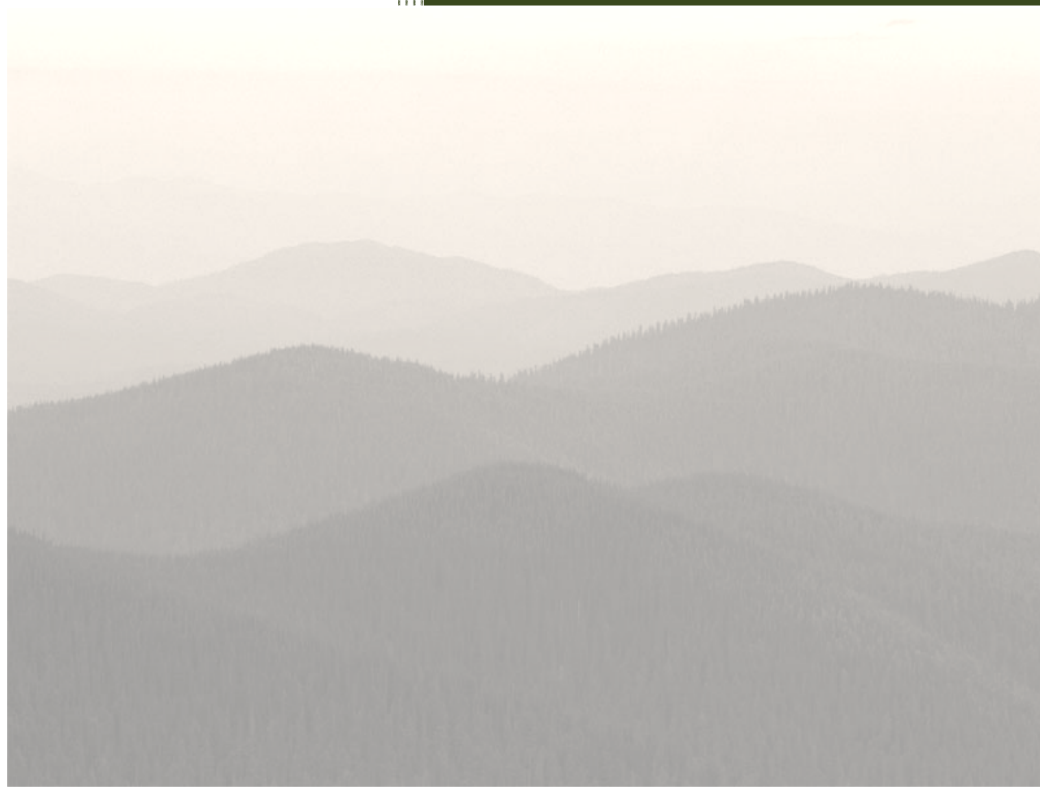




Unama'ki Economic Leakage Final Report

August 19 2010



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DISCLAIMER

This progress report for the Unama'ki Economic Leakage Study has been prepared in conjunction with the Unama'ki Economic Benefits Office on a best-effort basis and reflects the conditions prevailing at the time of the analysis completed on August 19, 2010.

The analysis, details, projections, recommendations, and conclusions contained in this report are, to some degree, based on opinions and assumptions that are subject to variation depending upon evolving events. Therefore, we cannot represent them as results that will necessarily be achieved but only as those that could be attained provided that the opinions and assumptions relied upon remain valid.

SAINT MARY'S UNIVERSITY BUSINESS DEVELOPMENT CENTRE

AUGUST 19, 2010

REPORT SUMMARY

The purpose of the Unama'ki Economic Benefits Office (UEBO) is to continue to support, promote and identify economic and employment opportunities for members of the Unama'ki communities. A challenge that the UEBO faces in achieving this purpose is through the leakage of economic dollars, opportunities and employment ventures. Due to this economic leakage, much desired revenue and opportunities are filtering away from Cape Breton and into the pockets of other companies that may or may not be local and may or may not be First Nation owned.

