



CRESTON VALLEY- KOOTENAY LAKE
Economic Action Partnership

Working Together for Shared Prosperity

ECONOMIC SNAPSHOT

December 2017

Introduction

The communities of Creston Valley – Kootenay Lake (which includes Lower Kootenay Band’s Creston 1 reserve, RDCK Areas A, B and C and the Town of Creston) have come together to look for **regional economic opportunities and challenges**, and ways to **address these in a collaborative way**. This collaboration is called the “Creston Valley – Kootenay Lake Economic Action Partnership” (EAP).

This document is a ‘snapshot’ of the local economy of the Creston Valley – Kootenay Lake area, and has been developed as part of the EAP process. The purpose of this document is to provide a common set of up-to-date facts about the local economy for all partners and communities in the region.

This document provides general information on the overall economy. In early 2018, stakeholders and partners will meet around specific sectors and strategies (e.g. agri-food, increased business collaboration). Prior to those meetings, participants will be provided with ‘snapshots’ of relevant information pertaining to their area of interest (e.g. sector specific data on agri-food).

If you are interested in the EAP planning process, you can find more information on the project Facebook page (@CrestonValleyKootenayLake) or website: eap.kes.bc.ca. You can also contact the EAP team at economy@kes.bc.ca or 250-428-5655.

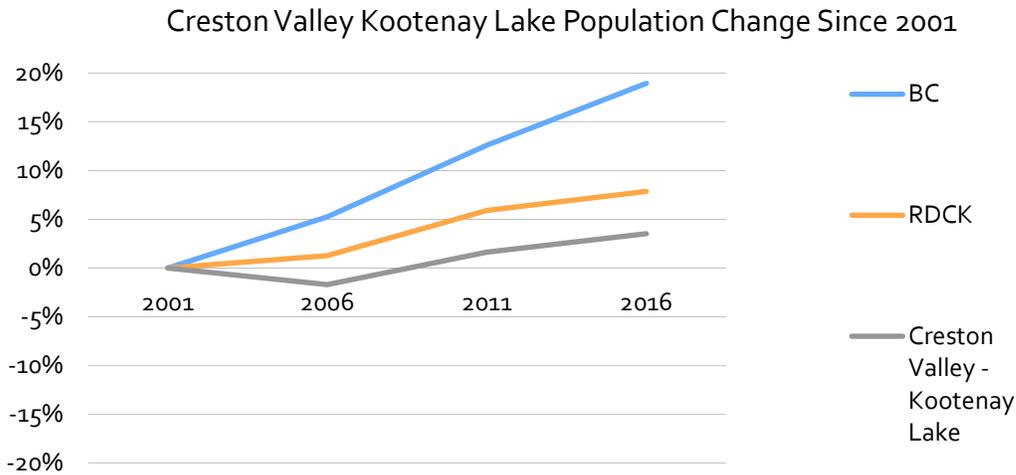
Notes on data and sources

Unless otherwise noted, information is from Statistics Canada data: Census, National Household Survey, and Long Form Census.

It is generally accepted that the 2011 National Household Survey (i.e. Long Form Census) does not have reliable data, nor is it comparable to other years. For this reason, we have typically avoided using 2011 data from the National Household Survey where possible. This is why many time series charts go directly from 2006 to 2016.

Population growth

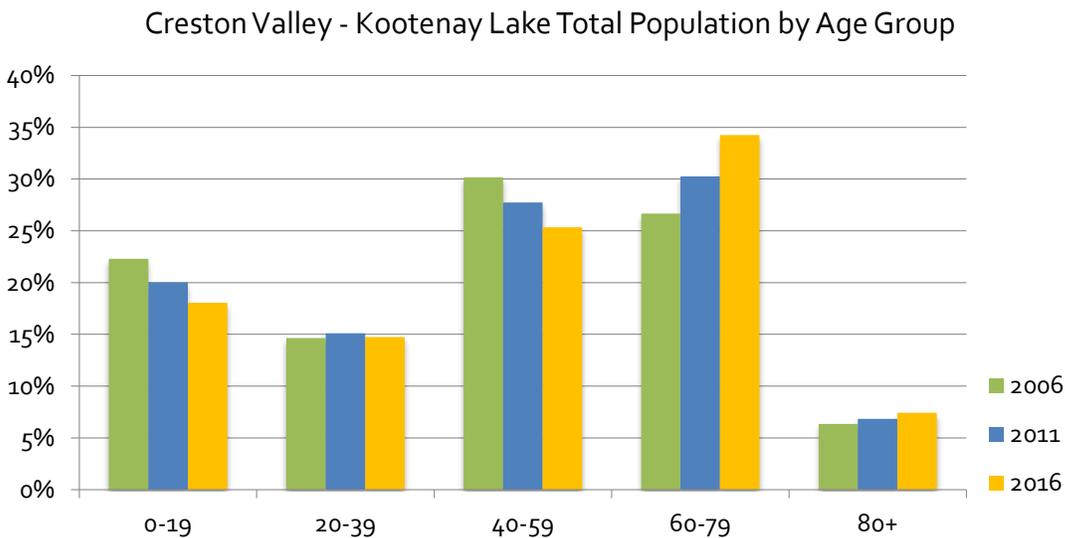
The total population of Creston Valley – Kootenay Lake has been growing slowly since 2006, but the growth rate is below provincial and RDCK averages.



