# Re-Imagining the Future of
# The Margarees

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CAPE BRETON
UNIVERSITY
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# INTRODUCTION

During much of the past year, it has been a real pleasure to meet and work with many folks from around the Margarees who care deeply about the future of their community and are working to improve opportunities for sustainability and appropriate growth.

Immediately in that sentence, some may say, “Community? Surely you mean communities!” because one of the defining realities historically in the Valley has been that it has many small – “micro” -- communities and no urban centre. Until the past 20 years or so, that was a significant disadvantage to growth and sustainability. But the more the world becomes digital, the less critical that “urban mass” is, but the more critical digital access becomes, and the greater the need is to refine and further define what is so special about this place. In this series of reports, we’ve come to call this “The Margaree Advantage” – and it’s part physical reality and an important part of it also is a mindset that can foster sustainability and appropriate development.

So what you are about to read has evolved over the time that Cape Breton University’s Community Economic Development Institute, in its Shannon School of Business, has been partnered with an umbrella group created through the Margaree Area Development Associatiion (MADA), which had the courage to modify its own structure for the purposes of this project from that of a traditional small Nonprofit Organization to a networked group of community interests with an open door to imagining new realities.

The project list which we contracted to try to address was extensive. In the end, as we learned more, we were able to integrate some of the issues of interest. Others proved too challenging within this set of projects and resources but may still be addressed by MADA and/or Inverness County in the future. These will be remarked upon in the text of this group of reports. In this package, you will find reports on “the Margaree Advantage,” a plan for establishing day care in the Valley, the development of an entrepreneurial “tool kit” for propective entrepreneurs, and a suggested proposal for provision of a business networking/training group.

It’s important to say that, while the CBU participants made some recommendations, these were seldom prescriptive. Rather, we tried to create and describe opportunities in a different way and, to the extent possible, to make the various pieces of advice/recommendations do-able within the constrained resource environment available. We also spent a lot of time listening and exploring, both in the Margarees and in other jurisdictions that have been experimenting with new approaches to sustainability and development. The guiding principle has been “What can residents and their County accomplish for themselves? When they require participation by others, how can they still retain significant control over how their future may unfold?” What we have all learned as Canadians over past decades is that governments don’t have all the answers (or resources), and communities have their own character and priorities so one size doesn’t fit all. If a community wants to accomplish something, they can’t wait around for government to recognize and resolve the problem. They must provide energy, intelligent guidance and sweat equity (and some of their own resources) to get the job done.

After our work together in the past year, those of us from CBU are fully persuaded that the Margarees are richly endowed with intelligent people and reasonable, optimistic-but-doable dreams. It’s just hard to accomplish what is sensibly desired if we continue to tackle issues the way we all used to do it. The end goals haven’t changed, but the paths we tread to reach them certainly have, and we talk about that in this report.

Many hands created these reports. On the part of the Margarees, key actors have included the MADA Board and the newly created Liaison Committee (LC) – representing regions of the Valley, and business and not-for-profit sectors within it.

Their members are listed below, with the caveat that frequently others in the Valley were drawn in for participation, ideas and reactions from time to time:

- Maria Coady – MADA 2018 Chair (principal Project contact)
- Eileen Coady – MADA 2018 Vice-Chair and 2019 Chair (also on LC)
- John Stinson – MADA Secretary
- Janet Gillis – MADA Treasurer
- Mary MacNeil, Bernadette MacLeod (also on LC), Sharon Burchell, Eddie Phillips, Oisin Curran, Kailea Pedley – MADA Board Members
- Kay Robertson – LC Small Business, Margaree Forks
- Megan Crowley, Sarah McDaniel, Megan Brown – LC Margaree Childcare Group, All Margarees
- Joel Maclellan – LC Youth Entrepreneur, Margaree Forks
- Hilda Murphy – LC Tourism, N.E. Margaree
- Lester Wood – LC Sport Fishery, Margaree Valley
- Stewart Applegath – LC Tourism/Business, Chimney Corner
- Del Muise – LC Heritage/Historian, Bell Cote
- Greg Lovley – LC Sport Fishery, Margaree Centre
- Anne Peters – LC Education, SW Margaree

These folks provided introductions and background to the Margarees, contributed guidance, ideas and context, and reacted to report ideas as they were developed.

On the part of the CBU Community Development Institute, Dr. Jacquelyn Thayer Scott (former President/Vice-Chancellor and Professor of Organizational Management and Strategy) was the principal point person, with lots of assistance from Tanya Andrews, Project Director for the MBA in Community Economic Development Office. Very important were the MBA-CED students who contributed their thoughts and results of their research:

- Tony Hatcher – who assembled and authored the Entrepreneurial Toolkit
- Karla Winham and Tiara Dhenin – who researched and wrote the Daycare Project report

- Allen Zhou – who did key background research and thinking on the Margaree Advantage
- Kaisen Wang, Yi (Jonathan) Fang, Saierdaer (Sam) Mulati, and Zixuan (Sophia) Yang – all contributed various pieces of supporting research and their thoughts to group meetings

Important cheerleading was provided to the CBU team by George Karaphillis, Dean of the Shannon School of Business, and Prof. Kevin McKague, CBU Professor and Canada Research Chair in Social Enterprise and Inclusive Markets.

We hope Margaree residents will read, discuss and react to the ideas presented, and road-test some of them in a prioritized way. There are lots of ideas, and some are more foundational to moving forward and may need to be undertaken or completed before some others. The CBU contacts are fully ready to provide their perspective and reasoning on their suggestions, but it is – of course! – the residents of the Margarees who will make decisions and tweak or adapt ideas as needed. In this, we – their CBU partners – wish them every success and remain ready to assist where that may be deemed helpful by the Margarees and their County.

Respectfully submitted on behalf of the CBU team,

Jacquelyn Scott

Dr. Jacquelyn Thayer Scott, O.C., Ph.D., LL.D. (Hons.), Dipl. (Hons.)
CBU Community Economic Development Institute Project Lead

March, 2019

Att.

# THE MARGAREE ADVANTAGE

## Why was the Margaree Advantage identified as a priority project?

During the early stages of identifying the project priorities with MADA, it became evident that there is strong interest in attracting more business, more visitors, and more residents to the Margarees with emphasis that activities should not change the character of the community. The obvious question that arises is "what distinctive advantage does the Margarees have over other communities in Cape Breton?" In other words, what makes this area "different"? The first step in attempting to find answers is to consider what assets exist that offer advantages; and what are the unfavourable circumstances that reduce the chance of success -- but which might be mitigated favourably. Simply put, understanding strengths and weaknesses gives way to a better understanding of what is likely to be successful for this community.

For this report we highlight the strategic resources; those that offer strategic advantage or are essential in the context of future community development. A full list of assets is provided in Appendix A. The most strategic resources are noted below under two headings; natural assets and created assets.[1] An excerpt of MBA-CED student, Zilong Zhou's research paper on rural development is provided in Appendix B.

## Natural Assets

Natural assets refer to the stock of natural resources that contribute to the sustainability of the Margarees and its residents. These assets contribute to the Margarees' advantage. In no special order, they include:

- **Fish Stock:** there exists a substantial enough stock of lobster, crab, Atlantic salmon, sea trout and gaspereau to provide commercially viable fisheries, as well as trout for sport and food fishing.

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[1] A key background and context document to further understanding some of the issues listed below, and any Inverness County plans to deal with them, can be found in the County's Integrated Community Sustainability Plan (ICSP), developed in 2010 and available at https://invernesscounty.ca/wp-content/uploads/2017/06/ICSP-FINAL-REPORT.pdf

- **Location:** although rural, the Margarees is relatively easy to access. From this perspective, the location of the Margarees provides a wonderful marriage of remoteness and convenience to the traveler.
    - Population exceeds 103,000 people who are within 150 kilometer radius, or two-hour drive.
    - The world-famous Cabot Trail runs through the communities and Provincial Highway 19 ends/begins in Margaree Forks.
    - Relative close proximity to other major tourist attractions in Cape Breton. Notably, the Alexander Graham Bell Museum in Baddeck (50km) and the world-class golf courses in Inverness (25km).

- **Environment:** The region consists of varied landscapes including:
    - Undulating hills, pastoral valleys, fresh-water lakes, cascading waterfalls, rich wetlands, dense forests, sparsely populated beaches and winding country roads.[2]
    - Margaree River, Cape Breton's longest river is known for populations of salmon; attracting anglers from near and far. Designated as a Canadian Heritage River in 1998.[3] Its watershed is viewed by many as a significant advantage because there are only two others in the province, and 42 nationally. It hosts many rare birds, mammals and plants, as well as old-growth forest. Much of the watershed land is privately owned.
    - Deciduous forests provide several weeks of brilliant fall colours.
    - Varied forest vegetation includes sugar maple, larch, white ash, elms, beech, yellow birch, spruce, and aquatic plants, some of which are provincially rare. (Appendix C for common uses)
    - Most of the underlying rocks of this area are Pre-Cambrian, owing its origin to volcanic activity that took place over 2 billion years ago. The

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[2] In particular, Egypt Falls in Pipers Glen is one of the most popular hiking destinations in Cape Breton.

[3] The Canadian Heritage Rivers System (CHRS) was established in 1984 to give national recognition to the important rivers of Canada. For information visit: http://www.chrs.ca

complex geology of this area is visible along the Margaree River system including Karst sinkholes, faults that provide evidence of the continental collisions that formed the Appalachian mountain chain, and v- and u-shaped valleys, moraines and braided channels that showcase the effects of glaciation. There has been considerable interest from geologists in studying the region[4].

  - The Maritime Boreal climate of the region, characterized by its warm summers, cold winters and moderate precipitation) presents opportunity for recreation and tourism activities during at least three seasons (fall, summer, and winter).

**Created Assets**

There are very few infrastructure assets in the Margarees. However, those that exist are significant to the social fabric and sustainability of the community. In addition to physical buildings, we include "social networks" to the list of created assets - they are equally important with respect to understanding community advantage and their value is derived from the effort invested by the people of the Margarees.[5] They include:

- **Margaree Forks Co-op** (grocery store and liquor agency)
- **East Coast Credit Union, Margaree Branch**
- **Coady Tompkins Memorial Library,** which has recently renovated multipurpose community space.
- **Belle Cote Community Centre/Cranton Crossroads Community Centre[6]**
- **Margaree Seniors Centres** (there are four)
- **Church buildings** (to the extent they are multi-use)

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[4] On March 14, 2019 Dr. Deanne van Rooyen, Associate Professor of Geology at Cape Breton University hosted a talk at the Coady & Tompkins Memorial Library in Margaree Forks about her research and field work in northern Canada and Cape Breton.

[5] Public schools and hospitals have been eliminated from this list, but only because they are more limited in being able to leverage further development from outside their primary purpose.

[6] The Cranton facility houses a number of programs and services, including Fireclub, Community Health Offices, a Fitness Centre, Preschool, and full-size gymnasium with stage and green room.

- **Lake Ainslie Weavers & Craft Guild** - This building, known as the Scotsville School of Crafts, while located in Lake Ainslie, is near enough to the Margarees that it could be an available asset to the community of crafters or for other meetings.
- **Network of festivals** – this refers to the network of people who organize festivals in the Margarees each year. The work of these groups, even though collaboration across events is very limited, creates social infrastructure that is significant.
    - Scotsville Days (late June)
    - Northeast Margaree Firemen's Festival (early July)
    - Belle Cote Days (5 days in July)
    - Margaree Summer Festival, (throughout July & August)
    - Margaree Highland Games (3 days in August)
    - Margaree Harvest Festival (1 day in October)
    - Celtic Colours International Festival (a number of concerts and community events throughout the week-long festival in October are hosted by and in the community).
- **Network of salmon-related services** – Similar to the network of festivals, there has been substantial work involved in creating a support system related to recreational fishing and education. This includes Margaree Fish Hatchery (oldest hatchery in Nova Scotia and has public interpretive services), Margaree Salmon Association, and Margaree Salmon Museum.
- **Network of snowmobile trails** – This network consists of physical and social networks attracting many visitors during the winter months. The Margaree Highlanders Snowmobile Club operates two large trail groomers and maintains a 200km trail system.[7]

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[7] While there is not an active hiking trail or mountain biking association, these may be synergistic to the existing trail network. For reference, the Cape Mabou Trail Club (nonprofit society) established in 1993 to help restore old cart tracks and build new hiking paths which exist on Crown or private lands, or are under a management agreement with the Nature Trust of NS or the Nature Conservancy of Canada. The Highlanders Snowmobile Club recently started a Chase-the-Ace project to raise funds for their work.

- **Network of textile artists** –There is a group of 60+ residents who partake in textile craft (mostly quilting) either as a hobby or to earn money professionally or semi-professionally. This network is substantial and mostly unknown to non-residents (although many are aware of professional fibre artists, Hélène Blanchet and Anne Morrell Robinson). This network includes the Celtic Quilt Guild (meets monthly in Belle Cote Community Centre), and Ocean Wave Quilt Society, an umbrella group of quilting societies in Cape Breton, which meets quarterly to network among its member groups.
- **Non-profit Organizations --** Non-profit and voluntary organizations are an important element of community sustainability; often addressing the needs and interests of residents that the public and private sectors do not, while providing some employment to its residents. The Margarees has a strong network of NPOs that are included in Appendix A.
- **Business Community --** The business community in the Margarees provides a backbone of employment, enabling some of its residents to acquire assets and create wealth, and includes a variety of tourism-related businesses, other service businesses, lobster/gaspereau fisheries, farming, forestry and light artisanal manufacturing. A listing of business is also included in Appendix A.
- **Cultural Artists –** The Margarees are a treasure chest of cultural artists – musicians, dancers, story tellers and writers from a mix of Scottish, Acadian, and Irish communities throughout the watershed.

## Disadvantages of the Margarees

The Margarees are not unlike many other communities in rural Canada. They have disadvantages that present challenges to their sustainability. These include such things as:

- Aging population (Appendix D for Statistics Canada population tables)[8]
- Outward migration, particularly of young people
- Volunteer burnout
- Weak internet infrastructure
- Aging water supply system (a County priority, though Margaree Forks and Belle Cote are the only two Margaree communities with a community-based water system)[9]
- Absence of an urban "centre" or geographic meeting centre due to the dispersed community layout
- Lack of an organization or group specifically tasked with, and financially supported to, advance a sustainability plan for the Margarees (aside from the Municipality of the County of Inverness)
- Overdependence on short-season summer and fall tourism
- Lack of public transportation
- Lack of daycare
- Lack of ongoing growth and development of the farming community to further develop its downstream production of farm-gate products.

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[8] It should be noted, on the "plus" side, that a significant number of the older population are incomers who chose to retire to the Margarees, many without any previous association or family connections here. They have added to the area's housing stock, but these incomers/returnees also are the backbone of many of the Valley's voluntary organizations.

[9] *ICSP Final Report*, p. 47 (see footnote #1)

**No Anchor: The difference between the Margarees and Baddeck, Louisbourg or Inverness**
When we consider three of Cape Breton's top tourist destinations; Louisbourg, Baddeck and Inverness, they have an important common thread - their success is mainly driven by one source - for Louisbourg, the fortress; for Baddeck, the Bell museum; for Inverness; the golf courses. Their distinct assets are their recipes for success, although in each of these cases they are developed/owned/maintained by outsiders! While the Margarees does not have a single asset similar in stature, it does have the ability to offer visitors a reason to "come and experience" - whether that experience be fly fishing, tubing down the river, camping (or Glamping!), enjoying a farmstay with their family, or simply 'unplugging'. Many people will visit tourist attractions like the Bell museum and the Fortress of Louisbourg once in a lifetime; however, the nature of a visit in the Margarees can appeal to people time and time again. Key to attracting these visitors is they need (1) something to attract them to the area (something to do!), (2) somewhere to stay, and (3) somewhere to eat.

## Leveraging community-specific advantages to enhance sustainability

The exercise of identifying community-specific advantages enables us to understand "potential" – but you could be forgiven for reading the above lists of advantages and disadvantages and saying to yourself, "So how are any of these really unique to the Margarees when so many of them describe other parts of Cape Breton, as well?". In the section below, we present a menu of opportunities that are divided into three target audiences; short-term visitors, longer-stay visitors, and (potential) residents.

1. **Short-term visitors (ST)** are looking to explore the area for a part of a day or possibly two. The short-term nature of their stay means they are unlikely to be interested in week-long courses or community-supported agriculture programs (as examples). These visitors are more likely to go for a hike, take part in an adventure activity such as river tubing, or seek out local shops. These visitors are more likely to get information online or through tourist centres as they are generally not in the community long enough to learn about upcoming events with enough advance notice.

2. **Longer-stay (LT)** visitors and patrons are of two types in the Margarees. "Summer people" are regular seasonal residents, often making significant

volunteer and financial contributions to the community. The second type of LT visitors may be residents of neighbouring communities on Cape Breton Island or the mainland, or people who are usually familiar enough with the area to have a good sense of what amenities are available. They are also more likely to know where to get information about local events and activities.

3. **Residents and potential residents (R)** consist of those who live or plan to live in the Margarees and may be returnees who grew up here, or CFAs (Come From Aways) and usually fall into one of two categories:
    a. Wage earners (entrepreneurs, employees, and those who support a wage earner)
    b. Retired persons (earned wages elsewhere)

Recognizing there are limited volunteer and paid resources to address the challenges faced by the Margarees, some of the opportunities listed below are doable with very little investment but most require collaboration with others as opposed to "lone ranger" individual (or individual group) initiative only.

Our goal below is not to "prescribe" which opportunities should be developed but, rather, to generate "do-able" opportunities *which demonstrate what could be achieved with a change in mindset* – working across the Valley to collaborate and cross existing sectoral and geographic boundaries – recognizing that the existing pattern of individual efforts is insufficient to achieve overall progress in an area of small population and limited resources.

### *Some Guiding Principles to Considering the Opportunities*

1. **Protect key pieces of physical infrastructure**

Given that the Margarees do not have an abundance of community-oriented buildings,[10] and those that exist need to be protected. Try imagining the community without a local grocery store, credit-union, library, and community centre. They add considerable value to residents and visitors alike.

2. **Protect and support of social networks**

Similar to the need to protect physical infrastructure, emphasis should be placed on maintaining and supporting the identified social networks. How could one pursue this? Take for example, the network of festivals. This consists of a group of people (likely committees) that independently organizes events. The committees throughout the Valley have been very good not to step on each other's toes (i.e. ensuring dates do not overlap) yet they do not formalize meet-ups to discuss planning and schedules and possible cross-community opportunities. This collaborative structure of periodic meetings could be an activity organized by MADA that would provide opportunity for continued success. The Margarees would be a lesser place without these events and opportunities for community celebration.

3. **Address geographic dispersion**

There are ways to deal with geographic dispersion that happen when many small communities exist without a "centre". In part, this means accepting the rurality of the communities while finding ways to create a "centre" – a place where residents and visitors are naturally drawn to congregate, and where new businesses would be inclined to set up. One way to respond to this opportunity is to seek general agreement on where a community hub would be created, then work towards establishing activity in that area. For example, if the community was to pursue a business-hub, or multi-use facility, this would create a 'centre'. Margaree Forks and Margaree Centre ("the Crossroads") are two places for consideration for such a facility, principally because they are "on the highway" and any travelers "passing through" would be bound to encounter such a centre and its many opportunities. While of benefit to residents generally, it is critically important to have such a facility to attract both short-term and longer-term tourists to the region *(this idea is developed further in the "opportunities" section of this report)*.

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[10] There might be 13 or more, of varying size and accessibility, across the Margarees area.

4. **Manage and avoid volunteer burnout**

There are a number of creative ways to attract new volunteers to help lead community projects in a way that does not add additional burden to those who are already doing a lot of work. See some examples of how this is done other places in Appendix E.

5. **Understand land availability**

Parcels of land owned by the provincial government and in some cases, by churches, provide untapped resources for business, farming and residential development. This is also discussed in the County's ICSP plan, especially with regard to Crown lands.[11]

## OPPORTUNITIES

*These are numerically organized to facilitate future reference. The numbering does not indicate prioritization by the CBU team; such prioritization needs to be done by residents of the Valley.*

1. **Address childcare needs** **(R)**

From the onset of working with MADA, concern regarding the lack of childcare was raised as a top priority for the Margarees. As such, a separate report with recommendations was led by graduate students, Tiara Dhenin (Victoria, BC) and Karla Winham (Truro, NS) and is attached as Chapter Three of this report.

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[11] Recently, the Nova scotia Federation of Agriculture has established a land bank, assessing anuy arable, under-utilized farmland that coud be made available to families willing to farm.

### 2. Support aging population (R, LT)

An aging population should not be seen as an obstacle to further community development. Rather, it is an opportunity to support elders and enable them to age in their homes for as long as they are physically able to manage. Supporting seniors may involve ensuring adequate homecare is available to residents, or developing programs that are specifically driven to accommodate their needs. See insert below for a unique opportunity that partners the opportunity to support an aging population with the opportunity to support new residents and entrepreneurs.

**Home Sharing: It's about more than sharing a house**

According to a 2018 article in the *Globe and Mail*, the concept of **home sharing** is gaining momentum in small towns and cities across Canada[12]. "Home sharing" is when a homeowner, usually a senior, offers reduced rent for a room in their home in exchange for small chores and companionship. Not only does this provide an opportunity to support seniors in the community, it also assists newcomers or entrepreneurs who wish to live in the area without immediately taking on the capital burden that comes with acquiring and/or furnishing a home. Establishing a home-sharing initiative would involve a screening process, and establishing contracts; however, there are opportunities to learn from those who have embarked upon such initiatives in Nova Scotia (see *G&M* article). There are also opportunities to think creatively about how such a program could support community development. For example, a home-share program could be established in a rent-to-own arrangement, or a tenant could be offered a right of first refusal on the eventual sale of the home. The objective is to think outside the box in terms of how these two opportunities could be addressed in partnership.

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[12] *Globe and Mail* article of July 2018 "Seniors have too much house. Millennials have none. And a business model is born" can be accessed online at https://www.theglobeandmail.com/canada/article-seniors-have-too-much-house-millennials-have-none-and-a-business/. See also CBC item on "Why Co-Housing is Moving Closer in Nova Scotia," https://www.cbc.ca/news/canada/nova-scotia/cohousing-projects-bridgewater-port-williams-research-1.4808210 .

### 3. Attracting new capital (LT)

A number of business persons in the Margarees are nearing (or beyond) normal retirement age, but do not have family interested in taking on future management and ownership, and have not been successful in finding buyers. In part, the difficulty in attracting buyers is a matter of price – current owners see their "sweat equity" over the years as their retirement savings, while buyers do not see sufficient activity to justify the price. But another part of the difficulty is that younger persons frequently do not have the ability to raise sufficient capital for the purchase. Some communities (Sydney, among them) are now looking at possible plans that make raising the capital more doable. Some combination of funders (e.g., credit unions, community economic development funds [CEDIFs], individual investors) come together to provide loan guarantees. That is, the buyer pays a "doable" down payment and then holds a private mortgage with the seller, paid on a monthly or quarterly basis. If the business subsequently fails for business reasons (i.e., not fraud…), the balance of the loan is paid out monthly by the guarantors, who also can find and evaluate another buyer. The purchase price negotiated normally is set based upon a valuation (or review of a valuation) of the business by a Chartered Business Valuator. The Inverness County Municipality is providing succession planning workshops, as well.

### 4. "Voluntourism" (ST, LT, R)

People across the globe are grappling with questions of how to attract visitors while maintaining the spirit and nature (physical and social) of their communities, especially those communities in more rural or isolated regions. Creating a tourism strategy should be done in a way that aligns with community capacity and goals. There are a number of relatively small initiatives that can be organized to attract a small number of visitors whose interests align with spending time in rural Cape Breton. We have already seen success from the work of Lee and Liam Fraser with Live Life In Tents, in attracting local and non-local visitors to the area (camping, glamping, river tubing, and hiking, sometimes in collaboration with Jeremy Smith's stand-up paddleboard operation). The LeBlancs at Front Porch Farm also have used this strategy to attract young workers.

Voluntourism is an initiative to attract visitors with the goal of participating in voluntary work with the community, and could be a more widespread strategy for the Margarees to consider. The premise is simply to build a program that matches visitors with a community project, such as clearing trails, conducting fish counts, or working on farms. One example that has caught international attention is the "Maintain the Faroe Islands" initiative which launched in February 2019.

> *"Over the weekend of April 26-27, ten popular tourist sites in the Faroe Islands will be closed for regular tourists but open for everyone who wishes to help maintain them. In return for a helping hand, volunteers will be gifted both accommodation and food over the three-night maintenance period by the Faroese nation."* [13]

Projects under this initiative include creating walking paths, constructing viewpoints that help preserve nature and birdlife sanctuaries, and erecting signs that help with wayfinding. Since launching the campaign, they received thousands of registrations of interest from all ages from across the world. They had capacity to support 100 places on the Maintenance Crew and filled those places quickly, while encouraging the others to sign-up again next year. This provides one example of how out-of-the-box thinking can attract visitors **and** support community initiatives.[14]

Another, and closer-to-home example is the internationally-known Two Whales Coffee Shop in tiny Port Reston, NL, on the Bonavista Peninsula, which attracts interns each summer to work in their organic vegetable/fruit gardens and very popular eating space (www.twowhales.com).

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[13] www.visitfaroeisland.com .

[14] The Maintain the Beautiful Faroes Island initiative can be found at https://visitfaroeislands.com/closed/. Another article about voluntourism in Canada and the US, published in the WestJet Magazine provides examples of similar initiatives that include trail building, farming and conservation projects www.westjetmagazine.com/blog/voluntourism-us-and-canada

### 5. Capital for public infrastructure (R)

A very major problem in the Margarees (as in many other parts of rural and suburban Canada) is poor internet coverage and speed, as well as many "blackout" areas for cellphone coverage. Clearly, this is not a problem that can be solved by the Margarees alone – they will need the support of the County, and provincial and/or federal funding. The most successful models for extending internet coverage in rural areas and difficult topographies also require a commercial partner (e.g., Bell Aliant, Seaside, Eastlink, et al.). Neighboring Victoria County has had considerable success with this model, and Inverness County is moving toward a similar approach. However, Margaree residents can move their area forward in terms of priority by being organized for such a partnership. The community's role in the partnership usually includes establishing an information database on the needs, and then staying in touch with the customer base to provide ongoing information to commercial and government partners. Again, MADA may be the appropriate vehicle for conducting such a survey and lobbying the County and a commercial partner.

For convenience, a copy of the survey and community flyer recently used by the East Bay Area Communities Council in the CBRM is attached in Appendix F. Also attached there is a copy of the earlier community broadband survey questions/results in Victoria County.

Water and waste management in the Margarees also has short- and long-term importance for the area. This clearly must be done by the County (and the provincial Department of the Environment), but Council and Staff will need ongoing advice on priorities and methods from the Margarees to supplement their own research. Again, this might be facilitated through MADA and its Liaison Committee work. A key priority mentioned in our consultations was environmental containment of the County waste dump, which abuts the shoreline of Lake Ainslie in the area where the gaspereau breed. Gaspereaux are internationally known for their sensitivity to environmental degradation and frequently are the first fish species to disappear when an area's water quality declines.

### 6. Multipurpose space on highway (ST, LT, R)

As mentioned in the "disadvantages" section above, the Margarees lacks centralized space and parking for commercial and related social activity in order to attract more tourism and employment. The CBU team feels this can best be achieved through development of a multipurpose "centre" adjacent to the main highway(s) – that is, in Margaree Forks or at "the Crossroads" in Margaree Centre. Funding could come from a variety of government, CEDIF or private sources – a challenge, but it is a project that could significantly advance business development and immigration activity. Such a space should, in our view, include the following elements:

- Display and workshop space to be utilized by a "Creative Co-operative" that brings together products produced by local artists and artisans for sale during at least two seasons, summer and fall. At present, tourists have to spend too much time on poor roads trying to locate artisan studios. Those that have studios should continue to operate them but, hopefully, they would also participate in offering some product with the Creative Co-operative. Professional advice on creating and administering such a facility could be obtained from, among others, the Cape Breton Centre for Craft & Design, and the Inverness County Centre for the Arts. The facility could also offer short (half-day or one-day) and longer (one week) courses in several craft disciplines and advertise these on the Margaree website to interest tourists and other Cape Breton residents;
- Spaces for alternative medicine "spa" providers to practice, thereby expanding medically-related services for community residents, but also attracting tourists for such activities as therapeutic massage, sauna(s), yoga and meditation classes, physiotherapy, et al. Spiritually-related workshops and retreats could also be accommodated in common-use space in this "section" of the new multipurpose facility, offering a wide range of courses (from prayer and

meditation to healing plants and dance) from Buddhist, Christian and Indigenous traditions;[15]

- A daytime music performance space for Celtic, Acadian and Mi'kmaq musicians, group classes for budding tourist musicians and those wishing to learn traditional dances or vocals. Currently, there is no such daytime performance space in the Valley;
- A daytime (at least three seasons) coffee and sandwich/salad shop that can be converted to a pub (with a few menu offerings) in the evening, all featuring locally produced food;
- A roadside or interior modestly-sized space for farmers' market offerings of produce and locally processed food (e.g., jams, condiments, pickles, herbs and spices, sausages, cheese, et al.);[16]
- Plenty of parking for tourists and residents alike;
- Free public wi-fi throughout the complex and in the parking lot, but also a free Hot Spot and Recharging Bar (about 150-175sq.ft) with built-in bar on three sides, bar stools, surge-protected electrical outlets – to be advertised on website along with other services at the multi-purpose centre;
- Internet speeds of at least 25mbps in the workshop and performance spaces to enable video-conferencing for courses and training workshops with university and college partners, and networking with other island- and off-island business and not-for-profit communities of interest.

### 7. Food (ST, LT, R)

Farming and fishing are alive and well in the Margarees and more development of farmed crops, meat and processed food products is both possible and desirable.

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[15] Such "spa-like" rural retreats are popular in many other jurisdictions. However, if you wanted to get away for a weekend to de-stress, eat healthy (maybe cleanse), practice meditation, 'unplug', do yoga, read and write, our search indicates there is no such place currently available in Nova Scotia. Gampo Abbey has retreat lodges that you can "rent" to practice your meditation, however there are quite a lot of restrictions, including that you must be there to develop your practice and you must have some sort of connection with the 'community'. It's possible that such a facility in the Margarees could even partner on occasion with Gampo to provide a more extended and varied experience.

[16] MADA has indicated it will continue to push for a local Farmers' Market.

Margaree-based farms currently represent about 20% of all the local producers in the Cape Breton Food Hub. This is an area where cross-sectoral collaboration can further showcase and market Margaree-produced food. Our consultations also highlighted that The Dancing Goat is a treasured local resource, but inadequate to meet all the seasonal needs for feeding both tourists and residents.

We do not recommend development of other year-round restaurants at the present time. There is not sufficient population or tourist traffic to provide a reasonable living for their operators. This may grow over time, but in the meantime, there are other options to meet the needs of feeding visitors, in particular. One option is referenced in #6 above, with the inclusion of a coffee shop (turned into an evening pub) in a new multi-purpose facility. But more immediate solutions are also available.

We suggest that a request for proposals be issued (through MADA?) for commissioning three or four local food trucks to operate throughout the Valley during the summer and fall (through mid-October). The Credit Union may agree to assist with providing loans for the modest funding needed to set up a food truck for an individual operator, but that operator needs to enter into a contract with MADA to operate on a set schedule of days/hours and specified rotating locations. Each truck should have a food specialty (two or three menu offerings plus beverages) that derives from food produced and processed in the Margarees, and the schedule of each truck should be circulated on a flyer posted around the community and on the Margarees website. We suggest, for example, that the specializations to be considered include (and be advertised as):

- A truck featuring Acadian cuisine from local products;
- A truck featuring local lobster, crab and gasperaux during season and a good fish chowder, and biscuits, as well;
- A truck featuring vegan cuisine;
- A truck featuring Indigenous/Mi’kmaq specialties.

Such an approach would represent an affordable and seasonal response to food supply issues, in addition to promoting local food products.  It would also give younger entrepreneurs (local or incomers) a low-capital way of starting a business.

Yet an additional option, especially for evening dining during prime tourist times, would be to coordinate the Valley's church women's groups to develop a simple two-entrée rotating menu of locally produced food and popular dishes to be offered at church hall sites on a widely-posted schedule, price list and booking information for at least three nights a week (but ensuring that a couple of food trucks are open during evening hours on other nights of the week, to assure visitors can be fed).

### 8. Accommodation (ST, LT, R)

Lack of available accommodation for visitors continues to be a seasonal problem. New business opportunities should be encouraged, but also there could be some workshops offered by MAT and/or MADA to encourage local residents to offer on Airbnb™.  A count of commercial rooms available by our students found only about 40 such rooms; an informal count by the County of other private offers (Airbnb™ and others) total about 120 room nights available.  But not all of these are advertised (or advertised consistently), so visitors are justified in their impression that accommodation is often not available – unless they know someone or have extended family relationships in the Margarees.  Word-of-mouth is not sufficient to encourage visitors to think of staying overnight in this part of the County.

Similarly, MADA (or the housing office at the County) could solicit and maintain a list of potential rental rooms or properties for those needing longer-stay options in the Margarees because of employment or "retreat" requirements.

A final note:  when Allen Zhou presented his thoughts on the Margaree Advantage to a group of residents at the Library, his thoughts on imaginative but eco-friendly accommodation were not particularly encouraged. However, when he talked with young people about some of these, there was excited interest. So it is possible that some younger entrepreneurs might be prepared in the near-term future to experiment with straw-bale houses, small eco-village concepts, treehouses, et al. Apart from encouraging such experimentation, it would be important for MADA and others to watch carefully the County's current look at zoning, to assure that imaginative and experimental eco-friendly housing choices not be excluded from future accommodation options in the Valley.

In its own current deliberations, the County might also be prepared to assist in making some lots for housing or business construction to be available for a modest price. This is being done in some other Canadian communities.[17]

*(See also #2 above for an additional option to expand accommodation for LT and R categories.)*

### 9. Land Availability (LT, R)

As mentioned under Disadvantages (see p. 4), there are a number of significant parcels of land that are controlled by the Crown, including parklands but also some other forestry or multiple-use parcels, and the County is currently discussing these with the Province to determine which might be released for other public uses. As well, over the years, churches in the Margarees have received donated – often willed -- gifts of land from loyal parishioners. There is no known catalogue of such gifts or their current usage. Our consultations did provide contact with some present or former church board members who confirmed that such gifts exist and often lie fallow or are rented for hay or similar crops. The Diocese of Antigonish currently does not offer any Margaree lands on its website of available lands for sale,[18] and their designated agent, Robert Wambolt of St. Peter's, says he is not privy to a list of total holdings, just those that the Diocesan Office has designated for sale.

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[17] See, for example, http://nationalpost.com/news/economy/the-small-towns-that-refuse-to-die-schemes-to-woo-new-blood-about-more-than-just-staying-alive/wcm/eb057872-537e-4209-8ec0-5fab39c8606d

[18] http://www.antigonishdiocese.com/index.php/business-office/real-estate-for-sale

This current set of projects did not allow time and resources to gather ownership information (admittedly, somewhat laboriously) from the Land Registry Office in Sydney, but it could be very useful for MADA or the County to seek a volunteer to go through listed owners of land parcels in the Valley to determine which parcels might offer public, private or commercial opportunities if the ecclesiastical owners are approached.

### 10. The Quilts & Textiles Trail (ST, LT, R)

Another Advantage (see p. 3) to the Margarees is its population of artists/artisans and those working with textiles are particularly numerous. In fact, the whole northern half of Cape Breton has a number of local groups and societies that promote textile crafts and art, and they often will have local exhibitions during the Celtic Colours International Festival as part of that festival's "Community Events" calendar.

We believe that a "Quilts & Textiles Trail" is an opportunity for the Margarees, and for Inverness County (Cheticamp and Inverness+), and beyond into Victoria County for the creation of a trail with popular tourism appeal. A brochure/flyer could be produced, and the trail could be advertised in *Doers and Dreamers,* as well as on County websites. It could include permanent and seasonal displays, plus workshop opportunities at centres (such as the one proposed in #6 above) and artists' studios. Such a project might be supported/marketed by Destination Cape Breton, as well.

### 11. Writing and Artistic Retreats (ST, LT, R)

The Margarees also could offer opportunities for "retreats" for writers and other artists.  Some of these could be scheduled group events in cooperation with those offering accommodations, but they could also be offered to individual writers and artists who want a longer experience to facilitate their work.  Again, these have been very popular in other rural jurisdictions in North America and northern Europe.  An outstanding example would be the growth of such offerings in Ireland, where geographic settings are often similar to those available here in the Margarees.[19] Additionally, the Coady and Tompkins Library and the new multi-purpose centre proposed would offer opportunities for readings, other literary events and writers' ceilidhs.

### 12. Mountain Biking and Hiking Trails (ST, LT, R)

The network of Snowmobile Trails was mentioned as a created asset earlier in this report (see p.3) that enables winter visitors to enjoy the Margarees.  Those trails could be adapted, with relatively little effort, to become summer and fall Mountain Biking Trails and signed accordingly.  They already have the advantage of a volunteer group that has promoted and maintained the Snowmobile Trails.  There is no local hiking trail group, although the Fraser brothers have been involved in the Destination Cape Breton conversations on hiking promotion.  Such a group would be an added benefit to promoting and maintaining the hiking trails, and could offer very attractive cross-sectoral options with the Heritage River group.  If such a hiking group were to be formed, it could arise from those with accommodation offerings (commercial or private) to create a multi-day experience combined with accommodation and food offerings.  This has been successfully done in other jurisdictions (e.g., in rural areas in Spain that are "off the beaten track", see the El Cinque Llac walking holiday at http://www.elcinquellac.com/en/.[20]

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[19] For a review of the Irish landscape of Writers' (and Artists') Retreats, see https://www.irishtimes.com/culture/books/writers-retreats-the-perfect-place-to-make-progress-1.2798519 .

## 13. Building Value through Cross-Sectoral Collaboration (a Fish Story)

A central feature of many of these listed opportunities is collaboration – across sectors, organizations and communities. A further (and, we think, stellar) example could be collaboration among the salmon-related organizations/resources and the gaspereau fishery, along with the food sector. The salmon-related organizations and assets are well-developed and internationally known. The gaspereau fishery is less well known, even on Cape Breton Island, but it is thriving. Gaspereau, also known as alewives, are near cousins of herring and smelts, and used to be one of the world's leading food fishes. Its global status as a food fish has declined during the past 50 years as gaspereau habitats became polluted. They are still often used in Atlantic Canada and the Northeastern US as bait fish for lobster, and the commercial crop from the Margaree is mostly sold as a food fish to Haiti. They also used to be an important food fish for the Mi'kmaq. In other words, according to study centres on the fish, gaspereau are like "canaries in the coal mine", i.e. they are the first to leave when their habitat becomes polluted.

The fact that they continue to flourish here is complementary to the reputation of the Margaree River as a protected, pristine and living waterway, as they are fished at its mouth. Tourists are often attracted to the Salmon Museum, as well as interested in angling in the river. During the tourism season, the Salmon Museum and association could expand its offerings to facilitate educational tours of the mouth of a pristine river that sustains an environmentally-sensitive saltwaterfish, utilizing narrated area boat tours and some modest gaspereau exhibits in the Belle Cote area. It could also provide menu opportunities for restaurants and a seafood food truck.

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[20] "The Fifth Lake" was recipient of the Sustainable Practices Award at the 14th European Geoparks Conference. The project was born in 2012 joining the efforts of the local people who wanted to offer a quality, specialized and non-seasonal touristic product which reflects the human side of tourism.

mentioned in #7 above. They are rich in protein and Omega-3 oils. Gaspereaux are delicious smoked or pickled, making them ideal appetizer or first-course fare, and there is a special knife technique that simplifies boning them. The smoked flesh can be added to fish chowder, or to a risotto with corn, chives and baby arugula, for example. British, Spanish and Swedish recipes often use herring or sardines, and gaspereaux nicely substitute for these in pasta, tacos, fritters or grilled with new potatoes and salad for a main dish.

### 14. Workforce Availability and Training (LT, R)

Originally, the schedule of projects in the Margarees was to include a workforce survey to update data from the previous *Voice of the People* (2005) report and any subsequent surveys. It turned out that no substantive updates had been done since 2005, and that undertaking a survey that would necessarily involve a lot of "paper" (as contrasted with "digital") responses was not practical in terms of time and human and financial resources. Census data was obtained (see Appendix D) but was not conclusive with respect to many of the important variables. To produce quality data on these issues would require the efforts and resources of the County and/or the CBREN, and MADA or other business groups may wish to make application to them to obtain support for such a survey.

In the absence of such a survey, MADA and any business networking group within its Liaison structure, may be able to do sector-wide "snapshots" of employment clusters with the aid of volunteer pollsters, which might include secondary school, college and university young people from within the Margarees area. Such sector-wide polls could identify present and future issues with regard to number and skills of available and projected employees that would inform the content and process of training interventions.

Some general barriers to worker availability are, of course, already known and some actions have been suggested in this group of reports. High on the list: lack of daycare, and lack of public transportation. Discussions with County officials indicated they are closely examining the public transportation issue and watching, with interest, the "Port Hawkesbury solutions." MADA could work with the County to extend this SAT (Strait Area Transportation) program where both regular routes are maintained and Dial-a-ride is used.

### 15. Immigration (Canadian and Foreign)

According to the 2016 Statistics Canada Census data, there has been very little in-migration to the Margarees from other Provinces or International sources. Successful immigration programs in other jurisdictions reinforce the importance of social preparedness for the challenges new residents will face including, among others, sustained social inclusion efforts, affordable/adequate housing, public transportation, social supports (others from similar groups or faith communities, for example), etc. Fundamentally, successful immigration also depends upon job availability and compensation.

If the Margarees would like to have additional immigrants, a sectoral approach might be most useful, especially for farming, creative artisans, tourism and other service workers. The seasonality of tourism jobs can prove problematic unless "fill-in" employment outside the tourism season can also be devised. There is, however, advisory and other assistance available in planning for a small but skilled influx of immigrants: the Province, and the Cape Breton Partnership (including the CBREN) all have resources and programs that can strengthen planning and implementation strategies. The inclusion of farming within targeted sectors also opens up additional populations that may have an interest.

If high-speed internet and good cell coverage were widely available throughout the Margarees, that would improve the chances of attracting former residents (i.e., young people who left to find employment elsewhere after completing education) to return. "Digital commuting" is virtually impossible from the Margarees at present because of poor internet and cell coverage. One example in our consultation turned up a digital worker for a Calgary high-tech firm who could manage some daily activity from his home in the Valley, but he has to travel to a family member's house in the Sydney area in order to participate in the regular required telephone and video staff conferences.

The community could also plan structured weekend visits or "voluntourism" experiences for international students at CBU, St. FX, and the NS Community College in order to familiarize them with the potential opportunities for employment and settlement in the Margarees.

**Some closing thoughts around prioritizing opportunities**
These suggestions above present a menu-style approach to developing strategic priorities. A natural question that arises is "where should you focus your efforts first?" While this is for the community members to decide, it is suggested that you start with initiatives that have natural champions…not all of which need to be led by community members. For example, internet accessibility and addressing any issues related to water supply are big-ticket items that the community groups are not able to solve on their own. They can however, start the process of leaning on municipal government to address these concerns.

## TAKING ACTION AND MOVING FORWARD

As mentioned earlier in this report, the list of "opportunities" is a menu for consideration by MADA and residents of the Margarees. Hopefully, a number of these may prove attractive for further consideration and action. There is nothing magical about the opportunities, but they are founded in the understanding that very few of the assets and most of the disadvantages *are not unique to the Margarees* but typical of much of rural Canada, and Cape Breton, in particular, in one form or another. Numerous efforts have been made over time to stimulate more development in the Margarees, but without the level of success desired.

Very importantly, we have tried to identify opportunities that are "Margaree-culture-friendly." That is, the understanding we gained when working on this project is that the Margarees would like additional modest business development; it is not looking for one or two "silver-bullet" large companies to establish here and disrupt the communal life that its residents treasure. Margarees residents would further like some additional population, some of whom are younger, but not a large influx of people. Those who are attracted should desire the peaceful tranquility that characterizes the Valley; residents are not looking to develop a large urban centre, or to attract so many new people that housing and other essentials go up in price to the point where average singles and families embracing this lifestyle can't afford a house or enough land for a garden, or a few animals for companionship and/or food. They continue to want the flexibility to live off the grid, or on a self-sustaining farm without a lot of well-intended but unwanted regulatory prescriptions. They want to like their neighbours, but not live in developments crammed up against those same lovely people.

We encourage you to look over the list of opportunities again, and we think you will find that our opportunities listed support small- or medium-sized business development, *but with strong sectoral and cross-sectoral support and integration.* Taken together, they are sustainable, mostly quite eco-friendly, yet varied enough to attract a broad clientele (rather than customers interested in only one type of experience) – hopefully, for more than one visit. In short, we believe the adoption of these (and others like them) is do-able, affordable, and provides a sufficient infrastructure for longer-term economic sustainability within a culture that is much beloved.

So, the question arises, "can we achieve the same outcomes if we keep doing things the way we always have?" Relying principally on individual action (and moderate levels of cooperation) at the community level, tackling each issue separately? Or do we try to do things differently in order to achieve our goals? In an area of small population and limited financial resources, we suggest, requires us to collaborate more and to use combinatory strategies to develop unique features that are attractive to consumer markets.  Some businesses locally already do this – for example, Larch Wood's approach to developing products that are competitively attractive to consumers, or the tubing and tenting recreational approaches because there are still relatively few of these types of competitive options on Cape Breton Island.  Of course, competitors eventually "catch up," so innovative and combinatory approaches need constantly to be refreshed and renewed, especially when there is no large "anchor" infrastructure attraction.

What will help the Margarees to shift its "modus operandi" from the individual action to the collaborative and agile marketplace response?  Like companies in many industries which have adopted networked and "agile" approaches to planning and implementation, we believe the Margarees need to do the same.

This means that our traditional approaches to organizational management need to be adjusted.  MADA has been around since the late 1970s and it was originally organized in the traditional manner of not-for-profit organizations of the day.  That is, there was a board and executive group selected, with some assigned executive duties, and a traditional meeting schedule, etc.  We suggest that may not be a singular, successful approach moving forward.  MADA is still the only Margarees-wide organization whose mission is associated with socio-economic development, but its structure and operations will need to continue its evolution to a fluid and agile future.  Alternatively, a new organization would need to supplant MADA.

This challenge of traditional governance approaches is a common one for development organizations and other not-for-profit organizations today.  Among its many side-effects can be volunteer burnout and lack of agile response, as well as its contacts/links to other organizations or governance structures being very episodic and lengthy in terms of information and response cycles.

In Ontario, this problem is so acute for not-for-profits that a coalition has come together to find new ways to these organizations to adjust their governance, especially where not-for-profits intersect with governments.[21,22]

Essentially, this coalition is wrestling with governance changes that determine who has a voice in making decisions, how decisions are made and who is accountable. While the solutions are still emerging, the problems are clear. Community organizations everywhere describe their environment as complex, with accelerating change, unprecedented competition for resources, and profound social behavioural changes. Leaders have to have competencies for accessing resources, managing complex accountabilities and navigating strategically. The younger millennial leadership generation is smaller than that of current leaders, and they want to be a part of participatory, open, innovative, interactive and engaging organizational structures and decision-making processes. In an age of technology and ubiquitous connectivity, participants do not want to engage in boring, mundane and tedious procedures and board work when technology can do much of the procedural work so that in-person meetings can be used for strategic and generative conversation and more open and agile processes.

MADA has already dipped its toes into some new processes in the course of this series of projects. The larger Liaison Committee put in place to represent the voices of geographic communities, businesses and not-for-profit organizations provided for engaged and lively discussions and agile responses to the definition of problems and interaction with the CBU team in adjusting its foci continuously. New volunteers were accessed and given specific purposes in advising and reacting to project

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[21] Called “Next Generation Governance” and the “Enabling Environment” initiatives, current partners include the Mowat Centre on Public Policy at the Monk School of Global Affairs & Public Policy at the University of Toronto, Imagine Canada, Ignite NPS Foundation (helping not-for-profit leaders to anticipate change and cope with a complex environment), the London Youth Advisory Council, Ontario Nonprofit Network’s Connect the Sector network, Pillar Nonprofit Network, Vision Management Services, H. Graham Consulting, Vantage Point, and the City of Toronto.

[22] Dr. Scott is connected to this initiative through her relationship with Vision Management Services’ CEO, Ruth Armstrong, as the two are long-time consulting partners in the not-for-profit sector.

activities. An important piece of advice from the CBU team was for MADA to "keep the door open." That is, if someone came with a concern or menu item, to listen, insist that if MADA was going to be involved, the petitioner also needed to rally support to work on the issue, etc. MADA needed to be the umbrella for organized and facilitating work on issues identified as important, not to be the arbiter of what its own board felt were the community's priorities. This made for iterative adjustments, but lots of interest.

In prioritizing and moving forward on initiatives, we suggest the same conditions need to apply:

- Have a larger, networked and representative group;
- Hold "issue" meetings with a frequent public component;
- Streamline procedural business at board meetings;
- Stagger board turnover on a rolling five-year schedule;
- Focus on supporting and resourcing working groups;
- Providing regular liaison and interaction with other partners (e.g., County and CBREN staff, business and not-for-profit partners, et al.)
- Communicating frequently with the wider Margarees community about activities and concerns; and
- Keep the door open to new groups and issues as they emerge.

In carrying out these responsibilities, MADA will require some ongoing County financial support in order to be effective in its outreach. As a final note, it might even be a. useful exercise for MADA to consider offering a "central services" hub for voluntary organizations across the Margarees – providing bookkeeping, administrative and archival support, official reports to governments/funders, common volunteer and leadership training, etc. for routine governance tasks that don't generally excite volunteers. Such an approach could stimulate a more participatory and collaborative program approach among an organization's volunteers if they could be relieved of some of the mundane and boring tasks repeated by every organization.

### ***…as for not-for-profits, so it is for business….***

The above description of the challenge facing community organizations moving development agendas forward applies equally to business organizations.  In fact, these challenges hit business even earlier, as the economic and digital environment explosive impacts incurred since the 1990s.  What came to be "standard operating procedures" for high-tech startups with quick product cycles and adaptations have now been adapted to larger business organizations also experiencing shorter cycles of change and new forms of competition.  A few brief exhibits about the business model for organizational ecosystems is included in Appendix G.

# MEETING BUSINESS NETWORKING AND TRAINING NEEDS IN THE MARGAREES

## Introduction

The business community in the Margaree Valley is relatively small, yet it is diversified – tourism, forestry and light manufacturing, farming, fishing, general retail, creative studios and a range of community not-for-profit organizations engaged in enterprise activities. They are very aware of their relative isolation:

- Small numbers of organizations and population, geographically widely dispersed;
- Most businesses are small and may have limited capitalization and turnover, or may be seasonal;
- Lack of a "normal" business advocacy and networking organization, such as a Chamber of Commerce or similar membership organization with paid staff;
- Distance from larger centres with more adult educational and business training and consulting resources;
- Poor or spotty internet and cellular connectivity and speeds;
- A "shallow" residential pool from which to source qualified or specialized personnel;
- Key missing elements for a well-supported labour pool, e.g., lack of public transportation and child daycare;
- Lack of other adequately-funded community socio-economic infrastructure, which also stretches the region's volunteer base.[1]

In larger, more populous and sectorally diverse locations, it is relatively easier to address these problems. Finding solutions in the Margarees requires some "out of the box" thinking. It is also important to note that any efforts would not be the first initiative to attempt to better serve business networking and training needs in the northern half of Cape Breton Island.

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[1] Among the most important pieces of key community infrastructure at present for businesses, community enterprises and individuals/families are the Co-op store, the Credit Union, the Library (with its recently enhanced lower-level meeting space), and the various community festivals that mostly run from June through October and require large amounts of volunteer energy.

## A Short History of Previous Organizational Efforts

The history of most relevance to this discussion is that of the Cabot Trail Working Association on Tourism (CTWA), which operated for about 10 of the past 20 years. It arose out of a desire to develop the local economy in the northern half of Cape Breton, principally by addressing the needs to help the tourism industry grow and flourish. An important precursor in Inverness County participation was *The Voice of the People* report in 2005, and the concerns/recommendations made in that document (many of which are still outstanding).[2] The County's 2010 Integrated Community Sustainability Plan (required from each municipality by the Province) continued to provide supportive planning statements relating to business development.

The formation of CTWA was a volunteer board made up of representatives from 8 regions of the Cabot Trail along with a paid Project Manager position and a municipal representative from Victoria County and Inverness County. During this period the regions represented consisted of Victoria County's Baddeck, St. Ann's Bay, Top of the Island and Ingonish, to the coastal communities of Inverness County's Pleasant Bay, Cheticamp and into the Margaree Valley. The Cape Breton Highlands National Park also had representatives participate on the board. In Inverness County at that time, there were 16 community development organizations throughout the County, four of which (including MADA, Cheticamp Economic County, Pleasant Bay Development and Meat Cove Development Assoc & CAP Site) were involved to a greater or lesser extent.

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[2] This report no longer appears to be maintained on the Inverness County government website, so a copy appears in Appendix H to this overall report, as it affected some other questions being dealt with by the current projects.

Mainstays in the latter years of CTWA were Tom Wilson, Victoria County's Director of Recreation and Tourism, and Donna MacDonald, his counterpart in Inverness County.

The CTWA struggled with many challenges throughout its period of active life (the website (www.cabottrail.travel) is the only remaining active element today. The participating groups were united in their desire for better infrastructure to support the economy – roads, internet, cell tower coverage, and tourism. For most of its active existence, the CTWA operated without staff dedicated to its work: Mr. Wilson and Ms. MacDonald were the sole support staff and both had other job responsibilities in addition.[3]

The most significant overall accomplishments of the CTWA appear to have been:

- The development of a Cabot Trail brochure for tourists;
- A website www.cabottrail.travel;
- Production in 2008 of a *Cabot Trail Assessment Report* followed by the *Cabot Trail Re-Assessment Report in 2012 (Roger Brooks, DDI) : Follow-up Recommendations List;*[4]
- Based on recommendations on the Roger Brooks assessments, two *Façade and Viewscapes* programs were supported by ACOA and its predecessor, Enterprise Cape Breton Corporation (ECBC). The *Façade* programs enabled businesses an opportunity to apply for 50 cent dollars for professional designs and upgrades to their storefronts. A signage component allowed for a new brand and logo design for the Cabot Trail resulting in the production and installation of new welcome signs at each entry point to the Cabot Trail, community identification signs for each of the regions, as well as assurance

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[3] Mr. Wilson reports that for most of these years, about 50% of his time was spent on tourism development activities in and for Victoria County. At this time, Inverness Municipal Councillors do not have assigned portfolios, and evaluating different models for Councillor responsibilities was not part of the remit of the Organizational Review consultant, Davis Pier

[4] A copy of this report is attached as an appendix to this chapter. The report was commissioned by Nova Scotia Tourism for the CTWA and conducted by Roger Brooks of Destination Development International, Seattle, WA.

route markers. The *Viewscapes* program provided selective clearing of trees and brush at coastal look-offs/pull-offs and created/enhanced sight lines for seascapes while driving. Included was a detailed management plan with an inventory of these sites, GPS locations and maintenance recommendations;

- A series of annual "Cabot Trail Solutions" conferences for interested businesses and persons in the two counties, the last of which was held in Cheticamp on March 23, 2015.

These five elements were possible because the CTWA board was able to attract funding in 2009-2010 for a CTWA manager and assistant, as well as some programming money, but they were not successful in renewing the grant subsequently. However, the continued partnership of both Victoria and Inverness municipalities did permit the successful application for funding of a second *Façade and Viewscapes* project, which wrapped up December 2018.

A relatively small number of the recommendations in the *Cabot Trail Re-Assessment Report* have been implemented because of lack of funding, but several of these recommendations were embedded in the Integrated Community Sustainability Plan (ICSP) required from each municipality by the Province. Other recommendations are now part of both the Inverness and the Victoria County Tourism Strategies (e.g., the Inverness County Tourism Strategy, Part 2 on Signature Spaces and Signage [2017]).[5]

In addition to the above-mentioned overall achievements of the CTWA, its existence and advice/support also stimulated some local activities in the development associations around the two counties. According to Mr. Wilson, one of the most successful local areas was Iona, where the Central Cape Breton Community Ventures, Inc. development group worked with other community volunteers on various projects relating to a marine research centre, various websites and domains, SSL certificates, high-speed cable and fibre-to-home initiatives that offered new opportunities to the Highland Village Museum and local businesses, etc.

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[5] The County's tourism strategy reports, its ICSP report, and the organizational review document are all available at https://invernesscounty.ca/government/reports/

Cheticamp, Inverness County's largest service centre on the Cabot Trail with its strong Acadian culture, is successfully advancing its cultural footprint. Under the direction of the Conseil des Arts and its federal, provincial and municipal funding partners, they are investing in a new cultural hub. The Cultural Quarter – Le Quartier Culturel de Chéticamp -- will include a range of facilities containing an outdoor classroom, an outdoor theatre, a promenade, a multifunctional space and a café. The investment is of educational, cultural and economic significance to the area.

Communities located in the Top of Island region (Meat Cove, Bay St. Lawrence, Cape North and Pleasant Bay) for the most part have been focusing their efforts on the development of the Seawall Trail. A group of volunteers is working to create a multi-day walking and hiking trail from Pleasant Bay to Meat Cove in northwestern Cape Breton which could generate significant economic activity. The proposed route is through a protected wilderness area from Meat Cove to Pleasant Bay. The board is working its way through the provincial government's 14-step guide for trail development. Building a remote, long distance hiking trail is a significant undertaking, requiring a passionate group of volunteers who are willing to commit themselves to a long-term project. The Seawall Trail Society - a non-profit, community-driven enterprise - was formed to facilitate this process. The Society's mandate is to develop walking assets in Northern Cape Breton by working closely with all stakeholders. This project is supported by all levels of government, including the municipalities of Victoria and Inverness counties.

However, many of the other participating community development groups were not as well placed to make progress. With no staff, or no cornerstone institutions (e.g., the Highland Village), volunteers became burned out. It was also physically hard to get people together because of the distances involved across the two counties, and the inherent difficulties of long winter weather, followed by the tourist season, when everyone was busy with operations. The annual conferences (most held in November, a relatively "quiet" time before winter's onslaught) were well-attended in the first three or four years, but then interest tapered off.

Still, many areas of both Counties miss having some business support opportunities and networking. There is a recognition that such a widespread regional group will (again) not succeed unless there is funding for staff to support both networking and business advocacy, as well as training opportunities.

### *The Margaree Tourism Association Cooperative, Inc. (MTA)*

Of equal historical importance as the CTWA is the Margaree Tourism Association Co-operative, Inc. (MTA). It was begun informally by a group of 16-18 accommodation and restaurant operators for a few years before being incorporated as a society in 2006-2007.[6] Their founding purpose was to promote the Margarees as a destination area, beyond its past (and current) reputation as being "between Baddeck and Cheticamp (and, now, Inverness)". It had been prompted, in part, by a report by former resident, Michael Roosevelt, on founding a Chamber of Commerce-like organization. MTA, currently chaired by Gordon Lawrence, has made some important contributions over time – e.g., a full-colour brochure about the Valley, a community page in the Nova Scotia *Doers and Dreamers* guide, the large highway signs welcoming visitors to the Margaree Valley at turnoff points on Highway 1, contributing to the CTWA's work, establishing a tourism website for the Valley, operating the Visitor Centre (which has now been transferred to the Library and MADA's oversight), and encouraging the development of hiking trails and snowmobiling. Most recently, the MTA is in the process of taking over ownership and maintenance of the Margaree Harbour Lighthouses from the federal Department of Fisheries and the Coast Guard.

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[6] A principal benefit of incorporating was that it allowed them to access 50% support for marketing activities from the provincial government.

There was comparatively little observable activity during the past couple of years because MTA members[7] were consumed with other work and community projects, and the organization is facing some near-term decisions about maintaining and refreshing its website, etc.[8] As with other organizations, a small membership, who are also busy running their own businesses, and lack of paid staff has made its work more difficult to sustain at a high level of activity.

**Where Do We Go from Here?**

Plainly, it is too early to determine whether efforts to create a strong northern Cape Breton network of business networking/training organizations with sufficient funding to be successful can/will happen. Many players are part of those discussions, which are intermittently ongoing:

- Inverness and Victoria Counties;
- The Cape Breton Partnership, which houses the Cape Breton Regional Enterprise Network (CBREN), which is the most recent initiative by the Province to encourage and fund efforts (with participation also from County governments) to develop and attract new businesses and retain and expand existing businesses;
- Existing regional business groupings in larger centres, e.g., the Sydney and Port Hawkesbury Chambers of Commerce, and including some groups that focus on specific business sectors, such as BABTA (the Baddeck & Area Business and Tourism Association) and the Celtic Heart initiative.

Waiting for a future – and uncertain – outcome to these discussions is not really an option for businesses in the Margarees if additional business development is to move forward in timely way. As noted above, the total Margaree business community is small in size/number, and spread among several sectors. As the area tries to promote its distinctiveness within Cape Breton Island, it also critically needs a way of encouraging and supporting cross-sectoral efforts that will help to define that distinctiveness. A selection of these opportunities is discussed at greater length in the project report on "Developing a Margaree Advantage." Thus, a free-standing organization, unable to afford paid staff, has little chance of success at the local level.

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[7] Over the years, membership numbers have both declined and broadened. There are now about a dozen members, and accommodation and restaurant operators have been joined by gift shop owners and other businesses with some stake in the tourism industry.

[8] MADA has recently launched a new website, https://www.this-is-margaree.com, and it may be that the older MTA site (which has become a bit dated), www.margareens.com, should be selectively edited into this newer site..

Our recommendation is to suggest that the Margaree Area Development Association (MADA) – with some modest annual support from the County -- continue to operate much as it has during this set of projects with CBU – that is, with a wider-ranging Liaison Committee of business, not-for-profit and locational representatives that allows it to more broadly receive, evaluate, and support community-based initiatives from throughout the Margarees. We suggest the creation within that Liaison Group[9] of a "business networking and training node" (clearly, a better name will be required!), which acts as a policy and program group for the business sector (in addition to participating with other, non-business sectors on the Liaison Committee, in more broadly-based community initiatives).

The purpose of this business networking/training group would be to identify, study and develop policies and programs that either (a) address problems shared in common by all or most businesses in the Valley (e.g., internet, taxes, skills development) and/or (b) create, develop and promote distinctive products and services that combine two or more business sectoral interests in the Valley (see "The Margaree Advantage" for sample ideas).

This business networking/training node should:

- Be composed of at least six members, with the capacity to add additional members to its project committees;

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[9] A visual representation of this committee is presented in Appendix J.

- Have one member from each of the following business sectors – tourism, the fishery (lobster/gaspereau), culture/heritage/sport, agriculture, creative arts/crafts, and forestry/manufacturing/retail;
- To the extent possible, sector representatives should be chosen by their own sectoral businesses (who would constitute a reference group for the chosen representative);[10]
- Have as ex-officio, non-voting members the CBREN staff member for Inverness County, the Valley's elected member to County Council, and the Chair (or Vice-Chair) of MADA;
- Receive organizational support (photocopying, community communications, meeting supports, etc.) from MADA, which may be supplemented through project-based fund- or grant-raising by the group when additional paid assistance is required
- Refresh its sectoral representative membership every five years (on a rotating schedule to assure continuity);
- Meet on a published schedule at least six times a year, three meetings of which should be advertised as being open to interested business or community members with a facilitated discussion/consultation period;
- Work with all business sectors, the CBREN and any neighboring business communities with similar needs to identify training which could benefit businesses in terms of efficiency, productivity and overall management improvement and work with training suppliers to provide the training (i.e., CBU, NSCC, Inverness Education Centre-Academy business studies department, private training providers).
- Advise/support MADA and the County with respect to the ongoing socio-economic health of baseline infrastructure for the Valley: the Co-Op store, the Credit Union, the Library (and its services to businesses and community

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[10] For its part, MADA should retain and regularly update a list, by sector, of all the businesses in the Valley, with contact information for each (phone number, email and civic address) to be able to maintain contact with the business sector and to be able to reach out to them for advice and consultation, as appropriate.

organizations), and the community festivals that are so much a part of the June-October period of activity in the Valley.
- Advise/support MADA and the County with respect to all other issues of direct relevance to the growth and maintenance of business enterprise (private, co-op and not-for-profit) in the Valley.[11]

Should the business community (and MADA) agree to proceed to implement this recommendation, Dr. Scott is prepared to offer initial advice and support in helping them to organize their work, if that should be desired.

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[11] With respect to the tourism sector, it will be important for this new business group (and MTA) to keep abreast of Destination Cape Breton Association's (DCBA) annual tourism marking strategy to be aware of opportunities available, and to take advantage of their research. The current strategy focuses on understanding the growing phenomena of social media influencers, and how the travel market is evolving with a new mix of traditional and non-traditional media. DCBA has also piloted a new "communities of interest" program that brought together hiking enthusiasts, photographers and travel writers, and hosted successful "creative weekends" that created content for social media platforms (i.e., Facebook and Instagram) that was widely used in promoting Cape Breton trails to the world. The Fraser brothers of Margaree Forks were prominent participants in the Hiking Community of Interest. This year, DCBA will be introducing a new Outdoor Recreation Community of Interest that will be of interest to operators and new entrepreneurs in the Margarees.

# Rural Co-Operative Childcare: A Margaree Solution

## Feasibility Analysis produced for the Shaping the Margarees Future Project

**Cape Breton University and Margaree Area Development Association**

**December 19, 2018**

**Tiara Dhenin & Karla Winham**

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# Executive Summary

Following a series of consultations between Cape Breton University's Community Economic Development Institute and the Margaree Area Development Association, community members suggested childcare as a key priority for attracting and retaining families to the area, including young farmers. It is considered by many as pivotal to economic growth and development in the region. The purpose of the following report is to build on research undertaken by a dedicated group of community members to assess the feasibility of starting a licensed childcare centre in the Margarees. It begins by assessing various organizational models used in childcare and provides an overview of the local childcare market in Margaree by discussing the results of a survey distributed locally. Findings include a demonstrated demand for licensed childcare in the area, a number of local challenges to be addressed, and a community commitment to participation in solutions. It moves on to discuss three options for childcare provision and the relative feasibility of each before concluding with recommendations to address the childcare shortage. The report recommends starting a childcare cooperative as a solution that will address the childcare issue with a response that is unique to the Margarees.

# Introduction: Challenges for Childcare in Farming and Rural Communities

Finding adequate care for young children is a challenge familiar to most working Canadian parents. Just 25% of Canada's children have access to a regulated childcare space, and Canada ranks lowest among wealthy OECD countries for meeting various childhood development objectives (Warner & Prentice, 2012). Before the 1970's, when many of Canada's social programs were developed, women did not participate heavily in the workforce, so childcare was never established as a universal federal program (Warner & Prentice, 2012). As a result, the government currently relies on the private market to establish and operate childcare centres, with regulatory oversight and some funding support provided by provincial governments. It is difficult for private enterprises to maintain the quality services required for licensing while keeping care affordable for parents (Friendly, Ferns, Grady, Rothman, 2016).

Childcare challenges in Canada are amplified in the rural context. Dispersed, low-density populations lack the numbers of children required to cover the operating costs of a licensed childcare centre. Transportation challenges, lack of suitable buildings, fluctuating demand for services due to seasonal work, and difficulty recruiting staff all make it even more difficult to operate licensed childcare in rural areas (Friendly et al, 2016; Coontz & Esper, 2003). As a result, parents tend to rely on a patchwork of arrangements with family, friends and neighbours to meet their childcare needs. These "kith and kin" arrangements are used for 75% of children in rural Canada - twice as many as in urban areas (Colker & Dewees, 2000). They tend to be informal, unlicensed, variable in quality and relatively unstable (Colker & Dewees, 2002; Walter & Reschke, 2012).

The shortage of childcare in rural communities can contribute to the challenge of attracting workforce professionals and deter the available workforce from participating in the economy due to child-minding responsibilities (Henning-Smith & Kozhimannil, 2016). Furthermore, the kith & kin arrangements that predominate are generally not available to young newcomers, who may not have any family or pre-existing social network in the community. For these reasons, "provision of child care has been identified as a component of effective rural economic development both in North America and in the European Union" (Friendly et al, 2016). In fact, the majority of economic developers agree that childcare is a strategic target for economic development policy (Warner & Prentice, 2012).

The Margaree area shares many of the challenges present throughout rural Canada. Difficulty accessing childcare was cited as a quality of life concern in the Margarees as far back as 2005 (MacIntyre, Macdonald & Smith, 2005). Following a community inquiry in 2018, it was determined that local families still have difficulty finding child care. The investigators heard reports of parents' work being disrupted due to an unstable patchwork of childcare arrangements, and that individuals and professionals have chosen not to move to the area because of a childcare shortage. The need for quality, consistent childcare is significant. Consequently, addressing the childcare shortage has been identified as an essential part of future development for the Margarees to promote economic development and participation, and to support the socialization and quality of life of children and their families.

## Literature Review: Organizational Models

The following section reviews different organizational structures that could be suited for a licensed childcare centre in Margaree. Selecting an organizational structure is important since it ultimately shapes how organizational and financial activities are coordinated, who participates, and how decisions are made (Doherty, Friendly, & Forer, 2002).

### Non-Profit Societies

Nonprofit daycares are a common form of childcare in Canada. Outwardly, nonprofit childcare centres may appear to be very similar to commercial daycares; they often provide similar services to families and must earn revenue to maintain operations and compete in the marketplace (Cleveland & Krashinsky, 2004). Both commercial and non-profit childcare centres provide childcare services to many thousands of Canadian families each year.

Underneath the surface, however, there are structural and legal differences between the two models which impact many aspects of operations including administration, governance, and financial management. For example, a primary feature of nonprofit daycares is their motivation. They are incorporated for the purpose of achieving a social objective, namely to provide quality childcare services (Social Enterprise London, 2005). All nonprofit organizations are incorporated under provincial legislation that guides operational requirements. They typically have a Board of Directors responsible for administering the organization and they are required to reinvest any profits back into the organization or its social mission (*Societies Act*. R.S., c. 435, s. 1).

The Board of Directors is commonly composed of parents as well as stakeholders from the community (Cleveland & Krashinsky, 2004). Some centres offer parents reduced childcare fees as an incentive for volunteering on the Board. Parental involvement in nonprofit daycares is common but not always required, with parents typically involved in activities such as fundraising, grounds maintenance, or volunteering during business hours (Levetin-Reid, 2012). Because they are unmotivated by profits, non-profit societies are considered to provide a higher quality of care than commercial centres; they are less likely to cut costs around staffing and supplies, more likely to invest in employees, and unlikely to take advantage of customers (Cleveland & Krashinky, 2009).

## Cooperative Associations

A childcare cooperative is a childcare centre that is collaboratively owned and controlled by its members. Co-ops operate according to a set of internationally recognized principles designed to ensure democratic member participation, social responsibility and solidarity. They are incorporated by and for their members to meet a need or provide a service within a community (Co-operative Development Foundation of Canada, 2018). For example, a childcare cooperative may be launched by parents desiring to take an active role in shaping their child's experience at daycare, or they may surface in communities where childcare facilities are limited or not otherwise available (Saskatchewan Cooperative Association, 2010). As members, parents are encouraged to participate both as volunteers and as active coop members, for example, by sitting on the board of directors and participating in decision-making processes (Saskatchewan Cooperative Association, 2010). Childcare coops are generally incorporated as nonprofit organizations according to provincial legislation (Canadian Cooperative Association, 2006).

Some studies have proposed multi-stakeholder cooperatives as an option for rural communities to maintain a minimum basic level of services that are otherwise difficult to access locally (Canadian Cooperative Association, 2006; Cooperative Development Centre, n.d). Multi-stakeholder co-ops involve two or more classifications of members such as parents, employees, or community organizations, businesses, and interested citizens (Canadian Cooperative Association, 2006). In rural Quebec, multi-stakeholder or 'solidarity' co-ops have a large presence in the healthcare sector but have also been found in childcare (Cooperative Development Centre, n.d). Multi-stakeholder childcare coops present an opportunity for rural communities to meet challenges related to local service access through collaborative community participation. A case study can be found in Appendix F (Nfld Co-Op).

## Commercial Daycares

Commercial (or for-profit) child care services range in size from small, privately owned family home daycares or centres to large, publicly traded commercial chains. They may also be publicly operated by a municipal or regional government (Doherty, Friendly & Forer, 2002). Decision-making in commercial childcare centres is highly centralized with owners having full autonomy to make decisions regarding finances, administration, and policy (Doherty & Beach, 2006). While some providers may opt to invest profits to improve childcare services, there is limited public oversight regarding how profits are earned and distributed.

Commercial daycares in Nova Scotia are incorporated according to provincial legislation. Family home daycares are licensed under the authority of the Day Care Act and Regulations (Department of Education and Early Childhood Development, 2018). Each one operates as an independent business, but they are managed by an agency licensed by the Department of Education and Early Childhood Development.

## Comparison of Organizational Models

| | Commercial (Centre or Day Home) | Non Profit Society | Cooperative |
|---|---|---|---|
| **Tax structure** | Pay business taxes | Can apply for tax exempt status<br>May be eligible for GST rebates | Can apply for tax exempt status<br>May be eligible for GST rebates |
| **Funding options** | Eligible for provincial grants<br>Could sell shares | Eligible for provincial grants | Eligible for provincial grants<br>Access to low-interest financing and loan guarantees |
| **Distribution of revenue** | Owner/shareholders | Invested back in organization | Invested back in organization |
| **Community involvement** | No community involvement required | Community involvement typical but not required | Members invested in the well-being of organization |
| **Member participation/ voting rights** | No membership | Membership optional; voting rights can depend on various factors (e.g., financial contribution, membership type) | Equitable membership – all members pay the same and each gets one vote |
| **Governance** | Individual owner, or shareholders | Board of Directors may be elected or appointed | Board of Directors elected from membership |
| **Other** | | | Enabling support networks help with by-laws, registration and training |

## Alternative Childcare Models

Organizational structure applies to different models of childcare centres. Some innovative examples of childcare models in rural settings include care in assisted-living facilities, school-based care, and community organization and faith-based care (Colker & Dewees, 2000). In each of these examples, the childcare centre co-shares a space with an existing facility. Financially, this can help lower overhead expenses such as rent and utilities. There are social advantages as well. For example, co-sharing assisted living facilities encourages intergenerational community interaction and improves access to community support networks. Churches and community-based organizations generally offer a welcoming space and are accessible to the community. School-based care is convenient for parents requiring school-age care before and after class and can potentially address transportation obstacles in communities where school buses are operational. While appealing, the accessibility of these various spaces is largely shaped by geography and the provision of community services as well as government policy (Colker & Dewees, 2000).

## Market Analysis

In May/June 2018, a group of parents conducted preliminary research which suggested a significant demand for a licensed childcare centre in the Margarees.

A follow-up survey was conducted between Nov 23 and Dec 7, 2018. This survey was designed to verify the current need for childcare in the Margarees and to build an understanding of broader community interest in facilitating a childcare centre. It was available online through various social media and community networks. Physical copies were made available at two community centres.

### Target Market

The target market for a childcare centre is families requiring full and part-time childcare in the Margarees. Given that childcare has been identified collectively by the community as a key priority to the future development of the Margarees, the childcare centre is intended to attract families who are unable to meet their childcare needs through existing arrangements.

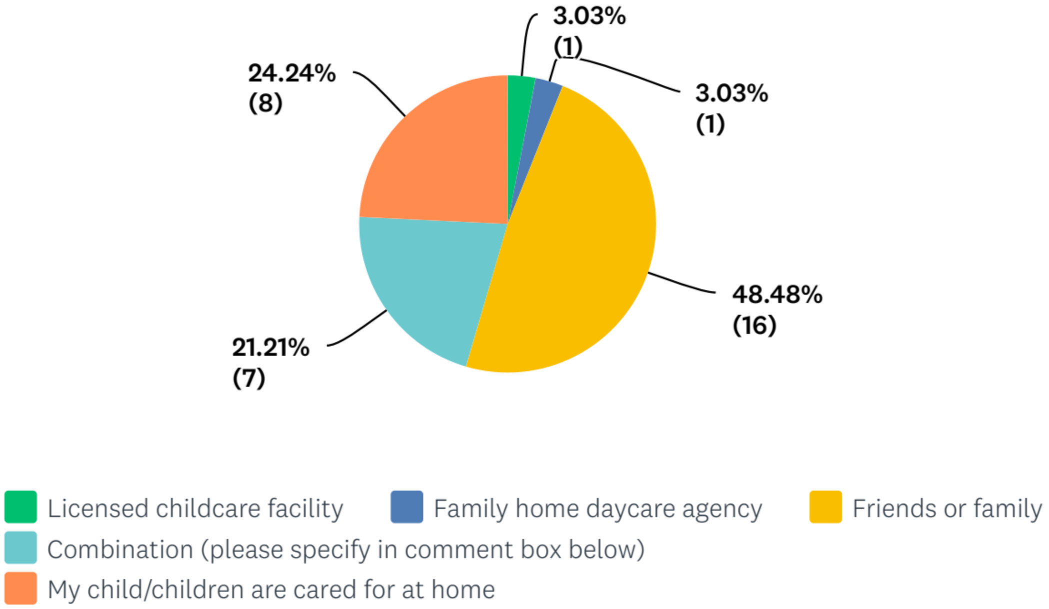
### Size of Market

In total, 58 households replied. Of the 58 respondents, 41 households have children or are expecting to have children, for a total of 61 children.

| **Answer Choices** | **Total Number** |
|---|---|
| 0-3 months or expecting | 7 |
| 3-17 months | 9 |
| 18-35 months | 16 |
| 3-5 years (preschool) | 11 |
| Grades Primary - 2 | 11 |
| Grades 3 - 6 | 7 |
| Grade 7+ | 0 |

In Margaree, 24% of households surveyed are caring for their children at home; some of these are by choice or because they are currently on maternity leave, but almost none of the community has access to a licensed childcare facility.

### How are you currently meeting your childcare needs?



The types of childcare services requested in the Margarees varies with the different age groups of children living in the area. Families indicated the number of children in their household who currently need organized childcare:

| Pre-School Care | Total Number | School Age Care | Total Number |
|---|---|---|---|
| Infant Care (3 months to 17 months) | 9 | After school care (2:40-5:30) | 15 |
| Toddler Care (18 months-35 months) | 15 | Inservice day care | 9 |
| Pre-School Care (3 Years-School Age) | 7 | Summer day care/camp | 11 |
| Before Pre-Primary Care | 4 | | |
| After Pre-Primary Care | 6 | | |

These numbers appear to indicate just enough demand for a childcare centre in the area. The absolute numbers of children requiring care as reflected in the second survey are not large, but this may be attributed to the short two-week time frame of the survey and the fact that the community had already completed a similar survey in June 2018.

By comparing these results with previous survey results, we can see similar trends in requested services for all age groups.

| **Age Group** | **Number of Children/Care** | **Survey 1** | **Survey 2** | **Average % requiring care** |
|---|---|---|---|---|
| 0-3 mo or expecting (future market) | # of children | 17 | 7 | |
| 3-17 months | # of children | 19 | 9 | 84% |
| | # requiring care | 13 | 9 | |
| 18-35 months (toddler care) | # of children | 26 | 16 | 95% |
| | # requiring care | 25 | 15 | |
| 3-5 years (preschool care) | # of children | 29 | 11 | 61% |
| | # requiring care | 17 | 7 | |
| School age (after school care) | # of children | 46 | 18 | 76% |
| | # requiring care | 32 | 15 | |

Together, the two surveys indicate both an immediate and medium term need for child care services in the area, with similar distribution of needs. In both surveys, high percentages of children required care, with toddler and after-school care having the highest demand for services. Anticipating there are more children in the area whose families did not fill out a survey, it is reasonable to expect there would be a similar demand for childcare services.

Absolute numbers of children requiring care is important, but it is also essential to look at whether they require full time or part time care to ensure the centre could be financially feasible. The following table summarizes this aspect of the market:

| **18 month to 5 years requiring Care:** | **Survey 1** | **Survey 2** |
|---|---|---|
| Full time care (M-F) | 17 | 12 |
| Part time care (M-F) | 9 | 8 |
| Seasonal (full or part time) | 4 | N/A |
| Extended hours/other | 7 | 13 |

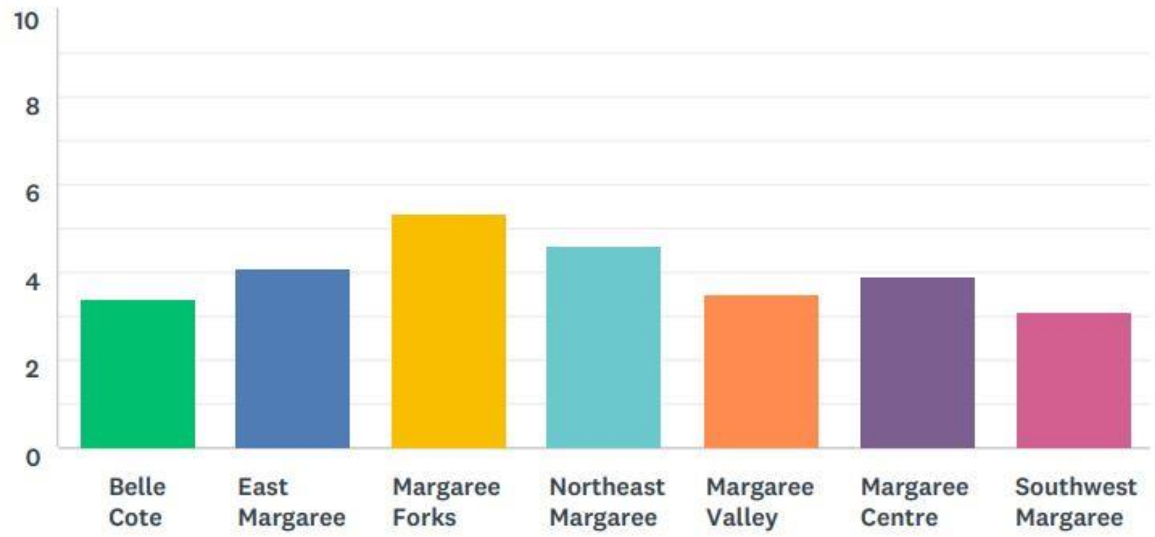
Based on these numbers, and supplemented by earlier survey results, there appears to be enough demand for a weekday childcare centre year-round with 18 child care spaces. Due to the extra space and staffing involved (to be discussed further), infants were not targeted at this time.

