

District of Nipissing  
Social Services  
Administration Board



Conseil d'administration  
des services sociaux  
du district de Nipissing

## Purpose

The *District of Nipissing Social Services Administration Board (DNSSAB)* provides important human services to the District of Nipissing. Given that the District has the highest *Ontario Disability Support Program (ODSP)* caseload in the Province per capita (Stewart, 2005), DNSSAB is conducting an ODSP Community Services Review. The scope of this review includes the identification of further socioeconomic characteristics that are unique to the District of Nipissing.

Thus the purpose of this report is to illustrate the District's unique economic and social characteristics that differentiate it from other regions in Ontario, and to document the specific socioeconomic challenges and barriers for the District.

## Objectives

*It is intended that this report will:*

- Compare key societal indicators at two points in time over a 20-year period. These include *Population, family characteristics, income, employment, education and housing*.
- Identify socioeconomic trends within the District.
- Perform a socioeconomic comparison, by comparing the above indicators to Ontario's average benchmark. Included in this analysis are the additional indicators of *health and social assistance*.
- Provide recommendations based upon the report's findings.

## Scope

This report is a profiling of Nipissing District's present socioeconomic status, and is based upon key socioeconomic and demographic indicators. The report is predominantly a descriptive summary with some analysis, with the goal of providing a snapshot of the District's socioeconomic differentiation. It is not an extensive socioeconomic report or study, which might include broader and more-detailed information and analysis, or serve to explain statistical causation or correlations.

## Methodology

Cross-sectional analysis of census data, trend analysis and benchmarking.

## Report Acknowledgement

This report was written by *David Plumstead, MBA: DNSSAB Researcher*, and it has been reviewed by Senior DNSSAB Staff and Board Members.

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## SECTION I

### **LOOKING BACK 20 YEARS, KEY FINDINGS & TRENDS:**

- *With only 3% growth, the District's population base has been stagnant for the past 20 years, and is forecasted to remain the same, well into the future (see below).*
- *In some cases, District incomes have not kept up with inflation over a 20-year period. The median income for males was \$1,647 lower in 2001 than in 1981, after taking inflation into account.*
- *The number of Nipissing District residents living below the Low Income Cut-off (LICO) point has not changed over a 20-year period. Approximately 15% of the District's families and 45% of its singles are living below the low income cut-off.*
- *Unemployment and participation levels are the same as they were 20 years ago, and are significantly below the provincial average.*
- *While gains have been made in the overall level of education achieved within the District, there has not been a significant change in those without a high school education – 23% of the population ages 20-64, does not have a High School Diploma.*
- *The number of Nipissing District residents in need of affordable housing has increased by 65% since 1981.*

## SECTION II

### **COMPARISON TO THE PROVINCIAL BENCHMARK, KEY FINDINGS & DISPARITIES:**

- *Looking ahead 20 years (to 2025), the District's population is projected to remain stagnant at only 2 ½% growth, compared to Ontario's population growth of 23% over the same period. By 2025, the number of Sr. Citizens will have increased by 63% and will comprise a quarter of the District's population.*
- *Unlike Ontario's labour force which will continue to grow over the next 20 years, Nipissing District's labour force will peak in the next 5 years, and will then start to decline at an average of 0.5% / yr. By the year 2025, the Districts Dependency Ratio will have risen from 50 to 63 (16.5% greater than Ontario's), and the youth population (ages 15-24), will have declined by 29%.*
- *District median incomes are between 14 - 21% lower than Ontario's, and income disparities are evident at the lower and upper income levels. In comparing the District's income levels to those of Ontario, 8% more families have incomes below \$30k while 12% fewer families have incomes above \$60k. Income gaps are also present within the District: the lower 10% of families have incomes below \$20K while the upper 10% have \$100k +.*
- *Based on relative population share, the District has 3% less people with High School Diplomas and 9% fewer University Graduates, when compared to Ontario.*
- *The Districts social assistance caseload (OW & ODSP) is twice the provincial rate per capita, and the ODSP caseload is currently the highest rate in Ontario, and has been, for the past 5 years.*
- *Approximately 12% of the District's children (ages 17 and under) are social assistance beneficiaries – this is 50% higher than Ontario's average.*
- *The local health region has a greater prevalence of obesity, high blood pressure, diabetes, cancer and mortality, when compared to Ontario.*

# SECTION I

## BACKGROUND

### 1.0 District of Nipissing Social Services Administration Board (DNSSAB)

Social services are administered in Nipissing District by Federal and Provincial Governments, the District of Nipissing Social Services Administration Board (DNSSAB) and community organizations, agencies and associations. In 1999, the Provincial government created 47 Service Managers throughout the Province, to accommodate the devolution of social services to the Municipal level. The DNSSAB is the Service Manager for Nipissing District, and is funded through a cost-sharing arrangement between Provincial Ministries, Member Municipalities and DNSSAB.