Population growth in the area was largely driven by growth in the Town of Creston (which saw 12% growth since 2001) and Area C (15% growth since 2001). The other areas contracted in population during this time.

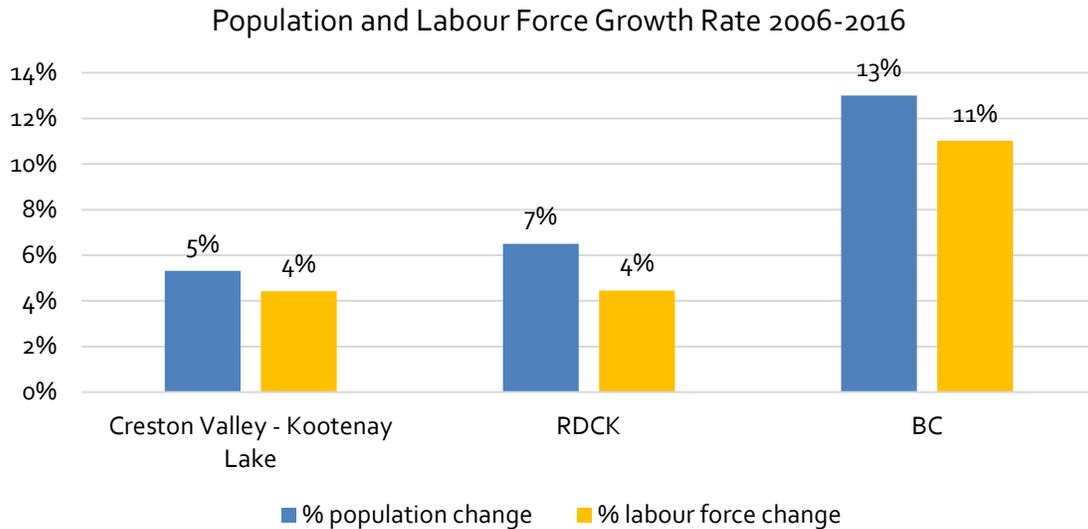
Demographics

Our median age is about 55 years in 2016, which is well above the provincial average of 43. The chart below shows how we are changing in age over time. There is a sharp increase in the number of people over 60, and a decrease in youth and of those aged 40-59. There is some regional variation: Area A has seen a sharp drop in young families, Creston has seen more of an increase in 20-39 year-olds than other areas.

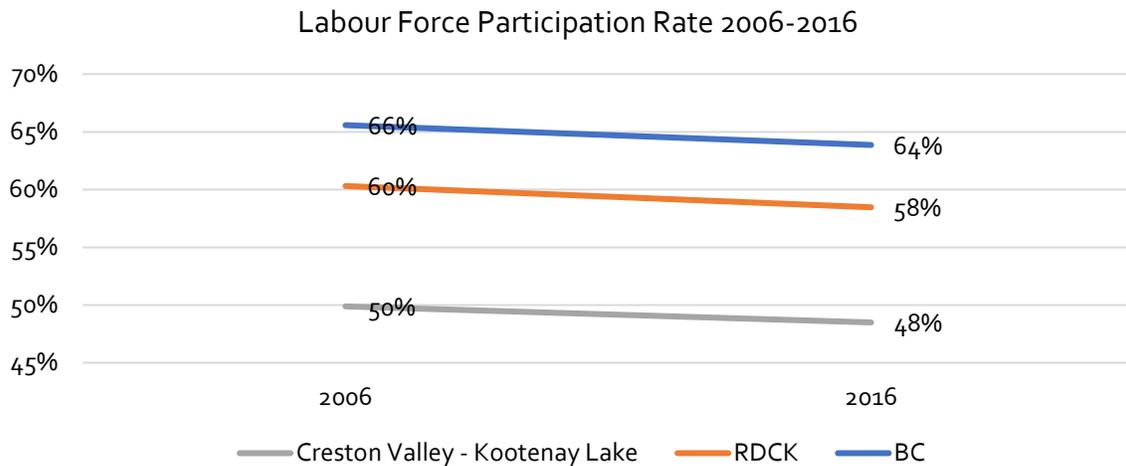


Labour force

Population and labour force growth were both positive in the past 10 years. Growth rates of each were slightly lower than the RDCK as a whole, and much lower than BC as a whole (though higher than many rural areas in the province which saw slow, no, or negative growth).



The labour force didn't grow as much as population due to a slightly decreasing labour force participation rate¹, shown below. The local labour force participation rate dropped at about the same rate as that of the RDCK and the province. This is mainly due to aging populations and the resulting increase in retirees.



