

## 11. Employment and Economy

The vitality of a community is dependent on a strong economy and the ability to offer desirable employment opportunities. A shortage of stable employment conditions generates tension and affects all aspects of people's lives from domestic relations to recreation, food security, transportation, and volunteer work. The structure of the Canadian economy has changed from a focus on primary (resource extraction) and secondary (manufacturing) parts of the economy to the service sector; this is evident in the Comox Valley. Measures of employment and the economy include, but are not limited to: unemployment and employment rates, average income, Low Income Cut-off Rates (LICO), business start-up and bankruptcy rates. Quality of life is highly dependent on job security and economic activity.



### 11.1 Employment by Sector

Employment that can sustain a reasonable standard of living is essential to the quality of life for most people. Temporal changes in employment by sector provide a strong indicator of shifts in the economic circumstances of a community affecting the quality of life of residents and the viability of the community itself.

Trends reported in 2004<sup>274</sup> continue with the weakening of the primary sector of the economy with its accompanying loss of highly-paid workers and the growth of the service sector and its lower average wages. BC Stats, using Statistics Canada data, report in the first quarter of 2008 that 9.7% of firms in the Comox-Strathcona Regional District are in agriculture, forestry, fishing, hunting, mining, and oil and gas extraction. Construction and retail businesses together make up 27.6% of local firms.<sup>275</sup>

Statistics Canada has been collecting data on the labour market status covering off-reserve First Nations and Métis populations in BC since 2004. The top three occupational groups for Aboriginal people in BC are sales and service occupations (28%), trades, transport and equipment operators (21%), and business, finance and administration (11%).<sup>276</sup>

---

<sup>274</sup> Comox Valley Social Planning Society. *2004 Quality of Life Report*, p77.

<sup>275</sup> BC Stats. Quarterly Regional Statistics – First Quarter 2008.

<sup>276</sup> BC Stats, Business Indicators, The Aboriginal Population in BC and Recent Trends in Off Reserve Aboriginal Labour Force Participation, February 2008. Available at <http://www.bcstats.gov.bc.ca/>.

## 106 Comox Valley 2009 Quality of Life Report

A problem with counting firms is that the number of people employed in the public sector is not considered. The following table shows that the largest employers in the Comox Valley are public sector employers.

**Table : Comox Valley Major Employers**

<b>Employer</b>	<b>Number of Employees</b>
CFB 19 Wing Comox	1430
School District 71	900
Mt. Washington Resort	850
St. Joseph's Hospital	840
Superstore	300
Wal-Mart	218
Home Depot	200
Crown Isle Golf Resort	150
North Island College	138
RCMP	125
Kingfisher Resort & Spa	120
City of Courtenay	110
Zellers	103

*Source: Comox Valley Economic Development Society 2007.*

Annual payroll may be a better indicator of how various employers contribute to the local economy. For example, the yearly payroll for the Canadian Forces Base Comox (CFB 19 Wing) is approximately \$65,000,000: substantially higher than the North Island College yearly budget of approximately \$28,000,000.

Another consideration is the mix of part-time, temporary and full-time staff. CFB Comox reports that there are approximately 1,000 Regular force, 120 Reserves, and 250 civilians (full and part-time) on the base.<sup>277</sup> These data are not available for the other employers listed in Table 31 above.



### **11.2 Unemployment Rates**

The numbers of people receiving employment insurance (EI) benefits fluctuate seasonally, by industry and according to the ebbs and flows of the economy. In March 2009, there were 3,260 individuals receiving benefits without reporting earnings. This