## Other Market Characteristics

### *Location*

The most preferred location for a childcare centre is in Margaree Forks, which is a central meeting point between the Margaree communities and where the majority of respondents with children live. Families appear willing to commute to a childcare facility if necessary:

**Please rank the following according to your willingness to travel for child care:**



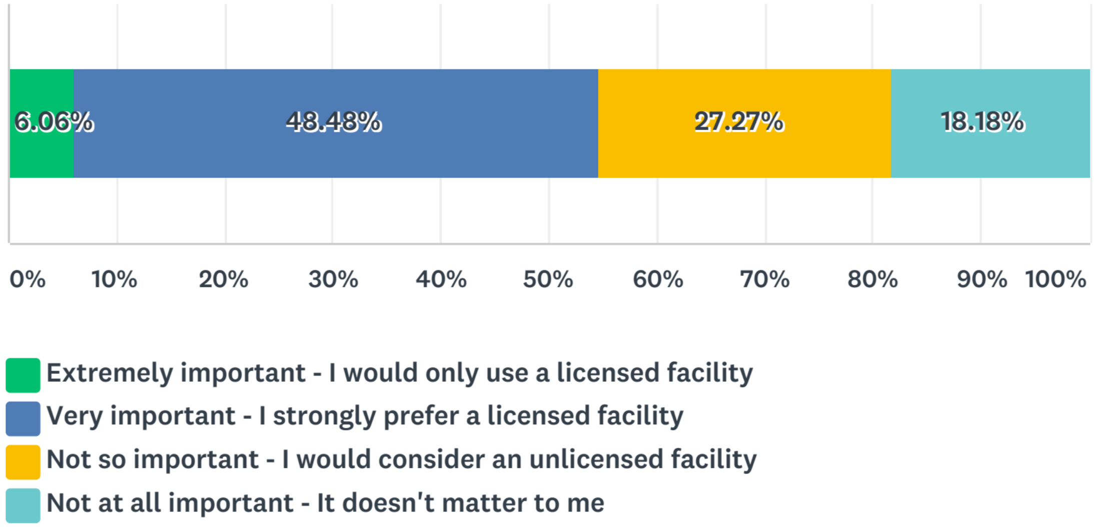
### *Ability to pay*

The average cost of child care in Cape Breton is between $32 and $42 per child per day (see appendix G). 73% of respondents with children stated they can afford to pay this, but the remainder would require subsidies from the provincial government to assist with childcare costs. These subsidies are available for families earning less than $70,000 per year whose children attend a licensed centre.

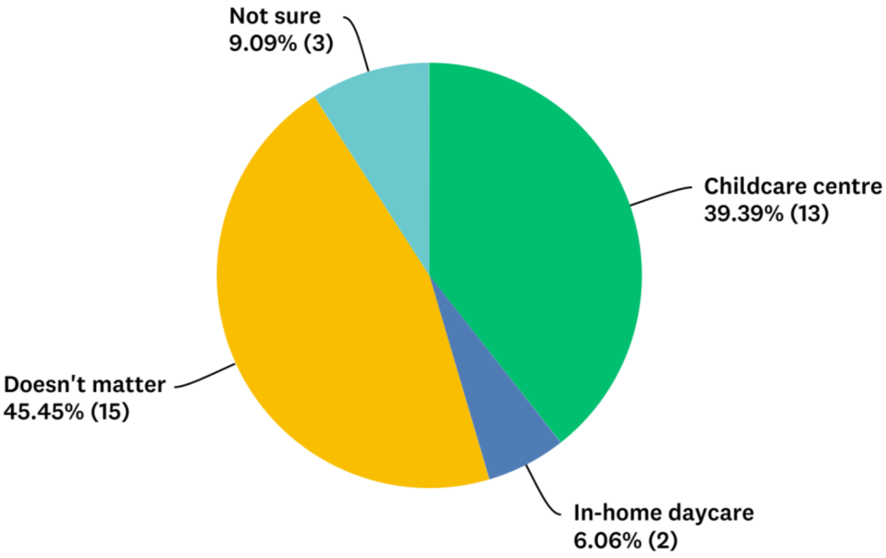
*Licensing and Childcare Setting*

Over half of the households surveyed (54%) indicated that provincial licensing of a childcare facility is ‘very’ or ‘extremely’ important to them. The type of childcare setting, whether a centre or a home daycare, was not a pivotal issue, although there was significant support for centre-based care. Based on these results, a licensed childcare centre is considered in the scenario analysis.

**How important is provincial licensing of a childcare facility (including home daycares) to you?**



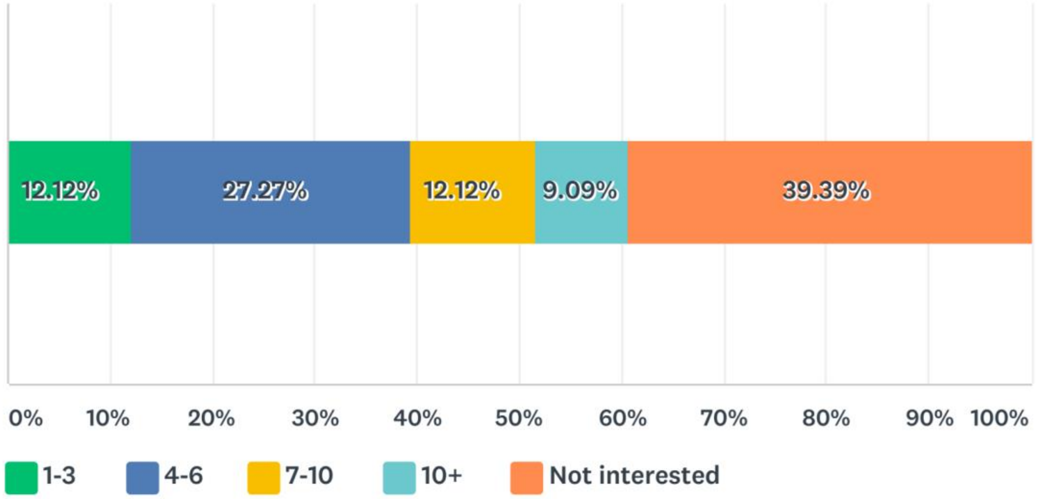
**Would you prefer a childcare centre or an in-home daycare?**



*Parent involvement*

Of 33 respondents with children, over 60% are willing to get involved at a childcare centre:

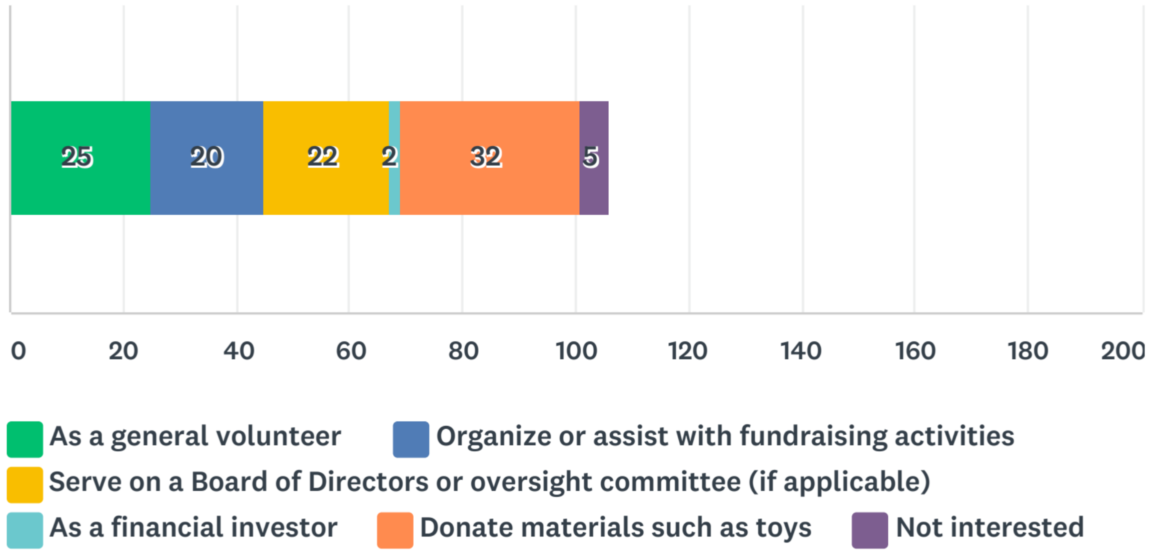
**How many hours per month would you be willing to volunteer at a childcare centre if it reduced your childcare fees?**



*Community involvement*

There is a genuine interest from the broader Margaree community to help establish and facilitate a childcare centre. A significant number of families, both with children and without, indicated they would volunteer in various capacities:

**In what ways would you be willing to help facilitate a childcare centre in the Margarees community?**



## Overview of Existing Childcare Services in Margarees

There are no licensed childcare options in the Margarees. Unlicensed childcare options are limited to 6 or fewer children at a time. Childcare services that exist in the area include:

- One licensed childcare centre in Cheticamp; no vacancy.
- One licensed home daycare in Inverness.
- Two unlicensed day centres. One operates from a family home, the other in Cranton Crossroads Community Centre.
- Unlicensed preschool program at the Community Centre, which offers a half-day program for 3 and 4-year olds, up to 4 days/week.
- There is a Pre-primary program at the local school for 4-yr-olds.
- Informal arrangements between friends and family members

According to the survey and other market research, these services are either too far away or are otherwise not meeting the current need for childcare services in the Margarees, presenting an opportunity for a licensed childcare centre to fill the service gap that is apparent in the community.

## Barriers to Entry

Even with a demonstrated market in the Margarees for a licensed childcare facility, there are still several obstacles that need to be overcome before a centre can be opened.

1. *Lack of suitable buildings*

   Several potential sites were recommended through surveys and personal communications. Various church halls, seniors’ centres, the community centre and the library have been discussed and preliminary investigations done. To date, no existing buildings in the Margarees have been found that would meet the needs of a licensed childcare centre. They either fall short of provincial licensing guidelines or are currently in use by groups who lack other places to conduct their activities. (See appendix J)

If the community identifies an existing space that is not currently in use by other community members, or if the users can coordinate alternate locations for their activities, further research could be conducted by community members to determine whether the building might be appropriate for a childcare centre (ie, measurements taken and compared to licensing guidelines, a technical visit requested with licensing officer).

Otherwise, a host/rental location could be identified and upgraded (e.g., an existing hall or centre that is not in use during weekday hours), a suitable building could be purchased and renovated, or a new building could be constructed. In the case of new facility construction, a multi-purpose centre that could accommodate a childcare facility as well as other community businesses or events would be desirable and might be eligible for more funding options than a standalone childcare centre.

### 2. *Capital Investment Required*

In the absence of an existing building for a childcare centre, the only options remaining are to purchase and renovate, or to build something new, either as part of a multi-use facility or as a standalone centre. This would require a significant outlay of capital to procure land and well water, construct a building, purchase items such as furniture, kitchen supplies, and toys, and to build a playground with fencing. Even with a high level of community-donated equipment and labour, many childcare-specific purchases (e.g., sleeping mats, child-size toilets) would need to be made.

Finding funding to cover these costs, whether through grants, loans, fundraising or community donations, will be necessary. Regarding loans, banks generally require a business or organization to have recognized legal status before financing a business venture. This means there would have to be an individual business owner with collateral to register a commercial childcare business, or an organization (non-profit society or co-operative) would need to be created to approach financial institutions for loans.

Another option to encourage investment in the childcare centre would be to create a Community Economic Development Investment Fund (CEDIF). This is a pool of funds raised by individuals for community purposes (Nova Scotia Securities Commission, 2014). Investors would get a 35% tax credit for their contribution to this fund. There is also an exploratory possibility that the municipality could provide land or make purchasing arrangements for land, or that a resident could donate property.

### 3. *Questionable Access to Provincial Funding*

In 2016, the Nova Scotia government developed a new “Strategic Growth Initiative” for licensed childcare to approve up to 15 regulated childcare centres in communities with demonstrated need (Department of Education & Early Childhood Development, 2018). Following a call for proposals in Inverness County earlier in 2018, it is unclear whether this funding will be available again in the future. Currently, only new centres that open through the Strategic Growth program are eligible for provincial grants that subsidize operation expenses and staff wages. This means that any centre that starts independently, with loans, donations, etc., is ineligible to receive provincial grants. While this policy shift is likely intended to improve the quality of childcare services across Nova Scotia, it seems framed around the needs of urban communities, overlooking the unique circumstances of rural communities where there may be limited financial alternatives to start childcare centres. During interviews, several childcare centres in Cape Breton indicated their reliance on the government's Quality Investment Grants to operate.

Other grants may be available if the centre is incorporated as a non-profit society or co-op. For example, the NS Social Enterprise Network is helpful for locating these sources of funding. However, launching a childcare centre independently of the Strategic Growth Initiative may put the centre at risk of losing provincial support, forfeiting potential to be 'grandfathered' by the province into future policy developments.

4. *Workforce Challenges*

In rural areas, availability of qualified staff for a childcare centre is often a concern. The survey did suggest that there are several Early Childhood Educators (ECEs) in the region who might consider employment at the centre. However, entry level ECE certification is not sufficient for all employees – according to licensing requirements, 2/3 of staff (including the Director) must have Level 2 or 3 ECE certification. Therefore, suitable staff may need to be recruited from elsewhere, or further training offered to those who already live in the Margarees.

5. *Regulations*

As can be seen from examples above, the many requirements for regulated childcare in Nova Scotia place constraints on building choices, staffing and funding options, and add to the costs of opening a centre. These constraints are intended to ensure quality services, but they can also be barriers, particularly in a rural setting such as the Margarees where buildings, workforce and funding are limited. The time required to complete all the steps involved in licensing can also present as a significant barrier. See appendix H for a brief description of pertinent licensing requirements.

## Scenario Feasibility Analysis

The following section considers three scenarios to address the childcare shortage in the Margarees. The first is a full time licensed centre for toddlers and preschoolers only; the second is a full time centre with the addition of after-school care; the third scenario considers family home daycares.

### Scenario A: Licensed Child Care Facility

Based on the market analysis, it is plausible for the Margaree community to consider a full time licensed childcare centre providing the equivalent of 18 full time placements for children age 18 months to 5 years old during weekdays. Although there is a sizable group of families requiring infant care, licensing requirements regarding staff ratios, physical space and equipment would make the costs prohibitive at this time. Instead, infants represent future demand for childcare services.

According to provincial regulations, the staff to child ratios for this age group is 1:6. This scenario would require three full time Early Childhood Educators (ECE), one of whom would be the director. A substitute ECE would need to be available to supplement any time away or sick days. Staff wages including payroll taxes and professional development costs in this scenario would cost approximately $121,000 per year, representing 75% of the current projected budget. This calculation is based on paying $15 per hour per Level 1 ECE and $17 per hour for a director, or Level 2-3 ECE. In 2021, wages for ECEs will become provincially regulated at $15 for level 1, $17 for level 2, and $19 for level 3 (Global News, 2016).

The projected minimum parent fee to cover expenses based on the projected budget ranges from approximately $35 to $45 per child per day. NS Early Childhood Development Services (ECDS) recommends budgeting for 60%, 75% and 85% occupancy rates in the first three years of operation, based on typical patterns of business growth in childcare centres. To break even at 60% occupancy, childcare fees must be higher at around $42 to $45 per day. Given the local childcare shortage and the fact that the centre would be the only licensed childcare facility in the Margarees, it is anticipated that the occupancy rate would be higher than 60% upon opening, but this cannot be guaranteed. Furthermore, the break-even analysis is strongly affected by the specific number of children attending relative to staff members. For example, a centre with 13 children (necessitating the addition of a third staff member to maintain staff to child ratio) would have more difficulty covering staffing costs than it would at an occupancy of 18 children with higher revenues from parent fees. For prices to remain affordable for families, a full occupancy rate is desirable.

These calculations do not account for provincial grants, which can help to supplement staff wages and operating expenses, and therefore lower parent fees. Since provincial funding is only available to centres through the Strategic Growth program, the budget in this scenario depicts unsubsidized operating expenses to illustrate how finances would flow in and out of the business if launched without provincial support. Since a childcare space has not been acquired, it does not incorporate start-up costs into the projected daily fee. Fees would need to be increased to offset expenses if funds are obtained through loans or a line of credit as opposed to grants. Additionally, parent fees should be adjusted to create revenue which can be reinvested into the centre or saved in a contingency fund for emergencies. At full capacity, the childcare centre could charge no less than $33 to $35 per child per day to break-even.

If Margaree moves ahead with a childcare centre for 18 children, it will only be feasible under very particular financial parameters, some of which are unknown until a space is acquired. Based on current projections, there may be obstacles to ensure that parent fees remain affordable for families after all costs are considered unless there is at least 85% occupancy (15 children) at a $40 daily rate, or unless provincial funding is obtainable to help reduce expenses. Risk increases if it is opened without provincial support, since the centre would be ineligible for any provincial operational grants. It is unknown when provincial funding for new childcare spaces will be next available, although the ECDS should release an update in early 2019. This will help determine the cost of start-up expenses, which will also influence the cost of parent fees. Expenses can also be reduced if a space/rent is donated, or the general community participates by volunteering materials or by offering various services at reduced costs.

Please refer to Appendix A for the projected annual budget for this scenario. Also see Appendix D for a break-even analyses and profit/loss projections at varying occupancy levels, and the excel spreadsheet accompanying the report for cash flow projections.

## Scenario B: Licensed Full Time and After School Care

In the Margaree community, demand for after school care is equal to or greater than the demand for full time childcare services. There are no after-school child care services currently operating in the area, obligating parents to organize alternative childcare arrangements between 2:30 pm and 5:30 pm during the school week. To address this service gap, a proposed scenario is to incorporate after school care into a model for full-time child care.

Based on interviews with community members and during an environmental scan of available spaces for a proposed childcare centre, the only operating school in Margaree was not determined as a possible co-location for childcare due to space constrictions and because it is situated outside of preferred locations for a proposed childcare centre. This creates significant obstacles to combine services currently. However, if spacing requirements for a childcare centre are obtained, combining full time care and after school care creates an opportunity to meet the community's expressed needs while generating additional revenue to offset expenses of a full-time childcare facility, helping it to become more affordable and independent from grants.

The average cost of after school care in Nova Scotia is between $400 and $500 per child per month with services ranging between three and five hours per day. Based on financial projections, incorporating an afterschool component into Scenario A would add around 10% to the budget in annual expenses (approximately $16,000) while raising overall revenue by approximately $25 000. This includes the cost of hiring an additional part-time staff member. The staff-to-child ratio for school age children is 1:15, or 1:12 when eight pre-primary age children are present (EECD, 2018) Revenues are maximized since fewer staff are required to care for school-age children, who are more independent. The program therefore pays for itself while creating revenue that could potentially reduce fees for full time care spaces.

Since some after-school care programs take place on school property or are facilitated by childcare businesses offering transportation services, transportation is a potential barrier in this scenario. To be feasible, it would be necessary to consult the school board to determine if children using the service could travel to the centre by bus. Another alternative, purchasing a commercial vehicle to transport children to the centre, would present additional costs that could be added to the budget if necessary. Assuming transportation services can be arranged through the school, the parent fees for after-school care could then be set at $300 per month (or $15 per day), with services offered from approximately 2:40-5:30 pm. This would then allow the childcare centre to charge $35 per day for full-time, year-round services while earning revenue that could be reinvested into the program.

Please refer to Appendix B for a projected budget for Scenario B. Also see Appendix D for a break-even analyses and profit/loss projections at varying occupancy levels, and the excel spreadsheet accompanying the report for cash flow projections.

### Scenario C: Family Home Daycares

A final consideration to address the childcare shortage in Margaree is for individuals to open licensed family home daycares. Although the community has expressed a preferred interest in opening a childcare centre, licensed family daycares are still an option to address the local childcare shortage while meeting preferences for licensed care.

As self-employed business owners, family home daycare providers can care for up to seven children of mixed age, including a maximum of two infants, or nine school-age children. This ratio includes the provider's own children. Financial considerations include licensing requirements such as potential upgrading costs, the cost outlay for fire inspection, well water analysis, and business registration, as well as general operating expenses. Since budgets will be largely determined by individual providers, who become eligible to write off expenses such as mortgage and utilities, the budget demonstrated in this analysis is subjective (see Appendix C).

The advantage of this scenario is that family home daycares have considerably lower barriers to market entry compared to a licensed childcare centre. For example, it avoids the infrastructure challenge in Margaree since the business is situated within family homes. Day home providers are required to undertake training but are not required to be ECE certified. There is also ample support available from the Family Place Resource Centre, which holds the license for family home daycares in Cape Breton and provides assistance ranging from ECE facilitated playgroups to ongoing administrative support. Families using licensed family home daycares can access childcare subsidies if necessary, and the homes are obligated to meet provincial standards for quality of care. In the case that a location cannot be obtained in Margaree to open a new facility in the foreseeable future, this offers an interim solution.

However, obtaining licensing is still an involved process with home care providers required to undertake significant efforts to become an approved facility and maintain licensure. Once established, a family home daycare might not necessarily be open long-term. It would be difficult to satisfy the demand for childcare services in Margaree through this route unless multiple licensed daycare homes are opened. Family daycare homes would also represent direct competition for childcare spaces if a childcare centre eventually opens. Most importantly, this scenario puts responsibility on individual residents to resolve the childcare shortage rather than the whole community, since each home daycare is an independent business. Given that a stable, long-term childcare solution has been identified as pivotal to the community's development, Margaree could benefit from a concerted community effort to launch a childcare centre. This is discussed in more detail below.

## Margaree Childcare - A Community Solution

The shortage of childcare options in Margaree is causing difficulty not only for families, but for the entire community. So long as parents and households with children are obligated to organize childcare through a patchwork of personal and informal networks, they are also limited in their capacity to fully participate in the workforce and, therefore, from contributing to Margaree's economic and future development. Childcare is a service challenge related to younger families. However, if the Margarees want to attract younger families and more workforce professionals to the area, the issue must be embraced as a community-wide priority.

Fortunately, the Margaree has a wealth of organizations, associations and businesses that could get involved, as well as a community ready to help, according to survey results. Community organizations such as tourism groups, museums and businesses can use their professional networks to lend support in a variety of ways, from advocating for funding to creating a community foundation or development fund. Groups within Margaree could even form partnerships with other development initiatives in the broader region. The most important thing is that Margaree citizens from all sectors recognize the strategic importance of the childcare issue and take ownership of the solution.

## Recommendation

Establish a multi-stakeholder childcare co-operative to offer licensed, centre-based childcare services for the region. A centre for 18 toddlers/preschoolers and 15 after-school children offers the best balance of financial feasibility while meeting the community's stated needs.

A co-operative structure is designed to ensure member participation and solidarity. Organizing as a co-operative would formalize community involvement in a way that no other organizational structure could do. Co-op members are not merely consumers of a service; they are owners of the organization, giving them a vested interest in its success. A multi-stakeholder co-op, open to all interested community members, would allow the whole community to participate, shape and direct childcare in the Margarees, and would be a tangible way to support young families who represent the future of the region.

A co-op would also offer practical benefits with regard to financing. Membership fees alone would provide some baseline funding. Furthermore, the financial contributions of members would demonstrate a level of commitment that could attract investors to the project and help with advocacy efforts. Co-ops are eligible for financing opportunities such as the small business loan guarantee program of the NS Co-Operative Council. High profile co-ops such as East Coast Credit Union and Co-operators Insurance are committed to encouraging new co-op development and may have grants or other supportive financing options.

There is also expertise accessible through supportive organizations such as the NS Co-operative Council and Social Enterprise Network of NS. Assistance with business registration, writing organizational by-laws, accessing funding and governance training for Board members are all available free of charge through these organizations. This assistance and support would give the childcare centre a strong base on which to thrive.

## Next Steps

To garner momentum, next steps may include organizing a general community meeting open to various stakeholders including local businesses, tourism operators, the credit union, community groups and any interested individuals to gauge local interest in starting a childcare coop. Coops are not uncommon in Inverness County, and there may be locals who can provide insights to cooperative organization in addition to the resources explored above. Others may be able to provide business skills, financing, or donations toward start-up capital.

Although there are serious barriers to starting a childcare centre currently, including unclear funding and securing a location, these obstacles may be overcome if the community collaborates to mobilize finances, assets such as purchased or donated land, and support from the provincial or federal governments. The provincial government should continue to be involved in discussions, particularly with regards to receiving finances from the Strategic Growth Initiative. The cooperative model provides the best vehicle to accomplishing these tasks.

## Conclusion

The Margaree boasts a naturally beautiful setting and supportive community for raising a young family. However, there is a demonstrated need for a licensed childcare centre in the community. This piece of social infrastructure is of critical importance for parents’ ability to participate in the local economy, whether they are new to the region or already established. Therefore, developing accessible and affordable childcare is directly related to the Future Margarees Action Project priorities regarding workforce issues and facilitating locating in Margaree. The challenges and barriers have been discussed and point towards a co-operative community solution as the most promising way forward.

# Appendix A: Projected Annual Budget Margaree Childcare Scenario A

| **Projected Annual Budget Margaree Childcare** | **Scenario A** |
|---|---|
| | *Child care only* |
| **Revenues** | |
| Parent Fees | 160,650.00 |
| Fundraising | - |
| **Total revenue** | 160,650.00 |
| | |
| **Expenses** | |
| Director ($17/hour) | 37,425.50 |
| General staff ($15/hour) | 66,045.00 |
| Payroll taxes (11.97%) | 12,385.42 |
| Substitute Wages | 3,695.01 |
| Professional Development | 470.00 |
| **Sub Total** | 120,020.93 |
| | |
| Program Supplies | 1,200.00 |
| Office supplies | 1,200.00 |
| Groceries | 8,400.00 |
| Rent/Mortgage | 7,200.00 |
| Utilities | 7,200.00 |
| Cleaning | 2,000.00 |
| Snow Removal | 1,500.00 |
| General Maintenance | 1,800.00 |
| Advertising/Fundraising | 500.00 |
| Telephone & Internet | 1,500.00 |
| Insurance | 996.96 |
| Bank Service Charges | 204.00 |
| Property Tax | 1,200.00 |
| Accounting/Audit Fees | 200.00 |
| Other | 300.00 |
| **Sub Total** | 35,400.96 |
| | |
| Total Expenses | 155,421.89 |
| | |
| Surplus/Deficit | 5,228.11 |
| Taxes @ 3% | 156.84 |
| Net Revenue | 5,071.27 |

*calculated at $35 per child per day at full occupancy

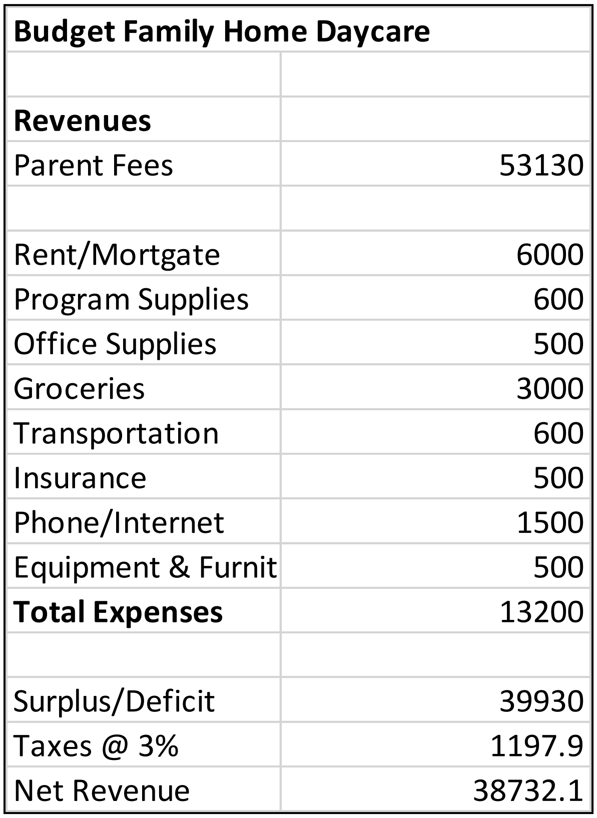
*See appendix E for an explanation of the budget/Excel attachment for cash flow statement

# Appendix B: Projected Annual Budget Margaree Childcare Scenario B

| **Projected Annual Budget Margaree Childcare Scenario B** | | |
|---|---:|---:|
| **Revenues** | Child care and After-School Care | After-School Care Program Costs |
| Parent Fees (full time) | 160,650 | 44775 |
| After school fees | 44,775 | |
| Total revenue | 205,425 | |
| | | |
| | | |
| **Expenses** | | |
| Salaries & Wages | | |
| Director ($17/hour) | 37,426 | |
| General staff ($15/hour) | 77,745 | 11700 |
| Payroll Taxes (11.97%) | 13,786 | 1429.22 |
| Substitute Wages | 5315 | 615 |
| Professional Development | 620 | 150 |
| **Sub Total** | 134,891 | 13894.22 |
| | | |
| Program Supplies | 1,500 | 300.00 |
| Office Supplies | 1,500 | 300.00 |
| Food/Groceries | 9,500 | 1100 |
| Rent/Mortgage | 7200 | |
| Utilities (e.g., Heat, Light) | 7,200 | |
| Cleaning | 2,000 | |
| Snow Removal | 1,500 | |
| General Maintenance | 1800 | |
| Advertising/Fundraising | 500 | |
| Phone & Internet | 1,500 | |
| Insurance | 996.96 | |
| Bank Service Charges | 204 | |
| Property Tax | 1200 | |
| Accounting/Audit Fees | 200 | |
| Other | 300 | |
| **Sub Total** | 37,101 | 1700.00 |
| | | |
| **Total Expenses** | 171,992.37 | 15594.22 |
| Surplus/deficit | 33,432.63 | 29180.78 |
| Taxes @ 3% | 1003.0 | 875.42 |
| Net Revenue | 32,430 | 28,305 |

*calculated at $35 per child per day at full occupancy, $15 per day for after-school care
*See appendix E for an explanation of the budget/excel spreadsheet for cash flow statement

# Appendix C: Sample Family Home Daycare Budget



| | |
|---|---|
| **Budget Family Home Daycare** | |
| | |
| **Revenues** | |
| Parent Fees | 53130 |
| | |
| Rent/Mortgate | 6000 |
| Program Supplies | 600 |
| Office Supplies | 500 |
| Groceries | 3000 |
| Transportation | 600 |
| Insurance | 500 |
| Phone/Internet | 1500 |
| Equipment & Furnit | 500 |
| **Total Expenses** | 13200 |
| | |
| Surplus/Deficit | 39930 |
| Taxes @ 3% | 1197.9 |
| Net Revenue | 38732.1 |

*Revenue calculated using $35 per child daily fee
*Net revenue represents the caretakers wages after all other costs considered

# Appendix D: Break Even and Profit/Loss Analysis

Break-evens indicate the parent fee per day required to just cover costs, for Toddler/Preschool Care only and for After School Care at various occupancy levels.

Profit/Loss Analysis indicates how much the centre would gain or lose per year at stated occupancy levels with parent fees of $35 or $40 per day for Daycare and $15 for After-School.

| | | | | |
|---|---|---|---|---|
| **Break-Even Analysis** | | | | |
| **Full Time Care Only** | | | | |
| Capacity | 18 | 18 | 18 | 18 |
| Operating Days per year | 253 | 253 | 253 | 253 |
| Operating Costs | 117,286 | 155,422 | 155,422 | 155,422 |
| Occupancy Factor | 60% | 75% | 85% | 100% |
| Occupancy Factor multiplied by the number of Operating Days | 2732.4 | 3415.5 | 3870.9 | 4554 |
| Daily Parent Fee | $42.92 | $45.50 | $40.15 | $34.13 |
| *Demonstrates break-even analysis at different occupancy levels | | | | |
| | | | | |
| **Break-Even Analysis** | | | | |
| **After School Care** | | | | |
| Capacity | 15 | 15 | 15 | 15 |
| Operating Days per year | 195 | 195 | 195 | 195 |
| Operating Costs | 15,594 | 15,594 | 15,594 | 15,594 |
| Occupancy Factor | 60% | 75% | 85% | 100% |
| Occupancy Factor multiplied by the number of Operating Days | 1755 | 2193.75 | 2486.25 | 2925 |
| Daily Parent Fee | $8.89 | $7.11 | $6.27 | $5.33 |
| *Demonstrates break-even analysis at different occupancy levels | | | | |
| | | | | |
| | | | | |
| **Profit/Loss Analysis** | | | | |
| Occupancy | 60% | 75% | 85% | 100% |
| Daycare Revenue at $35 | 95,634 | 119,543 | 135,482 | 159,390 |
| After school Revenue at $15 | 26,325 | 32,906 | 37,294 | 43,875 |
| Total revenue | 121,959 | 152,449 | 172,775 | 203,265 |
| Total Operating Costs | 132,880 | 171,016 | 171,016 | 171,016 |
| **Profit/loss** | - 10,921 | - 18,567 | 1,759 | 32,249 |
| | | | | |
| | | | | |
| **Profit/Loss Analysis** | | | | |
| Occupancy | 60% | 75% | 85% | 100% |
| Daycare Revenue at $40 | 109,296 | 136,620 | 154,836 | 182,160 |
| After school Revenue at $15 | 26,325 | 32,906 | 37,294 | 43,875 |
| Total revenue | 135,621 | 169,526 | 192,130 | 226,035 |
| Total Operating Costs | 132,880 | 171,016 | 171,016 | 171,016 |
| **Profit/loss** | 2,741 | - 1,490 | 21,114 | 55,019 |

# Appendix E: Notes on the Budget

- **Operating days** are calculated by working days each month minus statutory holidays and well as regulatory holidays Thanksgiving and Remembrance Day, lowering operating days from 261 to 253.

- **Salaries & Wages**: It is recommended to pay the base wage of $15, $17 and $19 for level 1, 2 and 3 ECEs. These wages will become the industry standard in 2021 as per provincial regulation (Global News, 2016) and it could be difficult to attract employees at a lower wage, particularly in rural areas where there may be an ECE workforce shortage due to loss of ECEs to pre-primary care.

- **Payroll Taxes**
    - CPP at 5.10%. Increased from 4.95% in 2019 (Government of Canada, 2018).
    - EI at 1.62%. Decreased from 1.66% in 2019 (Government of Canada, 2018).
    - Vacation Pay 4%. Employers must pay employees at least 4% of gross wages (Nova Scotia Department of Labour and Advanced Education, 2018).
    - WCB at 1.25% for Child Daycare and Nursery Industry. WCB is required for any business with three or more employees (Workers' Compensation Board of Nova Scotia, 2018).

- **Vacation Pay**: Employees who qualify are entitled to 6 statutory holidays with pay. Most childcare centres close on stat holidays. In the budget, staff wages are still accounted for in lieu of providing holiday pay (DLAE, 2018). The centre can decide whether to stay open on stat/regulatory holidays, and would adjust payment for staff wages accordingly.

- **Substitute Wages** are calculated based on 100 hours per core staff member at minimum wage. Childcare centres are not required to pay the wage floor to substitutes. However, if the budget allows, paying higher wages is conducive to attracting and retaining ECEs. Childcare centres can apply for federal funding to subsidize substitute wages to support provision of development training, after 6 months of employment (Nova Scotia Department of Early Childhood Development, 2018).

- **Professional development:** ECEs are required to undertake 30 hours of professional development every three years, or an average of 10 hours per year. Based on discussions with other Cape Breton childcare centres, employees typically complete a course in the spring and in fall; some centres plan weekend retreats. Some employers cover wages while staff are attending the courses (included in this budget); others expect training to be completed on their own time. Some pay the course fees. Exact costs on course fees vary widely depending on the topic and were not included in the budget calculations for professional development but should be considered. This expense is subsidized by Quality Investment Grants if the centre is launched with the help of provincial funding.

- **Program Supplies** (crafts, materials, activities) estimated based on conversations with other daycare centres in Cape Breton, which estimate costs at least $100-$200 per month.

- **Office Expenses:** childcare centres go through large amounts of paper and printer ink, among other supplies. The average monthly cost is $100 per month, based on interviews with daycares.

- **Groceries**: During interviews with several licensed daycare centres in Cape Breton, the average cost of food per child per day ranged from $1.30 to $2.25. The budget considers food expenses per child within this range and rounds up to $700 per month. Expenses will vary depending on cost saving purchase mechanisms, such as buying in bulk.

- **Rent/Mortgage** is included in the budget forecast as an estimate only. If the centre is incorporated as a non-profit organization, there is potential that rent may be reduced or eliminated, but this is not an entitlement. The budget considers rent costs as a contingency.

- **Utilities**: This figure is estimated based on use of the Kinsmen Centre in East Margaree. This is the location originally proposed for a childcare space during initial inquiries by the Margaree Childcare Group.

- **Cleaning**: Sanitation at a childcare centre is a regulatory requirement. This is a low estimate of cleaning expenses based on the assumption that staff would delegate cleaning tasks and/or parents or community members volunteer cleaning services. Private companies charge between $15 and $30 per hour, which could increase this expense to at least $600-$1200 per month (based on 2 hours of cleaning, 5 days per week) if alternatives are not considered.

- **Snow Removal.** $375 per month during the winter months is an estimate provided by a local company to the Margaree Childcare Group but may be more expensive.

- **Advertising/Fundraising**: $500 annually is a general estimate of costs to organize and promote the childcare centre's fundraising activities and services, and will vary.

- **Telephone & Internet:** The average cost of internet in Nova Scotia is $75 monthly. Phone bills vary but generally cost around $50 per month, depending on the plan.

- **Insurance:** $83.33 per month was an estimate provided by the Margaree Childcare group, who inquired with the Co-operators insurance company. At a minimum, general liability insurance is required. If the centre incorporates as a society, director's liability insurance is important. Other recommended insurance includes building or rental coverage, business and interruption coverage, business interruption coverage, and abuse coverage. Various companies will put together an insurance package to help minimize overall costs. With these considerations included, insurance costs are likely to increase.

- **Bank Service Charges**: $17 per month is a basic business account at the local credit union. This expense will likely increase as the business grows.

- **Property Tax**: $100 per month was estimated based on renting the Kinsmen Centre in East Margaree. Nonprofit childcare centres may be exempt from paying property taxes.

- **Accounting/Audit Fees:** This is based on information provided by a Cape Breton licensed childcare centre which cares for 18 children. The owner pays $200 per year for tax return preparation and does her own bookkeeping and payroll using an accounting program such as Quickbooks.

- **Taxes** are calculated at 3% as per the lower rate for businesses in Nova Scotia earning less than $500,000 per year. If the childcare centre incorporates as a non-profit organization, it is possible to apply for tax-exempt status (Government of Canada, 2018).

# Appendix F: Case Study: Growing our Future Childcare Co-Op, Port-aux-Basques, Newfoundland

Port-aux-Basques is a small community of about 4000 people. Like many small communities, it lacked access to reliable, licensed child care. A group of parents tried several times over the years to launch a childcare centre, once through the municipality and once as a non-profit. However, nobody had enough stake in either of these scenarios to overcome the significant barriers.

Four years ago, the CEO of the local credit union was searching for opportunities to promote the cooperative model in the community when someone suggested he should start a cooperative daycare. He reached out to key people who might have expertise in economic development, child care and administration; these people formed the first Board of Directors, and they incorporated as “Growing our Futures Childcare Cooperative”.

Once they had established this legal entity, they were able to access funding through the bank. They negotiated an interest-free loan from the credit union. By demonstrating how the project aligned with municipal, provincial and even federal strategic goals, the co-op was able to obtain funding from all levels of government. The town donated land, and the loans and grants were used to construct a stand-alone childcare centre. Support was provided by the regional Childcare Consultant for licensing concerns, and by the Co-Op Council for assistance with organizational issues.

The centre opened in April 2018. It is licensed for 34 children and includes a multi-purpose space that is available for rental by local groups (thereby filling a stated need in the community). All parents are required to be members of the co-op at $100 per membership; other people from the community, including centre staff, are welcome to join as well. Parents are not required to volunteer at the centre, but there is never a shortage of volunteers when work needs to be done – for example, building the playground.

It took a lot of time, persistence and leadership to make the childcare co-op a reality, but it has had a positive impact on the community already. The centre currently provides weekday care to 32 infants, toddlers and preschoolers. Parents are attracted to the co-op model because their membership gives them clear ownership and a say in how the centre operates, rather than simply being customers. The co-op has many local members in addition to the parents and has created 10 new jobs in the community. According to the Chair of the Board, the decision to function as a co-op has been essential in making licensed childcare sustainable in this rural community.

- Information gathered through interviews with:
    - Glenda Osmond, Director of the centre: (709)695-4378
    - Cory Munden, Chair of the Co-Op Board and CEO of Leading Edge Credit Union (709)695-7064, cmunden@lecu.ca

*Mr Munden is passionate about this project and about co-ops in general. He has offered to speak with anyone who has questions, or even to Skype into a meeting to discuss the co-op model with interested community members.

# Appendix G: Environmental Scan of Daycare Prices Cape Breton

| Facility Name | Price | Location | Program Type | Age Category |
|---|---|---|---|---|
| Acadia Playtime Day Care Centre | $34 | 246 Whitney Ave, Syndey | Full day & School Age | Toddler: 18 mo - 35mo<br>Pre-schooler: 3-5 yr<br>School age: 4-12yr |
| Brins de Soleil Centre Prescolaire | $37 | 15 Inglis St, Sydney | Full day & School Age | Toddler: 18 mo - 35mo<br>Pre-schooler: 3-5 yr<br>School age: 4-12yr |
| Cape Breton University Early Childhood Centre | $30.90 | 1250 Grand Lake Rd, Syndey | Full day | Toddler: 18 mo - 35mo<br>Pre-schooler: 3-5 yr |
| Executive Child Care | $32.95 Toddler<br>$30.90 Pre-School | 139 Stanley St, North Syndey | Full Day | Toddler: 18 mo - 35mo<br>Pre-schooler: 3-5 yr |
| Explore & Discover Early Learning Centre | $32.75 | 1488 George St, Sydney | Full Day | Toddler: 18 mo - 35mo<br>Pre-schooler: 3-5 yr |
| Health Park Early Learning Centre | $36 PS & Toddler<br>$44 Infant | 62 Terry Way | Full Day | Infant: 0-17 mo<br>Toddler: 18 mo - 35mo<br>Pre-schooler: 3-5 yr |
| ICA Child Care Centre | $33.85 if FT (30hr+)<br>$36.05 if PT (less than 30 hr) | 721 Alexandra St, Sydney | Full Day | Toddler: 18 mo - 35mo<br>Pre-schooler: 3-5 yr |
| Jewels & Gems Day Care Centre | $31.45 | 12 Marion St, Glace Bay | Full Day | Toddler: 18 mo - 35mo<br>Pre-schooler: 3-5 yr |
| Kinsmen Day Care Centre | $30 | 629 Villa Dr, Little Bras D'Or | Full Day | Toddler: 18 mo - 35mo<br>Pre-schooler: 3-5 yr |
| Mary Lee Pre-School | $36 | 1559 Kings Rd, Sydney River | Full day & School Age | Toddler: 18 mo - 35mo<br>Pre-schooler: 3-5 yr<br>School age: 4-12yr |
| Mini Miner's Day Care & Preschool | $31.82 | 3469 Ellsworth Ave, New Waterford | Full Day | Toddler: 18 mo - 35mo<br>Pre-schooler: 3-5 yr |
| Sydney Day Care | $35 | 62 Cottage Rd, Sydney | Full day & School Age | Toddler: 18 mo - 35mo<br>Pre-schooler: 3-5 yr<br>School age: 4-12yr |
| Tiny Town Daycare & Preschool | $30 | 54 Mount Florence St Coxheath | Full day & School Age | Toddler: 18 mo - 35mo<br>Pre-schooler: 3-5 yr<br>School age: 4-12yr |
| Town Daycare Centre | $30.86 | 15 Second St. Glace Bay | Full day & School Age | Toddler: 18 mo - 35mo<br>Pre-schooler: 3-5 yr<br>School age: 4-12yr |
| Tree House Early Learning Center | $35 | 864 George St, Sydney | Full Day | Toddler: 18 mo - 35mo<br>Pre-schooler: 3-5 yr<br>School age: 4-12yr |
| Wiggles & Giggles Daycare/Preschool | $32.64 (2-5 yrs)<br>$37.15 (3mo-2yr) | 42 Glenda Cres, Sydney | Full Day | Infant: 0-17 mo<br>Toddler: 18 mo - 35mo<br>Pre-schooler: 3-5 yr |
| YMCA of Cape Breton Early Learning Centre | $45 infant<br>$33.48 toddler<br>$32.50 preschool | 399 Charlotte St, Sydney | Full day & School Age | Infant: 0-17 mo<br>Toddler: 18 mo - 35mo<br>Pre-schooler: 3-5 yr |

# Appendix H: Licensing tips for regulated childcare settings

In Nova Scotia, provincial licensing of childcare facilities is facilitated by an Early Childhood Development Consultant. This individual will walk through the details of licensing with the licensee during the proposal and planning process. This document is intended to address a few regulations that might be helpful to know before that point – particularly, details that might affect the choice of land, construction of buildings or renovations required on an existing building. Staffing and other considerations that might affect budget forecasts are also included. All information was gathered from the Licensee's Manual for Regulated Childcare Settings, Government of Nova Scotia (Early Childhood Development Services).

**Land considerations:**

- In addition to the building itself, land for a childcare centre would require space for outdoor play (as well as adequate parking for staff).
- A licensed childcare centre is required to have sufficient outdoor play space either on site or easily and safely accessible by the youngest children at the centre (i.e., toddlers).
- It must provide 7 $m^2$ (75 sq feet) per child. Therefore an 18-child centre would require at least 126 $m^2$ (1350 sq feet) of outdoor play space.
- The play area must be enclosed by a fence that is at least 1.2 m (4 ft.) high.

**Building considerations:**

- The childcare facility should be on ground level. A few steps to the entryway is allowed.
- The indoor play space in a facility must have at least 2.753 $m^2$ (30 $ft.^2$) of unobstructed floor space for each child occupying the space. For an 18-child centre, this means 49.6$m^2$ (540 $ft^2$) of unobstructed space. If 15 after-school children are added, an additional 41.3$m^2$ (450 $ft^2$) must be added, either in the same room or a separate area.
- Children's furniture, equipment and play materials are not considered to be obstructions for this measurement. Entryways, hallways and built-in cupboards are considered obstructions. In most cases, rooms can be measured from wall to wall.
- Children's play spaces in a new building must provide natural light at a minimum of 10% of the floor space. For example, if the play space measures 200 sq. ft. of total floor area, 20 sq. ft. of glass area would be required. For existing facilities that cannot meet the 10% of natural light, a 2% variance in the calculation is allowed.
- The following washroom facilities must be available on site: one toilet and one sink per 10 children, and a separate washroom for staff. Diapering areas must have a handwashing sink that is not used for other purposes.

**A license applicant is required to submit the following documentation:**

- A letter from the residing municipality stating that the facility conforms with zoning by-laws
- A copy of the Occupancy Permit from the Municipal Building Inspector
- A copy of the Department of Environment Inspection Report, indicating that all health safety requirements are met
- A copy of the Fire Inspection Report, indicating that all fire safety requirements are met
- A floor plan of the facility (including the outdoor play space); and
- A water analysis - if on a well supply

- Proof of Insurance (commercial general liability).

**Food/kitchen:**

- Nova Scotia provincial regulations require that child care centres a provide a meal during regular meal times and one snack if a child attends before or after a regular meal period. School age children can bring own lunch but must be provided with a snack on either side of meal time
- Full day child care facilities require a Food Establishment Permit, or must purchase food from an establishment that has a Food Establishment Permit. This permit involves a visit from a food safety inspector from the Department of Agriculture.

**Staffing ratios:**

- Facility staff must be at least 16 years old to be included in the staff-to-children ratios for the facility.

| **Table of Staff-to-Children Ratios** | |
|---|---|
| **Category of Children in Group** | **Staff-to-Children Ratio** |
| **Full-Day Program** | |
| Infant | 1 to 4 |
| Toddler | 1 to 6 |
| Preschooler | 1 to 8 |
| Mixed ages | ratio applying to youngest child |
| **Part-Day Program** | |
| Toddler older than 30 months old | 1 to 12 |
| Preschooler | 1 to 12 |
| **School-Age Program** | |
| School-age only | 1 to 15 |
| School-age and fewer than 8 pre-primary children | 1 to 15 |
| School-age and 8 or more pre-primary children | 1 to 12 |
| Pre-primary children only | 1 to 12 |
| **Family Home Day Care Program** | |
| Any age*<br>(*subject to the restrictions in subsection 15A(2)) | 1 to 7 |
| Infants | 1 to 3 |
| School-age only | 1 to 9 |

**Staff training:**

- All staff who work directly with children must have a valid first aid certificate that includes infant CPR training from a recognized program.
- Staff preparing food for children must have the Food Handler Certification.
- At least 2/3 of the staff working directly with children in a full-day program or a part-day program must have a level 1, level 2 or level 3 classification. Staff who do not meet the regulated training requirements have one year to complete the entry level classification (pre-level 1). Facility director must have Level 2 or 3 Classification.

## Qualifications for ECE Classification

**Entry Level** – completion of Orientation for Staff Working in Licensed Child Care Facilities (Free, 16 interactive online sessions)

**Level 1 Classification** – completion of orientation for child care staff and Level 1 course work (3 post-secondary courses in specific subjects) and guided workplace experience

**Level 2 Classification** – completion of an approved college program in early childhood education

**Level 3 Classification** - completion of a bachelor’s degree in early childhood education or completion of Level 2 requirements and a bachelor’s degree

**School Age Approval** – completion of orientation training and a bachelor's degree that qualifies a person to plan and deliver developmentally appropriate programming for school-age children

**A note about infant care:**

- Due to the staff:child ratio for infants, the addition of an infant care program would add at least an additional 2 staff to meet the need for infant care indicated in the survey.
- Infants require a dedicated sleeping room with individual cribs, a separate indoor play space and a separate outdoor play space (i.e., all infant spaces are separate from older children).
- It is considered best practice for infant childcare spaces to be equipped with a sprinkler system

## Appendix I: Environmental Scan of potential Margaree childcare centre locations

Cranton Crossroads Community Centre

- Space might be available, but many upgrades required, including kitchen licensing and renovation of playground at the very least. Some concerns as to whether a visit from licensing services would jeopardize activities already operating there.

Margaree Valley Seniors Hall

- Nice large hall with possible outdoor play space
- No answer at centre, unable to reach a contact person
- It was suggested this space is regularly used for various community events

New Horizon Seniors Hall (East Margaree)

- Unable to contact, not sure if it is in use during daytimes
- Preschool program used to run in basement, but this would not meet current regulations
- Not enough good outdoor space for playground

Library

- Not enough space. The Tourist Info Centre is also important for the community.

Church halls:

- St Michael's Catholic – unable to contact
- Margaree Valley Baptist – no extra space as they operate a school in the building
- Wilson United Church - unable to contact
- Others? It was suggested these spaces are regularly used for various community events.

School – Cape Breton Highlands

- Margaree childcare interviewee indicated there is no suitable space there; already crowded as it is with Pre-Primary

Margaree Manor

- Senior's apartments as opposed to an assisted living facility; likely not enough common space to accommodate childcare

# Appendix J: Helpful Contacts and Links

**Support Organizations:**

- Nova Scotia Co-Operative Council: Resource page http://www.novascotia.coop/resources/resource-library/
- Social Enterprise Network of Nova Scotia: https://senns.ca/

**Funding ideas:**

- Community Economic Development Investment Funds (CEDIF): A unique way to create a pool of capital for community development initiatives. http://www.novascotia.coop/programs/community-economic-development-investment-funds/

- Community Health Boards: "Wellness Funds are intended to support the implementation of the CHB Community Health Plan recommendations by funding local community projects that use a population health approach, addressing the Social Determinants of Health, such as income, education, social supports, early childhood development, etc" https://www.communityhealthboards.ns.ca/wellness-funds/

- Community Funds: "Local giving for local causes." http://www.cfns-fcne.ca/en/about

- Cape Breton Partnership: "Over one hundred and fifty organizations have committed to investing in Cape Breton's future economic growth." https://capebretonpartnership.com/investors/

**Tips and templates for writing business plans:**

- http://www.cbdc.ca/sites/default/files/business_plan_fillable_blanc_march_2018_resize_0.pdf

- https://canadabusiness.ca/business-planning/sample-business-plans-and-templates/

**People**:

- Diane Kelderman, NS Co-Op Council (902)896-7291. Very interested in developing new co-ops.

- Cory Munden, Chair of Building Our Future Childcare Co-Op, Port-aux-Basques, NL. (709)695-7064. Really passionate about co-ops, lots of experience and very willing to help or even Skype into a meeting.

- Amy Fraser, Director of Tree House Daycare in Sydney. 902-539-5700. Smallest daycare in the list of licensed centres (18 children). Willing to answer questions and give support.

- Gail Fraser, Director of Mini-Miners Daycare in new Waterford. 902-862-9400. Miniminers@ns.aliantzinc.ca. Another small daycare (22 children), also offered to support and answer questions.

- Joanna Latulippe-Rochon, Cape Breton Family Place Resource Centre. (902) 562-5616 Ext. 222 Family Home Daycare Agency, supports & oversees family home daycares in Cape Breton. Helps owner to setup, meet licensing criteria, offers training and administrative support.

**Department of Education, Early Years Branch:**

- Darlene MacInnis, Early Childhood & Community Development Specialist (902)578-1986 *she especially helps with locating appropriate grants & government funding for start-up & oversees the process

- Krista MacEachern, Early Childhood Development Consultant – Cape Breton (902)565-3211 *guides license applicants through the proposal process

- Maureen Fitzgerald, Licensing Officer (Sydney) (902)563-5763; cell 902-574-0460; email: maureen.fitzgerald@novascotia.ca *conducts licensing inspections; very knowledgeable about regulations and willing to answer questions

**Insurance:**

Lisa at Magenta Insurance (for Atlantic Canada) 1-800-489-7889 – Willing to answer any questions about insurance.
https://magenta-ins.ca/2018/02/insurance-licensed-childcare-agencies/

**Contacts provided through survey:**

- carmen.macarthur@yahoo.ca. SW Margaree. Would consider providing home daycare after May 2020? Also would facilitate Gaelic language activities.

- reneemdoucet@gmail.com and 9024765025. Would consider doing home daycare during a mat leave. Also willing to help with fundraising and serve on Board of Directors.

- keshatimmons96@hotmail.com St Joseph Du Moine, 902-563-6579 Home daycare, financial investor, BOD, fundraising, knows an ECE who might relocate.

- Kimberly Tilsley kim.tilsley@gmail.com 902-248-2572 Fundraising, BOD, general volunteer, is a librarian/early childhood teacher.

- Megan Brown - 902-248-2096 - Megan.brown@srsb.ca Fundraising, BOD, grant writing, knows an ECE who might relocate.

- Sarah.mcdaniel@srce.ca Fundraising, BOD, general volunteer.

- Alicia Smith, phone #902-248-2118, email smith_aliciamarie@hotmail.com Volunteer, fundraising

- Rebecca Silver Slayter: silverslayter@gmail.com BOD, writing/editing

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## Appendix A

# Margaree Area
# Entrepreneurship Tool Box
# December 2018

Disclaimer

It should be noted that the following entrepreneurship toolbox is an abridged version of a more comprehensive online resource. The online toolbox contains more information and explanation of the items contained here within and it also has links to far more potentially useful tools and templates. If you can, you should visit the site at:

tonyrhatcher.wixsite.com/mysite

**No matter what size small business you're considering, there's generally six steps that you as a budding entrepreneur may have to consider. And although there's no absolute best order; the following order is generally considered the most common, but don't let that handcuff your planning schedule.**

Step 1/ Self Evaluation/ Are You an Entrepreneur? Page # 64

**It is relatively uncertain on how much "who we are" translates into entrepreneurial success, but it matters. This section looks at surveys and quizzes that will hopefully help you consider your fitness as it pertains to entrepreneurship. The online video discusses those elements that research has shown to be the best predictors of success. This section of the toolbox will neither convince you nor dissuade you; it's meant to make you think!**

Step 2/ Come Up With a Business Idea.

**This is a step you can ignore if you already have an idea; which most do at this point. And this toolbox doesn't deal with that aspect of entrepreneurship but the link does take you to a pretty good article on the development of these ideas. https://www.entrepreneur.com/slideshow/307451** (“8 Ways to Come Up With a Business Idea,” n.d.)

Step 3/ Create Business Plan Starting With Marketing Plan. Page # 74

**There are dissenting views as to the importance of a formal business plan but if you're looking to procure capital, especially at the local economic development level, you'll need one. Even without financing needs, you'll need to go through the processes of an informal planning session, and it starts with the marketing plan as most experts espouse the position that not knowing your market is one of the greatest causes of small business failure. The online video on this section discusses the business plan and its components and the download material includes the major sections of the business plan in template form. The three forms in the stage one section are essentially all you need but there are different versions you can use in this section as well.**

Step 4/ Make It Official/Register Your Business Page # 86

**You've now determined that you indeed are an entrepreneur; that you have a great idea; and the great idea has a market and is a financially viable project; it's now time to register your business. This section looks at the many examples of types of business structure and how to register each. The online video helps to look at the potential benefits and drawbacks of each particular type of structure.**

## Step 5/ Finance Your Business Page # 98

You may not need financing for your venture. Many first-time small business entrepreneurs tend to finance their first venture. So if that's the case, you may be able to ignore this section for now. But many of the local community economic development groups offer up more than just financing; they also can offer services including research and business incubation style services. This section looks at the myriad of lending facilities available to the budding entrepreneurs in the Margaree area and their contacts.

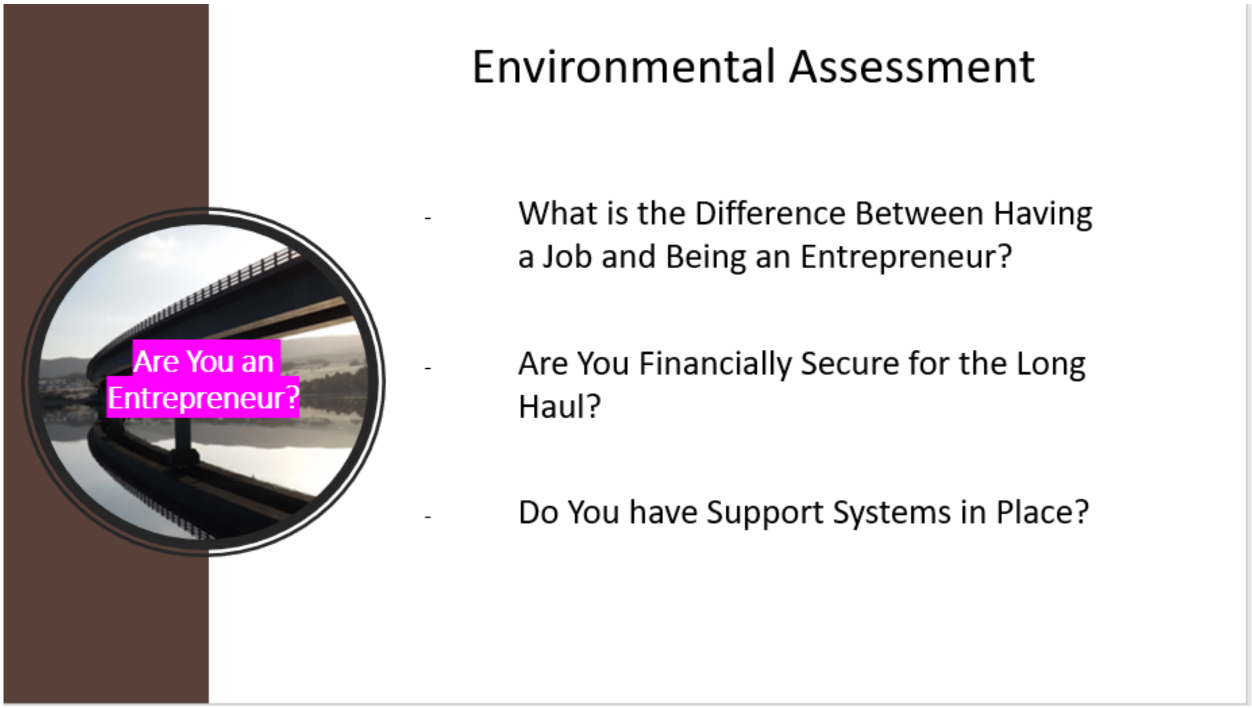
## Step 6/ Employee Remittances and HST Page # 101

**Depending on the ramp-up of your business, this step may come before now, but as mentioned earlier, the timing of these steps is in general and are not meant to be considered set in stone. In this section, you will look at the requirements of setting up a payroll account with CRA and how and what to remit monthly on behalf of the employees and behalf of you. It also looks at the potential requirement to register for HST and the remittance requirements there as well. This part of the entrepreneurial quest tends to be one of the more tedious. However, it tends to be that part of the business that puts new young entrepreneurs behind the eight ball quickest; if you take anything from this section take from it the idea of how important it is to have a good bookkeeper in your employ.**

## Other Miscellaneous Tools

**There's no way to include every tool available to any budding entrepreneur as there's no way to totally grasp the total businesses that can be created in the Margaree area. The tools from the first six sections are very general. In this final link, you'll find more tools that many will never likely use; it's for the sake of inclusiveness so don't get bogged down by it. But as mentioned earlier this is an abridged version hence any of those tools must be acquired online.**

# Self-Evaluation/ Are You an Entrepreneur?



Are You an Entrepreneur?

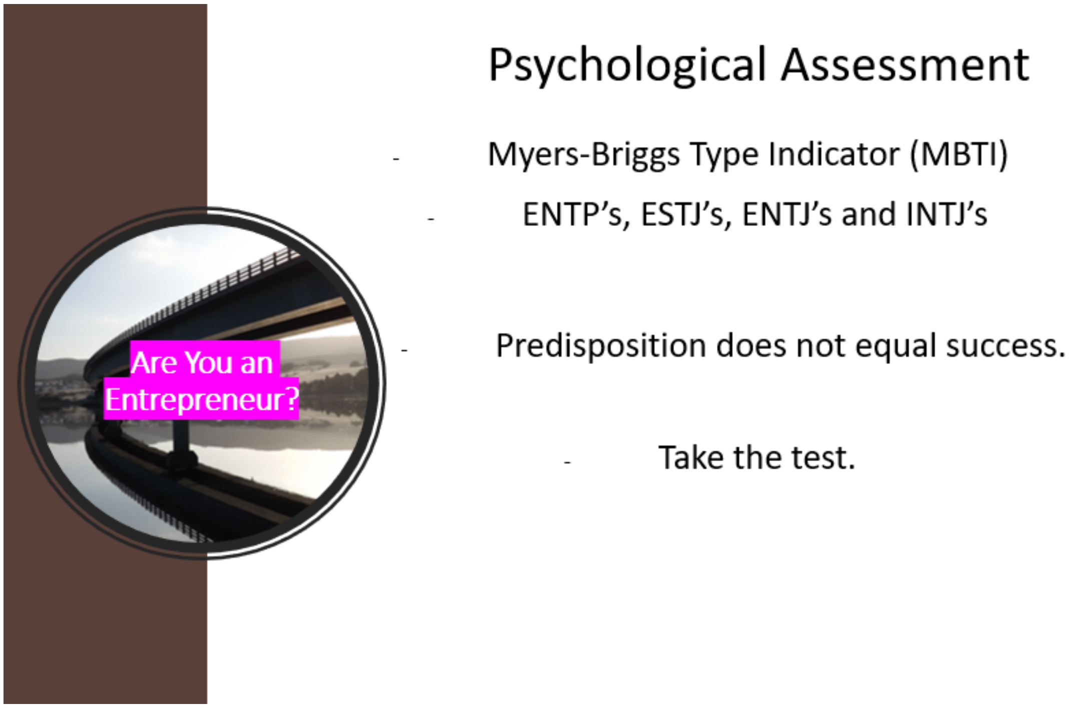
## Environmental Assessment

- What is the Difference Between Having a Job and Being an Entrepreneur?
- Are You Financially Secure for the Long Haul?
- Do You have Support Systems in Place?

And the first thing we're going to look at is the concept of having a job vs being an entrepreneur. And I'm in no way suggesting that someone needs to have a job before they become an entrepreneur but it's important to understand the distinction. If the only reason you become an entrepreneur is because you can't find a job, you run the risk of doing it for all the wrong reasons. Being an entrepreneur is nothing like having a job. Consider the words of Gordon Tredgold, who was the senior vice president of a fortune 100 company who stated that "from the perspective of workload, nothing compared to when he became an entrepreneur". (Tredgold, 2016) In short, make sure to consider your motivations carefully.

Secondly one must consider if they can financially manage being an entrepreneur. Again, it's not like a job where you're relatively certain you're getting a pay cheque every two weeks. Most new businesses aren't making money out of the gate and it is not uncommon for entrepreneurs to hold jobs while they're maneuvering through the entrepreneurship quagmire. And let's not just consider your normal expenses like rent heat, lights, groceries; what about supplemental expenses that will undoubtedly rear their ugly head that aren't necessarily part of an entity's profit and loss statement? Single moms or dads may have to look at the added personal expense of daycare or the added cost of eating out vs eating at home because of the long hours.

Thirdly you must look at support systems. If your family is not supportive, you may be at a greater risk of having your venture fail or even worse; having your family fail. Long hours at work and financial issues talked about in the previous point can have a major strain on any family unit. Don't be that guy or girl that laments the fact he or she didn't play catch with their son growing up. Interestingly one study by a group of researchers in 2009 looked at genetic dispositions in entrepreneurs and noted a correlation between entrepreneurial success in families where there's been some history of entrepreneurship. ("The genetic basis of entrepreneurship: Effects of gender and personality - ScienceDirect," 2009) Whether that's genetic or just a case of like people supporting one another, it highlights the importance of having that strong support structure in place!



Are You an Entrepreneur?

## Psychological Assessment

- Myers-Briggs Type Indicator (MBTI)
- ENTP's, ESTJ's, ENTJ's and INTJ's
- Predisposition does not equal success.
- Take the test.

And now we're going to look at the psychological assessment. And what, if any, common denominators exist that points to specific psychological dispositions that are inherently better for the pursuit of entrepreneurship. According to Caroline Beaton contributing writer for the "Business Insider, "four personality types are conducive to entrepreneurship using the Myers-Briggs Trait Indicator testing. (Beaton, 2016) If you've never heard of the MBTI it looks at personality preferences and from that develops personality profiles. Those that tend to be conducive to entrepreneurship, according to Caroline Beaton, include ENTP's, ESTJ's, ENTJ's, INTJ's. For the record, my personality profile is contained there. While other well-known successful entrepreneurs are not. And there's a great deal of negative press against the MBTI standard many calling it pseudo-science and I certainly don't completely disagree. But even Beaton herself posits that having these psychological propensities doesn't guarantee success; it's a measure of preference not ability. It could be an interesting piece of information but it's not information that should be considered predictive.

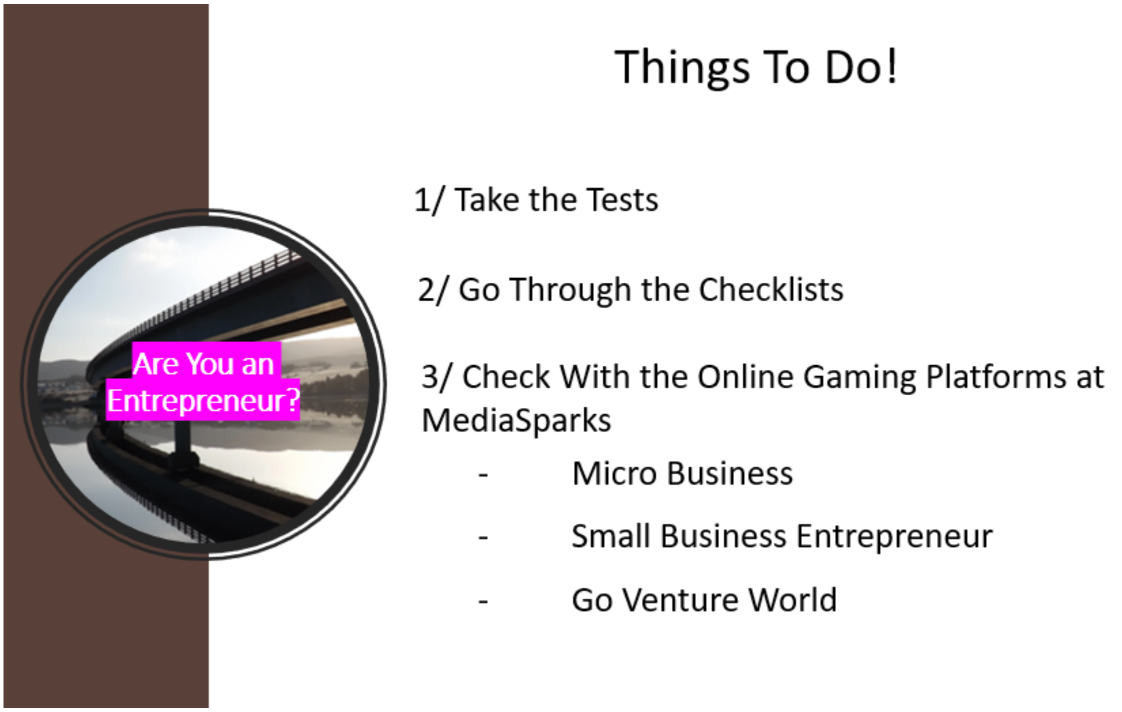
Where's there's less disagreement and more consensus are five personality traits that are consistently prevalent within successful entrepreneurs and they include:

**Passion.** You have to have passion for what you're doing; if it's just about the mighty dollar you're more likely to call it a day when things get tough and the rewards don't come near the amount of work you're putting in.

**Risk Aversion or fear of failure**. You can't be afraid of failure as an entrepreneur any more than you can be afraid of water and be a fisherman or fear dogs and get into veterinary sciences; failure comes with the territory.

**Left-Leaning Locus of Control.** And for those who don't know; locus of control is how you look at how much control you have over your lives and how much is just fate. The preference psychologically is to be more left sided in that you accept that you're the architect of your own story; that successes and failures are, in general, within your ability to control. A very extensive Malaysian study done in 2006 pointed to Locus of Control as being the key attribute in entrepreneurial personality characteristics. (Lee, 2016)

**Flexibility and vision.** You must be flexible enough to move in a different direction or even stop when the evidence suggest it's the appropriate thing to do. Don't let your belief in your project skew your reasoning or ability to judge when something simply doesn't make sense anymore. And of course vision; you have to have vision which is best described by Entrepreneur and Investor John Rampton who was recently named #2 on Top 50 Online Influencers in the World by Entrepreneur Magazine who said and I quote "Entrepreneurs are inspired by things that have never been seen before". (Rampton, 2016)



Are You an Entrepreneur?

Things To Do!

1/ Take the Tests

2/ Go Through the Checklists

3/ Check With the Online Gaming Platforms at MediaSparks
  - Micro Business
  - Small Business Entrepreneur
  - Go Venture World

I think it would be wise also to consider looking at online entrepreneur type simulations. Consider the online entrepreneurial simulations provided by Media Sparks in Sydney. They have several online roleplaying simulation subscriptions including Micro Business, Small Business Entrepreneur and Go Venture World. For me, the Micro Business and Small Business Entrepreneur are ideal for people just new to the concepts of entrepreneurship. The first being more suitable for people with little to no business experience at all while the second is more positioned at folks with a little more knowledge. And yes there's a cost and it is listed on their website. But it's minimal especially in light of the feedback you can receive; you may be 10 hours of roleplaying away from realizing "heck no…this isn't for me"!! ("MediaSpark | Gamification — what it is and what it means for you," n.d.-b)

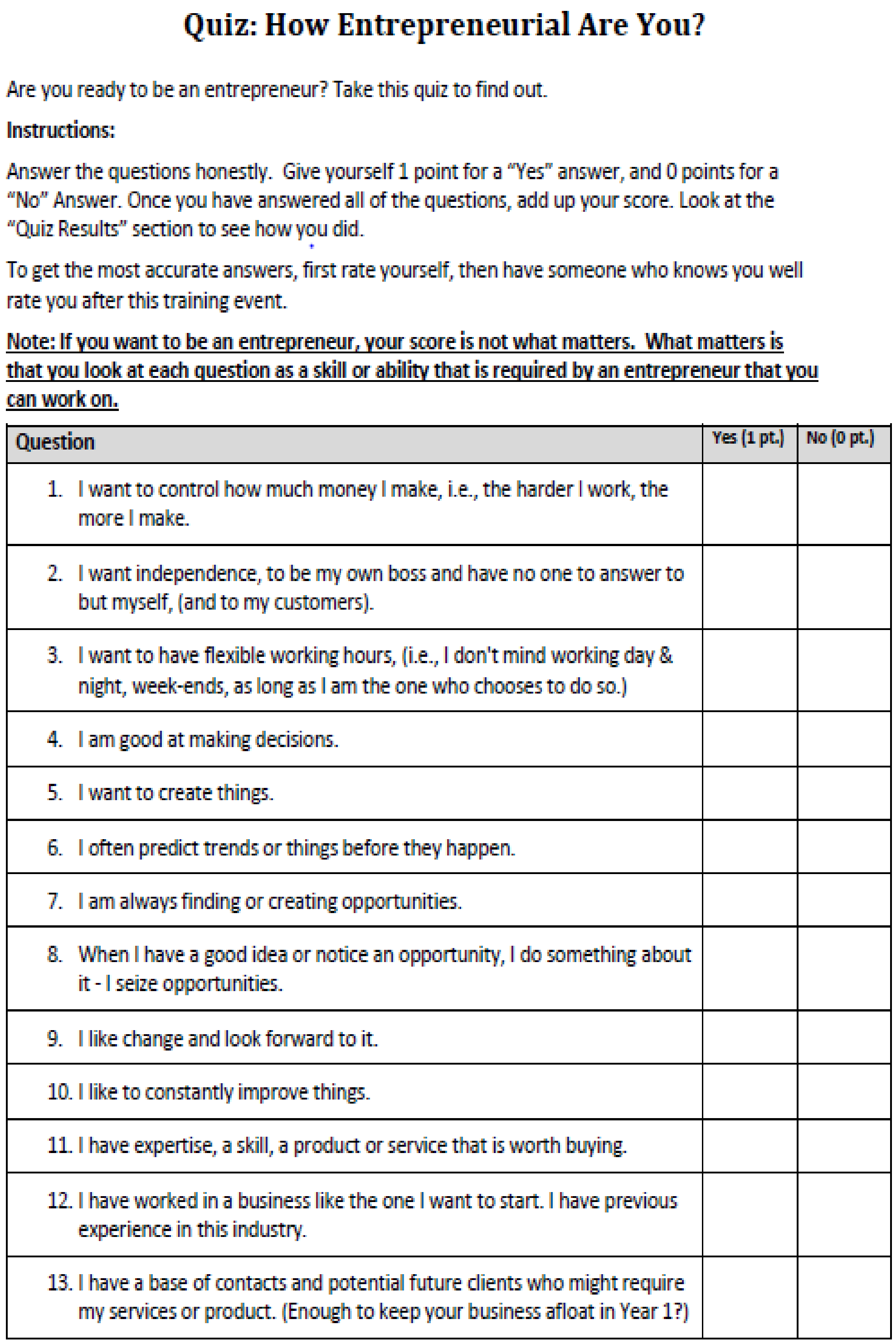
**Self-Assessment Test** https://www.bdc.ca/en/articles-tools/entrepreneur-toolkit/business-assessments/pages/self-assessment-test-your-entrepreneurial-potential.aspx ("Self-assessment, test your entrepreneurial potential," n.d.)

**Personality Test** https://www.16personalities.com/free-personality-test ("Free personality test," n.d.)

**Online Entrepreneur Training** **http://goventure.net/products/micro-business.html**

**Are You an Entrepreneur? Quiz** ("I DO BUSINESS.," n.d.) Page # 9

**Entrepreneur Self-Assessment Survey** ("Entrepreneurial Self-Assessment Survey," n.d.) Page # 12



## Quiz: How Entrepreneurial Are You?

Are you ready to be an entrepreneur? Take this quiz to find out.

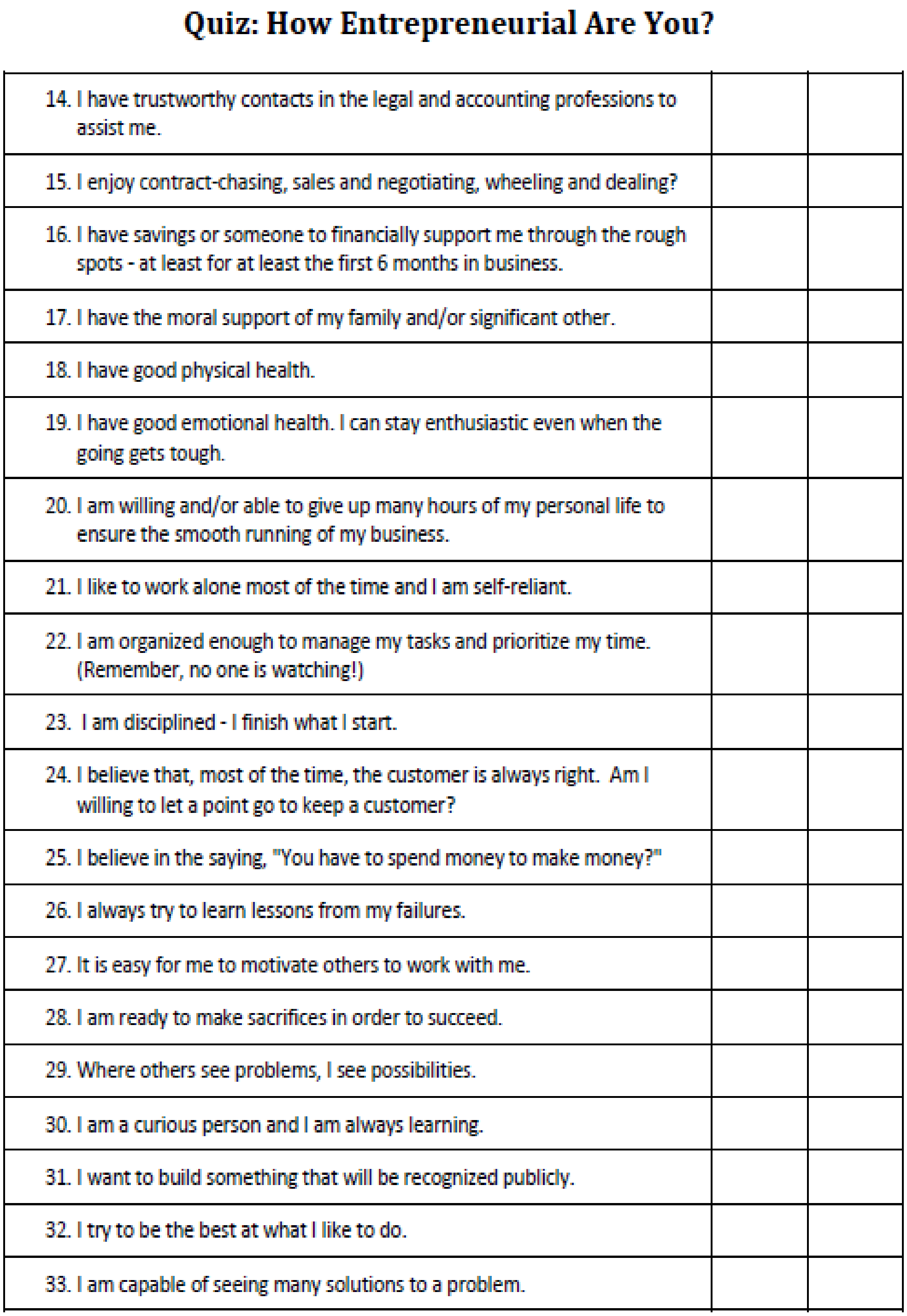
**Instructions:**

Answer the questions honestly. Give yourself 1 point for a "Yes" answer, and 0 points for a "No" Answer. Once you have answered all of the questions, add up your score. Look at the "Quiz Results" section to see how you did.

To get the most accurate answers, first rate yourself, then have someone who knows you well rate you after this training event.