To identify the amount of economic leakage, the UEBO has a goal to complete an economic leakage study with the five (5) Unama'ki communities and the First Nation organizations which support the Unama'ki communities through the following objectives:

1. Identify a list of the commonly used and top ten (10) services and products that are being used in the five (5) Unama'ki communities as a whole
2. Identify and estimate the total number of dollars associated with the expenditures for aforementioned products and services by sector, community, organization and type of business.
3. Identify and estimate the total number of dollars being spent by the five (5) Unama'ki communities' Band employees in and outside the communities, based on salary data and statistical profiles.¹
4. Review and analyze any similar studies performed for the Unama'ki communities (completed in last ten (10) years) for comparison purposes

The Saint Mary's University Business Development Centre (SMUBDC), in partnership with the UEBO and three (3) Unama'ki community members: Ashley Paul, Craig Paul, and Norman Sylliboy, have been working to identify areas of spending on goods and services and leakage within the five (5) Unama'ki communities, First Nation Support Organizations and privately owned First Nation businesses. Secondary research was also conducted to identify the project on estimated spending patterns of community members.

¹ This is a high-level overview only and household expenditures were utilized rather than salary numbers to provide for a more comprehensive overview

The expenditures in the five (5) Unama’ki communities can have significant spending power as the communities spend approximately **\$43 Million** dollars per year² (with **\$35 Million** in the top ten categories in Figure 3) and this is in addition to the approximate \$29 Million³ (with **\$14.5 Million** in the top ten categories in Figure 4) which is spent by the 1,500⁴ Unama’ki households.

COMMUNITY, SUPPORT ORGANIZATIONS AND PRIVATE BUSINESS EXPENDITURES

Interviews⁵ completed with each of the five (5) Unama’ki communities and First Nation Support Organizations⁶ uncovered all of the areas in which expenditures were made on goods and services. Based on the financial information received, Figure 1 provides an overview of the top ten (10) expenditures, by dollar value.

FIGURE 1: TOP TEN EXPENDITURES – COMMUNITY AND SUPPORT ORGANIZATIONS

Category	Estimated Annual Expenditures	Percentage Total Spend on the Top 10 ⁷
Construction Services	\$9,816,115	33%
Food and Grocery	\$5,585,340	18%
Financial Services	\$4,150,092	14%
Fuel	\$3,575,152	12%
Construction Materials	\$2,386,159	8%
Training/Education	\$1,269,365	4%
Consultant Services	\$1,151,475	4%
Office Supplies	\$826,430	3%
Tobacco	\$725,283	2%
Phone/Cell phone/Internet	\$716,229	2%
Total for Top 10	\$30,201,640	100%

² Estimates included in the \$43 million is lower than the actual as not all information was provided in detail, some departments were omitted (Example Eskasoni Department of Education), categories omitted (such as education and training) and some departments only provided estimates, not detail

³ Statistics Canada 2006 Community Profiles: Statistics Canada

⁴ Statistics Canada 2006 Community Profiles: Statistics Canada

⁵ Interviews were completed in person with follow up questions completed through a combination of in person interviews, by telephone and email.

⁶ A total of twenty-one (21) community interviews and three (3) support organization interviews were completed

⁷ The Percentages are based on the amount spent in conjunction with the total spent in the top 10 areas highlighted in Figure 1

As outlined, **\$9, 816, 115** is spent per annum on construction services and not all of this is spent with First Nation Suppliers. Although communities such as Membertou and Waycobah have a Public Works department which can complete some construction related jobs, not all of the communities hire First Nation contractors⁸.

Reasons for this can include the lack of qualified and available workers in the area and the pricing may not be as competitive⁹ as other large contracting companies.

As with the five (5) first Nation Communities and First Nation Support organizations, interviews were also conducted with seven (7) privately owned First Nation businesses to determine spending patterns. Similar to the findings of the communities & support organizations, fuel and construction related supplies were also highlighted within the top ten (10) expenditures. Fuel spending totaled **\$107,719** and construction related spending totaled **\$503,800**.

Of the top ten (10), that the majority of the suppliers highlighted in the top ten (10) are not First Nation owned and the amount of First Nation suppliers of goods and services is low. It is important to note, however, that the purchase Eskasoni Culture Recreation and Youth (ECRY) reported the highest percentage in terms of utilizing First Nation Suppliers.¹⁰

SUPPLIER SUMMARY

Approximately forty-eight percent (48.6%) of all suppliers provided through the accounts payable information were located in Cape Breton, and over eleven percent (11.8%) of the suppliers located in Cape Breton were identified as a First Nation owned businesses. Purchases of goods and services made by privately owned businesses were not much higher than that of the five (5) communities at seventeen percent (17%). When considering all of the suppliers used in as a whole¹¹ a total of seven percent (7.9%) of all suppliers used were identified as being First Nation owned businesses.