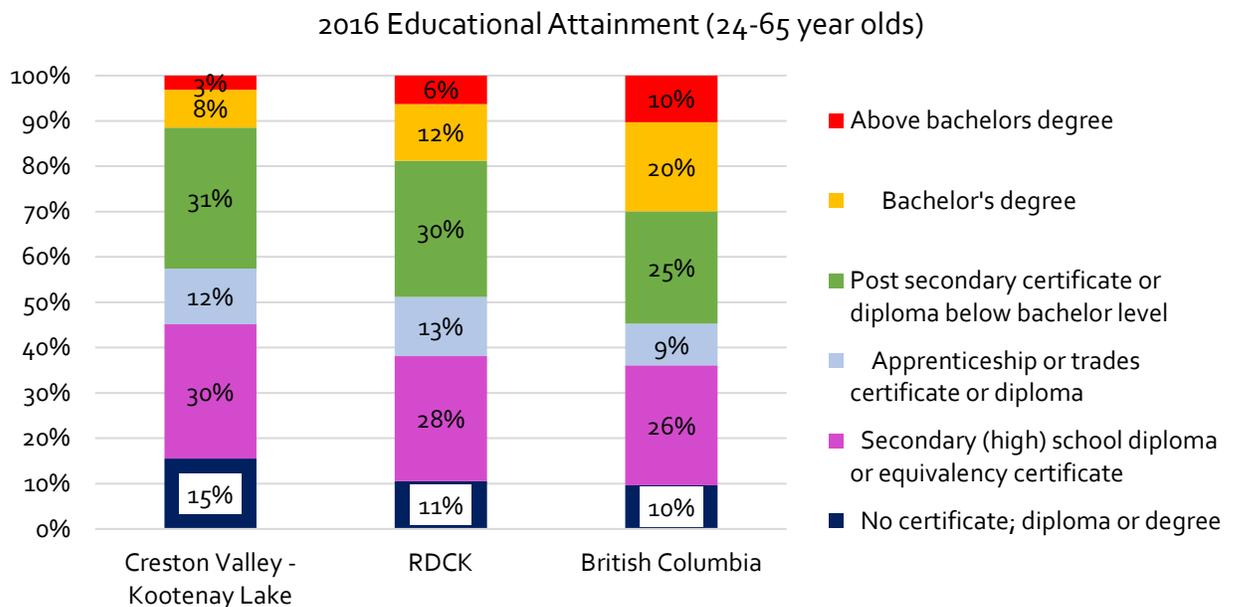
¹ The labour force participation rate means the percentage of people that are working or looking for work, compared to the entire population that is 15 years of age or older.

As shown, Creston Valley – Kootenay Lake has a lower labour force participation rate than the Province and RDCK. This is due to the older median age in Creston Valley – Kootenay Lake than the other regions.

Within Creston Valley – Kootenay Lake, there appears to be some mismatch between the skills of available labour, and the jobs available in the area.

- 13% of business respondents to the recent economic survey indicated that recruitment was one of the top 3 challenges they face in running and growing their business.
- 2016 BRE survey respondents noted areas in which they were experiencing recruitment challenges in the following industries²:
 - Agricultural/ farming related positions (noted by 24% of respondents)
 - Sales/ retail (noted by 9%)
 - Professions/ technical (noted by 9%)
 - Machine operators (noted by 9%)
 - Food/ beverage service (noted by 9%)

Workforce education: The chart below shows the highest level of educational attainment in Creston Valley Kootenay Lake for the population, compared to RDCK and BC averages.



On the whole, there is a lower proportion of the population with university education (bachelors or higher) and a higher proportion with no certificate, degree or diploma (i.e. no high school completion). This is at least partially due to a significant population group that tends to have lower education level.

² Columbia Basin Business Retention and Expansion Project, RDI (2016)

Employment

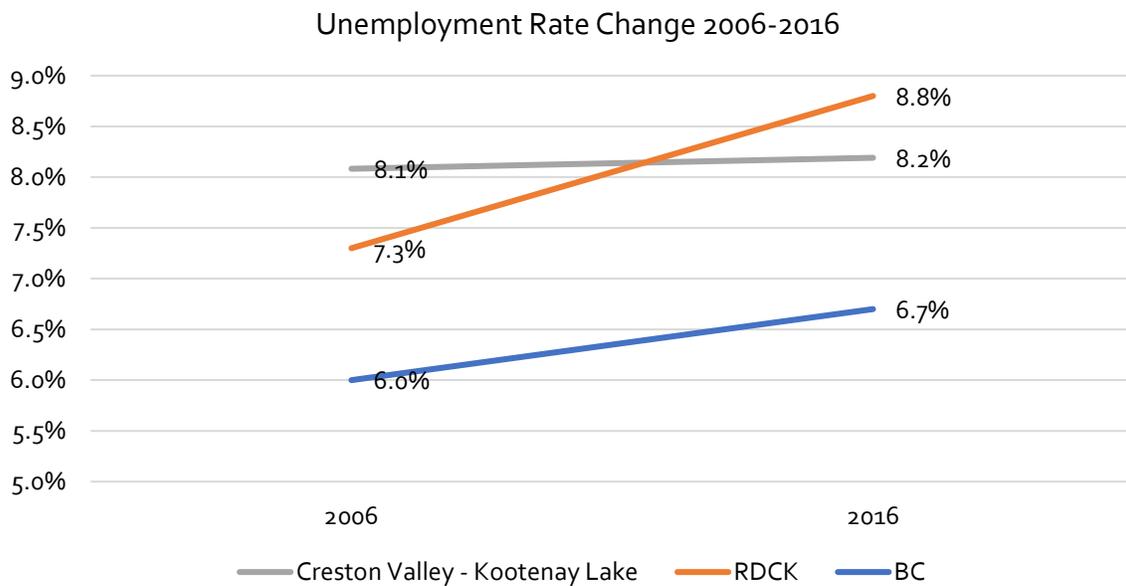
Employment in the Creston Valley – Kootenay Lake area grew by about 5% in the past ten years, from 4,880 employed persons in 2006 to 5,085 employed persons in 2016.

