Study Objectives

- Identify the flow of funds in and out of both communities.
- Identify and describe spending habits of residents, businesses and organizations.
- Develop recommendations or economic strategies that seek to recapture and re-circulate community wealth.
- *The results of this study will serve to enhance our local economies, lead to new business development, make existing businesses stronger, and create more sustainable local employment.*
Project support

- The project was supported by Resolution of both Elected Councils, approved by the SNC Ethics Committee (attached), and a letter was sent to the Six Nations Confederacy.
- Data collected is owned by both communities and access will be strictly controlled by Two Rivers Community Development Centre.
- The Leakage Study was coordinated by Darrin Jamieson – Aboriginal Investment Services
Economic Leakage Studies

• Explanation
  • Where do people, band governments, organizations and businesses spend money?
  • How much & when do they spend?

• Purpose
  • To measure our economic clout
  • To identify opportunities
  • To measure expenditure size of economy
  • To identify barriers to investment
The Leakage Model

**INITIAL INJECTION**

- LOCAL ECONOMY

**INCOME TO HOUSEHOLDS**

- LOCAL EXPENDITURE

**LEAKAGE**

- LOCAL ECONOMY

**INCOME TO HOUSEHOLDS**

- LOCAL EXPENDITURE

**FEEDBACK TO ECONOMY A**

**LOCAL ECONOMY**

**C-Z**
Why conduct this study?

- A Leakage Study was done in 1996/97 for Six Nations
- With increased use of computers, online shopping, big box retailers and gaming, significant changes have impacted spending patterns
- The study results are important in identifying economic gaps and losses
- Our people contribute to the surrounding regional economy – political clout, knowing our strengths is important
- Understanding our economy better equips us to prepare for responsible development and will serve to guide our youth to access viable opportunities
Data Collection

- 490 household surveys were received and input into the database from both communities.
- 79 business surveys were received and input into an excel spreadsheet for further analysis.
- Information was obtained from both councils, related departments & some other organizations.
- Each group represents a sample. We are satisfied that all samples are representative and as such, have been used a basis to extrapolate total spending and economic activity for both communities for 2009.
Data Reliability & Use

- All findings should be viewed as accurate to within 4 and 5%. This is a low margin of error and has been tested at various stages of data input.
- General Findings presented here fall within these ranges of accuracy or “confidence”. In all cases, results of analysis in the Final Report will be qualified to inform the reader of these statistical considerations.
- In general, the Data Quality was very good – the $20 incentive was a key here.
- Confidentiality was and will continue to be assured throughout the study and reporting process. Paper surveys have been shredded and there are no names, only geographic codes remaining in the database to facilitate location sensitive queries.
Geographic Representativeness

![Graph showing geographic representativeness with series labeled Leakage Study and 2009 SNHLFS. The x-axis represents different locations such as 1st Line, 2nd Line, 3rd Line, 4th Line, 5th Line, 6th Line, River Road, Chiefs, Picnic, Bicenten, Oak, Mocassin, Stoneridge, Sunrise, Cayuga, Onon, Tusc, Seneca, Oneida, Mohawk, Townline, and Bateaman. The y-axis represents values ranging from 0 to 450.]
Overall Results

- Our rolled up data indicates that 62.2% of $256.8 M or $159.7 M of all spending from households, businesses, council departments and organizations occurred outside Six Nations & New Credit in 2009.

- The 1997 Six Nations Leakage study identified that 71% of $149.7 M or $106.3 M of all spending occurred outside Six Nations in 1996.

- To compare more directly, the Six Nations portion of the 2009 leakage is estimated at $147.4 M based on population and the number of households.

- This represents an increase of some 39%. The number of houses has increased about 20% over this same period, while population is estimated to have increased by 29%.
Overall Findings

- The multiplier effect, or the total economic impact is 1.3 times the spending amount, so using the $159.7 M, the estimated impact was closer to $207.6 M in 2009.
- It is clear that Six Nations/New Credit continue to support the surrounding economies.