⁸ Appendix M provides an overview of the estimated number of community members who are hired for construction work

⁹ Smaller companies, as a whole, First Nation or Non-First Nation owned, often have a challenge in being able to compete with larger companies who have more flexibility in pricing and service options

¹⁰ ECRY - Estimating that 85 to 90 percent of their supplies and services are obtained from First Nation owned suppliers.

¹¹ Including Cape Breton

An estimated seventy one (71.6%) percent of the estimated **\$35 million dollars** spent (Figure 3) by First Nation Communities and support organizations in Unama'ki are staying within Cape Breton. An estimated twenty one (21.6%) percent of total dollars spent are staying with First Nation owned businesses.

Of the dollars spent with privately owned First Nation businesses, only 0.3 percent of this is spent outside of Cape Breton. Figures 2 and 3 provide an overview of all First Nation and non-First Nation suppliers, used by location, as well as the dollar amounts associated with these businesses.¹²

FIGURE 2: BREAKDOWN OF SUPPLIERS USED BY LOCATION AND OWNERSHIP

	LOCATED IN CAPE BRETON	LOCATED OUTSIDE OF CAPE BRETON
PERCENTAGE OF FIRST NATION SUPPLIERS AND SERVICES	65 (11.8%)	25 (4.3%)
PERCENTAGE OF NON- FIRST NATION SUPPLIERS AND SERVICES	486 (88.4%)	557 (95.7%)
TOTAL	551 (100%)	582 (100%)

FIGURE 3: BREAKDOWN OF SUPPLIER EXPENDITURE ESTIMATES BROKEN DOWN BY LOCATION AND OWNERSHIP¹³

	LOCATED IN CAPE BRETON	LOCATED OUTSIDE OF CAPE BRETON	TOTAL
FIRST NATION SUPPLIER AND SERVICE EXPENDITURE ESTIMATE	\$7,586,942	\$104,454	\$7,689,776
NON- FIRST NATION SUPPLIER AND SERVICE EXPENDITURE ESTIMATE	\$17,885,730	\$9,997,405	\$27,883,135
TOTAL	\$25,472,672	\$10,101,859	\$35,574,531

12 These percentages are based on a supplier list which was compiled from the interviews completed and accounts payable information provided by the First Nation communities within Unama'ki.

13 A complete list of expenditure estimates by supplier is included in Appendix K. Estimates included in this table will be lower than the expenditures calculated by purchase category as individuals, and donations were also removed from this calculation. Thirty-six (36) businesses were excluded because their location, ownership or both could not be confirmed.

Based on feedback provided during the interviews, First Nation suppliers that are used by the communities and support organizations located in Unama'ki tend to focus on supplying services rather than goods.

Examples of services which are utilized by the communities include, but are not limited to:

1. Plumbing
2. Electrical
3. Construction Services (New Construction and repairs and maintenance)
4. Snow and refuse removal

PROCUREMENT POLICIES

In terms of having a formalized procurement policy in place for purchasing decisions, Membertou was the only community which indicated there was a procurement policy in place for the community as a whole. Although some of the divisions within Membertou reported that they did have a procurement policy, it appears that the remaining four (4) communities stated that there was not a formalized Band wide procurement policy in place.

It is important to note that although only one (1) community¹⁴ and one organization¹⁵ indicated that a formal procurement policy may be in place, there are unofficial rules which each of the procurement offices/financial departments do follow when making purchases, such as looking at the cost, quality, availability and the relationship with the vendor. One such example is in the process of going to Tender/Request for Proposals.

Even though formalized procurement policies were not implemented in each area, it is important to note that all five (5) of the Unama'ki communities have informal criteria which are used when making purchasing decisions. These include¹⁶:

1. Price
2. Quality
3. Customer Service
4. Availability
5. Relationship

¹⁴ Membertou First Nation

¹⁵ MLSN (Mi'kmaq Legal Support Network)

¹⁶ Weighted responses based on how the criteria were ranked (1 through 5), the top five (5) considerations when making purchases were

Additional criteria included: Local business, First Nation owned, dependable/reliable, various delivery options and flexible payment terms. Only two (2) communities mentioned that being a First Nation owned business was within the top five (5) decision criteria. However, each community had mentioned that this is always a factor when making a decision but that a First Nation owned company was subject to the same decision making criteria as a non-First Nation owned business.

