.

Table 6.2 presents the fiscal benefits out ten years from 1999/00. The benefits are presented in Chapter 5 with the last year extended out for the remaining years. Net federal expenditures are the sum of grants and net repayables in a given year. Net repayables for a given year represent the amount paid out by ECBC in repayable loans minus the amount that ECBC received back. For our analysis we assume the ECBC repayables are paid back starting in year two with the payback lasting five (5) years. By year ten (10) government revenue is $70.1 million with expenditure of $35.0 million. Using a 10% discount rate, the benefit to cost ratio is 2.77.

6.3 Economic Development Benefits

Table 6.3 presents the economic development benefits (income) received in the economy and ECBC program expenditures to last 10 years. Using a discount rate of 10% we find that the net present value of the economic benefits are 943.9 million or alternatively a benefit to cost ratio of 5 to 1 (ie. For every dollar of ECBC expenditure the Cape Breton economy received $5 in household income).

Table 6.4 presents sustainable economic benefits created in Cape Breton economy over the study period and projected to last ten (10) years. Sustainable income benefits measure the long term economic potential created by the ECBC programs. Using the 10% discount rate we find that the benefit to cost ratio is 4.0.

Table 6.3: Economic Development in Cape Breton From ECBC Project Expenditures (in 000's of $'s) 1999/00-2008/09				
Year	***Total Labor Income***	***Total Cost***	***Net Benefit***	***Discounted Benefit***
1999/2000	$94,812	$21,900	$72,912	$72,912
2000/2001	$74,615	$24,900	$49,715	$45,195
2001/2002	$100,294	$26,120	$74,174	$61,301
2002/2003	$146,826	$50,380	$96,446	$72,461
2003/2004	$250,601	$44,600	$206,001	$140,702
2004/2005	$250,601	$40,620	$209,981	$130,382
2005/2006	$250,601	$37,640	$212,961	$120,211
2006/2007	$250,601	$37,440	$213,161	$109,385
2007/2008	$250,601	$36,300	$214,301	$99,973
2008/2009	$250,601	$35,000	$215,601	$91,436
Total	$1,920,154	$354,900	$1,565,254	$943,959
Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.				

Table 6.4: Sustainable Economic Benefits in Cape Breton From ECBC Project Expenditures (in 000's of $'s) 1999/00-2008/09				
Year	***Total Labour Income***	***Total Cost***	***Net Benefit***	***Discounted Benefit***
1999/2000	$24,169	$21,900	$2,269	$2,269
2000/2001	$49,490	$24,900	$24,590	$22,355
2001/2002	$63,851	$26,120	$37,731	$31,183
2002/2003	$113,331	$50,380	$62,951	$47,296
2003/2004	$197,607	$44,600	$153,007	$104,506
2004/2005	$197,607	$40,620	$156,987	$97,477
2005/2006	$197,607	$37,640	$159,967	$90,297
2006/2007	$197,607	$37,440	$160,167	$82,191
2007/2008	$197,607	$36,300	$161,307	$75,251
2008/2009	$197,607	$35,000	$162,607	$68,961
Total	$1,436,484	$354,900	$1,081,584	$621,786
Note: Totals may not add due to rounding. Source: Computed by Canmac Economics Ltd.				

Concluding Comments

This report has documented the significant impact of ECBC on the Cape Breton economy in terms of employment, income and gross domestic product. The report also documents that government gets a solid return for it's investment both in a fiscal revenue sense and in the economic developments created.

Looking forward, one can expect a similar level of effort will be required to move the economy to self-sufficiency. For example, to move the existing Cape Breton unemployment rate to the Nova Scotia unemployment rate will require the creation of 6,636 jobs. Our survey of clients revealed that 36% expected to expand in the next five years however, 48% of these expected to require government funds to do so.

APPENDIX A
Historical Socio-Economic Profile Cape Breton Island (Economic Region)

Cape Breton Counties (Census Divisions

Historic Cape Breton Island Population					
Males	1981	1986	1991	1996	2001
0-4	6,325	5,865	5,390	4,720	3,635
5-9	7,315	6,350	6,020	5,540	4,545
10-14	8,200	7,205	6,300	6,025	5,365
15-19	9,555	7,955	7,060	6,200	5,690
20-24	7,315	7,170	5,690	5,420	4,045
25-34	12,750	12,540	11,325	9,490	7,275
35-44	9,150	10,875	12,185	11,980	10,510
45-54	7,780	7,920	8,650	10,480	11,620
55-64	7,595	7,150	7,065	7,405	8,135
65+	8,410	8,915	9,425	9,310	9,690
Total	84,385	81,950	79,115	76,590	70,555
Females	1981	1986	1991	1996	2001
0-4	6,255	5,520	5,175	4,535	3,525
5-9	6,865	6,255	5,590	5,275	4,445
10-14	7,585	6,765	6,265	5,650	5,130
15-19	9,315	7,315	6,610	6,185	5,415
20-24	7,140	6,920	5,260	5,220	4,345
25-34	12,450	12,685	12,180	10,330	8,030
35-44	9,055	10,735	12,185	12,640	11,935
45-54	8,055	8,050	8,750	10,500	11,810
55-64	8,495	7,925	7,545	7,725	8,485
65+	10,510	11,990	13,030	13,620	13,780
Total	85,700	84,170	82,570	81,680	76,895
Both Sexes	1981	1986	1991	1996	2001
0-4	12,580	11,385	10,565	9,255	7,160
5-9	14,180	12,605	11,610	10,815	8,990
10-14	15,785	13,970	12,565	11,675	10,495
15-19	18,870	15,270	13,670	12,385	11,105
20-24	14,455	14,090	10,950	10,640	8,390
25-34	25,200	25,225	23,505	19,820	15,305
35-44	18,205	21,610	24,370	24,620	22,445
45-54	15,835	15,970	17,400	20,980	23,430
55-64	16,090	15,075	14,610	15,130	16,620
65+	18,920	20,905	22,455	22,930	23,470
total	170,085	166,120	161,685	158,270	147,450
% change		-2.33%	-2.67%	-2.11%	-6.84%
Source: Statistics Canada Census Profiles 1981,1986,1991,1996 and 2001					