DNSSAB administers *Ontario Works, Childcare, Social Housing and Emergency Medical Services*. Additionally it co-funds the *Ontario Disability Support Program (ODSP)* and provides discretionary benefits to ODSP recipients. The DNSSAB is governed by a Board of Directors comprised of 12 elected Municipal Officials, and has offices in North Bay, West Nipissing and Mattawa. Additionally, it operates part-time resource centers in Mattawa, Bonfield, Whitney and Temagami.

### 2.0 The District of Nipissing.

Established in 1858, the District of Nipissing is the oldest of the ten (10) Districts that presently make up the region of Northern Ontario.<sup>1</sup> With an area of approximately 17,000 square kilometers, the District spans North to *Temagami*, South to *South Algonquin*, West to *West Nipissing* and East to *Mattawa*.

#### **District of Nipissing, Ontario**



1. The other nine Districts are *Algoma, Cochrane, Kenora, Manitoulin, Parry Sound, Rainy River, Sudbury, Thunder Bay* and *Timiskaming*. Northern Ontario also includes the *Greater Sudbury Division* which is a CMA (Census Metropolitan Area). Muskoka was considered a part of Northern Ontario, but no longer is.

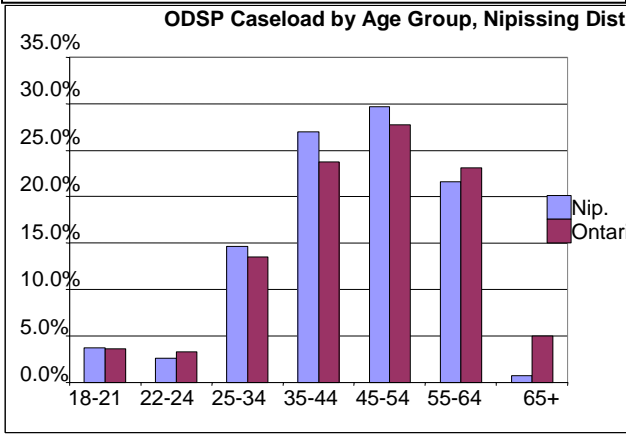
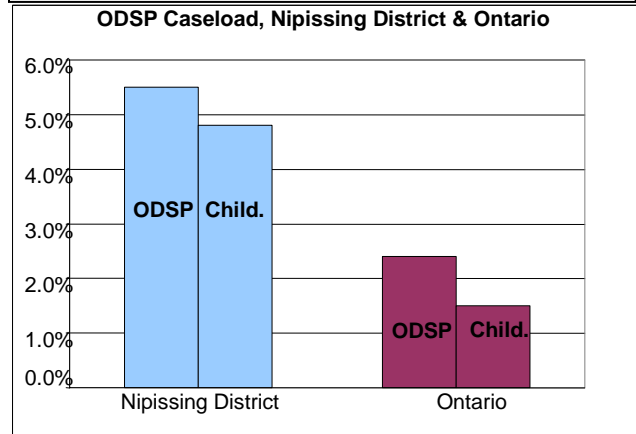
Although sparsely populated when compared to Southern Ontario, the District has approximately 5 people /sq. km. which is the highest density of the Northern Districts.<sup>2</sup> In 2001, the District's population was 82,910 or approximately 10% of Northern Ontario.<sup>3</sup> Nipissing District is comprised of eleven (11) Municipalities, two (2) unorganized areas and two (2) First Nations.<sup>4</sup> With 62% of the District's population (52,000 people), the City of North Bay is the largest urban centre, followed by West Nipissing with approximately 16 % of the population (13,000 people).

### 3.0 Ontario Disability Support Program (ODSP) Report

In April 2005, a report was released to the DNSSAB titled *Nipissing District ODSP Caseload: An Analysis by Area of Residence, Age, Family Status and Primary Disability* (Ministry of Community and Social Services, Ministry of Children and Youth services). This report identified a high incidence of disability relative to the population, within the District of Nipissing, and had the following key findings:

Nipissing District has a caseload of 3481 people (age 18+) on ODSP support - more than twice the rate for Ontario and the highest in the province. There are an additional 922 children (under age 17) who are ODSP beneficiaries, which is three times the provincial rate.