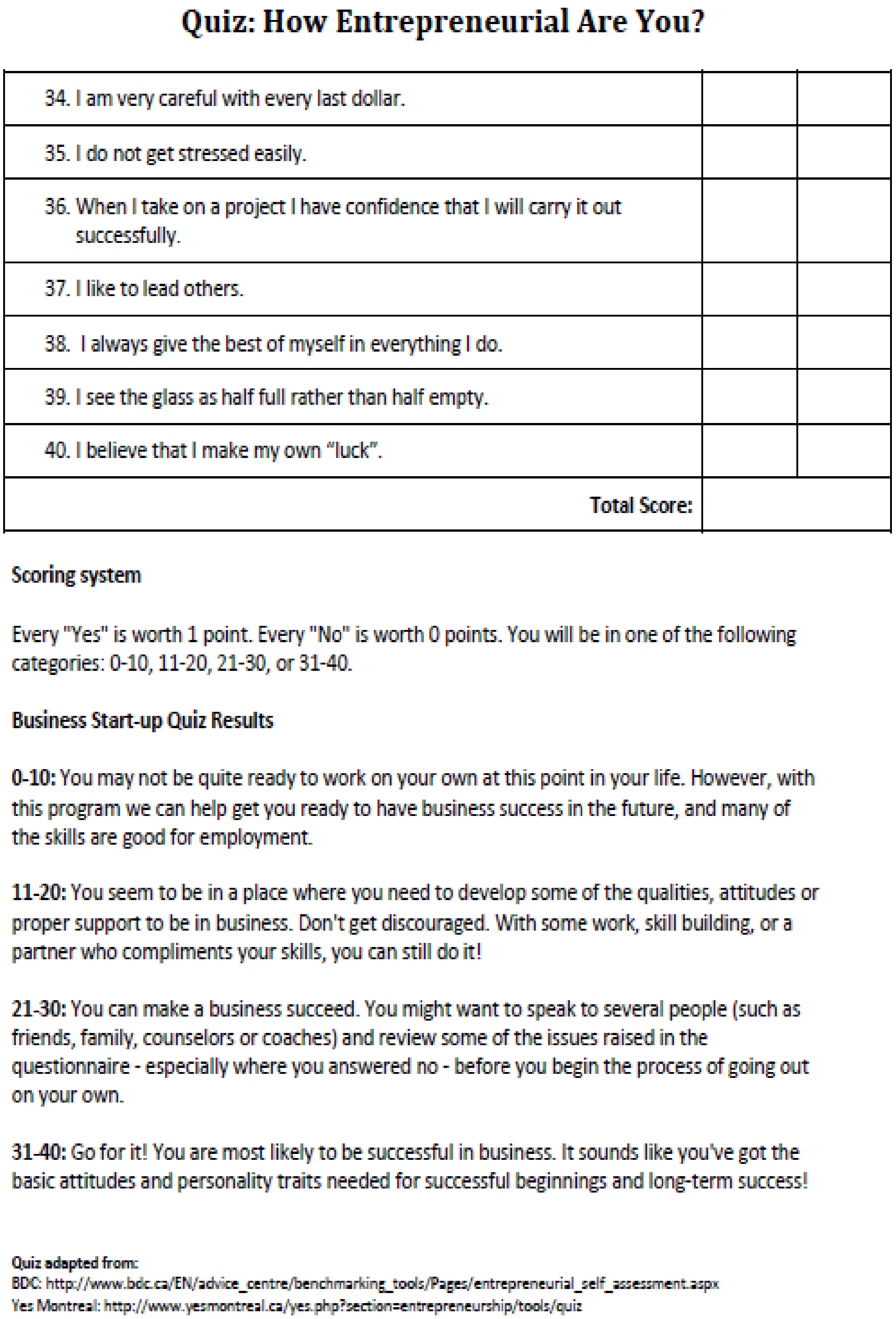
**Note: If you want to be an entrepreneur, your score is not what matters. What matters is that you look at each question as a skill or ability that is required by an entrepreneur that you can work on.**

| Question | Yes (1 pt.) | No (0 pt.) |
|---|---|---|
| 1. I want to control how much money I make, i.e., the harder I work, the more I make. | | |
| 2. I want independence, to be my own boss and have no one to answer to but myself, (and to my customers). | | |
| 3. I want to have flexible working hours, (i.e., I don't mind working day & night, week-ends, as long as I am the one who chooses to do so.) | | |
| 4. I am good at making decisions. | | |
| 5. I want to create things. | | |
| 6. I often predict trends or things before they happen. | | |
| 7. I am always finding or creating opportunities. | | |
| 8. When I have a good idea or notice an opportunity, I do something about it - I seize opportunities. | | |
| 9. I like change and look forward to it. | | |
| 10. I like to constantly improve things. | | |
| 11. I have expertise, a skill, a product or service that is worth buying. | | |
| 12. I have worked in a business like the one I want to start. I have previous experience in this industry. | | |
| 13. I have a base of contacts and potential future clients who might require my services or product. (Enough to keep your business afloat in Year 1?) | | |



## Quiz: How Entrepreneurial Are You?

| | | |
|---|---|---|
| 14. I have trustworthy contacts in the legal and accounting professions to assist me. | | |
| 15. I enjoy contract-chasing, sales and negotiating, wheeling and dealing? | | |
| 16. I have savings or someone to financially support me through the rough spots - at least for at least the first 6 months in business. | | |
| 17. I have the moral support of my family and/or significant other. | | |
| 18. I have good physical health. | | |
| 19. I have good emotional health. I can stay enthusiastic even when the going gets tough. | | |
| 20. I am willing and/or able to give up many hours of my personal life to ensure the smooth running of my business. | | |
| 21. I like to work alone most of the time and I am self-reliant. | | |
| 22. I am organized enough to manage my tasks and prioritize my time. (Remember, no one is watching!) | | |
| 23. I am disciplined - I finish what I start. | | |
| 24. I believe that, most of the time, the customer is always right. Am I willing to let a point go to keep a customer? | | |
| 25. I believe in the saying, "You have to spend money to make money?" | | |
| 26. I always try to learn lessons from my failures. | | |
| 27. It is easy for me to motivate others to work with me. | | |
| 28. I am ready to make sacrifices in order to succeed. | | |
| 29. Where others see problems, I see possibilities. | | |
| 30. I am a curious person and I am always learning. | | |
| 31. I want to build something that will be recognized publicly. | | |
| 32. I try to be the best at what I like to do. | | |
| 33. I am capable of seeing many solutions to a problem. | | |



## Quiz: How Entrepreneurial Are You?

| | | |
|---|---|---|
| 34. I am very careful with every last dollar. | | |
| 35. I do not get stressed easily. | | |
| 36. When I take on a project I have confidence that I will carry it out successfully. | | |
| 37. I like to lead others. | | |
| 38. I always give the best of myself in everything I do. | | |
| 39. I see the glass as half full rather than half empty. | | |
| 40. I believe that I make my own "luck". | | |
| **Total Score:** | | |

**Scoring system**

Every "Yes" is worth 1 point. Every "No" is worth 0 points. You will be in one of the following categories: 0-10, 11-20, 21-30, or 31-40.

**Business Start-up Quiz Results**

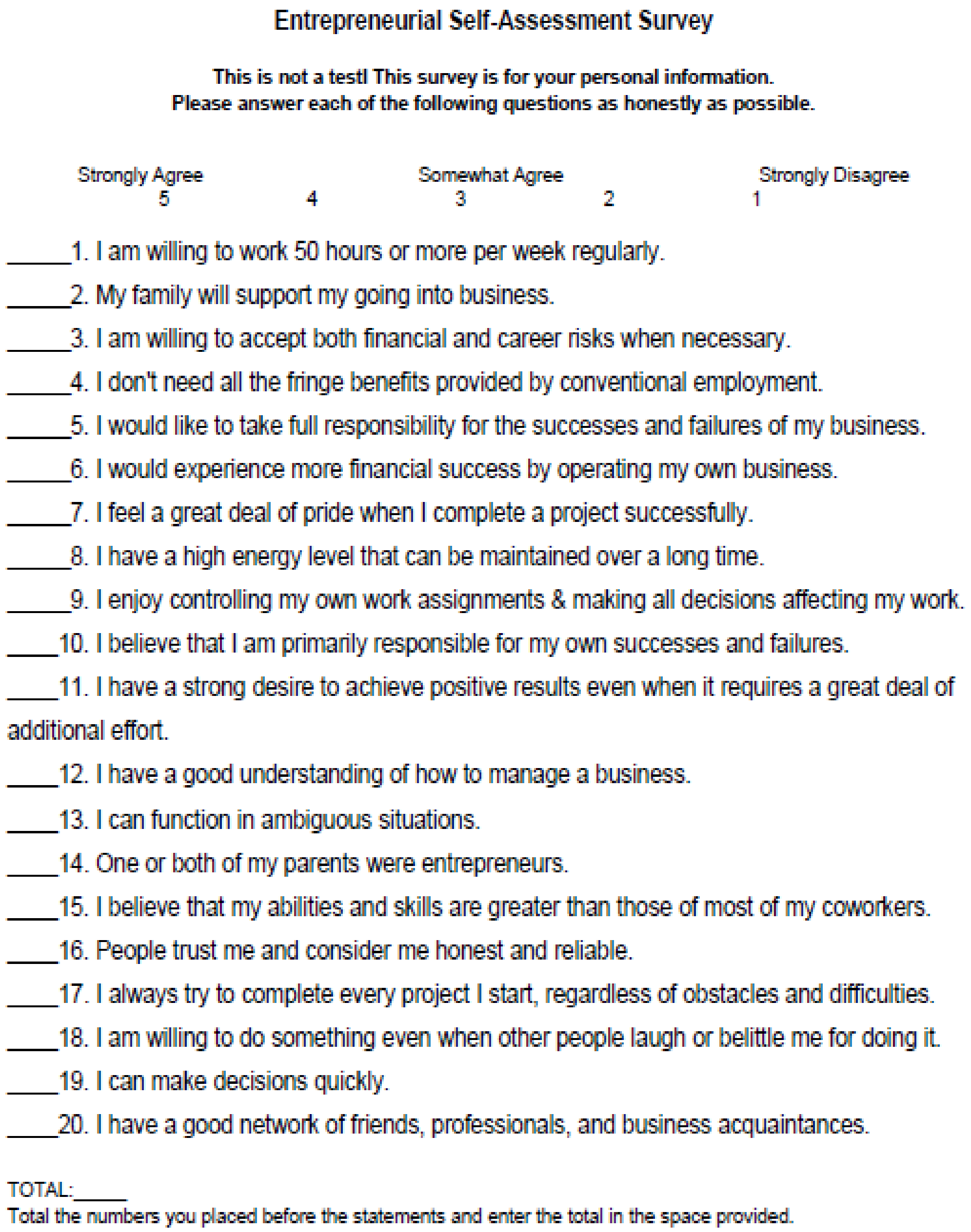
**0-10:** You may not be quite ready to work on your own at this point in your life. However, with this program we can help get you ready to have business success in the future, and many of the skills are good for employment.

**11-20:** You seem to be in a place where you need to develop some of the qualities, attitudes or proper support to be in business. Don't get discouraged. With some work, skill building, or a partner who compliments your skills, you can still do it!

**21-30:** You can make a business succeed. You might want to speak to several people (such as friends, family, counselors or coaches) and review some of the issues raised in the questionnaire - especially where you answered no - before you begin the process of going out on your own.

**31-40:** Go for it! You are most likely to be successful in business. It sounds like you've got the basic attitudes and personality traits needed for successful beginnings and long-term success!

**Quiz adapted from:**
BDC: http://www.bdc.ca/EN/advice_centre/benchmarking_tools/Pages/entrepreneurial_self_assessment.aspx
Yes Montreal: http://www.yesmontreal.ca/yes.php?section=entrepreneurship/tools/quiz



## Entrepreneurial Self-Assessment Survey

**This is not a test! This survey is for your personal information.**
**Please answer each of the following questions as honestly as possible.**

| Strongly Agree | | Somewhat Agree | | Strongly Disagree |
|---|---|---|---|---|
| 5 | 4 | 3 | 2 | 1 |

_____1. I am willing to work 50 hours or more per week regularly.

_____2. My family will support my going into business.

_____3. I am willing to accept both financial and career risks when necessary.

_____4. I don't need all the fringe benefits provided by conventional employment.

_____5. I would like to take full responsibility for the successes and failures of my business.

_____6. I would experience more financial success by operating my own business.

_____7. I feel a great deal of pride when I complete a project successfully.

_____8. I have a high energy level that can be maintained over a long time.

_____9. I enjoy controlling my own work assignments & making all decisions affecting my work.

____10. I believe that I am primarily responsible for my own successes and failures.

____11. I have a strong desire to achieve positive results even when it requires a great deal of additional effort.

____12. I have a good understanding of how to manage a business.

____13. I can function in ambiguous situations.

____14. One or both of my parents were entrepreneurs.

____15. I believe that my abilities and skills are greater than those of most of my coworkers.

____16. People trust me and consider me honest and reliable.

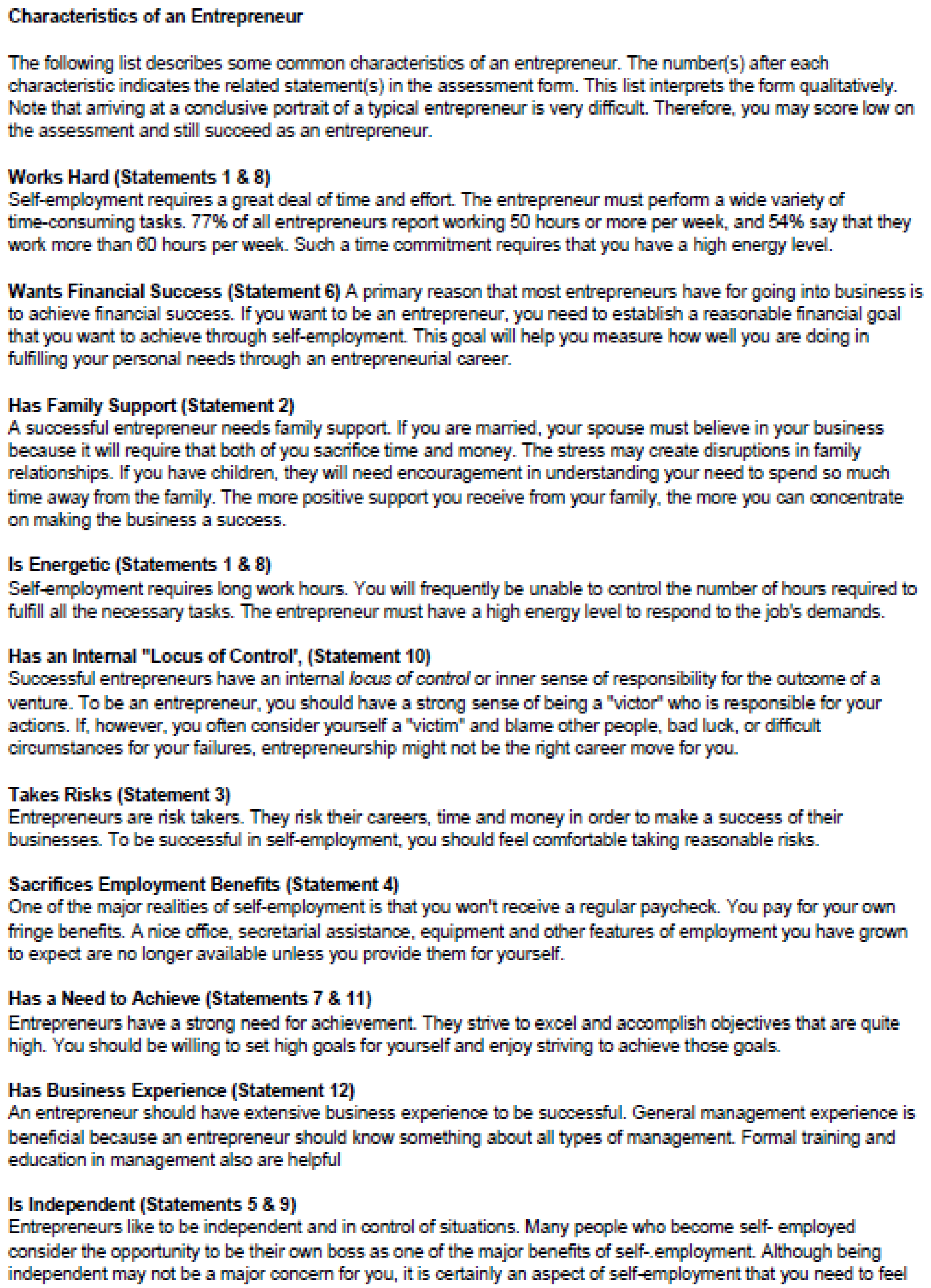
____17. I always try to complete every project I start, regardless of obstacles and difficulties.

____18. I am willing to do something even when other people laugh or belittle me for doing it.

____19. I can make decisions quickly.

____20. I have a good network of friends, professionals, and business acquaintances.

TOTAL:_____
Total the numbers you placed before the statements and enter the total in the space provided.



**Characteristics of an Entrepreneur**

The following list describes some common characteristics of an entrepreneur. The number(s) after each characteristic indicates the related statement(s) in the assessment form. This list interprets the form qualitatively. Note that arriving at a conclusive portrait of a typical entrepreneur is very difficult. Therefore, you may score low on the assessment and still succeed as an entrepreneur.

**Works Hard (Statements 1 & 8)**
Self-employment requires a great deal of time and effort. The entrepreneur must perform a wide variety of time-consuming tasks. 77% of all entrepreneurs report working 50 hours or more per week, and 54% say that they work more than 60 hours per week. Such a time commitment requires that you have a high energy level.

**Wants Financial Success (Statement 6)** A primary reason that most entrepreneurs have for going into business is to achieve financial success. If you want to be an entrepreneur, you need to establish a reasonable financial goal that you want to achieve through self-employment. This goal will help you measure how well you are doing in fulfilling your personal needs through an entrepreneurial career.

**Has Family Support (Statement 2)**
A successful entrepreneur needs family support. If you are married, your spouse must believe in your business because it will require that both of you sacrifice time and money. The stress may create disruptions in family relationships. If you have children, they will need encouragement in understanding your need to spend so much time away from the family. The more positive support you receive from your family, the more you can concentrate on making the business a success.

**Is Energetic (Statements 1 & 8)**
Self-employment requires long work hours. You will frequently be unable to control the number of hours required to fulfill all the necessary tasks. The entrepreneur must have a high energy level to respond to the job's demands.

**Has an Internal "Locus of Control', (Statement 10)**
Successful entrepreneurs have an internal *locus of control* or inner sense of responsibility for the outcome of a venture. To be an entrepreneur, you should have a strong sense of being a "victor" who is responsible for your actions. If, however, you often consider yourself a "victim" and blame other people, bad luck, or difficult circumstances for your failures, entrepreneurship might not be the right career move for you.

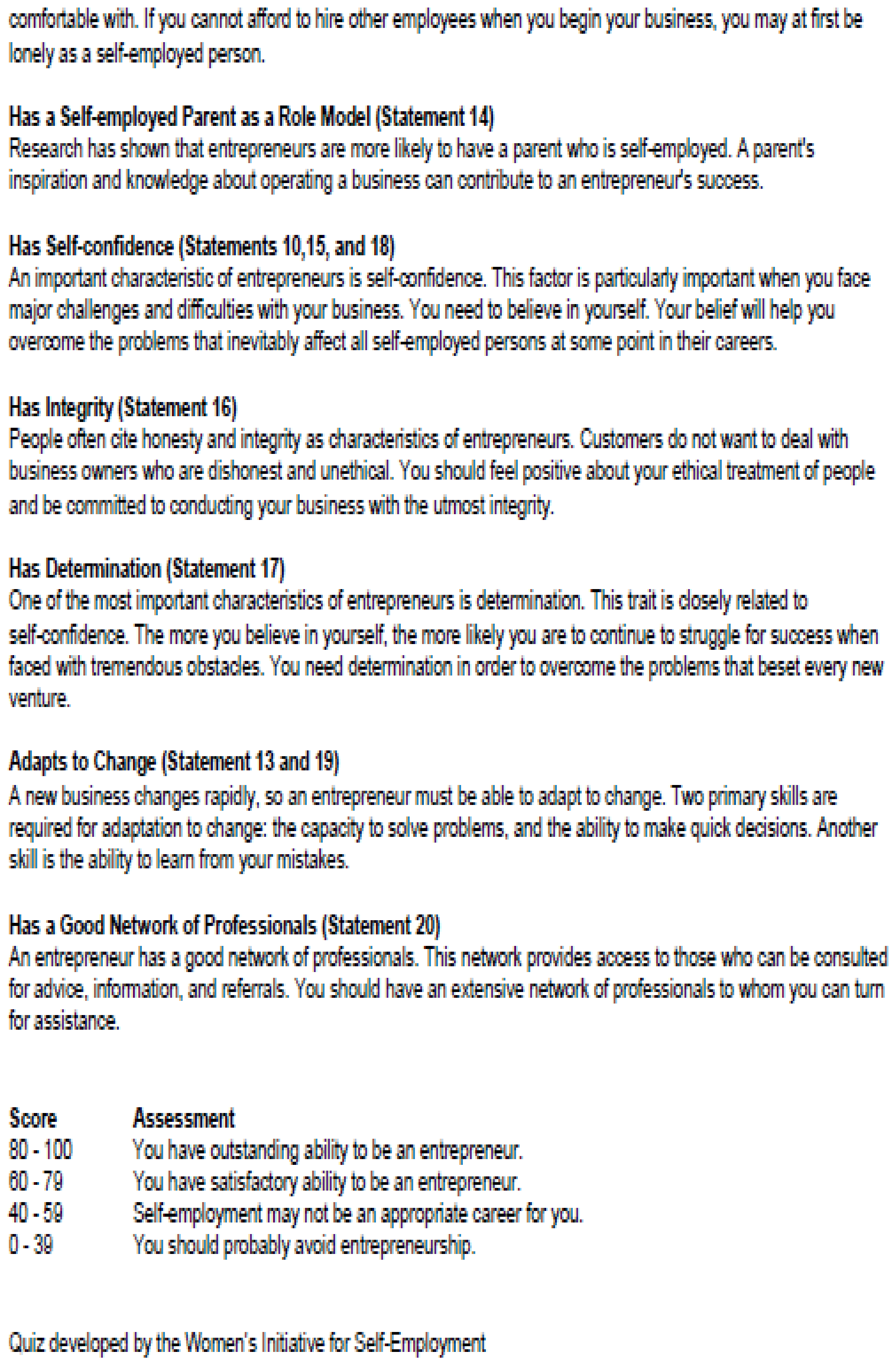
**Takes Risks (Statement 3)**
Entrepreneurs are risk takers. They risk their careers, time and money in order to make a success of their businesses. To be successful in self-employment, you should feel comfortable taking reasonable risks.

**Sacrifices Employment Benefits (Statement 4)**
One of the major realities of self-employment is that you won't receive a regular paycheck. You pay for your own fringe benefits. A nice office, secretarial assistance, equipment and other features of employment you have grown to expect are no longer available unless you provide them for yourself.

**Has a Need to Achieve (Statements 7 & 11)**
Entrepreneurs have a strong need for achievement. They strive to excel and accomplish objectives that are quite high. You should be willing to set high goals for yourself and enjoy striving to achieve those goals.

**Has Business Experience (Statement 12)**
An entrepreneur should have extensive business experience to be successful. General management experience is beneficial because an entrepreneur should know something about all types of management. Formal training and education in management also are helpful

**Is Independent (Statements 5 & 9)**
Entrepreneurs like to be independent and in control of situations. Many people who become self- employed consider the opportunity to be their own boss as one of the major benefits of self-.employment. Although being independent may not be a major concern for you, it is certainly an aspect of self-employment that you need to feel



comfortable with. If you cannot afford to hire other employees when you begin your business, you may at first be lonely as a self-employed person.

**Has a Self-employed Parent as a Role Model (Statement 14)**
Research has shown that entrepreneurs are more likely to have a parent who is self-employed. A parent's inspiration and knowledge about operating a business can contribute to an entrepreneur's success.

**Has Self-confidence (Statements 10,15, and 18)**
An important characteristic of entrepreneurs is self-confidence. This factor is particularly important when you face major challenges and difficulties with your business. You need to believe in yourself. Your belief will help you overcome the problems that inevitably affect all self-employed persons at some point in their careers.

**Has Integrity (Statement 16)**
People often cite honesty and integrity as characteristics of entrepreneurs. Customers do not want to deal with business owners who are dishonest and unethical. You should feel positive about your ethical treatment of people and be committed to conducting your business with the utmost integrity.

**Has Determination (Statement 17)**
One of the most important characteristics of entrepreneurs is determination. This trait is closely related to self-confidence. The more you believe in yourself, the more likely you are to continue to struggle for success when faced with tremendous obstacles. You need determination in order to overcome the problems that beset every new venture.

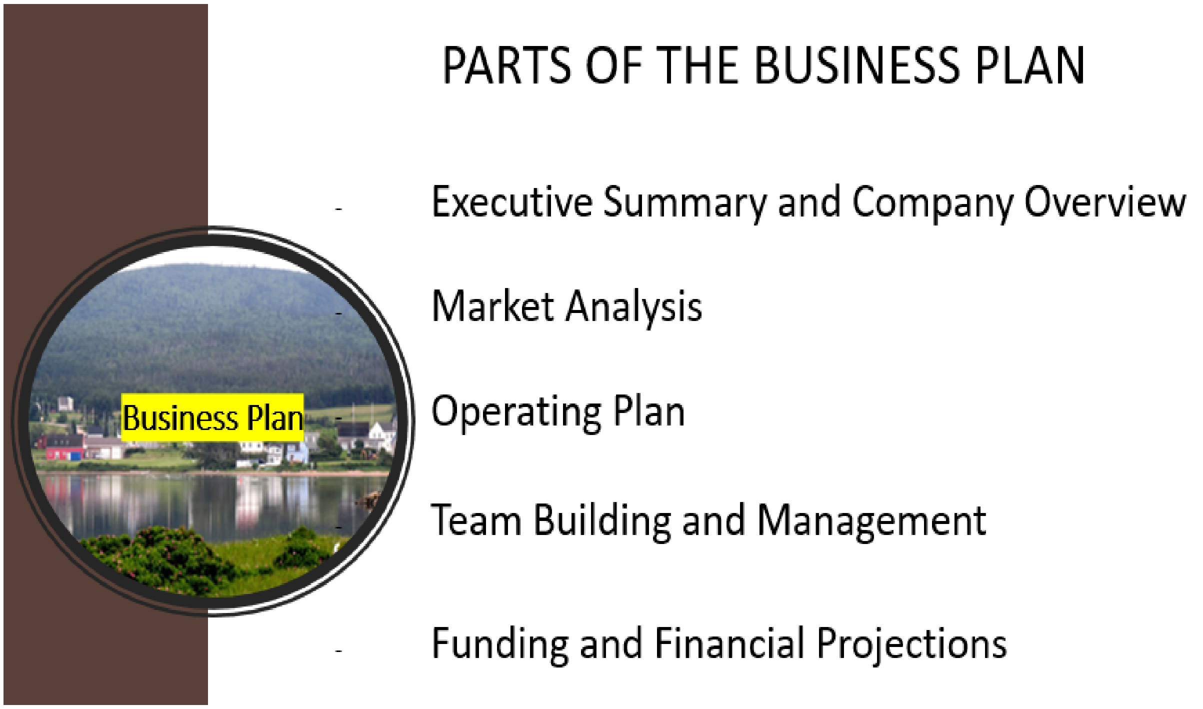
**Adapts to Change (Statement 13 and 19)**
A new business changes rapidly, so an entrepreneur must be able to adapt to change. Two primary skills are required for adaptation to change: the capacity to solve problems, and the ability to make quick decisions. Another skill is the ability to learn from your mistakes.

**Has a Good Network of Professionals (Statement 20)**
An entrepreneur has a good network of professionals. This network provides access to those who can be consulted for advice, information, and referrals. You should have an extensive network of professionals to whom you can turn for assistance.

| **Score** | **Assessment** |
|---|---|
| 80 - 100 | You have outstanding ability to be an entrepreneur. |
| 60 - 79 | You have satisfactory ability to be an entrepreneur. |
| 40 - 59 | Self-employment may not be an appropriate career for you. |
| 0 - 39 | You should probably avoid entrepreneurship. |

Quiz developed by the Women's Initiative for Self-Employment

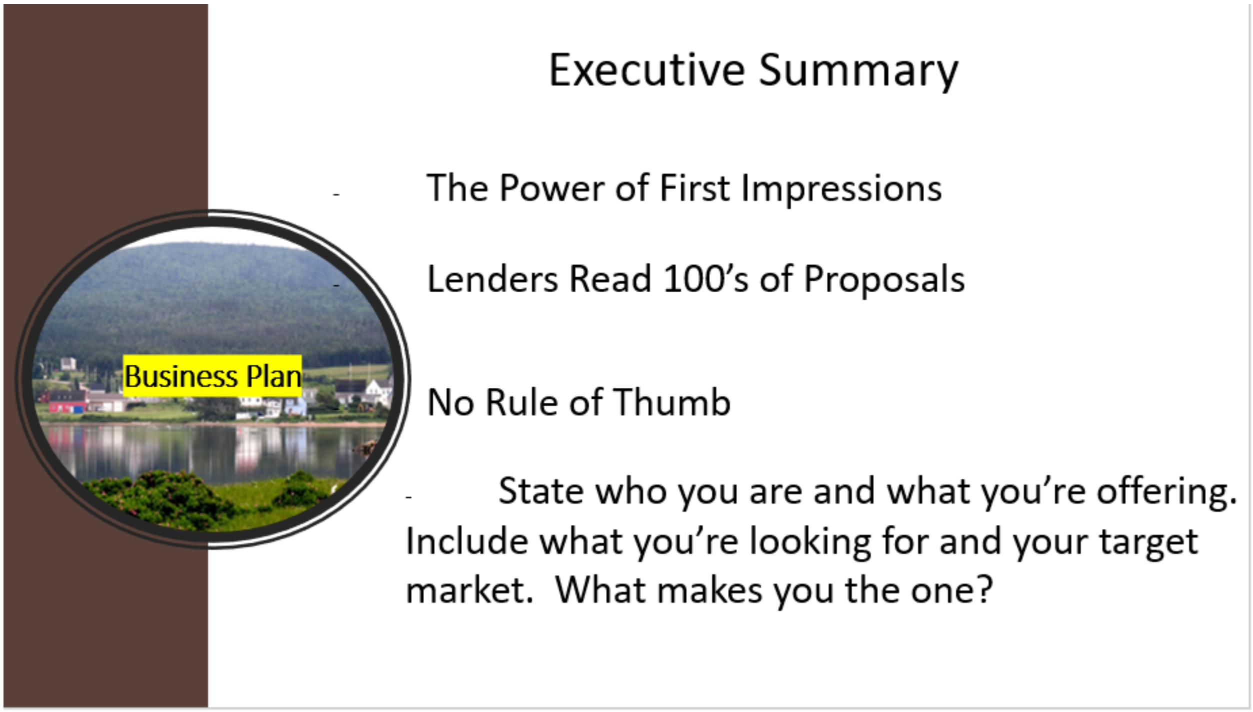
# Create Business Plan Starting With Marketing Plan.


Business Plan

## PARTS OF THE BUSINESS PLAN

- Executive Summary and Company Overview
- Market Analysis
- Operating Plan
- Team Building and Management
- Funding and Financial Projections

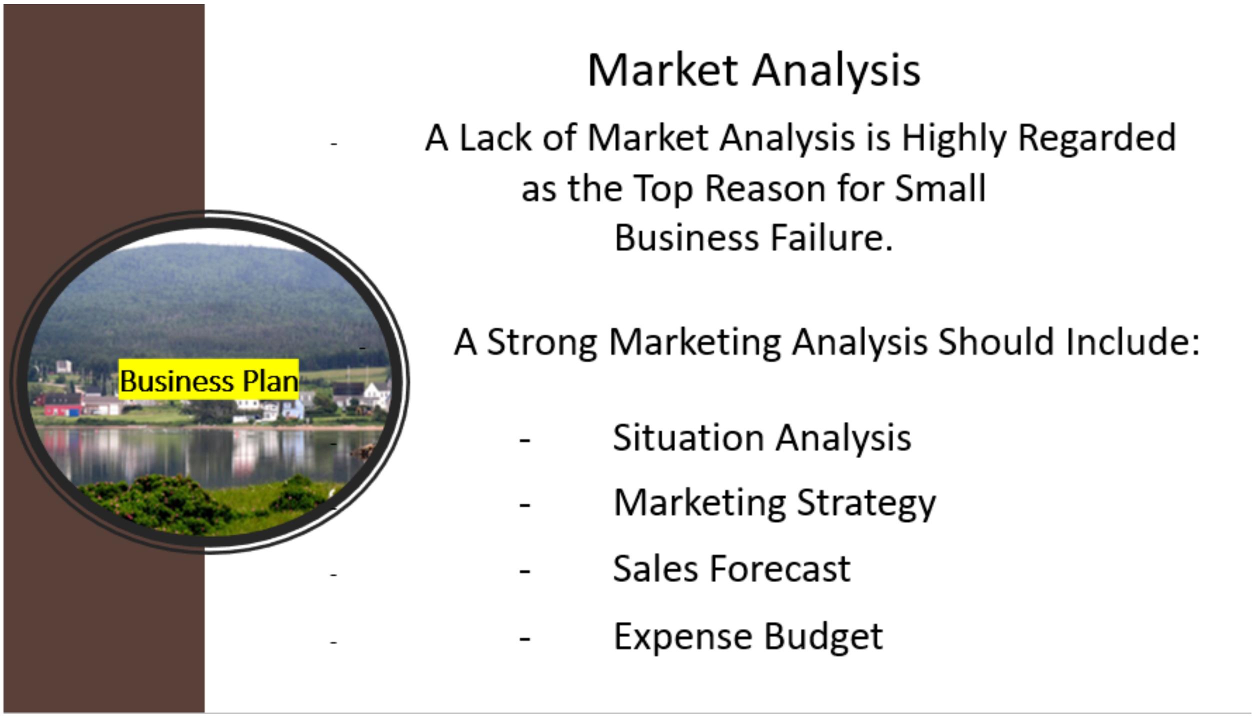
The current academic literature looks at the following elements as being core to any good business plan. And they're listed above. Now, this is not to say that's all that goes into a business plan, but if you're looking to secure funding these are absolutely "need to haves".


Business Plan

## Executive Summary

- The Power of First Impressions
- Lenders Read 100's of Proposals
- No Rule of Thumb
- State who you are and what you're offering. Include what you're looking for and your target market. What makes you the one?

**Executive Summary**. Now perhaps this seems a little counterintuitive as the executive summary is merely an overview of all the important information within the business plan; how can a summary be that important? The first thing a lending institute is going to look at is your "executive summary." The executive summary is where you make your first impression and you must make a good one! If people aren't excited about the prospect of your business proposal at the outset you run the risk of losing them before they even get to your numbers. Don't forget; these investors read 100's of proposals. Try to wow them out of the gate!



Business Plan

## Market Analysis

A Lack of Market Analysis is Highly Regarded as the Top Reason for Small Business Failure.

A Strong Marketing Analysis Should Include:

- Situation Analysis
- Marketing Strategy
- Sales Forecast
- Expense Budget

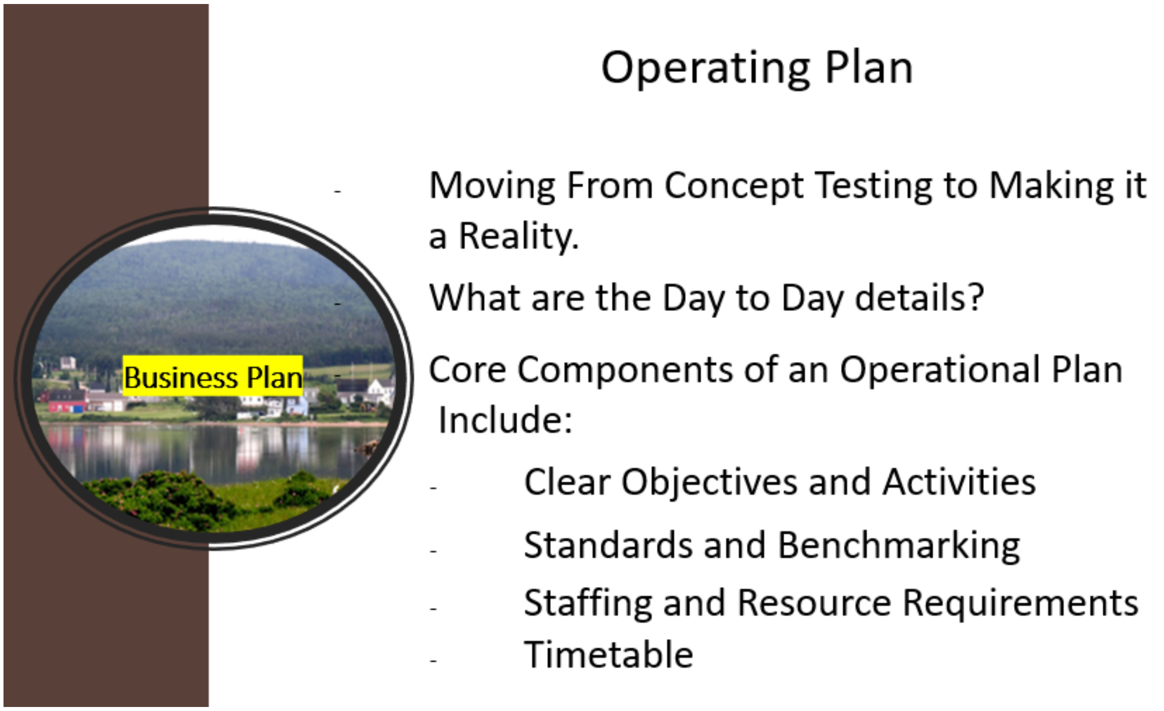
And now it's time to look at your market. Now, how important is this section? Whether you research the important sections of a business plan or the reasons for small business failure; the #1 issue is always a resounding "market research" or a lack thereof. Not knowing your market is consistently listed as the #1 reason why business fail!! The executive summary previously is important if you're looking for capital; your market analysis is key no matter how you're developing your business. Its importance cannot be oversold here.

Tim Barry of PALO Alto Softwares discusses the four components required for a strong market analysis. (Berry, 2009) These are listed above.

**The situation analysis** and a situation analysis is as simple as it sounds; it looks at the now! Who are your customers? Where are they? What's your competitive advantage? What's your product? Who's your competition? Are there any barriers to entry? This is an ideal time and place to develop your initial SWOT analysis that helps you understand any key issues that could impact your proposed business. (You can find a template for the SWOT analysis online).

**The Marketing strategy** is obviously how you expect to inform your customers of the product and service you're supplying. A strong marketing strategy can make or break a budding entrepreneur. If you get a minute, do a little googling on the company Go Pro and more specifically their marketing strategy to get a better idea why it's so important.

**The sales forecast and expense budget** and these are discussed more in depth in later sections but it's important to understand that you can do something well or have a product that people want but not have a financially viable idea. In my industry of transportation, the question of "can I do it" usually takes all of five minutes to decide. It's the process of determining "should I do it" that takes more work. The first thing I look at when looking at a new piece of business is "what it costs for me to do the business"; the labour, the machinery, the hours needed. And from this, I develop a cost rate per hour. I add to that what I'm looking for as a contribution margin and I'm left with a beginning quote for the business. My second step is to look at the market to see how similar services are priced. And maybe it's no-where near where I need to be. A good product or service does not necessarily a money maker make!


Business Plan

## Operating Plan

- Moving From Concept Testing to Making it a Reality.
- What are the Day to Day details?
- Core Components of an Operational Plan Include:
  - Clear Objectives and Activities
  - Standards and Benchmarking
  - Staffing and Resource Requirements
  - Timetable

And now we look at the operating plan. This portion of the business planning is moving from the concept stage to the "how do we make it in reality stage"? We've moved from the higher-level thought exercises to the nuts and bolts of your business idea. The truth is most of us jot our operating plans on note nooks and sometimes restaurant napkins. It's about formalizing that process. Again, this is one of those areas that whether you need funding or not, it's an important step to walk through.

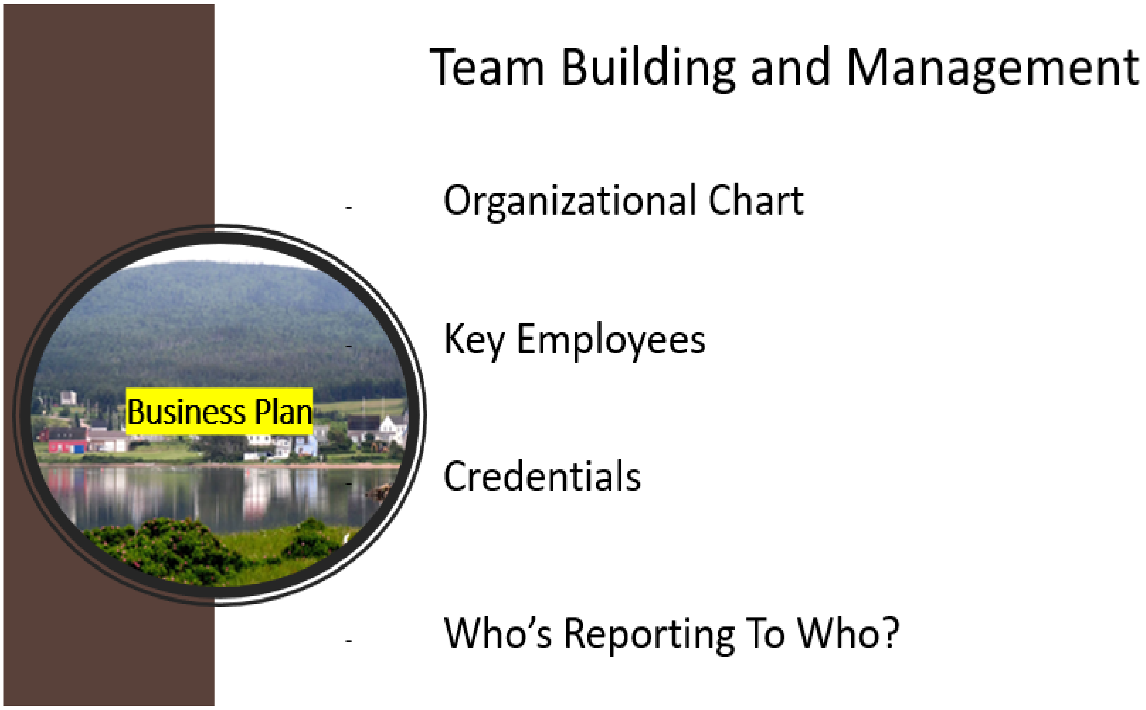
What you want to look at are the day to day things required for your particular business which is why it's so hard to develop a perfect way to do it. If you're dealing with retail, then inventory and warehousing are likely key; while if you're looking at some business consulting or software development firm, you're more inclined to concern yourself with office equipment or rental space. Again the types and formats of operational plans can be endless. There's no perfect "type" but there are relatively consistent things that all operational plans should have and they include:

**Clear objectives and activities** that are geared towards getting us to those objectives. What do you want to do and how are you going to do it?

**Standards and benchmarking.** How are you going to determine you're operating at acceptable levels? It's hard to know you're lost if you don't know where it is you're supposed to be. And although your financial statements are a good source of metrics that can be used for developing good key performance indicators or KPIs; they tend to be lagging. Consider the thought exercise of Karel De Poel and the goal of losing weight. Looking at your weight at the end of the month is certainly a good metric to use if your goal is to lose weight. You get on the scale you see your weight; you know you need to lose weight. But it doesn't give you insight on how to achieve your goal; it just tells you you're not there; hence a lagging indicator. A leading indicator, in this case, would be "calorie intake" and "calories burned." These indicators, leading indicators, will help you get to your goal. It's the same in business; knowing your Lost day Injury stats at the end of the month are important, but they don't help you get you where you want to go. You need leading indicators, toolbox meetings (and yes that was planned on my part) are a good leading indicator. Are they being performed daily? Are the employees written up for indiscretions? It's vital you understand your business and what it is you're trying to do to benchmark where it is you're heading.

**Staffing and resource requirements.** We get more in-depth on this subject in later discussions, but we have to at this stage determine who it is we need to perform the duties required to move our vision along and how much that's going to cost.

**And finally a timetable, a**nd again you need to decide how long this should take before you're able to determine the viability of your proposed business. Lending institutes will most assuredly want to know the timing of the ramp-up of your business so that they have a comfort level on your ability to repay debt. But it's also important that you consider how long it should be taking you to get the business off the ground. That doesn't mean you're tied to your initial estimate but if you find yourself going off the rail, you're able to go back and re-evaluate your initial thoughts of timing and most importantly, what it was you misjudged.



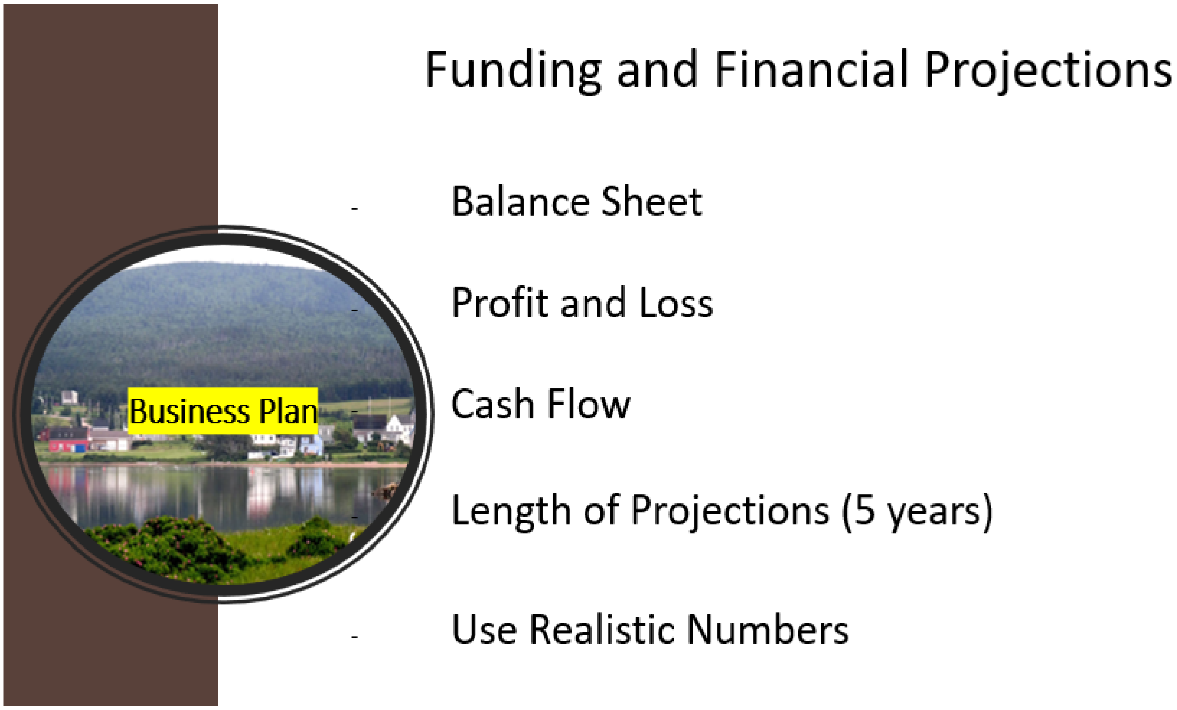
## Team Building and Management

Business Plan

- Organizational Chart
- Key Employees
- Credentials
- Who's Reporting To Who?

Next, we have to look at Team Building and Management. And every good business plan must have **an organizational chart**. And not just names, especially again if you're looking to procure capital you are trying to prove to these people why your management team is strong. Add their relevant education and most importantly relevant experience. And it's not just managers you want to highlight here. You also want to do write-ups on key employees. If you're a budding software company and you have one of the best software scriptwriters in your employ he or she should be listed here. Again, it's not just about proving your concept but as well proving you can pull it off! You have to write about credentials and more specifically certificates or other types of training or skills that your people hold that are relevant from the perspective of the business you're trying to start. If you're looking at starting a photography business and some of your employees or managers hold certificates or training in a specific type of photography, then it should be mentioned here!

**And finally, who's reporting to who.** Every Team and management section should have a physical chart outlining who is responsible for who so that would be lenders can have a better idea of how information flow will work.



Business Plan

## Funding and Financial Projections

- Balance Sheet
- Profit and Loss
- Cash Flow
- Length of Projections (5 years)
- Use Realistic Numbers

And finally, funding and financial projections and this is important both from the perspective of procuring capital or running your business lien free. You need to know your idea is profitable (assuming it's a for-profit organization). From the perspective of lending institutes, the expectation is that your business plan will include the following typical financial statements as listed above: **Balance Sheet**, **Profit and Loss or Income Statement** whatever you prefer; and **a Statement of Cashflows.** What is less consistent is how many years of projections you should use and the literature ranges from three -five years. I've personally never developed anything less than a five- year projection unless specifically asked for and even then, I develop a five-year projection and take the first three years; so I'd advise you all to use a five-year projection.

And if you take anything from any of these toolbox presentations take this; this is the point of your business start-up where you need to go out of your way to prove your concept doesn't work financially. Yes, you heard that right. You need to try to disprove the viability of the business; because if you can't; you may be on to something. We're all human and we all fall victim to marrying ourselves to concepts that simply don't work because we're so invested. We'll use any confirmation bias we can find to legitimize continuing the journey when we ought to have left it in the rear-view mirror long ago. As self-proclaimed serial entrepreneur Eric Wagner says, "if you're going to fail, fail quickly! (Wagner, 2013) Remember the discussion on "who's an entrepreneur", we can't be afraid of failure! It's not who we are. And remember if you don't use **conservative realistic numbers** the folks looking at your plan are going to know it, and you'll have your credibility chipped away.

Think Business Marketing Plan (“Free marketing plan template,” 2015)

# MARKETING PLAN

**COMPANY LOGO**

*[Your business name goes here]*

*This template should be used in association with ThinkBusiness.ie’s Marketing Guide Plan.*

*Disclaimer:*

*We do not accept any liability for the information or consequences of any actions taken based on the information contained on this website. You should not rely on any information contained on the website in relation to a specific issue or decision without taking financial, banking, investment or other advice from an appropriately qualified professional adviser. We take no responsibility for the accuracy of information contained in the materials contained on this website and we do not make any representations or warranties in respect of such information. Please refer to our terms of use for further details.*

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*December 06, 2015*

*Prepared for [Client name], by [Your name] | Private & Confidential*

## CONTENTS

*This table of content is automatically generated. When you have completed the market plan template you should update the table in MS Word.*

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## 1. SUMMARY

[Insert summary here]

*This section should be completed last. Provide summary details of:*

a) **Your market strategy, your objectives and how you will achieve them;**
b) **Your target market, its size, customers and competitors;**
c) **The channels to reach your target customers;**
d) **The implementation plan.**

*Be clear and concise. This summary should take up no more than a page.*

## 2. MARKETING STRATEGY

[Insert marketing strategy here]

*Include details of:*

**1. Your value proposition**

**2.Your approach to the "7Ps" of marketing**

**3.Your route to market**

**Product**

**Price**

**Promotion**

**Place**

**People**

**Process**

**Physical evidence***

**Where your goods/services are on display*

*To understand these terms and how they apply to your business, read the ThinkBusiness.ie's Market Strategy Guide.*

## 2.1 MARKETING OBJECTIVES

[Insert marketing objectives here]

*List the key marketing objectives of your business. There should be at least three objectives and ideally no more than six. The objectives should be SMART: Specific, Measurable, Attainable, Realistic and Timely.*

**1) [Enter objective 1]**

**2) [Enter objective 2]**

**3) [Enter objective 3]**

**4) [Enter objective 4]**

## 3. TARGET MARKET

[Insert target market here]

*Describe your target market, as well as the size and characteristics of each segment within that market. Draw on any primary market research you have conducted, such as customer surveys, and any secondary research you have accessed.*

| |
|---|
| **1) [Enter target 1]** |
| **2) [Enter target 2]** |
| **3) [Enter target 3]** |

### 3.1 CUSTOMER PROFILES

[Insert customer profiles here]

*Include profiles of the type of customers you are targeting. In each case, provide:*

| **CUSTOMER TYPE** | **DEMOGRAPHICS**<br>*Gender, age, socio-economic grouping, occupations, location, etc.* | **PURCHASING HABITS**<br>*Control over purchasing decisions, previous purchasing behaviour, who is influencing purchasing decisions.* | **MOTIVATIONS**<br>*Criteria for selecting product/service.* | **TOUCHPOINTS**<br>*Points of contact with customers (such as websites, social media, traditional media, family/friends etc).* |
|---|---|---|---|---|
| xxx | xxx | xxx | xxx | xxx |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

### 3.2 COMPETITOR ANALYSIS

[Insert competitor analysis here]

*You should include details of your main competitors, and compare your product or service against those competitors. You should identify the competitive advantages you believe your product or service has against these competitors.*

*To assist you with this you can use the*
*ThinkBusiness.ie Competitor Analysis Template*

## 4. MARKET CHANNELS

[Insert market channels here]

*Outline the channels you propose to use to reach and influence your target audience. Provide a summary of the marketing and communications activities you propose to conduct throughout the course of the period.*

| CHANNEL | TARGET AUDIENCE | MARKET/ COMMUNICATION ACTIVITY |
|---|---|---|
| **1) [Enter channel 1]** | Xxx | xxx |
| **2) [Enter channel 2]** | | |
| **3) [Enter channel 3]** | | |
| **4) [Enter channel 4]** | | |
| **5) [Enter channel 5]** | | |
| **6) [Enter channel 6]** | | |

## 5. IMPLEMENTATION

[Insert Implementation here]

*For each marketing objective, you should:*

a) **List a range of actions that will be required to meet these objectives;**
b) **List the metrics by which the objective will be measured;**
c) **Set out a budget requirement;**

d) **Identify the timeframe.**

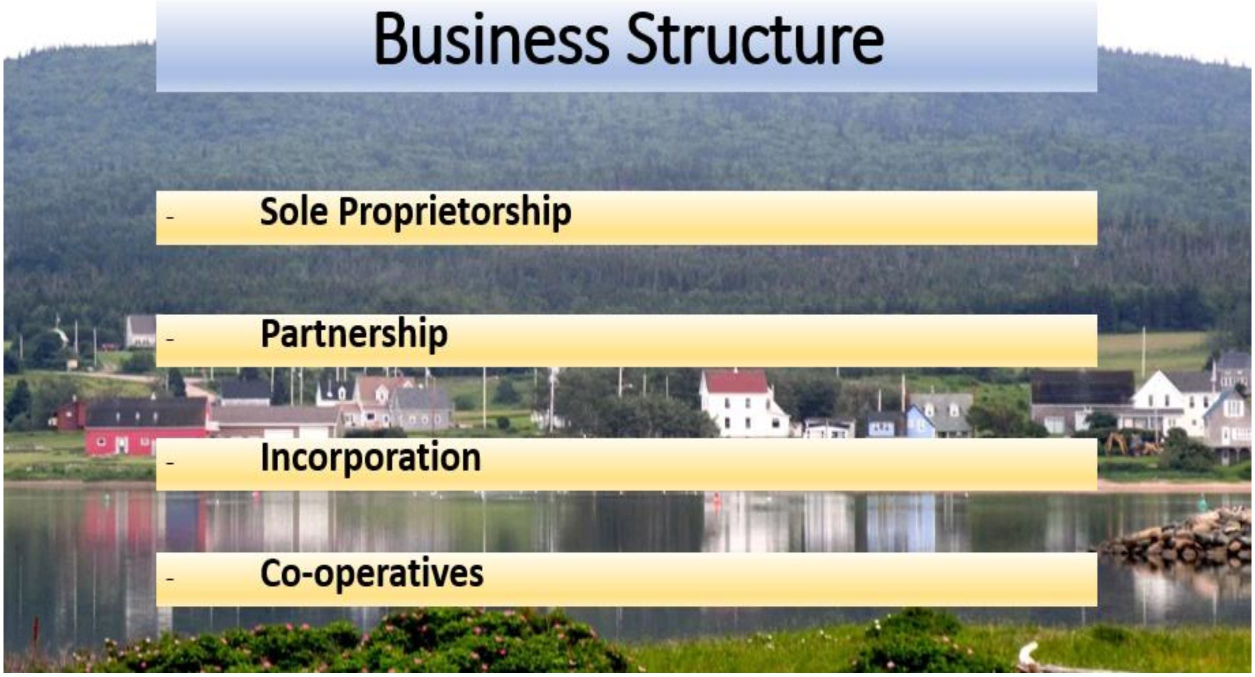
*Identify who will be responsible for this action.*

| OBJECTIVES | METRICS | BUDGET | TIMEFRAME | RESPONSIBILITY |
|---|---|---|---|---|
| **1) [Enter objective 1]** | xxx | xxx | xxx | xxx |
| **2) [Enter objective 2]** | | | | |
| **3) [Enter objective 3]** | | | | |
| **4) [Enter objective 4]** | | | | |
| **5) [Enter objective 5]** | | | | |
| **6) [Enter objective 6]** | | | | |

Full-scale Business Plan templates and financial statement templates are available at

https://tonyrhatcher.wixsite.com/mysite/the-business-plan

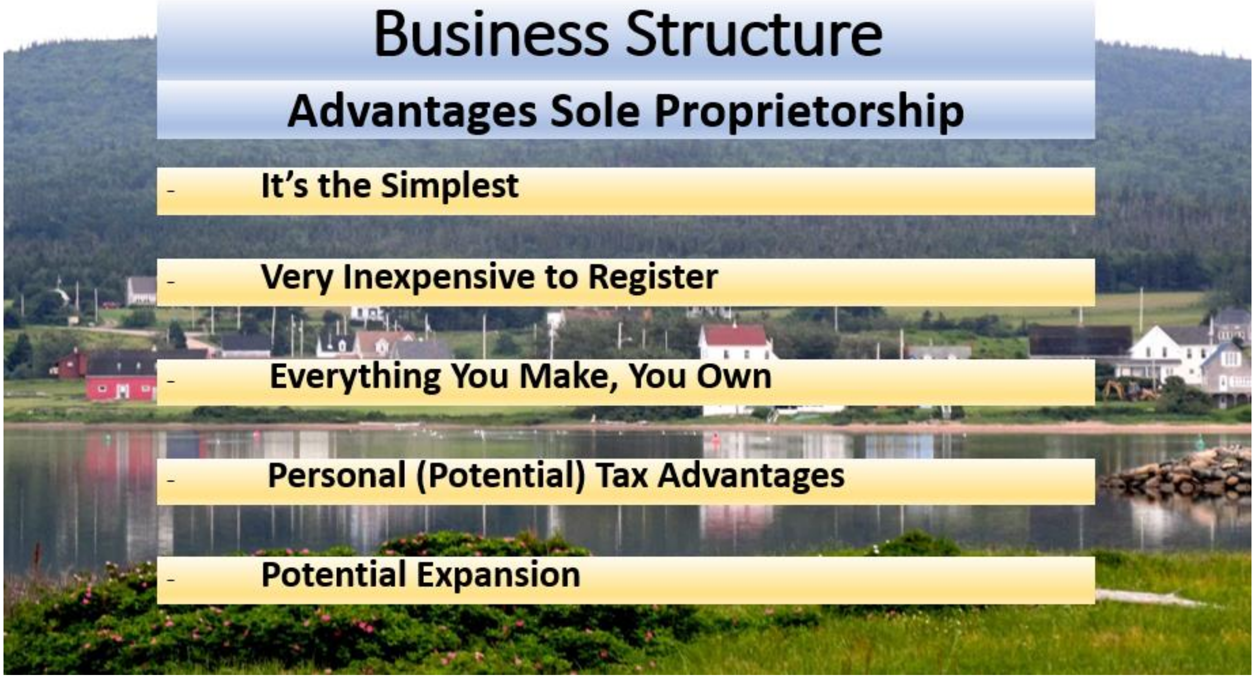
# Make It Official/Register Your Business



## Business Structure

- Sole Proprietorship
- Partnership
- Incorporation
- Co-operatives

Now it's time to decide which business structure you're going to use which is important to consider as there are specific advantages to each which may or may not support your personal goals for the venture you're undertaking. And the answer to which business structure to use is always an emphatic and decisive; "well it depends". The four common structures used here in Canada are listed above. Before we look at the advantages and disadvantages of each, I'd like first to say that this is a guideline, not unlike much of what you'll find in this toolbox. It's something to get you started in thinking about these important matters. It does not replace professional legal or accounting advice if you have access to either. It's a starting point.

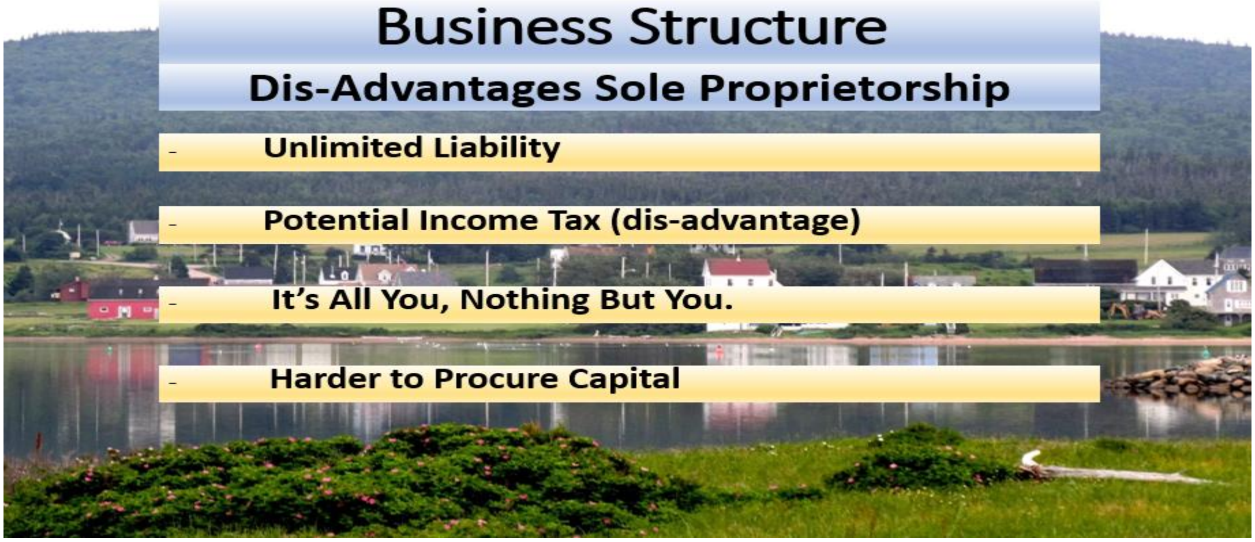


# Business Structure

## Advantages Sole Proprietorship

- It's the Simplest
- Very Inexpensive to Register
- Everything You Make, You Own
- Personal (Potential) Tax Advantages
- Potential Expansion

It should be noted that the sole proprietorship is the most common business structure for new business in Canada for several reasons including the fact **it's the simplest**. We have very little concern here for outside regulation and as well it's very **inexpensive to register** as opposed to the rest of the structures. Next to consider is that **everything you make, you own**. You don't have to share your profits with partners or shareholders and for the most part, all decisions are made by you, you're the king or queen of the castle. Also, to consider are **potential personal tax advantages** by being able to deduct losses if there's any, against your personal taxes. Losing money isn't preferred but it is often a reality; especially in start-ups. Finally, and for me, it's one of the key advantages, **potential expansion** into another structure. You always have the opportunity to upgrade to a partnership or corporation if the business becomes successful or if the initial response to your startup merits a different structure.



Business Structure

Dis-Advantages Sole Proprietorship

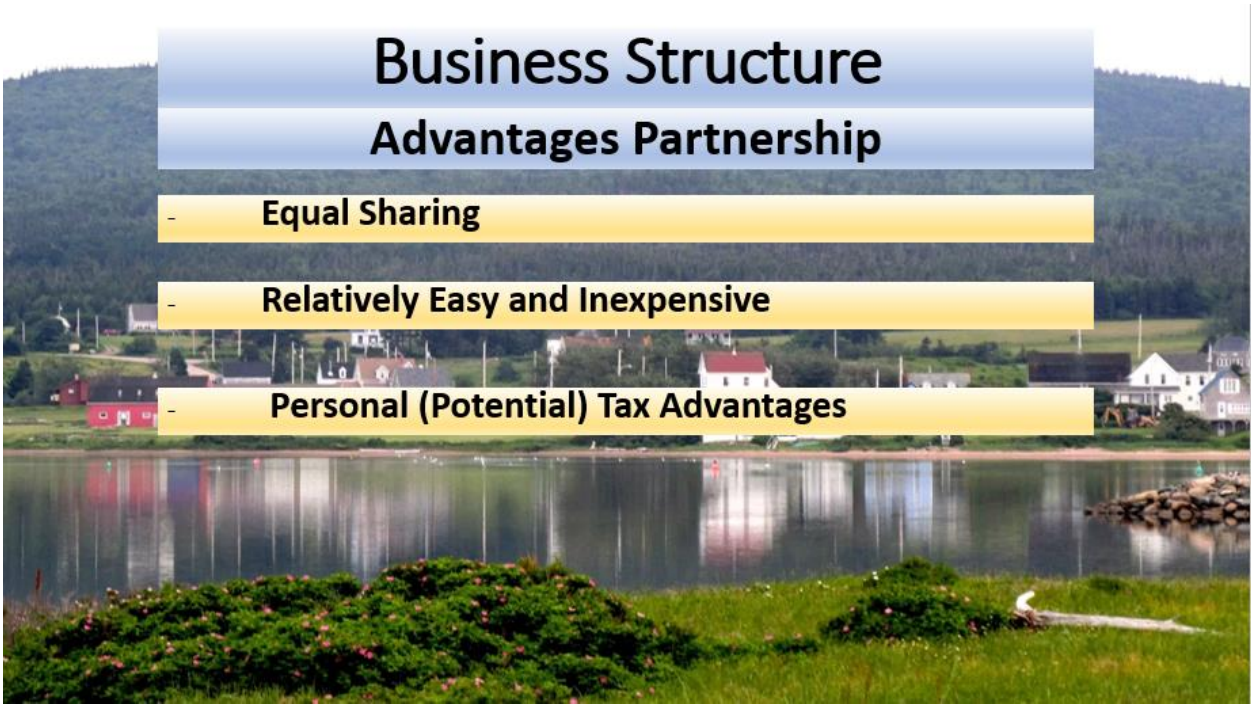
- Unlimited Liability
- Potential Income Tax (dis-advantage)
- It's All You, Nothing But You.
- Harder to Procure Capital

Now let's look at the potential disadvantages and I'm sure most of us are aware of **unlimited liability**. As mentioned before, you get all the reward but subsequently, you bear all the risk as well. Creditors of your business will come for you and you alone and not just for your business assets. They can and will come after you as well.

Secondly, we have **potential income tax disadvantages**. What if the business is wildly successful out of the box? Remember that everything is taxed to you personally. This could potentially drive your personal tax bracket far beyond the more favorable taxation schemes of other structures.

Thirdly, **"it's all you and nothing but you**" and you're likely starting to notice how things that were once considered positives can be viewed negatively. It's why "it depends" is the best answer to what is the perfect structure for you. Yes, you reap all the rewards but conversely, you have to do all the work. Long hours coupled with long weeks makes for an overworked individual who may struggle with the work/family mix. But as well it could cause stagnate creativity as you have no-one involved as a sounding board to spitball creative and problem-solving ideas off.

And in general, it's **harder to procure capital** as a sole proprietor; not impossible but for obvious reasons at least somewhat harder. Sole proprietors often use their capital for startups.

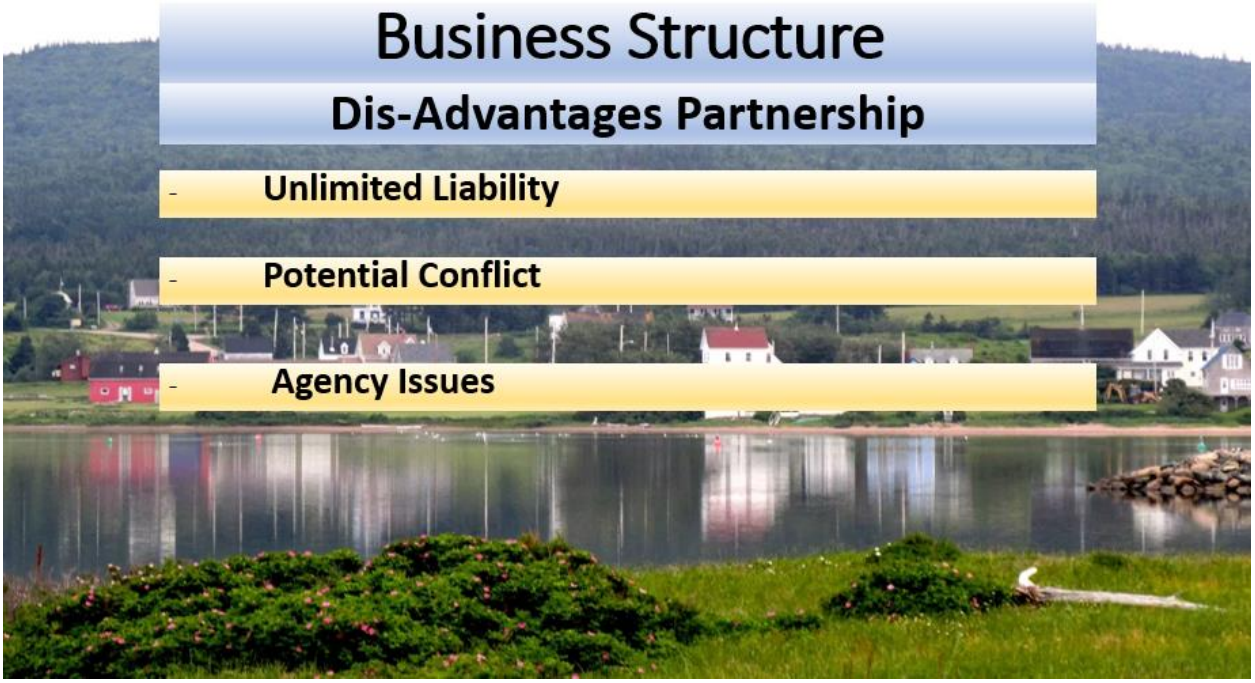


Business Structure

Advantages Partnership

- Equal Sharing
- Relatively Easy and Inexpensive
- Personal (Potential) Tax Advantages

And now we look at the partnership and a partnership is simply an agreement made between two or more people to go into business together. And for this toolbox item we're going to look at general partnerships but be advised there's also limited partnerships and limited liability partnerships. The latter are not often used and in the case of the limited partnership, it's simply an adjustment to a regular partnership that one or more of the partners contribute but are not necessarily active in the organization. So, let's look at the advantages and one should be obvious and counter to the last point brought up; **equal sharing**; it's not just you. Start-up costs, management, workload, liability can all be distributed evenly or in whatever manner you choose. Partnerships can lend themselves to more creativity by simply having more people to brainstorm. As well and not unlike the sole proprietorship; **it's relatively easy and inexpensive**. And again, not unlike the sole proprietor, there are **potential personal tax advantages** and in the case of partnerships, they're much easier to plan as you can decide the amounts accredited to each individual and have that make up part of the partnership agreement.

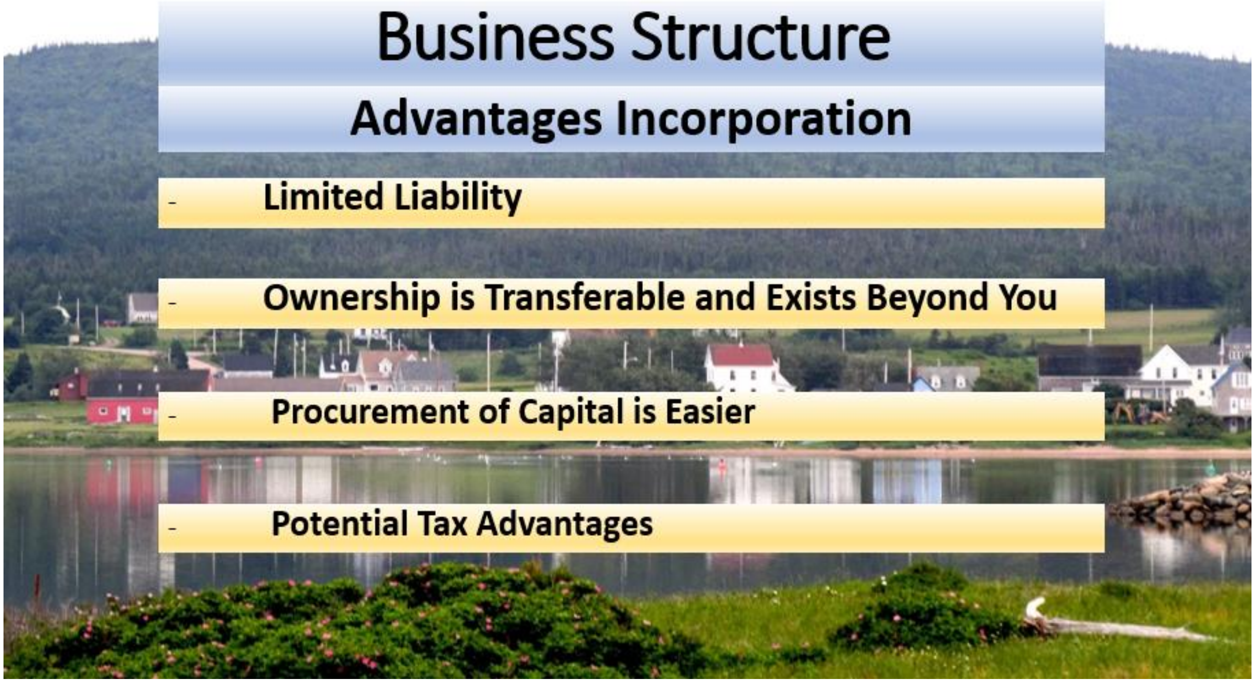


Business Structure

Dis-Advantages Partnership

- Unlimited Liability
- Potential Conflict
- Agency Issues

And now, of course, the drawbacks and again, no one will be shocked to learn that coming in at number one is once again; **unlimited liability**. Sure, you can share the burden but you're still liable. Next would be **potential conflict**. Remember in the sole proprietorship it was all you; the sun came out and went down when you told it, (in a manner of speaking), now you have to find consensus with your partner or partners which can potentially cause problems going forward. Just because they're your best friend in high school doesn't make them great business partners. And lastly **agency issues**, and what we mean here is that you may find yourself responsible for decisions made solely by your partner, .as if you had made the decision yourself.



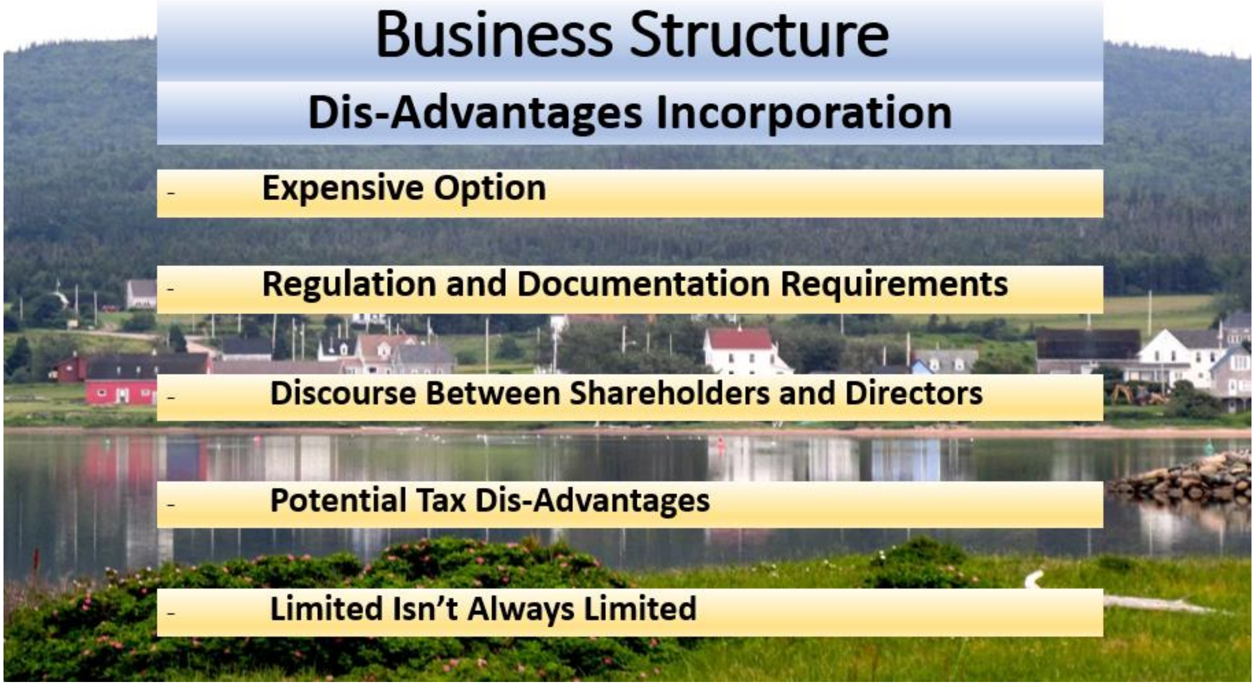
Business Structure

Advantages Incorporation

- Limited Liability
- Ownership is Transferable and Exists Beyond You
- Procurement of Capital is Easier
- Potential Tax Advantages

And now we find ourselves at incorporation and in the most general of terms, a corporation is a legally created entity, whether provincial or federal, that is a separate entity from its owners.

So let's get started with the advantages and the first one is also the most well-known; **Limited liability**. Finally, we have someone to blame but ourselves; technically. You are now, in theory, no longer responsible for the debt or obligations of the organization. Keep in mind that I say in theory because it's not an absolute but that'll be discussed in the disadvantages section. Secondly, **ownership is transferable** and exists beyond you. Consider the previous two structures, if you die or stop doing what it is you were doing, the business goes away with you. Here you are hopefully building something of value that will carry on with or without you. Thirdly we consider that **procurement of capital is generally easier**. And it's about perspective as it's rarely easy but history shows it's easier to procure capital with this business structure than those mentioned earlier. And lastly, **potential tax advantages** and this is one of those elements where it behooves you to talk to an accountant and do some serious tax planning as the rules are not generally easy to understand. But in general, monies kept within a corporation will be taxed less than if they were to be taxed personally. And in Canada, there's a small business tax advantage for revenues under ½ million dollars.

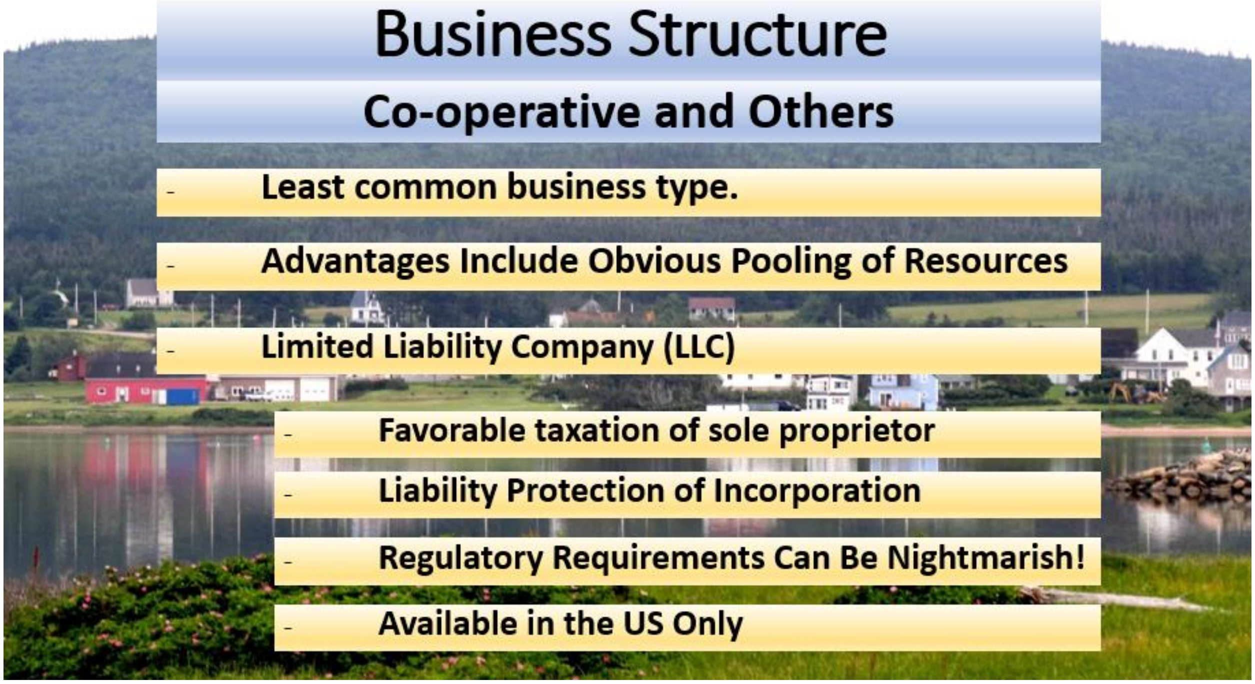


## Business Structure

### Dis-Advantages Incorporation

- Expensive Option
- Regulation and Documentation Requirements
- Discourse Between Shareholders and Directors
- Potential Tax Dis-Advantages
- Limited Isn't Always Limited

Now, of course, we follow up with the disadvantages and the first one should be obvious and that is it's the **most expensive option**. To register a corporation in Nova Scotia is nearly $500 and that doesn't include legal and accounting fees that will be necessary. And the next follows in that same vein in that it's the **most complicated as it pertains to regulations and documentation.** There are many requirements for documentation filings to the Canadian government which are not necessary in any of the previous structures. Next is the **potential for discourse** between management, shareholders and directors and of course the level of discourse is highly dependent on how complicated an organization structure you have. Next is the ever -popular **potential tax disadvantages**. Are you starting to understand the concept of "it depends" yet? And although it may seem counterintuitive, your revenue streams may be of a manner where it makes more sense to be taxed personally because you have tax credits you can use personally. Every corporate dollar is taxed dollar for dollar. In these complicated tax situations it is beneficial to have a good accountant. And finally **limited isn't always limited**. As I mentioned in the advantages, in theory, limited liability protects you. But if a lending institute isn't willing to give a loan to a corporation without a director (you) signing to it, then limited liability goes out the window as it pertains to this creditor at least. And the preferential tax treatment is only for dollars left in the corporation. If you spend everything you make; there's no tax break.