Historic Cape Breton County Population					
Males	1981	1986	1991	1996	2001
0-4	4,610	4,300	3,980	3,565	2,630
5-9	5,390	4,635	4,440	4,120	3,430
10-14	6,050	5,300	4,630	4,435	3,985
15-19	7,205	5,860	5,190	4,530	4,165
20-24	5,605	5,455	4,235	4,060	3,020
25-34	9,515	9,385	8,460	7,050	5,280
35-44	6,785	7,930	8,965	8,965	7,810
45-54	5,810	5,925	6,370	7,605	8,545
55-64	5,730	5,350	5,240	5,470	5,905
65+	5,865	6,275	6,660	6,645	7,020
Total	62,570	60,415	58,180	56,450	51,790
Females	1981	1986	1991	1996	2001
0-4	4,580	4,125	3,780	3,440	2,570
5-9	5,035	4,580	4,170	3,880	3,320
10-14	5,520	4,950	4,595	4,215	3,750
15-19	7,075	5,370	4,875	4,555	4,060
20-24	5,510	5,330	3,980	3,945	3,290
25-34	9,360	9,635	9,290	7,870	5,965
35-44	6,780	7,990	9,120	9,570	9,065
45-54	6,205	6,110	6,540	7,800	8,785
55-64	6,555	6,085	5,755	5,835	6,265
65+	7,855	9,025	9,815	10,285	10,465
total	64,465	63,210	61,915	61,400	57,540
Both Sexes	1981	1986	1991	1996	2001
0-4	9,190	8,425	7,760	7,005	5,200
5-9	10,425	9,215	8,610	8,000	6,750
10-14	11,570	10,250	9,225	8,650	7,735
15-19	14,280	11,230	10,065	9,085	8,225
20-24	11,115	10,785	8,215	8,005	6,310
25-34	18,875	19,020	17,750	14,920	11,245
35-44	13,565	15,920	18,085	18,535	16,875
45-54	12,015	12,035	12,910	15,405	17,330
55-64	12,285	11,435	10,995	11,305	12,170
65+	13,720	15,300	16,475	16,930	17,485
total	127,035	123,625	120,095	117,850	109,330
% change		-2.68%	-2.86%	-1.87%	-7.23%
Source: Statistics Canada Census Profiles 1981,1986,1991,1996 and 2001					

Historic Inverness County Population					
Males	1981	1986	1991	1996	2001
0-4	920	830	770	600	560
5-9	1,025	910	845	790	580
10-14	1,125	990	875	845	775
15-19	1,200	1,080	990	885	820
20-24	910	920	770	700	565
25-34	1,685	1,610	1,495	1,270	1,035
35-44	1,300	1,570	1,665	1,565	1,395
45-54	1,000	1,070	1,235	1,510	1,605
55-64	905	875	915	1,010	1,170
65+	1,260	1,275	1,305	1,225	1,260
Total	11,325	11,135	10,860	10,410	9,790
Females	1981	1986	1991	1996	2001
0-4	895	695	770	575	520
5-9	970	905	725	755	590
10-14	1,105	950	890	720	760
15-19	1,135	1,045	920	865	705
20-24	840	810	700	680	590
25-34	1,630	1,570	1,470	1,275	1,095
35-44	1,210	1,425	1,625	1,585	1,485
45-54	915	1,020	1,160	1,380	1,580
55-64	1,010	925	870	980	1,150
65+	1,305	1,465	1,645	1,700	1,675
Total	11,010	10,810	10,760	10,505	10,145
Both Sexes	1981	1986	1991	1996	2001
0-4	1,815	1,525	1,540	1,175	1,080
5-9	1,995	1,815	1,570	1,545	1,170
10-14	2,230	1,940	1,765	1,565	1,535
15-19	2,335	2,125	1,910	1,750	1,525
20-24	1,750	1,730	1,470	1,380	1,155
25-34	3,315	3,180	2,965	2,545	2,130
35-44	2,510	2,995	3,290	3,150	2,880
45-54	1,915	2,090	2,395	2,890	3,185
55-64	1,915	1,800	1,785	1,990	2,320
65+	2,565	2,740	2,950	2,925	2,935
total	22,335	21,945	21,620	20,915	19,935
% change		-1.75%	-1.48%	-3.26%	-4.69%
Source: Statistics Canada Census Profiles 1981,1986,1991,1996 and 2001					

Historic Richmond County Population					
Males	1981	1986	1991	1996	2001
0-4	480	385	350	300	235
5-9	560	470	380	355	290
10-14	650	560	460	395	350
15-19	680	625	525	455	385
20-24	445	420	375	400	235
25-34	920	840	700	630	565
35-44	620	790	880	785	675
45-54	575	535	595	765	830
55-64	545	535	530	525	600
65+	730	805	855	885	870
Total	6,200	5,960	5,655	5,500	5,040
Females	1981	1986	1991	1996	2001
0-4	450	375	325	285	255
5-9	545	430	365	335	300
10-14	625	535	435	380	320
15-19	680	575	505	435	335
20-24	460	450	330	345	255
25-34	855	830	785	680	555
35-44	645	765	825	835	785
45-54	560	555	615	745	805
55-64	520	530	530	540	630
65+	750	845	900	945	940
Total	6,085	5,880	5,605	5,520	5,185
Both Sexes	1981	1986	1991	1996	2001
0-4	930	760	675	585	490
5-9	1,105	900	745	690	590
10-14	1,275	1,095	895	775	670
15-19	1,360	1,200	1,030	890	720
20-24	905	870	705	745	490
25-34	1,775	1,670	1,485	1,310	1,120
35-44	1,265	1,555	1,705	1,620	1,460
45-54	1,135	1,090	1,210	1,510	1,635
55-64	1,065	1,065	1,060	1,065	1,230
65+	1,480	1,650	1,755	1,830	1,810
total	12,285	11,840	11,260	11,020	10,225
% change		-3.62%	-4.90%	-2.13%	-7.21%
Source: Statistics Canada Census Profiles 1981,1986,1991,1996 and 2001					

Historic Victoria County Population					
Males	1981	1986	1991	1996	2001
0-4	315	350	290	255	210
5-9	340	335	355	275	245
10-14	375	355	335	350	255
15-19	470	390	355	330	320
20-24	355	375	310	260	225
25-34	630	705	670	540	395
35-44	445	585	675	665	630
45-54	395	390	450	600	640
55-64	415	390	380	400	460
65+	555	560	605	555	540
Total	4,290	4,440	4,420	4,230	3,935
Females	1981	1986	1991	1996	2001
0-4	330	325	300	235	180
5-9	315	340	330	305	235
10-14	335	330	345	335	300
15-19	425	325	310	330	315
20-24	330	330	250	250	210
25-34	605	650	635	505	415
35-44	420	555	615	650	600
45-54	375	365	435	575	640
55-64	410	385	390	370	440
65+	600	655	670	690	700
Total	4,140	4,270	4,290	4,255	4,025
Both Sexes	1981	1986	1991	1996	2001
0-4	645	675	590	490	390
5-9	655	675	685	580	480
10-14	710	685	680	685	555
15-19	895	715	665	660	635
20-24	685	705	560	510	435
25-34	1,235	1,355	1,305	1,045	810
35-44	865	1,140	1,290	1,315	1,230
45-54	770	755	885	1,175	1,280
55-64	825	775	770	770	900
65+	1,155	1,215	1,275	1,245	1,240
total	8,430	8,710	8,710	8,485	7,960
% change		3.32%	0.00%	-2.58%	-6.19%
Source: Statistics Canada Census Profiles 1981,1986,1991,1996 and 2001					