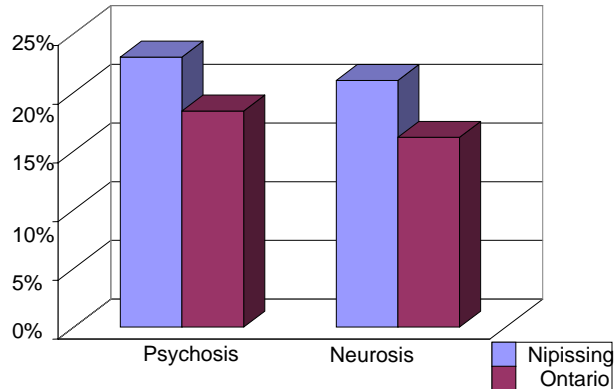
The Nipissing caseload is generally younger than the provincial average: a greater percentage of ODSP recipients are aged 25-54, while there is a smaller percentage aged 65 years or older:



2. This excludes The Greater Sudbury Division which is a CMA, and has a density of 44 people /sq. km.  
 3. A present estimate of the District's population (2005) is 85,760. However, this is a projection by the Ministry of Finance, and is based upon Statistics Canada's postcensal estimates which adjust the 2001 census count for census undercoverage and the components of demographic change, since the last census. For the purpose of the analysis in Section I of this report, census populations will be used. Section II will use population projections and estimates in certain areas of analysis – see page 20.  
 4. The Municipalities include the *City of North Bay, Township of East Ferris, Township of Bonfield, Municipality of West Nipissing, Town of Mattawa, Township of South Algonquin, Township of Chisholm, Township of Papineau-Cameron, Temagami, Township of Calvin, and the Township of Mattawan*. The two unorganized areas are *Nipissing North & South*. The First Nations are *Nipissing 10 and Temagami First Nation – Bear Island*.

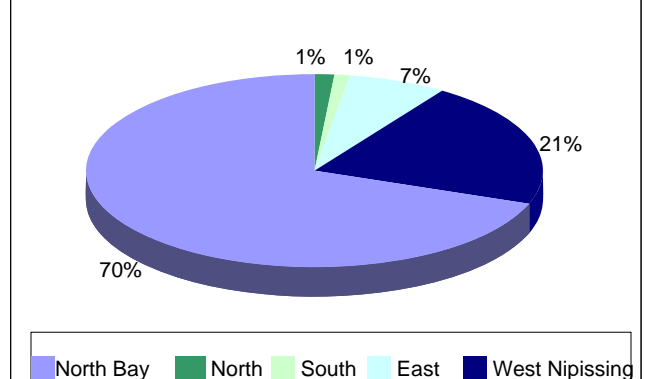
Approximately 44% of the District's ODSP caseload has a mental disability (psychosis or neurosis). This is approximately 8% higher than the provincial rate.

**ODSP Mental Disability, Nipissing District and Ontario**



Approximately 91% of the District's ODSP caseload is in North Bay and West Nipissing (70% and 21% respectively). The remaining 9% is in the District's outlying areas.

**ODSP Caseload by Area, Nipissing District 2005**



In order to gain a further understanding of the community services for ODSP clients, DNSSAB conducted an ODSP Community Services Needs Review. The objectives of this review included reviewing the needs of the clients, as well as the capacity and alignment of the system to deliver services, based upon these needs (for further details on this report, see *Ontario Disability Support Program (ODSP), Community Services Review, Nipissing District. DNSSAB April 2006*).

Identifying further socioeconomic characteristics unique to the District of Nipissing, lies within the scope of the above review and serves to increase the overall level of understanding of the District. In order to implement effective service planning for the future, the DNSSAB needs to consider all relevant socioeconomic forces at the local level.

## LOOKING BACK 20 YEARS – At a Glance

With its abundance of natural resources, healthy lifestyle and Northern culture, Nipissing District can offer many of life's benefits to its residents and visitors. As an economic generator, the District has the potential to contribute significantly to provincial output. Undermining this potential however, is the limiting of net progress due to a weak and in some cases eroding, socioeconomic infrastructure.

