ECONOMIC CHARACTERISTICS

Is there positive economic growth in the region?

Over the past decade the region’s average annual income increased about five per cent, but this was not as rapid as inflation, (6.3 per cent) leaving residents with less disposable income to spend. However, the number of business formations in the RDN increased in 2004, while the number of business bankruptcies decreased, showing an overall indication of economic vibrancy in the region.

Does the tax system favour sustainable, environmentally-responsible economic activities?

Taxes pay for public services, many of which are environmentally responsible. Socially, the public benefits as a result of these services—but high taxes negatively affect personal disposable income and discourage businesses from opening or maintaining output.

We selected a number of indicators to show the condition of the region’s economy. Of these indicators, nine rank below comparable averages in other communities in B.C., and only four show improving trends. This suggests a need to improve the region’s economic sustainability. Some ways this could be achieved are:

- Producing more goods and services locally;
- Choosing to purchase locally-produced goods and services whenever possible;
- Ensuring that our tax system favours sustainable, environmentally-responsible economic activities;
- Continuing to decrease the unemployment rate and increase wages in the region; and
- Increasing training opportunities to match job opportunities.

The lack of data available on levels of service means there is no clear trend towards or away from sustainability. There is a choice between higher taxes (more services) and lower taxes (fewer/more limited services).

Is the economy characterized by a diversity of different types and sizes of businesses?

Since 1990, the top income-generating industry in the RDN has changed from manufacturing, to retail trade, to health and social services. In 2000 these top three industries generated about one-third of the total income of the region. This lack of dependency on a single industry to generate income is a good sign for the RDN, as it indicates significant diversification.
Do a wide variety of employment opportunities exist, and are residents employed?

The RDN has a diverse range of employment types and employment is not concentrated in one industry. Overall, the unemployment rate is declining. More than 79 per cent of the employment however is in the services sector. This sector includes retail trade, health and social services, accommodation, transportation, finance, real estate, government, and the food and beverage industry. Employment in the traditional sectors of fishing, logging, trapping and forestry is declining throughout the RDN. It should be noted that the larger employment sectors in the region provide lower than average incomes.

Do residents have training that qualifies them for employment?

The percentage of persons in the region with trade certificates and diplomas has increased significantly from five percent in 1991 to over 15 per cent in 2001. The percentage with university degrees increased from 17 per cent to 22 per cent; however, the region is below the provincial average in terms of university education. Malaspina University-College's transition to a degree-granting university should help increase regional education levels.

Are the urban core areas of the region characterized by their vitality?

Only 37 per cent of retail space is found within the downtown core areas. While this would normally indicate non-vibrant urban core areas, it does not include the main mall areas. This shows that, in spite of malls and other sprawling commercial areas, the downtown core areas in Nanaimo, Parksville and Qualicum Beach have the potential for vitality. There are no historical data to identify if the concentration of retail space is increasing or decreasing.

Are we maximizing the regional consumption of products and services produced in the region?

It is not possible to answer this question given the data available on the economic health of agriculture. Gross farm receipts, or receipts of sale from farm products, do not indicate if the costs of produce have risen or if there is more local consumption of locally-produced items. In 2001, the majority of farms (84 per cent) in the RDN reported gross farm receipts less than $25,000; this is a larger percentage than the provincial average. Only about seven per cent of RDN farms are “high return”, reporting greater than $100,000 in gross farm receipts.

Evidence suggests that we are overtaxing the capacity of our surface waters and several of our aquifers to supply water to meet residential, commercial and agricultural demand. Water is also needed to maintain healthy and productive wildlife and aquatic ecosystems. How will we allocate water in the future? Will the availability of water limit population growth? Can we make water conservation part of personal and business life?