Historic Cape Breton Island Labour Force Activity					
	1981	1986	1991	1996	2001
population 15+	126,090	126,685	125,336	124,700	118,830
labour force	66,485	69,760	68,826	65,540	61,870
participation rate %	52.73%	55.07%	54.91%	52.56%	52.07%
employment	55,735	54,060	55,110	49,775	48,880
unemployment rate %	16.17%	22.51%	19.93%	24.05%	21.00%

Historic Cape Breton County Labour Force Activity					
	1981	1986	1991	1996	2001
population 15+	94,735	94,590	93,330	92,845	88,155
labour force	49,690	51,155	49,791	47,570	44,590
participation rate %	52.45%	54.08%	53.35%	51.24%	50.58%
employment	42,105	39,745	39,990	36,785	35,820
unemployment rate %	15.26%	22.30%	19.68%	22.67%	19.67%

Historic Inverness County Labour Force Activity					
	1981	1986	1991	1996	2001
population 15+	16,115	16,495	16,491	16,355	15,880
labour force	8,870	9,920	10,090	9,550	9,290
participation rate %	55.04%	60.14%	61.18%	58.39%	58.50%
employment	7,400	7,885	8,165	7,320	7,425
unemployment rate %	16.57%	20.51%	19.08%	23.35%	20.08%

Historic Richmond County Labour Force Activity					
	1981	1986	1991	1996	2001
population 15+	8,885	9,000	8,845	8,865	8,360
labour force	4,365	4,560	4,715	4,590	4,330
participation rate %	49.13%	50.67%	53.31%	51.78%	51.79%
employment	3,515	3,375	3,705	3,310	3,225
unemployment rate %	19.47%	25.99%	21.42%	27.89%	25.52%

Historic Victoria County Labour Force Activity					
	1981	1986	1991	1996	2001
population 15+	6,355	6,600	6,670	6,635	6,435
labour force	3,560	4,125	4,230	3,830	3,660
participation rate %	56.02%	62.50%	63.42%	57.72%	56.88%
employment	2,715	3,055	3,250	2,360	2,410
unemployment rate %	23.74%	25.94%	23.17%	38.38%	34.15%
Source: Statistics Canada Census Profiles 1981,1986,1991,1996 and 2001					

Historic Cape Breton Island Labour Force by Industry					
	1981	1986	1991	1996	2001
all industries	64,580	66,300	66,570	61,600	59,480
primary industries	7,260	8,110	6,990	6,025	4,365
manufacturing	9,915	7,670	7,035	4,680	4,590
construction	4,540	4,575	4,405	4,355	3,970
transportation/communications/utilities	5,970	5,245	5,055	4,280	4,135
trade	10,515	11,520	12,120	10,970	9,220
finance/insurance/real estate	1,845	1,890	1,805	1,935	1,810
service industries	19,940	21,640	23,400	24,890	27,310
public administration	4,585	5,680	5,755	4,415	4,090

Historic Cape Breton County Labour Force by Industry					
	1981	1986	1991	1996	2001
all industries	48,200	48,315	47,985	44,335	42,630
primary industries	5,010	5,180	4,285	3,670	2,090
manufacturing	7,440	5,255	4,485	2,970	2,525
construction	3,205	3,180	3,310	3,070	2,745
transportation/communications/utilities	4,515	3,920	3,750	3,100	3,130
trade	8,335	8,905	9,355	8,365	6,945
finance/insurance/real estate	1,450	1,475	1,385	1,410	1,375
service industries	14,895	15,835	17,085	18,365	20,605
public administration	3,345	4,570	4,335	3,385	3,210

Historic Inverness County Labour Force by Industry					
	1981	1986	1991	1996	2001
all industries	8,685	9,615	9,845	9,230	9,100
primary industries	1,215	1,630	1,460	1,320	1,155
manufacturing	1,420	1,370	1,350	965	1,120
construction	680	760	580	605	715
transportation/communications/utilities	695	635	630	585	485
trade	1,180	1,555	1,620	1,540	1,415
finance/insurance/real estate	250	240	255	335	255
service industries	2,555	2,865	3,315	3,415	3,490
public administration	685	570	635	450	475
Source: Statistics Canada Census Profiles 1981,1986,1991,1996 and 2001					

Historic Richmond County Labour Force by Industry					
	1981	1986	1991	1996	2001
all industries	4,210	4,385	4,580	4,335	4,175
primary industries	390	480	480	355	330
manufacturing	915	795	880	565	695
construction	350	365	280	455	355
transportation/communications/utilities	390	360	325	350	250
trade	600	635	680	585	570
finance/insurance/real estate	75	105	95	105	130
service industries	1,265	1,385	1,460	1,630	1,630
public administration	220	260	370	265	225

Historic Victoria County Labour Force by Industry					
	1981	1986	1991	1996	2001
all industries	3,485	3,985	4,160	3,700	3,575
primary industries	645	820	765	680	790
manufacturing	140	250	320	180	250
construction	305	270	235	225	155
transportation/communications/utilities	370	330	350	245	270
trade	400	425	465	480	290
finance/insurance/real estate	70	70	70	85	50
service industries	1,225	1,555	1,540	1,480	1,585
public administration	335	280	415	315	180
Source: Statistics Canada Census Profiles 1981,1986,1991,1996 and 2001					

Historic Cape Breton Island Labour Force by Occupation (1)			
	1981	1986	1991
all occupations	64,590	66,305	66,555
managerial, administrative & related	3,505	4,610	4,830
teaching & related	3,660	3,335	3,460
occupations in medicine & health	3,395	3,825	4,330
natural & social sciences, religious, artistic &related	3,025	3,130	3,470
clerical & related	8,550	9,480	9,885
sales	5,915	5,590	5,845
service	8,640	9,590	10,460
primary	5,765	6,360	5,820
processing	4,085	3,570	3,185
machining, product fabricating, assembling & repairing	4,235	3,980	3,815
construction trades	6,440	5,890	5,330
transportation equipment	2,800	3,000	2,705
other	4,570	3,935	3,350

Historic Cape Breton County Labour Force by Occupation (1)			
	1981	1986	1991
all occupations	48,205	48,315	47,980
managerial, administrative & related	2,685	3,395	3,500
teaching & related	2,675	2,505	2,505
occupations in medicine & health	2,710	3,040	3,410
natural & social sciences, religious, artistic &related	2,165	2,375	2,585
clerical & related	6,685	7,350	7,645
sales	4,815	4,470	4,650
service	6,290	6,820	7,450
primary	3,680	3,555	3,260
processing	3,205	2,555	1,935
machining, product fabricating, assembling & repairing	3,200	3,040	2,825
construction trades	4,490	4,230	3,800
transportation equipment	2,110	2,130	1,930
other	3,485	2,850	2,480

(1) not comparable to 1996 and 2001.