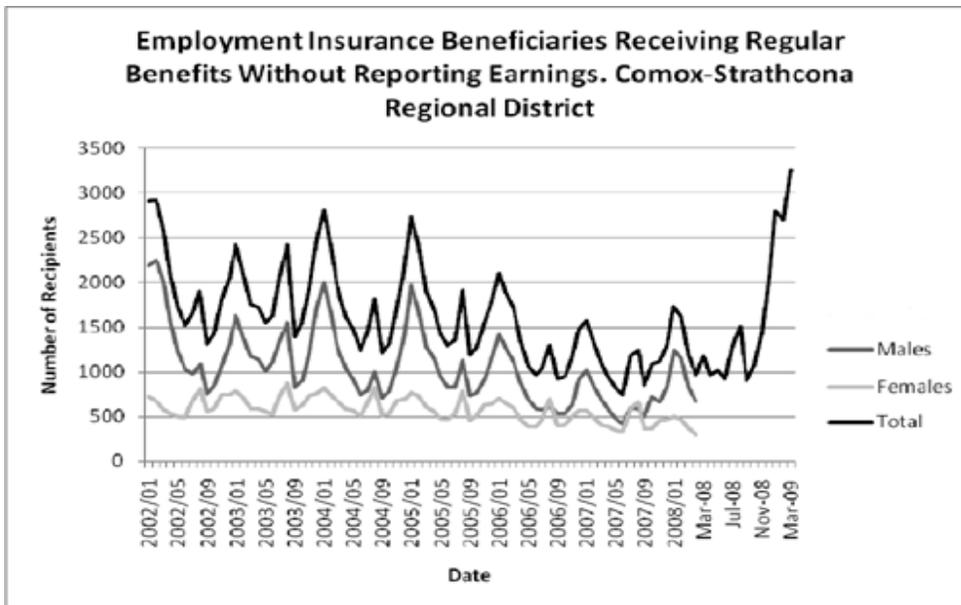
---

<sup>277</sup> National Defence and the Canadian Forces. 19 Wing – Comox.

## 107 Comox Valley 2009 Quality of Life Report

was up 63.8 % from the previous month.<sup>278</sup> It is also higher than at any time since the first Quality of Life report was released in 2002.

Figure : EI Beneficiaries, Comox-Strathcona.



Source: Statistics Canada, CANSIM Table 276-0006.

Figure 44 above shows the number of employment recipients from 2002 to January 2008. It clearly depicts how employment varies in our region because of the seasonal nature of employment in tourism, forestry, fishing, etc. Peaks occur in January of each year and lows in the summer. The unemployment experiences of men and women parallel each other to a large extent. The current number of EI recipients is 10.3% of adults in the population between the ages of 19 and 64. When Statistics Canada begins to collect data on the Comox Valley Regional District separately from the Strathcona Regional District, finer evaluations will be possible of unemployment in the Comox Valley itself. Nonetheless, there is little doubt that unemployment is up in the Comox Valley, rising sharply in November 2008 from a low in September.

Although the unemployment rate in BC has declined, with an average of 4.2% in 2007, the Aboriginal unemployment rate still remains more than double that of the non-Aboriginal population—9.7%. First Nations people have the highest incidence of

<sup>278</sup> BC Stats, Employment Insurance Beneficiaries Receiving regular Benefits Without Reporting Earnings. (retrieved June 4th, 2009 from: <http://www.bcstats.gov.bc.ca/data/lss/iaui/ei-rd.pdf>)

## 108 Comox Valley 2009 Quality of Life Report

unemployment at 11.4%. However, between 2005 and 2007, the First Nations unemployment rate dropped 8.2%.<sup>279</sup>

### **11.3 Income Levels**

High incomes permit home ownership, travel and other sought-after values in life. Consistent and relatively good incomes permit communities to thrive, local businesses to flourish and public amenities to better serve the people.

There are various ways of assessing and comparing incomes. Statisticians use averages (means), median and modes to describe the distribution of incomes in a population. There is also a number of geographical units used. For instance BC Stats reports incomes by electoral, regional, college and hospital districts as well as by community. Furthermore, incomes are reported by tax-filer, individuals, households and economic family units (couple and single-parent families). Caution is therefore advised in making comparisons, especially for small geographical units. We can begin by considering averages.