As the following key societal indicators will confirm, systemic trends are present in the District which could impede future economic growth and development, adversely affect the social climate of the District's communities and continue to pressure an already burdened municipal cost- base. In many social and economic areas, the District is not moving forward and in some cases, has taken steps backward. Barring intervention or exogenous socioeconomic shocks, these trends are likely to continue exerting negative forces on the District and its communities, well into the future.

The following is a comparative analysis that takes a look at key socioeconomic variables at two points in time: the census years of 1981 and 2001.

The variables of *population, family structure, income, employment, education* and *housing* significantly affect the social and economic infrastructure of a given population, and thus can be considered key societal indicators for the District of Nipissing. Analyzing these variables at two different points in time over a long period is beneficial, as this provides an indication of the long-run trend of these variables. While there may be annual fluctuations, seasonal adjustments or cycles in these variables (such as for employment and participation), these are smoothed out over the long-run, providing an indication of the direction of their movement.

The following table summarizes key data from the areas mentioned above, for the 1981 and 2001 census years:

**Table 1: Nipissing District, Key Indicators:**

<b>Nipissing District</b>	<b>1981</b>	<b>2001</b>
<b>Population, General Age Groups</b>		
Population	80,268	82,910
% Population ages 0-14	23.4%	18.6%
% Population ages 15-24	20.3%	13.5%
% Population ages 25-64	46.8%	53.2%
% Population ages 65+	9.4%	14.7%
<b>Family Characteristics</b>		
% Lone-Parent Families	12.5%	15.6%
% Single Households	18.5%	25.6%
<b>Income</b>		
Median Income (male)	\$14,022	\$26,904
Median Income (female)	\$ 5,350	\$15,421
Median Family Income	\$21,501	\$49,986
Average Family Income	\$23,589	\$56,929
LICO (families)	14.0%	14.1%
LICO (individual)	45.9%	43.1%
<b>Labour Force</b>		
Labour Force	36,335	39,625
Participation Rate	60.5%	59.9%
Unemployment Rate	8.9%	9.1%
<b>Education</b>		
Less Than Grade 9	12,660	6,555
No High School Diploma	18,740	16,230
Trade Certificate or Diploma	2,555	8,335
University Degree	3,300	6,675
<b>Housing<sup>5</sup></b>		
Number of Private Households	26,145	33,200
Average Rent (gross)	\$311	\$597
Average value of Dwelling	\$50,215	\$126,277
Households spending over 25% / 30% of income on shelter	4,470	9,150
% Households spending over 25% / 30% of income	17%	28%

Source: 1981, Statistics Canada Census, Catalogue No. 93-X-942

Source: 2001, Statistics Canada Census, Catalogue No. 95-220-XPB. Note: All the following graphs in Section I are produced from data in the above table, unless otherwise noted.

5. "Average value of dwelling" as defined by the census, refers to the dollar amount expected by the owner, if the dwelling were to be sold. Households' paying more than 25 /30% on shelter refers to renters and owners. In 1981, 25% was used by CMHC as the housing-affordability threshold -currently it is 30%.

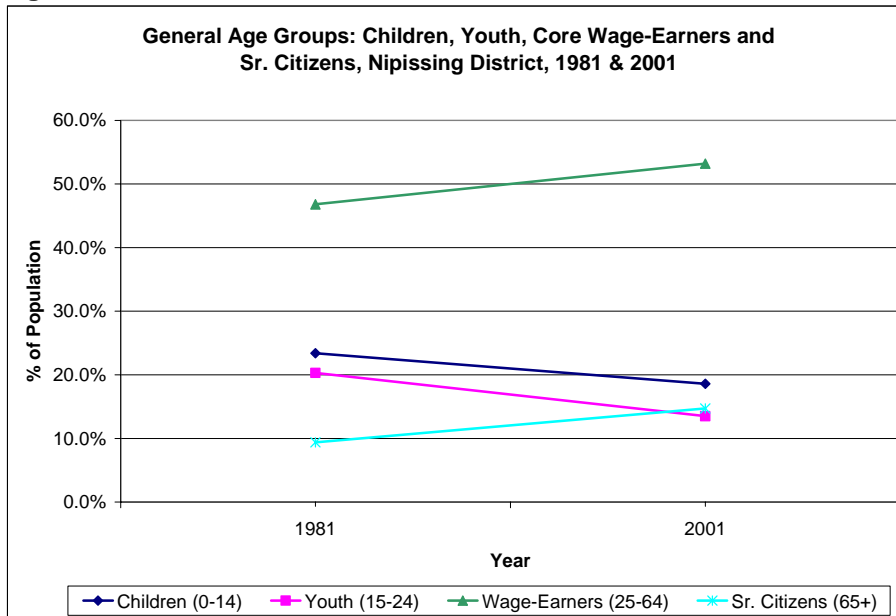
The analysis that follows is an “at-a-glance” view, i.e., it is a short description based upon the comparison of the above variables over time. These variables are again analyzed in more detail further on in the report, where they are then compared to Ontario’s average or other benchmarks, where applicable.