Source: Statistics Canada Census Profiles 1981,1986 and 1991.

Historic Inverness County Labour Force by Occupation (1)			
	1981	*1986*	*1991*
all occupations	*8,690*	*9,615*	*9,840*
managerial, administrative & related	*475*	*675*	*745*
teaching & related	*535*	*450*	*530*
occupations in medicine & health	*405*	*415*	*535*
natural & social sciences, religious, artistic &related	*445*	*450*	*470*
clerical & related	*1,090*	*1,250*	*1,290*
sales	*585*	*675*	*710*
service	*1,180*	*1,380*	*1,510*
primary	*1,140*	*1,465*	*1,340*
processing	*440*	*535*	*615*
machining, product fabricating, assembling & repairing	*555*	*500*	*510*
construction trades	*990*	*825*	*800*
transportation equipment	*320*	*400*	*310*
other	*535*	*580*	*470*

Historic Richmond County Labour Force by Occupation (1)			
	1981	*1986*	*1991*
all occupations	*4,210*	*4,385*	*4,580*
managerial, administrative & related	*170*	*275*	*330*
teaching & related	*260*	*180*	*265*
occupations in medicine & health	*115*	*185*	*175*
natural & social sciences, religious, artistic &related	*215*	*170*	*225*
clerical & related	*475*	*475*	*505*
sales	*275*	*275*	*255*
service	*545*	*620*	*665*
primary	*355*	*505*	*445*
processing	*360*	*350*	*445*
machining, product fabricating, assembling & repairing	*325*	*290*	*305*
construction trades	*575*	*535*	*390*
transportation equipment	*190*	*255*	*275*
other	*355*	*280*	*270*

Historic Victoria County Labour Force by Occupation (1)			
	1981	1986	1991
all occupations	3,485	3,990	4,155
managerial, administrative & related	175	265	255
teaching & related	190	200	160
occupations in medicine & health	165	185	210
natural & social sciences, religious, artistic &related	200	135	190
clerical & related	300	405	445
sales	240	170	230
service	625	770	835
primary	590	835	775
processing	80	130	190
machining, product fabricating, assembling & repairing	155	150	175
construction trades	385	300	340
transportation equipment	180	215	190
other	195	225	130

(1) not comparable to 1996 and 2001.

Source: Statistics Canada Census Profiles 1981,1986 and 1991.

Historic Cape Breton Island Labour Force by Occupation		
	1996	*2001*
all occupations	*61,600*	*59,480*
management occupations	*3,685*	*4,155*
business, finance & administration occupations	*8,230*	*8,025*
natural & applied science & related occupations	*1,400*	*1,915*
health occupations	*4,000*	*4,475*
occupations in social science, education, government services & religion	*4,660*	*4,870*
occupations in art, culture, recreation & sport	*1,265*	*1,270*
sales & service occpuations	*19,100*	*18,000*
trades, transport & equipment operators & related occupations	*11,115*	*10,270*
occupations unique to primary industries	*5,120*	*3,930*
occupations unique to processing, manufacturing & utilities	*3,000*	*2,550*

Historic Cape Breton County Labour Force by Occupation		
	1996	*2001*
all occupations	*44,335*	*42,625*
management occupations	*2,515*	*2,960*
business, finance & administration occupations	*6,220*	*6,200*
natural & applied science & related occupations	*1,010*	*1,320*
health occupations	*3,185*	*3,555*
occupations in social science, education, government services & religion	*3,560*	*3,745*
occupations in art, culture, recreation & sport	*925*	*820*
sales & service occpuations	*14,365*	*13,640*
trades, transport & equipment operators & related occupations	*7,830*	*7,130*
occupations unique to primary industries	*2,885*	*1,850*
occupations unique to processing, manufacturing & utilities	*1,850*	*1,395*

Historic Inverness County Labour Force by Occupation		
	1996	2001
all occupations	9,225	9,100
management occupations	690	635
business, finance & administration occupations	1,160	1,010
natural & applied science & related occupations	250	290
health occupations	380	515
occupations in social science, education, government services & religion	595	585
occupations in art, culture, recreation & sport	175	215
sales & service occpuations	2,460	2,545
trades, transport & equipment operators & related occupations	1,610	1,720
occupations unique to primary industries	1,275	1,010
occupations unique to processing, manufacturing & utilities	620	570
(1) not comparable to 1981, 1986 and 1991. Source: Statistics Canada Census Profiles 1996 and 2001		

Historic Richmond County Labour Force by Occupation		
	1996	*2001*
all occupations	*4,340*	*4,175*
management occupations	*195*	*280*
business, finance & administration occupations	*525*	*440*
natural & applied science & related occupations	*90*	*195*
health occupations	*205*	*225*
occupations in social science, education, government services & religion	*325*	*280*
occupations in art, culture, recreation & sport	*75*	*90*
sales & service occpuations	*1,125*	*1,015*
trades, transport & equipment operators & related occupations	*1,085*	*915*
occupations unique to primary industries	*310*	*310*
occupations unique to processing, manufacturing & utilities	*400*	*425*

Historic Victoria County Labour Force by Occupation		
	1996	*2001*
all occupations	*3,700*	*3,580*
management occupations	*285*	*280*
business, finance & administration occupations	*325*	*375*
natural & applied science & related occupations	*50*	*110*
health occupations	*230*	*180*
occupations in social science, education, government services & religion	*180*	*260*
occupations in art, culture, recreation & sport	*90*	*145*
sales & service occpuations	*1,150*	*800*
trades, transport & equipment operators & related occupations	*590*	*505*
occupations unique to primary industries	*650*	*760*
occupations unique to processing, manufacturing & utilities	*130*	*160*
(1) not comparable to 1981, 1986 and 1991. *Source: Statistics Canada Census Profiles 1996 and 2001.*		