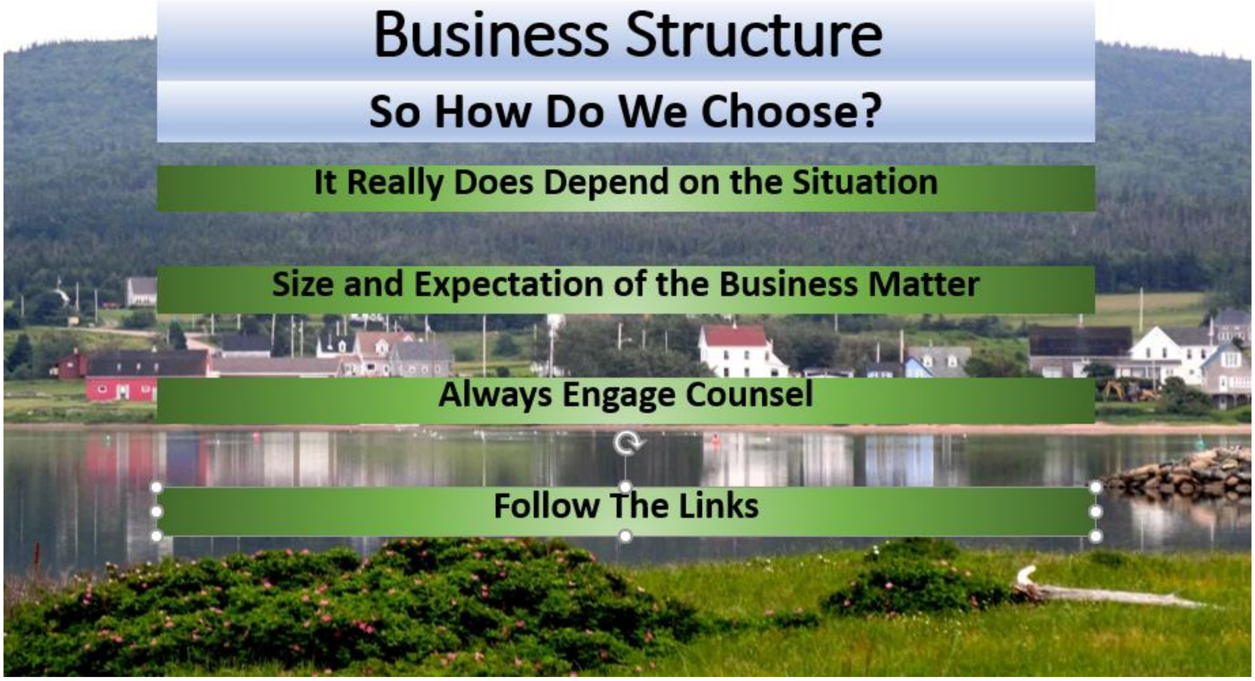


# Business Structure

## Co-operative and Others

- Least common business type.
- Advantages Include Obvious Pooling of Resources
- Limited Liability Company (LLC)
  - Favorable taxation of sole proprietor
  - Liability Protection of Incorporation
  - Regulatory Requirements Can Be Nightmarish!
  - Available in the US Only

And now let's look at the 4th structure which is Co-operatives which in short is an organization that is set up, owned and operated by an association or group of members and can be developed for not for profit or for-profit organizations. I'm not going to talk a lot about this type of structure because it's the **least common business type** in Canada and because it's self-evident when they're preferable. If there's no potential for **significant pooling of interest or business resources**, then it probably doesn't make a lot of sense. And I mention the last one here, the **Limited Liability Company** for the sake of inclusiveness. And I hesitate to mention it because it's generally used in the US only and its structure is very problematic. It's looked upon favorably because of its favorable taxation over sole proprietorship as well as the limited liability of a corporation. But its filings are nightmarish and again it's only used in the US because the Canadian govt will automatically consider it a corporation anyway. In short, Avoid it!



## Business Structure

### So How Do We Choose?

It Really Does Depend on the Situation

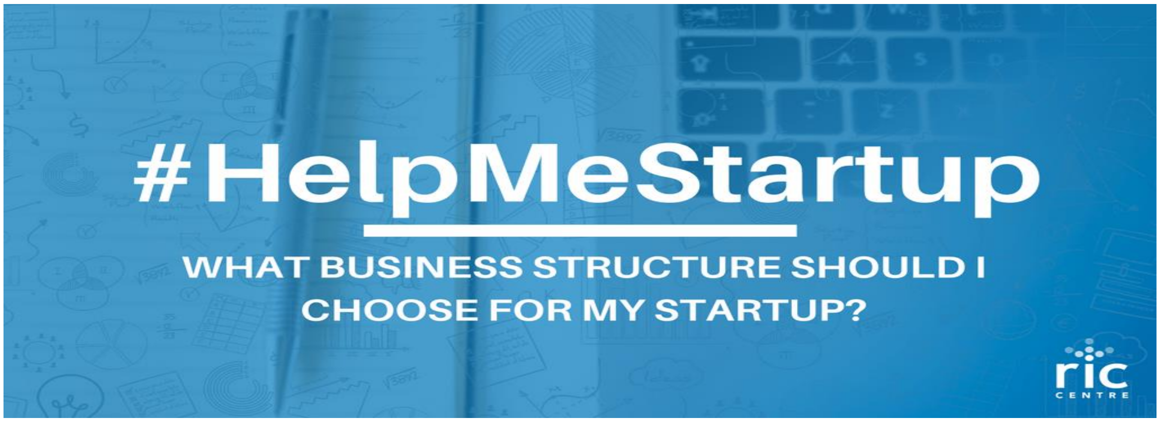
Size and Expectation of the Business Matter

Always Engage Counsel

Follow The Links

So how do we choose? It's easy, it depends! For me, it comes down to **expectation of profitability**. If you're unsure how profitable your company will be but are relatively sure you're looking at revenues below $50,000 then perhaps the sole proprietorship makes most sense as a "starting" structure. If the business grows then as has been mentioned before, you can always upgrade later. But most importantly you must **engage counsel**. A good lawyer or accountant can look at your situation and determine what may be the best strategy; again, this toolbox is about getting you thinking about the things which you have to be familiar.

| | |
|---|---|
| **Register Your Business Online** | https://canadabusiness.ca/government/registering-your-business/#toc0 |
| **Sole Proprietor Online** | https://novascotia.ca/sns/paal/rjs/paal262.asp |
| **Incorporation Online** | **https://novascotia.ca/sns/paal/rjs/paal265.asp** |
| **Which Structure to Use** | **https://novascotia.ca/sns/access/business/which-business-structure-is-right-for-you.asp** |
| **Which Structure to Use** | ("What Business Structure Should I Choose For My Startup? - RIC Centre," n.d.) **Page # 34** |


#HelpMeStartup
WHAT BUSINESS STRUCTURE SHOULD I CHOOSE FOR MY STARTUP?
ric CENTRE

*“Young companies that adopt structured systems to run their operations in their early years grow three times faster than competitors and have a lower rate of CEO turnover.”* – Cathy Castillo, Stanford Business

The early days of starting up are exciting, invigorating, and often stressful. You don’t have a lot of money, but you’ve got energy. You might not have lawyers and advisors, but you’ve got passion and drive. It is in these formative days that your company’s future is decided, so it is important to choose the right business structure for your startup as inefficient structures will often cause companies to fail.

The business structure of your startup will play a critical role in its success. In Canada, there are four main types of business structures that your company can take – you should familiarize yourself with all of them in order to choose the best structure for your business and ensure maximum startup success.

In Canada, there are four business structures your startup can take: sole proprietorship, partnership, corporation, or co-operative.

### Sole Proprietorship

In this business structure, one person is the sole owner. The sole owner is the recipient of all profits the company earns, and they are responsible for all of the startup’s debts. With this business structure, it is advisable to hire a good accountant in order to figure out what the best way is for you to reduce your taxable income.

This business structure is a good option for startups because it is easy and inexpensive to register and the sole owner has direct control of all decisions. Tax advantages are also available for sole proprietors whose startups are not doing well.

Startup founders should keep in mind that with sole proprietorship comes with unlimited liability, which means that if your startup has debts, your personal assets can be claimed to repay them.

For more information about how to form a sole proprietorship in Canada, check out the helpful to-do list from NewBusinessNow.com.

### Partnership

In a partnership business structure, two or more people combine their financial resources to put into their business. A partnership is non-incorporated and all partners share the profits the business earns. A partnership agreement should be put in place in order to lay out terms and conditions and avoid problems later on.

There are three kinds of partnerships:

1. General Partnership: Every partner is equally liable for the startup's debt. This is the most common type of partnership.

2. Limited Partnership: A person who is not involved in the operations of the startup can contribute to the business. Your liability to the company is limited to the amount you previously invested in it.

3. Limited Liability Partnership: A partnership available to professionals, such as doctors or lawyers. There is specific provincial legislation that governs this kind of partnership.

This is a good business structure option for startups because it is easy and inexpensive to form a partnership, there are tax advantages, and startup responsibilities and costs are shared.

This business structure is also subject to unlimited liability, and it is important to remember that each partner is equally responsible for the business decisions made by each individual partner.

### Corporation

This business structure is formed at the federal or provincial/territorial level and is considered to be a legal entity that is separate from its shareholders. Shareholders aren't responsible for the company's debts or actions.

Most startups are not at the phase where incorporation is appropriate. However, it is beneficial to know about how they work for future reference. Incorporation is beneficial because it has limited liability, transferable ownership, and greater tax advantages.

Corporations are, however, closely regulated and they are very expensive and more complicated to set up, requiring extensive record keeping and submission.

We recommend that you seek legal advice that is specific to your province or territory before incorporating.

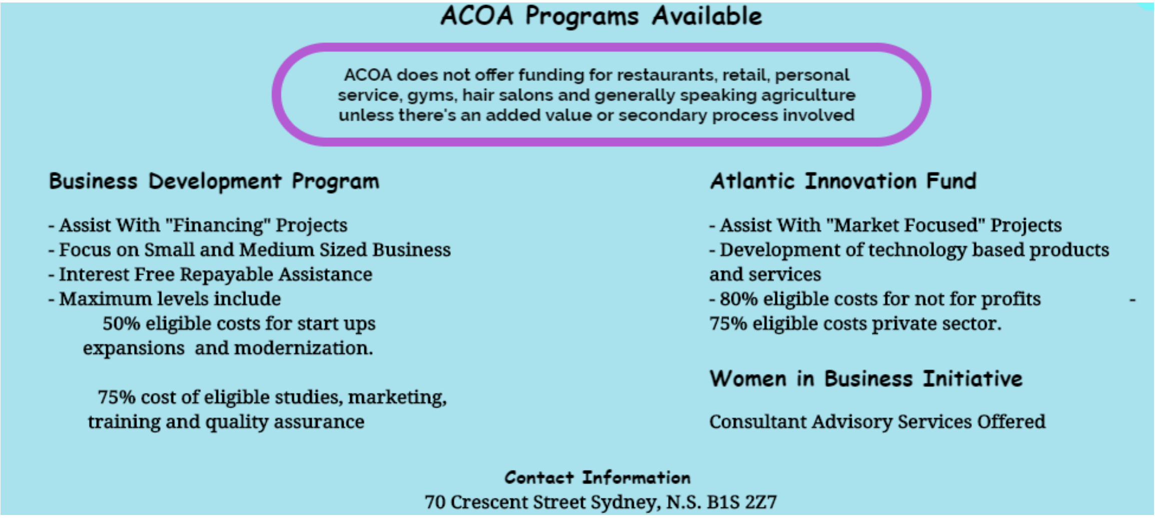
### Co-operative

This type of business structure can be for-profit or not-for-profit and is owned and controlled by an association of members. Co-operatives are the least common business structure and it is often used to provide access to common needs.

Co-operatives are beneficial because they are owned and controlled by their members and have limited liability. However, the decision-making process is long as it is democratic (each member has one vote), and there is extensive record keeping involved in maintaining this kind of business structure.

No matter what kind of business structure you choose for your startup, it is important to consult with a legal professional or experienced mentor beforehand in order to make an informed and intelligent choice. It is useful to know your goals, business plan, and your vision for your company and lay that out for those who are giving you guidance in the structuring process in order to help them help you choose the best business structure for your startup.

# Finance Your Business



## ACOA Programs Available

ACOA does not offer funding for restaurants, retail, personal service, gyms, hair salons and generally speaking agriculture unless there's an added value or secondary process involved

### Business Development Program

- Assist With "Financing" Projects
- Focus on Small and Medium Sized Business
- Interest Free Repayable Assistance
- Maximum levels include
  50% eligible costs for start ups expansions and modernization.

  75% cost of eligible studies, marketing, training and quality assurance

### Atlantic Innovation Fund

- Assist With "Market Focused" Projects
- Development of technology based products and services
- 80% eligible costs for not for profits -
75% eligible costs private sector.

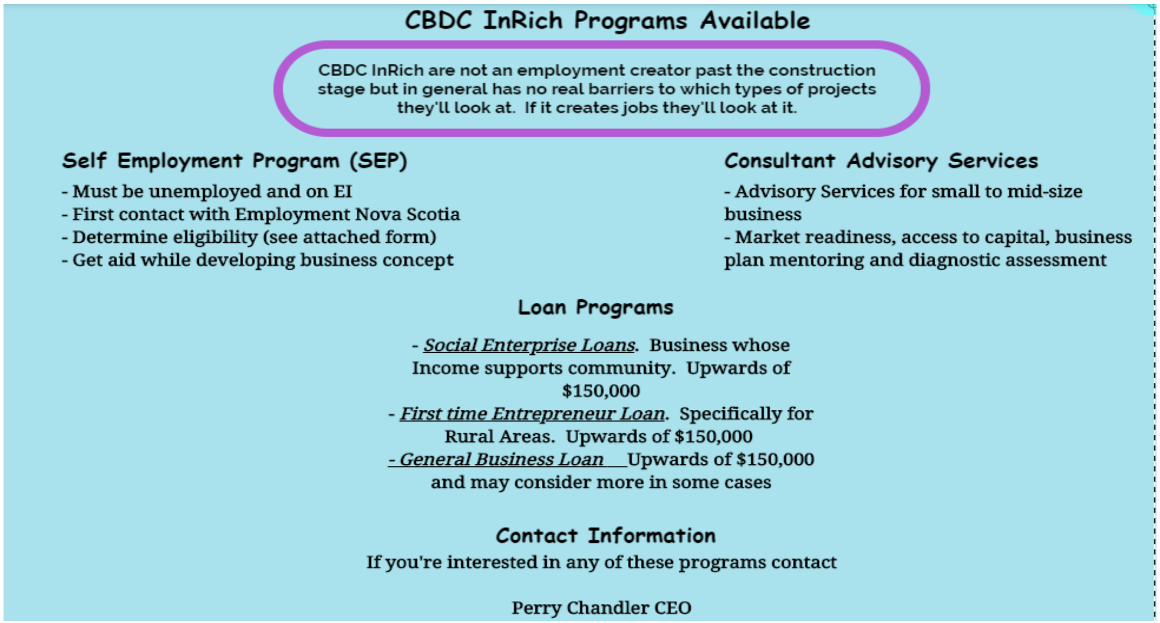
### Women in Business Initiative

Consultant Advisory Services Offered

**Contact Information**
70 Crescent Street Sydney, N.S. B1S 2Z7

902-564-3600

(A. C. O. Agency & Agency, 2018)



## CBDC InRich Programs Available

CBDC InRich are not an employment creator past the construction stage but in general has no real barriers to which types of projects they'll look at. If it creates jobs they'll look at it.

### Self Employment Program (SEP)

- Must be unemployed and on EI
- First contact with Employment Nova Scotia
- Determine eligibility (see attached form)
- Get aid while developing business concept

### Consultant Advisory Services

- Advisory Services for small to mid-size business
- Market readiness, access to capital, business plan mentoring and diagnostic assessment

### Loan Programs

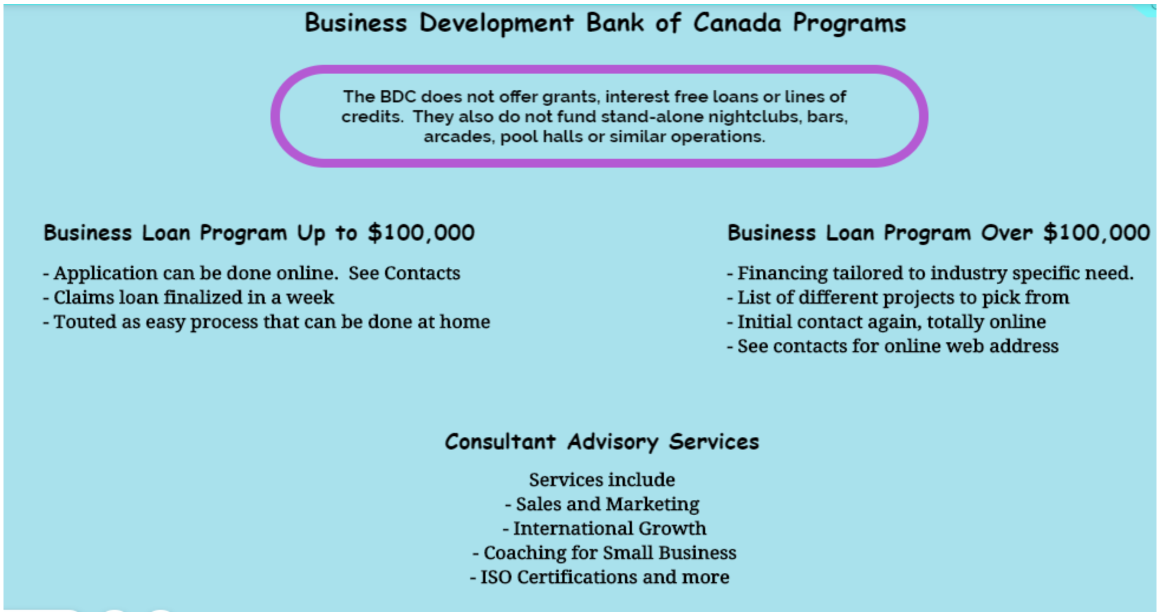
- *Social Enterprise Loans*. Business whose Income supports community. Upwards of $150,000
- *First time Entrepreneur Loan*. Specifically for Rural Areas. Upwards of $150,000
- *General Business Loan* Upwards of $150,000 and may consider more in some cases

**Contact Information**
If you're interested in any of these programs contact

Perry Chandler CEO

perry.chandler@cbdc.ca

(“Small Business Development Assistance in Nova Scotia | CBDC,” n.d.)



## Business Development Bank of Canada Programs

The BDC does not offer grants, interest free loans or lines of credits. They also do not fund stand-alone nightclubs, bars, arcades, pool halls or similar operations.

### Business Loan Program Up to $100,000

- Application can be done online. See Contacts
- Claims loan finalized in a week
- Touted as easy process that can be done at home

### Business Loan Program Over $100,000

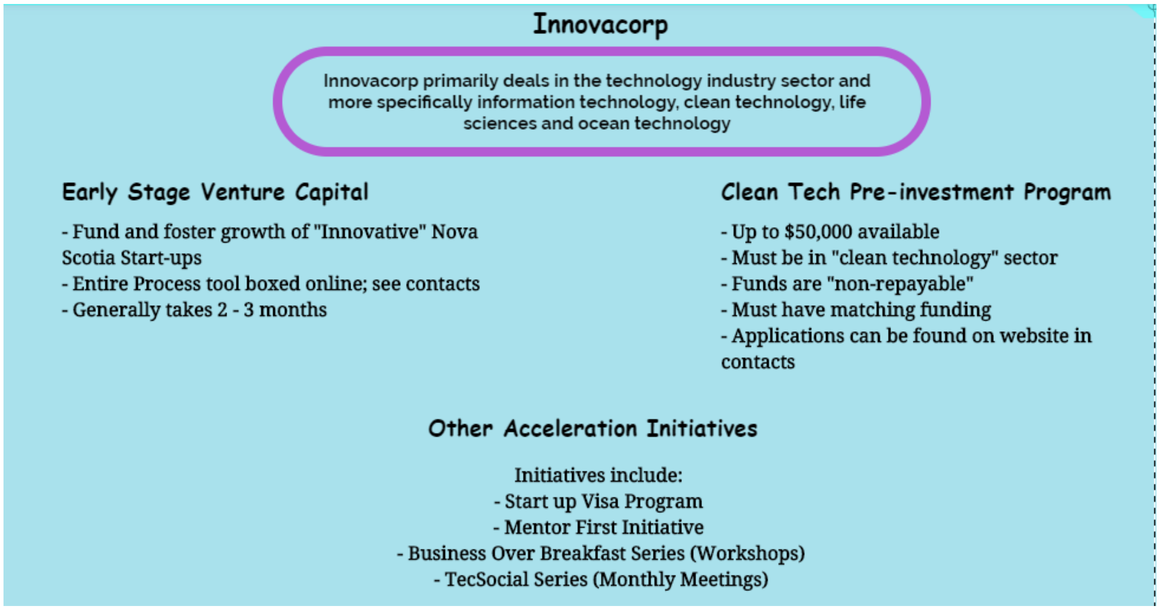
- Financing tailored to industry specific need.
- List of different projects to pick from
- Initial contact again, totally online
- See contacts for online web address

### Consultant Advisory Services

Services include
- Sales and Marketing
- International Growth
- Coaching for Small Business
- ISO Certifications and more

1-888-463-6232

(“Business Development Bank of Canada | BDC.ca,” n.d.)



## Innovacorp

Innovacorp primarily deals in the technology industry sector and more specifically information technology, clean technology, life sciences and ocean technology

### Early Stage Venture Capital

- Fund and foster growth of "Innovative" Nova Scotia Start-ups
- Entire Process tool boxed online; see contacts
- Generally takes 2 - 3 months

### Clean Tech Pre-investment Program

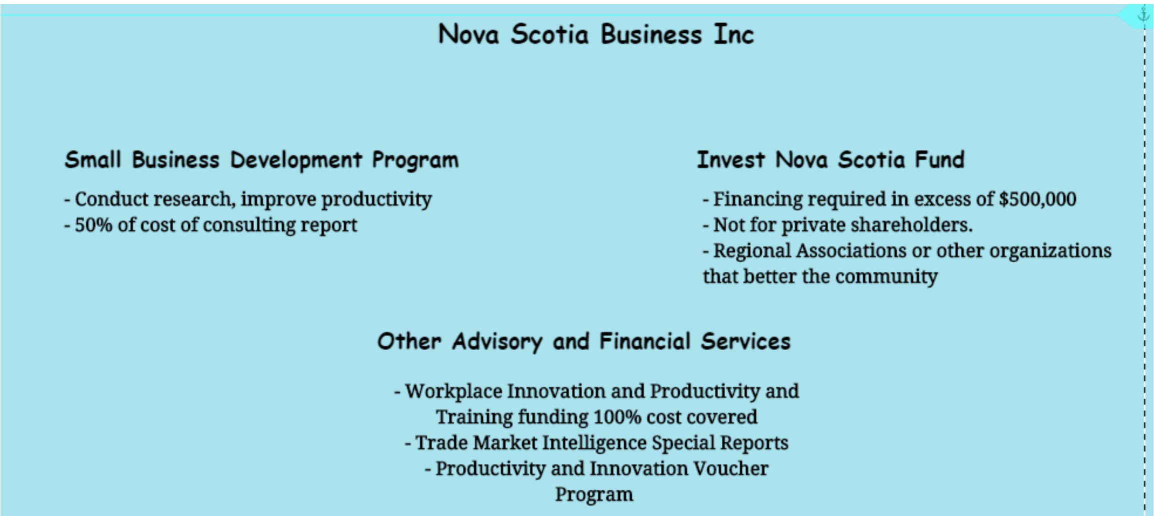
- Up to $50,000 available
- Must be in "clean technology" sector
- Funds are "non-repayable"
- Must have matching funding
- Applications can be found on website in contacts

### Other Acceleration Initiatives

Initiatives include:
- Start up Visa Program
- Mentor First Initiative
- Business Over Breakfast Series (Workshops)
- TecSocial Series (Monthly Meetings)

902-424-8670

(“Innovacorp | We Get Invested,” n.d.)



**Nova Scotia Business Inc**

**Small Business Development Program**

- Conduct research, improve productivity
- 50% of cost of consulting report

**Invest Nova Scotia Fund**

- Financing required in excess of $500,000
- Not for private shareholders.
- Regional Associations or other organizations that better the community

**Other Advisory and Financial Services**

- Workplace Innovation and Productivity and Training funding 100% cost covered
- Trade Market Intelligence Special Reports
- Productivity and Innovation Voucher Program

902-424-6650

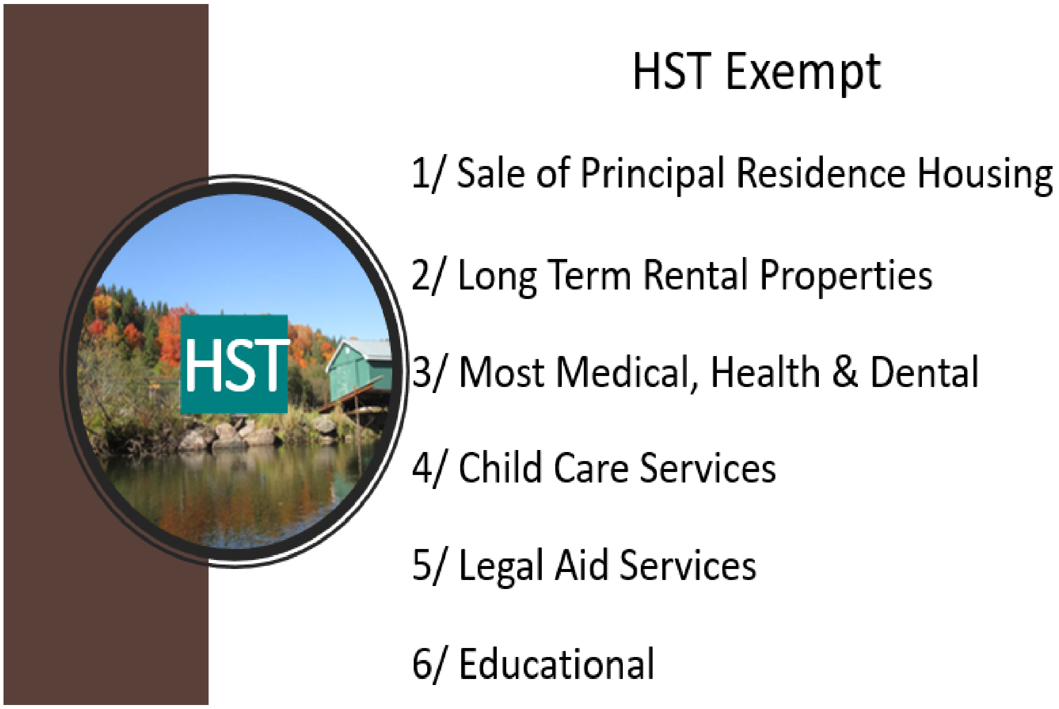
(“Nova Scotia Business Inc. | Canada,” n.d.)

Other organizations available online @

https://tonyrhatcher.wixsite.com/mysite/financing-your-idea

# Employee Remittances and HST

At this section of the toolbox, we're going to look at HST and payroll remittances and we'll first look at the dreaded HST and whether you have to register and how.



HST Exempt

1/ Sale of Principal Residence Housing

2/ Long Term Rental Properties

3/ Most Medical, Health & Dental

4/ Child Care Services

5/ Legal Aid Services

6/ Educational

Do you need to apply for an HST number; or in other words charge people for HST for your product and services? Because not everyone does! There's a two - step process to determining whether you need to register for an HST number and let's start with the first that looks at the types of product or services you're looking to vend. And there are three platforms which include HST Exempt, HST Zero rated and HSTable. We'll start with what we call HST exempt items. Because if your business deals with HST Exempt items you can likely skip this entire section because you will need not collect HST or be able to claim itc's which we'll discuss later, hence will not need to register for an HST number. The above slide lists those types of products and services that are exempt. If you don't find your product or service here, you can contact someone at the links provided below but in general, you can probably assume that you are not HST exempt. Always check to make sure. For the record, most are not exempt.

**1/ Sale of housing that was the seller's principal residence**……not relevant as selling your house isn't an entrepreneurial venture.

**2/ Long term rental properties**; and by long term we mean at least a month at a time.

**3/ Most medical, health and dental procedures** performed by licensed practitioners.

**4/ Child Care Services** and more specifically for children under 14.

**5/ Legal aid services** which again may not be relevant here.

**6/ Educational type services** including music lessons, tutoring or anything that follows a particular curriculum designated by a school authority.

Again, there are more but these are the most common and as aforementioned, check the references at the end; it's always wise to ask. So if you're tax exempt, what follows isn't necessarily for you; we'll see you at the payroll section of the toolbox.

## HST Zero-Rated

1/ Basic Groceries

2/ Agricultural & Livestock

3/ Most Fishery

4/ Transportation/ Trucking

5/ Some Medical Devices

6/ Exports

So next we're going to look at items that are HST zero-rated and when we say zero-rated we mean you don't collect HST from your customers, but you could be eligible for input tax credits (itc) which are essentially taxes you pay on goods and services you purchase to run your business. Zero-rated items include:

**1/ Very Basic groceries** like milk, bread and vegetables

**2/ Agricultural products** and livestock

**3/ Most fishery**

**4/ Some transportation services** including trucking

**5/ Some medical devices** including hearing aids and false teeth

**6/ Exports**

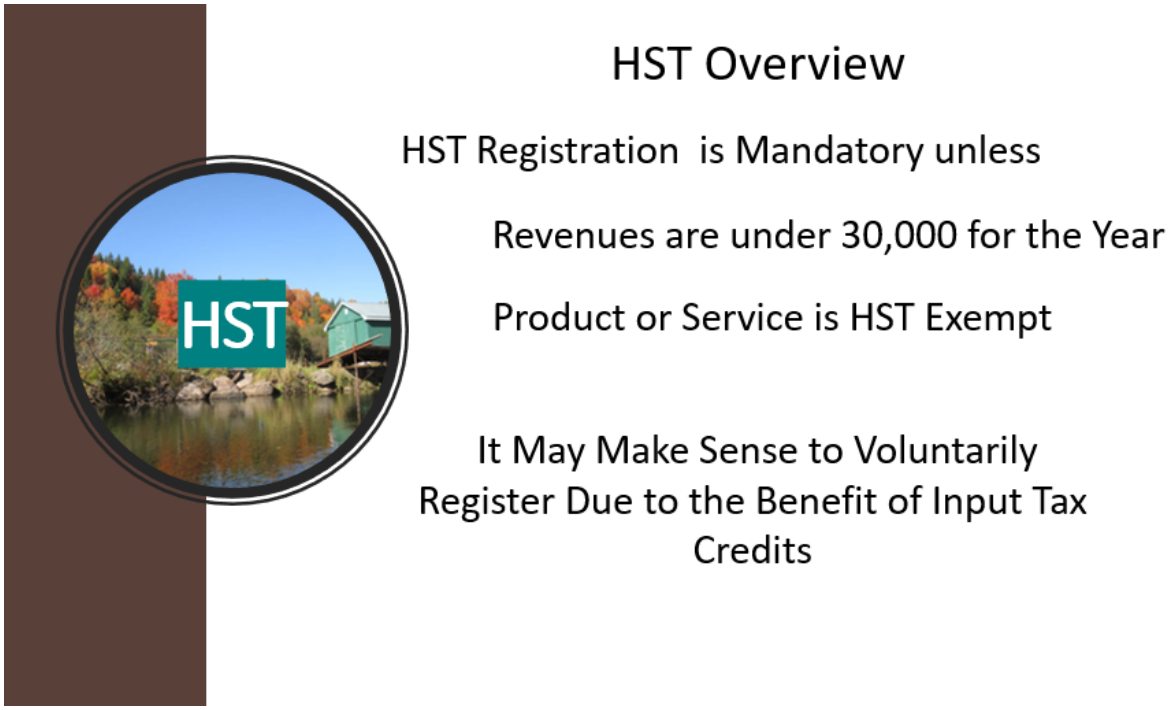
If you're not in the 1st exempt category than you're eligible to register for an HST number. But it only becomes mandatory when your revenues for the year surpass $30,000. Now please understand that's total revenues, that’s not what you take home after all the expenses are paid, this is gross revenue. Do not mistake it with taxable income, they are not the same thing!! If you go to the online toolbox and watch the video in this section, you’ll see an example on exactly how this works and the benefit of registering even if you’re HST Zero Rated or below the $30,000 threshold.

HST-able Revenues

$30,000

Registering Becomes Mandatory

Example



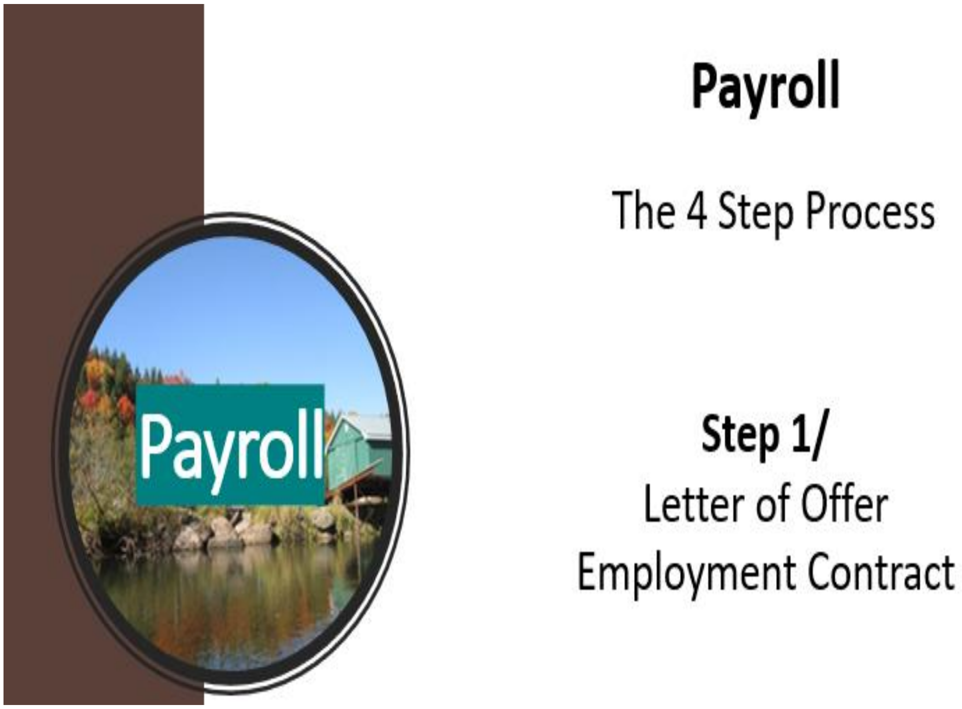
## HST Overview

HST Registration is Mandatory unless

Revenues are under 30,000 for the Year

Product or Service is HST Exempt

It May Make Sense to Voluntarily Register Due to the Benefit of Input Tax Credits



## Payroll

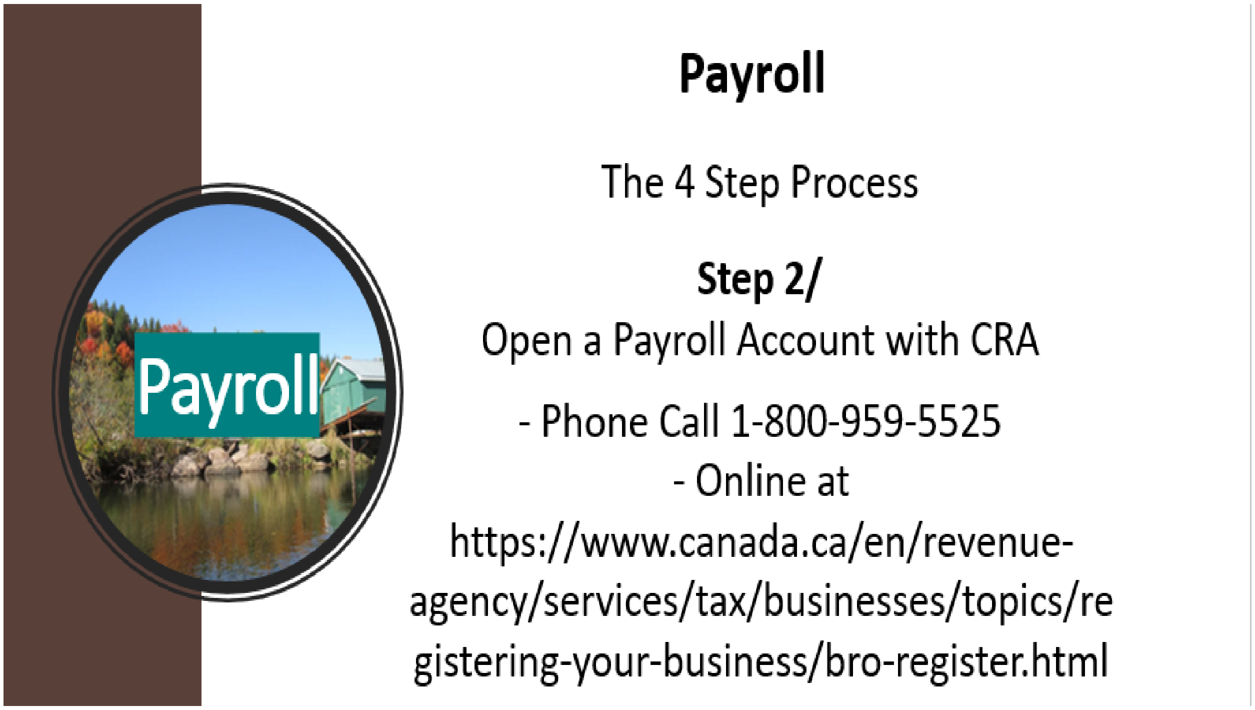
The 4 Step Process

**Step 1/**

Letter of Offer

Employment Contract

Ok so you're in Nova Scotia and you've decided you need to hire an employee or employee (s) and you're petrified about the litany of paperwork and bureaucracy that comes with the territory. You can hire an exceptional bookkeeper and let them worry about it. Which at some point you should do anyway because as an entrepreneur your ability to manage a payroll is likely not the reason you became an entrepreneur so balancing your books will only serve to take you away from that which gives your life its passion. But it doesn't mean you shouldn't be aware of the steps you need to go through when hiring someone in Nova Scotia. And believe it or not, it's not as onerous a task as you've been led to believe, and it starts with an oft too often forgotten first step; which is to develop both a **letter of offer** followed by an **employment contract**. Far too often businesses simply hire by handshake and if you're looking to avoid costly termination traps that you're likely not thinking of now because everything is rosy. The letter of offer and employment contract helps both sides understand what is expected of each other. Ensure you keep a signed copy of both for your files and one for the employee. You'll find a template for the letter of offer at the end of this section.



**Payroll**

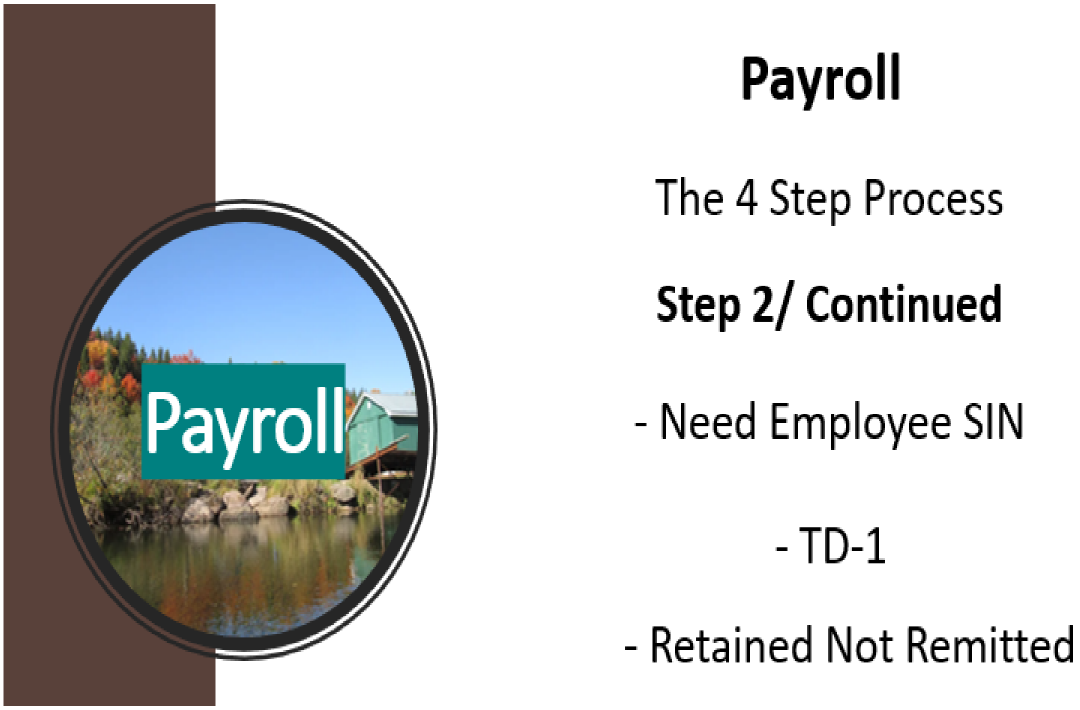
The 4 Step Process

**Step 2/**

Open a Payroll Account with CRA

- Phone Call 1-800-959-5525
- Online at https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/registering-your-business/bro-register.html

So now we have our employees signed sealed and delivered, we have to start remitting EI CPP and Income tax for each employee and to do that, we have first to open a payroll account with CRA. Now there's two ways to do this; if you're not a huge fan of technology or feel you need help with the process you can call them at (1-800-959-5525) or you can do it online at the above URL.



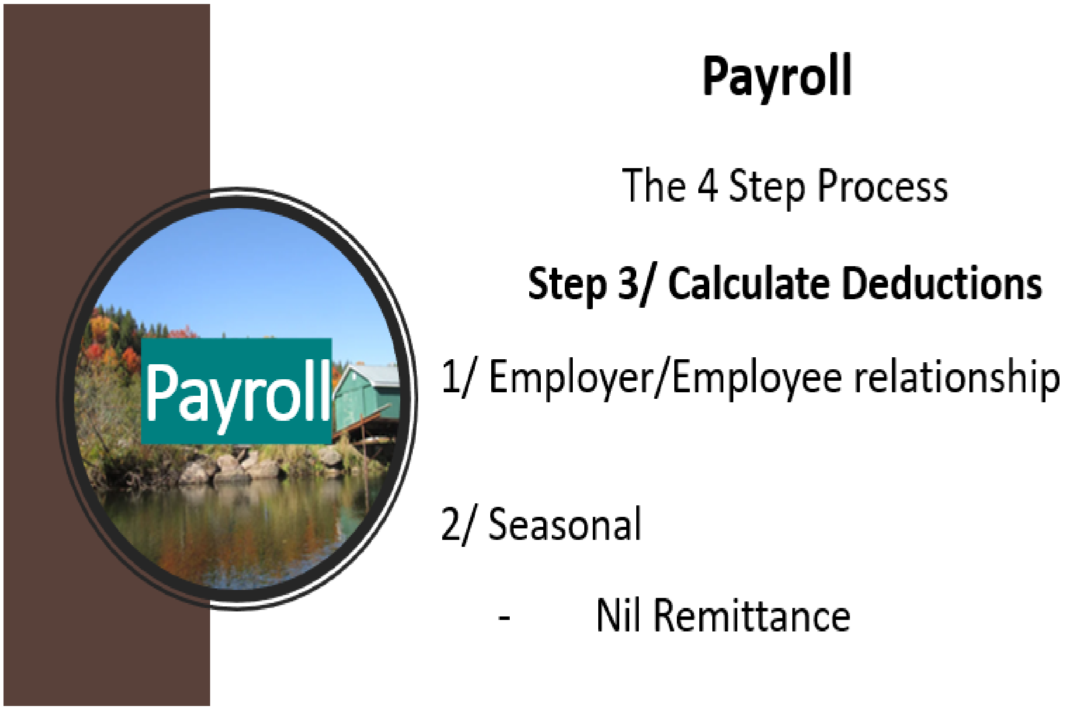
## Payroll

The 4 Step Process

**Step 2/ Continued**

- Need Employee SIN
- TD-1
- Retained Not Remitted

Be advised that you, to register an employee, will need the employee’s SIN Number. And to determine how to remit for the employee, you must have them fill out a TD-1. The TD-1 is not to be remitted to CRA but rather is for your files!



## Payroll

The 4 Step Process

**Step 3/ Calculate Deductions**

1/ Employer/Employee relationship

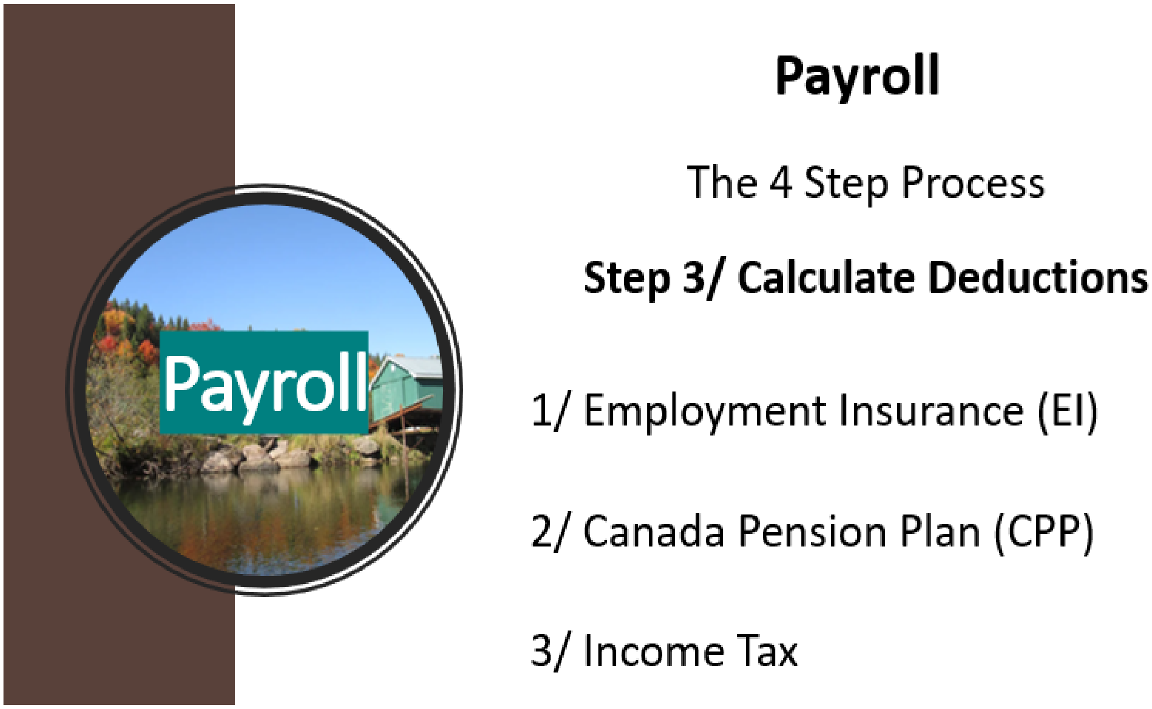
2/ Seasonal

- Nil Remittance

So, we’re registered for a payroll account and our employee is registered and we had him/her fill out their TD-1 so next, we have to calculate how much to remit. And before we go any further be advised that there's a guide for download and the URL can be found at the end of this section. The guide goes over everything you need to know; and in some cases, a lot of stuff you don't necessarily need to know. We're going to look at the very basics here. And the first step is to look at when to withhold?

And when you consider when do you remit it seems easy; you're required to make payroll deductions when you have paid employees a salary, wage or any other source of compensation. It should be easy but sometimes you have to consider the relationship between the employer and employee and decide whether it's an **employee/employer relationship** or whether the employee is actually an agent or subcontractor; or self-employed in some manner, because in the latter case, deductions are not required by you. One of the simplest examples are when you employ a sub-contractor who is himself self-employed to do work for you. That is not an employer-employee relationship. You will find at the end of this section a URL that will lead to a guide that looks at this relationship thoroughly. In general though, if you're paying a salary or wage to someone, you're also required to make payroll deductions

As well you should remember that once you start deducting from your employee and remitting the deductions you have to continue to do so even if your employee isn't working some particular month. In the case where he or she is seasonal, you must still report to the CRA. And if there's no actual remittances that has to be reported, it's called a "nil remittance"



**Payroll**

The 4 Step Process

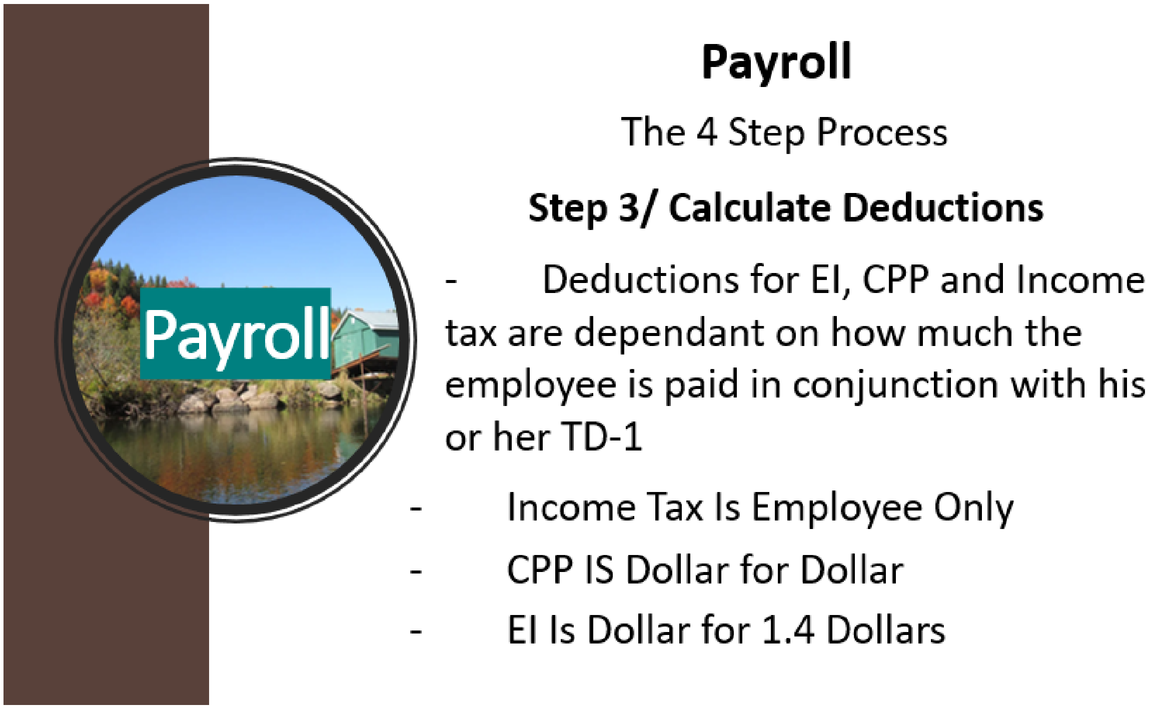
**Step 3/ Calculate Deductions**

1/ Employment Insurance (EI)

2/ Canada Pension Plan (CPP)

3/ Income Tax

So now that we know when we are responsible to withhold deductions it's now time to look at which ones! And from the perspective of the Canadian government and more specifically the CRA, we're concerned about three things; Canada Pension Plan (CPP), Employment Insurance (EI) and Income tax. It would be foolhardy to go through the mechanisms of how to calculate the EI, CPP and Income tax when there are so readily available online tools that do the work for you. You will find a link to the online calculator at the end of this section. You can also use remittance guides as aforementioned, whose URL are at the end of this section. Deductions that are made are dependent on the salary earned by the employee in the period as well as their tax code that was determined when they filled out the TD-1 previously.



**Payroll**

The 4 Step Process

**Step 3/ Calculate Deductions**

- Deductions for EI, CPP and Income tax are dependant on how much the employee is paid in conjunction with his or her TD-1
- Income Tax Is Employee Only
- CPP IS Dollar for Dollar
- EI Is Dollar for 1.4 Dollars

When deducting amounts from your employee the income tax is entirely born of the employee. Meaning that if you calculate they owe $100 then you withhold the entire 100$ from the employee and only that is remitted to the CRA. However, that's not the case with CPP and EI. In the case of CPP, it's dollar for dollar employer/employee. If you deduce that the employee is required to remit 25$ for CPP, then you must withhold that $25 and remit it but also remit an additional $25 that comes out of the company's pocket for the employee. In the case of EI again, if you deduce that your employee must remit $25 then you must withhold and remit the 25$, but in this case, you must also remit out of the company's pockets an additional 1.4 times that amount which in this case would be $35 on behalf of the employee.

So, for simplicity sake let's assume Sarah works for your company for a week and you deduce, using the tables, that she is required to pay $100 for Income Tax, $25 for CPP and $ 15 for EI then there's a two-step process. First, you must take away from her paycheque a total of $140 (which includes The Income tax, EI and CPP discussed. But you must remit more to the CRA. As was mentioned you're not responsible to pay any income tax but you are responsible, $ for $ on CPP and $1.4 per $ on EI. So you'd have to remit, out of the company's pockets, an additional $25 CPP and an additional $21 for EI ($15*1.4). Hence the total remitted to CRA will be $186. $140 that was withheld from Sarah and $46 paid by the company.

## Payroll

### The 4 Step Process

### Step 4/ Remit Deductions

1/ Pay online

2/ Pay in Person

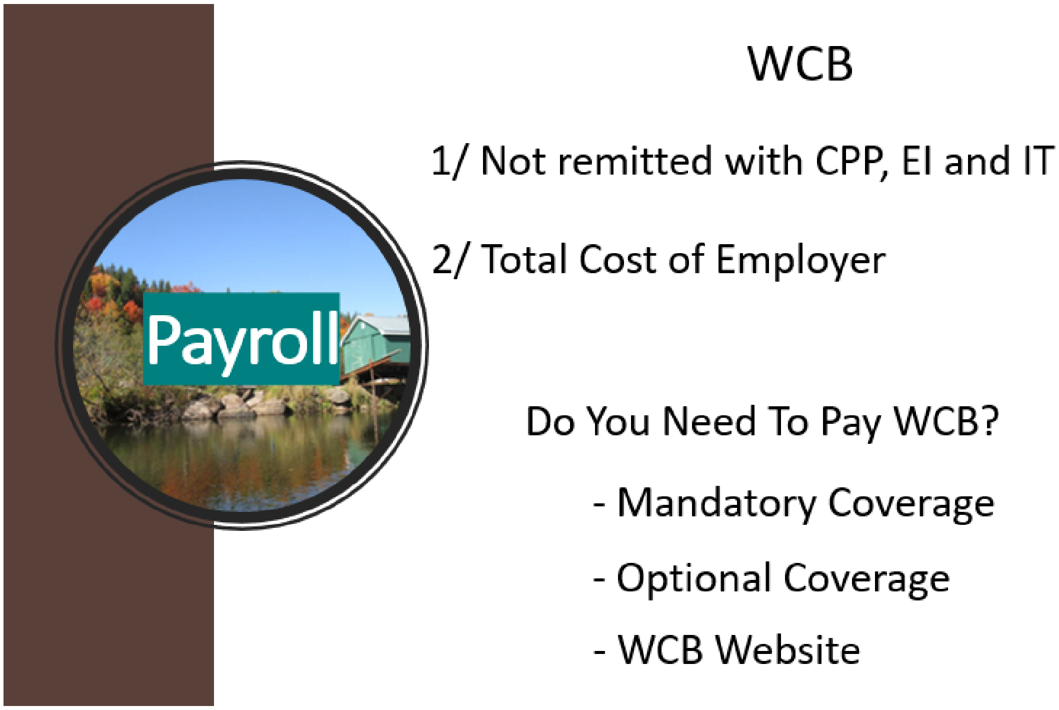
3/ 15TH of the following month

4/ Guides Available

Now we've determined what to withhold, we will now look at the final step of actually remitting the deductions. And the first thing we must know is on what date do we have to get the money into the CRA?

And you can do it online or in person. You'll note a link at the end of this section that will take you to the online payment option. If you're choosing to pay in person you will have to use the remittance form sent to you after you register for your payroll account in the previous step.

Now obviously you're making no remittances until you open a payroll account discussed earlier. As for when you must remit, it is always the 15th of the month following the pay from which you withheld deductions. Whether he or she is paid on the 1st of December or last of December; those remittances will be due January 15. It's that simple but it comes with a caveat and that is "unless you're told otherwise by CRA." The chart that looks at the way one must remit can be found at the end of this section as well.



Payroll

WCB

1/ Not remitted with CPP, EI and IT

2/ Total Cost of Employer

Do You Need To Pay WCB?

- Mandatory Coverage
- Optional Coverage
- WCB Website

And finally, we’re going to look at the Workers Compensation Board (WCB) and the WCB is a little different for two reasons. Firstly, it’s remitted to the CRA but not with the other payroll deductions and secondly, the cost is completely borne of the “employer”. Unlike EI and CPP where both the employer and employee make payments or income tax where only the employee makes payments, WCB payments are the sole responsibility of the employer. Whether you have to register for WCB depends on the number of employees you have (three or more) and the industry you are in as some industries are mandatory. So, there’ll be conditions where you’re required to have mandatory coverage. But even if you’re not in the position of being required to register, you may want to anyway which can be done with voluntary or optional coverage. The WCB has a great website where you can go to find out if you have to register, how to register and a how-to remit so you should visit it immediately after hiring your employees but before they begin work. You’ll find that website at the end of this section.

## Step By Step

1/ Hire a solid book keeper

2/ Develop a letter of offer and employment contract

3/ Open a Payroll Account

4/ Calculate Deductions

5/ Remit Deductions

6/ Look at WCB requirements for your industry

So let's just briefly look at the steps to payroll and the first one may be the most important, **get a good bookkeeper**. Don't let this type of administrative work saddle you down and take you away from the work that makes your business what it is and what you want it to be. Secondly get those **letters of offers and employment contracts** done, it may not seem important now, but you don't want to realize their importance before you get a chance to develop them because then it's too late. **Open a payroll account** either online or by phone. **Calculate your deductions** and there's a myriad of documentation available here that will help you with this process. **Remit deductions** and consider the **ramifications of WCB** before your employee (s) work one day. And has been mentioned a myriad of times already; there's more than enough documentation available at the online site for you to go through these steps with relative ease!!

## HST

**HST/GST Guide** (C. R. Agency & Agency, 2017)
https://docs.wixstatic.com/ugd/206188_2a70aa4eae854d05aa86897371806c11.pdf

**Do I Charge HST?** (C. R. Agency & Agency, 2012)
https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/gst-hst-businesses/charge-gst/charge-gst-hst.html

**Register for HST** (Government of Canada & Gouvernement du Canada, n.d.)
**https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/rc1/rc1-fill-18e.pdf**

**Register Online HST** **902-959-5525**

## Payroll

**Letter of Offer** **Page # 52**

**Employee or Self Employed** (C. R. Agency & Agency, 2016a)
**https://www.canada.ca/content/dam/cra-arc/formspubs/pub/rc4110/rc4110-18e.pdf**

**Employee Termination Exposure** ("Reducing employment termination exposures | CFIB," n.d.)
**Page # 55**

**Register Online Payroll Account** (C. R. Agency & Agency, 2018)
**https://www.canada.ca/en/services/taxes/payroll.html**

**Employee Source Deduction Guide** (C. R. Agency & Agency, 2016b)
**https://www.canada.ca/content/dam/cra-arc/formspubs/pub/t4001/t4001-18e.pdf**

**Request for a Business Number Online** (C. R. Agency & Agency, 2015)
**https://www.canada.ca/content/dam/cra-arc/formspubs/pbg/rc1/rc1-18e.pdf**

# Template Letter of Offer

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This a guide to help you make a formal offer of employment to a person you want to hire for your business. It covers a full range of subjects you will want to discuss when offering a job, including compensation, work conditions and company policies. Be sure to modify the letter to fit the job you are offering and your company's policies and practices.

---

**Personal and confidential**
[Enter Date]
Candidate's name
Address

Dear [candidate's name],

We are pleased to offer you employment with [name of your company] as [job title] in our [job location]. Your start date will be [start date], or another mutually agreed upon date, and you will report to [name of supervisor or the undersigned or me]. This is a [permanent/contract/temporary] position. As part of our hiring practice, we conduct [employment references, credit and criminal file checks and education confirmation. It is understood that this offer is conditional on positive results from these verifications [or being accepted for bonding, licensing and/or insurance.]

### Salary and other compensation

Your starting salary will be [starting salary] to be paid on a [weekly or bi-weekly or other] basis. [Insert any other compensation details such as commission or bonuses to be paid, when they are paid and under what performance conditions].

### Work schedule

You will be working [insert work schedule and number of hours per week].

### Probation

There will be a [number]-month probationary period during which you will be given objectives to achieve. Upon satisfactory completion of the probationary period, you will be considered a permanent employee. Unsatisfactory performance at any time during the probation period could lead to the termination of your employment upon [period of time] notice.

### Benefits

You will be entitled to receive all benefits coverage offered by the company, including [insert coverage such as life insurance, medical and dental and long-term disability] upon [joining the company or following successful completion of your probationary period.] Benefit coverage may be amended from time to time as deemed appropriate by the company.

### Pension plan

You will be eligible to enroll and participate in the company's pension plan upon [joining the company or following the successful completion of your probationary period.]

### Vacation

During your first year, you will be entitled to [number of days prorated on the basis of x days per completed month of service] of vacation. In your first full year of employment and thereafter, you will be entitled to [number of days or weeks] of vacation in each fiscal year of employment.

### Company policies

You will be required to abide by existing company policies that pertain to your employment and such other policies that are introduced during your employment. These policies are set out in the employee manual. [Note: It is good practice to have an employee manual for your company that explains working conditions, expectations, policies and procedures. New employees should sign an acknowledgment they have read the manual.]

### Diversity and inclusion

Should you need some form of workplace accommodation in order to perform your job more effectively (for example workstation and/or work area access, physical modifications or modifications to technology or equipment), please let us know.

### Confidentiality/Intellectual Property

[Insert language requiring employee to respect and protect the confidentiality of the company's information and intellectual property.]

We hope you find your employment with us stimulating and challenging and we wish you every success during your employment with [company name].

If the above conditions are agreeable to you, please sign, date and return this letter to [name or the undersigned or me or the human resources department or other person] by [date].

Please do not hesitate to contact [me or other name] if you have any questions or need assistance before your first day.

Sincerely yours

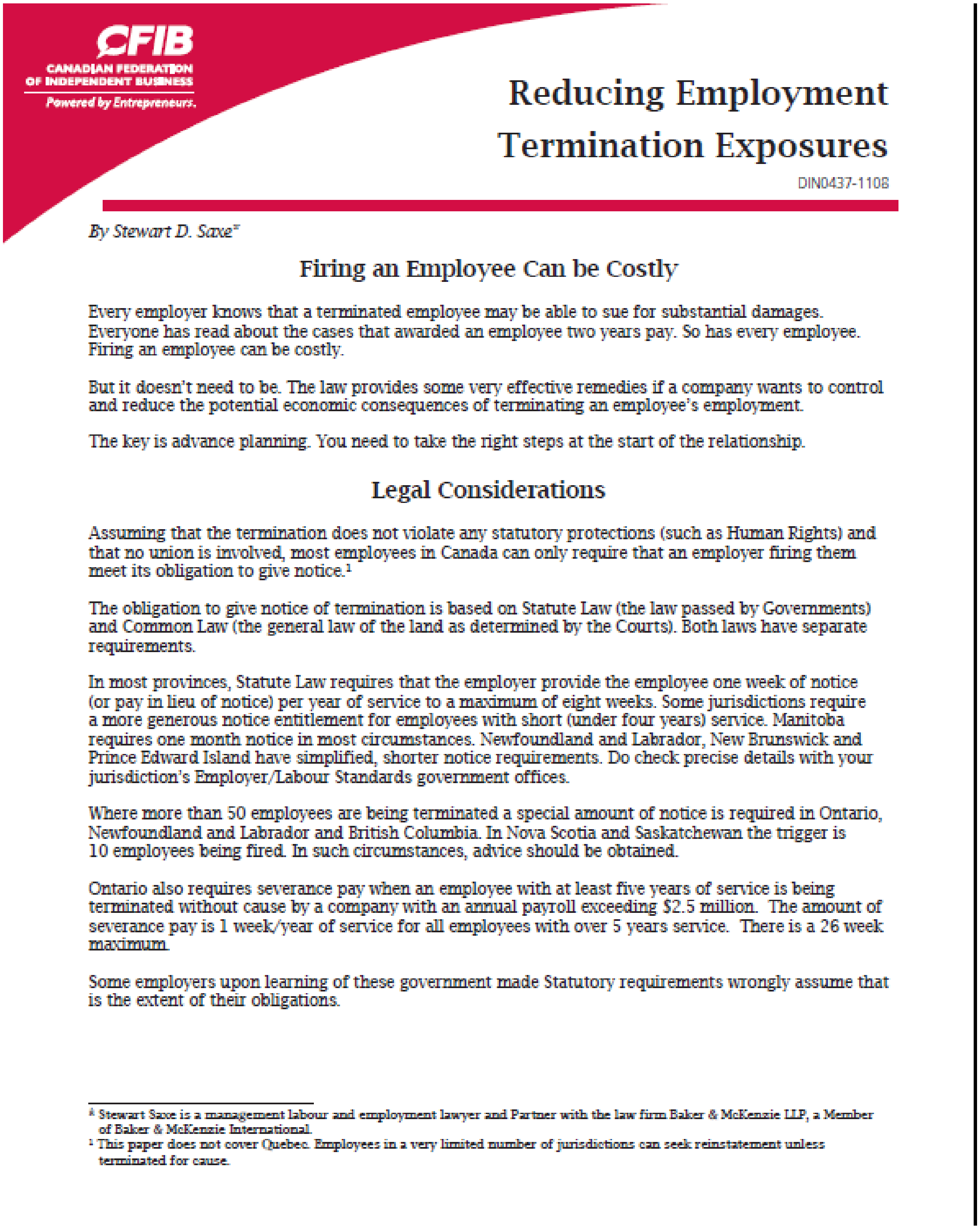
[name and title]

________________________________ _________________________

Acknowledged and accepted by (print name) Date

_______________________________

Signature



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CANADIAN FEDERATION
OF INDEPENDENT BUSINESS
*Powered by Entrepreneurs.*

# Reducing Employment Termination Exposures

DIN0437-1108

*By Stewart D. Saxe*[*]

## Firing an Employee Can be Costly

Every employer knows that a terminated employee may be able to sue for substantial damages. Everyone has read about the cases that awarded an employee two years pay. So has every employee. Firing an employee can be costly.

But it doesn't need to be. The law provides some very effective remedies if a company wants to control and reduce the potential economic consequences of terminating an employee's employment.

The key is advance planning. You need to take the right steps at the start of the relationship.

## Legal Considerations

Assuming that the termination does not violate any statutory protections (such as Human Rights) and that no union is involved, most employees in Canada can only require that an employer firing them meet its obligation to give notice.[1]

The obligation to give notice of termination is based on Statute Law (the law passed by Governments) and Common Law (the general law of the land as determined by the Courts). Both laws have separate requirements.

In most provinces, Statute Law requires that the employer provide the employee one week of notice (or pay in lieu of notice) per year of service to a maximum of eight weeks. Some jurisdictions require a more generous notice entitlement for employees with short (under four years) service. Manitoba requires one month notice in most circumstances. Newfoundland and Labrador, New Brunswick and Prince Edward Island have simplified, shorter notice requirements. Do check precise details with your jurisdiction's Employer/Labour Standards government offices.

Where more than 50 employees are being terminated a special amount of notice is required in Ontario, Newfoundland and Labrador and British Columbia. In Nova Scotia and Saskatchewan the trigger is 10 employees being fired. In such circumstances, advice should be obtained.

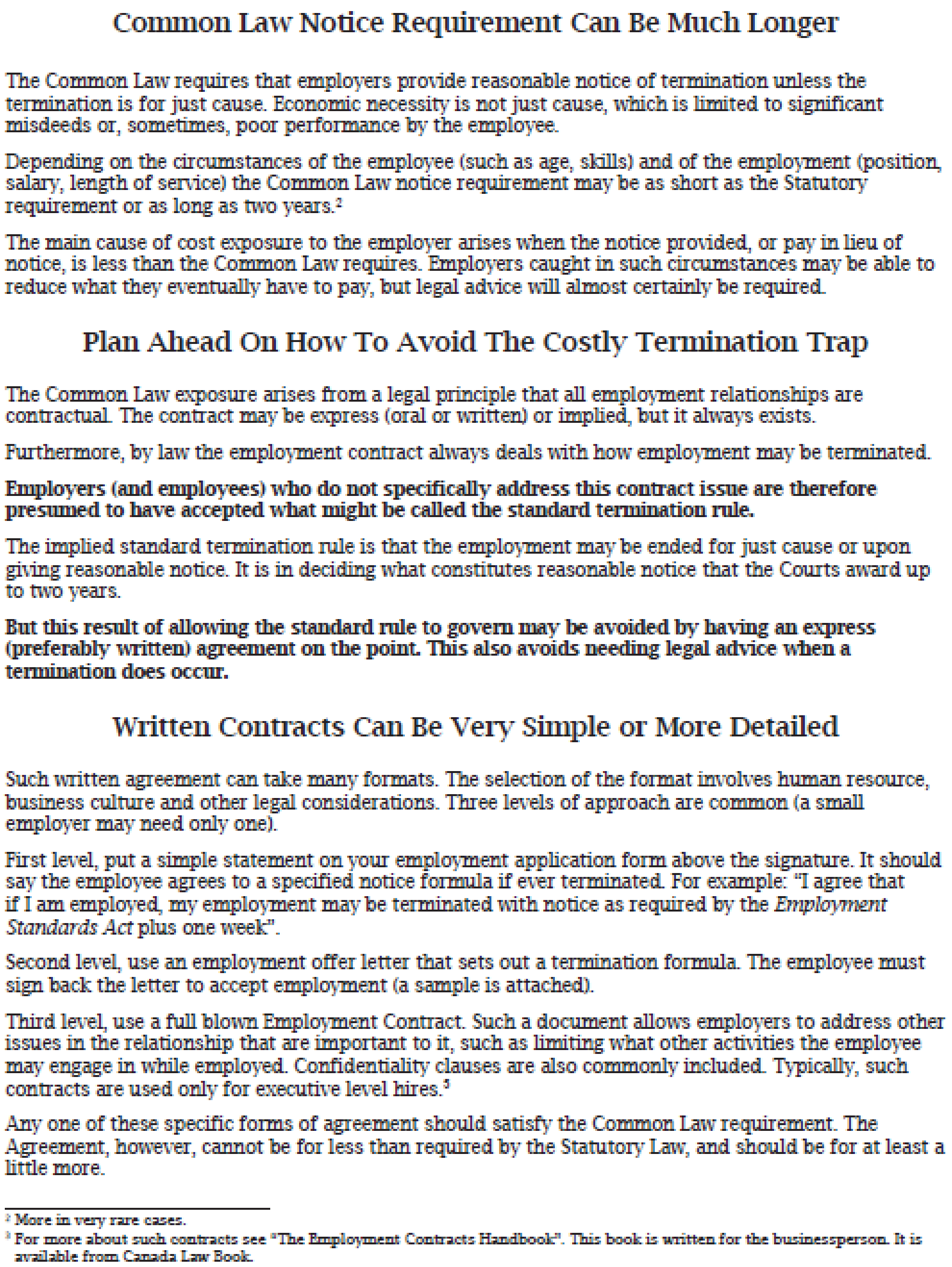
Ontario also requires severance pay when an employee with at least five years of service is being terminated without cause by a company with an annual payroll exceeding $2.5 million. The amount of severance pay is 1 week/year of service for all employees with over 5 years service. There is a 26 week maximum.

Some employers upon learning of these government made Statutory requirements wrongly assume that is the extent of their obligations.

---

[*] Stewart Saxe is a management labour and employment lawyer and Partner with the law firm Baker & McKenzie LLP, a Member of Baker & McKenzie International.

[1] This paper does not cover Quebec. Employees in a very limited number of jurisdictions can seek reinstatement unless terminated for cause.



## Common Law Notice Requirement Can Be Much Longer

The Common Law requires that employers provide reasonable notice of termination unless the termination is for just cause. Economic necessity is not just cause, which is limited to significant misdeeds or, sometimes, poor performance by the employee.

Depending on the circumstances of the employee (such as age, skills) and of the employment (position, salary, length of service) the Common Law notice requirement may be as short as the Statutory requirement or as long as two years.[2]

The main cause of cost exposure to the employer arises when the notice provided, or pay in lieu of notice, is less than the Common Law requires. Employers caught in such circumstances may be able to reduce what they eventually have to pay, but legal advice will almost certainly be required.

## Plan Ahead On How To Avoid The Costly Termination Trap

The Common Law exposure arises from a legal principle that all employment relationships are contractual. The contract may be express (oral or written) or implied, but it always exists.

Furthermore, by law the employment contract always deals with how employment may be terminated.

**Employers (and employees) who do not specifically address this contract issue are therefore presumed to have accepted what might be called the standard termination rule.**

The implied standard termination rule is that the employment may be ended for just cause or upon giving reasonable notice. It is in deciding what constitutes reasonable notice that the Courts award up to two years.

**But this result of allowing the standard rule to govern may be avoided by having an express (preferably written) agreement on the point. This also avoids needing legal advice when a termination does occur.**

## Written Contracts Can Be Very Simple or More Detailed

Such written agreement can take many formats. The selection of the format involves human resource, business culture and other legal considerations. Three levels of approach are common (a small employer may need only one).

First level, put a simple statement on your employment application form above the signature. It should say the employee agrees to a specified notice formula if ever terminated. For example: "I agree that if I am employed, my employment may be terminated with notice as required by the *Employment Standards Act* plus one week".

Second level, use an employment offer letter that sets out a termination formula. The employee must sign back the letter to accept employment (a sample is attached).

Third level, use a full blown Employment Contract. Such a document allows employers to address other issues in the relationship that are important to it, such as limiting what other activities the employee may engage in while employed. Confidentiality clauses are also commonly included. Typically, such contracts are used only for executive level hires.[3]

Any one of these specific forms of agreement should satisfy the Common Law requirement. The Agreement, however, cannot be for less than required by the Statutory Law, and should be for at least a little more.

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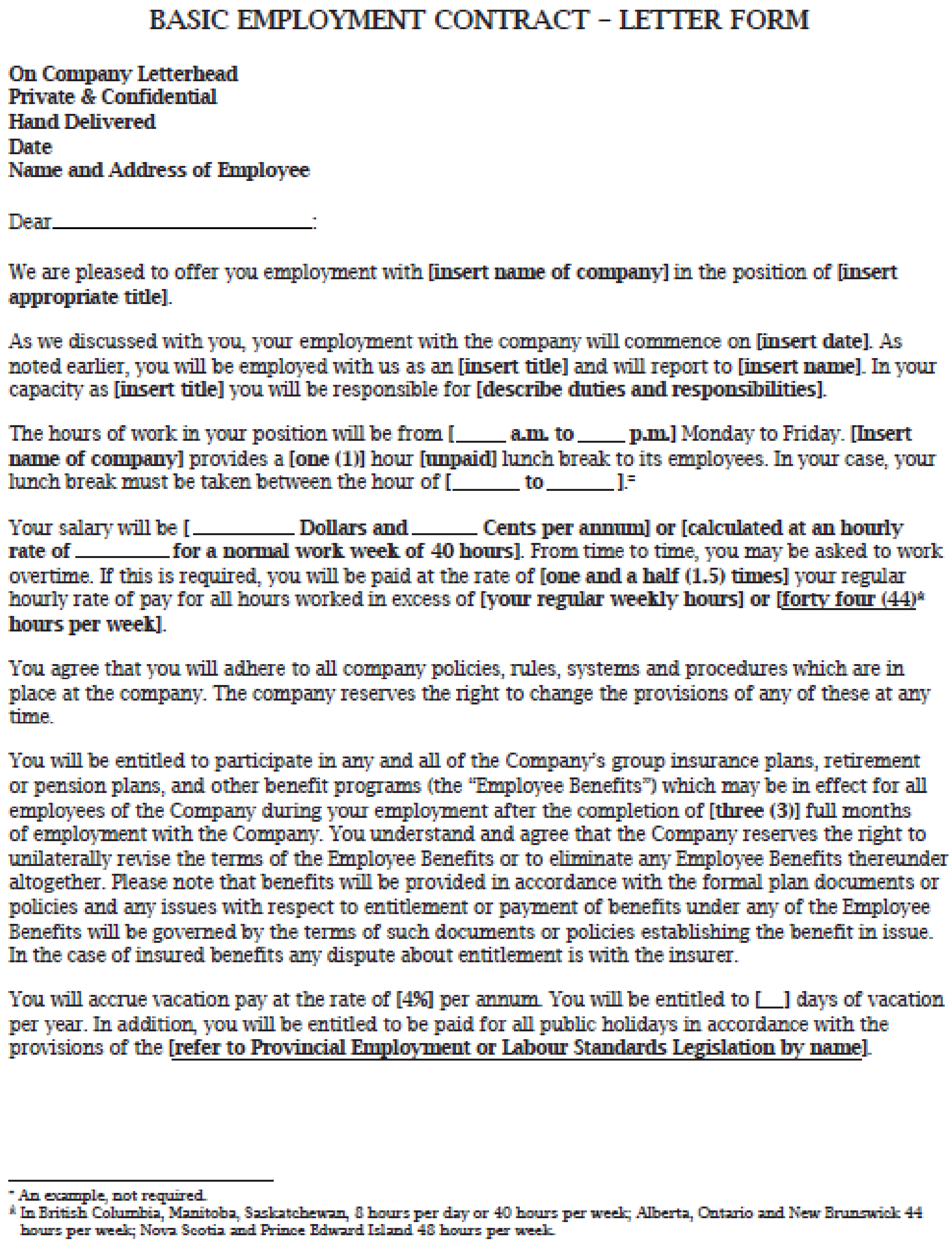
[2] More in very rare cases.

[3] For more about such contracts see "The Employment Contracts Handbook". This book is written for the businessperson. It is available from Canada Law Book.



## BASIC EMPLOYMENT CONTRACT – LETTER FORM

**On Company Letterhead**
**Private & Confidential**
**Hand Delivered**
**Date**
**Name and Address of Employee**

Dear________________________:

We are pleased to offer you employment with **[insert name of company]** in the position of **[insert appropriate title]**.

As we discussed with you, your employment with the company will commence on **[insert date]**. As noted earlier, you will be employed with us as an **[insert title]** and will report to **[insert name]**. In your capacity as **[insert title]** you will be responsible for **[describe duties and responsibilities]**.

The hours of work in your position will be from **[_____ a.m. to _____ p.m.]** Monday to Friday. **[Insert name of company]** provides a **[one (1)]** hour **[unpaid]** lunch break to its employees. In your case, your lunch break must be taken between the hour of **[______ to ______]**.[*]

Your salary will be **[__________ Dollars and ______ Cents per annum]** or **[calculated at an hourly rate of ________ for a normal work week of 40 hours]**. From time to time, you may be asked to work overtime. If this is required, you will be paid at the rate of **[one and a half (1.5) times]** your regular hourly rate of pay for all hours worked in excess of **[your regular weekly hours]** or **[forty four (44)[a] hours per week]**.

You agree that you will adhere to all company policies, rules, systems and procedures which are in place at the company. The company reserves the right to change the provisions of any of these at any time.

You will be entitled to participate in any and all of the Company's group insurance plans, retirement or pension plans, and other benefit programs (the "Employee Benefits") which may be in effect for all employees of the Company during your employment after the completion of **[three (3)]** full months of employment with the Company. You understand and agree that the Company reserves the right to unilaterally revise the terms of the Employee Benefits or to eliminate any Employee Benefits thereunder altogether. Please note that benefits will be provided in accordance with the formal plan documents or policies and any issues with respect to entitlement or payment of benefits under any of the Employee Benefits will be governed by the terms of such documents or policies establishing the benefit in issue. In the case of insured benefits any dispute about entitlement is with the insurer.

You will accrue vacation pay at the rate of [4%] per annum. You will be entitled to [__] days of vacation per year. In addition, you will be entitled to be paid for all public holidays in accordance with the provisions of the **[refer to Provincial Employment or Labour Standards Legislation by name]**.

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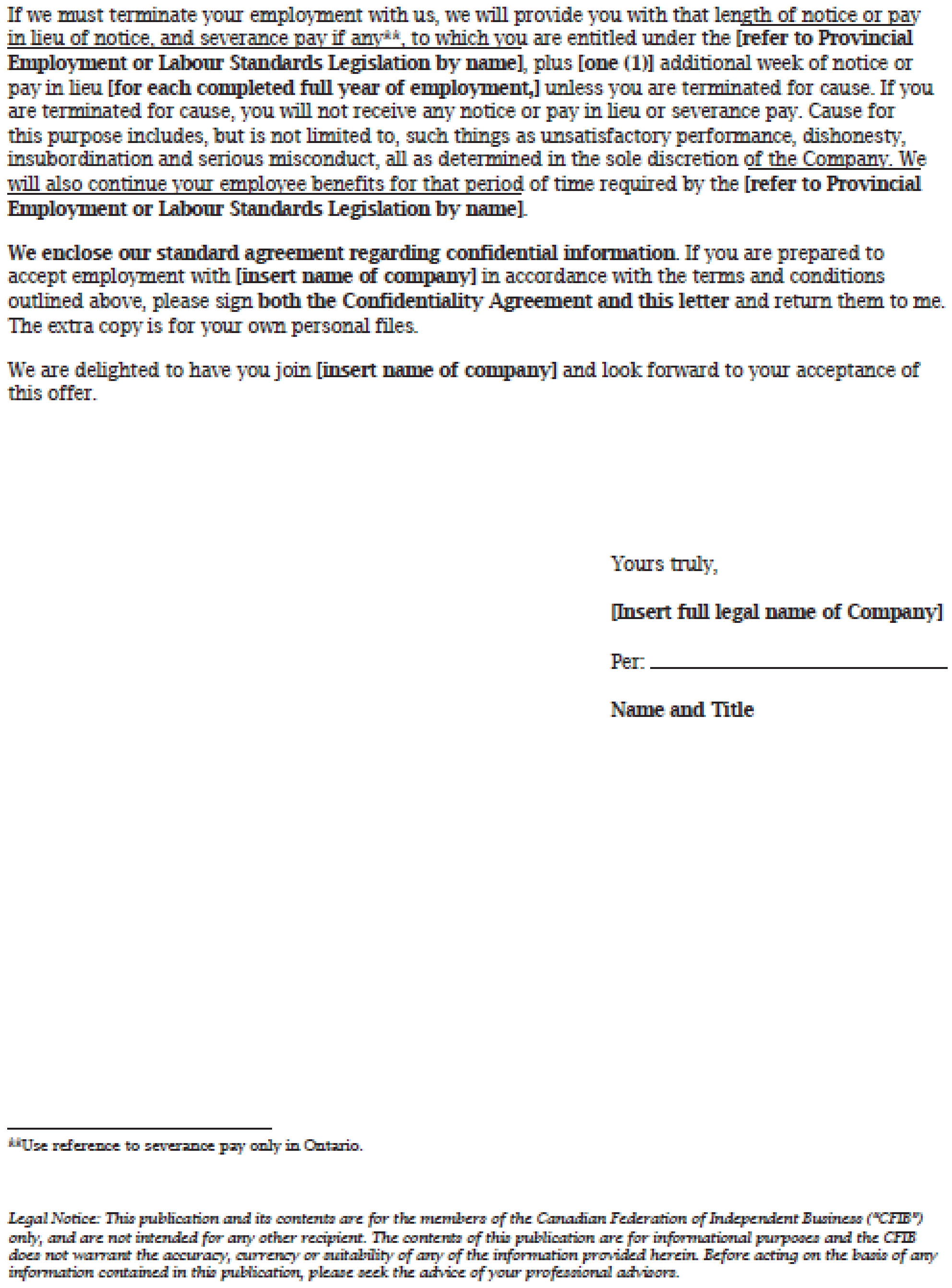
[*] An example, not required.
[a] In British Columbia, Manitoba, Saskatchewan, 8 hours per day or 40 hours per week; Alberta, Ontario and New Brunswick 44 hours per week; Nova Scotia and Prince Edward Island 48 hours per week.