INDIVIDUAL HOUSEHOLD EXPENDITURES

The expenditures in the five (5) Unama'ki communities can have significant spending power as there are approximately 6,079¹⁷ people who live in approximately 1,500¹⁸ households. In terms of identifying expenditures from individual households, a high level analysis was completed through the use of the Statistics Canada 2006 Census results¹⁹ and it was identified that approximately **\$29 Million** is spent, per annum, as a whole.

Based on the Census categories and patterns of spending, the top expenditures within the individual households are included in Figure 4.

FIGURE 4: TOP TEN (10) HOUSEHOLD EXPENDITURES

CATEGORY	TOTALS
(Transportation) Private ²⁰	\$ 4,034,980.54
Food ²¹	\$ 3,370,877.65
Recreation	\$ 1,734,073.87
Clothing	\$ 1,092,683.79
Health care	\$ 886,293.45
Household furnishings and equipment	\$ 845,311.64
Gifts of money and contributions	\$ 799,886.01
(Household Operation) Communications	\$ 755,447.90
Miscellaneous Expenditures	\$ 533,257.34
Personal care	\$ 504,125.69
TOP 10 TOTAL	\$ 14,556,937.88

¹⁷ Indian and Northern Affairs Canada, population as of December 31, 2009

¹⁸ Statistics Canada 2006 Community Profiles: Statistics Canada

¹⁹ Statistics Canada 2006 Community Profiles: Statistics Canada

²⁰ Private Transportation includes: Fuel, insurance, tires, car loan, maintenance

²¹ Food costs include groceries, restaurants, fast food and other food elements/purchases

Further to this analysis, it was discovered that approximately of **\$5,023,645 (68%)** of the **\$7,405,858** expenditures on food and private transportation is spent outside of the five (5) Unama'ki Communities. Further to this, based on the remaining top ten expenditure categories outlined in Figure 4, an additional **\$5,417,006 (76%)²²** is spent in various locations outside the five (5) communities. This money, which is filtering away from the communities, provides an opportunity to identify if there are venues in which to bring it back into the communities.

COMBINED EXPENDITURES

Combining household expenditures with the expenditures of the five (5) Unama'ki communities provides a clearer picture of community spending as a whole. Figure 5 combines elements highlighted in to ten (10) expenditure categories (Figures 1 and 4^{23, 24}) and beyond to represent the combination of the primary research on the communities and community-run organizations spending in addition to the secondary research completed on typical household spending.

FIGURE 5: TOP TEN (10) COMBINED SPENDING²⁵

TOP 10 COMBINED	
Construction Services	\$ 9,816,115.00
Food and Grocery	\$ 8,956,217.65
Financial Services (Includes Car Loans and business loans)	\$ 4,924,370.42
Fuel	\$ 4,747,379.58
Training/Education	\$ 2,859,676.71
Construction Material	\$ 2,386,159.00
Recreation	\$ 1,956,356.87
Insurance	\$ 1,899,923.61
Phone/Cell phone/internet	\$ 1,471,676.90
Consultant Services	\$ 1,151,475.00
TOP 10 TOTAL	\$ 40,169,350.74

²² 76% of the total expenditures of Recreation, clothing, healthcare, household furnishings and equipment, gifts of money and contributions, communications, miscellaneous expenditures and personal care total **\$7,151,079**

²³ Privately owned businesses or support organizations were not included within the compiled data as the number which participated was low.

²⁴ The household spending categories such as Transportation (Private) and food were extrapolated into each topic which made for the total (Example: Transportation included fuel, maintenance, loans, tires, insurance)

²⁵ Once all categories were combined, including beyond the top ten, a new top ten list was created. Figures are also based on estimates provided during the study

These combined expenditures provides for a better understanding of spending and leakage. In addition, it provides the appropriate information to identify potential opportunities such as through business ventures, partnerships, purchasing arrangements and/or through employment opportunities.

NEXT STEPS

Based on all of the analysis completed for the report, the following provides a number of potential opportunities and next steps which could be explored as a result of the findings.