Of those working,

- 37% worked full time, full year (compared to 46% provincial average)
- 63% worked either part time and/or part year (compared to 54% provincial average)

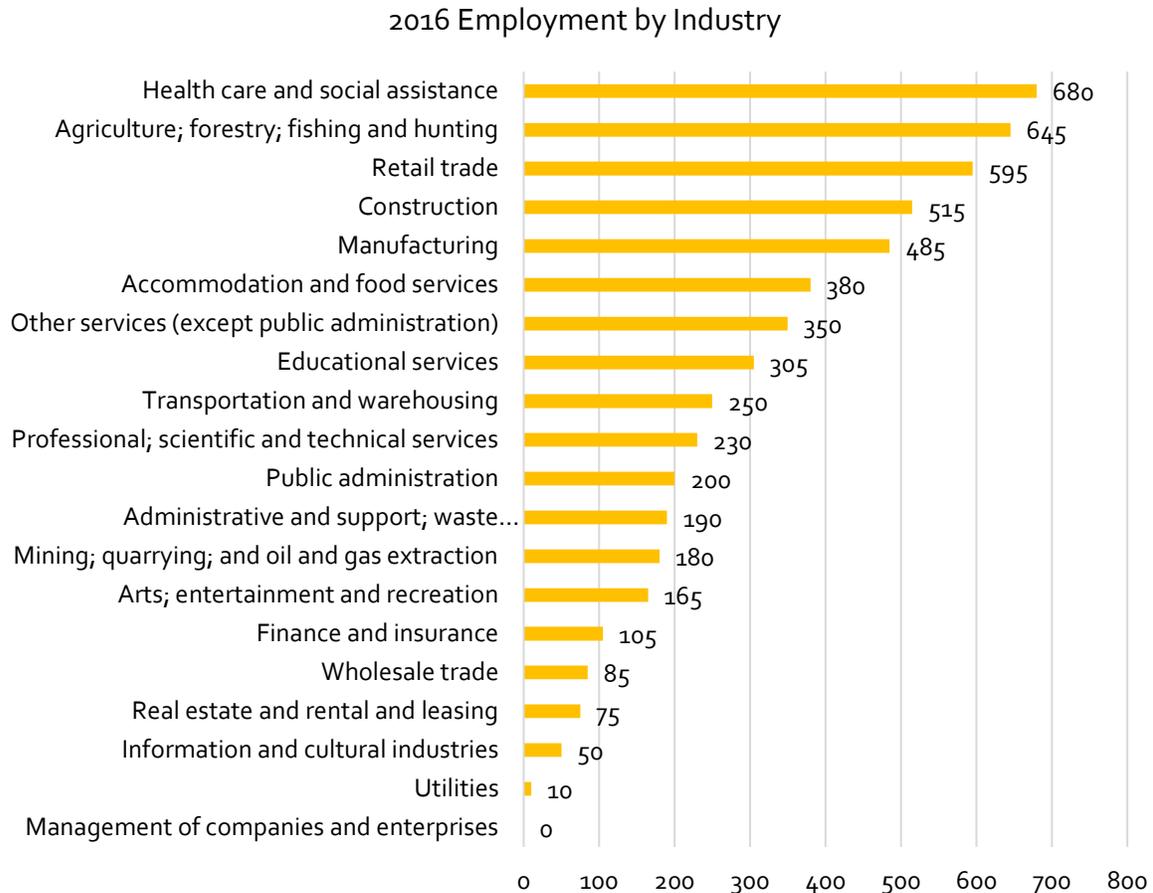
The average person in the area (including full time and part time workers) worked 39 weeks out of the year, compared to a provincial average of 42 weeks.

The unemployment rate in Creston Valley Kootenay Lake is almost the same as 10 years ago - 8.2%. Both RDCK and BC saw much larger increased in unemployment during this time. See chart below.