If we must terminate your employment with us, we will provide you with that length of notice or pay in lieu of notice, and severance pay if any**, to which you are entitled under the **[refer to Provincial Employment or Labour Standards Legislation by name]**, plus **[one (1)]** additional week of notice or pay in lieu **[for each completed full year of employment,]** unless you are terminated for cause. If you are terminated for cause, you will not receive any notice or pay in lieu or severance pay. Cause for this purpose includes, but is not limited to, such things as unsatisfactory performance, dishonesty, insubordination and serious misconduct, all as determined in the sole discretion of the Company. We will also continue your employee benefits for that period of time required by the **[refer to Provincial Employment or Labour Standards Legislation by name]**.

**We enclose our standard agreement regarding confidential information**. If you are prepared to accept employment with **[insert name of company]** in accordance with the terms and conditions outlined above, please sign **both the Confidentiality Agreement and this letter** and return them to me. The extra copy is for your own personal files.

We are delighted to have you join **[insert name of company]** and look forward to your acceptance of this offer.

Yours truly,

**[Insert full legal name of Company]**

Per: ______________________________

**Name and Title**

---

**Use reference to severance pay only in Ontario.

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# Appendix B Interview Scripts

## Interview Guide MADA Members

### Question #1

What is your opinion, assuming you have one, as to what should be included in the proposed entrepreneurial toolbox and why do you hold that opinion?

### Question #2

There are many online toolboxes available for budding entrepreneurs; is there a reason why you do not wish to use them? Are you aware of them?

### Question #3

Do you believe there are any existing impediments to using existing online tool boxes or one specifically created for the area through this project? If so how can we circumvent them?

### Question #4

Is there anyone you believe that could be instrumental in the preliminary evaluation of the toolbox that is not a member of MADA? If so who and do you believe they'd be willing to participate?

### Question #5

Is there any structure of toolbox you believe to be inherently better given the realities of the communities in the Margaree area? Paper text vs online interactive for example.

### Question #6

What's the end goal, from your perspective, for the toolbox project?

### Question #7

What does success look like for you as it pertains to the toolbox project?

**Interview Guide Mathew Georghiou (Media Spark)**

The interview will begin after I speak to the purpose of the toolbox and what it is the people from the Margaree area are looking for.

**Question #1**

For your online entrepreneurial roleplaying game, how much actual game time do you estimate a potential entrepreneur would need to develop a good sense of their abilities and whether entrepreneurialism is right for them?

**Question #2**

What type of cost structure would we be looking at?

**Question #3**

Do you believe you have other products or services that could be helpful as it pertains to the development of the toolbox above? Please elaborate.

**Question #4**

Do you believe there are products and services offered outside of your own business that could be helpful as it pertains to the development of the toolbox? Please elaborate.

**Question #5**

Being an entrepreneur yourself and knowing the pitfalls and knowing the elements being looked at for this research, what is your opinion as to the completeness of the items? Are we forgetting important items? Please elaborate.

## Interview Guide John Aylward (Venture Solutions Inc)

The interview will begin after I speak to the purpose of the toolbox and what it is the people from the Margaree area are looking for.

### Question #1

Given your wide range of experience in business start-ups and business incubation; please comment on the completeness of the elements being researched for the Margaree Tool Box; what, if anything, do you believe is missing and why?

### Question #2

As a concept, do you believe business incubation could potentially work in the Margaree area? Why or why not?

### Question #3

As a concept, do you believe subscription type business incubation could potentially work in the Margaree area? Why or why not and which functions are best and viable to subscribe?

### Question #4

Are there any other viable methods of incubation outside those mentioned above that could be of use in Margaree?

### Question #5

Given your experience in Start-ups, what would you list as the top five reasons these businesses fail?

| Entrepreneurship Toolbox Consultation Schedule | | |
|---|---|---|
| **Date** | **Person/People** | **Purpose** |
| September 7, 2018 | Margaree Representatives | First visit to assess the area and their needs. |
| October 1, 2018 | CBU Research Ethics Board | Applied for approval on interview scripts to be used. |
| October 15, 2018 | Perry Chandler InRich CBDC | Discuss programs available in Margaree area. |
| October 19, 2018 | MADA and Liaison group | Interviews to establish expectations from research. |
| October 20, 2018 | MADA and Liaison group | Interviews to establish expectations from research. |
| October 22, 2018 | Mathew Georghiou Media Sparks | Discuss entrepreneurship and online education. |
| October 23, 2018 | Patricia MacNeil Coastal Business | Discuss program availability and hierarchy of aid. |
| October 24, 2018 | Lauri Gallaway ACOA | Discuss program availability and hierarchy of aid. |
| October 25, 2018 | Ann Baxter NS Regulatory Affairs | Discuss regulatory issues for small business. |
| November 4, 2018 | John Aylward Venture Solutions | Discuss small business failure and services. |
| November 8, 2016 | Darren Gallup Securicy | Seminar on accessing venture capital. |
| November 16, 2018 | Margaree Representatives | Pilot Testing of online entrepreneurship toolbox. |
| November 20, 2018 | Lorraine Landry BDC | Discuss program availability and hierarchy of aid. |
| November 27, 2018 | Margaree Representatives | Sent revised entrepreneurship toolbox. |
| December 7, 2018 | Catherine Hart Web Developer | Discuss formatting and hosting issues. |
| January 5, 2019 | Margaree Representatives | Presented final project draft to community. |
| January 11, 2019 | Margaree Representatives | Sent final revised entrepreneurship toolbox. |

**Appendix C Consultation Schedule**

# APPENDICES

Appendix A: Community Assets

Appendix B: Rural Development Excerpt from MBC-CED Student Research Paper

Appendix C: Wood Types and Common Uses

Appendix D: Population Tables

Appendix E: Non Profit Governance

Appendix F: Internet Survey Samples (East Bay and Victoria County)

Appendix G: Note on Collaborative Business Ecosystems

Appendix H: The Voice of the People

Appendix I: Cabot Trail Re-assessment Report

Appendix J: Liaison Committee

## APPENDIX A

## Margaree Area Resources

*Note: The following list of resources in the Margarees was kindly provided by Del Muise. The list was generated from a visioning exercise held some time ago in Margaree. This list is not intended to be definitive.*

### Commercial Enterprises

**General Commercial**

Larch Wood Canada
Hart's Service Centre
Caper Gas
Earl's Welding and Manufacturing
Carmichael's Well-drilling
Ingraham's Irving store & gas bar
Margaree Forks Co-op Store
Sunset Coop Funeral Home
East Coast Credit Union
Myles from Nowhere Antiques
Valley Lumber
Clean Cut Hair
KLM Hair Studio
The Margaree Hair Shop
Eddies Small Engine Repair
Two Macs Gallery
Tying Scotsman
Cape Breton Clay
Polycarpe Glass Art
Kingross Quilts & Fibre Arts Studio
B.A. Fraser Lumber
Live Life In Tents

**Restaurants**

Margaree Lodge
Duck Cove Inn
Salmon Pool Inn
Dancing Goat
Belleview Restaurant
Big Intervale Fishing Lodge

**Farming & Agriculture**

Glenryan Farm
Old Miller Trout Farm Guest House & U-Fish
Front Porch Farm
Patchwork Farm
Miller Farms
Margaree Valley Maple
Margaree Strawberry Farm
Free Roots Farm
Rural Roots Farm
Yellow House Farm

**Tourism Accommodation**

Cajun cottages
Cranton cottages
Ross Cottages
Salmon Pool Inn
Island Sunset
Duck Cove Inn
Whale Cove Cottages
Normaway Inn and Cabins
Chiasson Cabins
Lakes Rest & Cottages
Big Interval Salmon Camp and Restaurant
Live Life In Tents

## Non-Profit & Government Organizations

### Community Associations

Margaree Salmon Association
Wild Salmon Unlimited
Knights of Columbus
Kinsmen and Kinnettes
Margaree Tourism Association
Margaree Heritage River Association
Margaree Area Development Association
Home and School Association
Inverness County Singers
Le Choeur du Havre
River Valley 4x4 Club
SW Margaree Recreational Association

### Churches

Saint Patrick's Catholic Church
Saint Joseph's Catholic Church
Saint Michel's Catholic Church
Wilson United Church
Calvin United Church
Margaree Baptist Church

### Community Centres & Halls

Northeast Margaree Seniors’ Hall
Margaree Valley Seniors Hall
East Margaree Seniors’ Hall
SW Margaree Seniors Hall
Margaree Forks Fire Hall
North-East Margaree Fire Hall
Cranton Crossroads Community Centre
Belle Cote Community Centre
Kinsmen Centre
SW Margareet St Joseph's Church Hall
NE Margaree St. Patrick’s Hall
East Margaree St. Michael’s Hall
Wilson United Church Hall

### Community Assets

Drs. Coady and Tompkins Margaree Library
Community Garden at the Library
Visitor Information Centre
Cape Breton Highlands School
Margaree Harbour Authority
EMS stations
SW Margaree Picnic Park
Equestrian Centre
Post offices

### Heritage Organizations

Margaree Salmon Museum
Cape Breton Music History Museum Egypt Road
Margaree Harbour Lighthouse
Margaree Fish Hatchery and Interpretive Centre
Baxter Ingraham Store Museum

*Note: the following MindMap was generated during a community meeting in the initial phase of The Future of The Margarees project.*

# THE MARGAREES SWOT Analysis

## STRENGTHS

- Cottage industries related to fibre
- Traditional knowledge of older ways of woodworking, guiding, fly-tying
- REAL food (honey, maple syrup, berries)
  - arable land for vegetable gardens
  - seafood, organic meat and chicken)
    - More species
- Music and Square-Dancing
- skiing, snowmobiling, mountain biking across the Highlands
- Paddle-boarding, etc. on the river
  - It's a Heritage River
- Beaches
- Community Oven
- Bilingual - languages and cultures
- Library, K-12 School
- Spiritual tourism (Christian, Buddhist, Indigenous)

## OPPORTUNITIES

- Opportunities to transfer businesses to younger generation
- Diversification of forest industries, more food security possibilities
- Need more local stores
- "Live in" experiential tourism
- Opportunities for more efficiency in the organizations working together
- Spousal programs for non-golfing spouses
- 1 Some communication improvements - newsletter, signage, etc.
- Winter often forgotten so more winter activities
- community walks/hikes (some portaging) - could focus on ecology, etc.)
- permaculture farming
- artists, musicians - more performing areas?
- we need a pub!
- Child care needed for all kinds of situations, work, meetings, etc.
- Create the Margaree Brand (protected area)
- lack of sports facilities (curling, pools)
- Stargazing
- develop a good farmers' market?

## WEAKNESSES

- bad roads, lack of paved shoulders; poor bridges
- volunteer burnout
- Overdependence on short-season tourism
  - need more workers in tourism and other sectors
- lack of long-term sustainable environmental factors (ex., forestry)
- Ageing population
- Food security
- social media presence
- Financial incentives for small businesses at the Forks
- Untapped outdoor adventure possibilities
- borders between communities
- abandoned storefronts
- lack of technology infrastructure - internet, cable, etc.
- outward migration
- failure to protect the Margaree watershed
- access to public transportation
- lack of working together among the Margarees
- lack of rest areas
- lack of cohesive strategy for small business
- overall dependence on boondoggle projects funding
- lack of will of different levels of government to capitalize on winter tourism
- reduced ability to access provincial funding (ex., Destination CB)

## THREATS

- Nowhere to eat in evenings when visitors arrive
- volunteer and part-time employee fatigue
- internet!
- early close of tourism facilities
- Similar businesses should cooperate with one another instead of only competing
- 1 poor communication among independent silos of organizations
- What happens is there's no snow in the winter
- Too much direct tourism focus rather than some diversification
- should also develop local markets
- lack of technology infrastructure
- think strategically about climate change threats to our locality
- Land needs to be more valued
  - We need to educate new residents at the sales point)
- Power and unknowns of some developments

# APPENDIX B

## Literature Review: Rural Development

## Excerpt from MBA-CED Student, Zilong (Allen) Zhou's Research Paper

### 2.1 Rural Development

The urbanization process across the world has left many challenges for rural development. For instance, Canada's urban centres, such as Toronto and Vancouver, prosper with increasing population, leading to population declines in rural areas and posing significant political, economic and social challenges for Canada's future (McNutt, 2012). Besides urbanization, another factor that poses challenges to rural areas is globalization. For example, rural areas in Europe are facing intense pressure from competition from countries with a cost advantage, causing the agricultural sector to lose its major role as a 'pull factor' in rural areas (Tisza, 2005). Because of globalization, developed countries tend to outsource low-skill jobs to developing countries, depriving the rural areas of job opportunities (McGranahan, Wojan, & Lambert, 2010). The rural areas in Canada are facing similar challenges: population decline, migration of youth to urban areas, aging population, lack of immigrants, low level of skills and earnings, lack of service, aging infrastructure, and challenges in workforce planning (Strengthening Rural Canada, n.d.).

Some researchers have explored the approaches to community development, and some of them are worth noting. Kretzmann and McKnight (1996) developed ABCD (Asset-Based Community Development) approach that advocates the sustainable development of communities based on what they already possess rather than their deficits. Unlike the traditional 'needs-based approach' that views a community as a needy place full of problems, the ABCD approach emphasizes mobilizing the community members to leverage their resources for development (Kretzmann, & McKnight, 1996). Yeneabat and Butterfield (2012) explain that people won't exert themselves to contribute to community development when they are viewed as the targets of intervention. They state that the ABCD approach challenges the top-down development, in which outside agencies plan and lead the programs. Instead, ABCD champions the bottom-up approach that enables local residents to identify their concerns and priorities and devote themselves to address them. Similarly, Moseley (2003) stresses that rural development should be pursued at the local level, and he lists some reasons for that:

- The diversity in a community necessitates problems to be addressed by locally sensitive solutions.
- Rural problems are interlocking, and all the actors are required to get involved. The "area-based" partnerships serve better to connect local concerns and external resources.
- The local people are the key resource for rural development. Their engagement makes them hold accountability and is conducive to build social capital and draw upon local knowledge.
- Leveraging local resources is more sustainable than relying on external investment.
- It's a way of defending against globalization. Developing and marketing local identity and distinctive products and services can be realized by rural development pursued locally.

There are five building blocks in the ABCD approach, and the first one is mapping the capacities and assets (Yeneabat & Butterfield， 2012). Killing Wood (2008) explains that community assets can be grouped into five categories: 1) the skills of local residents, 2) the power of local voluntary associations, 3) the resources of local institutions, 4) the natural built physical resources, and 5) the local economic power.

Moseley (2003) introduces a taxonomy to help identify under-used or neglected resources, which seems to be a powerful tool to map the resources for rural areas:

1. **Location:** through which the community has a unique set of spatial relationships with other places. For example, a roadside location allows the local people to sell their produce, and proximity to a city implies that the urban residents can conveniently access the local services, such as weekend tourism or fruit pick-up.
2. **Physical environment** including landscape, terrain, climate, water, energy sources, fauna and flora, and interesting habitats.
3. **Cultural heritage** such as historic buildings, factories and mines, local history and traditions, dialect, music, art, cuisine, festivals and folklore, traditional 'know-how', and the image and reputation of the area.
4. **Human capital:** relates to people. It's about people's skills, education, attitudes, and capacity.

5. **Local institutions and social capital:** ‘Social capital’ determines the extent of synergy among the local people and institutions. The local institutions include existing clubs, co-operatives, extended families, trade unions, business associations, chambers of commerce and political parties, as well as the formal institutions of government.
6. **External relations:** through which the local people and institutions can access resources outside the community.

When the local resources are identified, the next crucial question should be how to effectively use these resources. Moseley (2003) claims that the European Union’s LEADER Programme lists some noteworthy principles. One of them is the emphasis on innovation. He states that innovation means doing something in a new way since doing more of the things that failed in the past is unlikely to drag a local area out of its social and economic bog in the future. Considering the characteristics of rural areas - low population density, scattered dwellings, and extensive forms of land use, Moseley (2003) claims that rural communities have to adopt innovative measures to face the challenges posed by large-scale operations or geographical agglomeration. What’s more, globalization prompts the capital flow worldwide wherever production costs are lowest thus enabling products to penetrate every corner of the global market, meaning a local area is more likely to compete with some unknown place on the other side of the planet rather than its neighborhood (Moseley, 2003). Without the embrace of local distinctiveness, the chances are that the rural areas will lose the competitiveness in the global arena.

Another principle is the emphasis on integration (Moseley, 2003). Moseley observes that the ‘LEADER approach’ doesn’t advocate a group of independent projects and requires the initiatives, such as vocational training, rural tourism, and the promotion and marketing of the local area, to be genuinely integrated. The leaky bucket theory introduced in his paper is instrumental to understand the importance of integration. Let’s say, $1000 enters a local economy – expenditure by a tourist or a payroll of a local resident who works outside the community. If 80% is spent on local goods or service each time consumption happens, eventually $5000 circulates locally, giving a multiplier of five. Instead, if 20% is spent locally at each round, then only $1250 stays locally with a multiplier’ of 1.25. Integrated rural development denotes the ‘synergistic effect’ gained by all initiatives cooperating with each other keeping money in the local area as much as possible. Moseley (2003) uses a term ‘adding value’ to realize the money-keep process, which is sustainable exploitation of a hitherto underused local resource so that it generates more wealth and employment for the local area. For example, if a farmer stops selling his crop of cherries to a distant beverage factory and keeps his produce for further processing, such as making cherry jam or brandy, and sells it, he is adding value to the local resources.

Most community development researchers emphasize community members’ engagement, capacity development, bottom-up approach, etc. These elements are dispensable for rural development. However, market orientation can’t be undervalued. Thanks to Tisza (2005), she realizes the importance of market-oriented for rural development. She claims that we need to shift our mindset from production-oriented to a market-oriented focus when pursuing economic development. This argument is completely consistent with the principles in the conventional business. She points out farmers shouldn’t assume they can make a profit by selling what they produce. Instead, they need to understand the external environment and market and forecast what they should produce to fulfill the unmet needs in the market. From Tisza’s argument, we can infer that resources are dynamic, not static. Yesterday’s trash can be tomorrow’s treasure. For example, few people regarded the disgusting and sticky crude oil as a valuable asset until in recent centuries. No one values the clean air until it gets severely polluted. When some people get fed up with hustle and bustle of metropolises, the remoteness of a rural area, which is usually viewed as a drawback, becomes a type of asset that provides peace and tranquility.

Rural development should be multi-dimensional and sustainable, achieving economic, socio-cultural, and environmental objectives (Moseley, 2003). Though economic development is a crucial part of rural development, we shouldn’t develop the economy at the expense of the environment, social harmony, and cultural heritage. In conclusion, rural development should be based on the community’s resources and the engagement of local residents. The taxonomy of rural resources proposed by Moseley (2003) is a good way to map the resources comprehensively. Communities should follow the principles of innovation, integration, and market orientation to leverage the resources for development. The main business in the

Margarees is tourism, and the market orientation principle is crucial. In Chapter 5 we describe several market trends that bread a whole bunch of business opportunities. The economy is not the whole story for community development; social and environmental development also needs to be taken into account.

# APPENDIX C
## Wood Species and Common Use

| Wood Type | Common Commercial Use | Wildlife Use |
|---|---|---|
| White ash | Known for its toughness; used for sports equipment (baseball bats, hockey sticks, polo mallets, skis, oars and paddles), playground equipment, furniture, and cabinets. | The seeds are an important food source for red-winged blackbird, evening grosbeak, pine grosbeak, purple finch and other birds. Beavers often use young white ash for food. |
| Elm | Landscaping, some types of woodworking, and seeds are considered highly nutritious for livestock feed. | Prolific and early seed producer. The flower buds, flowers, and fruit are eaten by mice, squirrels, opossum, ruffed grouse, bobwhite, and partridge. |
| Beech | Firewood | The nuts have high oil content and are a valuable source of nutrition for numerous wildlife species. Black bear, squirrels, wild turkey, and grouse all eat significant amounts of beechnuts, while fox, ducks, bluejays, and many small rodents also consume the seeds. Chickadees nest in branches. |
| Sugar maple | Furniture, veneer, plywood, and vehicle stock. Maple syrup and maple sugar is made from its sap. | Seeds are eaten by grosbeaks and other species of birds. The trees are extremely important as nesting sites for a wide variety of birds and mammals, and the young plants are often browsed by snowshoe hare. |
| Yellow Birch | Flooring, furniture, doors, veneer, cabinetry, gun stocks and toothpicks | An important food source for many winter birds, including American goldfinch, pine siskin, northern junco, blue jay, and the chickadees and sparrows. Birches regularly produce heavy crops of seed and larger trees can be quite important to local populations of birds. |
| Spruce | Pulping for facial tissue and newsprint, lumber, plywood, containers, and sounding boards for musical instruments. | Valuble food source, and offers good nesting site/protection for a variety of bird species and mammals. Especially in hardwood stands which lack conifers, spruce plays an important role in providing cover and protection. |
| Eastern Larch | Known for its durability and resistance to decay; used for shipbuilding, fence posts, railway ties. Currently used to fabricate beautiful and functional high-end cutting boards by Larch Wood Canada. | *no information found* |

***Source Notes:***

1. The Macphail Woods Ecological Forestry Project, a charitable initiative of the Enrivonmental Coalition of Prince Edward Island. macphailwoods.org

2. University of Florida School of Forest Resources & Conservation sfrc.ufl.edu

# APPENDIX D
# Statistics Canada Population Tables

## Study Area Maps

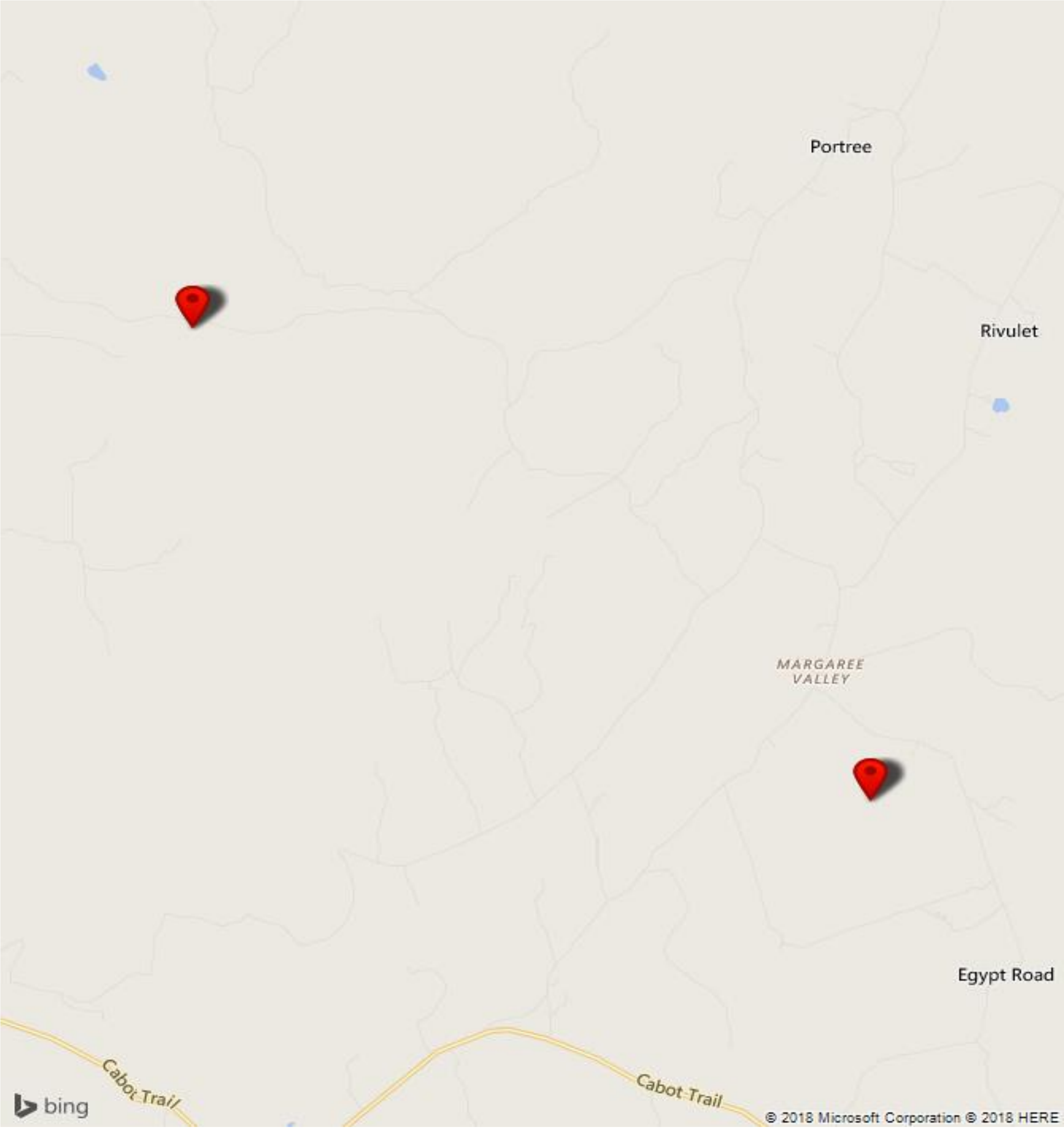
Nova Scotia

## Profile Tables

2018 Demographic Snapshot
2016 Census Census Snapshot
2016 Census Population by Age and Sex Comparison
2016 Census Population by Age and Sex
2016 Census Immigrant Place of Birth
2016 Census Recent Immigration and Place of Birth
2016 Census Immigration
2016 Census Mobility
2016 Census Labour Force by Sex Comparison
2016 Census Labour Force by Sex
2016 Census Labour Force by Industry and Sex
2016 Census Educational Attainment

**Prepared on: 11/20/2018 7:48:26 PM**

# Nova Scotia


Portree
Rivulet
MARGAREE VALLEY
Egypt Road
Cabot Trail
Cabot Trail
bing
© 2018 Microsoft Corporation © 2018 HERE

# 2018 Demographic Snapshot

| 2018 Demographic Snapshot | 12150041, 12150042 | |
|---|---|---|
| | | % |
| **Total Population** | | |
| 2013 estimated | 870 | |
| 2018 estimated | 816 | |
| 2023 Projected | 769 | |
| | | |
| % Pop. Change (2013-2018) | -6.2% | |
| % Pop. Change (2018-2023) | -5.8% | |
| | | |
| **2018 Total Population by Age** | **816** | |
| 0 to 4 years | 40 | 4.9% |
| 5 to 19 years | 118 | 14.5% |
| 20 to 24 years | 41 | 5.0% |
| 25 to 34 years | 64 | 7.8% |
| 35 to 44 years | 56 | 6.9% |
| 45 to 54 years | 112 | 13.7% |
| 55 to 64 years | 130 | 15.9% |
| 65 to 74 years | 152 | 18.6% |
| 75 years & over | 103 | 13% |
| | | |
| **Median Age** | 53.3 | |
| | | |
| **2018 Total Census Families** | **254** | |
| Average Persons Per Family | 2.7 | |
| | | |
| Total Couples | 225 | 88.6% |
| Without children at home | 130 | 51.2% |
| With children at home | 95 | 37.4% |
| Lone-parent families | 29 | 11.4% |
| | | |
| Children Per Census Family | 0.8 | |
| | | |
| **2018 Educational Attainment (15 years+)** | **691** | |
| Less than a bachelor degree | 660 | 95.5% |
| Bachelor degree & higher | 31 | 4.5% |
| | | |
| **2018 Households** | **344** | |
| Persons per household | 2.35 | |
| | | |
| Average household income | $ 69,316 | |
| | | |
| **2018 Occupied Dwellings** | **344** | |
| Owned dwellings | 321 | 93.3% |
| Rented dwellings | 23 | 6.7% |
| | | |
| Dominant building type | Houses | |
| Dominant period of construction | Before 1960 | |

## 2018 Demographic Snapshot

| 2018 Demographic Snapshot | 12150041, 12150042 | |
|---|---|---|
| | | % |
| **Dominant Demographics** | | |
| Official Home Language | English | |
| Dominant non-official language | Chinese n.o.s | |
| | | |
| Top 3 visible minorities | Chinese | |
| | South Asian | |
| | Black | |

# 2016 Census Census Snapshot

| 2016 Census<br>Census Snapshot | 12150041, 12150042 | |
|---|---|---|
| | | % |
| **Total Population** | **830** | |
| Males | 410 | 49% |
| Females | 420 | 51% |
| | | |
| **2016 Population by Age** | **830** | |
| 0 to 4 years | 30 | 4% |
| 5 to 9 years | 45 | 5% |
| 10 to 14 years | 45 | 5% |
| 15 to 19 years | 40 | 5% |
| 20 to 24 years | 35 | 4% |
| 25 to 29 years | 35 | 4% |
| 30 to 34 years | 35 | 4% |
| 35 to 39 years | 30 | 4% |
| 40 to 44 years | 35 | 4% |
| 45 to 49 years | 50 | 6% |
| 50 to 54 years | 70 | 8% |
| 55 to 59 years | 55 | 7% |
| 60 to 64 years | 80 | 10% |
| 65 to 69 years | 85 | 10% |
| 70 to 74 years | 60 | 7% |
| 75 to 79 years | 50 | 6% |
| 80 to 84 years | 25 | 3% |
| 85 to 89 years | 10 | 1% |
| 90 to 94 years | 0 | 0% |
| 95 to 99 years | 0 | 0% |
| 100 years and over | 0 | 0% |
| | | |
| 0 to 14 years | 110 | 13% |
| 15 to 64 years | 470 | 57% |
| 65 years and over | 250 | 30% |
| 85 years and over | 35 | 4% |
| | | |
| **Average age of population** | 46.1 | |
| **Median age** | 52.0 | |
| | | |
| **Families** | **265** | |
| Persons per family | 2.6 | 1% |
| | | |
| Total couple families | 225 | 85% |
| Married couples | 215 | 81% |
| Common-law couples | 15 | 6% |
| Total lone-parent families by sex of parent | 30 | 11% |
| Female parent | 25 | 9% |
| Male parent | 0 | 0% |
| | | |
| **Households** | 345 | 130% |
| Persons in private households | 815 | 308% |

# 2016 Census Census Snapshot

| 2016 Census Census Snapshot | 12150041, 12150042 | |
|---|---|---|
| | | % |
| Persons per household | 2.4 | 1% |
| Average household income | $ 69,634 | |
| | | |
| **Occupied Dwellings** | **345** | |
| Owned Dwellings | 330 | 96% |
| Rented Dwellings | 30 | 9% |
| Band housing | 0 | 0% |
| | | |
| Dominant building type | Single-detached house | |
| | | |
| Top 5 visible minorities | Black | |
| | South Asian | |
| | Chinese | |
| | Filipino | |
| | Latin American | |

# Cape Breton University

## 2016 Census Population by Age and Sex Comparison

| 2016 Census Population by Age and Sex Comparison | 12150041, 12150042 | | | | | |
|---|---|---|---|---|---|---|
| | Total Population | % | Males | % | Females | % |
| **2016 Population by Age** | **830** | | **410** | | **420** | |
| | | | | | | |
| 0 to 4 years | 30 | 4% | 10 | 2% | 20 | 5% |
| 5 to 9 years | 45 | 5% | 25 | 6% | 20 | 5% |
| 10 to 14 years | 45 | 5% | 20 | 5% | 25 | 6% |
| 15 to 19 years | 40 | 5% | 25 | 6% | 15 | 4% |
| 20 to 24 years | 35 | 4% | 20 | 5% | 15 | 4% |
| 25 to 29 years | 35 | 4% | 15 | 4% | 20 | 5% |
| 30 to 34 years | 35 | 4% | 15 | 4% | 20 | 5% |
| 35 to 39 years | 30 | 4% | 10 | 2% | 20 | 5% |
| 40 to 44 years | 35 | 4% | 20 | 5% | 15 | 4% |
| 45 to 49 years | 50 | 6% | 30 | 7% | 20 | 5% |
| 50 to 54 years | 70 | 8% | 35 | 9% | 35 | 8% |
| 55 to 59 years | 55 | 7% | 30 | 7% | 25 | 6% |
| 60 to 64 years | 80 | 10% | 35 | 9% | 45 | 11% |
| 65 to 69 years | 85 | 10% | 40 | 10% | 45 | 11% |
| 70 to 74 years | 60 | 7% | 30 | 7% | 30 | 7% |
| 75 to 79 years | 50 | 6% | 25 | 6% | 25 | 6% |
| 80 to 84 years | 25 | 3% | 10 | 2% | 15 | 4% |
| 85 to 89 years | 10 | 1% | 5 | 1% | 5 | 1% |
| 90 to 94 years | 0 | 0% | 0 | 0% | 0 | 0% |
| 95 to 99 years | 0 | 0% | 0 | 0% | 0 | 0% |
| 100 years and over | 0 | 0% | 0 | 0% | 0 | 0% |
| | | | | | | |
| 0 to 14 years | 110 | 13% | 50 | 12% | 60 | 14% |
| 15 to 64 years | 470 | 57% | 235 | 57% | 235 | 56% |
| 65 years and over | 250 | 30% | 120 | 29% | 130 | 31% |
| 85 years and over | 35 | 4% | 15 | 4% | 20 | 5% |
| | | | | | | |
| **Average Age** | 46.1 | | 45.7 | | 46.6 | |
| **Median Age** | 52.0 | | 51.4 | | 52.5 | |

## 2016 Census Population by Age and Sex

| 2016 Census Population by Age and Sex | 12150041, 12150042 | |
|---|---|---|
| | | % |
| **2016 Population by Age** | **830** | |
| | | |
| 0 to 4 years | 30 | 4% |
| 5 to 9 years | 45 | 5% |
| 10 to 14 years | 45 | 5% |
| 15 to 19 years | 40 | 5% |
| 20 to 24 years | 35 | 4% |
| 25 to 29 years | 35 | 4% |
| 30 to 34 years | 35 | 4% |
| 35 to 39 years | 30 | 4% |
| 40 to 44 years | 35 | 4% |
| 45 to 49 years | 50 | 6% |
| 50 to 54 years | 70 | 8% |
| 55 to 59 years | 55 | 7% |
| 60 to 64 years | 80 | 10% |
| 65 to 69 years | 85 | 10% |
| 70 to 74 years | 60 | 7% |
| 75 to 79 years | 50 | 6% |
| 80 to 84 years | 25 | 3% |
| 85 to 89 years | 10 | 1% |
| 90 to 94 years | 0 | 0% |
| 95 to 99 years | 0 | 0% |
| 100 years and over | 0 | 0% |
| | | |
| 0 to 14 years | 110 | 13% |
| 15 to 64 years | 470 | 57% |
| 65 years and over | 250 | 30% |
| 85 years and over | 35 | 4% |
| | | |
| **Average Age** | 46.1 | |
| **Median Age** | 52.0 | |
| **Dominant Age Group** | 65 to 69 years | |
| | | |

# 2016 Census Population by Age and Sex

| 2016 Census Population by Age and Sex | 12150041, 12150042 | |
|---|---|---|
| | | % |
| **Males by Age** | **410** | |
| 0 to 4 years | 10 | 2% |
| 5 to 9 years | 25 | 6% |
| 10 to 14 years | 20 | 5% |
| 15 to 19 years | 25 | 6% |
| 20 to 24 years | 20 | 5% |
| 25 to 29 years | 15 | 4% |
| 30 to 34 years | 15 | 4% |
| 35 to 39 years | 10 | 2% |
| 40 to 44 years | 20 | 5% |
| 45 to 49 years | 30 | 7% |
| 50 to 54 years | 35 | 9% |
| 55 to 59 years | 30 | 7% |
| 60 to 64 years | 35 | 9% |
| 65 to 69 years | 40 | 10% |
| 70 to 74 years | 30 | 7% |
| 75 to 79 years | 25 | 6% |
| 80 to 84 years | 10 | 2% |
| 85 to 89 years | 5 | 1% |
| 90 to 94 years | 0 | 0% |
| 95 to 99 years | 0 | 0% |
| 100 years and over | 0 | 0% |
| | | |
| 0 to 14 years | 50 | 12% |
| 15 to 64 years | 235 | 57% |
| 65 years and over | 120 | 29% |
| 85 years and over | 15 | 4% |
| | | |
| **Average Age of Males** | 45.7 | |
| **Median Age of Males** | 51.4 | |
| **Dominant Age Group** | 65 to 69 years | |

## 2016 Census Population by Age and Sex

| 2016 Census Population by Age and Sex | 12150041, 12150042 | |
|---|---|---|
| | | % |
| **Females by Age** | **420** | |
| | | |
| 0 to 4 years | 20 | 5% |
| 5 to 9 years | 20 | 5% |
| 10 to 14 years | 25 | 6% |
| 15 to 19 years | 15 | 4% |
| 20 to 24 years | 15 | 4% |
| 25 to 29 years | 20 | 5% |
| 30 to 34 years | 20 | 5% |
| 35 to 39 years | 20 | 5% |
| 40 to 44 years | 15 | 4% |
| 45 to 49 years | 20 | 5% |
| 50 to 54 years | 35 | 8% |
| 55 to 59 years | 25 | 6% |
| 60 to 64 years | 45 | 11% |
| 65 to 69 years | 45 | 11% |
| 70 to 74 years | 30 | 7% |
| 75 to 79 years | 25 | 6% |
| 80 to 84 years | 15 | 4% |
| 85 to 89 years | 5 | 1% |
| 90 to 94 years | 0 | 0% |
| 95 to 99 years | 0 | 0% |
| 100 years and over | 0 | 0% |
| | | |
| 0 to 14 years | 60 | 14% |
| 15 to 64 years | 235 | 56% |
| 65 years and over | 130 | 31% |
| 85 years and over | 20 | 5% |
| | | |
| **Average Age of Females** | 46.6 | |
| **Median Age of Females** | 52.5 | |
| **Dominant Age Group** | 60 to 64 years | |

## 2016 Census Immigrant Place of Birth

| 2016 Census Immigrant Place of Birth | 12150041, 12150042 | |
|---|---|---|
| | | % |
| **Total Immigrants by Selected Place of Birth** | **20** | |
| Top 5 Immigrant Places of Birth | United States<br>Brazil<br>Colombia<br>El Salvador<br>Guyana | |
| Americas | 10 | 50% |
| Brazil | 0 | 0% |
| Colombia | 0 | 0% |
| El Salvador | 0 | 0% |
| Guyana | 0 | 0% |
| Haiti | 0 | 0% |
| Jamaica | 0 | 0% |
| Mexico | 0 | 0% |
| Peru | 0 | 0% |
| Trinidad and Tobago | 0 | 0% |
| United States | 10 | 50% |
| Other places of birth in Americas | 0 | 0% |
| Europe | 10 | 50% |
| Bosnia and Herzegovina | 0 | 0% |
| Croatia | 0 | 0% |
| France | 0 | 0% |
| Germany | 0 | 0% |
| Greece | 0 | 0% |
| Hungary | 0 | 0% |
| Ireland | 0 | 0% |
| Italy | 0 | 0% |
| Netherlands | 0 | 0% |
| Poland | 0 | 0% |
| Portugal | 0 | 0% |
| Romania | 0 | 0% |
| Russian Federation | 0 | 0% |
| Serbia | 0 | 0% |
| Ukraine | 0 | 0% |
| United Kingdom | 0 | 0% |
| Other places of birth in Europe | 0 | 0% |
| Africa | 0 | 0% |
| Algeria | 0 | 0% |
| Egypt | 0 | 0% |
| Ethiopia | 0 | 0% |
| Kenya | 0 | 0% |
| Morocco | 0 | 0% |
| Nigeria | 0 | 0% |
| Somalia | 0 | 0% |

## 2016 Census Immigrant Place of Birth

| 2016 Census Immigrant Place of Birth | 12150041, 12150042 | |
|---|---|---|
| | | % |
| South Africa, Republic of | 0 | 0% |
| Other places of birth in Africa | 0 | 0% |
| Asia | 0 | 0% |
| Afghanistan | 0 | 0% |
| Bangladesh | 0 | 0% |
| China | 0 | 0% |
| Hong Kong | 0 | 0% |
| India | 0 | 0% |
| Iran | 0 | 0% |
| Iraq | 0 | 0% |
| Japan | 0 | 0% |
| Korea, South | 0 | 0% |
| Lebanon | 0 | 0% |
| Pakistan | 0 | 0% |
| Philippines | 0 | 0% |
| Sri Lanka | 0 | 0% |
| Syria | 0 | 0% |
| Taiwan | 0 | 0% |
| Viet Nam | 0 | 0% |
| Other places of birth in Asia | 0 | 0% |
| Oceania and other places of birth | 0 | 0% |

## 2016 Census Recent Immigration and Place of Birth

| 2016 Census Recent Immigration and Place of Birth | 12150041, 12150042 | |
|---|---|---|
| | | % |
| **Recent Immigrant Population by Selected Place of Birth** | **0** | |
| | | |
| Top 5 Recent Immigrant Places of Birth | Germany<br>Brazil<br>Colombia<br>Cuba<br>Haiti | |
| | | |
| Americas | 0 | |
| Brazil | 0 | |
| Colombia | 0 | |
| Cuba | 0 | |
| Haiti | 0 | |
| Jamaica | 0 | |
| Mexico | 0 | |
| United States | 0 | |
| Venezuela | 0 | |
| Other places of birth in Americas | 0 | |
| Europe | 0 | |
| France | 0 | |
| Germany | 10 | |
| Ireland | 0 | |
| Moldova | 0 | |
| Romania | 0 | |
| Russian Federation | 0 | |
| Ukraine | 0 | |
| United Kingdom | 0 | |
| Other places of birth in Europe | 0 | |
| Africa | 0 | |
| Algeria | 0 | |
| Cameroon | 0 | |
| Congo, Democratic Republic of the | 0 | |
| Cote d'Ivoire | 0 | |
| Egypt | 0 | |
| Eritrea | 0 | |
| Ethiopia | 0 | |
| Morocco | 0 | |
| Nigeria | 0 | |
| Somalia | 0 | |
| South Africa, Republic of | 0 | |
| Tunisia | 0 | |
| Other places of birth in Africa | 0 | |
| Asia | 0 | |

## 2016 Census Recent Immigration and Place of Birth

| 2016 Census Recent Immigration and Place of Birth | 12150041, 12150042 | |
|---|---|---|
| | | % |
| Afghanistan | 0 | |
| Bangladesh | 0 | |
| China | 0 | |
| Hong Kong | 0 | |
| India | 0 | |
| Iran | 0 | |
| Iraq | 0 | |
| Israel | 0 | |
| Japan | 0 | |
| Korea, South | 0 | |
| Lebanon | 0 | |
| Nepal | 0 | |
| Pakistan | 0 | |
| Philippines | 0 | |
| Saudi Arabia | 0 | |
| Sri Lanka | 0 | |
| Syria | 0 | |
| Taiwan | 0 | |
| Turkey | 0 | |
| United Arab Emirates | 0 | |
| Viet Nam | 0 | |
| Other places of birth in Asia | 0 | |
| Oceania and other | 0 | |
| Australia | 0 | |
| Other places of birth | 0 | |

# 2016 Census Immigration

| 2016 Census Immigration | 12150041, 12150042 | |
|---|---|---|
| | | % |
| **Population in Private Households by Immigrant Status and Period of Immigration** | **780** | |
| | | |
| Non-immigrants | 760 | 97% |
| Immigrants | 20 | 3% |
| Before 1981 | 0 | 0% |
| 1981 to 1990 | 0 | 0% |
| 1991 to 2000 | 10 | 1% |
| 2001 to 2010 | 0 | 0% |
| 2001 to 2005 | 0 | 0% |
| 2006 to 2010 | 0 | 0% |
| 2011 to 2016 | 10 | 1% |
| Non-permanent residents | 0 | 0% |
| | | |
| **Immigrant Population in Private Households by Age at Immigration** | **20** | |
| | | |
| Under 5 years | 0 | 0% |
| 5 to 14 years | 0 | 0% |
| 15 to 24 years | 0 | 0% |
| 25 to 44 years | 0 | 0% |
| 45 years and over | 10 | 50% |
| | | |
| **Immigrant Population in Private Households Who Landed Between 1980 and 2016 by Admission Category and Applicant Type** | **10** | |
| | | |
| Economic immigrants | 0 | 0% |
| Principal applicants | 0 | 0% |
| Secondary applicants | 0 | 0% |
| Immigrants sponsored by family | 10 | 100% |
| Refugees | 0 | 0% |
| Other immigrants | 0 | 0% |

# 2016 Census Mobility

| 2016 Census Mobility | 12150041, 12150042 | |
|---|---|---|
| | | % |
| **Total Population by 1 year mobility status** | **775** | |
| | | |
| Non-movers | 705 | 91% |
| Movers | 70 | 9% |
| Non-migrants | 0 | 0% |
| Migrants | 70 | 9% |
| Internal migrants | 70 | 9% |
| Intraprovincial migrants | 50 | 6% |
| Interprovincial migrants | 20 | 3% |
| External migrants | 0 | 0% |
| | | |
| **Total Population by 5 year mobility status** | **770** | |
| Non-movers | 625 | 81% |
| Movers | 140 | 18% |
| Non-migrants | 25 | 3% |
| Migrants | 115 | 15% |
| Internal migrants | 110 | 14% |
| Intraprovincial migrants | 80 | 10% |
| Interprovincial migrants | 25 | 3% |
| External migrants | 0 | 0% |

## 2016 Census Labour Force by Sex Comparison

| **2016 Census Labour Force by Sex Comparison** | **12150041, 12150042** | | | | | |
|---|---|---|---|---|---|---|
| | Total Population | % | Males | % | Females | % |
| **Population 15 Years and Over by Labour Force Status** | **690** | | **345.0** | | **345.0** | |
| | | | | | | |
| In the labour force | 370 | 54% | 175.0 | 51% | 190.0 | 55% |
| Employed | 260 | 38% | 115.0 | 33% | 150.0 | 43% |
| Unemployed | 105 | 15% | 65.0 | 19% | 40.0 | 12% |
| Not in the labour force | 325 | 47% | 165.0 | 48% | 155.0 | 45% |
| | | | | | | |
| Participation rate | 53.6% | | 50.7% | | 55.1% | |
| Employment rate | 70.3% | | 65.7% | | 78.9% | |
| Unemployment rate | 28.4% | | 37.1% | | 21.1% | |

## 2016 Census Labour Force by Sex

| 2016 Census Labour Force by Sex | 12150041, 12150042 | |
|---|---|---|
| | | % |
| **Total Population 15 years and over by Labour Force Status** | **690** | |
| | | |
| In the labour force | 370 | 54% |
| Employed | 260 | 38% |
| Unemployed | 105 | 15% |
| Not in the labour force | 325 | 47% |
| | | |
| Participation rate | 53.6% | |
| Employment rate | 70.3% | |
| Unemployment rate | 28.4% | |
| | | |
| **Males 15 years and over by Labour Force Status** | **345** | |
| | | |
| In the labour force | 175 | 51% |
| Employed | 115 | 33% |
| Unemployed | 65 | 19% |
| Not in the labour force | 165 | 48% |
| | | |
| Participation rate | 50.7% | |
| Employment rate | 65.7% | |
| Unemployment rate | 37.1% | |
| | | |
| **Females 15 years and over by Labour Force Status** | **345** | |
| | | |
| In the labour force | 190 | 55% |
| Employed | 150 | 43% |
| Unemployed | 40 | 12% |
| Not in the labour force | 155 | 45% |
| | | |
| Participation rate | 55.1% | |
| Employment rate | 78.9% | |
| Unemployment rate | 21.1% | |

## 2016 Census Labour Force by Industry and Sex

| 2016 Census Labour Force by Industry and Sex | 12150041, 12150042 | |
|---|---|---|
| | | % |
| **Labour Force 15 years and over** | **370** | |
| | | |
| Industry - NAICS2012 - not applicable | 0 | 0% |
| | | |
| Top 5 Industries | 62 Health care and social assistance<br>11 Agriculture, forestry, fishing and hunting<br>72 Accommodation and food services<br>23 Construction<br>44-45 Retail trade | |
| | | |
| All industry categories | 360 | 97% |
| 11 Agriculture, forestry, fishing and hunting | 50 | 14% |
| 21 Mining, quarrying, and oil and gas extraction | 20 | 5% |
| 22 Utilities | 0 | 0% |
| 23 Construction | 25 | 7% |
| 31-33 Manufacturing | 20 | 5% |
| 41 Wholesale trade | 0 | 0% |
| 44-45 Retail trade | 25 | 7% |
| 48-49 Transportation and warehousing | 0 | 0% |
| 51 Information and cultural industries | 0 | 0% |
| 52 Finance and insurance | 0 | 0% |
| 53 Real estate and rental and leasing | 0 | 0% |
| 54 Professional, scientific and technical services | 15 | 4% |
| 55 Management of companies and enterprises | 0 | 0% |

## 2016 Census Labour Force by Industry and Sex

| 2016 Census Labour Force by Industry and Sex | 12150041, 12150042 | |
|---|---|---|
| | | % |
| 56 Administrative and support, waste management and remediation services | 10 | 3% |
| 61 Educational services | 20 | 5% |
| 62 Health care and social assistance | 60 | 16% |
| 71 Arts, entertainment and recreation | 0 | 0% |
| 72 Accommodation and food services | 40 | 11% |
| 81 Other services (except public administration) | 20 | 5% |
| 91 Public administration | 25 | 7% |
| | | |
| **Male Labour Force 15 years and over** | **180** | |
| | | |
| Industry - NAICS2012 - not applicable | 0 | |
| | | |
| Top 5 Industries | 11 Agriculture, forestry, fishing and hunting<br>23 Construction<br>21 Mining, quarrying, and oil and gas extraction<br>81 Other services (except public administration)<br>91 Public administration | |
| | | |
| All industry categories | 180 | 100% |
| 11 Agriculture, forestry, fishing and hunting | 45 | 25% |
| 21 Mining, quarrying, and oil and gas extraction | 25 | 14% |
| 22 Utilities | 0 | 0% |

# 2016 Census Labour Force by Industry and Sex

| 2016 Census Labour Force by Industry and Sex | 12150041, 12150042 | |
|---|---|---|
| | | % |
| 23 Construction | 35 | 19% |
| 31-33 Manufacturing | 10 | 6% |
| 41 Wholesale trade | 0 | 0% |
| 44-45 Retail trade | 0 | 0% |
| 48-49 Transportation and warehousing | 10 | 6% |
| 51 Information and cultural industries | 0 | 0% |
| 52 Finance and insurance | 0 | 0% |
| 53 Real estate and rental and leasing | 0 | 0% |
| 54 Professional, scientific and technical services | 10 | 6% |
| 55 Management of companies and enterprises | 0 | 0% |
| 56 Administrative and support, waste management and remediation services | 0 | 0% |
| 61 Educational services | 0 | 0% |
| 62 Health care and social assistance | 0 | 0% |
| 71 Arts, entertainment and recreation | 0 | 0% |
| 72 Accommodation and food services | 10 | 6% |
| 81 Other services (except public administration) | 20 | 11% |
| 91 Public administration | 15 | 8% |
| | | |
| **Female Labour Force 15 years and over** | **190** | |
| | | |
| Industry - NAICS2012 - not applicable | 0 | |
| | | |
| Top 5 Industries | 62 Health care and social assistance<br>72 Accommodation and food services<br>91 Public administration | |

# 2016 Census Labour Force by Industry and Sex

| 2016 Census Labour Force by Industry and Sex | 12150041, 12150042 | |
|---|---|---|
| | | % |
| | 44-45 Retail trade<br>11 Agriculture, forestry, fishing and hunting | |
| | | |
| All industry categories | 185 | 97% |
| 11 Agriculture, forestry, fishing and hunting | 10 | 5% |
| 21 Mining, quarrying, and oil and gas extraction | 0 | 0% |
| 22 Utilities | 0 | 0% |
| 23 Construction | 0 | 0% |
| 31-33 Manufacturing | 10 | 5% |
| 41 Wholesale trade | 0 | 0% |
| 44-45 Retail trade | 15 | 8% |
| 48-49 Transportation and warehousing | 0 | 0% |
| 51 Information and cultural industries | 0 | 0% |
| 52 Finance and insurance | 0 | 0% |
| 53 Real estate and rental and leasing | 0 | 0% |
| 54 Professional, scientific and technical services | 10 | 5% |
| 55 Management of companies and enterprises | 0 | 0% |
| 56 Administrative and support, waste management and remediation services | 10 | 5% |
| 61 Educational services | 10 | 5% |
| 62 Health care and social assistance | 60 | 32% |
| 71 Arts, entertainment and recreation | 10 | 5% |
| 72 Accommodation and food services | 30 | 16% |
| 81 Other services (except public administration) | 10 | 5% |
| 91 Public administration | 20 | 11% |

## 2016 Census Educational Attainment

| 2016 Census Educational Attainment | 12150041, 12150042 | |
|---|---|---|
| | | % |
| **Population 15 years and over by Educational Attainment** | **690** | |
| | | |
| No certificate, diploma or degree | 180 | 26% |
| Secondary (high) school diploma or equivalency certificate | 135 | 20% |
| Postsecondary certificate, diploma or degree | 385 | 56% |
| Apprenticeship or trades certificate or diploma | 120 | 17% |
| Trades certificate or diploma other than Certificate of Apprenticeship or Certificate of Qualification | 55 | 8% |
| Certificate of Apprenticeship or Certificate of Qualification | 75 | 11% |
| College, CEGEP or other non-university certificate or diploma | 170 | 25% |
| University certificate or diploma below bachelor level | 10 | 1% |
| University certificate, diploma or degree at bachelor level or above | 80 | 12% |
| Bachelor's degree | 65 | 9% |
| University certificate or diploma above bachelor level | 20 | 3% |
| Degree in medicine, dentistry, veterinary medicine or optometry | 0 | 0% |
| Master's degree | 20 | 3% |
| Earned doctorate | 0 | 0% |
| | | |
| **Population 25 to 64 by Educational Attainment** | **390** | |
| | | |
| No certificate, diploma or degree | 50 | 13% |
| Secondary (high) school diploma or equivalency certificate | 55 | 14% |
| Postsecondary certificate, diploma or degree | 280 | 72% |
| Apprenticeship or trades certificate or diploma | 95 | 24% |
| Trades certificate or diploma other than Certificate of Apprenticeship or Certificate of Qualification | 40 | 10% |
| Certificate of Apprenticeship or Certificate of Qualification | 55 | 14% |

# 2016 Census Educational Attainment

| 2016 Census Educational Attainment | 12150041, 12150042 | |
|---|---|---|
| | | % |
| College, CEGEP or other non-university certificate or diploma | 115 | 29% |
| University certificate or diploma below bachelor level | 0 | 0% |
| University certificate, diploma or degree at bachelor level or above | 60 | 15% |
| Bachelor's degree | 45 | 12% |
| University certificate or diploma above bachelor level | 10 | 3% |
| Degree in medicine, dentistry, veterinary medicine or optometry | 0 | 0% |
| Master's degree | 0 | 0% |
| Earned doctorate | 0 | 0% |

## APPENDIX E

## Non Profit Governance: Recommended Reading

1. Peering into the Future: Reimagining Governance in the Non-Profit Sector (pg2-28)

2. Next Generation Governance: Emerging Leaders' Perspectives on Governance in the Nonprofit Sector
   (pg29-45)

MOWAT RESEARCH #171 | OCTOBER 2018

# Peering into the Future

## Reimagining Governance in the Non-Profit Sector

BY LISA LALANDE

Enabling Environment

MowatNFP

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Enabling Environment

This research series from Mowat NFP explores different dimensions of an enabling environment in the relationship between the charitable and non-profit sector and government. The series is in partnership with Imagine Canada and intended to help the federal government and the charitable and NFP sector develop a modern federal policy framework that enables the sector and strengthens its ability to improve the quality of life of Canadians and people around the world.

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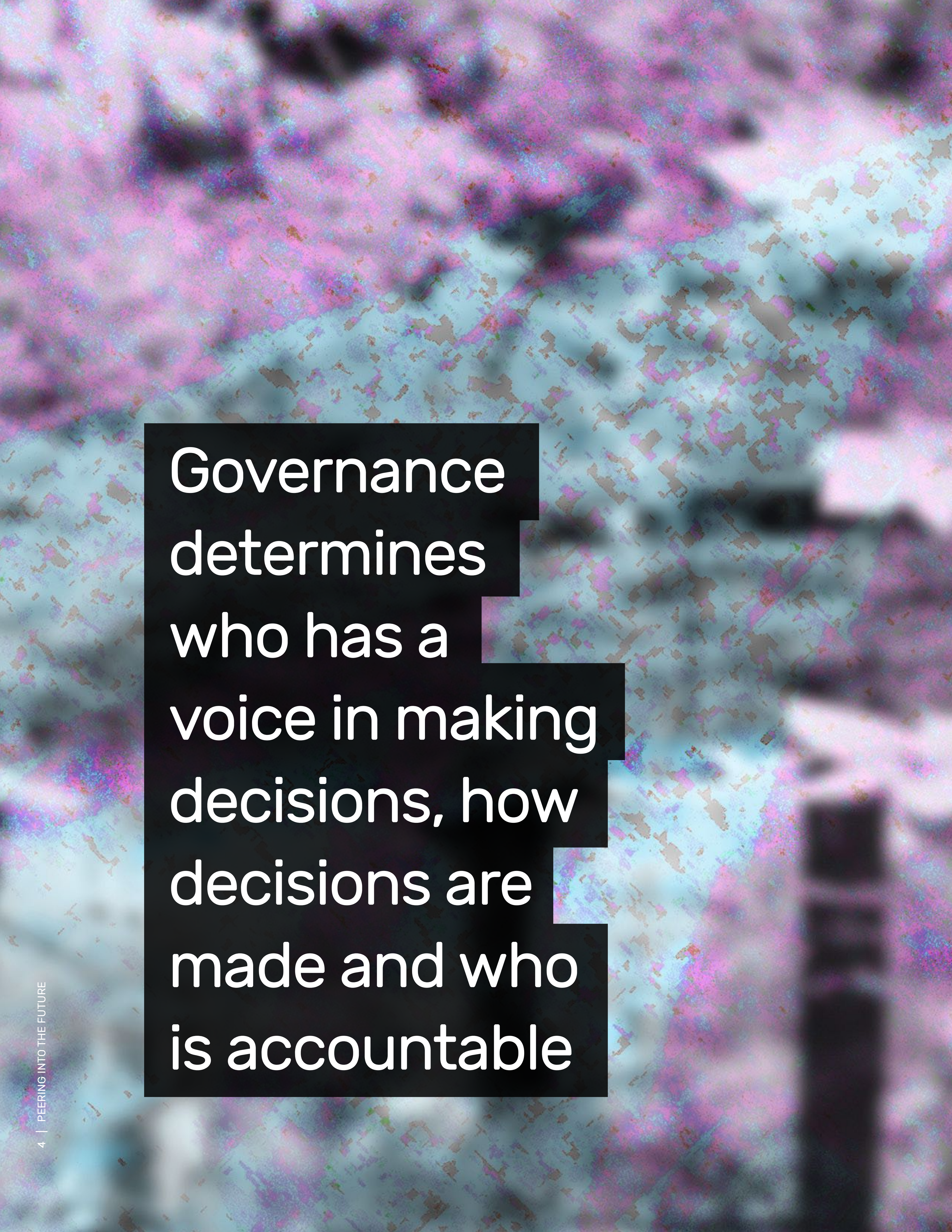

Governance determines who has a voice in making decisions, how decisions are made and who is accountable

# 1

# INTRODUCTION

Governance is one of the most challenging and complex issues in the non-profit sector. The legislative and regulatory requirements for non-profit governance are limited and vary from province to province. There is no prescriptive "one size fits all" model of governance. Despite numerous efforts to find and support effective governance models, functions and frameworks, many sector leaders still struggle to fulfil the roles and responsibilities expected of them.[1]

There is much at stake when governance is ineffective. Resources may be misused or misdirected, an organization's strategic goals may be misaligned, its reputation may be weakened, poor working conditions for staff could arise,[2] and members of the board can be held personally and professionally liable. Ultimately, ineffective governance compromises an organization's ability to meet the needs of its beneficiaries or key stakeholders.

With so much literature on effective governance, why does it seem to be working for so few organizations?

Emerging trends in the non-profit sector are altering expectations of governance. Non-profit organizations are experiencing a growing demand for their services from increasingly diverse communities and increasing demands from governments and funders. There is also greater focus on collaboration, mergers, network-based models of organizing, cross-sectoral partnerships and common approaches to measuring impact in the sector. At the same time, technological changes and a new generation of leaders are changing how non-profits work and how they interact with and engage one another, funders and the public.[3] These developments are creating tensions within organizations that can be difficult to reconcile.

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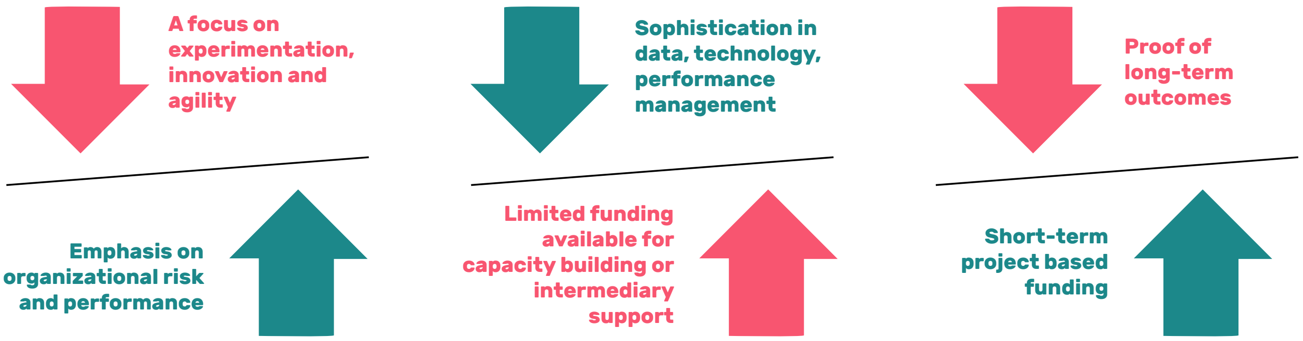
[1] Meehan III, W.F. and Starkey Jonker, K. (2017). *Filling Essential Gaps in Non-profit Leadership*. Available at: https://ssir.org/articles/entry/filling_essential_gaps_in_nonprofit_leadership.

[2] Van Ymeren, J. and Lalande, L. (2015). *Change Work: Valuing Decent Work in the Not-for-Profit Sector*. Mowat Centre, Mowat NFP. Available at: https://mowatcentre.ca/change-work/.

[3] Ontario Non-profit Network (2017). *Leadership in changing times*. Toronto: ONN. Available at: http://theonn.ca/wp-content/uploads/2015/12/Report_LeadershipInChangingTimes_ESDC_2015-11-17-2.pdf.

FIGURE 1

Organizational Tensions


A focus on experimentation, innovation and agility
Emphasis on organizational risk and performance
Sophistication in data, technology, performance management
Limited funding available for capacity building or intermediary support
Proof of long-term outcomes
Short-term project based funding

This leads to a fundamental question: can traditional approaches to governance respond to these changing realities? Governance is typically regarded as something that boards do, and problems with governance are usually understood as problems with board performance.[4] However, a focus on the board as the only mechanism of governance may no longer be sufficient for an increasingly complex environment. There is growing literature that suggests that new, transformative and adaptive approaches to governance are needed to ensure better responsiveness to social issues, system-wide impact and adaptability to the changing environment. This thinking envisions governance as more collaborative - a function that can be shared and not limited to the board.[5]

This paper focuses on how non-profit organizations can adapt to an increasingly complex environment by reimagining governance. It addresses how boards, leaders, staff and key stakeholders can work together to contribute to effective organizational governance from a strategic perspective. Specifically, this paper will:

» Explore the current state of governance in the sector, including the legislative, regulatory and policy environment.

» Identify emerging trends and challenges that impact governance at both the organizational and sector level.

» Discuss promising practices and key considerations to improve the current state of governance.

» Provide recommendations to improve the sector's capacity for "future-oriented governance."

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[4] Ryan, W, Chait, R, and Taylor B. (2018). *Problem Boards or Board Problem?* Non-profit Quarterly. Available at: https://non-profitquarterly.org/2018/04/20/problem-boards-or-board-problem/.
[5] Freiwirth, J. (2011). *Community-Engagement Governance: Systems-Wide Governance in Action*. Non-profit Quarterly. Availble at: https://non-profitquarterly.org/2011/05/09/communityengagement-governance-systems-wide-governance-in-action/.

# Research Approach

This paper will serve as a foundational research document for the collaborative initiative, Reimagining Governance, which seeks to advance new approaches to the governance of non-profit organizations. Based on findings from a series of research papers and contributions from thought-leaders, the initiative will provide ideas and strategies to help non-profits to fulfill governance more effectively. While lessons in this paper can inform governance for all sizes of non-profits, the initiative is targeted to core non-profit organizations that have enough staff capacity to fulfill at least basic governance functions of their organization. This paper is also part of Mowat NFP's Enabling Environment series, which aims to help governments and the charitable sector develop modern policy frameworks that strengthen the sector's ability to build thriving communities and improve wellbeing.[6]

This paper uses Cornforth's (2011) definition of a "governance system" as a starting point. This definition describes governance as "a framework of responsibilities, requirements and accountabilities within which organizations operate, including regulatory, audit and reporting requirements, and relationships with key stakeholders."[7]

The research process for this paper included a comprehensive review of academic and non-academic literature and interviews with key informants. The paper also includes findings from three focus groups conducted in urban and rural areas with the support of United Way Greater Toronto, Ignite NPS, M. Struthers & Co., Community Foundations Grey Bruce, United Way Grey Bruce and Vantage Point. Focus group participants included governance experts, board members, executive directors, youth representatives, sector leaders and subject matter experts (i.e. diversity, scaling, social finance, etc.). The themes that emerged from these focus groups provide a helpful starting point for discussion about reimagining governance in the non-profit sector. This paper also draws on findings from five informal surveys that sector umbrella organizations/associations distributed through national, provincial or regional communication channels. The survey respondents included executive directors and board members of non-profit organizations, as well as funders of non-profit organizations. Respondents were not considered a representative sample of the non-profit sector.

The last major national study on governance in Canada's non-profit sector focused on board governance and was conducted in 2005.[8] A more recent study on board governance in the US was completed in 2015.[9] The findings from these studies are similar to what we found in Ontario through the interviews, focus groups and surveys; as a result, this paper draws on their conclusions.

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[6] We define an enabling environment as one where the government safeguards the public interest, supports the sustainability of charities and non-profits and optimizes the policy landscape for innovation and experimentation. Lalande, L. and Cave, J. (2017). *Charting a Path Forward: Strengthening and Enabling the Charitable Sector in Canada.* Toronto: Mowat Centre. Available at: https://mowatcentre.ca/charting-a-path-forward/.

[7] Cornforth, C. (2011). "Nonprofit Governance Research: Limitations of the Focus on Boards and Suggestions for Further Research". *Nonprofit and Voluntary Sector Quarterly 41*(6): 1116-1135.

[8] Bugg, G. and Dalhoff, S. (2006). *National Study of Board Governance Practices in the Non-Profit Sector*. Available at: http://www.strategicleveragepartners.com/bhg768kjmhgvxxyxzwq/National_Study_of_Board_Governance_Practices_in_the_Non-Profit_and_Voluntary_Sector_in_Canada.PDF.

[9] Larcker, D. Donatiello, N., Meehan, B., and Tayan, B. (2015). *2015 Survey on Board of Directors of Nonprofit Organizations*. Graduate School of Stanford Business, The Rock Center for Corporate Governance, BoardSource, and GuideStar. Available at: https://www.gsb.stanford.edu/faculty-research/publications/2015-survey-board-directors-nonprofit-organizations.

# 2 CONTEXT

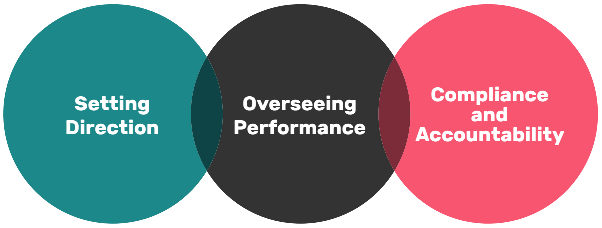
Governance is about who has a voice in making decisions, how decisions are made and who is ultimately accountable.[10] Non-profit governance involves setting organizational direction and policies, overseeing performance and ensuring compliance and accountability.

There is an assumption that boards are the sole locus of governance for their organizations. As a result, much of the focus has been on improving board governance. However, there are no statutory requirements for boards to act as the sole governance entity of a non-profit organization. Governance is a series of functions that must be fulfilled and a board is a structure to assist in that process.

Organizations can maintain significant discretion in the structure and focus of their governance body. Because the legislative requirements are limited and vary from province to province, a wide variety of governance options for the sector are possible.

FIGURE 2

Governance Functions



## What are the legal and regulatory governance requirements for non-profits?

While there are clear provisions in provincial and federal legislation for the number of directors on a board and their responsibilities in incorporating the organization, there is very limited direction on the board's purpose and structure as a whole.

Incorporated non-profit organizations must have a board of directors and their central purpose is to ensure that resources are used efficiently and appropriately. In other words, boards must provide organizational oversight to ensure the organization is realizing its mission. They must also act in the best interests of the organization (fiduciary duty). Other statutory requirements may apply, depending on the types of programs and services an organization delivers.[11] While boards can delegate responsibilities and activities to management or any other person(s), they have ultimate accountability and liability.

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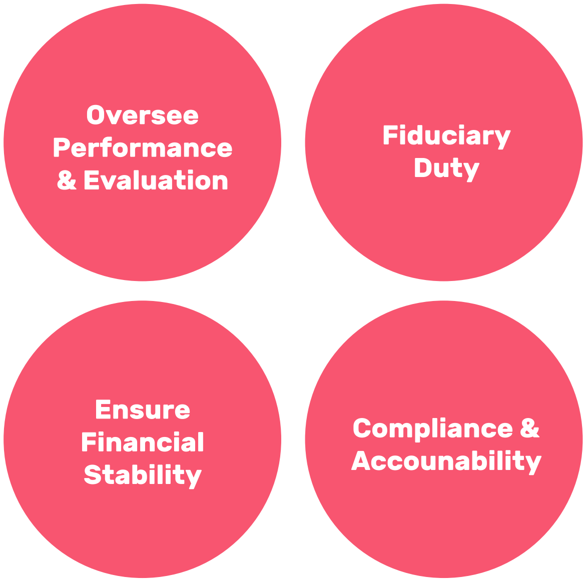
[10] Institute on Governance. Available at: https://iog.ca/what-is-governance/.

FIGURE 3

Organizational Governance Requirements


Oversee Performance & Evaluation
Fiduciary Duty
Ensure Financial Stability
Compliance & Accountability

Notably, there is no standard size for all boards and the legal requirement varies by province. In Ontario, non-profits require a minimum of three directors for incorporation[12] and there are no rules on term limits for membership.[13] Boards are generally elected by the membership of the organization. Boards may also appoint/designate the leader of the organization (CEO or Executive Director). However, management is responsible for hiring employees to operate the organization.[14]

Beyond these rules, a non-profit organization's approach to governance (specific structures, processes and practices, including their bylaws) can largely be self-determined.

## What does the research indicate about effective organizational governance?

There is no ideal or most effective model of governance that will work for all organizations[15] – there are a variety of governance models that organizations in the sector can adopt.[16] The governance model an organization chooses will be influenced by the internal characteristics of an organization, the environment they operate in and the culture and maturity of the organization.[17]

[11] In Canada, non-profits and charities are registered under federal or provincial legislation. Provincial legislation differs from province to province. Some organizations are also subject to provincial legislation specific to their area of focus (e.g. health, criminal justice, children). As well, the Canada Revenue Agency Charities Directorate does provide some oversight for the governance of registered charities under the *Income Tax Act* as part of the process to apply for charitable status.

[12] Government of Ontario (2017). "Not-for-Profit Corporations Act". https://www.ontario.ca/laws/statute/10n15.

[13] There are limits on how long a board term can be (i.e. four years under CNCA), but there are no limits on the number of terms. Unless a member does something illegal (and there are no existing board policies) they can stay on in perpetuity.

[14] Taylor, D. (2014). "Governance for Not-For-Profit Organizations: Questions for Directors To Ask". Chartered Professional Accountants of Canada. Available at: https://www.cpacanada.ca/en/business-and-accounting-resources/strategy-risk-and-governance/not-for-profit-governance/publications/governance-for-nfp-organizations-directors-questions.

[15] Armstrong, R. (2005). "Policy Governance Models – A Discussion Paper." Vision Management Services. Available at: http://altruvest.org/wp-content/uploads/2017/03/Article-16-Policy_Governance_Models_Discussion_Paper.pdf.

[16] For a useful, but not exhaustive list of governance models, please refer to McNamara, C. (2008). "Field Guide to Developing, Operating and Restoring Your Nonprofit Board". Authenticity Consulting LLC. Available at https://managementhelp.org/misc/New-Nonprofit-Board-Models.pdf.

[17] Armstrong, R. (2005). "Policy Governance Models – A Discussion Paper." Vision Management Services.

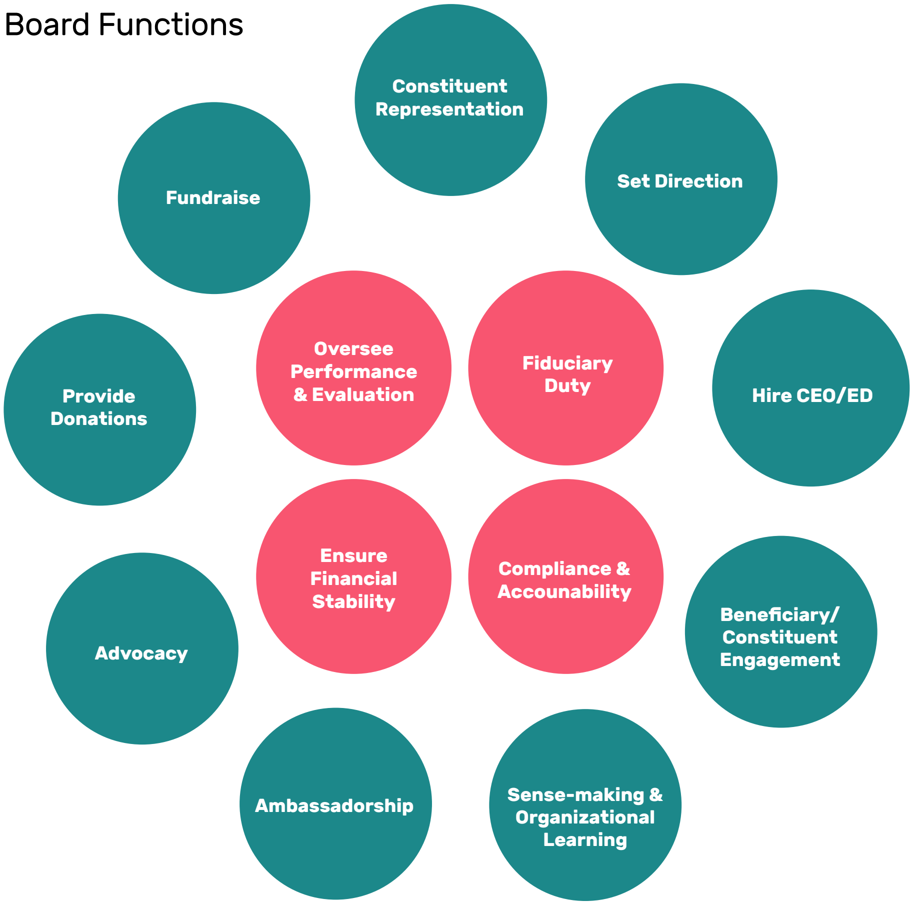
Much of the literature on effective non-profit governance emphasizes building exceptional boards. It suggests that boards are more effective when they fulfil a broad scope of functions for an organization such as:

- Representing the needs of beneficiaries/stakeholders.
- Developing strategic plans and linking budgeting to operational planning so financial goals are realistic.
- Ensuring outcome indicators and performance targets are in place and monitoring progress.
- Generative thinking (sense-making) – this involves knowing what to pay attention to, unpacking what it means for the organization and mission, and determining what to do about it.[18]

There is also growing emphasis on board members supporting advocacy efforts, making personal financial contributions, acting as ambassadors (providing legitimacy and credibility to the organization's activities), assisting the organization in its ongoing fundraising activities, and participating in related committees or taskforces.[19]

FIGURE 4

Board Functions


Constituent Representation
Fundraise
Set Direction
Provide Donations
Oversee Performance & Evaluation
Fiduciary Duty
Hire CEO/ED
Advocacy
Ensure Financial Stability
Compliance & Accounability
Beneficiary/ Constituent Engagement
Ambassadorship
Sense-making & Organizational Learning

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[18] Chait, R., Ryan, W. and Taylor, B. (2005). "Governance As Leadership". http://www.pewtrusts.org/~/media/legacy/uploadedfiles/wwwpewtrustsorg/reports/pew_fund_for_hhs_in_phila/governance20as20leadership20summary20finalpdf.pdf.

[19] Armstrong, R. (2005). "Policy Governance Models – A Discussion Paper." *Vision Management Services*.

In practice, effective organizational governance is influenced by the life-cycle of the board, the organizational structure and culture, the power dynamics between board and staff, and the leadership of the board chair and Executive Director.[20] [21]

## What is the current state of non-profit organizational governance?

> *"On the one hand, boards are touted as a decisive force for ensuring accountability of non-profit organizations. On the other hand, the board is widely regarded as a problematic institution."*[22]

Despite the variety of governance models and frameworks, many organizations report having difficulty establishing a governance structure that meets their needs. While there are successful examples of board governance in Canada, many organizations struggle with leadership and management issues.[23] This has led to an increase in educational material, training and resources dedicated to improving board performance.[24] Despite this, our research suggests that many boards remain underutilized, ineffective, dysfunctional or overburdened with operational issues.

Few organizations reported allocating dedicated resources for governance activities or evaluation. Many lack formal governance structures and processes including formal risk management or crisis management policies.[25] [26] [27]

Liability remains a key concern for boards. Individual board members can be held liable when their actions are out of the scope of directors and officers' liability insurance – namely, that they act outside the scope of their duties (particularly if those actions are dishonest, fraudulent or criminal), breach a contract, are subject to complaints under a human rights code or fines/penalties as outlined by statute.[28] However, these types of liability issues are quite unusual - approximately 90 per cent of liability claims against non-profit organizations are settled by insurance companies out of court.[29] The threat of individual board member liability creates a strong focus on risk management within the board and across the organization as a whole.[30]

Many board members also report feeling disengaged, without clear understanding of their roles and obligations.[31] They may also be expected to make decisions about the organization and its sustainability based on broader trends and issues within the sector with which they are unfamiliar.

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[20] Bradshaw, P., Hayday, B., Armstrong, R., Levesque, J. and Rykert, L. (2007).
[21] Bugg, G., Dalhoff, S. (2006).
[22] Ryan, W., Chait, R. and Taylor, B. (2017). *Problem Boards or Board Problem?* Non-profit Quarterly. https://non-profitquarterly.org/2017/05/08/problem-boards-or-board-problem/.
[23] Larcker, D. Donatiello, N., Meehan, B., and Tayan, B. (2015).
[24] Ryan, W., Chait, R. and Taylor, B. (2017).
[25] Bugg, G., Dalhoff, S. (2006).
[26] Larcker, D. Donatiello, N., Meehan, B., and Tayan, B. (2015).
[27] Ministry of Citizenship and Immigration, Ontario Government. (2009). *Taking Risks the Safe Way: Risk Management and Insurance Practices of Ontario's Voluntary Sector*. Available at: http://www.citizenship.gov.on.ca/english/publications/docs/takingriskssafeway.pdf.
[28] Volunteer Canada (2002). "Directors' Liability: A Discussion Paper on Legal Liability, Risk Management and the Role of Directors in Nonprofit Organizations". https://volunteer.ca/vdemo/EngagingVolunteers_DOCS/Directors'%20Liability%20Discussion%20Paper.pdf.
[29] Rosenfield, E. (2009). "Legal Claims Involving Non-Profit and Voluntary Organizations in Canada, 1999-2009". *Imagine Canada*.
[30] Volunteer Canada (2002).
[31] Larcker, D. Donatiello, N., Meehan, B., and Tayan, B. (2015).

Informants and focus group participants talked about how executive directors often spend a great deal of time keeping board members informed and involved so they can make necessary decisions. This can impact the Executive Director's ability to do the core work of running the organization. Others indicated they avoid this 'managing up' by carefully selecting what board members see and weigh in on. However, this approach can create situations where boards are making critical strategic directions for the organization without a complete picture of the issues.