Historic Cape Breton Island Households, Families & Income					
Characteristic	*1981*	*1986*	*1991*	*1996*	*2001*
private households	*49,235*	*52,010*	*54,915*	*56,885*	*56,520*
couple households with children	*25,585*	*25,135*	*23,555*	*21,995*	*19,100*
couple households without children	*9,900*	*10,130*	*12,155*	*12,345*	*13,935*
one person households	*7,076*	*8,740*	*10,915*	*12,425*	*13,880*
other households	*6,674*	*8,005*	*8,290*	*10,120*	*9,605*
median household income (1)	*$15,890*	*$22,607*	*$31,054*	*$31,407*	*$34,294*
total number of occupied dwellings	*49,235*	*52,010*	*54,915*	*56,885*	*56,530*
owned dwellings	*39,720*	*36,140*	*41,985*	*42,120*	*42,065*
rented dwellings	*9,510*	*9,745*	*12,320*	*13,885*	*13,580*
constructed before 1981	*49,235*	*47,220*	*45,640*	*44,660*	*42,485*
constructed after 1981	*0*	*4,790*	*9,275*	*12,225*	*14,045*
average value of dwelling	*$33,030*	*$42,918*	*$55,758*	*$67,024*	*$76,224*
total number of families	*41,360*	*42,210*	*42,635*	*43,200*	*42,595*
median family income (1)	*$17,212*	*$25,070*	*$34,334*	*$36,388*	*$39,828*

(1) Cape Breton Median Income was calculated as the average of the four Cape Breton Counties.

Historic Cape Breton County Households, Families & Income					
Characteristic	*1981*	*1986*	*1991*	*1996*	*2001*
private households	*36,810*	*38,795*	*41,055*	*42,615*	*42,150*
couple households with children	*19,165*	*18,735*	*17,365*	*16,050*	*14,055*
couple households without children	*7,395*	*7,450*	*9,080*	*8,865*	*9,990*
one person households	*5,145*	*6,415*	*8,105*	*9,345*	*10,515*
other households	*5,105*	*6,195*	*6,505*	*8,355*	*7,590*
median household income (1)	*$17,820*	*$23,603*	*$30,334*	*$29,908*	*$32,235*
total number of occupied dwellings	*36,810*	*38,795*	*41,055*	*42,615*	*42,150*
owned dwellings	*28,955*	*29,470*	*30,520*	*30,615*	*30,480*
rented dwellings	*7,855*	*8,840*	*10,160*	*11,440*	*11,160*
constructed before 1981	*36,810*	*35,285*	*34,215*	*33,660*	*32,330*
constructed after 1981	*0*	*3,510*	*6,840*	*8,955*	*9,820*
average value of dwelling	*$35,118*	*$44,168*	*$57,848*	*$63,773*	*$66,482*
total number of families	*31,145*	*31,630*	*31,935*	*32,305*	*31,720*
median family income (1)	*$18,738*	*$25,604*	*$34,466*	*$34,673*	*$38,228*

Source: Statistics Canada Census Profiles 1981,1986,1991,1996 and 2001

(1) Cape Breton Median Income was calculated as the average of the four Cape Breton Counties.

Historic Inverness County Households, Families & Income					
Characteristic	1981	1986	1991	1996	2001
private households	6,380	6,770	7,160	7,355	7,425
couple households with children	3,340	3,300	3,210	2,985	2,635
couple households without children	1,205	1,275	1,480	1,685	1,985
one person households	956	1,200	1,490	1,665	1,785
other households	879	995	980	1,020	1,020
median household income (1)	$16,785	$23,592	$32,522	$33,802	$38,242
total number of occupied dwellings	6,380	6,770	7,160	7,355	7,425
owned dwellings	5,415	1,180	5,780	5,765	5,875
rented dwellings	960	85	1,285	1,450	1,395
constructed before 1981	6,380	6,205	5,850	5,780	5,225
constructed after 1981	0	565	1,310	1,575	2,200
average value of dwelling	$34,646	$43,961	$57,196	$70,777	$81,732
total number of families	5,235	5,370	5,460	5,495	5,520
median family income (1)	$17,941	$27,558	$36,400	$39,568	$45,207
(1) Cape Breton Median Income was calculated as the average of the four Cape Breton Counties.					

Historic Richmond County Households, Families & Income					
private households	3,450	3,635	3,745	3,895	3,935
couple households with children	1,860	1,800	1,675	1,705	1,345
couple households without children	730	805	930	1,130	1,155
one person households	515	590	700	750	890
other households	345	440	440	310	545
median household income (1)	$14,572	$20,797	$29,985	$29,805	$31,367
total number of occupied dwellings	3,450	3,635	3,745	3,895	3,940
owned dwellings	3,070	3,125	3,210	3,260	3,190
rented dwellings	380	455	475	570	645
constructed before 1981	3,450	3,305	3,200	3,145	2,895
constructed after 1981	0	330	545	750	1,045
average value of dwelling	$27,686	$39,239	$48,766	$59,502	$68,864
total number of families	2,915	3,000	2,980	3,115	3,010
median family income (1)	$16,034	$22,506	$31,659	$33,470	$37,159
Source: Statistics Canada Census Profiles 1981,1986,1991,1996 and 2001					
(1) Cape Breton Median Income was calculated as the average of the four Cape Breton Counties.					

Historic Victoria County Households, Families & Income					
private households	*2,595*	*2,810*	*2,955*	*3,020*	*3,010*
couple households with children	*1,220*	*1,300*	*1,305*	*1,255*	*1,065*
couple households without children	*570*	*600*	*665*	*665*	*805*
one person households	*460*	*535*	*620*	*665*	*690*
other households	*345*	*375*	*365*	*435*	*450*
median household income (1)	*$14,381*	*$22,435*	*$31,374*	*$32,113*	*$35,333*
total number of occupied dwellings	*2,595*	*2,810*	*2,955*	*3,020*	*3,015*
owned dwellings	*2,280*	*2,365*	*2,475*	*2,480*	*2,520*
rented dwellings	*315*	*365*	*400*	*425*	*380*
constructed before 1981	*2,595*	*2,425*	*2,375*	*2,075*	*2,035*
constructed after 1981	*0*	*385*	*580*	*945*	*980*
average value of dwelling	*$34,668*	*$44,302*	*$59,220*	*$74,042*	*$87,817*
total number of families	*2,065*	*2,210*	*2,260*	*2,285*	*2,345*
median family income (1)	*$16,134*	*$24,610*	*$34,809*	*$37,841*	*$38,718*
Source: Statistics Canada Census Profiles 1981,1986,1991,1996 and 2001					
(1) Cape Breton Median Income was calculated as the average of the four Cape Breton Counties.					