Jobs and Industries

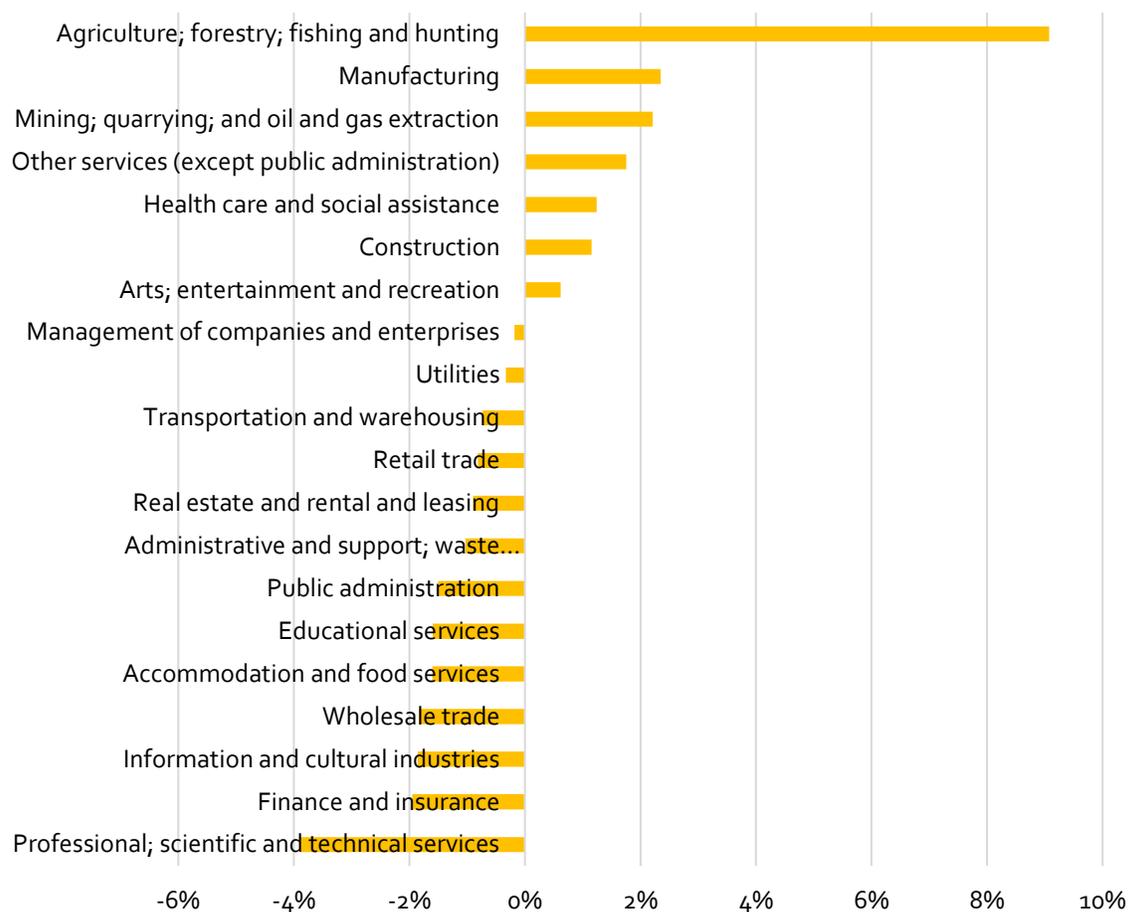
The chart below shows the breakdown of jobs by industry in the Creston Valley – Kootenay Lake area. The three biggest employers are healthcare & social assistance, agriculture; forestry; fishing and hunting, and retail trade.



Unfortunately, it's not possible to show growth by sector over time with any reliability. The 2011 National Household Survey (i.e. Long Form Census) is not reliable data on the whole, and furthermore, data was suppressed for Areas A and C due to low response rates. 2006 data was categorized using slightly different NAICS categories which makes comparisons difficult.

The chart below shows how our employment by industry compares to the provincial average. Those with bars on the right are industries where we have relatively higher employment than the provincial average. Those with bars on the left are areas where we have relatively low employment in that sector. The goal is not to be in line with provincial average, but merely to show our relative strengths and areas where they may be opportunities for further employment growth.

Creston Valley-Kootenay Lake Employment per Industry Compared to Provincial Average 2016



While it is not surprising to see a relative strength in agriculture, there are few other things worth noting:

- The area where we lag the most is in the 'knowledge' industries like IT, culture, finance, and professional, scientific and technical services. With new high speed internet and high housing prices in major cities driving rural migration, this presents a growth opportunity.
- While 'tourism' is not include in here as an industry unto itself, the industries that typically make up tourism (retail and accommodation & food services) are both relatively weak compared to the provincial average.