> *"When a board chair changes, the organizational culture and agenda can change based on the interests of the new chair. Even though there is a strategic plan, the Executive Director is expected to make these shifts."*
>
> RUTH ARMSTRONG
> VISION Management Services

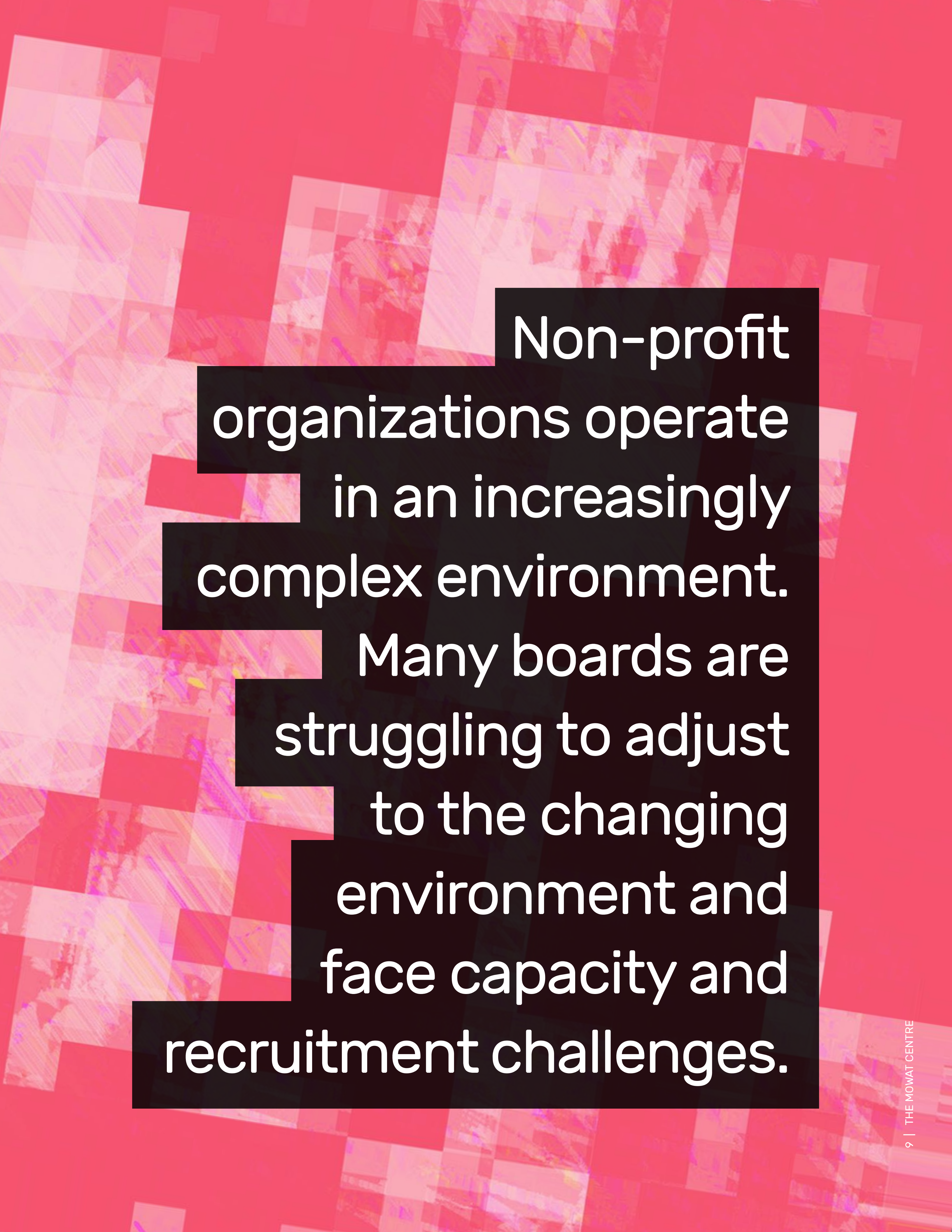
In contrast, other boards act as functional boards – fulfilling operational functions due to lack of staff capacity. This approach leaves few opportunities for boards to be future-oriented and provide strategic leadership to the organization.

Focus group participants also identified inherent challenges with some member-driven governance models such as those used in federations.[32] In these contexts, boards have a tendency to focus on self-preservation rather than on shared interests.

Recent research suggests that the source of the problem may not be rooted in board performance, but rather a lack of purpose in board work.[33] But there may be other, more interconnected issues influencing and impacting governance in the non-profit sector.

[32] The Ontario Nonprofit Network defines a federated nonprofit as "a network or partnership that serves a public good and includes a national or provincial organization, affiliate branches and/or some form of local and/or regional bodies that share a mission, brand and program model and have some legal independence from one another." Available at: http://theonn.ca/wp-content/uploads/2012/05/Federations-Framework-for-Success-for-Nonprofit-Federations-November-2009.pdf

[33] Chait, R., Ryan, W. and Taylor, B. (2005).



Non-profit organizations operate in an increasingly complex environment. Many boards are struggling to adjust to the changing environment and face capacity and recruitment challenges.

# 3 TRENDS IMPACTING GOVERNANCE

## Expectations of deeper, meaningful engagement changing the way organizations are governed

Informants expressed concern about the lack of diversity and constituent representation on boards, recognizing there is also the risk of tokenism. Organizations are reflecting on the nature of meaningful engagement and the implications for their governance structure.

> *"We've just added a young person and a representative from our constituents to our board, but they are intimidated by the lawyer, the executive banker or accountant. They don't feel fully integrated into the work of the board."*
> *FOCUS GROUP PARTICIPANT*

As organizations change how they engage with partners, stakeholders and beneficiaries, their governance models must adapt to follow suit. Many organizations are exploring new ways to use input derived from the populations that they serve to develop strategic plans, organizational policies and evaluation frameworks. Consequently, governance bodies often must adjust to less hierarchical models of decision-making and increase their openness and transparency.

## A focus on systems change demands that governance be shared across organizations

As the language of "systems change" becomes increasingly prominent in the sector, organizations are expected to situate their mission and activities within a broader community effort. Many organizations are grappling with understanding outcomes and impact from a systems lens in which their contributions are part of a broader collective effort to make a difference for a particular social or environmental issue.[34]

Governments and funders increasingly place the onus on individual organizations to show leadership by establishing meaningful partnerships, submitting collaborative funding applications and orienting their impact measurement activities towards a more collective approach.

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[34] Lalande, L. and Cave, J. (2017). *Measuring Outcomes in Practice: Fostering an Enabling Environment for Measurement in Canada*. Toronto: Mowat NFP. Available at: https://mowatcentre.ca/wp-content/uploads/publications/157_EE_measuring_outcomes_in_practice.pdf.

Committing to a systems-change approach is less about process and outcomes and more about culture.[35] Organizations and their boards are expected to transition quickly to a working culture that favours collaboration, openness, transparency and sharing. It may also require that governance decision-making is shared across organizations in the collaboration.

This can prove to be challenging, especially when it contradicts some of an organization's established policies and procedures for risk management, organizational performance, fundraising or information sharing. Focus group participants raised concerns over fear of "losing out" (i.e. loss of funding and resources), particularly in rural communities where resources are increasingly scarce.

## Emerging technologies challenging traditional notions of governance

New and emerging technologies like artificial intelligence and data analytics are making it increasingly possible for governments, businesses and non-profits to customize services to individuals. This could have significant implications on collective efforts to solve complex social problems and improve the lives of individuals, with new types of cross-sector collaborations likely to emerge.[36]

Non-profits will need to grapple with their role in these collaborative efforts, including giving up some level of control or determining how to continue to effectively engage and represent their constituents. Notably, this could also disrupt the non-profit sector as new digital technologies replace the need for some traditional non-profit (place-based) organizational structures. As technology continues to advance, non-profits will need to deal with the implications of this shift on their organizations, their stakeholders, their cultures and their governance models.

## Increased organizational consolidation requires new and specialized skill sets

Over time, resource scarcity has prompted many organizations to explore opportunities to merge or consolidate their operations with other similar partner organizations. This consolidation can take different forms: joining a network organization, creating umbrella groups or coalitions, sharing premises or facilities, providing joint training or programming, or formally integrating organizations into a single incorporated entity.[37] Shared platforms are one example of "consolidation" that reduces the funding needed to support organizational infrastructure by creating economies of scale.[38]

Increasing organizational consolidation creates unique challenges for governance. How do boards approach these opportunities and work effectively with other partners in a collaborative environment? Non-profit and charitable organizations often lack the skills or expertise to evaluate potential mergers. In a Canadian survey of non-profit organizations, only 53 per cent of surveyed respondents reported that their board had the skill set necessary to evaluate a potential merger.[39] Informants also indicated that many executive directors, particularly in rural areas, are reluctant to pursue consolidations like mergers given a fear of job loss. Some indicated a similar reluctance of board members due to concerns of losing their influence and standing in their community.

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[35] Mulgan, G. (2016). *Collaboration and collective impact: how can funders, NGOs and governments achieve more together?*. Available at: https://www.nesta.org.uk/blog/collaboration-and-collective-impact.

[36] Policy Horizons Canada (forthcoming). *The Next Generation of Emerging Global Challenges.*

[37] Blumberg, M. (2009). *Mergers and Amalgamations in the Canadian Non-profit and Charitable Sector*. The Philanthropist, 22(1): 1-20. Available at: https://www.canadiancharitylaw.ca/blog/mergers_and_amalgamations_within_the_canadian_non-profit_and_charity_sector.

[38] McIsaac, E. and Carrie, M. (2013). *A Platform For Change*. Toronto: Mowat NFP. Available at: https://mowatcentre.ca/wp-content/uploads/publications/71_a_platform_for_change.pdf.

## Data transforming organizations and their governance practices

While small, digital-first non-profits are emerging, many non-profit and charitable organizations have a limited understanding of the potential and limitations of data. Data literacy and a lack of technical skill sets at board and staff levels limit internal capacity to engage with data-related issues in a strategic way, particularly in collaborative models and systems-change initiatives. Boards have an important role in improving the organization's "data maturity" so that it can track outcomes and impact effectively and build internal capacity for data use.[40]

Organizations with advanced data practices are more effective in driving performance towards their mission and increasing internal efficiency.[41] However, the increasing professionalization of the non-profit staff workforce raises questions about how boards should be expected to engage with data and emerging technologies. There are also significant privacy considerations for organizations that participate in data-sharing initiatives with other partners, requiring a high degree of sophistication at the governance level.

## Governance becoming increasingly focused on revenue generation

The sector is experiencing a significant transformation in the funding environment. Charitable giving is decreasing across all age categories and charities are relying on a decreasing pool of aging, wealthy individuals to support their missions.[42] Funders have moved from a core funding model to an increasingly targeted, project-based approach.[43] The reluctance to fund organizational administrative costs contributes to increased precarity, as organizations often rely on a patchwork of project-based grant funding to sustain their work.

At the same time, Canada's changing demographics – an aging population, increased rural-to-urban migration of Indigenous communities, rising income inequality and a record number of immigrants and refugees[44] – are adding pressures to non-profit organizations and increasing demand for their programs and services.[45] These factors are creating a sustainability challenge and a competitive environment for many non-profits.

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[39] Bugg, G. and Dalhoff, S. (2006). *National Study of Board Governance Practices in the Non-Profit and Voluntary Sector in Canada*. Strategic Leverage Partners Inc. Available at: http://www.strategicleveragepartners.com/bhg768kjmhgvxxyxzwq/National_Study_of_Board_Governance_Practices_in_the_Non-Profit_and_Voluntary_Sector_in_Canada.PDF.

[40] Cave, J., Gyateng, T., Lalande, L. and Lumley, T. (2018). *Collaborating for Greater Impact: Building an Integrated Data Ecosystem*. Toronto: Mowat NFP. Available at: https://mowatcentre.ca/wp-content/uploads/publications/161_EE_collaborating_for_greater_impact.pdf.

[41] IBM Institute for Business Value (2017). *Leap before you lag: non-profits with deeper data capabilities see stronger impact, transparency and decisions*. Available at: https://www-935.ibm.com/services/us/gbs/thoughtleadership/analyticsleap/.

[42] Lasby, D. and Barr, C. (2018). *30 Years of Giving in Canada - The Giving Behaviour of Canadians: Who gives, how, and why?* Imagine Canada. Available at: http://www.imaginecanada.ca/30years.

[43] Scott, K. (2003). *Funding Matters: The Impact of Canada's New Funding Regime on Non-profit and Voluntary Organizations*. Canadian Council on Social Development. Available at: http://www.ccsd.ca/index.php/research/funding-matters.

[44] Granofsky, T., Corak, M., Johal, S., and Zon, N. (2015). *Renewing Canada's Social Architecture Framing Paper*. Toronto: Mowat Centre. Available at: https://mowatcentre.ca/renewing-canadas-social-architecture/.

[45] Emmett, B. (2016). *Charities, Sustainable Funding and Smart Growth*. Toronto: Imagine Canada. Available at: http://www.imaginecanada.ca/sites/default/files/imaginecanada_charities_sustainability_smart_growth_2016_10_18.pdf.

Boards are often required to navigate this changing environment by streamlining the organization's activities, diversifying funding sources and exploring new funding opportunities such as social enterprise.[46] Informants indicated that many boards are also expected to be "fundraisers." While it is becoming increasingly more common, fund development (e.g. direct donor solicitation, planning fundraising events) is not actually a core governance function and may detract from other governance-related issues. Many organizations are struggling with this dilemma and the time pressures that result.[47]

## Increased focus on accountability, performance and outcomes measurement changing governance functions

Non-profit and charitable organizations are expected by funders, donors and the public to report on performance and outcomes measurement with increasing sophistication. While measuring the effectiveness of the board is distinct from measuring the effectiveness of the organization, the success of both is interconnected.[48] Boards are not only responsible for providing oversight of the organization's performance and outcomes measurement activities: their effectiveness as a governance body has a "trickle-down" effect on how successfully the organization fulfils its mission. Unfortunately, measurement is a largely under-resourced and under-developed area.[49]

Governments have also increased their involvement in non-profit service delivery. As a result, boards sometimes report losing control of their organization's mission as they pursue various government-based funding sources.[50] Informants indicated that while many funders are shifting to report on outcomes, many organizations are still required to complete onerous, detailed accountability reports which can push boards to become more operationally-focused.

## Rise of outcome funding arrangements and impact investing requiring specialized expertise and different mindsets

Given tight budgets, governments are under significant pressure to ensure resources are allocated effectively and to areas where that will have the greatest impact. As a result, they are increasingly interested in paying for services through outcomes funding arrangements such as pay for performance contracting[51] and social impact bonds.[52] This requires a level of financial literacy and sophistication in outcomes measurement that many boards and executive directors lack. Impact investing requires boards and senior management staff to work with market-oriented actors seeking blended returns (profit and purpose), and this can present some cultural and philosophical challenges for boards who have never operated in this area before.[53]

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[46] Emmet, B. (2016).

[47] BoardSource (2017). *Leading with Intent: 2017 National Index of Nonprofit Board Practices*. Available at: https://leadingwithintent.org/.

[48] Bugg, G. and Dalhoff, S. (2006).

[49] Lalande, L. and Cave, J. (2017). *Measuring Outcomes in Practice: Fostering an Enabling Environment for Measurement in Canada*. Toronto: Mowat NFP.

[50] McClusky, J. (2002). *Re-thinking non-profit organization governance: implications for management and leadership.* International Journal of Public Administration, 25(4): 539-559.

[51] A contract that conditions core funding provided to non-profits on outcomes achieved.

[52] A contract where private investors are paid dividends based on pre-determined outcomes.

[53] Lalande, L., Cave, J., and Sankat, R. (2016). *Unpacking Impact: Exploring Impact Measurement for Social Enterprises in Ontario*. Mowat NFP. Available at: https://mowatcentre.ca/wp-content/uploads/publications/130_unpacking_impact.pdf.

> *"There is a lot of pressure on the Executive Director to bring new opportunities to the board, such as opportunities to access social finance. However, the board does not often have the knowledge or expertise in these areas and struggles to make timely decisions. In a nimble organization with a volunteer board, how do you get the right expertise?"*
>
> ADAM JAGELEWSKI
> MaRS Centre for Impact Investing

## Generational change transforming organizations and their boards

Non-profit organizations need to grapple with generational change and how it is shifting attitudes about work, volunteering and "doing good."[54] Canada's volunteer workforce is increasingly comprised of older individuals[55] who will soon retire. There is pressure on organizations to recruit, retain and train younger volunteers and board members to transition into those roles.

Volunteering is becoming more short-term, individualized and skills-based. Volunteers often have their own goals, which may or may not be aligned with what non-profit organizations need.[56] This is complicated by the fact that many organizations lack the strategies, tools and training to work with a variety of volunteers using a skills-based approach.[57]

There is also growing interest in informal volunteering (i.e. not working through an existing non-profit or charity - for example, advocating for issues through a social media platform). These trends pose a challenge for many organizations that rely on ongoing volunteer contributions at the board and staff levels.[58] An organization's reliance on volunteers to deliver their missions – through either management or governance positions – presumes loyalty and long-term commitment. How will organizations attract a consistent and sustainable base of leadership and governance volunteers to do their work?

## Growing complexity requires new competencies

> *"In the face of an increasingly disruptive and uncertain environment for nonprofits, leadership competency will be the factor that will distinguish those organizations that fail or succeed, struggle or thrive."*[59]

These trends reveal a changing environment that requires non-profit board members to deal with significant diversity and complexity and work across sectors and systems.

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[54] Mollenhauer, L. (2017). *Trends and Forces Shaping Non-profit Organizations: Actions and Strategic Questions for Non-profit Leaders*. Available at: http://ignitenps.com/wp-content/uploads/2017/10/IGN_PHIL_TrendsForces_1010.pdf.

[55] Turcotte, M. (2016). *Volunteering and charitable giving in Canada*. Statistics Canada. Available at: http://www.statcan.gc.ca/pub/89-652-x/89-652-x2015001-eng.htm.

[56] Turcotte, M. (2016). "Volunteering and charitable giving in Canada". Statistics Canada. http://www.statcan.gc.ca/pub/89-652-x/89-652-x2015001-eng.htm.

[57] Volunteer Canada (2013). *Building the Bridge for Volunteer Engagement: The Canadian voluntary sector's perspective on the trends and issues identified in Bridging the Gap.* Available at: https://volunteer.ca/content/building-bridge-ii-full-report.

[58] Volunteer Canada (2013),

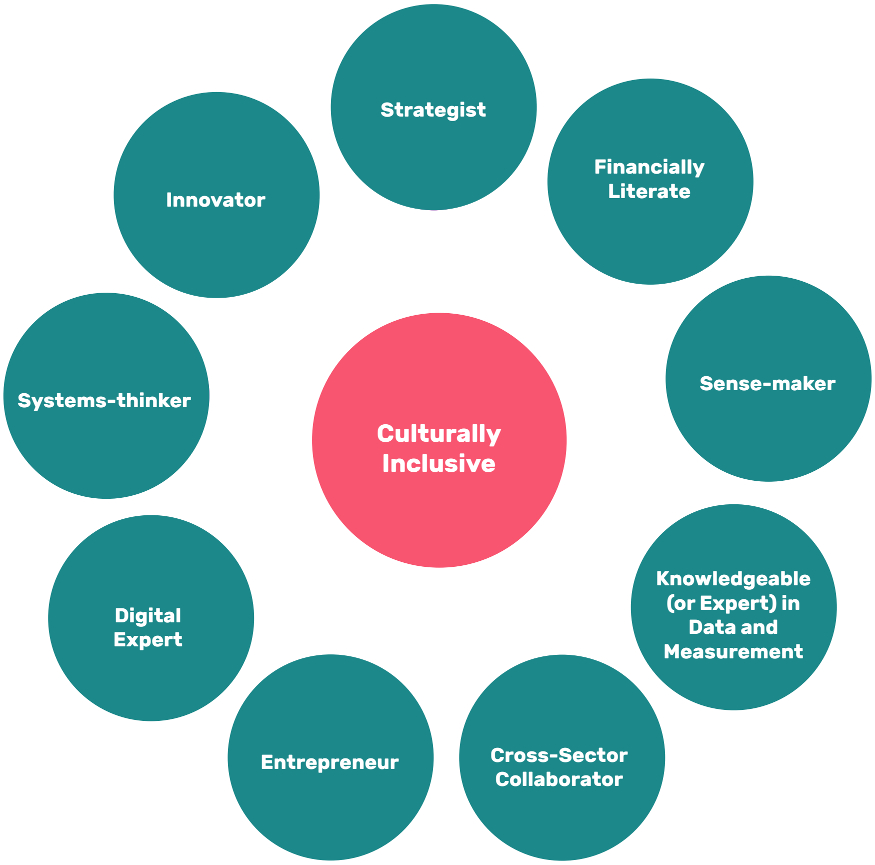
[59] Clutterbuck, P. and Arundel, C. (2017). *Leading our Future: Leadership Competencies in Ontario's Non-Profit Sector*. Ontario Nonprofit Network. Available at: http://theonn.ca/wp-content/uploads/2017/07/ONN.Report.Leading-our-Future.FINAL_.pdf.

To navigate this environment, board members need to be data experts, strategists, sense-makers and innovators. They must also be financially literate (including in emerging areas, such as social finance and earned income) and willing to take calculated risks, while being inclusive, resilient, trustworthy and self-aware.[60] [61] Many boards are struggling to adjust to the changing environment and face capacity and recruitment challenges in the delivery and achievement of their organization's mission and objectives.

These emerging trends and challenges raise structural and philosophical questions for non-profit governance and point to the need for change.

FIGURE 5

Emerging Competency Requirements


Strategist
Financially Literate
Innovator
Sense-maker
Systems-thinker
Culturally Inclusive
Knowledgeable (or Expert) in Data and Measurement
Digital Expert
Entrepreneur
Cross-Sector Collaborator

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[60] Clutterbuck, P. and Arundel, C. (2017). *Leading our Future: Leadership Competencies in Ontario's Non-Profit Sector*. Ontario Nonprofit Network.

[61] Stauch, J. and Cornelisse, D. *Canada Next: Learning for Youth Leadership Innovation*. Institute for Community Prosperity, Mount Royal University. Available at: https://www-prep.mtroyal.ca/cs/groups/public/documents/pdf/icp_canadanext_full.pdf.

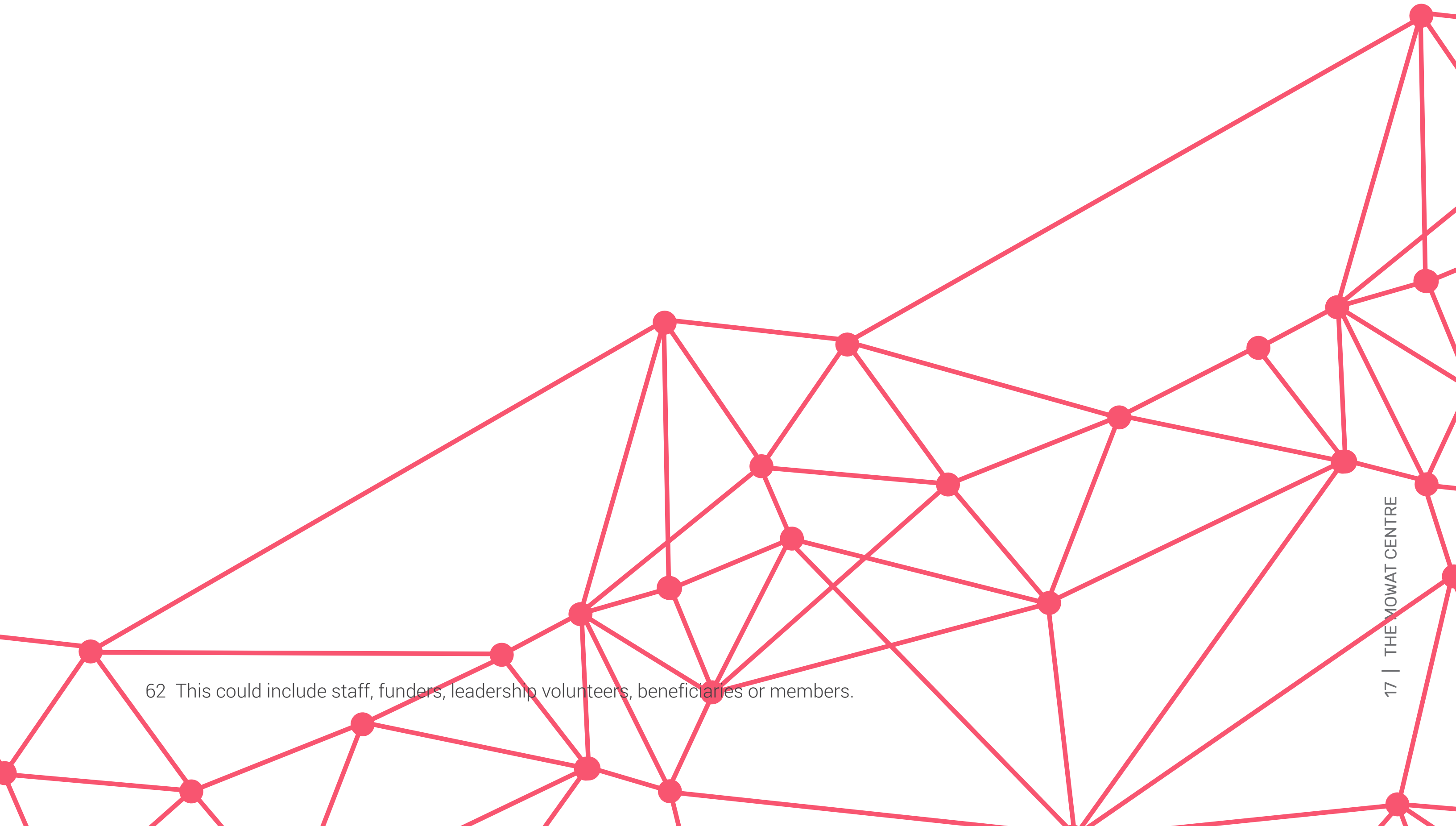
> “The more we can create structures where regular people can plug in, connect to each other, and stand up for what matters, the more possible it will be to transform the deepest injustices in our society.”
>
> *NICOLE CARTY*
> *SumOfUs*

# 4 PROMISING PRACTICES

While many respondents indicated a need for new, transformative approaches to non-profit organizational governance, some struggled to articulate what these approaches might look like in practice. Notably, very few examples of transformative or adaptive approaches surfaced in the research.

There is, however, much to learn from collaborative approaches such as networks, collective impact and coalition building. These approaches could allow non-profit organizations to fundamentally re-shape governance processes and practices by considering what aspects of governance work can or should be done by a wider group of citizens beyond the board.[62]

The following promising practices are not on their own transformative, but they are intended to spark discussion and debate and provide potential directions for changing non-profit governance in the future.



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[62] This could include staff, funders, leadership volunteers, beneficiaries or members.

## Rise Asset Development

Incorporating a social impact measurement approach into Rise Asset Development’s reporting framework shifted the organization’s governance focus from traditional outcome metrics to the broader impact the organization’s core programming has on clients and their communities. Measurement tools, such as a Social Impact Scorecard, have been instrumental in facilitating this shift. Social impact measurement can also foster deeper organizational insight into opportunities for continuous improvement and scale. As described by Beth Dea, COO, Rise Asset Development: “We collect data for ourselves, not just our funders, through the lens of continuous improvement of the services we provide. This helps to tell the collective story of our clients that goes beyond employment to include the impact that individual success has on the sector at large.” This shift in governance focus was facilitated through intermediary support from LIFT Philanthropy Partners, and its pro bono partner MNP LLP.[63]

## Orienting governance towards organizational learning and impact

The non-profit sector requires flexible and adaptive governance approaches to overcome the series of challenges it faces. A strict focus on compliance and risk management alone is insufficient and limits the ability of organizations to change and innovate. There is growing emphasis on measurement for non-profit organizations- focusing on impact and learning - as a means for effectively navigating the complex operating environment.

Using data to track and report on outcomes can enable organizations to better understand how they are meeting beneficiaries’ needs and where improvement in services and programs can be made to enhance overall organizational performance. Embedding measurement in an organization can also help attract and validate the organization’s work to different types of funders interested in supporting social outcomes (such as private investors, where appropriate).

This approach requires non-profit leaders who know how to authentically engage with beneficiaries and stakeholders in the co-creation of outcome indicators, have the skills to measure and evaluate social impact and have the financial competencies to effectively link strategy to operations in order to learn, grow, achieve outcomes and sustain revenue.

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[63] Rise Asset Development partnered with LIFT Philanthropy Partners, a venture philanthropy organization, to support their capacity building and scaling efforts. LIFT works with probono partners, such as MNP LLP, to strengthen measurement practices to support organizational learning and the achievement of outcomes.

## Separating fundraising from the board

Exceptional boards are recognized in the sector for their role in raising funds. It is seen as a central obligation in governing, but many boards struggle with it.[64] [65] Given the funding challenges many organizations are facing, is it still realistic to expect boards to be responsible for both governance and fundraising?

Moving the development of fundraising strategy and fundraising outside of board control could reduce the demand and burden on boards, attract individuals who otherwise do not have time for full board commitment and establish a clearer distinction between funder-led and community-led program design.

Notably, while these types of councils or committees can be effective, respondents indicated that, when not working well, they can also demand more time from staff in order to bring members up to speed on fundraising trends, provide training or create customized collaborative fundraising tools and tracking files. Also, examples like the Council are one of many approaches required in a diversified fund development plan. While there is no “magic bullet,” it may be worth exploring the potential for fundraising approaches that do not rely so heavily on boards.

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[64] BoardSource. (2017). Leading with Intent – 2017 National Index of Non-Profit Board Board Practices. Available at: https://leadingwithintent.org/.

[65] Larcker, D. Donatiello, N., Meehan, B., and Tayan, B. (2015). *2015 Survey on Board of Directors of Nonprofit Organizations*. Graduate School of Stanford Business, The Rock Center for Corporate Governance, BoardSource, and GuideStar.

## Habitat for Humanity Canada National Leadership Council

In 2011, Habitat for Humanity Canada created a National Leadership Council that consisted of influential Canadians with a shared passion to end poverty and support affordable home ownership. Being on the Council required members to support advocacy and fundraising efforts only. They did not take on any decision-making role in the organization and, as such, did not have the responsibility or liability that comes with board membership. Members co-created engagement activities that were meaningful to them and their contacts and created personalized development plans unique to their situation and how much time they had to help. By narrowing and focusing their role, members were free to engage when and how they wanted to in activities that mattered to them. The Council (with staff) created and implemented the strategy and the Habitat board of directors focused on governance. In just under two years, the Council launched a campaign to raise awareness on the need for a national platform on affordable housing. Their combined advocacy and fundraising efforts led to record-breaking revenue growth for the association.[66]

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[66] Habitat for Humanity Canada. (2012). *Annual Report / 2011*. Available at: https://www.habitat.ca/files/2011-Annual-Report.pdf.

## The Winnipeg Boldness Project

The Winnipeg Boldness Project is a social lab in the Point Douglas neighbourhood of Winnipeg that aims to improve early childhood development outcomes. The project operates using a community governance model where accountability, idea generation and implementation are led by the community. Having a board as a single governance entity was perceived as a barrier to meaningful community engagement. As such, this model does not have a traditional board structure; rather, there is a Stewardship Group responsible for strategic and financial oversight with United Way Winnipeg holding legal responsibility for the project. The work of the Stewardship Group is informed by a funders group and by four Guide Groups comprised of community members and experts that organize the most promising ideas and identify further research opportunities.[67] One of the greatest strengths of this approach is that there is no reliance on a single committee for decision-making and many members sit on more than one group.

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[67] The Winnipeg Boldness Project. (2018). *The Winnipeg Boldness Project – Strengthening a Foundation for Success and Wellbeing: Reflecting Back in Order to Journey Forward.* Available at: http://www.winnipegboldness.ca/wcm-docs/docs/wpgboldnessproject_2yrreview_finalweb.pdf.

## People-centred models of governance

There is growing interest from organizations and their boards to meaningfully engage beneficiaries so that strategies, policies and programs better reflect the needs of the communities and individuals they serve. Organizations like DiverseCity onBoard and UpRising are championing diversity as a means of meaningful engagement, working to place qualified individuals from under-represented groups in leadership and governance roles.[68] [69] While the push for greater diversity on boards is important, there is still the question of whether meaningful engagement can be achieved through board structures alone.

*The Winnipeg Boldness Project* - an innovative approach that is already having a positive impact - has identified new ways of incorporating the needs and views of community members into their governance, strategy planning and evaluation. While it could be described as a participatory model of governance, at the heart of it is a philosophical and cultural shift from asking what should boards do to exploring what governance functions are needed and letting stakeholders lead this process.

> *"We are always challenged to think outside the box, but what we need to do more of is think inside a circle. Centering Indigenous practices, wisdom, ways of thinking and acting in the world. You then bring people into the circle - identifying who can inform approaches. I think the whole world knows about thinking outside the box, but it's really about working collaboratively with the community as a whole to identify solutions within the circle."*
>
> DIANE ROUSSIN
> Project Director, Winnipeg Boldness Project

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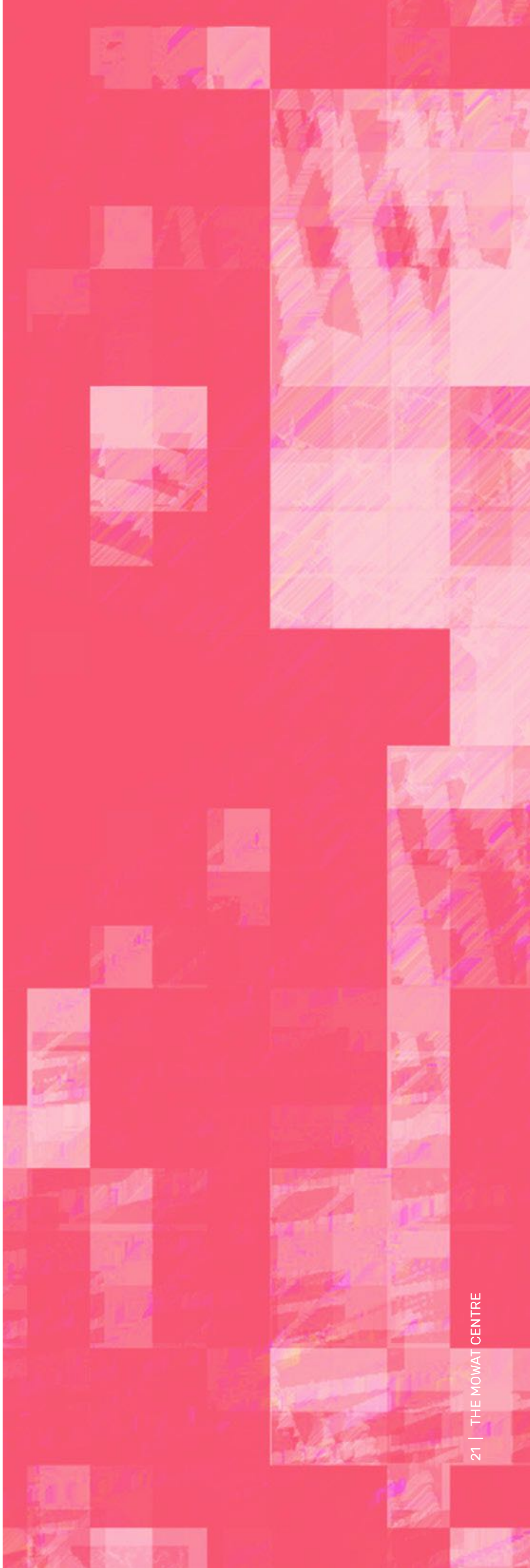
[68] DiverseCity onBoard. (n.d.). *About DiverseCity onBoard.* Available at: http://diversecityonboard.ca/about/.

[69] UpRising. (n.d.). *About Us.* Available at: https://uprising.org.uk/about-us.

## Technological advances and their potential for governance transformation

> *“The challenge is not to create settings where people can share and communicate, but also the means for knowledge to be made public, to be assembled, sedimented, and reflected upon.”*[70]

Emerging technologies are creating opportunities for non-profit organizations to achieve greater impact by collaborating with wider audiences. These technologies, such as *Liquid Feedback* and *DemocracyOS*, can connect large numbers of people to share ideas and engage in public discourse about important social policy issues. Although the capacity of large groups to reason effectively has traditionally been cast with suspicion due to perceived inefficiencies, numerous studies indicate that decision-making is enhanced when individuals pool together skills, knowledge and other resources to solve problems. Using technology, non-profit organizations can develop participatory models of governance that offer more meaningful and direct engagement with their beneficiaries and stakeholders.[71]



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[70] Broadbent, S. (2015). *Collective Intelligence: How does it emerge?* Nesta. Available at: https://www.nesta.org.uk/report/collective-intelligence-how-does-it-emerge/.

[71] Broadbent, S. & Mercier, H. (2015). *To make better decisions find people to argue with*. Nesta. Available at: https://www.nesta.org.uk/blog/to-make-better-decisions-find-people-to-argue-with/.

## Ecology Ottawa

Ecology Ottawa is a non-profit volunteer-driven organization that connects people who are passionate about protecting the environment through canvassing, phone campaigns, online activities and events. They engage interested citizens on specific local issues they care about by joining or leading campaigns, and the teams are structured and re-invented based on the context. A steering committee meets regularly and focuses on day-to-day operations, while the board has three members only (from the steering committee) and focuses on fiduciary duties. All issues go through the steering committee first. The organization also convenes team leaders and key contributors one to two times per year to debrief and discuss strategy. While the engagement organizing model has challenged the organization, it has proven effective at driving results. It allows voters to work directly on issues that matter to them with policymakers, such as moving the city's climate action plan forward.[72] [73]

## Engagement organizing and distributed leadership

> *"This shift to an organizing culture is a big one since it asks us to stop being the experts and acting on others' behalf and instead to start focusing on stepping into the background and encouraging others to act for themselves."*[74]

Engagement organizing "combines community organizing practices, digital tools, data, and networked communications to engage people at scale and win campaigns." It involves aligning and mobilizing people around an issue or shared theory of change, and distributing leadership to achieve success. In engagement organizing, power is shared rather than centering it solely with a board or management team. New digital technologies have facilitated the rise of engagement organizing by enabling organizations and individuals to work with and rally people on issues they care about more than ever before. A growing number of smaller, digital-first non-profits are emerging and will likely challenge more established non-profits competing for attention, volunteer leadership and support.[75]

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[72] Price, M. (2017). *Engagement Organizing*. On Point Press, The University of British Columbia.

[73] Ecology Ottawa (n.d.). *About*. Available at: https://ecologyottawa.ca/about/.

[74] Price, M. (2017). *Engagement Organizing*. On Point Press, The University of British Columbia.

[75] Price, M. (2017). *Engagement Organizing*. On Point Press, The University of British Columbia.

## Funding that supports capacity building, training and new approaches in governance

Funders play an important role in supporting and strengthening governance in the sector. Informants indicated that some funders tie grant contracts to specific governance requirements that are based on existing governance models. But by doing so, funders could be advancing a narrow conception of governance that prevents organizations from innovating. Funding earmarked for capacity building, training and experimentation with governance could assist in addressing this challenge.

## An Example of Municipal Government Leadership in Governance Training and Capacity Building

In 2019, the City of Toronto will be offering Capacity Building Grants to strengthen non-profit organizational governance and resiliency through funding skills training activities.[76] To inform the delivery of these grants, capacity building pilot projects have been proposed.[77] These pilot projects aim to achieve a variety of promising objectives, such as improving representativeness on boards, strengthening trusteeship practices, measuring outcomes of networks and strengthening resident engagement on Neighbourhood Planning Tables.[78] As a result, the Capacity Building Grants intends to support governance that helps non-profit organizations adapt to changing community sector needs, foster diversity and coordinate for impact.[79]

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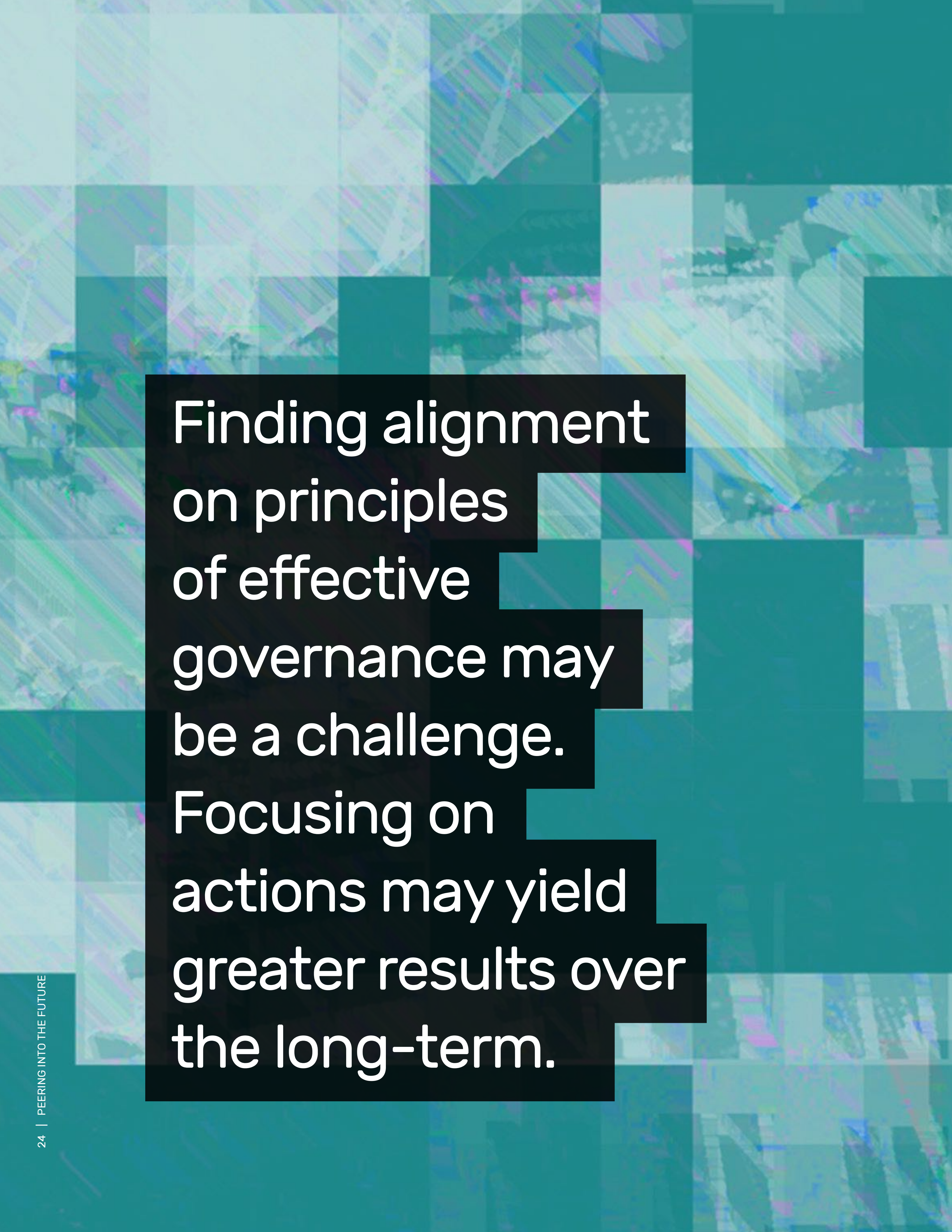
[76] City of Toronto. (2017). *Community Investment Funding Programs – Review and Recommended Framework*. Report for Action. Available at: https://www.toronto.ca/legdocs/mmis/2017/cd/bgrd/backgroundfile-101395.pdf.

[77] In April 2018, the Executive Director of Social Development, Finance and Administration recommended that City Council approve seven capacity building pilot project grants for a total of $1,075,000 in funding.

[78] City of Toronto. (2018). *2018 Allocations Recommendations for Community Investment Fund and Community Service Partnerships Fund*. Report for Action. Available at: https://www.toronto.ca/legdocs/mmis/2018/cd/bgrd/backgroundfile-114557.pdf.

[79] City of Toronto (2018). Available at: https://www.toronto.ca/legdocs/mmis/2018/cd/bgrd/backgroundfile-114557.pdf.



Finding alignment on principles of effective governance may be a challenge. Focusing on actions may yield greater results over the long-term.

# 5 KEY CONSIDERATIONS

As the sector explores new organizational governance approaches, the following should be kept in mind:

## Philosophical differences may also be influencing governance practices

The research pointed to two social organizing practices in the sector that may be seen by sector leaders as being in opposition to each other: social innovation and social justice. Social justice practice prioritizes equity and inclusion. Social innovation practice concentrates foremost on creating solutions to social problems – prioritizing experimentation and new interventions; in this pursuit, social innovators may be less concerned with issues of equity, power dynamics and privilege. [80] [81] A board's philosophical view (social justice or social innovation) may influence the governance functions, practices and processes they adopt. These two competing narratives could be underlying some of the organizational governance challenges experienced in the sector. Rather than see them as points of tension, there are opportunities to borrow from the strengths of each practice to improve organizational governance in the sector. For example, a governance approach that creates a fertile ground for new social inventions and is grounded in meaningful engagement with those with lived experience.

## Governance may be influenced by board members' understanding of impact

How an organization chooses to govern will be influenced by the social context they operate in and how board members interpret achieving "impact." In addition to fulfilling their basic legal obligations in the practice of governing, boards may have fundamentally different perspectives on what constitutes effective mission delivery and organizational management. This can also change with new board members, as they often bring new cultural and agenda changes with them.

Notably, a board's definition of what achieving impact means may be at odds with what staff, volunteers and funders believe or expect (see Figure 6). A shift in a board's concept of impact can lead to significant changes in governance approaches, practices and organizational outcomes.

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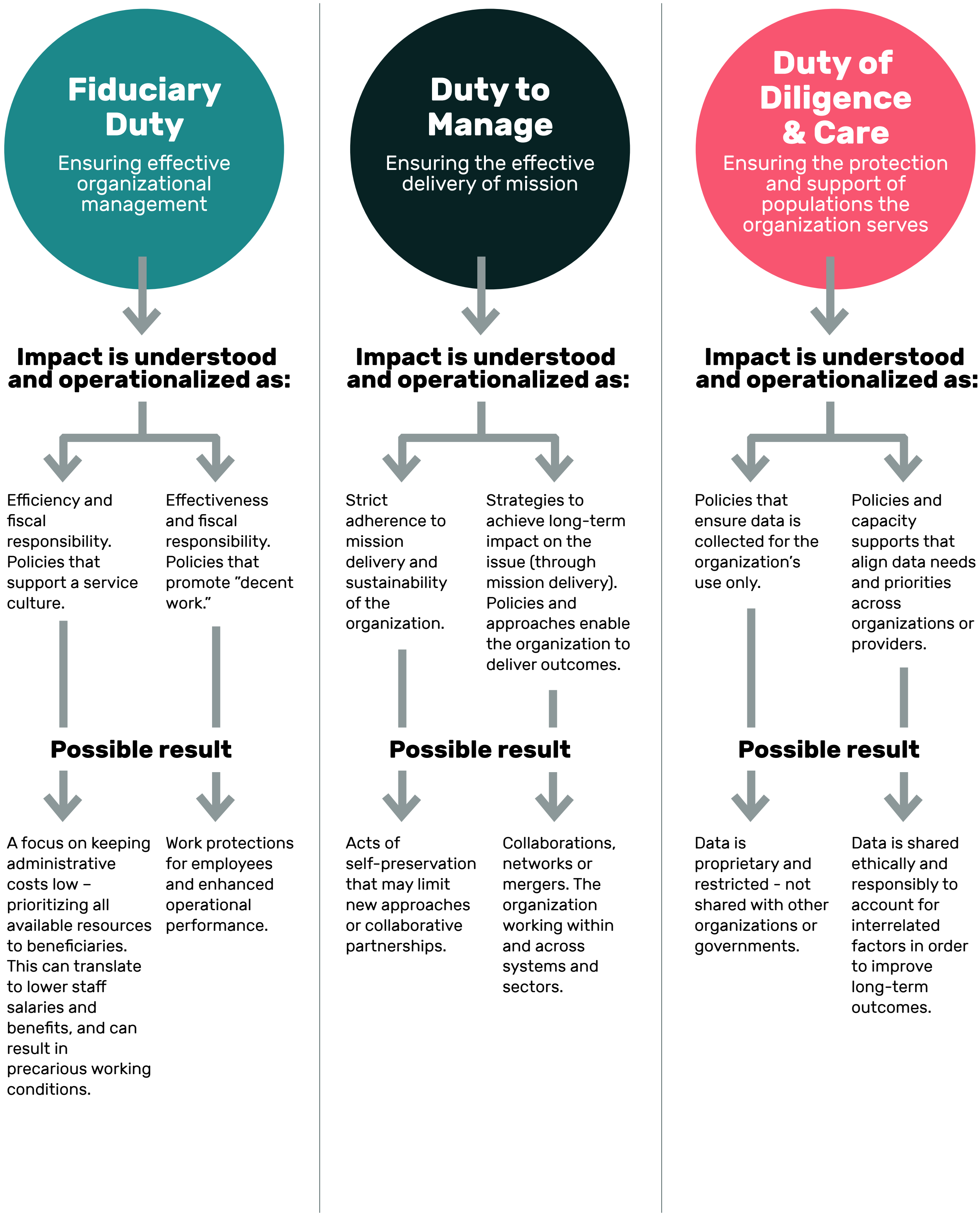
[80] Struthers, M. (2018). *At Odds or an Opportunity? Exploring the Tension between the Social Justice and Social Innovation Narratives*. The Philanthropist. Available at: https://thephilanthropist.ca/2018/03/at-odds-or-an-opportunity-exploring-the-tension-between-the-social-justice-and-social-innovation-narratives/.

[81] Fraser, T. and Glass, J. (2018). *The Promise of Bridging*. Community Knowledge Exchange (CKX). Available at: http://ckx.org/2018/04/the-promise-of-bridging/.

FIGURE 6

Possible Governance Pathways



**Fiduciary Duty**

Ensuring effective organizational management

**Impact is understood and operationalized as:**

Efficiency and fiscal responsibility. Policies that support a service culture.

Effectiveness and fiscal responsibility. Policies that promote "decent work."

**Possible result**

A focus on keeping administrative costs low – prioritizing all available resources to beneficiaries. This can translate to lower staff salaries and benefits, and can result in precarious working conditions.

Work protections for employees and enhanced operational performance.

**Duty to Manage**

Ensuring the effective delivery of mission

**Impact is understood and operationalized as:**

Strict adherence to mission delivery and sustainability of the organization.

Strategies to achieve long-term impact on the issue (through mission delivery). Policies and approaches enable the organization to deliver outcomes.

**Possible result**

Acts of self-preservation that may limit new approaches or collaborative partnerships.

Collaborations, networks or mergers. The organization working within and across systems and sectors.

**Duty of Diligence & Care**

Ensuring the protection and support of populations the organization serves

**Impact is understood and operationalized as:**

Policies that ensure data is collected for the organization's use only.

Policies and capacity supports that align data needs and priorities across organizations or providers.

**Possible result**

Data is proprietary and restricted - not shared with other organizations or governments.

Data is shared ethically and responsibly to account for interrelated factors in order to improve long-term outcomes.

## Future-oriented governance will need to account for cultural considerations

Respondents shared that decision-making practices can sometimes favour dominant cultural norms. For example, the current legal requirements for charities and non-profit organizations require that boards are elected through a voting process and designate an organizational leader. This selection-by-election approach can undermine consensus-style decision-making in traditional systems of Indigenous governance. Rather than operating under the will of a majority, consensus style decision-making involves listening to the views of the community and working towards solutions that are in the best interests of the collective.[82]

Future-oriented governance in the sector will need to recognize and address cultural barriers that are inherent in current governance practices, and this should include exploring how governance can be more inclusive of cultural norms and practices.

## Volunteer boards of directors share the same liabilities as compensated directors in the for-profit sector

Managing liability is an important consideration for both non-profit and for-profit boards, but may require a slightly different approach to ensure volunteer board members are appropriately supported given the potential risks of their role.

As volunteers, board members of non-profits have the same liabilities as compensated boards in for-profit organizations.[83] Saskatchewan is the only provincial jurisdiction in Canada that protects non-profit boards from litigation. While many organizations obtain directors & officers (D&O) liability insurance, it is not required as part of the incorporation process. The insurance is also not entirely comprehensive.[84] [85]

Liability becomes increasingly complex when exploring participatory governance models, where accountability may be decentralized among numerous entities within an organization. Shared leadership does not, under current regulation, transfer or eliminate the liability of sitting board members. As the landscape continues to change and more is demanded of non-profit boards, key questions are emerging. Can volunteers realistically be expected to manage the growing level of complexity? Should they be expected to be held personally liable in certain circumstances? These are important considerations to reflect upon.

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[82] Indigenous Corporate Training Inc. (2017). *What does traditional consensus decision making mean?* Available at: https://www.ictinc.ca/blog/what-does-traditional-consensus-decision-making-mean.

[83] Deloitte LLP. (2013). *The Effective Not-for-Profit Board | A value-driving force reality*. Available at: https://www2.deloitte.com/content/dam/Deloitte/ca/Documents/public-sector/ca-en-public-sector-effective-npo-board.pdf.

[84] Boards may still be held liable for failing to remit taxes, GST, CPP, or unemployment insurance.

[85] Hartley, D. (2009). *Insurance Coverage Non-profits and Charities Need to Understand*. Available at: http://sectorsource.ca/sites/default/files/resources/files/non-profit_insurance_coverage_20090403.pdf.

## It may be worthwhile to explore remuneration

Board remuneration is no doubt a polarizing topic given philosophical differences, concerns over transparency, conflicts of interest and scarce financial resources. Involvement on a board is generally regarded as a way to give back, but is this approach sufficient given increasing demands, recruitment challenges and limited resources?

Offering a payment for board membership could increase the pool of available candidates, help attract individuals that are both highly qualified and passionate for the cause. As paid members, organizations and their constituents could expect more in terms of qualifications, performance, attendance and communications. On the other hand, it could also be seen as an unnecessary expense and could negatively impact public perception and donations.

While this may be a contentious topic, it may be worthwhile to explore the potential for, and implications of board remuneration in the non-profit sector.[86]

## A principles-first approach may be challenging

Reimagining organizational governance in the sector will require a collaborative effort from a variety of actors. Given the diversity of perspectives, values and philosophies, finding alignment on principles of effective governance as a starting point for change may be a challenge. Focusing on actions, such as prototyping solutions or testing new functions or practices, may yield greater results over the long-term. These efforts can inform principles of effective organizational governance for the future.[87]

> *“Organizers of collaboration often want the participants to get back to first principles, and then move logically onto actions. A great deal of experience, and political science, shows that this approach is mistaken. It is much harder to get a disparate group to agree on underlying principles and values than it is to get them to agree on actions.”*[88]

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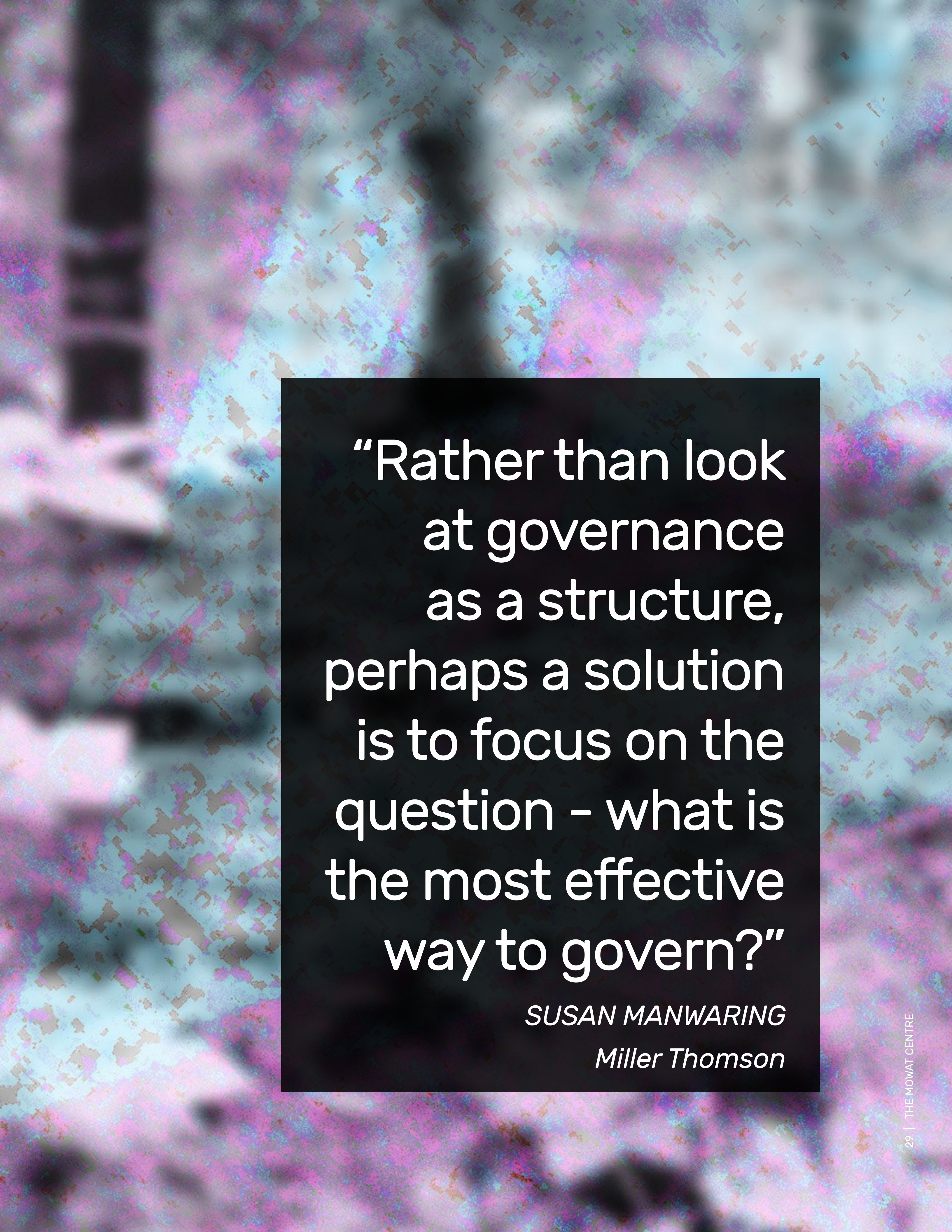
[86] Ontario directors of non-profit corporations that are not charities can receive remuneration for any services they perform, but it must be reasonable and specific requirements must be met. Notably, there are different rules for charitable corporations. Directors of charitable corporations can not be paid for their services as a director, however, this can be overridden by court order or statutory requirements. For example, the Public Hospitals Act requires the CEO to be on the board. For more information, please visit: https://www.ontario.ca/page/guide-not-profit-corporations-act-2010#section-4. The rules regarding remuneration are complex and often require specialized expertise to navigate.

[87] Mulgan, G. (2016). *Collaboration and collective impact: how can funders, NGOs and governments achieve more together?* Nesta. Available at: https://www.nesta.org.uk/blog/collaboration-and-collective-impact.

[88] Mulgan, G. (2016). *Collaboration and collective impact: how can funders, NGOs and governments achieve more together?* Nesta.



> “Rather than look at governance as a structure, perhaps a solution is to focus on the question – what is the most effective way to govern?”
>
> *SUSAN MANWARING*
>
> *Miller Thomson*

# 6 RECOMMENDATIONS

To date, boards of non-profit organizations have assumed the primary role in governance, but this approach is based on custom rather than statutory obligation. The context that the sector operates in has changed significantly in the last few decades. A strict focus on boards as the central governance structure may be limiting opportunities for transformation in the sector. New, adaptive approaches to governance are needed to ensure better responsiveness to social issues, system-wide impact and adaptability to the changing environment.

A new definition of governance is emerging that sees governance as a shared leadership function that extends beyond the board. Rather than focusing on risk and compliance, governance is centred on impact and learning, where innovation is prioritized and balanced against risk.

Sector leaders and funders should explore the following recommendations to assist non-profit organizations in transitioning to new governance models and approaches:

## Promote and incentivize the exploration of governance approaches that are impact driven, rather than siloed and organization-specific

Few organizations will willingly explore non-traditional governance models without significant support or incentives because the transition process is particularly time- and resource-intensive.

To address this inertia, funders and sector leaders:

» Must amplify successful models of organizational governance and collaboration

» Can orient governance models towards missions by connecting board and organizational effectiveness evaluations more closely to organizational outcomes

» Stipulate that governance bodies create explicit mechanisms to engage beneficiaries and stakeholders in strategic decision-making (e.g. citizen councils, youth advisory committees, dedicated seats on the board, community-driven strategic planning sessions)

### Convene to reflect on governance opportunities, challenges, and solutions

Governance is complex and can be a polarizing issue. It will be important to gather sector leaders together to explore the issues and recommendations outlined in the paper in greater depth and build momentum and directions for moving forward. Exploring first and foremost what governance functions must be done rather than what boards must do could lead to innovative approaches to addressing governance challenges in the sector. The discussion questions outlined below provide a framework for moving forward with such a discussion.

### Test and iterate new governance models and approaches

New governance models and approaches, such as those listed in this paper, should be explored further on a case-by-case basis before they are scaled up in the sector (e.g. using digital tools in a collaborative governance capacity, adopting mission-driven metrics for board performance). This approach would demonstrate the value of learning by doing and experimenting with new models before scaling or pursuing broader legislative, regulatory or policy reform. Other models and practices will likely emerge from this type of iterative process as well.

## Emerging Critical Questions for Discussion

» What are some assumptions underlying governance?

» What are the sources of governance inertia in the sector and how can they be overcome?

» What kinds of governance models are high-performing alternatives to the conventional board structure?

» How can governance transition from an organization-specific approach to a systems-level approach?

» What are the core organizational governance functions and where could they be positioned within an organization?

» Will a focus on increasing board engagement, training and resources be sufficient to improve organizational governance in the sector?

» How can governance be more inclusive of different cultural norms and practices?

» What does meaningful engagement look like in practice and how should that inform governance approaches in the future?

» How can funders support an environment that allows for governance innovation?

» How can governance practices facilitate increased data sharing and collaboration?

» How can organizations attract a consistent and sustainable base of leadership and governance volunteers?

» How does the sector acquire people with key competencies required for the future?

» What kind of resources, training or supports are needed to strengthen emerging governance competencies?

## Promote governance through mentorship, leadership training and skills development

There is significant demand for additional resources, training and mentorship as governance roles in, and across, organizations become increasingly complex. The urgency for these supports are amplified due to generational change with retiree baby boomer board members. Future-oriented governance models can position young people strategically as "directors in training."

Organizations that are transitioning to a more systems-oriented approach will need assistance, as the methods of collaboration and information sharing will be a significant departure from existing organization-specific approaches. This could take numerous forms, including mentorship programs, shadowing opportunities with experienced organizational leaders/directors, a support network for CEOs who are undergoing governance transitions, or directing funding to intermediary organizations for governance training and skills development.

## Connect governance initiatives with upcoming policy initiatives

There are several important upcoming policy initiatives at the federal level that may intersect with governance reform. The National Social Innovation and Social Finance Strategy[89] and the Special Senate Committee on the Charitable Sector's upcoming study[90] are both promising opportunities to reflect on, and propose solutions to, existing governance challenges.

> *"These recommendations demonstrate that the answer is in creating a cultural shift that embraces openness, flexibility and change. Approaching governance issues in a future-oriented way – and, where possible, reimagining governance beyond the traditional board structure – is an important part of creating an enabling environment for the non-profit sector more broadly."*
> LINDA MOLLENHAUER
> Ignite NPS

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[89] Employment Social Development Canada (2018). *Recommendations of the Social Innovation and Social Finance Strategy Co-Creation Steering Group.* Available at: https://www.canada.ca/en/employment-social-development/programs/social-innovation-social-finance/reports/recommendations-what-we-heard.html.

[90] The mandate of the Special Committee is to examine ""the impact of federal and provincial laws governing charities, non-profit organizations, foundations, and other similar groups, and to examine the impact of the voluntary sector in Canada." Senate of Canada (2018). Special Committee: Charitable Sector (Special). Available at: https://sencanada.ca/en/newsroom/cssb-new-senate-committee-consider-ways-bolster-charitable-sector/.

# Next Generation Governance

## Emerging Leaders' Perspectives on Governance in the Nonprofit Sector

IgniteNPS PILLAR nonprofit network LYAC LONDON YOUTH ADVISORY COUNCIL ONN/Connect the Sector

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## REIMAGINING GOVERNANCE INITIATIVE

This research is part of Reimagining Governance, which is a collaborative initiative designed to advance new approaches to the governance of nonprofit organizations. In response to a changing environment, it aims to help nonprofit leaders to reimagine a more effective way to fulfill organizational governance, including its structures, processes and practices.

## COLLABORATORS:

**IGNITE NPS** is a foundation which supports research, resources and initiatives which help nonprofit leaders to anticipate change and thrive in a complex environment.

**LONDON YOUTH ADVISORY COUNCIL** is an organization by youth, for youth that strives to ensure young people have decision-making power in public processes. We believe young people's priorities, perspectives and experiences are key in community decision making processes.

**ONN'S CONNECT THE SECTOR** is a network of emerging nonprofit professionals that seeks to promote intergenerational leadership in the sector by creating spaces for idea-sharing, community building, and public policy engagement.

**PILLAR NONPROFIT NETWORK** strengthens individuals, organizations and enterprises invested in positive community impact.

## ACKNOWLEDGMENTS:

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## THE PAPER WAS FUNDED BY IGNITE NPS.

## SETTING THE STAGE

In recent decades, nonprofit governance has been enhanced by new practices that shift boards away from operations, engage board members more effectively, and better explain its roles and responsibilities. Despite these enhancements, the basic form of nonprofit governance remains fundamentally unchanged even though the environments in which nonprofits operate have been transformed. Factors as varied as new technologies, sophisticated financing models, hybrid organizational structures, and shifting demographics have altered the way organizations engage with each other, conduct their work, and accomplish their missions.

> "Structures of nonprofits and philanthropy that we've built during the last 500 years of capitalism's ascent are bound to change – we are so familiar with these enterprises that we often take their structure for granted."
>
> *Philanthropy and the Social Economy (9)*

A Philanthropist article *Forces of Change* describes the nonprofit environment as one "of great complexity, accelerated change and unprecedented competition for resources [1]". ONN's *Leading our Future* calls the environment "unstable, complex, changing and turbulent.[2]" KCI's *Philanthropic Trends* concludes it is a time of "profound disruption… In many of our lives, attitudes and behaviors are changing and as a result, so too are long held rules and definitions". [3]

In addition to creating operating challenges, the environment creates governance challenges that require leaders to have sophisticated competencies for accessing resources, managing complex accountabilities, and navigating strategically. Finding and retaining the right kind of governance leadership is critical to the vibrancy and sustainability of nonprofit organizations.

> ONN's Shaping the Future argues that the challenges reported by leaders "may be an important indicator of the need to rethink the model of leadership in place and whether current strategies and expectations are sustainable".
>
> *Shaping the Future: Leadership in Ontario's Nonprofit Labour Force (39)*

This challenge is complicated by the significant leadership transition that will occur over the next five to ten years as the baby boom generation exits governance leadership and the smaller Gen X can't replace it.

The convergence of these three trends – a static construct of governance, a profoundly shifting sector, and challenges attracting governance leadership – raises some interesting questions:

- Will emerging leaders[4] be attracted to the current structures and practices of governance and engaged by its processes?
- Will there be a leadership gap in governance and if so, what are the implications?
- How might the values and expectations of emerging leaders shape future governance?

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[1] Mollenhauer,L. (May, 29, 2017). Forces for Change: Reshaping How Nonprofit Organizations are Governed, Managed and Resourced. The Philanthropist. pg. 1

[2] Clutterbuck, P., Arundel, C. (2017, July). Leading Our Future: Leadership Competencies in Ontario's Nonprofit Sector. Ontario Nonprofit Network. pg. 13

[3] Spears, M.A., Nakoneshny, N. (Summer 2015). The Change & Adaptation Issue. Philanthropic Trends Quarterly. KCI Ketchum Canada pg. 2

[4] **We don't have a formal definition of 'emerging leaders' but for the purposes of this paper we describe them as the youngest cohort of Gen X (e.g. born 1979 – 1982) and millennials (born between 1980 – 1995) who are currently holding leadership positions.**

This paper explores the trends, some next generation leaders' views about governance, and considers how the next generation of governance could change to meet their needs and expectations. Along with presenting ideas and solutions, the paper explores three themes which emerged in the research :

- Attracting governance leadership volunteers
- Fulfilling the competency requirements
- Responding to new rules of engagement

> "Charities must think ahead to be sure they are ready for what the future holds. Every successful organization must be able to create the conditions that will enable future success."
>
> *KCI's Philanthropic Trends Quarterly, The Future of Fundraising ( 2)*

## A JOURNEY OF DISCOVERY

This paper is based on research that involved an extensive literature review as well as focus groups and telephone interviews with just under 100 thought leaders. These thought leaders – our research participants – include emerging leaders in the nonprofit sector as well as more established leaders who have a deep understanding of governance and the challenges of leadership. Although we drew participants from a readily accessible network, we sought a wide diversity of perspectives. The focus groups and interviews were not formally structured; they were conversations guided by open-ended questions and probing.

### THE RESEARCH WAS GUIDED BY FIVE CHALLENGING PARAMETERS:

- This was not research on how to attract and retain young leaders to participate on current boards. Rather it was research on what governance could or should look like when emerging leaders are the majority among governance leaders.
- Nonprofit organizations vary by size, resources, purpose, geography, and lifecycle. These vast differences impact the nature of their leadership challenges and opportunities. Leadership is complex; there are no simple answers for the challenges facing the sector.
- We were mindful of generational stereotyping, recognizing that you can't 'lump an entire generation into a single group'[5] with the same perspectives, attitudes and experience. We also worked to distinguish between generational characteristics that are age-specific and those that might continue throughout adulthood. For example, just because a younger leader is seeking short-term volunteer experiences to build a resume doesn't mean that resume building will be a prime motivation later in life.

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[5] Environics Institute. (2017). Canadian Millennials: Social Values Study. The Environics Institute. pg. 1

- Much has been researched and written about emerging staff leaders in nonprofit organizations but very little about emerging governance leaders. We believe many observations and findings about paid leadership can be applied to volunteer governance leadership.
- It is tough to predict the future of nonprofit governance based on what we know today about emerging leaders. As a result, this paper raises more questions than it answers. However, we believe it is critically important to anticipate where the issues, barriers, and opportunities lie.
- A great deal is at stake given the critical role of governance in driving the effectiveness and sustainability of nonprofit organizations.

Given these parameters, we approached our research and wrote this paper on next generation governance with an eye to challenging the “enchantment and tenacity of the status quo”.[6]

## NEXT GENERATION GOVERNANCE: CHALLENGES AND OPPORTUNITIES

Our literature review, focus groups, and conversations with thought leaders revealed challenges and opportunities for next-generation governance over the next decade. We highlight these on the following pages and identify things the sector should consider now to succeed later.

### I) ATTRACTING GOVERNANCE LEADERSHIP VOLUNTEERS

> “While social entrepreneurship is not a new practice, its buzz in the business world overshadows the fact that charities and nonprofits are the original social entrepreneurs…. Reinforcing the fact that (it) is a practice within the nonprofit sector can…help increase awareness.”
>
> *Setting the Stage for Intergenerational Leadership, The Philanthropist (1)*

#### EMERGENT QUESTIONS

- What are the implications if emerging leaders are drawn to alternative organizational models that achieve social good rather than to traditional charitable organizations?
- Will the transition in governance leadership create a vacuum or generate an opportunity?
- How will emerging leaders’ perceptions influence the degree to which they take on governance leadership roles? What should be done to ensure that emerging leaders have positive governance experiences now?

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[6] Spears, M.A., Nakoneshny, N. (2016, Summer). The Innovation Issue. Philanthropic Trends Quarterly. KCI Ketchum Canada. pg. 4

## EMERGING LEADERS HAVE ATTRACTIVE ALTERNATIVES TO "DO GOOD"

Emerging leaders who want to do good and create social impact have several options. They can choose a traditional nonprofit organization or a hybrid organization such as a social enterprise or social entrepreneurial venture. These hybrids blur the line between business and social good by creating profit to finance social good in a way that is "innovative and self-sustaining".[7]

> "Millennials will soon become some of the most powerful economic and social decision-makers. They will not just work more, but lead more. As Dianne Lister noted recently, the 'charitable sector is undergoing the largest transition of leadership ever faced in Canada."
>
> *Learning How to Do Succession Planning from Younger Leaders* (1)

Alternatively emerging leaders can choose to work for corporations with strong social responsibility programs or cause-driven initiatives. Even the growth in vibrant, technologically savvy networks and movements creates competition for traditional nonprofit organizations that are trying to recruit high-quality leadership volunteers.

The 2009 *Convergence* report about trends shaping the social sector describes this recruitment challenge as follows:

> Although the nonprofit sector has historically had a monopoly on doing good, nonprofits now must consider public agencies, for - profit corporations, networks, an even informal collections of individuals among their potential competitors and partners. What does it mean for the sector when nonprofits are no longer society's preferred way to accomplish social goals? Some already argue that the best way to address important social causes is with a for-profit, market-based solution.[8]

The 2013 *Giving, Volunteering and Participating* survey found that "more volunteering is being done by less people and those people are more often than not, of the boomer generation and older". In the article, *The Future of Volunteering* (July 2016), Volunteer Canada's Deborah Pike wonders whether "fewer people (are) volunteering or are more people choosing to get involved outside of defined positions within organizations?"[9]

The perceptions that emerging leaders form when they work as interns, contract workers, staff, and volunteers in the non-profit sector may influence their future desire to take on governance leadership roles. Many studies have shown that Gen X and millennials value the sector's work. However, some of the emerging leaders who participated in our research voiced frustration with their volunteer experiences, particularly their experiences serving on boards and being expected to represent their entire generation. They wonder whether emerging leaders who have negative experiences early in their careers will turn to alternative ways to create social impact.

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[7] Clutterbuck, P., Arundel, C. (2017, July). Leading Our Future: Leadership Competencies in Ontario's Nonprofit Sector. Ontario Nonprofit Network.pg. 15

[8] Gowdy, H., Hildebrand, A., La Piana, D., & Campos, M. (2009, November). Convergence: How Five Trends Will Reshape the Social Sector. The James Irvine Foundation pg 23

[9] Levy-Ajzenkopf, A. (2016, July 27). The future of volunteering? It's a campus thing. Charity Village

## THE TALENT POOL NEEDS TO BE NURTURED

Two converging realities will impact the size of the talent pool for governance leadership.

First, there will be a significant exodus of nonprofit governance leaders as the baby boom generation vacates leadership roles over the next decade. This is concerning given that the Gen X cohort is approximately half the size of the boomer generation[11], the oldest millennials are in their thirties, and the youngest millennials in their early twenties. The shortfall in the governance leadership pool is amplified in rural communities when young people move away for school and work and don't return.[12]

The second reality is that many nonprofit organizations, particularly the resource challenged, struggle with long-term governance succession planning and investing in professional development for emerging leaders. This means the talent pipeline is not being nurtured, a point noted by many of the emerging leaders we interviewed who feel there aren't enough professional development and mentoring opportunities for them to build their confidence and grow as leaders. Even when nonprofit organizations are intentional about recruiting emerging leaders for governance positions, informants felt that members of the older generations – the people doing the recruitment – sometimes struggle to gauge the leadership potential of emerging leaders whose career paths are nonlinear, multi-faceted, and different from their own. One informant said "they don't know how to read my resume". *The Millennial Report* explains the difference as follows:

> "The baby boom grew up in a time where (people) tended to remain at the same job or company and support the same institutions for years. Millennials live in a more "global economy… They travel more, … change jobs more, obtain more education, develop relationships far differently…than any previous generation".[13]

It is worth noting two other perspectives that appear in the literature. The 2007 report, *Next Shift*, cautions that the "nonprofit sector itself is in crisis and the emphasis only on leadership transition reinforces rather than challenges the prevailing issues facing nonprofit organizations".[14] The authors make the case that for young leaders, the next decades will mean a different type of sector with different kinds of leadership.

Another perspective is that we may need fewer governance leaders in the future if the trend of nonprofit mergers, consolidations, and adoption of shared platforms continues. ONN's *Leading the Future* reinforced this view:

> The more turbulent environment with increased competition for limited resources favours the 'bigger', better resourced players or the smaller, innovative and nimble organizations. Some think that this will lead to a rationalization and consolidation within the nonprofit sector and a phase of restructuring, mergers and amalgamations.[15]

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[11] **There are currently 80 million baby boomers and 42 million Gen X in the U.S. The same approximate difference is true in Canada. From an interview with David Hutchinson, President, Cause Leadership Inc.**

[12] Clutterbuck, P., Arundel, C. (2017, July). Leading Our Future: Leadership Competencies in Ontario's Nonprofit Sector. Ontario Nonprofit Network pg. 14

[13] Achieve. (2016, November). Cause, Influence and The Workplace - The Millennial Impact Report Retrospective: Five Years of Trends. Achieve. pg. 1

[14] Kunreuther, F., Corvington, P.A. (2007). Next Shift: Beyond the Nonprofit Leadership Crisis. Annie E. Casey Foundation.pg. 1

[15] Clutterbuck, P., Arundel, C. (2017, July). Leading Our Future: Leadership Competencies in Ontario's Nonprofit Sector. Ontario Nonprofit Network. pg. 24

### PERCEPTIONS ABOUT GOVERNANCE CAN BE A DETERRENT

Emerging leaders' perceptions about governance may influence their future willingness to actively engage as leadership volunteers. Many of our research participants view governance as "daunting" and "demanding" and describe the work as "fulfilling onerous accountability requirements" in a climate of "chronic underfunding" and without the "ability to innovate".

Some research participants talked about the "heavy lifting" required in organizations that have no or few staff and wondered if it is possible for governance volunteers to make a meaningful impact if their work is consumed by fiduciary and operational issues. Participants also questioned whether emerging leaders will be willing to assume governance roles if the perceptions and realities of governance work don't change.

> "The best way to teach proper board roles and transmit board culture is for great board members to model the behavior."
>
> *A research participant*

## II) FULFILLING COMPETENCY REQUIREMENTS

### EMERGENT QUESTIONS

- Is it reasonable to assume that all of the competencies required for effective governance can be met by board members? What are the implications if the answer is no? Are there other ways nonprofits can acquire these competencies?
- Given there is no shortage of committed and talented people, what can we do to ensure that emerging leaders are developing the competencies they will need to become strong governance leaders?
- What are the implications for effective governance if the sector struggles to recruit and retain the competent managers needed to support complex board work?
- How can inclusion be imbedded into organizational cultures so that nonprofit organizations can not only recruit from a more diverse pool of governance leaders but also ensure that such recruits feel included?

> "Younger leaders wondered if the fact that they actually looked different by race and/or gender made it hard for older leaders… to see them as serious candidates….each generation may have differing experiences with race and gender and hold differing views of how these constructs operate within organizations."
>
> *Next Shift: Beyond the Leadership Crisis (9)*

## GOVERNANCE IS COMPLEX AND REQUIRES SOPHISTICATED, SKILLED LEADERS

To operate effectively in increasingly complex and competitive environments, nonprofit organizations need governance volunteers who have sophisticated and multifaceted skills, knowledge, and experience. Research participants are concerned about the capacity of future leaders to meet these requirements.

From conversations with the people who participated in our research and publications like ONN's *Leading Our Future*, we identified several competencies essential for governance leadership: the capacity to manage complex data sets, maneuver through diverse eco-systems, access and steward sophisticated financing models, and create strategy in a constantly changing environment. Governance leaders must be comfortable innovating while also managing demand and risk. In addition, governors must be open, empathetic, agile, engaging, and reflective people who can thrive in complexity.

One participant said that "governance leaders need super hero skills to do it all". Another commented that "the increase in venture philanthropy and similar kinds of funding requires a high degree of trust in leadership competencies. It won't be good enough to say we can't find those competencies and attract them to our organization."

While there is growing recognition about the complexity of governance, there has not been a corresponding investment in developing governance leadership. Many research participants believe that emerging volunteer leaders are not given the opportunity to learn about governance and hone their skills.

They also wonder whether nonprofits will be able to attract and retain managers with the ability to provide governance volunteers with the support they need to do the complex work of governance. (The literature makes the case that there is a correlation between strong management and effective governance.) One participant observed that "if we aren't working now to ensure that quality staff is in place, then it will have implications for the future of governance". Through its *Decent Work* movement, ONN is working with sector leaders to address barriers to recruitment and retention of staff leadership such as non-competitive wages, precarious work, and unrealistic work expectations.

> "They (nonprofits) are still thinking of people in terms of the identities they represent rather than their experiences."
>
> *A research participant*

## DIVERSITY AND INCLUSION ARE IMPERATIVES FOR STRONG GOVERNANCE

Research shows that diverse perspectives create more informed and rich decisions. While most nonprofit board members understand this and believe that diversity improves governance, most nonprofit boards do not include a wide range of identities, backgrounds, and characteristics such as age, ethnicity, life experience, and perspective. Most of the people we talked with see this as a glaring shortcoming and view board diversity and inclusion as urgent, strategic imperatives. In the words of one participant, "organizations that don't put a high value on governance diversity and inclusion will be left behind".

In 2010, Ryerson University's DiverseCity Counts research project found that only 12% of volunteer board members in the Greater Toronto Area were visible minorities while 50% of the GTA's population were visible minorities.[16]

In the 2014 report, *Diversity and Inclusion*, Mowat NFP, draws the following conclusion:

" Millennials born outside the country and those with non-white ethnicity make up a significant proportion of the generation, the most ethnically-diverse in the country's history ."

*Canadian Millennials Social Values Study (3)*

> Based on recent survey findings, the not-for-profit sector in Ontario does not appear to be diverse in its leadership, or to have a strong commitment to diversity and inclusion at the organizational level. For many in the sector, this is not news. Although many organizations in the sector may have a strong ethos around equity and inclusion, this does not necessarily translate into organizational practice.[17]

Much of the literature, and many of the people who participated in our interviews and focus groups, stress that it will not be enough for governance leadership to look more diverse. Governance cultures and structures will have to change to support and enable genuine inclusion and equity so that one group does not have the power to include or exclude another. Deep organizational commitment to inclusion will need to replace what our research participants described as "tick the box" exercises, which lead to tokenism.

As Allyson Hewitt and Miranda Hassell say in *Empowering the Next Generation Requires a Sector Wide Culture Check* "…diversity alone is not inclusion – it is the mix, and inclusion is getting the mix to work well together". They believe it is crucial for leaders to have the "humility to surrender power and examine their own biases, as well as the courage to leverage their position of leadership to make change.[18]

## III) RESPONDING TO NEW RULES OF ENGAGEMENT

### EMERGENT QUESTIONS

- If emerging leaders expect participatory, agile, creative and collaborative workplaces that provide a fluid work and life experience, then they will likely expect the same from their nonprofit governance experiences. What does this mean for the way governance work is done? Does it mean that boards should not sit on top of the organizational chart?
- Technology supports new ways to participate, collaborate, create, and engage. How does this change the way that leaders of the future should conduct governance?

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[16] DiverseCity Counts 2, A Snapshot of Diverse Leadership in the GTA. (2010). DiverseCity: The Greater Toronto Leadership Project. The Diversity Institute, Ryerson University. pg. 13

[17] McIsaac, E., Moody, C. (2014, February). Diversity & Inclusion: Valuing the Opportunity. Mowat NFP. pg. 1

[18] Hassell, M., Hewitt, A. (2018, May 28). Empowering the Next Generation Requires a Sector Wide Culture Check. The Philanthropist. pg. 1

- How can we enable new leadership styles that fit with emerging governance leaders' values and interests?
- How will governance roles, governance responsibilities, and recruitment strategies need to change so that Gen X and millennials will see their contributions as creating measurable impact addressing issues?

"The environment in which nonprofits operate are quite different than when the baby boom generation entered the sector… many organizations continue to operate in similar ways for the past 30 years. Younger leaders are not attracted to traditional models and are trying to find new ways to organize and structure work ranging from entrepreneurial models to shared leadership and broader participatory structures."