## 1.0 POPULATION

The table above indicates a 3% population growth in the District over the 20 year period.<sup>6</sup> From a socioeconomic point of view, this can be considered stagnancy or basically, non-growth. While this mirrors population trends that are occurring throughout Northern Ontario in general, it can have different social and economic implications within the District and needs to be considered at the community planning levels. As a growing population is one of the key components of economic growth, this stagnant population base is significantly undermining the District’s long-run economic development.

The changes within the four general age groups as noted in the chart below, reflect another trend that is also occurring at the provincial and national levels: an ageing population. As the Baby Boomer generation is now between the approximate ages of 40 and 60,<sup>7</sup> this trend is expected to continue well into the future, although at an increasing rate (see page 23). The chart below illustrates the changes that have occurred within the general age groups of *Children*, *Youth*, *Core Wage-Earners* and *Sr. Citizens*:

**Figure 1: Children, Labour Force and Sr. Citizens, 1981 & 2001**



6. During this period, it is estimated that the Districts population has fluctuated annually between -0.5 and 2.0%

7. The Baby Boomer generation is considered to be the post-war era of 1946 – 1965. At the peak of the boom in 1961, Ontario’s birth rate was approximately 160,000 babies / yr. Currently, the annual birth rate is approximately 130,000.

Combined with a stagnant population base, these age group shifts may hinder local economic development even further, as the experienced labor force exits into retirement, faster than the replenishment rate.

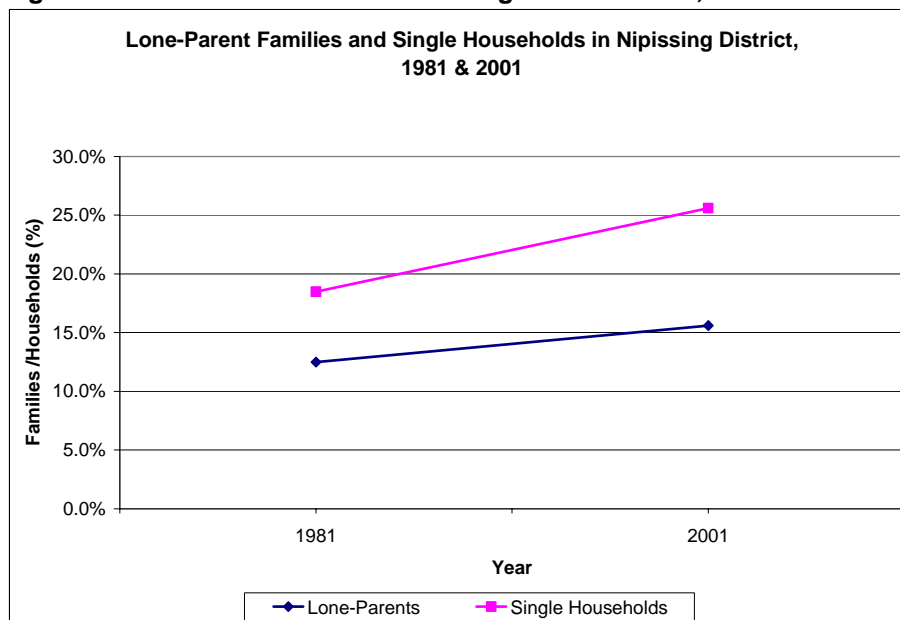
## 2.0 FAMILY CHARACTERISTICS

In terms of early childhood development, the socioeconomic status of a family can reveal those children who are increasingly *at risk*. Research indicates that the children growing up in low-income families, may be at risk of future health, educational and social development, compared to those in middle to upper-class families.<sup>8</sup>

The 3% increase in lone parents is significant within Nipissing District, as this represents an average of approximately 57 new lone-parent families /year. Given that 82% of these lone-parents are female and generally have lower incomes, this presents concerns for the reasons mentioned above.<sup>9</sup>