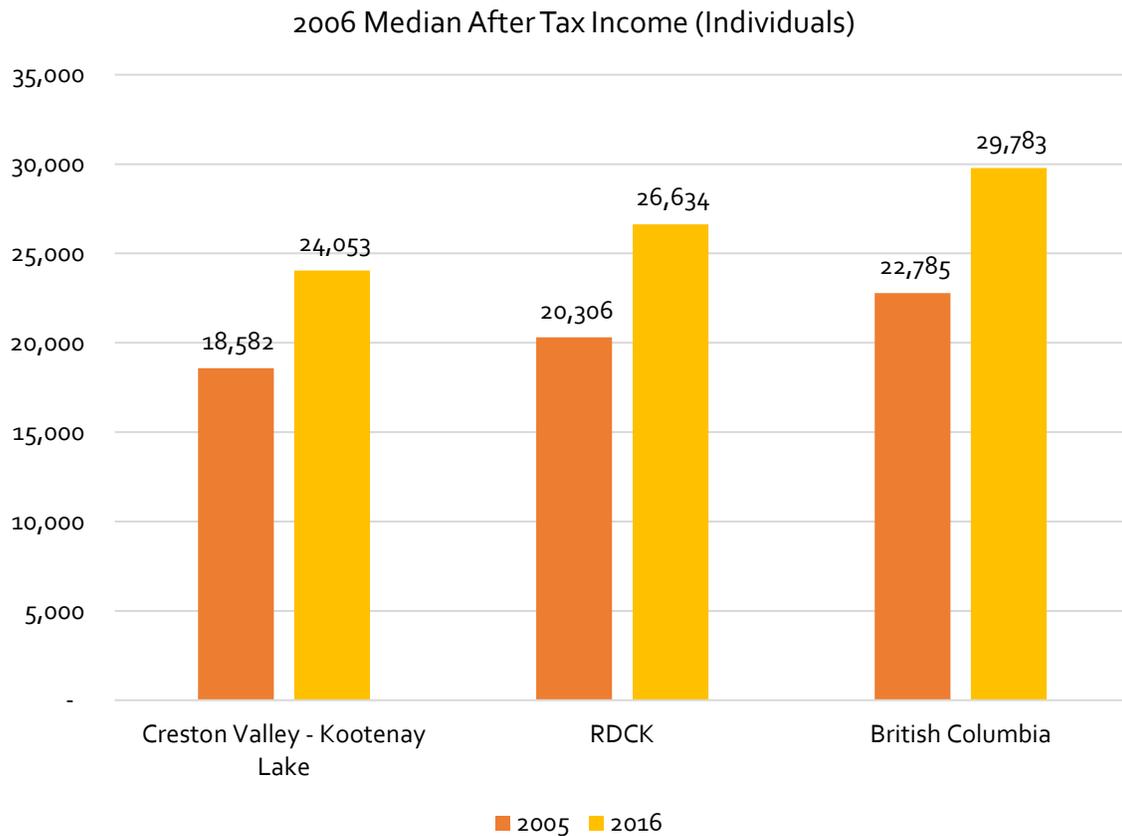
Employment growth

Overall employment growth is expected to be 0.8% per year for the next ten years in the Kootenay region, slightly below the provincial rate of 1.1%³.

In the Kootenay region, the fields with the most job openings in the next ten years are expected to be Retail Trade, Construction, and Nursing and Residential Care Facilities⁴.

Income

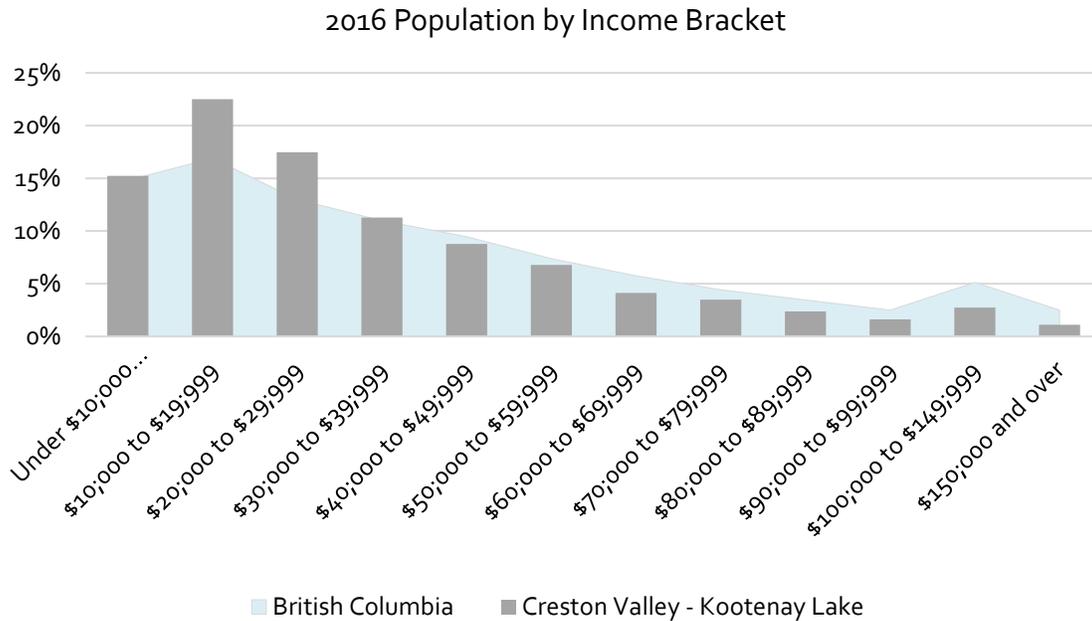
Our median income is slightly lower than the RDCK and provincial averages, though we had a similar growth rate (about 30%) to both of these areas in the past 10 years.



³ BC Labour Market Outlook 2017

⁴ BC Labour Market Outlook 2017

When broken down by income bracket, the chart below shows that Creston Valley Kootenay Lake has a higher proportion of people earning 10-30K per year, and then lower numbers of all higher income brackets.