NOTE: Best efforts resulted in little info from the tobacco industry. It would be inaccurate to draw conclusions on the size of the economy without a complete picture of the tobacco industry. Moreover, this economic activity would skew the results of the Leakage study as profits generated from this industry are held by a few private individuals.
Food summary

- Large Groceries: 12,247,717
- Convenience: 12,069,353
- Restaurants: 5,186,695

Series 1:
- Large Groceries: 12,247,717
- Convenience: 12,069,353
- Restaurants: 5,186,695

Series 2:
- Large Groceries: 873,695
- Convenience: 3,953,518
- Restaurants: 3,162,814

Total Spent
Leakage
Households

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Spend</th>
<th>Leakage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hhld Operating Costs</td>
<td>10,696,910</td>
<td></td>
</tr>
<tr>
<td>Renovations</td>
<td>788,410</td>
<td></td>
</tr>
<tr>
<td>Major Equip't/systems</td>
<td>1,462,230</td>
<td></td>
</tr>
<tr>
<td>Ext Maintenance</td>
<td>1,078,663</td>
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</tr>
<tr>
<td>New Construction</td>
<td>10,068,130</td>
<td>4,480,796</td>
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Total: 29,823,173
Goods & Services
Spend & Leakage

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Total Spend</strong></td>
<td><strong>Leakage</strong></td>
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</tr>
<tr>
<td>3.64</td>
<td>2.98</td>
<td>1.12</td>
<td>0.76</td>
<td>1.44</td>
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<td>1.88</td>
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<td>1.70</td>
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Goods & Services

Spend & Leakage

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<td>2.31</td>
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<td>11</td>
<td>2.30</td>
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<td>12</td>
<td>2.26</td>
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<td>12</td>
<td>2.26</td>
<td></td>
</tr>
</tbody>
</table>
Goods & Services
Spend & Leakage

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Spend</th>
<th>Leakage</th>
</tr>
</thead>
<tbody>
<tr>
<td>13. Toys &amp; Gifts</td>
<td>2.87</td>
<td>2.78</td>
</tr>
<tr>
<td>14. Child Care</td>
<td>6.44</td>
<td>0.54</td>
</tr>
<tr>
<td>15. Hardware</td>
<td>9.12</td>
<td>2.62</td>
</tr>
<tr>
<td>16. Home Electronics</td>
<td>7.84</td>
<td>2.54</td>
</tr>
<tr>
<td>17. Computers</td>
<td>2.69</td>
<td>2.38</td>
</tr>
<tr>
<td>18. Video games, DVDs, CDs</td>
<td>2.80</td>
<td>2.44</td>
</tr>
</tbody>
</table>
Goods & Services
Spend & Leakage

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Spend</th>
<th>Leakage</th>
</tr>
</thead>
<tbody>
<tr>
<td>19. Appliances</td>
<td>0.95</td>
<td></td>
</tr>
<tr>
<td>20. Furniture, floor</td>
<td>0.93</td>
<td></td>
</tr>
<tr>
<td>21. Non-funded health</td>
<td>2.27</td>
<td></td>
</tr>
<tr>
<td>22a. Prescription</td>
<td>5.11</td>
<td>0.56</td>
</tr>
<tr>
<td></td>
<td>3.97</td>
<td>0.31</td>
</tr>
</tbody>
</table>

Total Spend
Leakage
Goods & Services Spend & Leakage

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Spend</th>
<th>Leakage</th>
</tr>
</thead>
<tbody>
<tr>
<td>23. Auto purchases</td>
<td>6.29</td>
<td></td>
</tr>
<tr>
<td>24. Transportation</td>
<td>5.72</td>
<td></td>
</tr>
<tr>
<td>25. Vehicle Insurance</td>
<td>3.20</td>
<td></td>
</tr>
<tr>
<td>26. Vehicles repairs &amp; maint</td>
<td>3.31</td>
<td>2.74</td>
</tr>
</tbody>
</table>

Total

- Total Spend: 15.12
- Leakage: 6.29

Bar chart showing total spend and leakage for different categories.
Goods & Services
Spend & Leakage

- Total Spend
- Leakage
Goods & Services
Spend & Leakage

<table>
<thead>
<tr>
<th>No.</th>
<th>Category</th>
<th>Total Spend</th>
<th>Leakage</th>
</tr>
</thead>
<tbody>
<tr>
<td>33.</td>
<td>Tobacco</td>
<td>2.83</td>
<td>0.10</td>
</tr>
<tr>
<td>34.</td>
<td>Alcohol</td>
<td>1.49</td>
<td>1.24</td>
</tr>
<tr>
<td>35.</td>
<td>Laundry, dry clean</td>
<td>1.49</td>
<td>0.56</td>
</tr>
<tr>
<td>36.</td>
<td>Vacation</td>
<td>3.91</td>
<td>3.91</td>
</tr>
</tbody>
</table>