APPENDIX B
SURVEY METHODOLOGY &
SURVEY INSTRUMENT

ECBC Impact Study
Client Survey Overview

An integral part of the ECBC impact study was the collection of project economic impact indicators such as increased short and long term employment, local construction activity, increased output (sales), increased export activity among other economic activitoes related to the ECBC funded projects. This data was collected by way of a client survey where a sample of approximately 25% of all funded projects were surveyed through direct personal interviews, phone surveys or fax out/follow-up phone survey.

The initial process required a survey design to capture funded project's increased economic activity related to the funding and the means by which to access the incrementality of the project's increased economic activity. Survey design was followed by the survey sample selection which captured approximately 20% of all funded projects. In total 169 of the 832 funded projects were surveyed which due to of the survey selection methodology captured over 55% of the funded projects economic impact.

Funded projects were divided between ECBC including CBGF contribution at 259 funded projects and ACOA funded projects at 573. The first step was the selection of large projects, those receiving assistance of $500,000 or more. It is felt that surveying these projects would capture a high percentage of induced economic activity by nature of the relative project size.

The survey selection methodology resulted in the selection of 38 ECBC/CBGF assisted projects representing 82% of all ECBC/CBGF assistance. On the ACOA side, 49 assisted projects met the $500,000 or more selection criteria and captured 36% of all ACOA assistance.

Once the large projects were selected we completed our sample of 169 projects by randomly selecting an additional 82 (169-38-49) assisted projects which fell below the $500,000 threshold. This selection was weighted between ECBC/CBGF and ACOA assisted projects by the total number of small projects assisted by each. ECBC/CBGF small projects represented approximately 30% of all assisted small projects while ACOA small projects represented just over 70%.

The random selection of an additional 25 ECBC/CBGF projects with assistance that fell below the $500,000 threshold captured an additional 2% of all ECBC/CBGF assistance provided resulting in total ECBC/CBGF assistance captured by survey of 84%.

The random selection of an additional 57 ACOA projects with assistance that fell below the $500,000 threshold captured an additional 5% of all ACOA assistance provided resulting in total ACOA assistance captured by survey of 43%.

In total surveys captured, $77.1 million or 42.5% of the $181.6 million in assistance provide by ECBC, CBGF and ACOA.

SURVEY #__________

EC. PROJECT #:__________

ADMIN PROJECT #:__________

DRAFT

SURVEY OF CLIENTS
ENTERPRISE CAPE BRETON CORPORATION

IMPACT STUDY

NAME OF ORGANIZATION:

____

ADDRESS:

____

CITY: ______________________ PROVINCE: __________ POSTAL CODE: ____________

RESPONDENT:

____

THE PURPOSE OF THIS SURVEY:

CANMAC ECONOMICS LTD. IS CONDUCTING THIS SURVEY ON BEHALF OF ENTERPRISE CAPE BRETON CORPORATION (ECBC) TO GATHER INFORMATION ON THE IMPACT OF THE VARIOUS ECBC PROGRAMS ON IT'S CLIENTS. THE QUESTIONNAIRE COVERS THE IMPACT OF THE ECBC PROGRAMS ON YOUR ORGANIZATION AND IT'S EMPLOYMENT AND SALES. IT ADDITIONALLY COLLECTS INFORMATION ON YOUR PURCHASES AND FUTURE GROWTH OF YOUR ORGANIZATION.

THE DATA YOU REPORT IS CONFIDENTIAL:

CANMAC ECONOMICS LTD. WILL NOT PUBLISH OR RELEASE ANY STATISTICS THAT REVEAL INFORMATION OBTAINED FROM THIS SURVEY RELATING TO ANY IDENTIFIABLE ORGANIZATION. THE DATA REPORTED ON THE QUESTIONNAIRE WILL BE TREATED IN STRICT CONFIDENCE, USED FOR STATISTICAL PURPOSES AND RELEASED IN AGGREGATE FORM ONLY.

YOU PARTICIPATION IS IMPORTANT:

PARTICIPATION IN THIS SURVEY IS VOLUNTARY. HOWEVER, YOUR COOPERATION IS ESSENTIAL TO THE ACCURACY OF THE INFORMATION COLLECTED. THE INFORMATION YOU PROVIDE WILL HELP SHAPE CURRENT AND FUTURE PROGRAMS.

IF YOU REQUIRE ASSISTANCE IN THE COMPLETION OF THE QUESTIONNAIRE OR HAVE ANY QUESTIONS REGARDING THE SURVEY, PLEASE CONTACT:

MS. CINDY CURRIE
CANMAC ECONOMICS LTD.
495 SACKVILLE DRIVE
LOWER SACKVILLE, NOVA SCOTIA
B4C 2S1
PHONE (902)864-3838 / FAX (902)865-5762

A1. Please state the organization type by checking (✓) the appropriate response:

Commercial Organization _______

Non-Commercial Organization _______

A2. ECBC provides direct assistance to organizations both with its own programs and as an agent for ACOA's programs. We would like to have a history of your assistance from ECBC over the period April 1999 to March 2003 by year. In the table below please specify the type of assistance, the year and the amount.

Type of Assistance (ECBC Direct, ACOA Action Plan, CBGF)	*Year of Award*	*Amount*
___________________________	___________	___________
___________________________	___________	___________
___________________________	___________	___________
___________________________	___________	___________

A3. Describe the economic nature of your project (new product expansion, relocation, infrastructure etc.) and how it relates to the economic development of Cape Breton.

____

____

____

A4. In *Column A* below, indicate the direct impact your organization had expected from the ECBC - sponsored assistance over the April 1999 to March 2003 period. In *Column B* below, indicate how well these objectives were met.

Column A

Mark all that apply

Column B

Mark only one in each row marked in Column A.

	Impact Expected	***Objective Exceeded***	***Objective Met***	***Objective Not Met***	***Too Early To Tell***	***Not Sure***
Increase sales to existing markets	○	○	○	○	○	○
Increase sales to new markets	○	○	○	○	○	○
Maintain threatened jobs	○	○	○	○	○	○
Hire new workers	○	○	○	○	○	○
Increase productivity	○	○	○	○	○	○
Other	○	○	○	○	○	○
Specify:______________________________		○	○	○	○	○
_____________________________________		○	○	○	○	○
_____________________________________		○	○	○	○	○

A5. Which of the following statements best describes the impact the ECBC-sponsored project has had on your organization. ***MARK ONE ONLY.***

○ Our organization has met its objectives, due in large part to the ECBC-sponsored project.