A Living Wage – \$16.67/hour

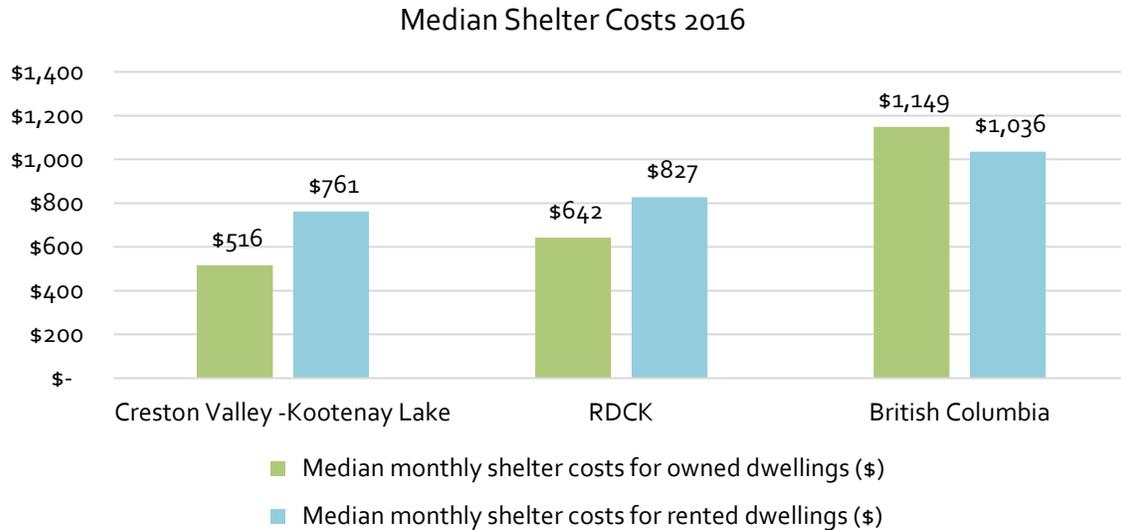
The living wage for Creston Valley – Kootenay Lake in 2017 is approximately \$16.67 per hour⁵. A living wage is the hourly amount that a person needs to cover basic expenses, based on a family of four with two young children. Basic expenses include food, clothing, rental housing, childcare and transportation. For comparison purposes, the 2017 living wage in Cranbrook is \$14.16, Golden is \$20.46, Nelson is \$18.42, and Vancouver is \$20.62.

Of the nearly 700 local people who responded to an online survey, about 37% of people who were working full time (self-employed or employed by others) were making *at or below* the living wage.

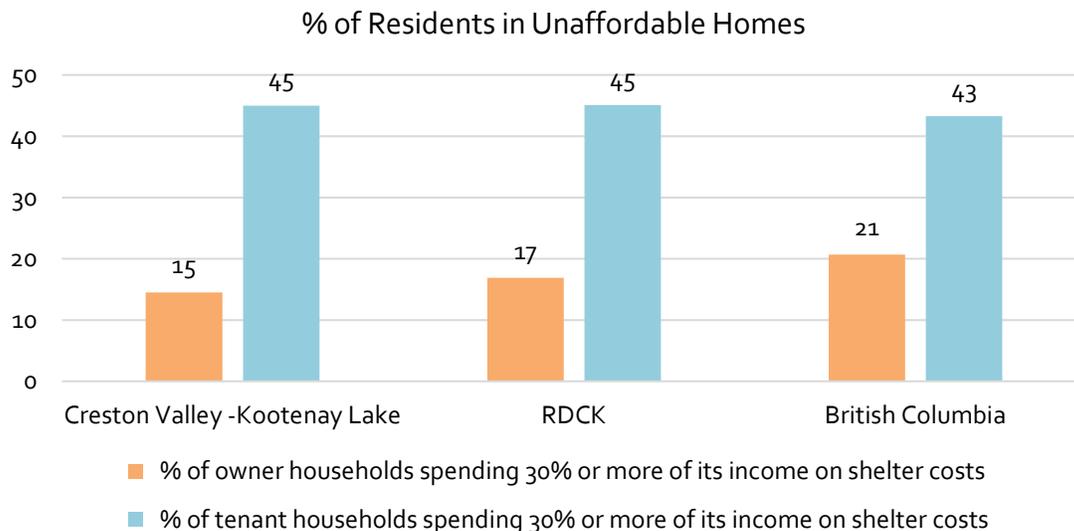
⁵ Based on the methodology from the Canadian Centre for Policy Alternatives (CCPA), using Creston Valley – Kootenay Lake specific information. Calculated by EcoPlan and verified by the CCPA.

Affordability

In straight dollar terms, housing is quite affordable in Creston Valley – Kootenay Lake for both renters and owners compared to RDCK and provincial averages, as can be seen below.



However, median incomes in the area are lower than RDCK and provincial averages. When this is taken into account, the picture changes and the area is not so affordable – especially for renters. The chart below shows the percentage of households who spend 30% or more of their income on shelter, for both renters and owners.



Furthermore, there is a serious lack of rental housing in Creston Valley – Kootenay Lake⁶ which means that finding affordable rental housing is even more difficult. This is a barrier to recruitment for local businesses.

⁶ As reported by local businesses, residents, and a property rental agency in Creston

Other costs:

- Food costs are high in the area. A study⁷ comparing food costs throughout BC found that the area that Creston Valley – Kootenay Lake falls within⁸ had the fourth highest food costs in the Province out of 16 regions. The only areas that were more expensive were Vancouver, the Northeast and Northwest of the province.
- Daycare is a significant cost for families in the Creston Valley - Kootenay Lake area. Non -profit or public daycares in the area cost about \$30 per day (about \$8000 per year), but there are very limited spots in these facilities and private daycare can cost double this amount. This has also been cited as a barrier to recruiting families to the area.