Income levels have risen steadily in the Comox Valley over the past 20 years. Significantly, however, they have not kept pace with inflation here and in the rest of Canada since the first QOL report released in 2002. From 1950 until 1980 real wages doubled on average. Since then there has been no progress at all for average wages.<sup>280</sup>

BC Stats reports that the average economic family income in the Comox Valley in 1995 was \$49,740, lower than the BC average at \$56,527.<sup>281</sup> By 2000 income levels increased on average for census families to \$57,347 compared to \$64,821 for BC as a whole.<sup>282</sup> Average family income for the Regional District of Comox-Strathcona in 2006 was \$68,840 as compared to the provincial average of \$80,511.<sup>283</sup> This all seems fairly

---

<sup>279</sup> BC Stats, Business Indicators, February 2008, The Aboriginal Population in BC and Recent Trends in Off Reserve Aboriginal Labour Force Participation. Available at <http://www.bcstats.gov.bc.ca/>.

<sup>280</sup> CAW 20th Anniversary Collective Bargaining Convention Document, Chapter 6: Historical Overview: A Shrinking Slice of the Pie. 2005. (<http://www.caw.ca/assets/pdf/Chapter6.pdf>)

<sup>281</sup> Comox Valley Social Planning Society, *2002 Quality of Life Report*, page 18.

<sup>282</sup> BC Stats, Regional District 25 – Comox-Strathcona Statistical Profile, 2006.

<sup>283</sup> BC Stats, Provincial Electoral District Profile for Comox Valley Based on the 2006 Census. Released 2009. ([http://www.bcstats.gov.bc.ca/data/cen06/profiles/peds/Comox%20Valley\\_BC.pdf](http://www.bcstats.gov.bc.ca/data/cen06/profiles/peds/Comox%20Valley_BC.pdf))

## 109 Comox Valley 2009 Quality of Life Report

encouraging. However, the median<sup>284</sup> incomes for 2006 according to the same report were \$48,548 for the Comox Valley electoral district, while the figure was \$52,709 for the whole of BC. So, in terms of average and median incomes, the Comox Valley sits significantly below the rest of BC (but higher than, say, Campbell River and Port Alberni).

As noted above, BC Stats reports on incomes in a variety of ways (always using Stats Can data as the basis of their reports). One interesting and telling way is by looking at tax-filers. In 2007, there were 47,880 tax-filers in the areas listed in Table 32 below (80,410 for the whole of the Comox-Strathcona Regional District).

**Table : Comox Valley Median Incomes as Reported by Tax Filers, 2007.**<sup>285</sup>

<b>Comox Valley Median Total Income (\$)</b>			
	<b>Males</b>	<b>Females</b>	<b>Total</b>
Canada	35,629	22,777	28,497
BC	36,348	23,005	28,692
Comox	42,880	25,489	32,882
Courtenay	36,542	22,212	28,027
Cumberland	33,147	18,745	24,568
Area A	33,490	22,944	27,533
Area K	23,472	19,331	20,622
Area C	36,573	20,754	28,136
Average Median Income for the Comox Valley	34,351	21,579	26,961

Note: Because of the way data are collected, Area B numbers are incorporated in the numbers for the other communities above.

Source: Canada Revenue Agency, prepared by BC Stats May 2009. 2007 Neighbourhood Income and Demographics.

Their median incomes as reported by BC Statistics<sup>286</sup> are represented in the table above. As you can see, Comox is above average and Cumberland, below average.

---

<sup>284</sup> median (meaning middle) income of a specific group (e.g., Comox Valley) is that income which sits at the mid-point in the distribution of all incomes with half of them above and half below the median. Average income is obtained by adding all income for a group then dividing that number by the number of individuals in the group.

<sup>285</sup> This table is derived from Canada Revenue Agency data prepared by BC Stats and is available at: <http://www.bcstats.gov.bc.ca/data/lss/labour.asp>

<sup>286</sup> Source: Canada Revenue Agency, prepared by BC Stats, May 2009. 2007 Neighbourhood Income and Demographics for Canada, BC, Development Regions, Regional Districts and Municipalities/Sub-Areas (2006 Census geography).