As can be noted from the data, single households are also increasing within the District, at a rate that is greater than that of lone-parents. This is equally concerning as these households generally tend to be in greater core housing need, than other family structures.<sup>10</sup> The following chart illustrates the District's increase in lone-parent families and single households between 1981 and 2001:

**Figure 2: Lone-Parent Families and Single Households, 1981 & 2001**



8. Ref: *Early Years Study*, 1999, 2003; the *National Longitudinal Survey of Children & Youth*; and the *Determinants of Child Health in Northern Ontario*, PHRED Program (Sudbury Health Unit), Dec. 2003.

9. In both the 1981 and 2001 census periods, the median income of females in Nipissing District is well below that of males (62% and 43% lower, respectively).

10. Close to 30% of lone-parent and non-family (single or multiple singles) households respectively, spend over 30% of their gross income on shelter. Using the criteria of the *Canadian Mortgage and Housing Corporation* (CMHC), this exceeds the standard of housing affordability. Ref: *CMHC Research Highlight*, Socio-economic series 05-004.

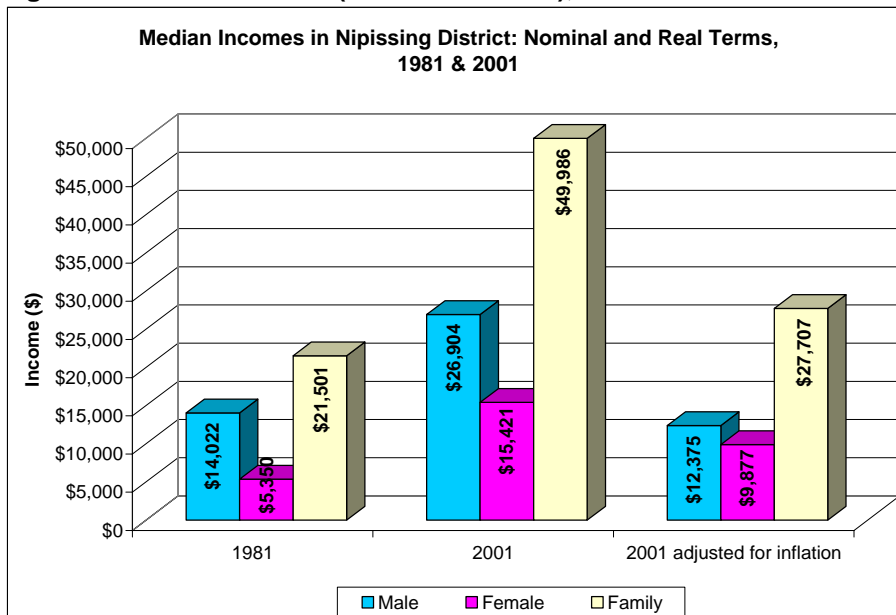
### 3.0 INCOME

Comparing Income levels over the 20-year period is revealing and indicates that generally, total incomes have risen significantly across the different population groups. Family median incomes have more than doubled since 1981 and the District's female workforce has seen a median increase of almost three times the 1981 level.

When analyzing incomes or wages over time however, it is prudent to take inflation into account as this enables the comparison of dollar values over time, and the estimation of changes in purchasing power – so while income levels have clearly risen in the District over the past 20 years, so too have prices.

The chart below shows the total median incomes of the genders over the 20-year period, taking inflation into account:

**Figure 3: Median Incomes (nominal and real), 1981 & 2001**



Note: the above incomes are for a "census family" defined by Statistics Canada as a married couple (with or without children of either or both spouses), a couple living common-law (with or without children of either or both partners) or a lone parent of any marital status, with at least one child living in the same dwelling. Income refers to "total income" which includes the incomes of all family members (15 yrs. +), from all sources. Real income is calculated from the Ontario Consumer Price Index – see note 11 below.

The bar graphs on the left show the increase in median incomes in *nominal* terms (unadjusted for inflation) between 1981 and 2001, while the graph on the far right shows the median incomes in *real* terms (adjusted for inflation).<sup>11</sup>

With inflation factored in, the District's income picture now starts to change: while female incomes have outpaced inflation, the overall increase in median income is closer to twice that of the 1981 level – not three times as is otherwise indicated by the nominal. Of primary concern however is the fact that in real terms, the median income of males has decreased since 1981.