1. OPPORTUNITY TO EXAMINE NEW BUSINESS VENTURES, PARTNERSHIPS OR PURCHASING COOPERATIVES/ AGREEMENTS – FOR BOTH ECONOMIC AND EMPLOYMENT ASPECTS

The pursuit of new business opportunities presents a wide array of opportunities and potential partnerships for the five (5) Unama'ki communities. Partnerships are an excellent way to reduce costs and improve relationships with suppliers by developing mutually beneficial relationships with existing external organizations that extend beyond the typical individual customer/supplier relationship. Due to the spending power of the Unama'ki communities, it is recommended that the communities pursue partnerships with certain suppliers or even explore the option of new business ventures.

a. NEW BUSINESS VENTURES, PARTNERSHIPS OR PURCHASING COOPERATIVES/ AGREEMENTS

The spending power of the five (5) Unama'ki communities is high and the expenditures contribute to the local economy through business and employment growth. An example of high dollar expenditure is fuel. Fuel was in the top ten (10) expenditures for all five (5) Unama'ki communities, privately owned First Nation businesses and individual household spending²⁶. Fuel has purchasing power of an approximate combined spending of **\$4,747,379** per annum. This expenditure amount is approximately four (4) percent of the total fuel expenditures of **\$113,552,561** per year in Nova Scotia.²⁷ Based on the analysis completed, the areas which could be considered for business ventures, partnerships and/or agreements, both in terms of revenue and profits²⁸ include, but are not limited to, the following (as outlined in Figures 6 and 7):

²⁶ Identified through the transportation (Private) expense

²⁷ Statistics Canada. 2010-07-21. Sales of fuel used for road motor vehicles, by province and territory. Retrieved on August 6, 2010, from <http://www40.statcan.ca/101/cst01/trade37a-eng.htm>

²⁸ Profit is based on average Net Profit/Loss from Industry Canada benchmarking from Industry Canada

FIGURE 6: POTENTIAL BUSINESS OPPORTUNITIES/VENTURES

CATEGORY	EXPENDITURE VALUE (POTENTIAL REVENUE)	AVERAGE % NET PROFIT/LOSS MARGIN ²⁹	ESTIMATED NET PROFIT (LOSS) MARGIN
Construction Services	\$ 9,816,115.00	6.40%	\$ 628,231.36
Food and Grocery	\$ 8,956,217.65	1.70%	\$ 152,255.70
Financial Services (Includes Car Loans and business loans)	\$ 4,924,370.42	1.80%	\$ 88,638.67
Fuel	\$ 4,747,379.58	2.10%	\$ 99,694.97
Consultant Services	\$ 1,151,475.00	24.40%	\$ 280,959.90

FIGURE 7: POTENTIAL PARTNERSHIP / PURCHASING / COOPERATIVE ARRANGEMENTS³⁰

CATEGORY	EXPENDITURE VALUE (POTENTIAL REVENUE)	AVERAGE % NET PROFIT/LOSS MARGIN ³¹	ESTIMATED NET PROFIT (LOSS) MARGIN
Construction Material	\$ 2,386,159.00	3.60%	\$ 85,901.72
Insurance	\$ 1,899,923.61	1.80%	\$ 34,198.63
Phone/Cell phone/internet	\$ 1,471,676.90	-9.90%	\$ (145,696.01)
Household furniture and Equipment	\$ 1,098,807.64	2.50%	\$ 27,470.19
Health Care	\$ 1,011,687.45	3.40%	\$ 34,397.37
Office Supplies	\$ 826,430.00	0.00%	\$ 0.00

The combined expenditure categories of the communities present an opportunity to consider having all five (5) communities work together to examine new business ventures or potential partnerships with suppliers, such as fuel suppliers³². One such agreement could focus on green energy and explore areas to reduce carbon footprints and conserve the environment³³. In addition, purchasing agreements could be negotiated as the amount of spending dollars may warrant special incentives, discounts (example volume discounts), flexible payment options and/or various customer service offerings (example flexible delivery schedules). Negotiated agreements could produce cost savings, increase customer service offerings, availability of services and increase employment. Also, if there is a cost savings, communities will be able to spend dollars in other areas within the communities.

²⁹ Industry Canada: SME Benchmarking Tool, utilizing NAICS (North American Industry Classification System) Codes

³⁰ Additional partnerships can include any category listed in the potential business opportunity list as well.