*Next Shift: Beyond the Leadership Crisis (2)*

## EMERGING LEADERS SEEKING NEW APPROACHES TO GOVERNANCE

Emerging leaders want to be a part of participatory, open, innovative, interactive, and engaging organizational structures and decision-making processes. While the literature focuses mostly on changing workplace expectations, our research participants agree that these same characteristics should be present in governance culture and work. As one key informant said, 'board work can't be an exclusive space with decisions made behind closed doors'.

Research participants believe that an organization's operating structures, practices, and culture will be mirrored in its governance. In other words, if staff work in a hierarchical, closed structure with rigid protocols, it's likely that leadership volunteers will govern in a similar environment.

*The Future of Nonprofit Leadership* states that "Young leaders are more interested in flattened hierarchies, networked organizations and participatory approaches. Though one model has not taken hold, younger leaders are searching for structures that would free people to make informed decisions and act quickly on the best ideas wherever they exist in the organization". [19]

ONN's *Leading Our Futures* concurs. "Leaders will need to develop more flexible and connected organizational models based on diversity that support shared-decision-making and exchange of information and ideas."[20] It goes on to say that "Formally structured nonprofit organizations will be reinvented…Work will be done differently and processes and protocols that define organizations will be less important…Only organizations that are best able to adapt will grow and survive."[21]

"We are more outspoken and are natural activists. I'm not interested in just showing up."

*A research participant*

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[19] Mont, S. (2017, March 31). The Future of Nonprofit Leadership: Worker Self-directed Organizations. Nonprofit Quarterly. pg. 1

[20] Clutterbuck, P., Arundel, C. (2017, July). Leading Our Future: Leadership Competencies in Ontario's Nonprofit Sector. Ontario Nonprofit Network. pg. 17

[21] Clutterbuck, P., Arundel, C. (2017, July). Leading Our Future: Leadership Competencies in Ontario's Nonprofit Sector. Ontario Nonprofit Network. pg. 25

New forms of leadership – shared, distributed, and collective – enable more open, transparent, and collaborative ways of working. Whereas traditional leadership involves "individuals with formal positions atop hierarchies whose direction people follow", shared leadership "happens when we maximize everyone's ability to step into, at the right time, to the leadership they are most suited for while coordinating our activity to achieve an impact larger than the sum of the parts…. The *Ready to Lead?* study shows us that very few people want the first kind of leadership because it is unsustainable and unfulfilling.[22]

Shared leadership models require different attitudes and behaviours. In her review of the book *New Power*, which appears in the September 2018 issue of *The Philanthropist*, Hilary Pearson writes that the authors:

> assert a boldly-stated belief that human mindsets and behaviors are themselves being transformed by what the authors call 'ubiquitous connectivity'….This arises from the ever-widening adoption of the digital technologies that link us…that enable us to communicate broadly, rapidly and yet intimately……Technology gives us all (or all that can assess it) ways to participate, to collaborate, to create, and to engage in new forms of community.[23]

Emerging leaders grew up with digital technology and ubiquitous connectivity and will expect nonprofits to implement strategies that invite and integrate multiple voices in governance decision-making.

Research participants told us that governance work needs to be engaging. While this should be true for all generations, it is a "deal breaker" for emerging leaders. This is a problem for the nonprofit sector given that participants describe the onerous tasks of compliance as "boring, mundane, and tedious". As one pointed out, board work has to be more than just a mechanism for fulfilling accountability: "If legal compliance is all that we're doing, then three people could do that work".

Research participants recognize the importance of fiduciary responsibilities but believe there are better, more efficient ways to fulfill them. For example, technology could be used to get procedural work "off the table" so that in-person meetings can be used for strategic and generative conversations. Participants also talked about the importance of finding the middle ground or "sweet spot" between rigid rules and protocols and more creative, open and agile processes. A number of participants referenced *Robert's Rules of Order* as an example of an unnecessarily rigid approach to meetings.

> "I don't think these emerging leaders will tolerate a lot of red tape and jumping through twenty hoops to become leadership volunteers."
>
> *A research participant*

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[22] Mont, S. (2017, March 31). The Future of Nonprofit Leadership: Worker Self-directed Organizations. Nonprofit Quarterly. pg. 1

[23] Pearson, H. (2018). Book Review: New Power: How Power Works in the Our Hyperconnected World – and How to Make it Work for You. The Philanthropist, September 3, 2018. pg. 1

## EMERGING LEADERS ARE LOOKING FOR IMPACT

While volunteer leaders from any generation want to have a clear sense of purpose and do meaningful work, emerging governance leaders are more adamant about wanting to directly contribute to impact and in particular to "move the needle" on entrenched social issues. Whatever governance role or responsibility they fulfill, they want a direct link to organizational outcomes.

The article, *Show Me the Impact*, describes how this plays out in emerging leaders' philanthropy.

> They want to be hands-on in leveraging their money, time and talent to achieve measurable results, particularly related to perennial issues and root causes. The top reasons for giving aren't to gain social status or participate in the right social circles or giving out of obligation, they want to move the needle fundamentally and substantially on an issue; they want proof of impact. [24]

This drive for impact influences the way emerging leaders, particularly millennials, engage with the sector:

- millennials "do not respond to the 'ladders of engagement' model long used by nonprofit organizations, wherein the cause's needs supersede the audience preferences"[25]
- "organizations must inspire millennials to work through and with their cause, rather than for their organization. Millennials will constantly challenge an organization's relevance… Ultimately, they want to lend their knowledge, expertise, and time to help the people or issues the organization touches – not necessarily the organization itself." [26]

Emerging leaders' desire for impact and their experience with social media and other technologies enables them to readily see the value of working collaboratively through networks and across systems to address entrenched social issues that can't be solved by single organizations working in isolation. For millenials and Gen X, networked action is a natural go-to strategy.

Emerging leaders' acceptance of networked action fits with what an article in the *Stanford Social Innovation Review* describes as a shift in mindset from "organization-level goals to networked-level impacts". According to the authors, "unlike traditional nonprofit leaders who think of their organizations as hubs and their partners as spokes, networked nonprofit leaders think of their organizations as nodes within a broad constellation that revolves around their progress toward mission". [27]

Emerging leaders will need to fulfil organization-level governance responsibilities while also participating in system-level governance with multiple organizations that cross sector boundaries.

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[24] Goldseker, S., Moody, M. (2017, November 13). Show Me the Impact. Stanford Social Innovation Review. pg. 1

[25] Achieve. (2016, November). Cause, Influence and The Workplace - The Millennial Impact Report Retrospective: Five Years of Trends. Achieve and. The Case Foundation.pg. 12

[26] Feldmann, D., Yu, E. (2014, June 18). Millennials and the Social Sector: What's next? Stanford Social Innovation Review.pg. 3

[27] Marciano, S. Wei-Skillern, J. (2008) The Networked Nonprofit. Stanford Social innovation Review. pg. 2

## IDEAS AND SOLUTIONS

Based on our literature review and conversations, we have identified ideas and solutions that can help ensure that in the future, governance leadership will be well populated and have the right competencies to navigate in a complex environment. We have framed these ideas and solutions as actions that cluster into two categories: system-level and organization-level.

### SYSTEM-LEVEL ACTIONS

- Support the ONN and sector leaders' work building Decent Workplaces to attract and retain next generation leadership as paid employees. This is important because effective next-generation governance will need support from strong next-generation managers.
- Ensure emerging leaders' experiences with the nonprofit sector – as interns, contract workers and volunteers – create positive impressions that draw them to volunteer leadership positions.
- Examine the broader system and sector culture to identify opportunities and barriers to creating innovative ways of fulfilling governance responsibilities.
- Develop a narrative about governance work that aligns with emerging leaders' interests, values, and motivations. Ensure that the value proposition describes what nonprofit organizations can achieve that cannot be achieved, or done as well, by hybrid organizations and corporate social responsibility programs. Make sure the narrative about governance aligns with reality.
- Ensure that emerging leaders are always included in conversations about organizational and systems change and new governance approaches.

### ORGANIZATION-LEVEL ACTIONS

- Find ways to make the work of governance more engaging and agile, including using technology as appropriate.
- Create opportunities for innovation and social entrepreneurialism and develop participatory, open, and interactive organizational structures and shared-decision-making processes that draw emerging leaders.
- Demonstrate the impact your organization is achieving and the difference it is making on big, entrenched issues.
- Invest in your organization's long-term governance succession planning – look beyond the immediate recruits to next generation leaders. Make more space available for young and emerging leaders to participate effectively in governance.
- Grow emerging leaders' capacity to be strong and capable governance leaders by offering professional development programs, formal mentoring, and other learning opportunities. Appreciate that many emerging leaders are time-crunched.
- Examine your organization's governance culture to ensure it allows for new leadership styles to emerge and new ways to conduct governance.
- Build an inclusive governance culture so the board can attract and retain members of what is becoming an increasingly diverse pool of leaders.
- Create and nurture intergenerational connections and conversations about next generation governance to increase understanding about generational differences and similarities.

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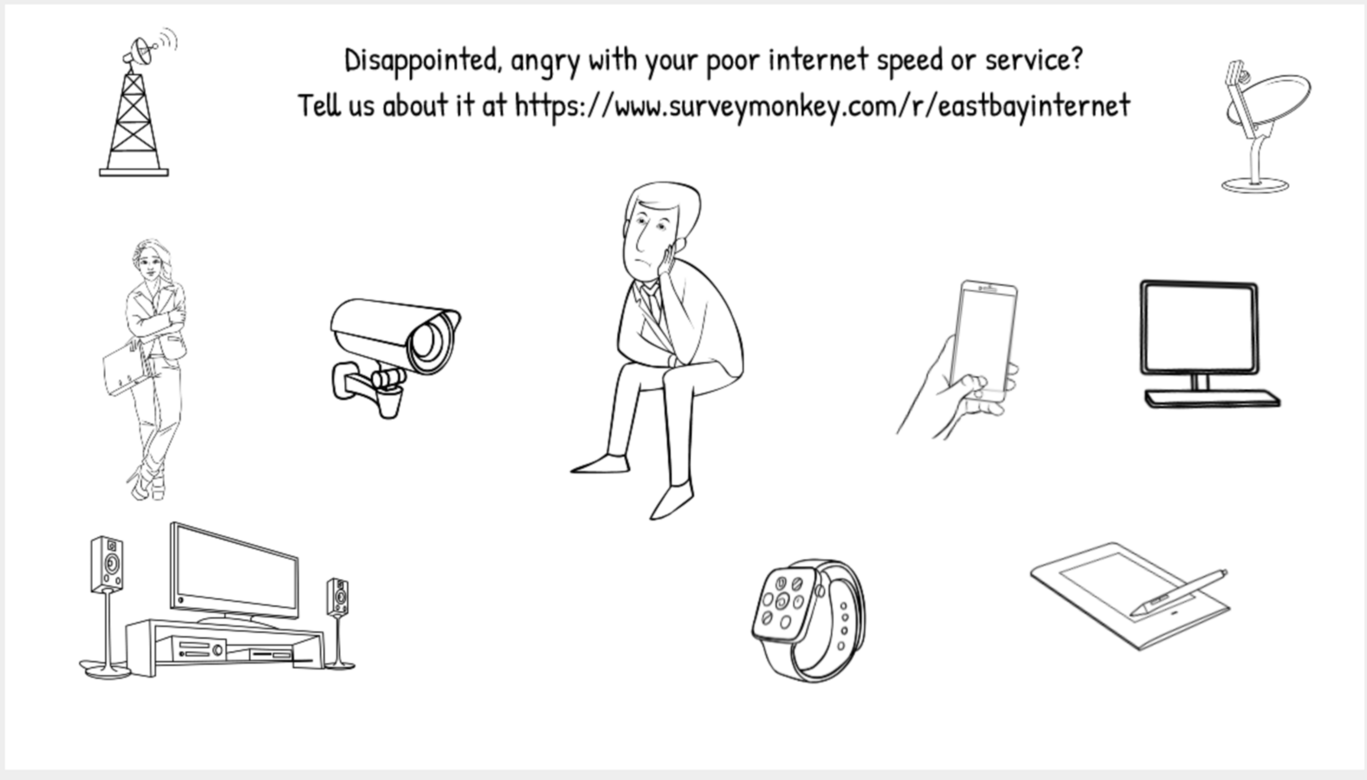
# APPENDIX F

1. Survey of Internet Service for East Bay (p.2-5)

2. Survey and Results of Internet Service for Victoria County (p.6)


Disappointed, angry with your poor internet speed or service?
Tell us about it at https://www.surveymonkey.com/r/eastbayinternet

# THE EAST BAY AREA COMMUNITIES COUNCIL
# SURVEY OF INTERNET SERVICES

Internet availability and speed varies widely in the East Bay Area Communities Council area. A few people have very good and reliable service, many have very slow and/or intermittent service affected by weather or terrain, and quite a few have no available service. For a wide range of reasons, ranging from business needs to health-care needs, this needs to change. But your Council and their possible partners (e.g., CBRM, internet providers, et al.) needs to have current and clear information on what services are currently being used and whether these are meeting our residents' and business' needs. A short survey can now be filled out in just a few minutes by every household that can provide us with this valuable information needed to achieve change.

Please, go to https://www.surveymonkey.com/r/eastbayinternet today – **and, for sure, before February 24** – and complete the quick survey. If you don't have access to a computer or internet to fill out the survey, please pick up a printed copy at the East Bay Post Office and, when completed, return it to the box provided in the Post Office. We need your help, and appreciate you taking the time to do this! Questions? Call Jacke Scott at 578-8810 or Don Crosby at 322-5158 (after 5pm, please!).

# Survey Regarding Internet Service in the East Bay Area Communities

Many parts of the wider East Bay and area community are significantly underserved in terms of internet access and speed. This limits our opportunities for;

1. Fully competitive economic development by small businesses, social enterprises or co-operatives, or those who are self-employed.

2. Access to planned NS Department of Health health-related services supported mainly through internet access, especially impacting those of us in rural areas.

3. Many training and education opportunities now available principally online to those of us living in more rural areas.

A small sub-committee of residents believe we need more options. This survey is intended to provide more information from residents about their needs. This will help the East Bay Area Communities Council to better inform government authorities and commercial suppliers of our internet requirements.

Please fill out this survey to assist in this work – It should take 5 minutes or less. **We would be grateful to have it completed no later than February 24,** in order for us to keep this project moving. If you have any questions, please don't hesitate to contact Jacke Scott at [redacted] by text or voice, or [redacted] by email.

1. If you are a currently a user of **internet services** in your home, please check the name of your carrier (or write in the provider name if it's not listed here):

☐ Bell Aliant

☐ Seaside

☐ Other (please specify) ____________________

2. If you are a currently a user of **cellphone services** in your home, please check the name of your carrier (or write in the provider name if it's not listed here):

☐ Bell Aliant

☐ Eastlink

☐ Rogers

☐ Telus

☐ Other (please specify) ____________________

3. If you are a currently a user of **satellite services** in your home, please check the name of your carrier (or write in the provider name if it's not listed here):

☐ Bell

☐ Shaw Direct

☐ Xplornet

☐ Other (please specify) ____

4. To determine the level of service provided by your supplier you can download a speed test (OOKLA) to run the download and upload speeds. Please provide if you have this down/up speeds information. Otherwise, please contact jtscott4713@gmail.com or 578-8810 for more information.

Download Speed (Mbps) ____

Upload Speed (Mbps) ____

5. Please indicate on the provided space the number of separate internet-reliant devices in your home:
Computer

Tablet (#)

Streaming Devices (Netflix, Roku, Amazon Fire, Apple TV, Google Chromecast, Other)

Cellphone

Security

Other (video doorbell, smart TV or appliances, wireless pet fences, etc.)

6. Please provide your monthly internet connection cost:
____

7. Please check an estimate of your typical internet use in one of the following four levels;

☐ High download demand (i.e. business use, video for education and other use)

☐ Medium download demand (Facebook, Twitter other social media)

☐ Moderate or High two-way demand (Conferencing, FaceTime, Google Duo, Skype)

☐ Relative low demand (texting, email)

8. Do you use your internet for business?

☐ No

☐ Yes - I am self-employed

☐ Yes - I am a business owner

☐ Yes - I am an employee with off-hour business internet responsibilities

9. Will future demand for Internet expand in your home or business ***if*** connectivity improved? (check all that apply)

☐ Business and employment use

☐ Health-related services (e.g., nurse/doctor video visits, physio, nutrition/dietary counselling, mental health services, support group and home care contact, etc.)

☐ Educational/training (e.g., courses/tutoring, certification tests, etc.)

10. In what part of the East Bay community do you live?

☐ Portage/Morley Road

☐ Gillis Lake

☐ East Bay (between Eskasoni Road and Ben Eoin)

☐ Ben Eoin

☐ St. Andrew's Channel

☐ Big Pond

☐ Loch Lomond

☐ Northside East Bay

☐ Islandview

☐ Other (please specify) ____________________

11. How many people in each age range live in your household?

Birth to 15

16-30

31-50

51-70

71+

# Broadband Survey Results – March 2016

1) **How many people in your household use the internet ?**
a) 86% 2 or more individuals, b) 19% - 4 or more

2) **In what district in Victoria County do you live?**
a) All districts were involved in the survey with District 4 having the most responses at 32%.

3) **Who is your Internet Service Provider ?**
a) 67% Bell Aliant and 30% Seaside Highspeed

**4) How many devices do you have in your home that are connected to internet ?**
a ) 55% homes have 5 devices connected , and 28% of homes have 6 or more devices connected.

**5) What do you do with each device ? Top 5 uses**

a) **Desktop/Laptop** - 1) Research Online, 2) Electronic Banking, 3) email, 4) Social networks, 5) Book Travel Online

b) **Tablet** : 1) Social Networks, 2) Research Online, 3) email, 4) Watch TV & Movies online, 5) Make Telephone or video calls ie. Skype.

c) **Smartphone** : 1) Social Networks, 2) email, 3) research Online, 4) Make telephone or video calls , 5) Electronic Banking

**6) What percentage of your internet time is spend on devices ?**
a) 51% on Desktop/laptop, 32% on smartphone, 28% on Tablet and 8% on Smart TV & Devices

**7) How satisfied are you with the level of internet service to your home?**
a) Speed - 58% said dissatisfied, 31% somewhat satisfied , 10% very satisfied
b) Reliability – 42% said dissatisfied, 37% somewhat satisfied, 21% very satisfied
c) Price – 70% said dissatisfied, 21% somewhat satisfied, 7% very satisfied

**8) How satisfied are you with your level of cell service?**
a) Speed – 36% dissatisfied, 34% somewhat satisfied, 17% very satisfied
b) Reliability – 41% dissatisfied, 32% somewhat satisfied, 18% very satisfied
c) Price - 64% dissatisfied, 18% somewhat satisfied and 7% very satisfied

# Appendix G
# A Note Regarding Collaborative Business Models

> *"…the members of today's digital ecosystems collaborate in ways that are fundamentally different from collaborations of the past. Case in point: the auto industry, which is currently undergoing radical changes. In the past, automakers either formed a joint venture or alliance with an OEM to enter a new market (such as China) or formed contractual relationships with hundreds of suppliers to secure parts. These traditional partnerships still exist, but today a typical European auto company will draw on an ecosystem of more than 30 partners across five different industries and several countries to make cars that are connected, electric, and autonomous. The auto company acts as the "orchestrator," whose role is to organize and manage the ecosystem, define the strategy, and identify potential participants.*
>
> *Today's collaborations have a different purpose, structure, and outcome than those of the past—and industry lines are becoming increasingly blurred."*[1]

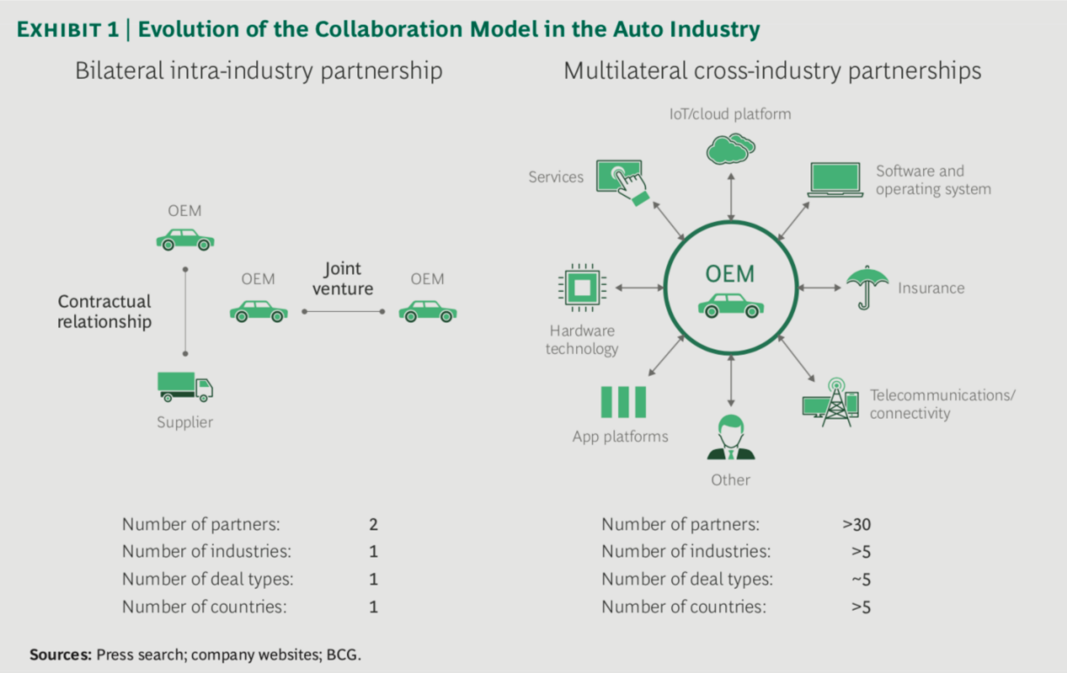


**EXHIBIT 1 | Evolution of the Collaboration Model in the Auto Industry**

Bilateral intra-industry partnership
Multilateral cross-industry partnerships
OEM
Contractual relationship
OEM
Joint venture
OEM
Supplier
IoT/cloud platform
Services
Software and operating system
OEM
Hardware technology
Insurance
App platforms
Telecommunications/ connectivity
Other
Number of partners: 2
Number of industries: 1
Number of deal types: 1
Number of countries: 1
Number of partners: >30
Number of industries: >5
Number of deal types: ~5
Number of countries: >5

**Sources:** Press search; company websites; BCG.

---

[1,15] *"The Emerging Art of Ecosystem Management,"* by Nikolaus Lang, Konrad von Szczepanski, and Charline Wurzer, Boston Consulting Group, 2019, p.2.

## TEN PRINCIPLES OF ECOSYSTEM MANAGEMENT

Drawing on our research into more than 40 ecosystems across eight industries, we've distilled ten guiding principles that increase the odds of success.

**1. Choose the right type of ecosystem.** Our research revealed three main types of ecosystem: digitizer network, platform, and super platform. The right choice depends on your company's starting point, strategic objective(s), and capabilities. You may need more than one type for different purposes.

**2. Set up a governance model.** Every ecosystem must have an "orchestrator"—the lead company that organizes and manages the ecosystem, defines the strategy, identifies potential participants, and clearly defines all roles, responsibilities, contributions, and interactions upfront, so that all partners know what to expect. The most effective governance model will depend on the type of ecosystem you choose.

**3. Develop a monetization strategy.** Consider how the ecosystem will create value and generate income from the outset. For instance, a smart, connected product commands a higher price and can generate income streams from services; platforms may take a portion of transaction value, earn ad revenue, or charge usage or subscriptions fees; and super platforms usually make money from adjacent, data-based businesses.

**4. Focus on mutual value creation.** A strong, attractive ecosystem is beneficial to all participants and focuses on sharing the value that accrues. A combined margin system, profit pooling, revenue sharing, stakes in the venture, or an open API for developers are commonly used tools to ensure that all partners' goals are met.

**5. Make high-value partnerships a priority.** Given their many roles and responsibilities, orchestrators should focus whenever possible on partners with the greatest commercial potential and/or strategic importance to maximize value creation within the ecosystem.

**6. Maintain fluidity and flexibility.** Set up agile, flexible partnership arrangements so the ecosystem can respond quickly to changes in the business landscape—and form new partnerships or exit existing ones more quickly.

**7. Build trust among partners.** IP protection mechanisms—such as limiting access to IP and building a local IP organization—are critical. Similarly, contractual commitments regarding data-sharing agreements and IP contributions must be carefully established. Setting up local data storage facilities and adding advanced privacy settings are other steps than can build trust among partners.

**8. Build a sense of community.** Organize meetings or conferences with partners to obtain feedback, co-innovate, discuss planned changes, and create a sense of community and cohesiveness. Some companies host annual conferences to bring together partners, users, and developers.

**9. Set and track clear performance targets.** Set performance metrics related to revenue, profitability, and service levels for each partner and for the ecosystem as a whole. Review these with partners during monthly or quarterly business meetings and adjust as needed.

**10. Separate ecosystems from legacy businesses.** To ensure that ecosystems remain agile and aren't restricted by the policies and procedures of the legacy corporate environment, set them up within separate entities or have them report directly to top management.

While the “10 Principles” on the previous page don’t all directly translate to the community organization sector, they do give a sense of what is required to be a successful networked and agile organization, with a robust ecosystem for managing its mission and plans.  The most critical factors for community organization likely are #2 and #4-10:

- Set up a governance model for the organization/ecosystem
- Focus on mutual value creation for all the partners
- Make high-value partnerships a priority
- Maintain fluidity and flexibility in order to adapt rapidly to change when required
- Build trust among partners
- Build a sense of community
- Set and track clear performance targets

Separate ecosystems from historical legacy approaches to your organization’s business.

**THE KLOG CENTRE**
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**Website: www.klog.ca**

# ***THE VOICE OF THE PEOPLE***

"The future of every community lies in capturing the passion, intelligence, imagination and resources of its people."

A REPORT ON

## *THE "QUALITY OF LIFE" IN INVERNESS COUNTY*

May, 2005

By

The KLOG Centre
Angus MacIntyre & Barbara MacDonald
&
ICON Communications
Terry Smith

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## ACKNOWLEDGEMENTS

Inverness County, the KLOG Centre and ICON Communications are indebted to the residents and business people of Inverness County for their time and ideas while completing the quality of life surveys conducted during the past nine months. Whenever high quality work has been accomplished one can always point to the dedication and skills of individual committed people who care deeply about the work that has to be done and its importance in the overall scheme of things. This has certainly been the case of the Inverness County Quality of Life residential and business surveys that have been conducted over the past fall and winter and which form the essence of this report.

Once the decision to conduct this survey had been made Inverness County was divided into four regions or quadrants. A Coordinator, Shirley Miller, from Margaree was selected to oversee the project. She was assisted by local facilitators Carole Aucoin for quadrant 1, Jeff Burke for quadrant 2, and Jesslyn Timmons for quadrants 3 and 4. In addition to assisting with the residential surveys the local facilitators also assisted in conducting the business surveys. Criteria for the selection of field workers were established before individuals were interviewed for the positions. These criteria were extensive and personal knowledge of the local community where they would be working, willingness to work long and irregular hours, the ability to work unsupervised, ability to relate to people from all walks of life, patience, and a commitment to the overall objectives of the exercise. Data entry was done by Margaret Beaton, Francis MacDonald, and Rose MacDonald.

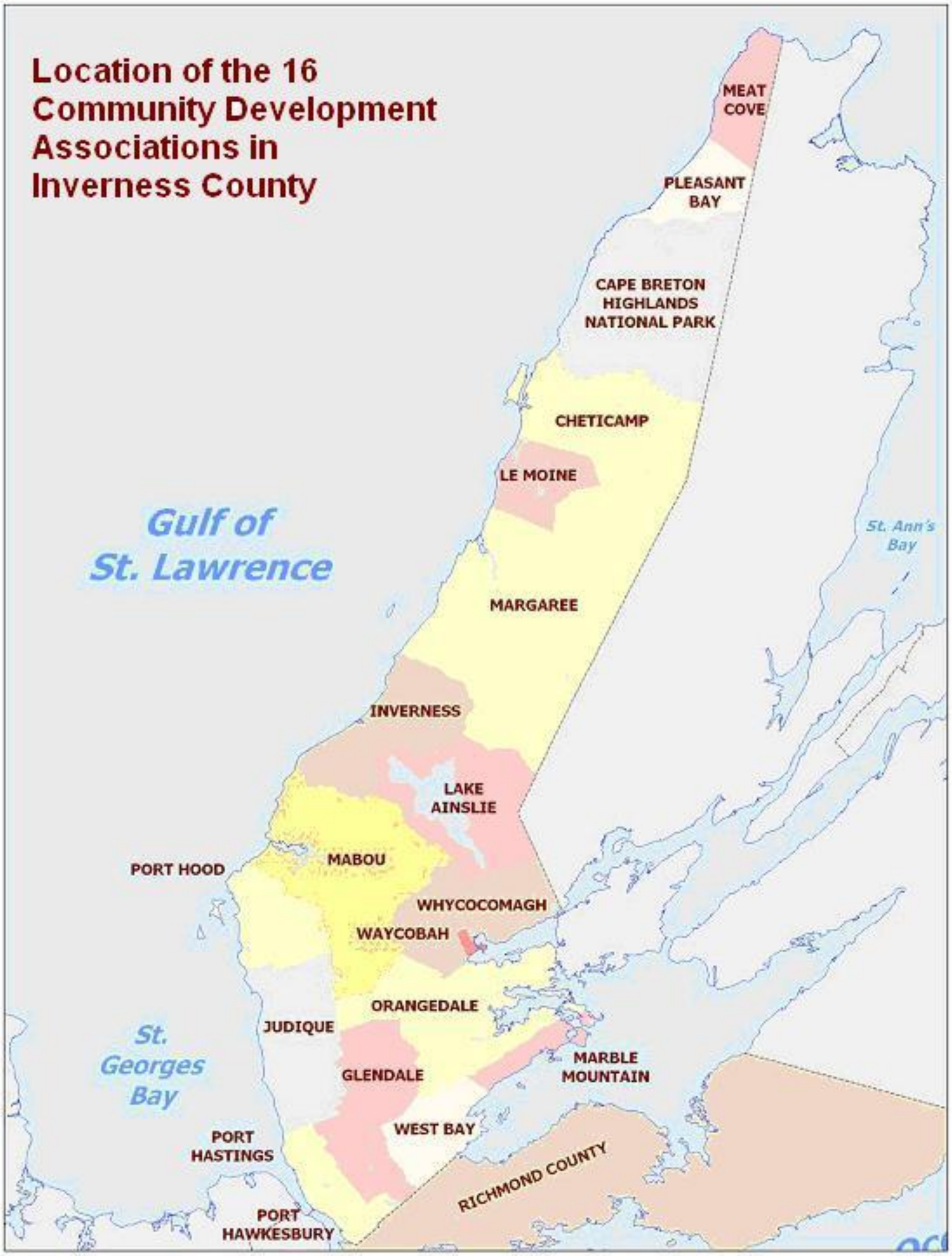
The phenomenal success rate of over 68% that was achieved is due to the dedication and commitment of these individuals chosen to collect and assist in the completion of the surveys. The challenges were indeed great ranging from phoning ahead so the resident would take their dog in so the surveyor could collect the completed form in safety, to facing traveling conditions during the difficult weather conditions that only Inverness can offer in winter months.

Quadrant # 1, the northern part of the County, included the communities of Meat Cove, Pleasant Bay, Cheticamp and St. Joseph DuMoine. The field workers in this quadrant were: Bernice Deveaux, Marie Claire Doucet, Julie Deveaux, Kathleen Chiasson, Lisette Poirier, and Patricia Roach.

Quadrant # 2, the Margaree area, included the communities of Grand Etang, Belle Cote, Petit Etang and the entire Margaree area. The field workers in this quadrant were: Connie Jennex, Hilda Phillips, Arlene Burton, Martha Buckles, and Dorothy Gillis.

Quadrant # 3, the central part of the County, included the communities of Inverness, Lake Ainslie, Whycocomagh and Mabou. The field workers in this quadrant were: Leeann MacKinnon, Gail Rankin, Alexis Beaton, Catherine Marquis, Joan MacDonald, Ethel MacIntyre, Brenda Campbell, and Ryan MacIsaac.

Quadrant # 4, the southern part of the County, included the communities of Port Hood, Judique, Port Hastings, Glendale, Marble Mountain, West Bay and Orangedale. The field workers in this quadrant were: Marion S. Gillis, Arlene MacDonald, Harriet Petrie, Julia MacKinnon, Coleen Beaton, Sally Dacey, Marian MacEachern, Maureen DeMone, and Susan Mallette.



Location of the 16 Community Development Associations in Inverness County
MEAT COVE
PLEASANT BAY
CAPE BRETON HIGHLANDS NATIONAL PARK
CHETICAMP
LE MOINE
Gulf of St. Lawrence
St. Ann's Bay
MARGAREE
INVERNESS
LAKE AINSLIE
PORT HOOD
MABOU
WHYCOCOMAGH
WAYCOBAH
ORANGEDALE
JUDIQUE
St. Georges Bay
GLENDALE
MARBLE MOUNTAIN
WEST BAY
PORT HASTINGS
RICHMOND COUNTY
PORT HAWKESBURY

# EXECUTIVE SUMMARY

***"Let's do a report and then decide what to do with the results." In such a case the report is probably unnecessary and certainly inadequately conceived. Thanks to the commitment of the leaders in Inverness County this is not the case with this report.***

**This report** on quality of life in Inverness County has been **produced by a partnership** between residents, businesses, 16 Community Development Associations, federal, provincial and municipality levels of government, and the quasi-governmental agencies in the helping professions that are in existence to support "quality of life" in Inverness County.

**The overall objective** of this project was to provide the raw data on employment characteristics and training needs for the 16 Development Associations to plan for their future. A secondary objective was to increase their leadership ability to use "participatory research" to influence policies and programs that contribute to the quality of life in Inverness County.

In addition, the report is intended to provide feedback to all residents of the County and those responsible for the provision of programs or services to the County on what residents and the business community feel about the quality of life in Inverness County. It is hoped it will provide a blueprint for a plan of action about what has to be done to improve what is deemed to be a high quality of life already existing in the County.

**The report is organized in eleven chapters** that cover key dimensions of quality of life determinants in Inverness County. Chapters 1-6 are an overall summary of the results of the surveys and four "quality of life" workshops that were conducted throughout the County:

Chapter 1 - survey results of residents over the age of 18 in that region of the County; (68% return rate)
Chapter 2 - survey results from conducting extensive personal interviews with every business in the County willing to be interviewed; (62% of businesses in the County); and
Chapter 3 - 6 - results of detailed quality of life surveys and discussions with a cross-section representation of people from the four regions of the County conducted during a series of regional workshops in each of the four quadrants.

Here are a few examples from the regional "quality of life" workshops.

- We have a great combination of cultural, recreational, and social opportunities of every type and our natural resources are unparalleled
- I am amazed at the quality and integrity of the local culture in the County.
- We have 4/5 major cultural events a year but could do more

- There should be a satellite office for Social Services in our centre – even 2 days per month for a few hours. This could be coordinated with an adjacent community to reduce the cost
- We need more preventative services, community health boards are vital, regular doctor and prescription outlet in Margaree, info sessions by public health, more doctors & keep them here, more specialists to Inverness Memorial Hospital on a regular basis, mini-bus for seniors to local and regional health facilities, local diabetic clinic
- Cell phone service and high speed internet are required
- We should focus on youth and kids so they stay and stop fearing immigration
- We have strong family values and a great sense of community
- Inverness County is a great place to live.

Additional comments included a:

- Split assessment on community development services and programs
- Poor rating for social services
- Requirement for a paid community development person, investment in local community to help people stay; to revisit CDIF and adapt to smaller project, more cottage industries and value added in all natural resources
- Positive assessment of cultural facilities.

This report is intended to be a starting point for discussion, analysis, interpretation, implications, further fact finding, and action. Questions are provided at the end of chapters seven and eight to facilitate thinking and discussion about what the data means for quality of life in Inverness County.

An electronic version of this report can be downloaded from the Inverness County website, www.invernessco.com, along with other information not included in this report. For example, the detailed worksheets from the regional quality of life workshops have been recorded and are available at the municipal office. A copy of the report will be available at all 16 Development Associations, at the Municipal Office in Port Hood, and in all libraries in the County.

# INTRODUCTION

## WHY WAS THE PROJECT CONDUCTED IN THE FIRST PLACE?

In the spring of 2003 16 Development Associations and the Inverness Council of the Arts worked with County Council in developing the following vision for Inverness County.

> ***"The community of Inverness County, while preserving our values and traditions, has developed a dynamic process for constantly enhancing our social, cultural, environmental and economic well-being. This process will ensure we will always have a healthy and vibrant place to live."***

In order to realize this vision the Council of Inverness County required the help of residents, businesses, special interest groups such as the Development Associations, and those government and quasi-government agencies providing programs and services to County residents.

The first step in the project was for Council to ask Inverness Municipal County staff to obtain the necessary resources from HRSDC to conduct "action research" to find out the facts of the existing situation. The next step was to provide a process to recommend an action plan to improve the quality of life in the County based on the findings.

Up-to-date, accurate information was considered essential if the project was expected to produce usable results. This type of data was simply not available for quality of life questions facing the County. The systematic collection of relevant information to provide "information users" with the data they needed to assess the present condition of the quality of life in the County was considered a central ingredient to provide practical tools communities (Development Associations) and business can use to influence policy at all three levels of government.

Inverness County Council contracted with the KLOG Centre to design the required surveys, train staff for resident and business interviews, conduct the regional workshops and write this report. Thanks to assistance from HRSDC additional staff were hired to distribute the residential surveys, assist those who requested help with the questions, pick up the completed surveys, and assist with the data entry. ICON Communications from Sydney were also contracted to provide specialized expertise in survey design, data entry and analysis to assist in the project.

What aspects of life in Inverness County should be examined in order to gauge the well being or quality of life in the County?

Although there are no easy answers to this question, KLOG has taken a broad approach that looked at the quality of living in our selection of questions. In keeping with our values of "participatory research" KLOG began by involving residents of the County, special interest groups, and government and quasi-government agencies in designing the surveys. All surveys were field tested and changes made before the final versions were approved by the project manager, John Cotton, the Director of Recreation and Tourism for the Municipality of the County of Inverness.

There is currently very little information available in Nova Scotia to determine the accessibility, acceptability, appropriateness, and effectiveness of health and social services in rural Nova Scotia. This report is intended to partially address this challenge.

According to a report in 2003 on Rural Communities Impacting Policy health literature is beginning to recognize that "quality of life" is determined by more than just material factors. They identified the fact that social, economic, and environmental factors play a key role in quality of life. There is a link between health and social inequalities, and societal and economic structures have a direct impact on health. Factors such as wealth, poverty, job insecurity, education, social mobility, and stress contribute to the health and well being of people living in all communities. However, some factors are more pronounced in rural communities. For these reasons, the information we have selected to survey reflect the conditions that impact daily lives and quality of life in Inverness County.

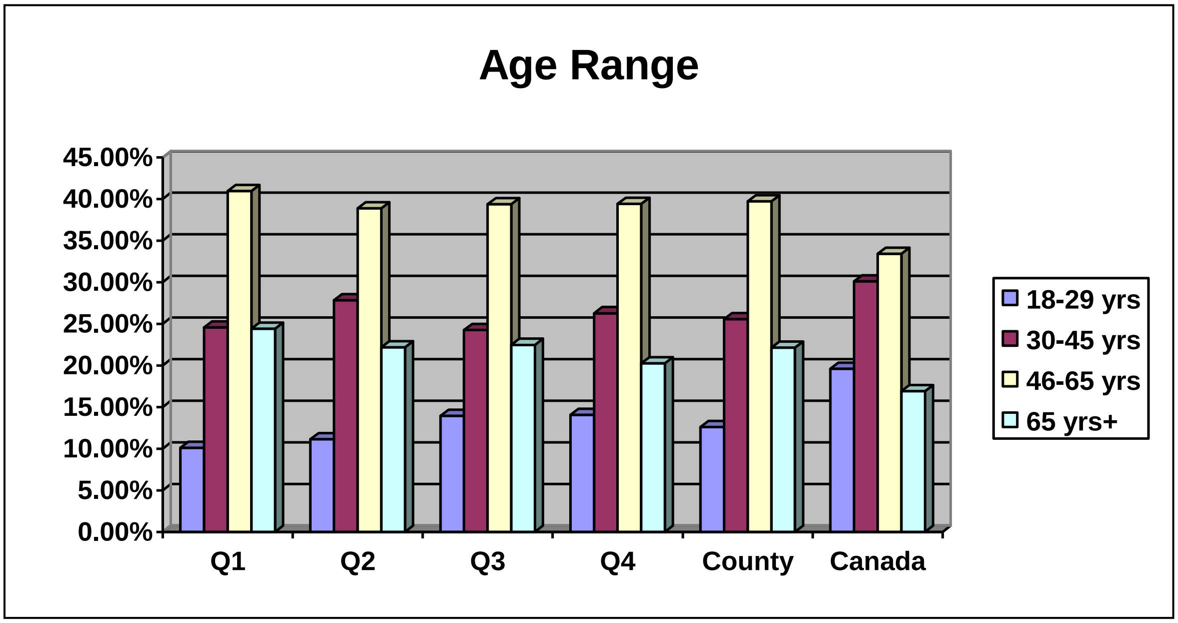
As a result this report focuses on recreation opportunities and facilities, cultural opportunities and facilities, adult education and literacy, health services, social services, community development, economic development, tourism, and any other item residents cared to bring to our attention. Each of these dimensions is addressed in the first six chapters of the report.

# CHAPTER 1

## RESULTS OF INDIVIDUAL RESIDENT'S SURVEYS

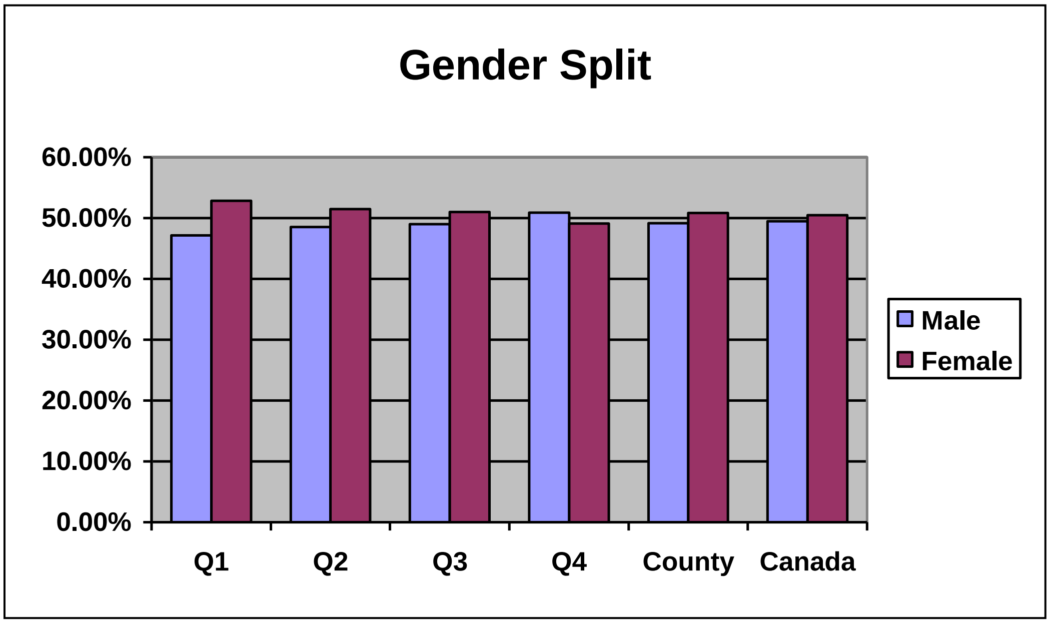
In addition to the information recorded on the following bar charts residents made 123 comments of a general nature. Most of these were suggestions about how the quality of life in Inverness County could be improved. These comments are available to departments and agencies providing program and services in Inverness County.

**1. Please check the age range of each person over the age of 18 in the household?**



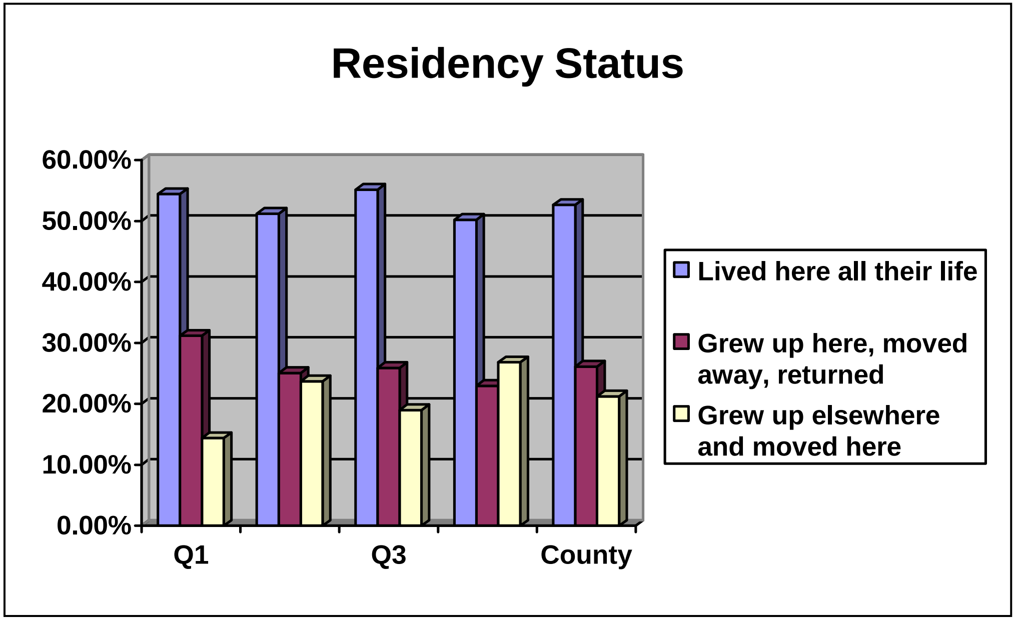
- The population of Inverness County is much older than the national average and will be facing many of the effects of an aging population before the rest of the country.
- Quadrant 1 is the oldest region within the County.

### 2. What is the gender of the people over 18 in the household?



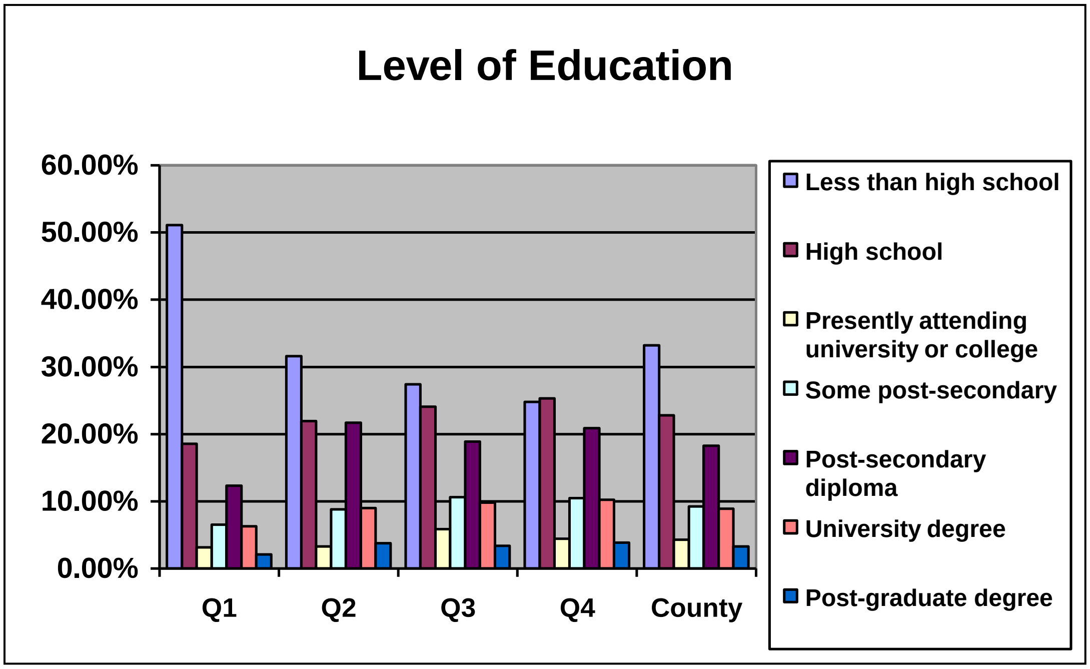
- Inverness County has a slightly higher percentage of females than the national average.

### 3. Which best describes each person's situation?



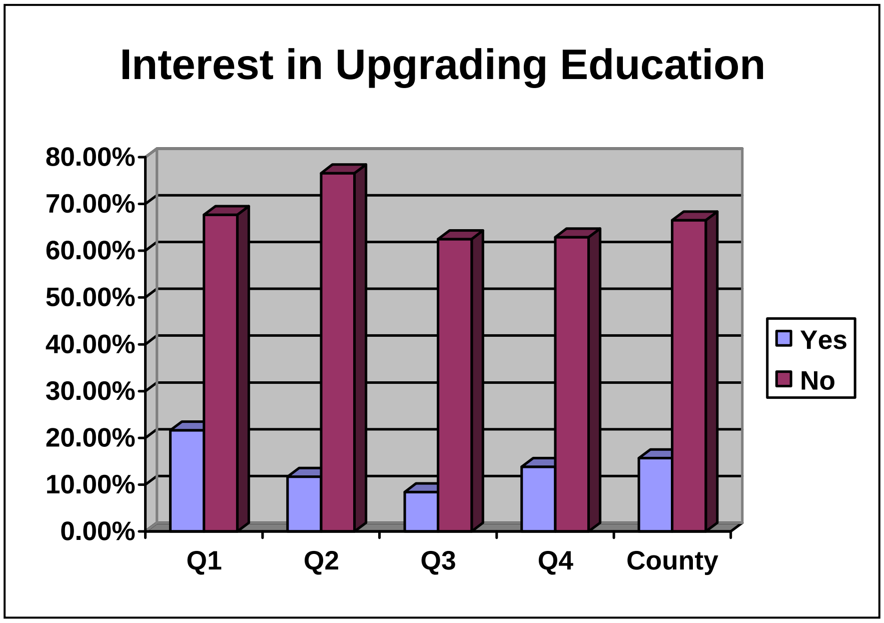
- Approximately 80% of the County's residents were born there.
- Quadrant 1 has the highest percentage of residents who moved away, but returned.
- Quadrant 4 has the highest percentage of residents who grew up elsewhere and moved to the County.

4. **What is the highest level of education completed for each?**



- Quadrant 1 has the highest percentage of people with less than high school education. Most are either retired or work in the fishery.
- Quadrant 4 has the highest percentage of university or post-secondary graduates.

5. **If anyone has not completed high school, would he/she be interested in upgrading his/her education (e.g. local adult upgrading class/GED)?**



- Only a relatively small percentage of those who have not completed high school are interested in upgrading.
- The largest concentration of those interested in upgrading live in Cheticamp.

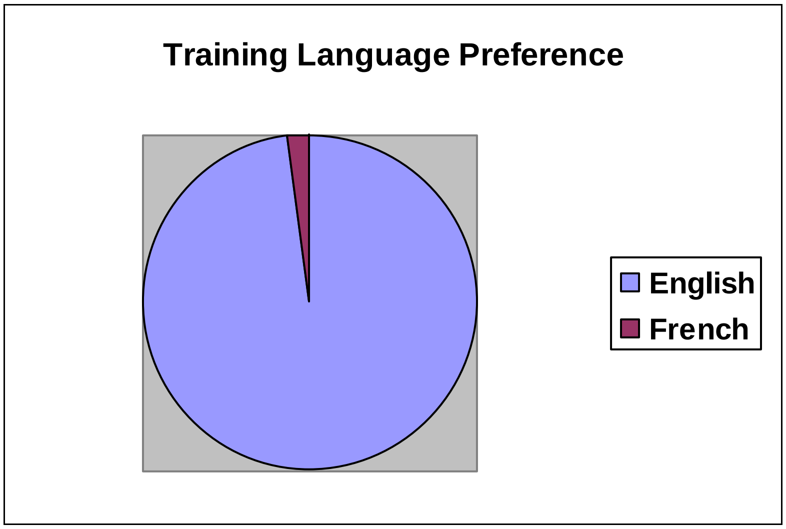
## 6. What other education or training is each person interested in obtaining?

**Training Interests – Top Five Responses**

| | Quadrant 1 | Quadrant 2 | Quadrant 3 | Quadrant 4 | County |
|---|---|---|---|---|---|
| 1 | Computer training | Computer training | University education | University education | University education |
| 2 | Trades | University education | Trades | Computer training | Computer training |
| 3 | University education | Trades | Computer training | Trades | Trades |
| 4 | LPN/PCW/health care | Heavy equipment operation | Business administration | Business administration | LPN/PCW/health care |
| 5 | French language | LPN/PCW/health care | LPN/PCW/health care | LPN/PCW/health care | Business administration |

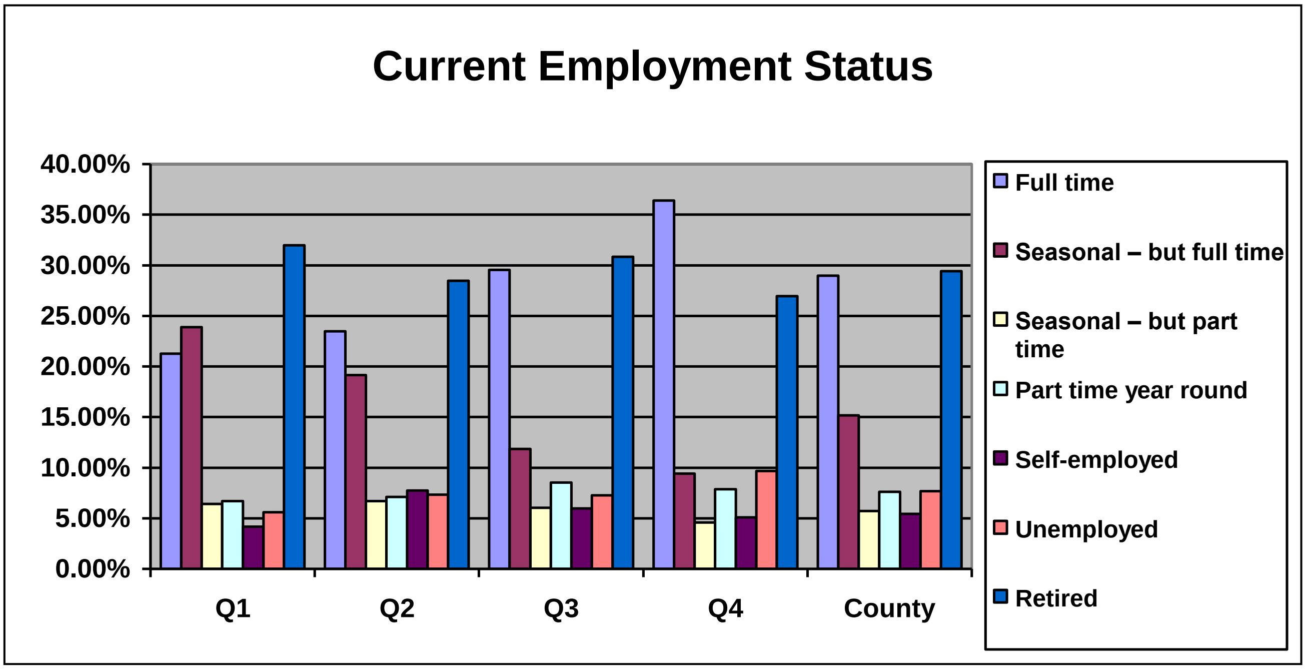
- A significant number of residents would like to obtain their university education, particularly in Quadrants 3 and 4.
- Computer training is also desired by a significant portion of the population.

## 7. In what language would each prefer this training?



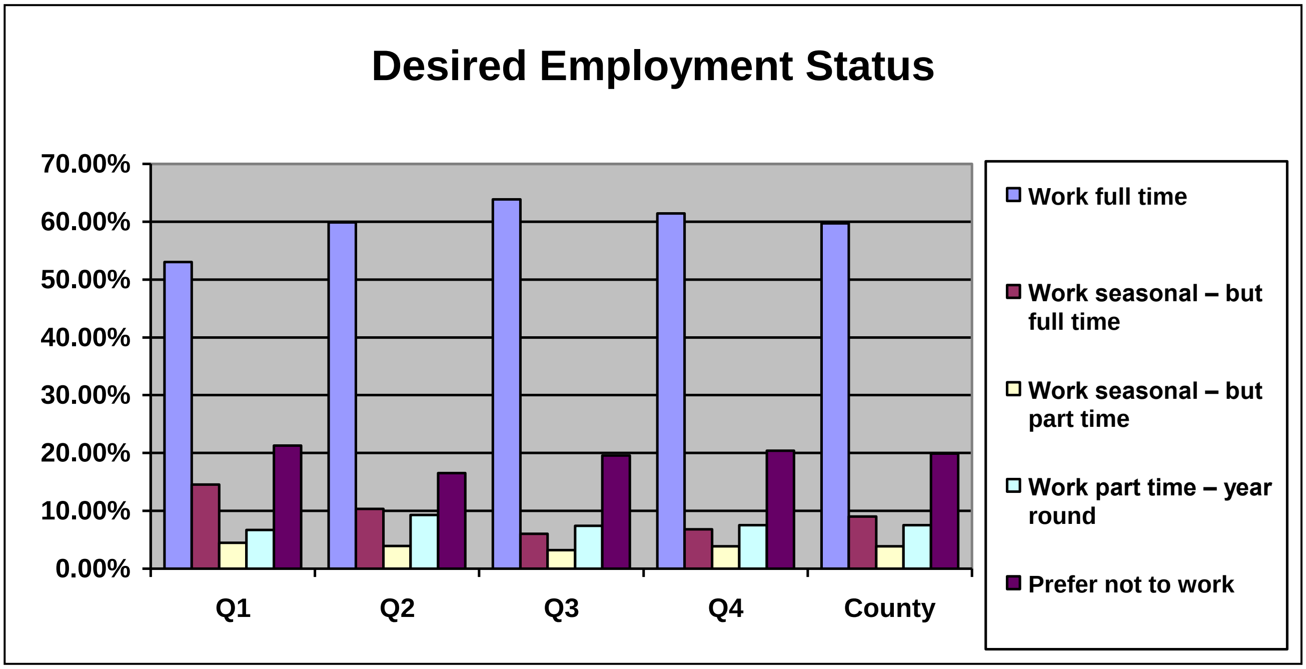
- Over 98% of residents interested in receiving training would prefer the training in English.

## 8. Does each person work…



- Quadrants 1 and 2 have the highest percentage of seasonal workers, largely due to employment in the fishery or tourism.
- Quadrants 1 and 3 have the highest percentage of retirees.
- Quadrant 4 has the highest percentage of full time employment, but also the highest percentage of unemployment. Quadrant 1 has the lowest percentage of unemployment.

**9. Given a choice would each person prefer to…**



- The vast majority of residents would prefer to work full time, year round. As a result, there is significant underemployment within the County.
- Approximately one-third of retirees reported that they would still like to work.

**10. List reasons (if any) that are preventing members of your household from obtaining the employment they desire.**

**Reasons Preventing Employment – Top Five Responses**

| | Quadrant 1 | Quadrant 2 | Quadrant 3 | Quadrant 4 | County |
|---|---|---|---|---|---|
| 1 | Lack of employment opportunities | Lack of employment opportunities | Lack of employment opportunities | Lack of employment opportunities | Lack of employment opportunities |
| 2 | Health reasons | Health reasons | Health reasons | Health reasons | Health reasons |
| 3 | Age | Caring for children or family member | Cost of education/training | Caring for children or family member | Caring for children or family member |
| 4 | Cost of education/training | Age | Lack of education | Lack of education | Lack of education |
| 5 | Lack of education | Cost of education/training | Currently obtaining education | Currently obtaining education | Cost of education/training |

- A lack of employment opportunities was the number one response in every quadrant for reasons preventing residents from obtaining the employment they desire.

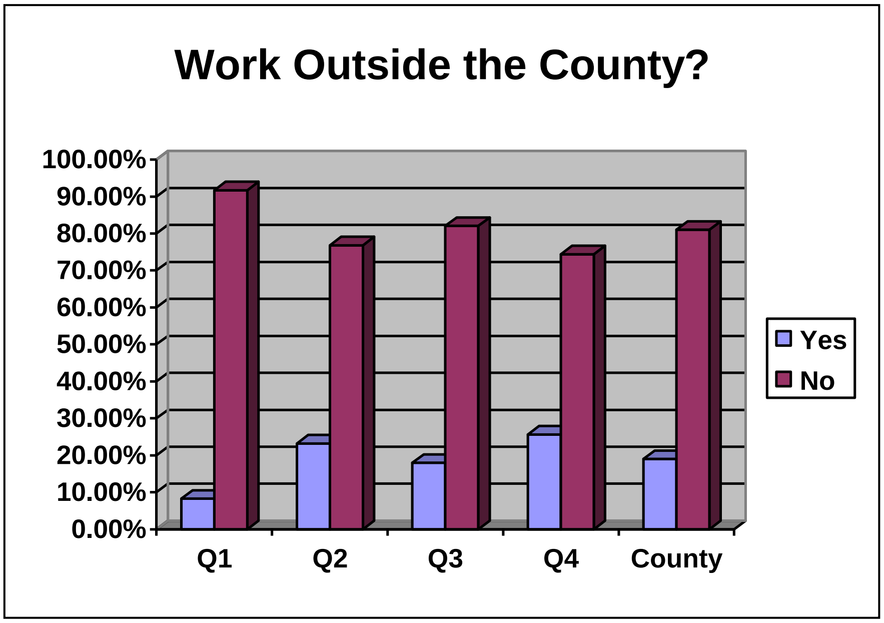
## 11. If any household member is employed, what is his/her present occupation?

**Occupations – Top Five Categories**

| | Quadrant 1 | Quadrant 2 | Quadrant 3 | Quadrant 4 | County |
|---|---|---|---|---|---|
| 1 | Fishery | Health care | Health care | Building/construction/ trades | Health care |
| 2 | Health care | Building/construction/ Trades | Light industrial | Retail/personal services | Building/const'n/ Trades |
| 3 | Retail/personal services | Financial/business services | Building/construction/ Trades | Heavy industrial | Fishery |
| 4 | Food service | Forestry | Retail/personal services | Light industrial | Retail/personal services |
| 5 | Building/construction/ trades | Hospitality | Education | Health care | Light industrial |

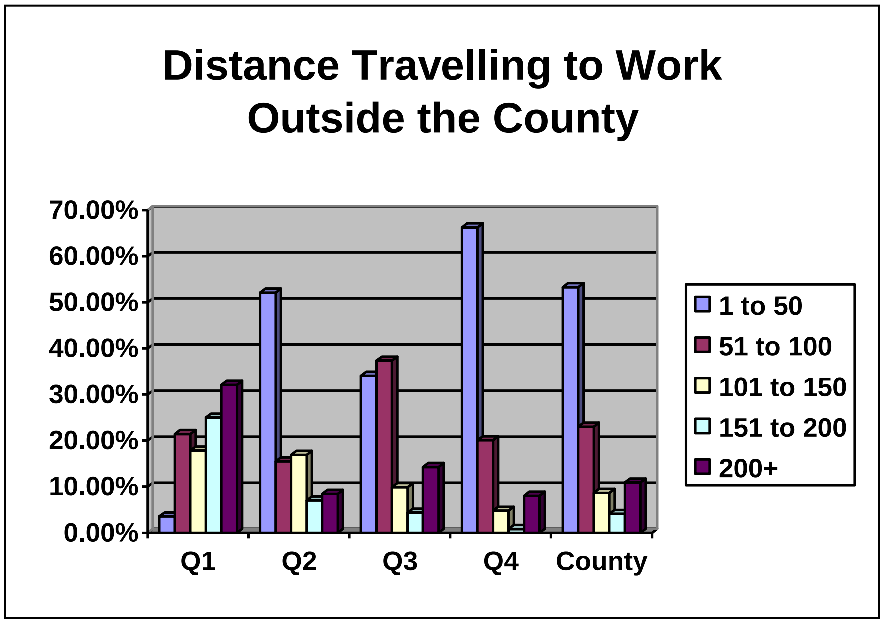
- Health care is the largest sector, employment wise, within the County, followed by building/construction/trades and the fishery.
- The fishery is the largest sector for employment in Quadrant 1, while building/construction/trades was the largest in Quadrant 4.

## 12. Is their employment outside of Inverness County?



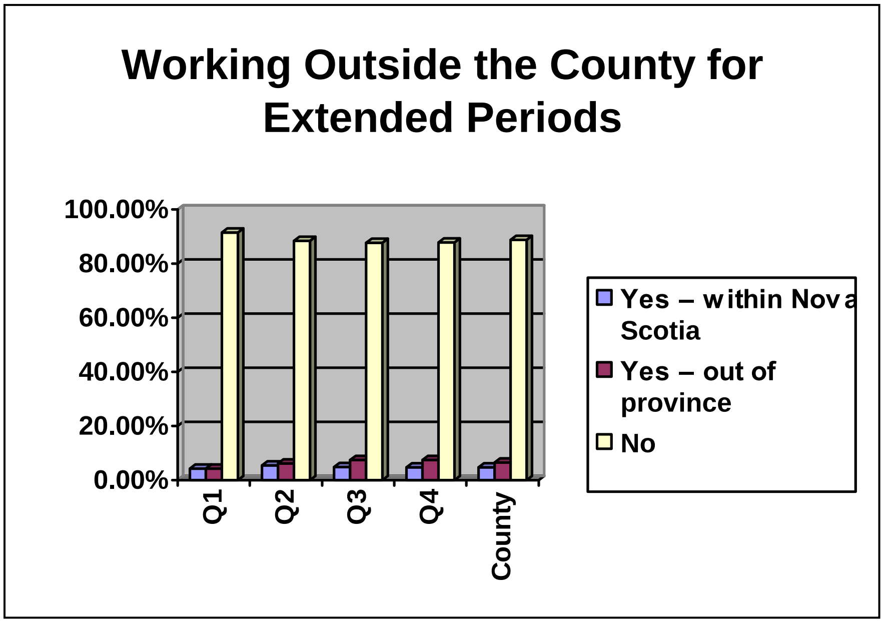
- Approximately 20% of residents reported working outside the County. This percentage is highest in Quadrants 2 and 4.

**13. If working outside of the County, approximately how many kilometres do they drive to work one way?**



- The majority of residents who travel outside the County to work drive less than 50 kilometres one way. This is highest is Quadrant 4 where it is assumed that a large number of residents work in Port Hawkesbury or Point Tupper.

**14. Does anyone have to leave home to work for extended periods of time?**



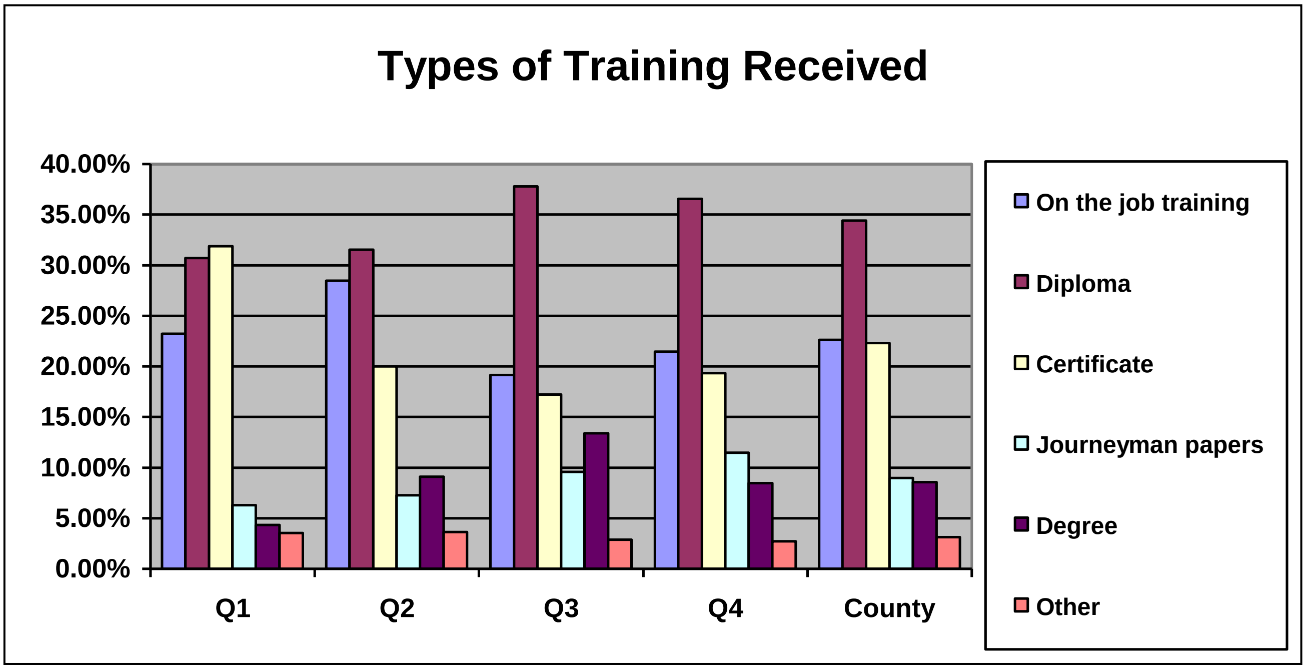
- Only a small percentage of residents work outside the County for extended periods and the majority of those who do work outside the province.

### 15. Please identify other training you have received, that may not apply to your current job situation.

**Training Received – Top Ten Categories**

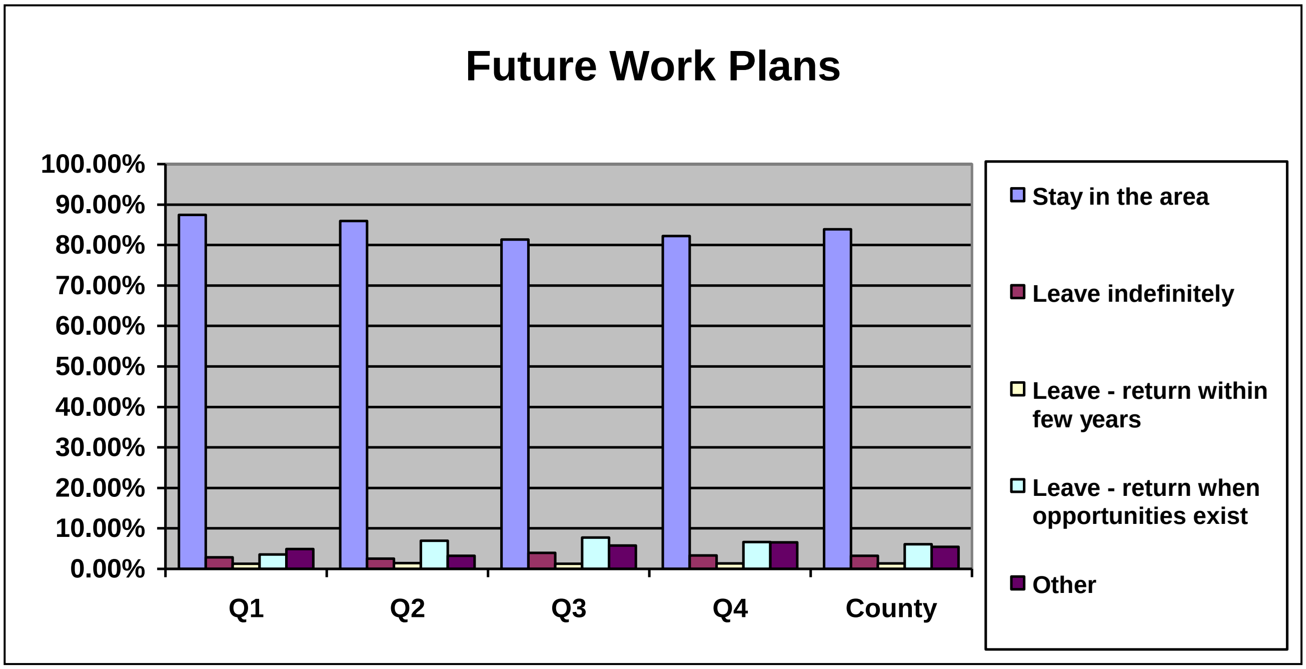
| | Quadrant 1 | Quadrant 2 | Quadrant 3 | Quadrant 4 | County |
|---|---|---|---|---|---|
| 1 | Secretarial | Secretarial | University courses/degree | University courses/degree | Secretarial |
| 2 | Mechanic | Carpentry | Welding/Pipe Fitting | Secretarial | University courses/degree |
| 3 | University courses/degree | Mechanic | Secretarial | Welding/Pipe Fitting | Welding/Pipe Fitting |
| 4 | Welding/Pipe Fitting | Welding/Pipe Fitting | Cosmetology | Heavy Equipment Operation | Carpentry |
| 5 | Cosmetology | CPR/First Aid | Electrical | Carpentry | Mechanic |
| 6 | Carpentry | Heavy Equipment Operation | Carpentry | Mechanic | Cosmetology |
| 7 | Electrical | Computer | Heavy Equipment Operation | Millwright | Heavy Equipment Operation |
| 8 | Nursing | Cooking | Nursing | Bookkeeping/ Accounting | Electrical |
| 9 | Personal Care Worker | Nursing | Teaching | Computer | Nursing |
| 10 | Retail Merchandising | Personal Care Worker | Bookkeeping/ Accounting | Cosmetology | CPR/First Aid |

### 16. In the areas you've identified in Question 15, please indicate if it is on-the-job training, diploma, certificate, journeyman papers, degree, etc.



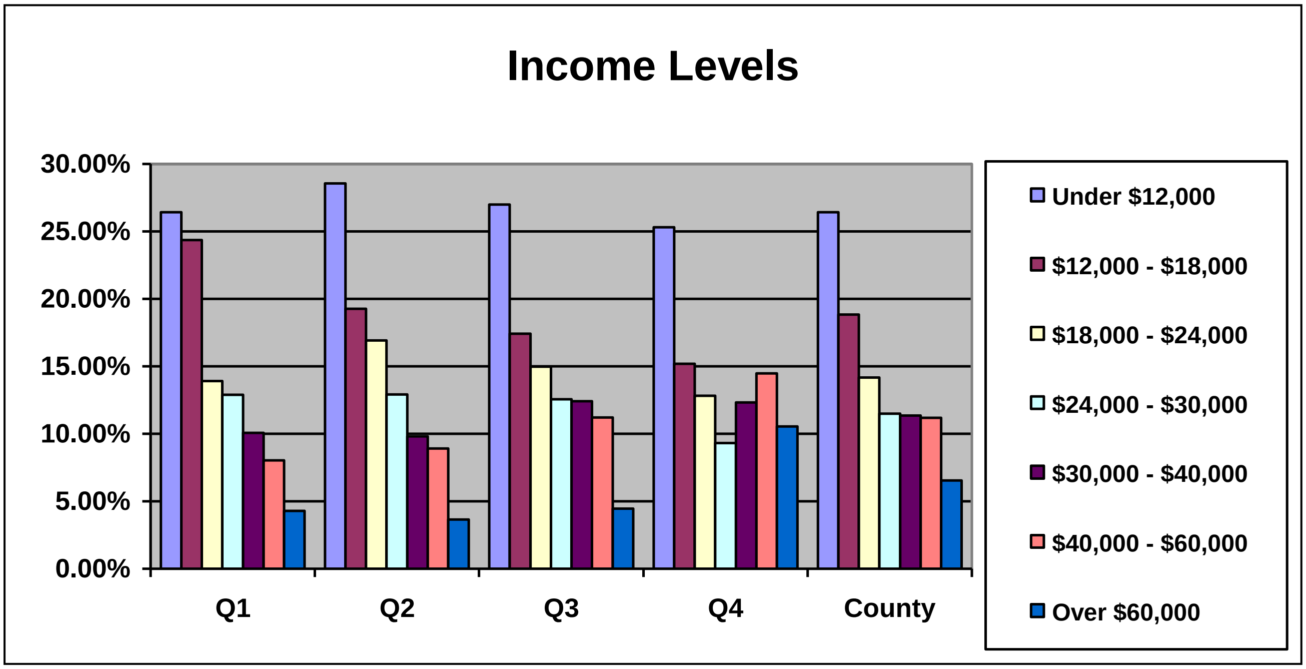
- Approximately one-third of County residents have received diploma training. The percentage is even higher in Quadrants 3 and 4.
- A significant number of residents have also reported receiving on-the-job training and a certificate.

**17. What are the future plans for each person regarding work?**



- The vast majority of residents plan to stay in the area. The majority of those who state that they plan to leave, say that they will return when opportunities exist.

**18. What was the gross income last year for each person?**



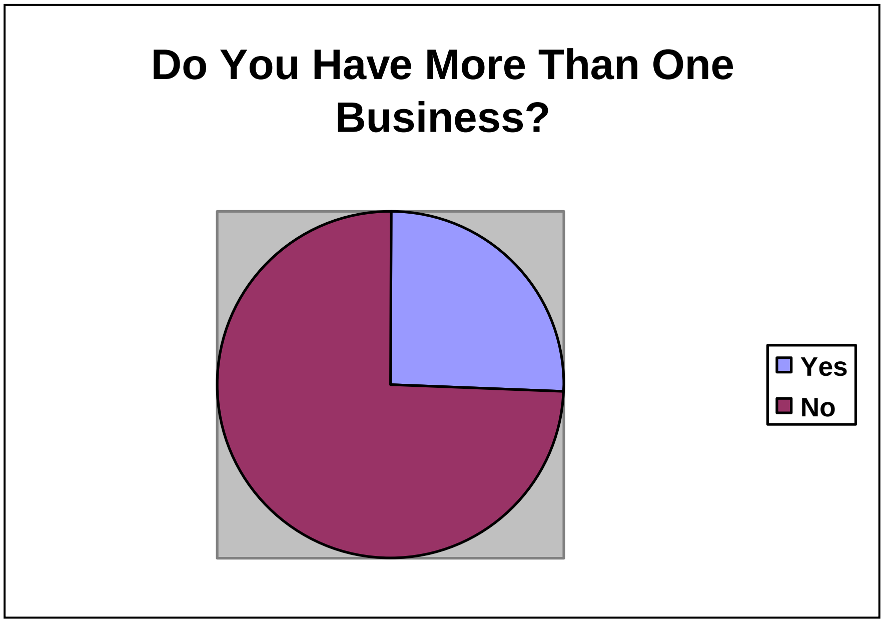
- Quadrants 1 and 2 have the lowest average income. Quadrant 4 has the highest average income and more than doubles the other quadrants in the percentage of residents with incomes above $60,000.

# CHAPTER 2

## RESULTS OF BUSINESS INTERVIEW SURVEYS

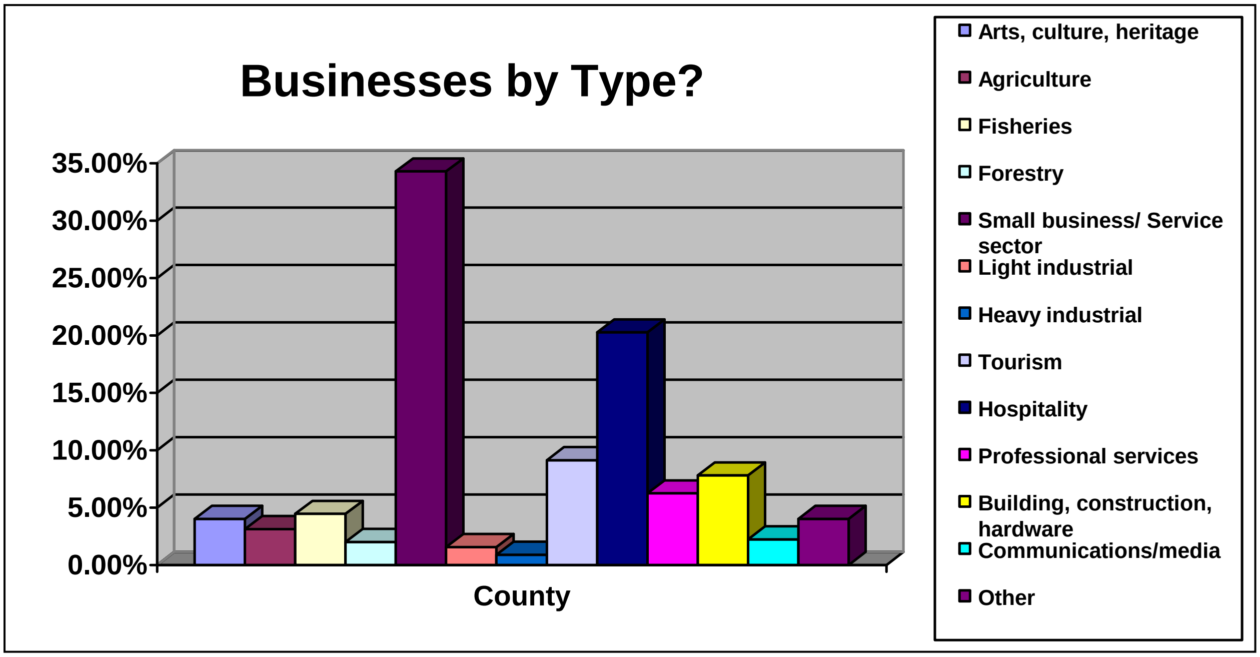
In addition to the information recorded on the following bar charts business people made 1,540 comments. Most of these were suggestions about how the various government and quasi-government agencies could improve support for existing or starting a new business in Inverness County. These comments are available to the various departments and agencies providing services to the business community in Inverness County.