## 110 Comox Valley 2009 Quality of Life Report

Females, on average, earn 62% of what males earn. Interestingly, the greatest equity between males and females is on Hornby and Denman Islands (former area K) where females earn on average 82% of what males earn. The greatest inequity is in Cumberland where females earn 56% of what males earn.

*Table : Median Income Index for Canada, BC and the Comox Valley, 2007<sup>287</sup>*

<b>Median Total Income Provincial Index</b>			
	Males	Females	Total
CANADA TOTAL	0.98	0.99	0.99
BC TOTAL	1	1	1
Comox	1.18	1.11	1.15
Courtenay	1.01	0.97	0.98
Cumberland	0.91	0.81	0.86
Comox-Strathcona A	0.92	1	0.96
Comox-Strathcona K	0.65	0.84	0.72
Comox-Strathcona C	1.01	0.9	0.98
Average for the CV	0.95	0.94	0.94
Campbell River	1.13	0.92	1.02
Comox-Strathcona RD	1.06	0.95	1

*Source: Canada Revenue Agency, prepared by BC Stats May 2009. 2007 Neighbourhood Income and Demographics.*

Parts of the Comox Valley are closer to the Canadian average than others. For instance, Comox's index number is 1.15. That means incomes in Comox are 115% of incomes in BC as a whole, indicated by the index number 1. Area K (Hornby and Denman Islands) is at 72% of the provincial average. At .94, Comox Valley incomes are 94% of what they are in the rest of the province on average. Residents of Hornby and Denman Islands undoubtedly feel that there are quality of life factors for them that outweigh the fact that they are lower income earners than anywhere else in the Valley.

In terms of modal incomes (those incomes that appear most predominantly in a distribution), the Comox Valley was somewhat unevenly distributed in 2005, but 35% of families earned between \$30,000 and \$60,000 per year. Just over 29% earned between \$60,000 and \$100,000 and 24.9% earned over \$100,000. Just 15.9% earned less than

---

<sup>287</sup> Table 33 is derived from Canada Revenue Agency data prepared by BC Stats and is available at: <http://www.bcstats.gov.bc.ca/data/lss/labour.asp>

## 111 Comox Valley 2009 Quality of Life Report

\$30,000.<sup>288</sup> These are the latest available numbers. They will surely have changed in a downward trend since the fall of 2008.

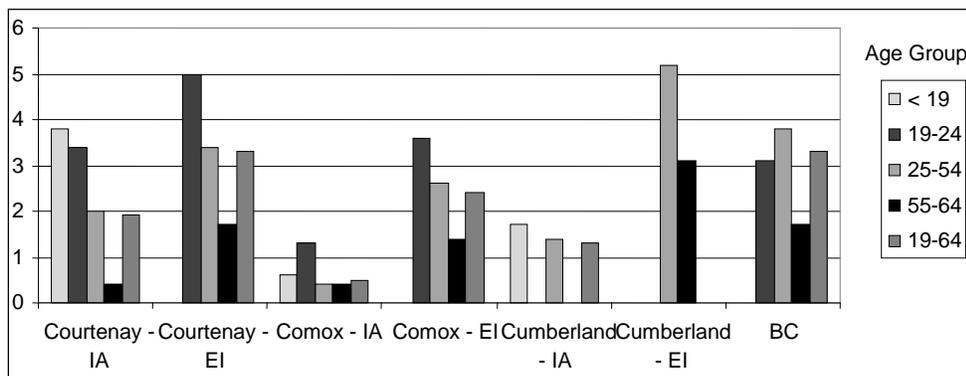


### 11.4 Income Security

There will always be people who need social assistance and community support. However, if the number of people needing assistance increases or drops dramatically over a fairly short period of time, there is cause for concern not only for them as individuals, but also for the community as a whole. The proliferation of soup kitchens, food banks and services to the homeless may be indicators that social assistance benefits are inadequate to provide for even a modicum of quality of life.