Total Spend: 9.62
Leakage: 5.51
Businesses Surveyed

- retail, wholesale: 22%
- restaurant, hospitality: 14%
- recreation: 11%
- gen construction: 5%
- specific trades: 4%
- finance, ins, real estate: 1%
- business, bldgs: 3%
- auto repairs, transport: 4%
- manufacturing: 3%
- health: 3%
- agriculture: 0%
- forestry, fishing: 1%
- market, communication: 2%
- professional, tech: 9%
- arts, culture: 17%
Stores people want

- grocery store: 46.7%
- Walmart: 22.2%
- Tim Hortons: 4.1%
- Large retail: 3.3%
- Mall: 2.1%
Where is our money going?

<table>
<thead>
<tr>
<th>Location</th>
<th>1996</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hagersville</td>
<td>5.1%</td>
<td></td>
</tr>
<tr>
<td>Hamilton</td>
<td>6.2%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Caledonia</td>
<td>16.4%</td>
<td></td>
</tr>
<tr>
<td>SVNC</td>
<td>13.6%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Brantford</td>
<td>42.1%</td>
<td>38.1%</td>
</tr>
<tr>
<td>Ancaster</td>
<td>5.0%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Others</td>
<td>11.3%</td>
<td>1.9%</td>
</tr>
</tbody>
</table>
Likes of Shopping

- Good prices: 7.0%
- Good service: 7.8%
- Good selection: 16.2%
- Hours: 16.2%
- Location: 13.2%
- Variety of stores: 6.2%
- Quality of goods: 11.3%
- Credit available: 10.5%
- Good place to go: 0.5%
- Casino nearby: 2.3%
- Can visit friends: 3.6%
- Can buy alcohol: 4.8%
- Convenient: 6.8%
- No tax: 19.1%
- On the way to work: 7.9%
- Can buy in bulk: 4.9%
- Other: 1.5%

Labels:
- ON Reserve
- OFF Reserve
Dislikes of Shopping

- Poor prices: 17.2%
- Poor service: 6.9%
- Hours: 4.7%
- Location: 6.6%
- Variety of stores: 3.0%
- Low quality of goods: 3.5%
- Credit avail: 1.9%
- Not good place to go: 2.3%
- Casino nearby: 1.9%
- Can't visit friends: 1.9%
- Can't buy alcohol: 2.6%
- Inconvenient: 3.5%
- Tax charged: 2.1%
- Not on way to work: 1.9%
- Can't buy in bulk: 0.8%
- Racism: 0.4%
- Long line-ups: 0.8%
- Other: 0.8%
Economic Sector Summary

- Households: 68.1%
- Private Sector: 12.6%
- Public Sector: 19.3%
Potential Opportunities

Potential opportunities were identified from an analysis of gaps, dollar losses or leakage in various sectors. Large groceries store purchases in excess of $12M indicates that this venture would receive community support. A large retail store or mall with a good selection of products also would be supported. In all cases, business plans would need to also depend on revenues from outside the territory. Big box retailers and large grocery chains require $20 to 30 M per annum in annual revenue. Our combined on reserve market would support about 50% of this.
Other Considerations

Economic models indicate that communities of less than 30,000 in population must depend on outside revenues to sustain local businesses.

Until our population reaches this level, we will continue to rely on export revenue.

The communities should begin to work together more on joint purchasing, and economic planning:

- Set Economic Leakage reduction targets (with new development, leakage will be reduced and data will be regularly updated moving forward)
- Examine development opportunities that generate new sustainable wealth
NEXT STEPS

Final Report will be posted by May 5 on the Six Nations and New Credit web sites

Hard copy available in the Two Rivers Business Resource Library

Database will be securely maintained at the Two Rivers Community Development Centre office.

Starting in May, community members will be able to submit data query requests to Two Rivers to assist with business plan research
Questions?

- Thank you for your participation in the study and for attending this information session.

- If you would like more information, you may contact Matt Jamieson or Spring Carter.