³¹ Industry Canada: SME Benchmarking Tool, utilizing NAICS (North American Industry Classification System) Codes

³² Such partnerships can be with one large supplier – as there would be a mutual benefit to the partnership arrangement

³³ The Unama'ki Economic benefits Office is currently working with Cape Breton University on exploring the opportunities for Green Energy projects and partnerships in Unama'ki

In terms of business ventures which are already implemented or are on the horizon is the Membertou Insurance Brokers (MIB). In addition, the Unama'ki communities have recognized the importance of health care in the communities, especially in terms of the accessibility of prescription drugs. To increase the ease of accessibility of prescription drugs, Eskasoni First Nation has a pharmacy located within the Health Centre. Membertou is also in the process of opening a Pharmasave, which will be located in the new Membertou Business Centre.

b. EMPLOYMENT THROUGH NEW BUSINESS VENTURES, PARTNERSHIPS OR PURCHASING COOPERATIVES/ AGREEMENTS

Revenue generation is important to ensure that revenue can be reinvested into the Unama'ki communities. In addition to revenue, providing employment opportunities is as relevant, as First Nation Communities in Nova Scotia have an average unemployment rate of 24.6 percent^{34, 35} and the rate is 26 percent^{36, 37} in the five (5) Unama'ki communities.

These rates are higher than the average unemployment rate of 8.8 percent for Nova Scotia³⁸ and the average rate of 15.5 percent in Cape Breton. For additional information on employment and unemployment numbers in the five (5) Unama'ki communities, refer to Appendix U.

Nova Scotia's population is aging, which presents a challenge. However, it also presents an opportunity for First Nation communities. First Nation communities in Cape Breton represent a much younger demographic, and given the appropriate training and opportunity, this segment of the population can rise to fill the encroaching employment gap. This would also provide revenue for the communities themselves, and prevent the stagnation of the Nova Scotia economy.

Through identifying meaningful economic and employment opportunities, this can encourage those seeking employment to remain within Cape Breton. This is one of the goals of the Unama'ki Economic Benefits Office. The Office has found success in identifying and solidifying opportunities. An example of this success is the \$400 million Sydney Tar Ponds Cleanup Project.

³⁴ Nova Scotia Office of Aboriginal Affairs: Facts Sheets and Additional Information: <http://www.gov.ns.ca/abor/aboriginalpeopleinns/demographics>, accessed July 30, 2010

³⁵ This is for peoples living on Reserve, The total unemployment rate for those with Aboriginal identity in Nova Scotia have a 15.5 percent unemployment rate

³⁶ Statistics Canada, 2006 Community Profiles (Canadian Census data)

³⁷ This unemployment rate is down from the 32% unemployment rate identified in the 2001 Canadian Census

³⁸ Canadian Human Resource Guide: July 9, 2010, <http://www.hrmguide.net/canada/jobmarket/canadian-unemployment.htm>, accessed July 30, 2010

In terms of employment the following categories would be beneficial in employing a larger number of community members if the business ventures, partnerships, and agreements/cooperatives were to be explored, based on the expenditures identified³⁹:

- a. Construction Services⁴⁰
- b. Food and Grocery
- c. Financial Services
- d. Construction Materials
- e. Insurance

2. TRAINING AND DEVELOPMENT

Implementing job training for First Nation community members can improve employment opportunities for individuals and increase revenue generation for communities. The leakage study has identified three (3) avenues for the creation of job training and development:

a. CONSTRUCTION

There is a combination of an estimated **\$9, 816, 115** spent per annum on construction services and not all of this is spent with First Nation Suppliers. Although communities, such as Membertou have their own Public Works department which can complete some construction related jobs, not all of the communities hire First Nation contractors. (Appendix M provides an overview of the estimated number of community members who are hired for construction work). As outlined previously, there are a number of aspects which have been shared as reasons why workers are sought from various sources which include, but are not limited to:

1. A lack of qualified workers
2. Availability of the workers
3. Pricing⁴¹

³⁹ Some of the businesses included within this list have already been explored in some of the communities, such as the Eskasoni Supermarket, Membertou Insurance Brokers

⁴⁰ An estimated 447 community construction workers (of various disciplines) are hired for various roles within the communities

⁴¹ The descriptions used are not meant to be used to describe all contractors, these were provided as examples only

Training community members to fill this gap and exploring potential partnerships with training schools and construction companies⁴² would provide both quality employment for First Nation members and a qualified local workforce for communities to employ. There are currently 447 community members employed in the construction industry, but it is recommended that further training initiatives are undertaken to increase community involvement in this area.