In 2001, 7.6% of people living in the Comox Valley were on income assistance.<sup>289</sup> In 2003, approximately 8.4% of the population in Cumberland, 5.1% of the population of Comox and just over 9% of the Courtenay population were receiving social assistance and employment insurance benefits.<sup>290</sup>

Figure : Population Aged 19-64 Receiving Basic Income Assistance or Employment Insurance - 2006



Source: BC Stats, Community Facts Sheets – 2006.

Figure 45 above includes 2006 census data for those specific age groups on temporary assistance only. The number of individuals receiving income assistance is lower now than it was in 2003.<sup>291</sup> In Courtenay in 2003, 9% of the population between 19-64 years

<sup>288</sup> BC Stats British Columbia Provincial Electoral District Profile for the Comox Valley based on the 2006 Canadian Census. Available at: <http://www.bcstats.gov.bc.ca>.

<sup>289</sup> Comox Valley Social Planning Society. *2002 Quality of Life Report*, p.19.

<sup>290</sup> Comox Valley Social Planning Society. *2004 Quality of Life Report*, p.80.

<sup>291</sup> Comox Valley Social Planning Society. *2004 Quality of Life Report*, p.80.

## 112 Comox Valley 2009 Quality of Life Report

of age was on income assistance while the figure in 2006 was 5.2%. However, the drop in recipients needs to be considered in the context of changing government rules, requirements and benefit levels over the past few years.

A report issued by the Canadian Centre for Policy Alternatives in 2002 suggested that there would be severe consequences for people, especially women, arising from the government's changes to social assistance programs. The persistence of this issue is captured in the following quote:

"In 2002, the provincial government cut welfare rates and introduced arbitrary barriers that keep people in need from getting help. Since then, homelessness has at least doubled and BC has more people living below the poverty line than any other province in Canada. The recent small welfare increases included in the February 2007 Budget will make little difference to people's lives."<sup>292</sup>

Statistics are collected monthly on the numbers of people receiving income assistance and employment insurance benefits. BC Stats reported that, as of March 2008, 4% of children (0-18) receive income assistance and 3.2% are in single parent families: these numbers exclude long-term recipients and First Nations people living on reserves.

**Related Indicators:** Vacancy Rates and Rents – Lone Parent Families – Food Security



### **11.5 Low Income Cut Off (LICO)**

As the 2004 QOL report noted, Low Income Cut Off is a measure used by Statistics Canada to mark the poverty line in Canada. LICOs are based on the proportion of annual household income spent on the basics of food, clothing, and shelter. The LICOs are set using complex parameters that include 35-low income thresholds, including size of family household and community size. The 2004 QOL report used household data in its calculation of poverty in the Comox Valley using LICO. The data in this report are from other sources.

To begin, however, it's instructive to know where Statistics Canada sets the low-income cut-off for individuals and families in smaller urban areas. Although Figure 46 below does not present exact data, Statistics Canada determines that an individual living in an urban area of less than 30,000 people and earning less than approximately \$16,000 in

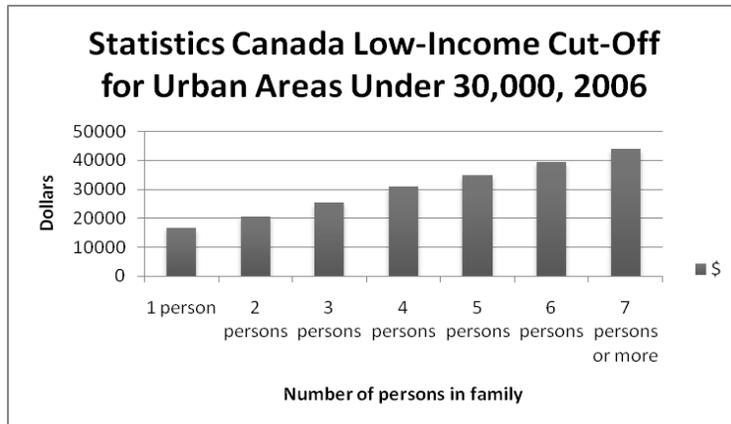
---

<sup>292</sup> Raise the Rates web site. Accessed June 2, 2008. Available at <http://www.raisetherates.org>.