○ Our organization has met its objectives but only a small part of the success is attributable to the ECBC-sponsored project.

○ Our organization may not have met it's objectives but the ECBC-sponsored project has ensured our survival.

○ The ECBC-sponsored project has had no impact whatsoever on the organization.

A6. If ECBC had not assisted with this project, would the project have been....

○ ...postponed?

○ ...completed, but changed in some way, i.e. size, scope, location outside the Cape Breton Region, or completion time?

○ ...completed as planned?

○ ...cancelled?

○ ...Don't know.

EMPLOYMENT RESULTING FROM THE PROJECT

The following questions refer to the impact that ECBC assistance has had on employment in your organization. Please use the following definitions in the calculation of employment.

New full time jobs: new jobs, directly related to ECBC assistance, having at least 40 weeks or 1,600 hours of employment per year.

New part time and seasonal: new jobs *directly* related to ECBC assistance, having less than 40 weeks or 1,600 hours of employment per year. This includes seasonal work.

Full time equivalent: the number of part time jobs expressed in terms of full time jobs.

Example: If you have created 3 part time jobs which, all together, represent a total of 64 weeks of work, the full time equivalent would be:
64 weeks divided by 40 weeks - 1.6 jobs.

A7. Were any new jobs created as a result of the assistance you received from ECBC?

○ Yes ☞ How many of these new jobs were short term? __________

How many new full time and part time sustainable jobs were created as a result of the ECBC assistance?

Full time: __________

Part time (expressed as full time equivalent): __________

○ No

A8. Were any existing jobs maintained as a result of the assistance you received from ECBC? Maintained jobs are those which, without ECBC assistance, would have been lost in the three years following application for assistance.

- ○ Yes ☞ How many existing full time and part time jobs were maintained as a result of the ECBC assistance?

  Full time: __________

  Part time (expressed as full time equivalent): _____

  What is the likelihood that these maintained jobs would have been lost?

  ○ Very likely

  ○ Somewhat likely

  ○ Not at all likely

  ○ Do not know/not sure

- ○ No

A9. Were any existing jobs lost as a result of the assistance you received from ECBC?

- ○ Yes ☞ How many existing full time and part time jobs were lost as a result of the ECBC assistance?

  Full time: __________

  Part time (expressed as full time equivalent):__________

- ○ No

A10. Has your organization achieved any increase in annual sales as a direct result of ECBC assistance?

- ○ Yes ☞ What is the increase in sales resulting from the ECBC-sponsored project?

  $_______________

  What proportion of the increase in sales has come from exports, outside of Canada? __________%

- ○ No
- ○ Not Applicable

ORGANIZATION INFORMATION

B1. For each of the past five (5) years, what has been your organization's total employment? Please report full time equivalent, that is, seasonal and part time employment are to be calculated on the basis of 1 full time job = 1,600 hours or 40 weeks per year.

Calendar Year

1999 _______________ jobs

2000 _______________ jobs

2001 _______________ jobs

2002 _______________ jobs

2003 _______________ jobs

B2. Please report sales, wages and salaries and net profit before tax for the past five (5) fiscal years.

Year	***Sales (000's)***	***Wages & Salaries* (000's)***	***Net Profit before tax* (000's)***
1999			
2000			
2001			
2002			
2003			
****excludes bonuses paid to owners***			

B3. How much property tax (including business occupancy) did your organization pay in the most recent fiscal year? $__________

TRADE

B3. Please provide the distribution of sales for your total organization over the following two fiscal years.

	1999%	**2003%**
Cape Breton Region	________	________
Other Atlantic Canada	________	________
Other Canada	________	________
United States	________	________
Rest of World	________	________
Total	100%	100%

TRADE

B4 (a) Consider your organization's future economic outlook. Please state your expected annual growth rate for sales and employment:

Expected annual sales growth - next 5 years (%): __________

Expected annual employment growth - next 5 years (%): __________

B4(b) Do you anticipate a need for government funding assistance to achieve future growth? (Please check one)

- ○ Yes
- ○ No
- ○ Not Sure

B5. Do you have any further comments you would like to make concerning ECBC's programs or activities?

____

____

____

____

____

____

____

____

____

Thank You!

SURVEY NOTES

A2 CLIENT MAY HAVE DIFFERENT ASSISTANCE PROJECTS FOR ONE ECONOMIC PROJECT.

A3 IMPORTANT TO CLARIFY LINK TO ECONOMIC DEVELOPMENT FOR NON-COMMERCIAL PROJECT E.G. INFRASTRUCTURE.

A4 NON-COMMERCIAL PROJECTS IN MANY CASES WILL HAVE OTHER OBJECTIVES.

A7 SHORT TERM JOBS - CONSTRUCTION, OTHER FIXED LENGTH CONTRACT JOBS.

A9 PRODUCTIVITY ENHANCEMENTS COULD DOWNSIZE EMPLOYMENT.

INFRASTRUCTURE PROJECT

EXAMPLE: GLACE BAY ARENA
DIRECT SHORT TERM JOBS - CONSTRUCTION
DIRECT SUSTAINABLE JOBS - OPERATING OF FACILITY

ADDITIONAL QUESTIONS

6. Total Project Costs $____________________

7. Have you done any R&D in the last year?

If yes - how much $______________________

how much Cape Breton Region $___________________

APPENDIX C

PROGRAM DESCRIPTION

Program Description

The Enterprise Cape Breton Corporation was established in 1988 with a mandate as the principal federal delivery agent for economic development programs in the Cape Breton Region of Atlantic Canada. ECBC's strategic priorities include 1) support to business, 2) support to communities, 3) investment, 4) advocacy, 5) provision of services for the Government of Canada, and 6) policy and research.

Currently, ECBC delivers the following specific programs either directly or on behalf of another agency:

1. *BDP* - Business Development Program
2. AIF - Atlantic Innovation Fund
3. Infrastructure Canada Program
4. SCIF - Strategic Community Investment Fund
5. ATIP - Atlantic Trade and Investment Partnership
6. Entrepreneurship and Business Skills Development Partnership
7. CBGF - Cape Breton Growth Fund

Following is a description of each program.

1. BDP - Business Development Program

This ACOA program is designed to help you set up, expand or modernize your business. Focusing on small- and medium-sized enterprises, the program offers access to capital in the form of interest-free, unsecured, repayable contributions. Non-profit organizations providing support to the business community may also qualify. Most business sectors are eligible except retail/wholesale, real estate, government services, and services of a personal or social nature.