Business friendly environment

The majority of businesses that participated in Business Walks Week in 2017 felt that the business climate was 'fair' (55%). 37% felt it was 'good', 6% 'poor' and 1% 'excellent'⁹.

60% of businesses felt that the local business climate will improve over next 5 years.¹⁰ Commercial property tax rates for businesses in Creston are competitive relative to the other municipalities in the Province, and high within the Regional District of Central Kootenay.

	Tax category			
	Major industry	Light industry	Business	Farm
Creston, as compared to other municipalities in the RDCK	Tied for 8th highest of 9	2nd highest of 9	1st highest of 9	1st highest of 9
Creston, as compared to other municipalities in the Province	153rd highest of 162	42nd highest of 162	49th highest of 162	46th highest of 162

Source: Ministry of Community, Sport and Cultural Development, Local Government Statistics

⁷ Food Costing in BC 2015, Provincial Health Services Authority

⁸ CVKL falls between the 'East Kootenay' and 'Kootenay Boundary' areas in the report. Food costs in these areas for the basket of goods were \$989 (Kootenay Boundary) and \$1000 (East Kootenay). Vancouver's food costs were \$1011. The Northwest was \$1,121 and Northeast was \$1,022.

⁹ Columbia Basin Business Retention and Expansion Project, RDI (2016)

¹⁰ Columbia Basin Business Retention and Expansion Project, RDI (2016)

We were not able to conduct a comparison of the rural areas (RDCK Areas A, B and C) compared to other rural areas and the province at this time.

Mobility and migration

About 20%¹¹ of the people living in Creston Valley Kootenay Lake did not live in the area five years ago. This is almost the same percentage as for the province (21%) – in other words, we are about as successful as attracting new residents as the provincial average.

Status of 'mover' that is new to Creston Valley - Kootenay Lake in the past five years	Number of movers
Moved from within the province	1265 ¹²
Moved from a different province	1190
Moved from a different country	95

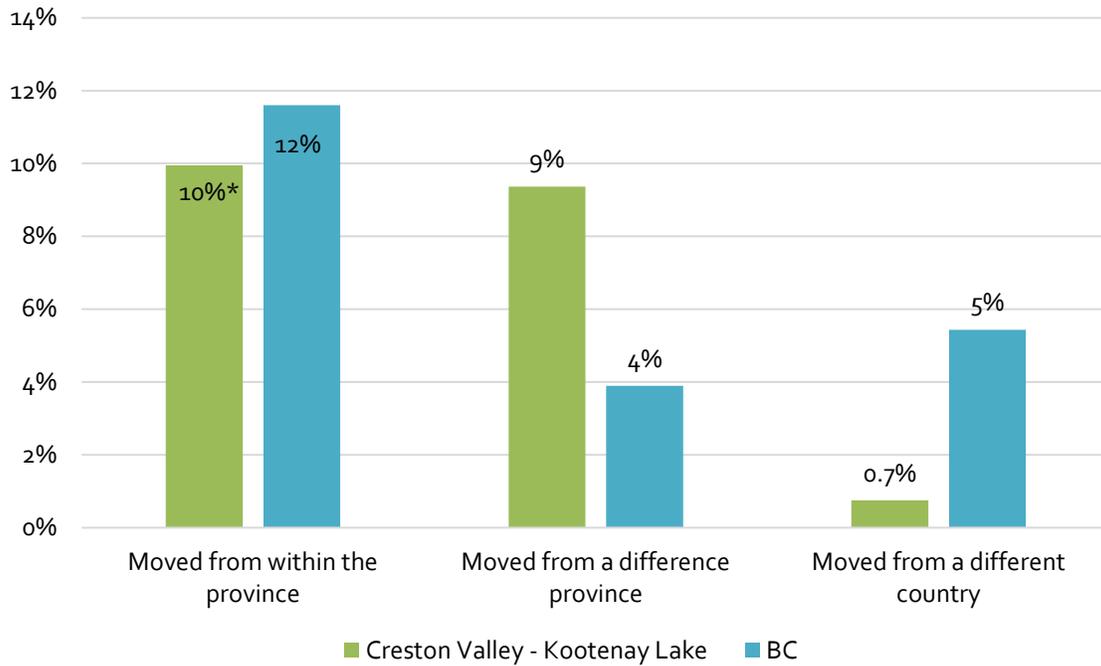
However, the makeup of these new residents is quite different from the provincial averages (see chart on the following page). A few points of note:

- Creston Valley- Kootenay Lake attracts an outsized number of people from other provinces in Canada (double the provincial average, as a proportion of total residents).
- Creston Valley – Kootenay Lake attracts a much smaller share of immigrants (those moving from another country). In fact, if Creston Valley attracted the average provincial proportion of new immigrants, this would equate to about an additional 600 people moving here every five years.

¹¹ The actual number is likely slightly lower than this. Although the data does account for (and removes) people who moved *within* their town, rural area, or reserve, it does not account for people who moved from one part of Creston Valley – Kootenay Lake to another.

¹² Same as the above footnote

Source Location of Migrants who Moved to the Area in the Past Five Years (as a Percentage of Total Population)



**The actual number is likely slightly lower than this. Although the data does account for (and removes) people who moved within their town, rural area, or reserve, it does not account for people who moved from one part of Creston Valley – Kootenay Lake to another.*