**1. Do you have more than one business?**



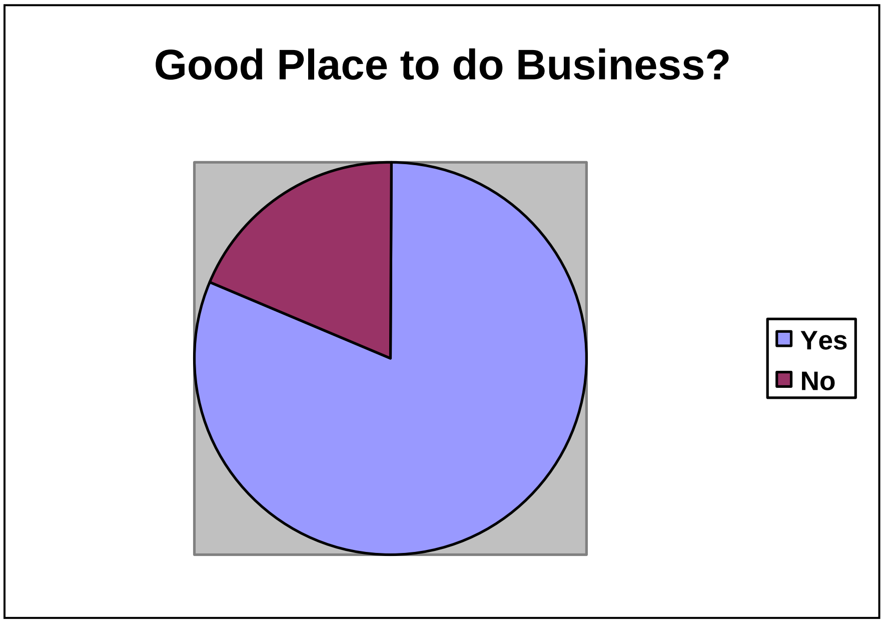
- Approximately one quarter of respondents indicated that they had more than one business.

## 2. What type of business(es) are you in?



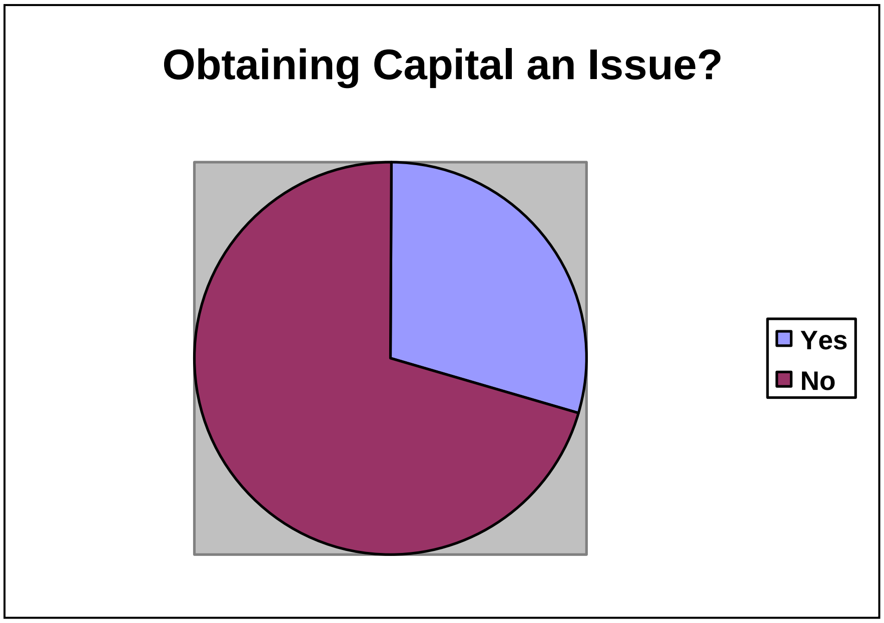
- Just over one-third of businesses indicated that they were in the small business/service sector, followed by hospitality and then tourism.

## 3. Is Inverness County a good place to conduct a business?



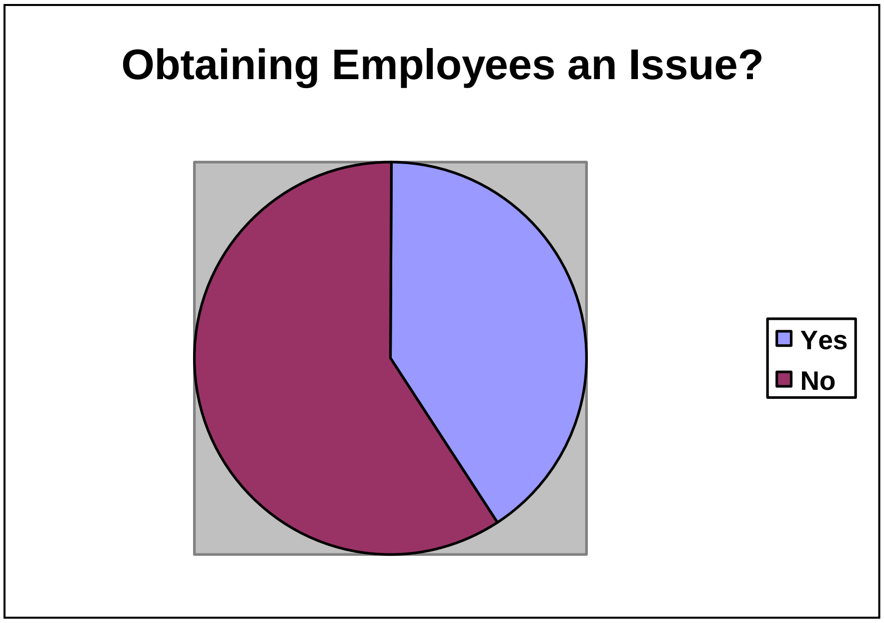
- Over 80% of businesses felt that the County was a good place to do business.
- Those who felt that the County wasn't a good business location most often stated the reasons being the small population base or the limited tourism season.

**5. Is obtaining reasonably priced capital an issue for you at the present time?**



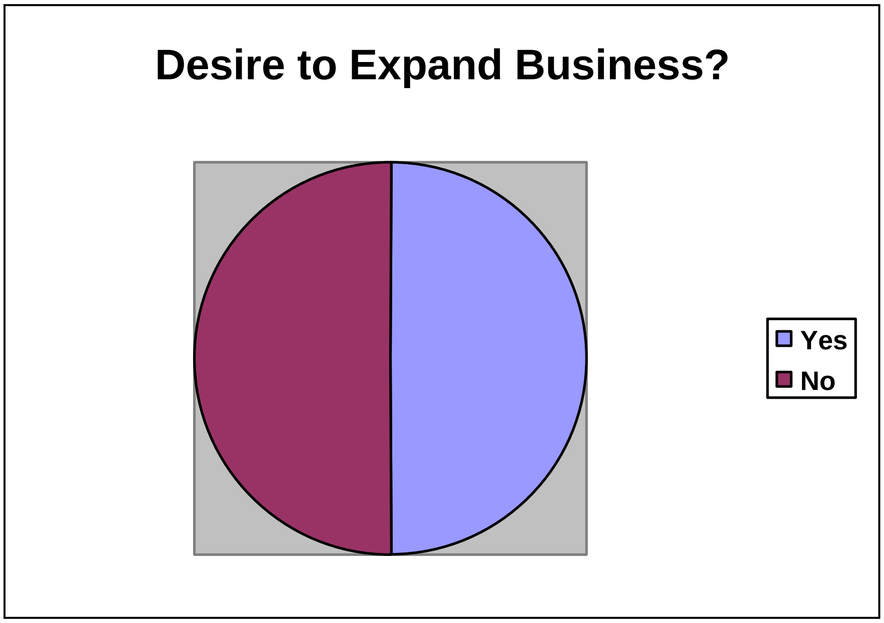
- Obtaining capital was an issue for almost one-third of businesses in the County.

**6. Is obtaining qualified and reliable employees a problem for you at the present time?**



- Obtaining qualified and reliable employees was reported as a problem for 41% of businesses.

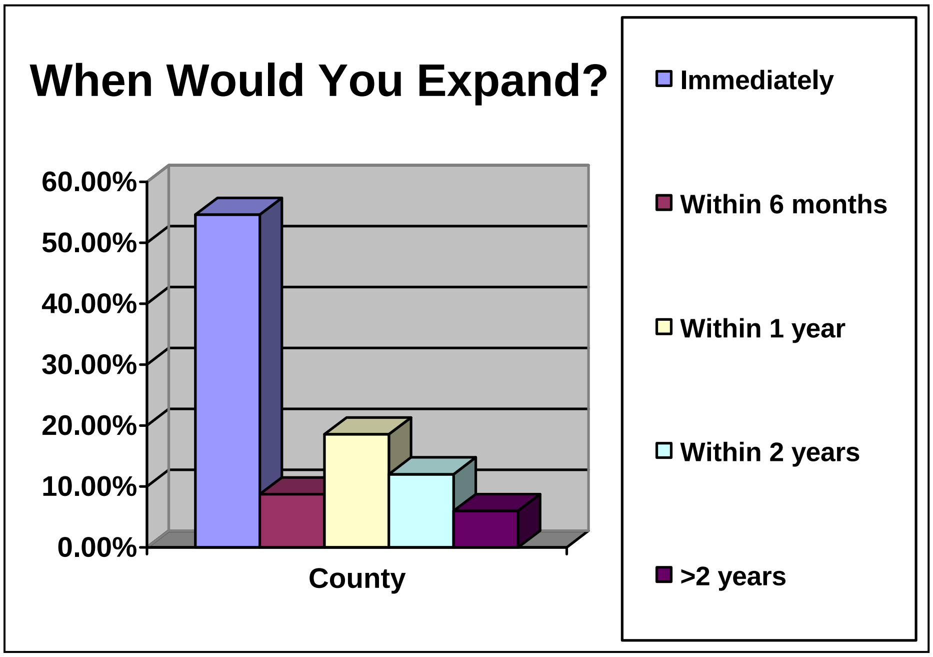
**7. Do you want to expand your present business?**



Almost half of the businesses in the County reported that they would like to expand their business.

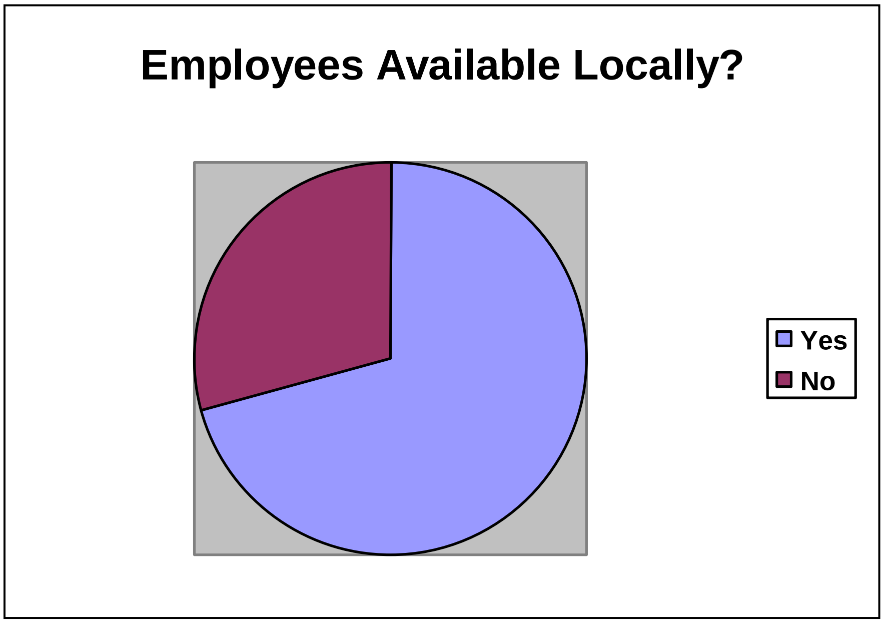
- Access to affordable capital was the most common reason for not being able to expand at this time.

**9. If you were to receive these things would you expand your present business?**



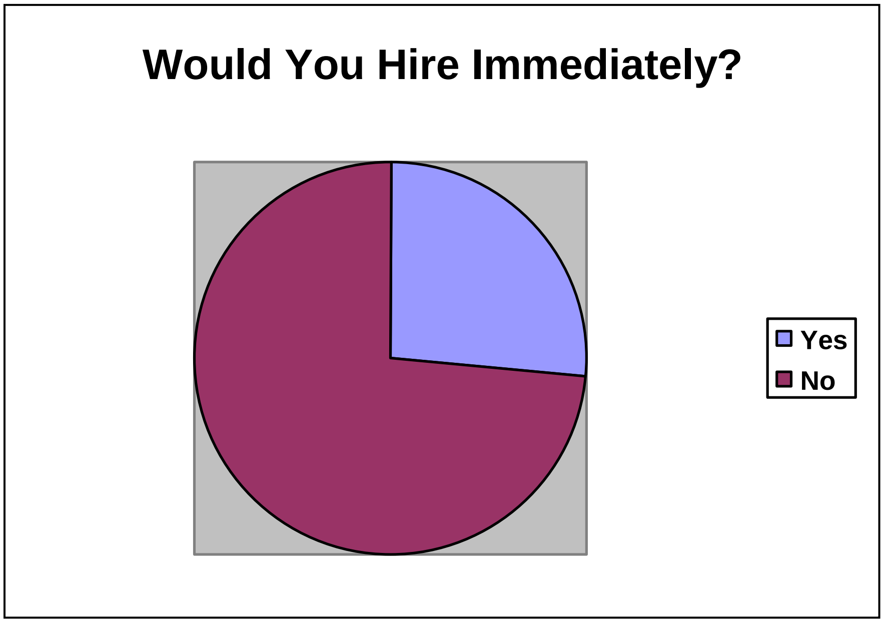
Almost 55% of businesses said that if they received the things they needed to expand (e.g. access to affordable capital), they would expand immediately. In total, over 80% of businesses said they would expand within a year if they received the things they needed.

**11. Are potential employees available locally?**



- Over 70% of businesses felt that potential employees were available locally.

**12. Would you hire someone if he/she was qualified and available immediately?**



- Even though 41% of businesses felt that obtaining qualified labour was an issue, only 27% would hire qualified employees if they were available immediately.

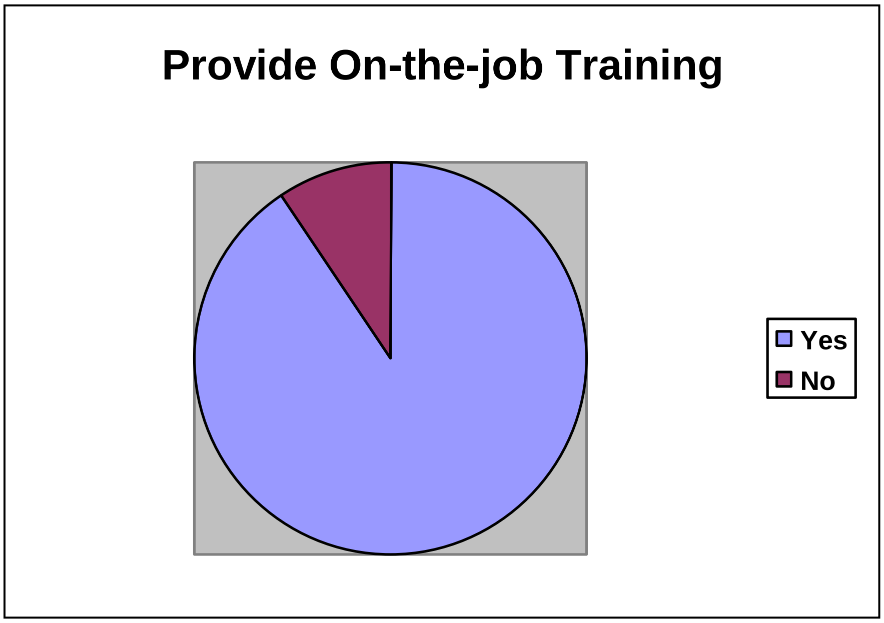
### 13. What other kinds of qualities do you want an employee to have besides their technical qualifications?

**Top Five Responses – Employee Qualities**

| Response | Percentage Responded |
|---|---|
| People/communication skills | 22.64% |
| Honest/trustworthy | 18.07% |
| Friendly personality/positive attitude | 15.88% |
| Reliability/responsible | 10.81% |
| Good work ethic | 7.77% |

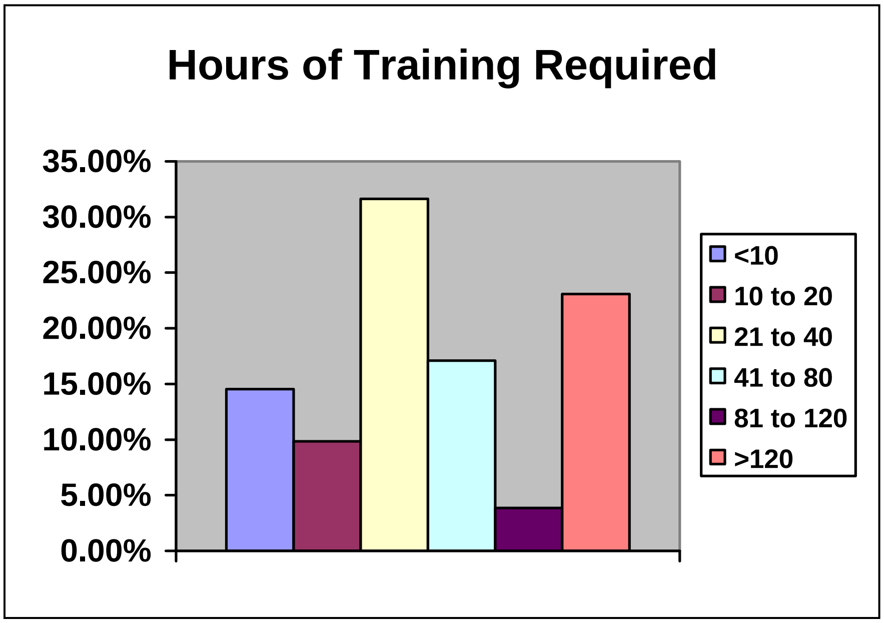
- The responses most likely echo the responses of most businesses.

**14. Do you provide in-house (on-the-job) technical training for an employee?**



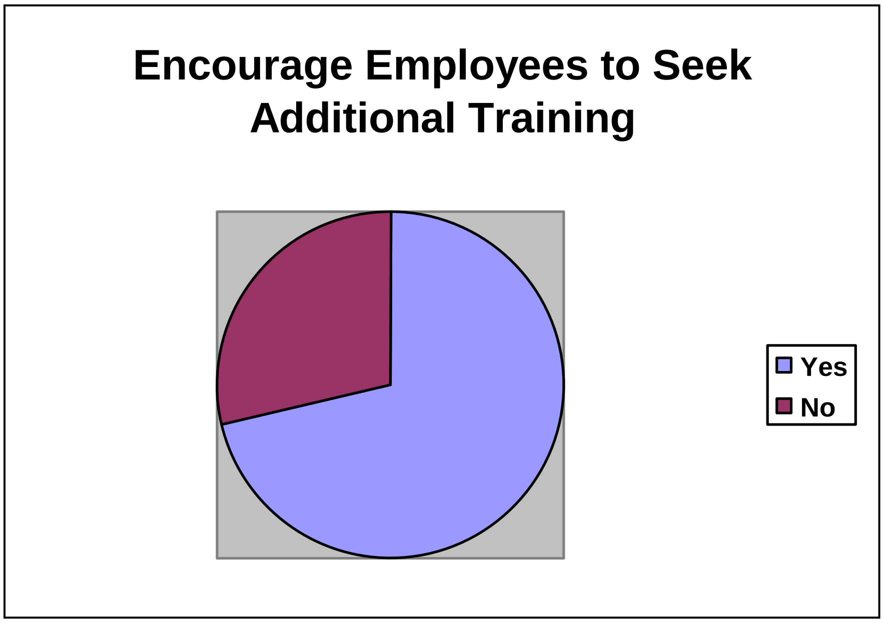
- Over 90% of businesses reported that they provide on-the-job training.

**15. How many hours of training are required before the person is fully employable?**



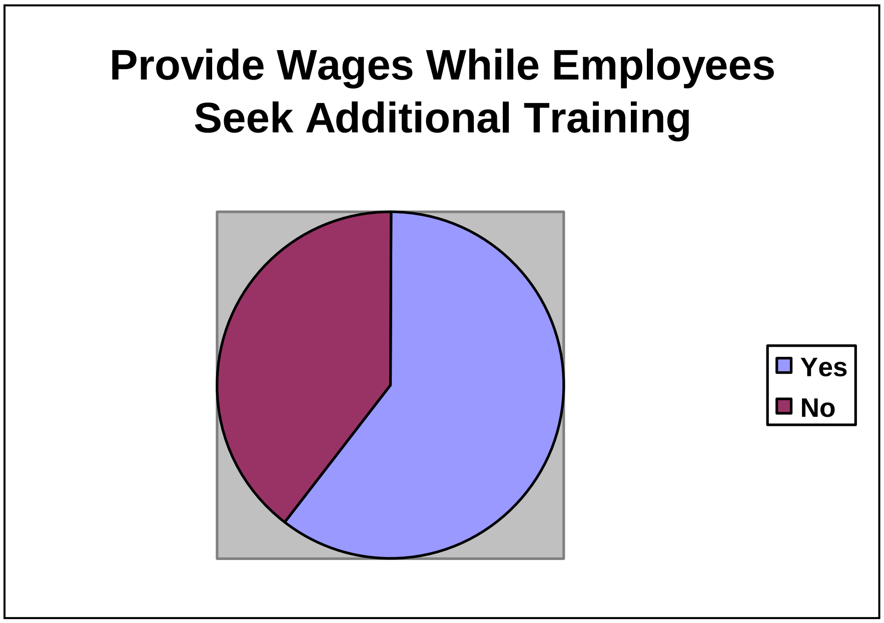
- Over 55% of businesses reported that less than 40 hours of training were required before a person is fully employable at their business.
- Approximately 23% of businesses reported that more than 120 hours (or three weeks) of training was required.

**16. Do you encourage your employees to seek additional training?**



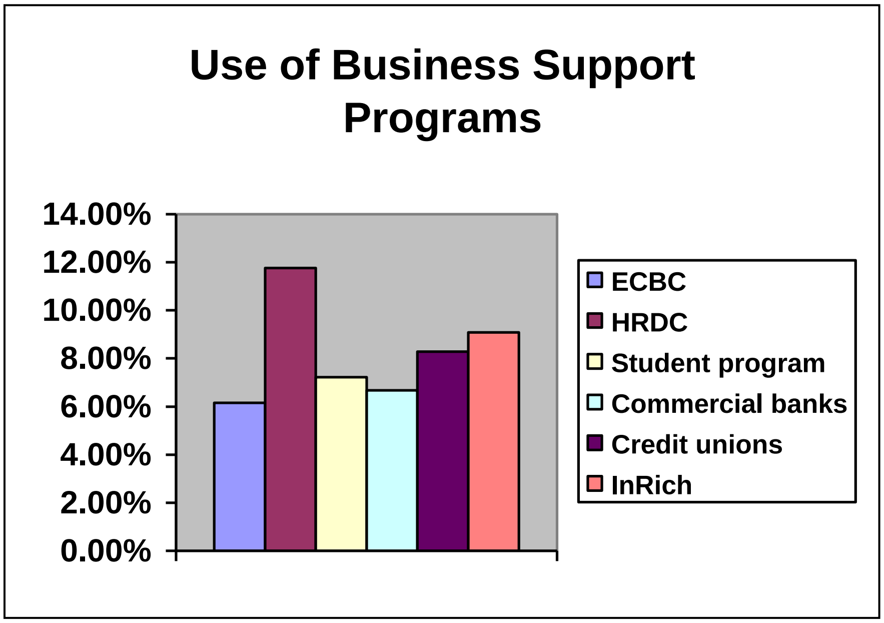
- Over 70% of businesses reported that they encourage their employees to seek additional training.

**17. Do you or are you willing to provide wages while the employee seeks additional training?**



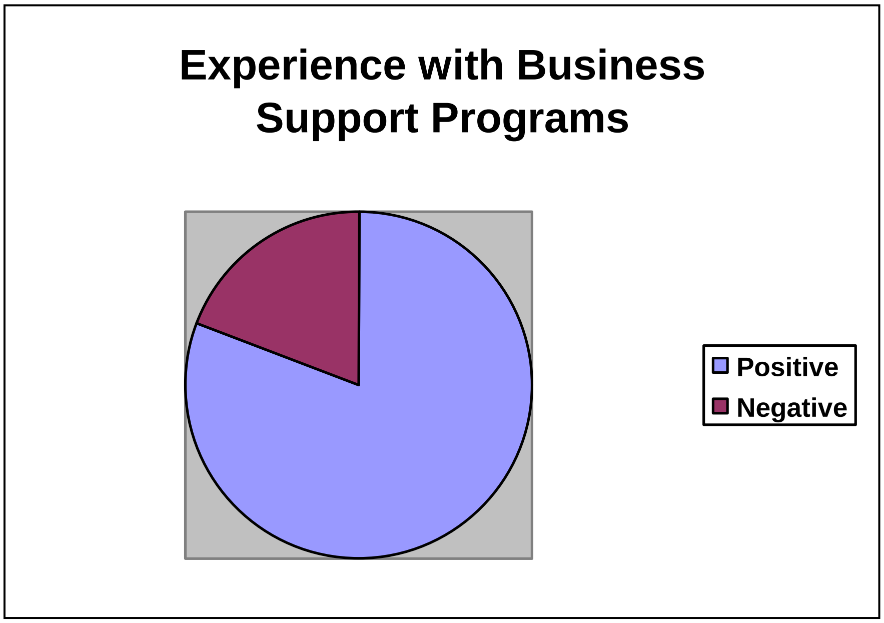
- The vast majority of businesses who encourage employees to seek additional training will provide wages while they do so.

**19. Have you ever had occasion to use any of the existing business support programs…**



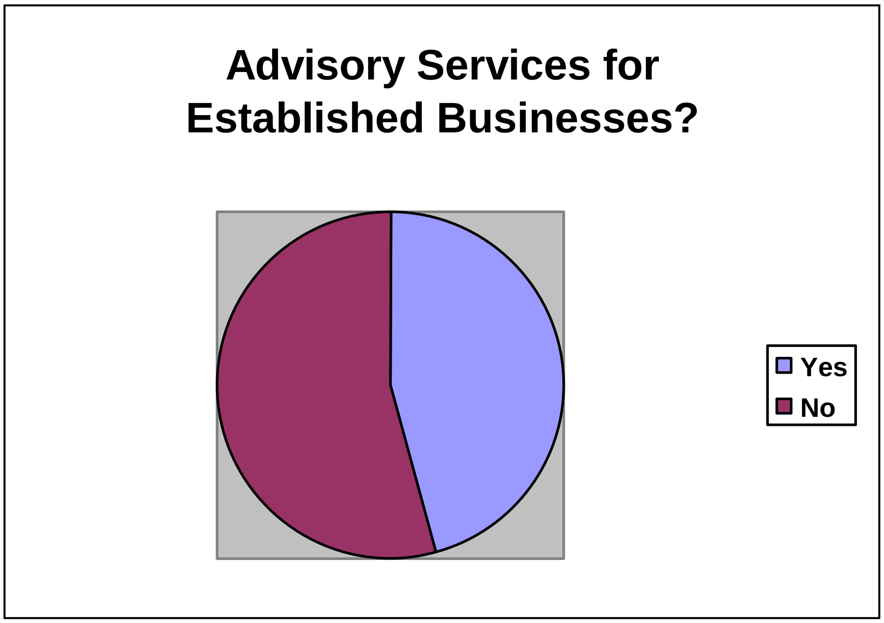
- Programs offered by HRDC were the most widely used by businesses in the County, followed by InRich and Credit Unions.
- There was very low utilization of provincial programs reported.

**20. What was your experience with these programs?**



- Over 80% of businesses who used business support programs found then to be positive.
- Negative experiences were most often associated with too much paperwork or frustration in dealing with bureacracy.

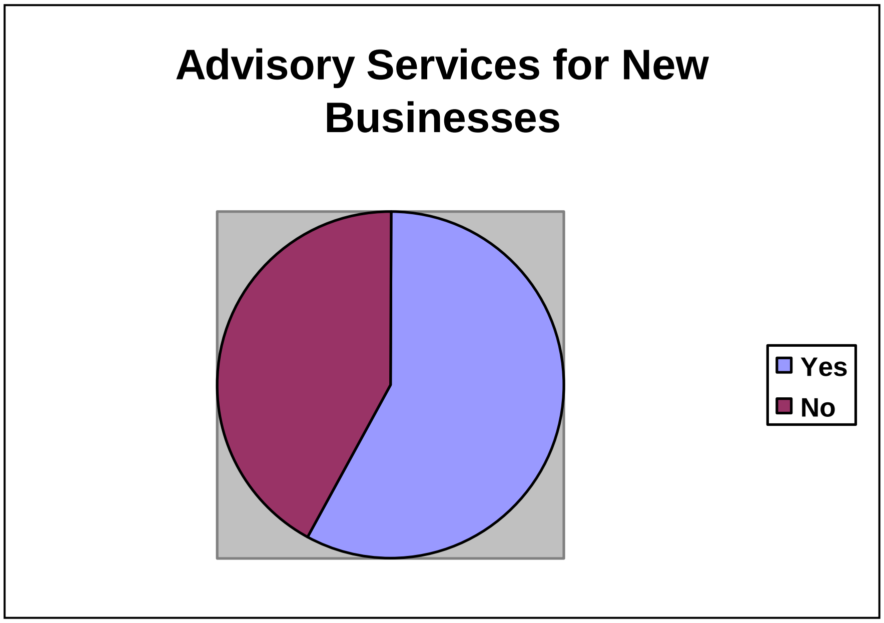
### 22. Are there local community business advisory services to *established* businesses?



The majority of businesses felt that there were no community business advisory services for established businesses.

- Of those who felt there were services, the most common responses were: 1) InRich, 2) Development Associations, and 3) Accountants.
- Financial and business advisory services were reported as the most needed.

### 23. Are there local community business advisory services to *new business* investment?



- Over 58% of businesses felt there were community business advisory services for new businesses. ECBC was the most commonly reported service in this case.

# CHAPTER 3

# RESIDENT AND BUSINESS SURVEY SUMMARIES BY QUADRANT

## Quadrant 1 (Northern Region)

### *Demographics*

- The Northern Region has the oldest population on average, with 24% of it's adult residents aged 65 or older, compared to the national average of 17% of the population 65 or older. As well, 41% of their population falls into the next oldest segment, age 46 to 65, while this segment only represents 33% nationally.
- The region has the highest percentage of females at 53%, compared to 51% for the County. This may be attributed to the older population and the fact that females live slightly longer than males on average.
- Approximately 55% of residents have lived in the County all their life and 31% moved away but returned, indicating a strong desire to settle in the area by those who grew up there. However, only 14% of the population grew up outside the County – the smallest percentage of the four regions.
- The region has a low average income compared to other the other regions of the County, with over 57% of residents reporting an income of less than $18,000 per year. Only 12% of residents reported having an income of $40,000 or greater.

### *Education and Training*

- Quadrant 1 has the highest percentage of people with less than high school education at 51% of the adult population. Most of these residents are either retired or work in the fishery. Conversely, only 21% have completed post-secondary education, which is the lowest percentage in the County.
- Of those who have not completed high school, only 22% are interested in upgrading, with computer training and trades reported as the most sought types of training. Although the region has a large French speaking population, 94% of residents interested in upgrading stated that they would prefer the training in English.
- When asked to indicate training received that may not apply to their current job situation, secretarial (12%), mechanic (7%) and university courses/degree (6%) were the most common responses. This training was most often received in certificate or diploma programs.

### *Employment*

- The region has the highest percentage of seasonal workers, with 24% reporting that they work seasonal but full-time and 6% working seasonal part-time. Only 21% of residents are working full-time year-round. 32% of residents are retired.
- The region has the lowest percentage of residents reporting that they were unemployed at less than 6%.
- Over 53% of residents stated that they would prefer to work full-time year-round, signalling that there is significant underemployment in the region.

- Only 21% of residents stated that they would prefer not to work, indicating that a percentage of retirees would like to work in some capacity.
- The top sectors for employment are fisheries, health care, and retail/personal services.
- Only 8% of residents reported working outside the County – the lowest percentage of the regions.

**Businesses**

- Over 79% of businesses indicated that Inverness County is a good place to do business.
- Approximately 29% of businesses stated that obtaining capital was an issue for their business.
- Approximately 27% of businesses stated that obtaining employees was an issue for their business. This is a significant percentage, but much lower than the County average of 42%.
- Over 51% of businesses stated that they would like to expand and cited access to capital as the major hurdle.
- A business case can be made for attracting a call centre to the region.

## Quadrant 2 (The Margarees)

### *Demographics*

- The Margarees Region has a relatively older population, with 22% of it's adult residents aged 65 or older, compared to the national average of 17% of the population 65 or older. 27% of their population falls into the 30 to 45 range, the highest percentage for this segment in the County.
- The region has a higher than average percentage of females at 51.5%, compared to 51% for the County.
- Approximately 51% of residents have lived in the County all their life and 25% moved away but returned. 24% of the population grew up outside the County, which indicates a fairly significant percentage of in-migration to the region.
- At close to 29%, the region has the highest percentage of residents reporting an income of less than $12,000 per year. In total, approximately 48% of residents earn less that $18,000 per year. Only 13% of residents reported having an income of $40,000 or greater.

### *Education and Training*

- The region has the second highest percentage of people with less than high school education at 32% of the adult population. 34% have completed post-secondary education, which is the also the second highest percentage in the County.
- Of those who have not completed high school, only 12% are interested in upgrading, with computer training and university education reported as the most sought types of training.
- When asked to indicate training received that may not apply to their current job situation, secretarial (9%), mechanic (7%) and carpentry (7%) were the most common

responses. This training was most often received in diploma programs or on-the-job training.

***Employment***

- Approximately 23% of residents reported that they work full-time year-round, while 19% work seasonal but full-time. 28% of residents are retired.
- The region had the highest percentage of residents reporting they were self-employed at 8%.
- The region has a low percentage of residents reporting that they were unemployed at just over 7%.
- Approximately 60% of residents stated that they would prefer to work full-time year-round, signalling that there is significant underemployment in the region.
- Only 17% of residents stated that they would prefer not to work, indicating that a percentage of retirees would like to work in some capacity.
- The top sectors for employment are health care, building/construction/trades and financial services.
- Over 23% of residents reported working outside the County – the second highest percentage of the regions. The majority of these individuals drive less than 50 km one way to work.

**Businesses**

- Over 87% of businesses indicated that Inverness County is a good place to do business – the highest confidence rating in the County.
- Approximately 22% of businesses stated that obtaining capital was an issue for their business – the lowest percentage of the four regions.
- Approximately 38% of businesses stated that obtaining employees was an issue for their business. This is a significant percentage, but lower than the County average of 42%.
- Only 42% of businesses in the region stated that they would like to expand, compared to 50% for the County as a whole. Most businesses interested in expanding are in the tourism sector and cited access to capital as the major hurdle.
- Many businesses are seeking more information on funding programs and financial services available.

## Quadrant 3 (Central Region)

***Demographics***

- The Central Region has a relatively older population, with 22% of it's adult residents aged 65 or older, compared to the national average of 17% of the population 65 or older. However, 14% of the region's population falls into the 18 to 29 range, which is tied for the highest percentage of young adults in the County.
- Approximately 55% of residents have lived in the County all their life (the highest rate in the County) and 26% moved away but returned. Only 19% of the population grew up outside the County – the second lowest percentage of the regions.

- At 27%, the region has the highest percentage of residents reporting an income of less than $12,000 per year. In total, approximately 44% of residents earn less that $18,000 per year. Over 16% of residents reported having an income of $40,000 or greater – the second highest percentage of the regions.

### *Education and Training*

- Approximately 27% of the residents in the region have less than high school education. 32% have completed post-secondary education, and 19% have either completed a university degree or are presently attending university, which is the highest percentage in the County.
- Of those who have not completed high school, only 8% are interested in upgrading, with university education and trades reported as the most sought types of training.
- When asked to indicate training received that may not apply to their current job situation, university courses/degree (12%), welding/pipe fitting (8%), and secretarial (8%) were the most common responses. This training was most often received in diploma programs or on-the-job training.

### *Employment*

- Just under 30% of residents reported that they work full-time year-round, while 18% work seasonally (full-time or part-time). Approximately 30% of residents are retired, the second highest percentage in the County.
- The region had the second highest percentage of residents reporting they were self-employed at 6%.
- The region has a low percentage of residents reporting that they were unemployed at just over 7%.
- Approximately 64% of residents stated that they would prefer to work full-time year-round (the highest percentage in the County), signalling that there is significant underemployment in the region.
- Just under 20% of residents stated that they would prefer not to work, indicating that a percentage of retirees would like to work in some capacity.
- The top sectors for employment are health care, light industrial and building/construction/trades.
- Approximately 18% of residents reported working outside the County, with the vast majority of these individuals driving less than 100 km one way to work.

### Businesses

- Approximately 77% of businesses indicated that Inverness County is a good place to do business. While still high, this is the lowest confidence rating in the County.
- Approximately one-third of businesses stated that obtaining capital was an issue for their business, which is the highest percentage of the four regions.
- Approximately one-third of businesses stated that obtaining employees was an issue for their business. This is a significant percentage, but lower than the County average of 42%.
- 50% of businesses in the region stated that they would like to expand, with most citing access to capital as the major hurdle.
- Many businesses are seeking enhanced promotion for tourism.

## Quadrant 4 (Southern Region)

### *Demographics*

- The Central Region has a relatively older population, with 20% of its adult residents aged 65 or older, compared to the national average of 17% of the population 65 or older. However, it is generally the youngest region in the County with over 40% of the region's population under 45 years of age.
- The region is the only area of the County with more adult males (51%) than females (49%).
- Just over 50% of residents have lived in the County all their life (the lowest rate in the County), while 23% moved away but returned. Almost 27% of the population grew up outside the County – the highest percentage of in-migration of the regions.
- The region has the highest income in the County. Over 29% of residents reported having an income of $40,000 or greater, which is by far the highest percentage of the regions. Approximately 40% of residents earn less that $18,000 per year, which is the lowest percentage in the County.

### *Education and Training*

- Less than 25% of the residents in the region have less than high school education, which is the lowest percentage in the County. Approximately 35% have completed post-secondary education - the highest percentage in the County. Over 10% reported, having completed a university degree, while almost 4% have completed a post-graduate degree.
- Of those who have not completed high school, only 14% are interested in upgrading, with university education and computer training reported as the most sought types of training.
- When asked to indicate training received that may not apply to their current job situation, university courses/degree (9%), secretarial (8%), and welding/pipe fitting (6%) were the most common responses. This training was most often received in diploma programs or on-the-job training.

### *Employment*

- Over 36% of residents reported that they work full-time year-round (the highest rate in the County), while only 14% work seasonally (the lowest rate in the County). Approximately 27% of residents are retired - the lowest percentage in the County.
- The region has the highest percentage of residents reporting that they were unemployed at just under 10%.
- Over 61% of residents stated that they would prefer to work full-time year-round, signalling that there is significant underemployment in the region.
- Just over 20% of residents stated that they would prefer not to work, indicating that a small percentage of retirees would like to work in some capacity.
- The top sectors for employment are building/construction/trades, retail/personal services and heavy industrial.
- Approximately 26% of residents reported working outside the County – the highest percentage in the County, but understandable given the fact that the region is closer

to nearby centres such as Port Hawkesbury and Antigonish. Two-thirds of these individuals drive less than 50 km one way to work.

**Businesses**

- Approximately 88% of businesses indicated that Inverness County is a good place to do business. This is the highest confidence rating in the County.
- Approximately 26% of businesses stated that obtaining capital was an issue for their business, which is the lowest percentage of the four regions.
- Approximately 45% of businesses stated that obtaining employees was an issue for their business, making this a significant concern. This was a particular concern for agriculture operations.
- 53% of businesses in the region stated that they would like to expand, with the exception of agriculture operations. The most common hurdles to expansion were a lack of employees and a lack of information on government programs.

- Many businesses are seeking enhanced business advisory services. Tourism operators are seeking improved trail developments and enhanced signage.

## CHAPTER 4

### REPORTING OF RESULTS OF QUALITY OF LIFE SURVEYS

### IN ***THE NORTHERN REGION*** (QUADRANT # 1) OF INVERNESS COUNTY

The northern region of the project comprised the communities of Meat Cove, Cheticamp, Pleasant Bay, and St. Joseph Du Moine. Pleasant Bay chose not to participate in the quality of life workshop part of the survey because of the lack of action on concerns identified at previous planning exercises. This chapter summarizes material found in individual reports for each of these communities from the regional workshop. These individual reports are available from each of the Development Associations or upon request to Inverness County Council.

#### 1. Recreation Opportunities and Facilities

- There was overwhelming satisfaction with the quality of recreation opportunities and facilities available throughout the northern region
- People were pleased with the combination of recreational and social opportunities, programs, and services offered in their communities
- Many of the suggestions for improvements related to how to build on what was already in existence
- Generally speaking these ideas were not particularly costly.

#### 2. Cultural Opportunities and Facilities

- Residents were genuinely pleased with cultural opportunities and facilities that exist despite their feelings that there is always the need for constant up-grading and improvement.
- A common complaint was the amount of volunteer time and paper work it takes to apply for, administer, and report on seasonal, make-work community projects from the various federal, provincial and municipal levels of government.
- Local people were of the opinion that much of this paper work was duplication and could be avoided if government agencies got their act together and standardized reporting procedures so the same information could be shared among the different departments.
- They were willing to help design such a system that would meet the needs of the funding agencies and at the same time provide a useful document for them to evaluate the effectiveness of the project to their organization or community.

### 3. Adult Education & Literacy

- While there was general approval of existing adult education and literacy programs offered in their region there was a recognition that more could be offered.
- Suggestions included better promotion of courses but, just as important, was the feeling that residents should receive much earlier notice of courses being offered.
- In addition there was the observation that new courses taught by local people was a realistic alternative to the present system of frequently bringing people into the community to teach courses.

### 4. Health Services

- Health services came in for very high praise among representatives from all communities in this region of the County.
- As pleased as they were with the facilities, they always singled out medical personnel at all levels of the delivery system for praise of the quality of service offered and the willingness of staff to go the extra mile for people.
- More services in French was identified as a concern and the lack of public transportation, especially for seniors to regional facilities was a common complaint.
- Alternatives to help seniors climb stairs in seniors' housing needs to be examined.
- A shortage of RNs and LPNs was also identified.
- More access to psychiatrists

### 5. Social Services

- The department of Social Services received consistent negative ratings among all communities at the workshop.
- Social services and mental health professionals that have experience were needed, not always new graduates.
- There is a perception that services are inadequate and programs are often ineffective, inappropriate to the needs of the people, and resources too limited to address the requirements.
- It was perceived that the ability of staff to do their jobs was not as much of a problem as the lack of appropriate policies and access to or the availability of staff. For example, Meat Cove felt they could provide office space for social service staff for one-half day a week. This could be coordinated with Pleasant Bay so a worker would not have to travel to the area twice.
- More continuity of social service programs for people in need.
- More information and understanding of what services are available.
- This was seen as a method to be proactive and resolve difficult social situations before they demanded more drastic intervention.

## 6. Community Development

- Generally speaking people were unclear as to what was meant by community development. However, once examples were given it received mixed reviews.
- More workshops in which communities communicate with each other
- While there are lots of local groups active in all three communities, volunteer burnout was a common complaint.
- There was a perceived need for a community development worker for the region to assist them in their development efforts.
- More community development activity to offset individual apathy.

## 7. Economic Development

- While more positive comments were made in this area than the previous category, there was still the feeling that there was much room for improvement.
- In additional to having a local person to promote economic development the need for greater and more appropriate assistance from the RDA and the Office of Economic Development was required.
- The need for regular visits and having consistency among people coming to help were suggested as areas for improvement.

## 8. Tourism

- While participants were asked to evaluate the efforts to attract tourists and to keep them in the area longer it would appear that some people chose to comment on the tourist attractions themselves.
- It was felt that the natural beauty of the region, the many unique cultural, social, and recreational activities were indeed superior to anywhere else in Canada.
- Again volunteer burnout was identified as a problem as well as the need for better promotion and advertisement.
- It was hoped that ideas for the proposed new Tourist Information Centre at the strait would be discussed with them before plans went much further than they are at present.

## 9. General Comments

- Given the situation at Meat Cove last winter when a house was lost and people's lives were put at risk because of the condition of the road a long term solution to this problem was requested.
- Improved public transportation to health facilities was identified by all three communities.
- Alternatives to get seniors up and down stairs in their facilities was a major concern in Cheticamp as this situation has the potential for serious injury.
- All services should be available in French at all times.

# CHAPTER 5

## REPORTING OF RESULTS OF QUALITY OF LIFE SURVEYS

## IN ***THE MARGAREE REGION*** (QUADRANT # 2) OF INVERNESS COUNTY

The Margaree region of the project comprised the communities Margaree Forks, Belle Cote, South West Margaree, East Margaree, and North East Margaree. This chapter summarizes material found in individual reports for each of these communities from the regional workshop. These individual reports are available from each of the Margaree Development Association or upon request to Inverness County Council.

### THE MARGAREES

### 1. Recreation Opportunities and Facilities

- Recreation opportunities and facilities received a mixed assessment from communities in the Margaree region.
- While recreation facilities received a high rating there was recognition of problems of access, cost of insurance, volunteer burnout, and the need for more staff.
- There was a strong value placed on building recreation opportunities on the natural resources while having minimum impact on them.

### 2. Cultural Opportunities and Facilities

- Participants felt there were lots of great cultural opportunities and mostly positive remarks about cultural facilities in their area.
- Poor acoustics in local community halls was pointed out as a problem.
- There was a suggestion to establish a centre to celebrate the history and traditions of the Margaree region.

### 3. Adult Education & Literacy

- Adult education and literacy efforts in the area received a very low rating by most of the five communities.
- There are still strong feelings of not being listened to in their efforts to save their local schools.
- The aging population resulting in fewer kids in the area was identified as a serious concern.
- A greater variety in adult education classes was recommended.

## 4. Health Services

- While health services received a mixed assessment the skills of medical staff were highly appreciated.
- However, long waiting times were not appreciated at all.
- Preventative education programs were thought necessary as was the provision of a local outlet to get prescriptions filled.
- Transportation to medical services and facilities was problematic as was the lack of a diabetic clinic.
- There are no mental health services or physiotherapist services in the area.
- Community Health Boards need more resources and more attention paid to them.

## 5. Social Services

- The Department of Social Services was singled out for particularly harsh criticism.
- While residents recognized that their low population, location, and a high case load made it difficult to provide social services, nevertheless, they felt the need for improvements in many areas.
- Child protection, poor counseling for drug problems, the lack of coordination between agencies providing services were all mentioned as concerns.
- On the positive side home care for the elderly was appreciated.
- There was a suggestion to have the provincial government take over child care services and locate them at the Inverness Memorial Hospital.

## 6. Community Development

- Community development efforts received a mixed review.
- There was a feeling that with the closing of the schools there was a loss of a “sense of community” in the area and communities lost their source of focus.
- It was becoming more and more difficult to get people involved and volunteering in their community. All groups and organizations were experiencing this phenomenon.
- Day care availability was part of the problem.
- It was also recognized that people within a community or between communities did not always work together.

## 7. Economic Development

- There was a similar mixed assessment on the effectiveness of economic development efforts in their region of the County.
- There is still frustration over the lack of follow-up to their last effort in producing vision and mission statements and a plan for the future of the Margaree region.

- While more jobs and development were desired there was also the caution not to destroy the natural environment, like the Margaree River, in an effort to get more growth.
- Value added based on natural resources (fish, forestry, and farming) were identified as natural areas for improvement.
- Transportation for seniors is a concern as was the lack of reception for cell phones.

## 8. Tourism

- The efforts to increase tourism in the area received mixed reviews.
- Not everyone wanted more tourism and some felt there was too much dependency on seasonal tourism rather than year round, better paying, permanent jobs.
- The conditions of roads and service in restaurants were identified as problems.
- The area around the Library at the Forks was identified has having good facilities for locals and tourists alike.
- While concerned about how eco-tourism was defined, a boardwalk along the river, better access to beaches, extended season, retreat themes, package deals, an advertising blitz, treasure hunts were all suggested for future consideration to attract more people to the Margarees.

## 9. General Comments

- People felt strongly about the high quality of life they have in the Margarees.
- There was a strong sense of community, although this is being threatened because of more travel to other areas for social, cultural and economic reasons, strong family values and a feeling that anywhere in the Margaree valley was a great place to live.

# CHAPTER 6

## REPORTING OF RESULTS OF QUALITY OF LIFE SURVEYS

## IN ***THE CENTRAL REGION*** (Quadrant # 3) OF INVERNESS COUNTY

The Central region of the project comprised the communities Inverness, Lake Ainslie, Whycocomagh, and Mabou. This chapter summarizes material found in individual reports for each of these communities from the regional workshop. These individual reports are available from each of the Development Associations or upon request to Inverness County Council.

### 1. Recreation Opportunities and Facilities

- Recreation opportunities and facilities received a high rating from workshop participants.
- People recognized and had praise for the great natural resources and the high quality of programs and services offered.
- Nevertheless, there were many suggestions about how opportunities and facilities could be made better use of and improved in the future.

### 2. Cultural Opportunities and Facilities

- Cultural opportunities received an excellent assessment while cultural facilities received a very high rating.
- Participants saw for the need of a full time person to help with culture, recreation, economic, and community development.
- The present system of financially supporting the larger events and organizations at the expense of the smaller ones was seen as inequitable.
- More effort to work with youth, possibly a youth centre, was suggested as opposed to canceling dances when problems arose.
- History and genealogy should be enhanced along with more opportunities for social interaction and story telling.
- Expanded programs, more leadership, better accountability and walks at museums were all put forward as ways to improve cultural opportunities and facilities.

### 3. Adult Education & Literacy

- There was a fifty-fifty split on this category.
- The CAP sites, regional library, recreation programs and offering of GED were all seen as positives.
- However, there were not sufficient art classes or computer skills at a high level being taught, school was not accessible enough, and not sufficient notice when promoting courses.

- More research on interests/needs of local people, more advertisement, more use of schools, a library, high speed internet, courses on community development, computer guru one night a week, better paid for staff to help organize local communities, reading room & periodicals, guest speaker nights, easier access to NSCC courses, distance education with latest technology, and courses in horse care and training were all suggested.

**4. Health Services**

- There was overall high satisfaction with health services.
- Keeping people in their homes as long as possible was thought to be important
- Improved day care, nutrition classes, transportation for seniors to local and regional facilities, more specialists on a regular basis, more clinics, drug awareness for youth, improved mental health services, more nurse practitioners, and more information about what is available were all suggested.
- A small clinic in Whycocomagh was also suggested.
- Through collaboration with the local Development associations, health promotion could be strengthened through the population health (determinants of health) approach.

**5. Social Services**

- Social services received a very poor rating.
- Lack of counseling for drug abuse and gambling, insufficient senior citizen units, more information of what social services are available are all needed.
- Some suggestions included: a reduce tax fuel, social workers come to local area (facility), better needs assessment & more awareness of programs, senior complex, gambling counseling, increased funding for single parents education programs on substance abuse, more training on depression for GP doctors, more church involvement, and an ombudsman for nursing home residents.
- A need to evaluate Children’s Aid Society and examine alternatives to them providing services in the area was seen as necessary.

**6. Community Development**

- There was a split assessment on whether or not community development services and programs were adequate in their region
- Those comments on the positive side identified having a community plan, regular meetings, volunteer appreciation night, support for community organizations and businesses, waterfront development, efforts to enhance stream and brook improvements were all indications of community development support.
- Others felt that volunteer burnout was an issue, a development person to work with the various communities and support agencies was necessary, more communications among development associations was needed, housing for retired people was lacking, and road improvements required.

- Suggestions for improvement included more cooperation and coordination among federal and provincial departments who are supposed to help, more farming to meet local needs, and more participation on behalf of the community residents.

### 7. Economic Development

- Four out of five communities rated efforts at economic development as inadequate.
- Many felt that government was not interested in promoting the development of natural resources, only in oil and gas, too many studies have been done and not enough action taken, a lack of sidewalks and senior’s housing in several communities, and Whycocomagh needs a marina and improvements at the provincial park.
- A development person to encourage investment in local business development, promote cottage industries, work on value added in all natural resource areas, and prepare submissions to change the criteria for CDIF programs so the fund can respond to smaller projects were all suggested.

### 8. Tourism

- Assessment of tourism promotion efforts is generally low.
- There was a perception that this regions has the best natural beauty on the Island, top campsites and beaches but needed more money for advertisement and marketing and promotion.
- It was thought that more effort was required to reach the tourists before they leave home to help them plan their itinerary resulting in them staying longer than a day or two.
- Some suggestions for improvements included more promotion, focus on niche markets, more money for Doers & Dreamers, more trails, attraction to make tourists stop, roadside clearing of trees so lakes can be viewed, make Inverness a destination area, more eco-tourism, better accommodations, creating comprehensive pre-arranged packages.

### 9. General Comments

- More leadership in all areas of quality of life, more accountability from government, a coordinator for each quadrant, more linkages between Development Associations, NS Community College provide more courses in community, more distance education courses, more people/immigration, protect our environment, more interest in Bras D’Or Lakes, improve relationships in communities.
- Development Groups should meet in summer - do this forum as a town hall meeting, let Development Associations design make-work projects and grants, and do more to promote the trades to high school students.

# CHAPTER 7

## REPORTING OF RESULTS OF QUALITY OF LIFE SURVEYS

## IN ***THE SOUTHERN REGION*** (Quadrant # 4) OF INVERNESS COUNTY

The Southern region of the project comprised the communities Port Hood, Judique/Creignish, Port Hastings, Glendale, Marble Mountain, and Orangedale. This chapter summarizes material found in individual reports for each of these communities from the regional workshop. These individual reports are available from each of the Development Associations or upon request to Inverness County Council.

### 1. Recreation Opportunities and Facilities

- Recreation opportunities in this region of the County were rated as very high despite the fact that they are some distance from the major recreation centers in the County.
- The terrific natural resources of the area were greatly appreciated by the residents allowing the public to take advantage of innumerable outdoor recreation opportunities.
- However, trail development, improved roads, and mapping of local water falls were seen as areas requiring improvement.
- On the other hand, recreation facilities received a mixed review.
- The need for affordable insurance for all groups was identified as a common concern throughout the region.

### 2. Cultural Opportunities and Facilities

- Cultural opportunities were perceived as generally positive while cultural facilities had a mixed review.
- Volunteer burnout was identified as a major concern while the quality of local talent was greatly appreciated.
- A revival for local dances and “callers” for square sets were seen as necessary.
- The major cultural centers in the County were widely used and appreciated by residents of the Southern region.
- The need for help with grant applications was identified and was the need for assistance in running local museums.

### 3. Adult Education & Literacy

- Adult literacy programs and services received a very high rating.
- Access through existing academic institutions, libraries, and the interned seems to be meeting many local needs resulting in little demand for additional programs.
- However, more advertising and promotion for programs could use some improvement.

### 4. Health Services

- Health services received a mixed review.
- While satisfied with most of the services there was a feeling that there is still plenty of room for improvements.
- Long waiting times, the lack of specialists, young doctors to replace those retiring, better use of technology were all mentioned as concerns.
- Upgrading for paramedics, better doctor recruitment and support of students wishing to serve rural areas were suggested to improve the situation.

### 5. Social Services

- There was mostly a negative view of social services in the area.
- However, the individuals providing these services were not perceived as the problem but rather the policies or lack of resources to do their job adequately were identified as the problem.
- L'Arche CB was singled out as providing exceptional service.
- Local transportation to medical services especially for seniors was a common factor.
- More time for home care, a local advisory group to work with helping agencies to improve services, and drug awareness programs started at an earlier age were all suggested.

### 6. Community Development

- Community development received a mixed review.
- The County's 50-50 funding for certain projects such as summer students and volunteer recognition night, were seen as positive efforts by the County to help local communities.
- Suggestions included combining the resources of the various Development Associations to employ a full time person to work with the volunteers that are burning out, help groups work to overcome escalating liability costs, and share information about what is going on in other parts of the County.

### 7. Economic Development

- There is great disappointment with the past efforts to improve economic development in this region of the County.
- They feel largely ignored.
- Little employment is generated from local facilities like hiking trails, little assistance to start a new business, no workshops to generate new ideas for employment, little work for local trades people, and the inability to take advantages of the natural resources were all perceived as limiting economic development.

- More information about funding programs and services, seed money and investment fund is needed, and more advice for second stage development of potential products is required.
- Volunteer burnout was repeated several times as a common problem among the various communities.

### 8. Tourism

- While appreciating the value of tourism they perceived themselves as getting little direct benefit from this industry.
- The problem begins at the causeway with no proper orientation to Cape Breton Island and the attractions along route # 105.
- Because eco-tourism is almost non-existent in this area, there is limited picnic and parking near the waterfalls, low paying jobs in tourism, and the short season tourism was perceived as being underdeveloped.

### 9. General Comments

- Everyone at the workshop recognized that having a small spread out population in the area made it difficult to have sustained development.
- But the feeling was that this is all the more reason to have a greater coordinated effort to deliver programs and services in a coordinated and efficient manner.
- Local post offices were seen as essential to a “sense of community”.
- Greater efforts to attract and keep younger families are required to keep several local communities from dying.

# CHAPTER 8

*"Solutions are much too important to be left to the experts."*

## ANALYSIS & INTERPRETATION OF THE DATA

The picture of Inverness County that is painted as a result of these surveys is a very positive one. The degree of satisfaction with many of the existing programs and services is very high. Generally speaking, people are happy to be living in Inverness County and have a feeling that in many ways they have "the best of all worlds".

The need for more jobs, to prevent young people from leaving and for those not planning to leave, was identified as important. However, jobs at any price is not what is wanted. Residents want their environment protected for present and future generations to enjoy. People always talked about the need to balance growth and development with a respect for the environment and the traditions and culture of the County. They want to live in an area where people know and care for each other. Maintaining a "sense of community" was important to everyone who participated in the various surveys.

Education and training were seen as important not only to obtain employment and to make people more employable, but also to enhance every person's ability to enjoy the good life. People want the right and the tools to choose whether to stay or to leave. Even those that are choosing to leave still want the opportunity to return if and when they decide to do so.

The history, traditions and culture of the area were seen to contain value and beliefs of the community. It is this "sense of community", this "sense of belonging", that people hold dear to their hearts. Some of these qualities are being lost and this is causing concern in local communities. In pointing out areas for improvement people were always careful to point the finger at themselves by acknowledging the fact they do not always work cooperatively between communities. They also said this was not in keeping with their history and traditions.

Preventative measures to improve social and health services were seen as important strategies to improve things in the long-term. Short-term, quick-fix solutions were judged to be ineffective and inefficient. People throughout the County wanted drug abuse education programs to begin at an earlier age and better mental health services in all areas. Inverness was identified as an ideal location for more directed research and study into proactive initiatives to keep individuals healthy and at home. Even when it becomes necessary to provide more direct support to ailing individuals there was a feeling that these services and policies should be designed by the local community based on local knowledge about what works best in each particular circumstance.

1. Do you have a different analysis and interpretation and what it is telling us?
2. Are there trends or themes that were missed in this chapter?
3. What might each Community Development Association do with the results of this chapter?
4. What might governments do with the results of this chapter?

# CHAPTER 9

## IMPLICATIONS ABOUT WHAT THE DATA IS TELLING US

It is important to recognize and build upon the positive attitudes of the residents of the County. Even though there were many suggestions about how things could be improved, almost to a person, people were happy to live in Inverness County and appreciated the many social, recreation, cultural, health and social services they have at their disposal.

Numbers (quantitative data) and opinions (qualitative data) must be given an interpretation (subjective judgment) if they are to have meaning or to be useful. Numbers are not bad or good, they're just numbers. Opinions are just that, they are not necessarily factual nor are they necessarily false. Judgments have to be made about the accuracy and meaningfulness of numbers and opinions. The implications for what the data is telling us means we must think about what the data means and how it can be used. There are no magic formulas for how to interpret the data. Interpreting the data and figuring out it's implications is a human process, not a computer process. The best guide may be Einstein's dictum that "the important thing is to keep questioning."

The data generated in this report is an indication or representation of what the world is like in Inverness County at present. Just as a map is not the territory it describes, the statistical data contained here is an indication of what programs and services are like and provides us with a means to understand them better. They are not the program themselves. Generating data is not an end in itself.

Because of our concern for the usefulness of what we have learned in this process, we have spent considerable time in providing the opportunity for stakeholders to provide their own interpretations of the data, before we have drawn our conclusions. Traditionally this has not been the role of consultants who only supply the data, leaving the decision makers alone to make the judgments. While we may have been influenced by the feedback sponsors gave us we take full responsibility for our interpretation, judgments and conclusions from the data and the final recommendations contain herein.

1. What are the implications for each Community Development Association?
2. What are the implications for all levels of government and others providing programs and/or services to Inverness County?

## CHAPTER 10

***“Simplicity as a virtue is not simple, but it can be effective”***

## THE DETERMINANTS OF HEALTH

The determinants of health is a complex subject including a person’s status in our society, the health of an individual or community as compared to other individuals or communities, general population health, health indicators, conditions, determinants of health, health system characteristics and outcomes.

The Department of Nova Scotia Department of Health has already adopted the following strategies essential to the population health:

- focus on health of entire communities and populations;
- address determinants and their interactions;
- base decisions on evidence;
- increase investments to maintain health;
- address root causes of health and illness;
- apply multi-level strategies incorporating prevention, protection, and promotion of health;
- promote joint action among health and government sectors along with community, voluntary, non-profit, and private groups;
- provide opportunities for public involvement through increased engagement, communication, and consultation with citizens.

These strategies are totally consistent with what the residents of Inverness said about their communities and their quality of life. They are also consistent with what the federal government has found as a result of extensive research into conditions that promote healthy living.

According to Health Canada “at every stage of life, health is determined by complex interactions between social and economic factors, the physical environment and individual behavior. These factors are referred to as 'determinants of health'. They do not exist in isolation from each other. It is the combined influence of the determinants of health that determines health status.”

# CHAPTER 11

## ***RECOMMENDATIONS***

***"It is easier to select a method for madness than a single best method for how to proceed, though attempting the latter is an excellent way of achieving the former."***

There are four parts to making sense out of this report:

1. Description and analysis – what are the facts, the actual data
2. Interpretation – what do the results mean & why did it turn out this way? What are possible explanations of the results?
3. Judgment – bringing in values to bear on results (good/bad – desirable/undesirable, etc. based on value judgments or merit & worth)
4. Recommendations – flow from the above 3.

KLOG and ICON have worked with stakeholders so that they have been actively involved in all four processes so they fully understand the findings and their implications. The recommendations made in this report are based on the results of all three surveys. They are made in clear, brief language so they are open to the least amount of interpretation. In order to target the recommendations they are focused on a particular interest group. A process for dealing with issues at a systemic level has been recommended rather than individual recommendations for every problem identified.

Whenever appropriate several options are presented for implementing recommendations. For the most part, the recommendations are not particularly expensive. When costs are required these may be shared by several agencies and local groups. In most cases the benefits of implementing a particular course of action (i.e. preventative and proactive activities to improve health care) far outweigh the costs involved. Major policy changes or new program initiatives are not required in most instances. Finally, many of the recommendations can be implemented at the local (County) level and do not require major shifts in policies. What is often required are different interpretations about the way policies are interpreted at the local level.

However, if these recommendations are to take life and not sit on a shelf in someone's office the responsibility for initiating action rests with the 16 Community Development Associations. It must be understood by those who have put so much into this research that it is simply too important to leave the responsibility for initiating action anywhere but at the community level. While it is reasonable to expect the three levels of government to respond appropriately to the findings contained herein, it is unrealistic to expect any level of government to take the lead role in addressing the issues identified in this report. The authors of this report are convinced that the political leaders at the municipal level and their staff are willing to do their part in assisting with the coordination and arrangements for follow-up meetings or workshops. But it will be up to the various Development Associations to initiate any action. Otherwise the report will follow the fate of so many other worthwhile efforts.

## RECOMMENDATION FOR COMMUNITY DEVELOPMENT ASSOCIATIONS

1. Each of the Development Associations take responsibility for requesting follow-up meetings to resolve outstanding problems with the various government departments and agencies identified in the body of this report. In the interest of efficiency, some of these meetings with the various stakeholders, may be arranged on a regional basis with other Development Associations.

2. These follow-up meetings should be held in an atmosphere of mutual trust and respect. They should not try and assess blame. While informal in format, they would address specifics problems identified at the Quality of Life Workshops with a view to identifying innovative solutions to the existing situation. These meetings could be coordinated by Inverness County staff. However, they should be requested, arranged and chaired by the local Community Development Association.

## RECOMMENDATIONS FOR PROGRAM ADMINISTRATORS AND STAFF

1. This report should be sent to all relevant federal and provincial government departments providing programs and services to the residents of Inverness County for their review and action. The key federal departments are HRSDC, Health Canada, and Infrastructure and Communities. The key provincial departments are Health, Social Services, Office of Economic Development, Tourism & Culture & Heritage, Education and Highways. Other quasi-government agencies should also receive this report for their information and invited to follow-up sessions. For example, the Inverness County Health Board, the Strait Highlands Regional Development Authority (SHRDA), InRich Development Corp, Nova Scotia Community College (NSCC), St. Ann’s University, and Port Hawkesbury & Area Chamber of Commerce.

2. Each of these groups or agencies should be asked to respond to this report by indicating their commitment to meet with the various Development Associations and local communities to build new working relationships based on mutual goals and support for addressing outstanding problems.

## RECOMMENDATIONS FOR INVERNESS COUNTY COUNCIL

1. In the interest of creating an even greater “sense of community” than exists at present, Inverness County consider coordinating a pilot project to better use schools and other community facilities to address some of the educational and social needs of the communities that do not fall easily into specific categories. These local “community schools” (although not necessarily held in a school) would run for ten weeks between the middle of January and the end of March. They would be organized by a local committee, possible a sub-committee of the

Community Development Association (CDA). This would require a part-time Coordinator for two months before the sessions begin, while the sessions are being conducted, and for one month afterwards to prepare for the next year's operation. A critical element would be for all classes to break for one-half hour when all participants would come together for "light refreshments" during which time they would be encouraged to socialize with people not in their particular class.

**Option A –** One option would be to fund this position as a pilot project with the various federal and provincial departments with responsibilities in this area of functioning.

**Option B –** Another option might be to get a corporate sponsor or service club or recreation association or foundation interested in testing the concept for general application across the province.

**Option C –** Examine existing programs at the municipal and or provincial level to see if someone's time could be freed up to provide this coordinating service.

## RECOMMENDATIONS FOR FUNDERS

1. A pilot project be requested from Health Canada for the purpose of identifying how the various individual aspects of the determinants of health are connected to the entire community and cannot be approached on a "piece-meal" basis. This is a rare opportunity to demonstrate how the determinants of health can be made to impact the health of multi-communities on a county-wide basis. Cheticamp should be used as a model as they have already taken concrete steps to bring all organizations in their community together under one structure in order to ensure coordination and efficiency of operations.

2. The County of Inverness should examine the possibility of obtaining the services of two Regional Community Development Coordinators for the purpose of working with the local CDA's in helping them address the recreational, social, cultural, and economic needs of their region.

   ***Option A -*** One option would be to fund this position out of the existing dollars allocated annual to support the Community Development Associations.

   ***Option B –*** Another option would be to work with the Strait Highlands Regional Development Authority (SHRDA) to work with the Development Associations in providing this service.

   In either case detailed job descriptions should be prepared by the CDA's in order to ensure there is clarity of job function, outcomes, accountability, reporting mechanisms, and the evaluation process.

# CHAPTER 12

*"Unless one is a genius it is best to aim at being intelligible."*

## A COMMITMENT TO ACTION

This report is written in an effort to assist the people of Inverness County, as represented by Inverness County Council and the sixteen Development Associations, to understand and address the quality of life issues facing them.

Libraries are full of reports that have never been used nor the recommendations implemented. There are many reasons for this fact not the least of which is a strict adherence to the traditional approach to report writing and recommendations.

Traditional approaches to report writing strongly advocated the consultant's role as being objective and independent with responsibilities to: a) design criteria to judge outcomes against, b) collect the data, c) draw conclusions from the data collected, d) make judgments about the results, and finally e) make recommendations about the programs.

The approach taken by the KLOG Centre, "utilization focused reports" involves design criteria, data collection, analysis, interpretation, judgment and recommendations that have a purpose. The purpose is use. In other words to improved programs and make better decisions. This is why we involved the real "stakeholders" not only in deciding what to study but in interpreting the results of the process. Our approach used a combination of traditional quantitative methods and innovative qualitative methods. However, from the very beginning, it has been concerned with intended use by intended users. This is consistent with the values of Inverness Council and staff to ensure that this report will not sit on shelves and be ignored.

If the quality of life in Inverness County is to be improved a new way of doing business or providing programs and services is needed. What is required is a constellation of departments and agencies around certain themes as opposed to everyone doing their own thing in their own little boxes. Even if everyone agrees with this statement it will not be easy to achieve. It will be perceived by some not be in their best interest to operate in this manner. There may be a fear of losing some control over limited resources or, in some cases, the fear of losing their jobs. If properly planned and managed this will not be the case. Any part of this report can be implemented by working smarter, not harder or with less people.

Ownership of follow-up activities arising from this report rests squarely on the shoulders of the 16 Development Associations in Inverness County. To rely on any level of government to take the initiative to implement the recommendations will ensure the "status quo" and the likelihood that little will be done as a result of this research. It is imperative that each Development Association take responsibility for initiating action to see that this report does not sit idle on a shelf in some government office. If the Development Associations take ownership of this report implementation will be assured.

# APPENDIX A

## COMMUNITY DEVELOPMENT ASSOCIATIONS AND CONTACT PERSON

# APPENDIX B

## AGENCIES TO RECEIVE THIS REPORT

APPENDIX I

Cabot Trail Re-Assessment Report

## CABOT TRAIL RE-ASSESSMENT

# Follow-up Recommentations List

September, 2012

ddi Destination Development International

# Marketing

1. **Find a funding source and continue the work of the Cabot Trail Working Association.**
   Going forward with these recommendations will require:
   a. A full-time effort
   b. 60% should be dedicated to marketing
   c. 40% should be dedicated to continued product development
   d. A really strong working relationship with the DCBA, Nova Scotia Tourism, and the ECBC

2. **Make the trip to the Cabot Trail worthwhile from anywhere on the planet: Market to the Four Times Rule.**
   This message needs to be loud, clear and everywhere: "If you spend seven to ten days on Cape Breton Island, you will end up with a world-class experience you'll talk about the rest of your life."

3. **Change the focus from driving and recreation to music, food and the arts.**
   Include the Ceilidh Trail in the Cabot Trail experience. As soon as visitors cross the Causeway, they should turn left or head to Baddeck and start there.

   Expand the visitor experience: Visitors could spend 2-3 days on the Ceilidh Trail; 5 days on the Cabot Trail (not just one); and 2 days in the Sydney/Louisburg area.

   Why do visitors come today?
   a. Outdoor adventure
   b. Scenic touring
   c. Coastal experiences
   d. Culture, arts and heritage
   e. Culinary
   f. Niche markets: golf, cruises, etc.
   # 1 reason should be: Food, music and the arts in a world-class setting.

4. **Rework your marketing budgets – individually and collectively.**
   If you want new business, residents, or visitors, your marketing efforts should start in front of a computer screen.

   Your marketing dollars should be allocated as follows:
   - 45%: Internet/website/social media/apps/peer reviews
   - 20%: Public relations, media, brand building
   - 20%: Advertising – to drive people to your website
   - 10%: Collateral materials
   - 5%: Outdoor, trade shows, other marketing avenues

5. **Create and promote "The Best of the Cabot Trail" brochure and online guide.**
   You must promote your "anchor tenants." An anchor Tenant is a business that you would drive an hour or more to visit, specifically. To be successful, you must have at least one or two anchor tenants.

In this "Best of" brochure, market your top five restaurants, retail shops, activities, and attractions. Do not include lodging, because you want every lodging facility to provide these brochures in their rooms.

The "Best ofs" must meet certain criteria. You can't just list everything, and you can't just allow any shop, restaurant, attraction, or activity to pay to be included. They must actually be the "best" of what the Cabot Trail has to offer. Here is sample criteria you can start with to make the selections:

- They must be highly regarded (80%+ positive peer reviews, regional publications, Taste of Nova Scotia, etc.)
- They must have good curb appeal
- They must be open June through October (to start)
- They must be open until at least 6:00 pm
- They must be open six days a week
- They must be unique to The Cabot Trail

6. **Create a book of "Cabot Trail Hidden Gems."**
   This should be filled with specific unique experiences that visitors can enjoy while on The Cabot Trail – experiences that locals would know about. This should be modeled after the book, 101 Things to do in Door County.

7. **Create detailed itineraries from local residents.**
   Provide specifics – in order of what a visitor should do, when they should do it, allowing the proper amount of time, with details.

   Create itineraries for weekends, week-long, couples, families, girls' weekends out, etc.

8. **Evoke emotion in your marketing efforts.**
   If you want your marketing to be effective, you MUST stand out from the crowd to grab folks' attention.

   - Headlines and bullet points are read much more than body copy. Be brief.
   - Create and use professional photography and videography. Focus on the people in the photos, not places or things.
   - The top 3 inches of your brochure are critical. Promote the experience first, then the business or town. Use yellows on a dark background.
   - Try using WordPress for your websites. Spend your money on the content – not the delivery system.

9. **Invest in a world-wide public relations program.**
   You should see a $3 return on investment (earned media) for every dollar you spend on a PR effort.

10. **Provide specifics – not generalities.**
    The most important missing ingredient in most marketing materials is specifics. Specific information makes trip planning easier for your visitors. The easier you make it, the longer people will stay, and the more often they will come back.

11. **Really get into the social media game.**
    Three priorities for using social media:
    - Don't spend more than one hour a day.
    - Watch what people are saying about you on peer review sites, such as TripAdvisor. Respond to their comments and criticisms.
    - Going viral is a good thing. Be ultra-creative.

12. **Populate peer review sites.**

    Add your attractions, lodging facilities, restaurants, and shops to peer review sites. This makes it easy for visitors to find you and to share their comments.

    Ask your customers to provide a review.

13. **Work with Navteq and get maps updated and populated.**

14. **Change your "Look Offs" to "Viewpoints." Promote the activity – not a location.**

15. **Sell "The Cabot Trail" road signs. Visitors want them!**

## Product Development

16. **Create a "world famous" photo opportunity.**

    One suggestion: In front of a "The World Famous Cabot Trail" sign. It should be about one third smaller than the existing one near the Red Barn. It should be lower to the ground, and the view behind the sign should be gorgeous. Have the words "The World Famous" be black lettering.

17. **Fix the kiosks you put up four years ago.**

    - Kiosks need regular maintenance to always look good.
    - Include a QR code or brochure distribution next to a list of local activities.
    - Include a large full-sized map with "you are here" notation.
    - List the attractions in the immediate area with a QR code, or brochures to provide specific information.
    - Maps and prints should always be mounted on foam core board.

18. **Work with neighbors to live up to the "world-class" brand position you've earned.**

    - Consider not allowing portable signs around the Cabot Trail. They truly are tacky, and make the Cabot Trail look tacky too.
    - Screen trash and storage areas. Add curb appeal.
    - Fill in the potholes.
    - If you have a readerboard sign, use it or remove it.
    - Add beautification. Not only does it make your place of business attractive, it makes it obvious you're still in business!
    - Screen or move trash/construction materials, so they aren't obvious.
    - Be open during the day on weekends.
    - Merchant signage should sell specifics. Promote your primary lure.

19. **Gradually work to replace the "old" Cabot Trail road signs.**

20. **Merchants need to broaden their merchandise offerings.** Be sure to keep an eye on market trends and customer requests, provide a variety of offerings with different price-points.

21. **Develop a program to fix parking lot pot holes.**

22. **Get rid of business signs more than 10 km from the location of the business.**

23. **Clear some of the viewpoint stops, so the views aren't obstructed.**

24. **Work on cell phone access around the trail, and promote local hot spots (with internet access).**

25. **Create QR posts at various places – on kiosks.**

26. **Make it easy for visitors to purchase passes to the National Park through online purchasing and 24/7 kiosks.**

27. **Add a wayfinding sign at the north end intersection, where the road Y's to Meat Cove and Bay St. Lawrence one way, and Ingonish and Baddeck the other way.**

28. **Over time, change the "look off" sign icons to an image of a camera.**

29. **Provide distances on kiosks and wayfinding signage.** This should be done for trails and roads – making it easier for visitors to decide to engage in an activity or see an attraction. If they don't know the distance, they may decide not to take a chance, in case it's too far.

30. **Create a major gateway to the Cabot Trail. Suggested location: along highway 105 just west of the Red Barn.** It should make a profound statement of arrival.

31. **Create a directory sign of the icons used around the trail.**

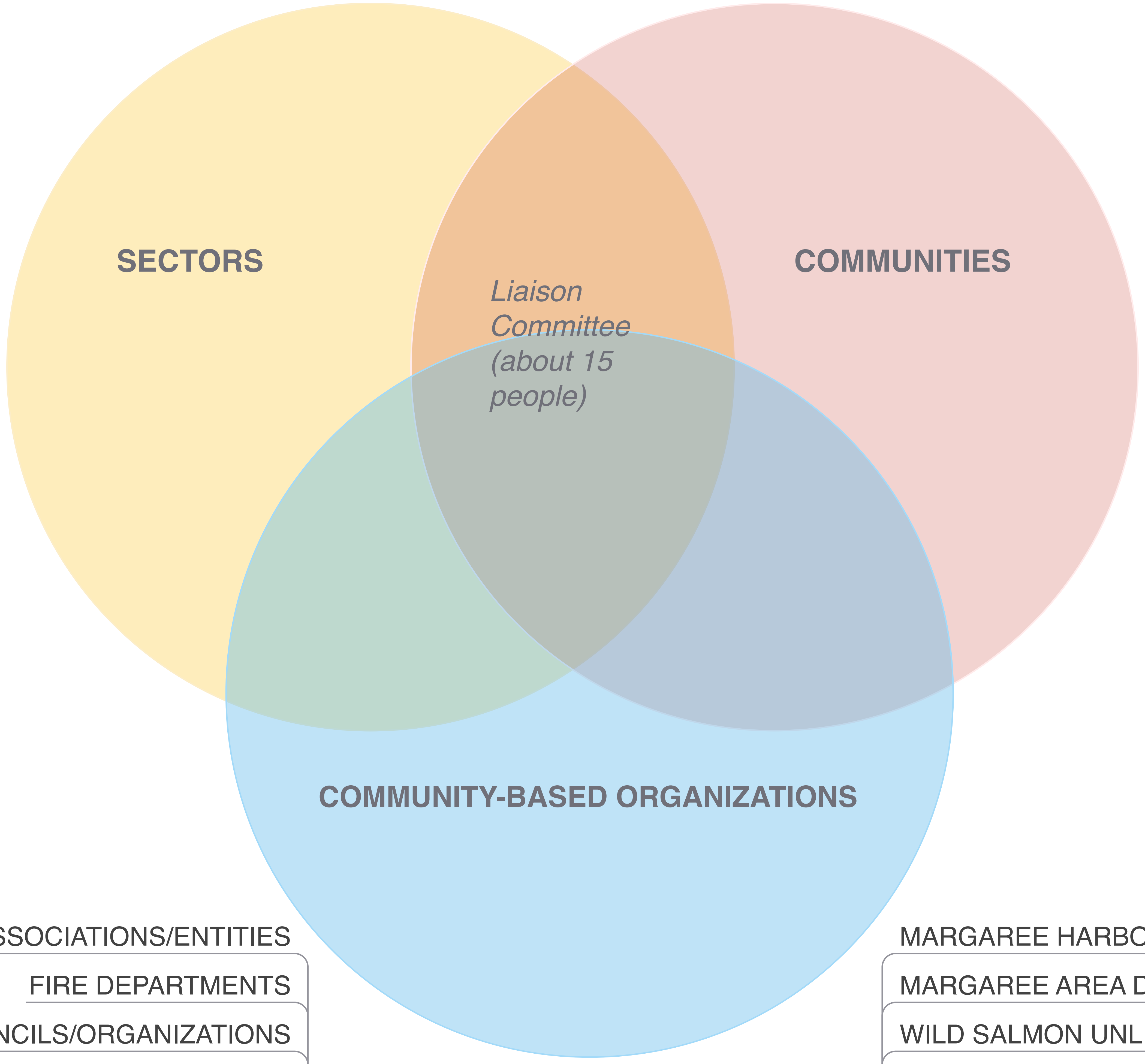
32. **Keep pushing to get the roadway improvements done!**

APPENDIX J

Visual Representation of Liaison Committee

# THE 'FUTURE MARGAREES' ACTION PROJECT

***A COLLABORATION BETWEEN CBU'S COMMUNITY ECONOMIC DEVELOPMENT INSTITUTE AND THE MARGAREES, COORDINATED WITH THE MARGAREE AREA DEVELOPMENT ASSOCIATION***


SECTORS
COMMUNITIES
Liaison Committee (about 15 people)
COMMUNITY-BASED ORGANIZATIONS

**SECTORS**

- FORESTRY
- AGRICULTURE
- FARMING
- SPORT FISHERY
- COMMERCIAL FISHERY
- TOURISM
- SME'S (NON-TOURISM-RELATED)
- CRAFTS/MANUFACTURING

**COMMUNITIES**

- BELLE COTE
- WHALE COVE
- ST. ROSE
- MARGAREE HARBOUR
- EAST MARGAREE
- FORDVIEW
- SW MARGAREE
- GILLISDALE
- NE MARGAREE
- MARGAREE CENTRE
- MARGAREE VALLEY
- BIG INTERVAL

**COMMUNITY-BASED ORGANIZATIONS**

- VARIOUS EDUCATIONAL ASSOCIATIONS/ENTITIES
- FIRE DEPARTMENTS
- CHURCH AND PARISH COUNCILS/ORGANIZATIONS
- VARIOUS SENIOR CITIZEN ASSOCIATIONS
- MARGAREE GASPEREAU ASSOCIATION
- MARGAREE SNOWMOBILE AND ATV ASSOCIATION
- MARGAREE EQUESTRIAN CLUB
- KNIGHTS OF COLUMBUS
- MARGAREE KINSMEN AND KINETTES
- MARGAREE HARBOUR LIGHTHOUSE SOCIETY
- MARGAREE AREA DEVELOPMENT ASSOCIATION
- WILD SALMON UNLIMITED
- SALMON MUSEUM ASSOCIATION
- MARGAREE TOURISM ASSOCIATION
- MARGAREE HERITAGE RIVER SOCIETY
- SW MARGAREE RECREATIONAL ASSOCIATION
- MARGAREE ENVIRONMENTAL ASSOCIATION
- MARGAREE HARBOUR AUTHORITY