Both commercial and not-for-profit applicants are eligible. Eligible activities include business studies, capital investment, training, marketing, quality assurance and not-for-profit activities that support business in the region. Assistance is also available to help you bid for and acquire public and private procurement contracts or to develop an innovative product or service.

2. AIF-Atlantic Innovation Fund

Program Overview - ***Description and Purpose***

The Atlantic Innovation Fund (AIF) is a $300-million, five year program designed to strengthen the economy of Atlantic Canada by accelerating the development of knowledge-based industry. The AIF will help increase the region's capacity to carry out leading-edge research and development that directly contributes to the development of new technology-based economic activity in Atlantic Canada.

AIF objectives

The objectives of the AIF are to:

- increase activity in and to build capacity for innovation, and Research and Development R & D) which leads to technologies, products, processes or services that contribute to economic growth in Atlantic Canada;
- increase the capacity for commercialization of R & D outputs;
- strengthen the region's innovation capacity by supporting research, development and commercialization partnerships and alliances among private sector firms, universities, research institutions and other organizations in Atlantic Canada's system of innovation, and to increase their critical mass; and
- maximize benefits from national R & D programs.

Types of projects eligible for funding

The AIF will focus on R & D projects in the area of natural and applied sciences, as well as in social sciences and humanities where these are explicitly linked to the development of technology-based products, processes or services, or their commercialization.

Atlantic Canada has demonstrated specific capabilities in a number of emerging sectors that possess good global growth prospects. These include: aquaculture, environmental technologies, information technologies (e.g., communications, geomatics), health and medical technologies, ocean technologies, and biotechnology.

Investments made through the AIF will focus on, but will not be restricted to, these growth sectors. For instance, the AIF will also encourage the development of technologies that allow sectors, such as oil and gas, agriculture and agri-food, fisheries, forestry and mining, to improve their competitive positions.

3. Infrastructure Canada Program

As part of its commitment to improving the quality of life for all Canadians, the Government of Canada launched a six-year program in 2000 to renew and enhance Canada's physical infrastructure.

With contributions from our provincial, territorial and municipal partners, and the private sector, the Infrastructure Canada Program will generate at least $6 billion in infrastructure investment. Infrastructure Canada is a national program with local impact. It will fund municipal infrastructure projects in thousands of rural and urban communities across Canada.

Infrastructure Canada's first priority is "green" municipal infrastructure - projects that improve the quality of our environment and contribute to our national goals of clean air and water. Priority projects target water and wastewater systems, water management, solid waste management and recycling.

Other program initiatives include local transportation, roads and bridges, affordable housing, telecommunications and tourism, cultural and recreational facilities.

In Atlantic Canada , Infrastructure Canada agreements are in place in New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador. These agreements are administered by the Atlantic Canada Opportunities Agency, on behalf of the Government of Canada, and the four provincial governments.

4. SCIF- Strategic Community Investment Fund

What is the Strategic Community Investment Fund?

The Strategic Community Investment Fund is designed to support strategic initiatives that respond to the economic development needs of Atlantic Canada and help communities strengthen their economic base. The primary focus of this initiative will be projects in rural areas.

The Fund is a component of the Atlantic Investment Partnership, a five-year Government of Canada initiative designed to help Atlantic Canadians compete in the global, knowledge-based economy.

What are the objectives of the Fund?

The Strategic Community Investment Fund helps communities throughout Atlantic Canada create opportunities for economic development in order to stimulate investment and job creation.

The Fund assists in creating an environment in Atlantic communities that encourages and enhances:

- the development of strategic sectors,
- adjustment to the knowledge-based economy,
- the adoption of new technology and innovative practices, and
- capacity to compete in the global economy. How much financial assistance is available?

5. ATIP- Atlantic Trade and Investment Partnership

ATIP is a five-year federal initiative designed to help Atlantic Canada realize its full potential in both international trade and investment.

ATIP includes five key initiatives:

- Team Canada Atlantic missions offer export-ready businesses the training, partnerships and connections they need to successfully enter international markets.

- Sector Export Strategies support the assessment of export opportunities and the implementation of export development strategies for specific industry sectors.
- Trade, Education and Skills Development enhances trade awareness and competencies of small-and medium sized enterprises and provides the necessary tools to help them increase their export activity.
- Export Internship for Trade Graduates provides employment opportunities for international trade graduates and offers in-house expertise to businesses wanting to capitalize on international markets.
- The Atlantic Investment Strategy accelerates investment research, awareness and promotion activities that internationally position Atlantic Canada as a profitable place to do business.

6. Entrepreneurship and Business Skills Development Partnership

This initiative seeks to ensure that entrepreneurs are equipped with the best available technological, innovation and business management skills through a series of strategic investments with partners and stakeholders throughout the region.

The partnership includes:

- Innovation Skills Development Initiative: is designed to improve the innovation management and technical competencies of small-and medium sized enterprises.
- The Women in Business Initiative: is designed to bridge the gaps and help women entrepreneurs access the programs and services they need to make their businesses competitive and strong.
- Young Entrepreneur Development Initiative: is designed to enable young Atlantic Canadians to develop the attitudes and business skills needed to successfully launch and grow a business.

7. FRAM - Fisheries Restructuring and Adjustment Measures

The Economic Development Component of the FRAM will support key economic development initiatives in areas affected by the downturn in the groundfish fishery. Using a sub-regional approach and engaging the various Regional Economic Development Boards in the decision-making process, the emphasis will be on projects that have long-term employment potential and help diversify the traditional rural economy. Community economic development and access to capital by SMEs will be key strategies of the programming in the coming fiscal year.

8. CBGF - Cape Breton Growth Fund

- $ 98 million economic adjustment fund established to transition the economy from coal and steel.
- Wholly-owned subsidiary of Enterprise Cape Breton Corporation
- Governor-in-Council has declared that Part X of the *Financial Administration Act* applies to CBGF as if it were a parent Crown corporation
- CBGF has its own Board of Directors and reports separately to Parliament.
- Mandate for economic development on Cape Breton Island and Mulgrave
- Commercial/non-commercial projects
- Self-initiated activities
- Annual Report, Corporate Plan and Budget Summaries tabled in Parliament

CBGF Priority Sectors

- Tourism
- Arts and Culture
- Knowledge-based
- Oil and Gas
- Environmental Industries
- Strategic Initiatives

CBGF Strategic Objectives

- Trade
- Industrial Benefits
- Research, Development and Commercialization
- Access to Capital
- Investment
- Infrastructure Development