## 113 Comox Valley 2009 Quality of Life Report

2006 lived below the poverty line. A family of 7 needs at least \$43,000 to avoid poverty. A person making minimum wage can earn just over half of \$16,000. A person earning \$10 per hour earns \$9,800 per year before taxes. That's nowhere near the poverty line.

**Figure : Low-Income Cut-Off**



Source: Statistics Canada<sup>293</sup>

Table 34 below uses data with a variety of categories including families and single individuals. It illustrates how many people live in poverty in the Comox Valley. Female single families fare the worse with 27% of them falling below the poverty line after taxes. It's over 40% using pre-tax data. Ten point eight percent of all families live below the poverty line in the Comox Valley.

**Table : After Tax Low Income Cut Off in Courtenay<sup>294</sup>**

Category	Number of Families	%
All families	14,545	10.8
Couples	12,255	4.2
Male Single Family	400	16.2
Female Single Family	1660	27.7
Individual 15+ and not in a Family	7850	25.5
Children under 6 years of age	2755	14.3
Individual 65+ and not in a Family	8850	4

Source: BC Stats.

<sup>293</sup> Table compiled using Statistics Canada data, Low Income Cut Off for Urban Areas. Available at: <http://www.statcan.gc.ca/bsolc/olc-cel/olc-cel?lang=eng&catno=75F0002M2008004>. Downloaded June 11, 2009.

<sup>294</sup> BC Stats. These data are from Courtenay, CA 2006 Census Profile - Summary Version. Available at: <http://www.bcstats.gov.bc.ca/data/cen06/profiles/>. (Downloaded June 11, 2009). Courtenay, CA here includes Comox, Courtenay, Cumberland, Comox, Comox-Strathcona Regional District Areas A, K, B as well as Comox 1 and Puntlegdge 2.



## 11.6 Bankruptcy and Incorporation Rates

Bankruptcies and incorporation rates are useful only as a general indication of trends. They are not a good measure of business failures or successes. These numbers also do not reflect the effect of the recent recession. It should also be remembered that the regional district split will also influence the numbers when new data is available.

**Table : Business Start Ups, 2001 to 2006**

<b>Business Incorporations</b>						
	2001	2002	2003	2004	2005	2006
Comox	25	27	39	32	45	46
Courtenay	91	137	132	140	159	198
Cumberland	2	4	1	0	2	5
Comox Valley	129	194	181	187	224	267
Comox-Strathcona	261	302	308	304	365	440
Vancouver Island	2,401	2,512	2,605	3,062	3,715	3,863
British Columbia	19,474	20,987	22,531	24,703	30,937	33,273

Source: BC Stats 2007—Economic Statistics: Formations and Failures

Table from Invest Comox Valley, Comox Valley Statistical Profile.

Table 35 above shows a steady increase in the number of business start ups, particularly in Comox and Courtenay, which mirrors the trend across BC. The bankruptcy rates in Table 36 below, however, are figures based on per 1,000 population. The rates for the Valley do not vary widely from the BC rates.

**Table : Business Failure Rates, 2000 to 2005**

<b>Business Bankruptcy Rates (Per 1000)</b>						
	2000	2001	2002	2003	2004	2005
Comox Valley	2.67	2.9	2.82	3.78	2.73	2.16
British Columbia	3.3	3.6	3.51	3.14	2.71	2.35
Canada	5.07	4.92	4.44	4.12	3.6	3.34

Source: BC Stats 2007—Economic Statistics: Formations and Failures

Table from Invest Comox Valley, Comox Valley Statistical Profile

Table 37 lists the number of business bankruptcies in the Valley and BC.

**Table : Business Failures, 2001 to 2006**

<b>Business Bankruptcies</b>						
	2001	2002	2003	2004	2005	2006
Comox Valley	11	11	13	10	8	3
British Columbia	1,100	1,105	1,002	921	786	587

Source: BC Stats 2007—Economic Statistics: Formations and Failures

Table from Invest Comox Valley, Comox Valley Statistical Profile