b. ENTREPRENEURSHIP AND BUSINESS DEVELOPMENT TRAINING

Encouraging entrepreneurship through business development training is one strategy for increasing self sufficiency within communities. This has been exemplified by the success of UEBO initiatives such as the four (4) year \$4.3 million Unama'ki Aboriginal Skills and Employment Partnership (ASEP) training program. The creation of a business development workshop can simultaneously expose community members to the possibilities offered by running their own business while teaching the skills to do so effectively. Such a workshop may also allow existing businesses to learn new skills that will make the businesses more competitive in the marketplace.

c. INDUSTRY RESEARCH TO IDENTIFY ADDITIONAL TRAINING REQUIREMENTS

It is recommended that research be conducted to identify areas of need in the local economy. By identifying these gaps, training resources can be efficiently directed to areas that are most in need of workers, thereby providing First Nation community members with the training that is most suited to the marketplace. It is also recommended that the skills of First Nation members be assessed so that future training can be implemented in a way that compliments existing skill sets, so that existing skills can be utilized immediately.

3. GATHER EMPLOYEE DATA

Gathering information about the number of employees employed by First Nation communities, in addition to salary statistics, has been identified as being beneficial to future development activities⁴³. Identifying the number of employees who are non-First Nation can allow for additional analysis to be completed assisting to identify the following:

⁴² The Federal Aboriginal Workforce Participation Initiative (AWPI Program) could be explored

⁴³ Although this was discussed as an option at the beginning of the study, it was determined that the communities may not be receptive to provide this information. However, as the study evolved this may not have been the case.

1. Amount of positions
2. Types of positions
3. Gaps in the positions and hiring practices, if applicable
4. Gaps in training and development requirements, if applicable
5. Gaps in education and certifications, if applicable

This information can assist in developing a road map for coaching community members, especially youth, on the positions that are available in the communities and what is required to be qualified for these positions. This will improve self sufficiency and allow for more money to remain within the communities. It would also help to reduce current unemployment rates.

4. IMPLEMENTATION AND PROMOTION OF PROCUREMENT POLICIES DESIGNED TO INCREASE SUPPORT FOR FIRST NATION OWNED BUSINESSES

As previously mentioned, not all communities, support organizations and individually owned businesses not have or follow a procurement policy that encourages the use of First Nation service providers and suppliers. To help support new and existing business growth in the First Nation community in Unama'ki, it is recommended that a conscious effort must be made to support First Nation owned enterprises. The implementation of procurement policies would assist in standardizing the decision making process and will help to make decisions consistent, transparent and accountable. However, it is important to note that if one of the criteria outlined within the policy were to include an element of a First Nation supplier, the chosen supplier should be chosen based on the maximum number of criteria met, and the supplier chosen should make business sense for the community, organization and individual business owner.

5. CREATE AND KEEP UPDATED A DATABASE OF FIRST NATION BUSINESSES

Feedback provided by respondents stated that each did not have a list of Aboriginal suppliers and that this list would be useful to have. A database was created of all Aboriginal suppliers and is up-to-date as of July 30, 2010. This list can be found in Appendix B.

6. EXPANDED HOUSEHOLD LEAKAGE STUDY

In this study, the spending habits of community members were completed at a macro level⁴⁴. It is recommended that a more extensive study be completed which involves individual household interviews to identify⁴⁵, to a higher degree of accuracy, how and where household dollars are being spent. This will assist in further determining potential business opportunities, training and business development. In addition, as the original data was compiled through the use of the 2006 Canadian Census, the removal of the mandatory 2011 Long Form Census may not provide the same data in which to compare the results.

This expanded study would also include those whom work for the Bands and live within the communities, updated education levels and training and certifications achieved. As not all of the staff lives within the communities, the original intent of gathering only Band staff salaries may not have provided enough data to accurately identify spending habits of those whom live within the community.

SUMMARY

Through a combination of primary and secondary research, this report has identified many of the ways with which economic dollars leak out of Unama'ki communities, depriving residents of the benefits of increased employment and opportunities. The six (6) areas which were identified for action to decrease economic leakage can be utilized to pursue new opportunities and partnerships for economic growth.

⁴⁴ 2006 Community Profiles: Statistics Canada was used to compile this study

⁴⁵ Completed through primary research