11. Inflation calculated using Ontario CPI, 1981 -2001 (2001 basket content, all-items, 1986=100). Ref: Statistics Canada CANSIM Table 326-0002.

The average male median income in 2001 was actually \$1,647 less than 20 years ago. Given that the District's labour force has been over 50% male since 1981, this results in less disposable incomes and purchasing power within the local communities.

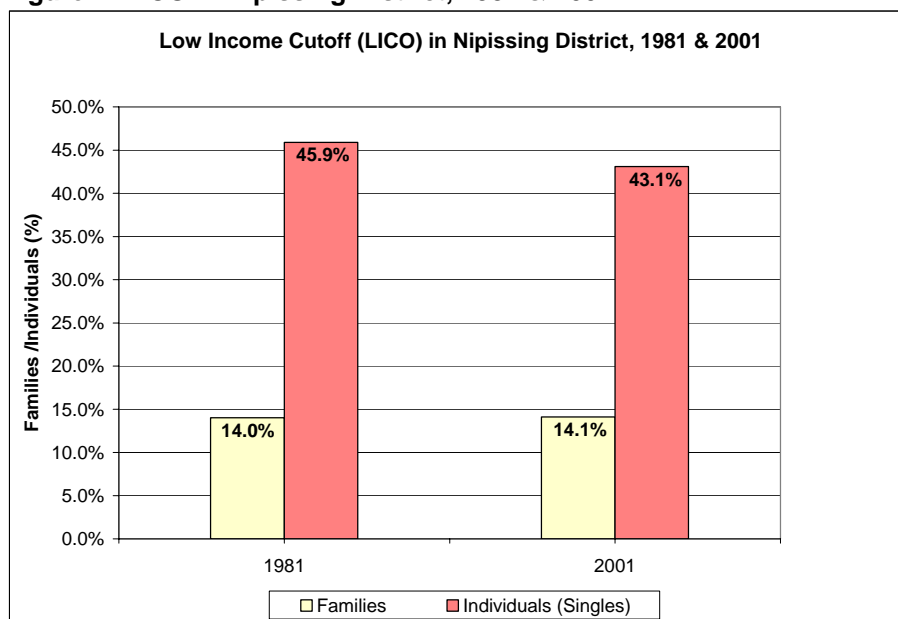
The above chart also indicates that median family incomes in the District have not done that well in inflation-adjusted terms. The increase of 29% over the 20-year period is just outpacing inflation but has fallen short of benefiting fully from provincial economic growth. Considering that Ontario's real GDP growth was approximately 60% over this same period, the District's median family income has not kept pace. The marginal average increase of \$310 /yr. offers little in the way of disposable income and suggests a potential lack of family savings and investment, which are important components of the Districts economic growth.

### 3.1 Low Income Cut-off

Statistics Canada uses *Low Income Cut-off (LICO)* as a measure for identifying people who are "in straightened" circumstances or are "substantially worse-off" than average.<sup>12</sup> The LICO represents income levels whereby families or individuals are spending 20% more than average on the basic necessities of food, shelter and clothing. The levels vary by size of family and city, and are adjusted annually to reflect changes in the Consumer Price Index (CPI).

A comparison of the LICO levels in Nipissing District in 1981 and 2001 reveals a startling picture: the number of single-individuals and families living below the low income cut-off point has virtually remained unchanged over 20 years:

**Figure 4: LICO in Nipissing District, 1981 & 2001**



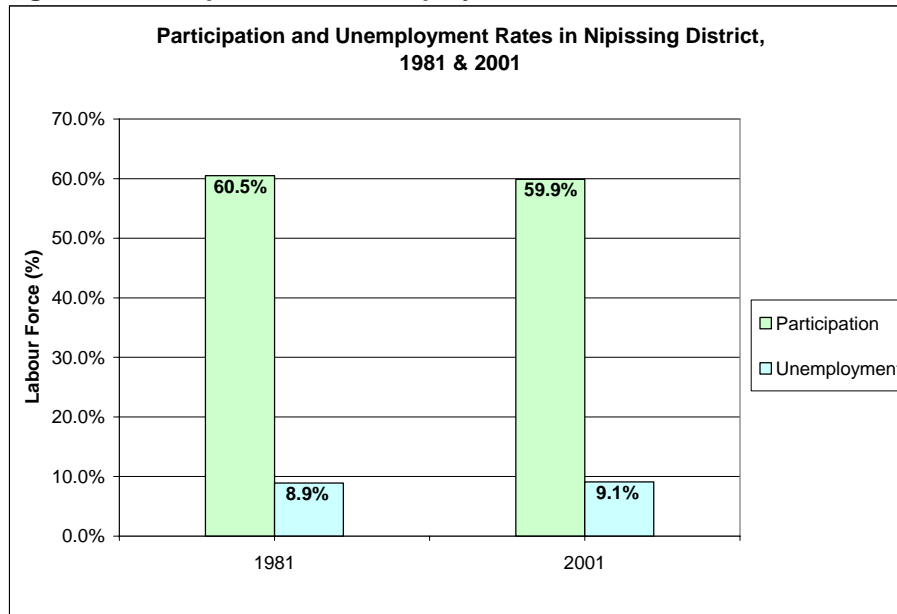
12. Statistics Canada maintains that LICO is not a measure of 'poverty'. Defining poverty can be difficult as there is no national definition, and there are many subjective and complex variables involved. Other organizations that are known for their poverty measures include: *The Canadian Council on Social Development*, *The Fraser Institute*, and *The Gallup Organization (Public Opinion)*. For the purpose of this report, LICO is used in the context of the Statistics Canada definition – to identify the District's residents who are comparably worse off than others, not necessarily living in poverty.

As illustrated by the chart, over 40% of the District's singles are living below the low income cut-off point, in addition to 15% of its families.

#### 4.0 LABOUR FORCE

The graph below provides an indication of the District's labour force movements, at the time of the two census periods:

**Figure 5: Participation and Unemployment, 1981 & 2001**



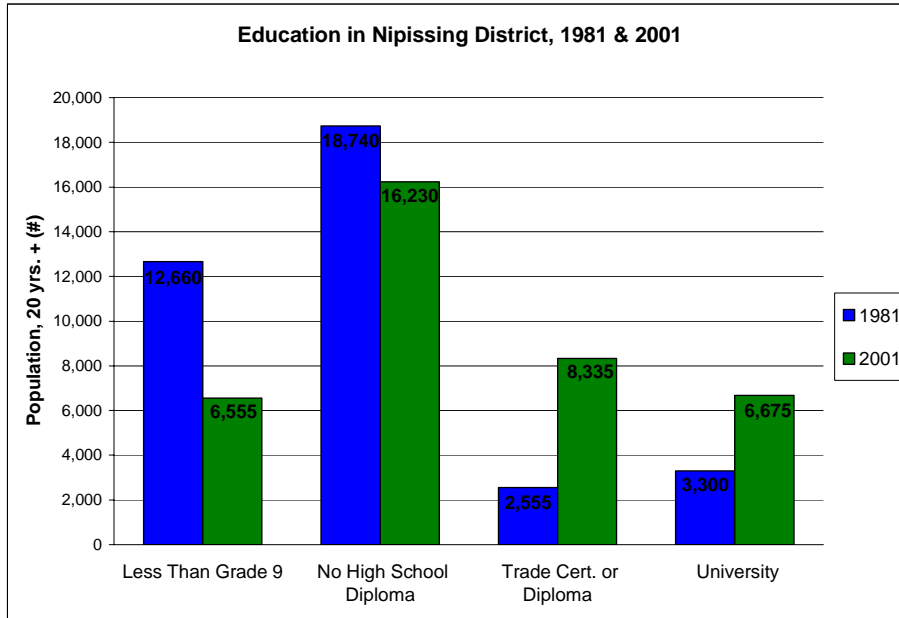
Based upon the data from the table on page 9, the District's labour force has grown by a small percentage of 10% over the 20-year period, while the *participation rate* has decreased by 0.5 % and the *unemployment rate* has remained unchanged. The participation rate refers to the total labor force, as a percentage of the population aged 15 yrs. and older, and at the time of the 2001 census, was at 60%. As the District's working-age population (age 15+) has also increased by 10% over this period, this indicates the same proportion of people accessing the District's job market, over time. Combined with stagnant population growth, a steady participation rate could have negative implications for the District's economic development, as optimal output and income per capita is not achieved. As a benchmark, Ontario's unemployment rate has averaged 7.8% during this same period - approximately 2% lower than the District's.

Employment rates in general, tend to move with the business cycles and thus produce short term fluctuations (see page 35 for more detail). At the Provincial level, the long term trend indicates that employment levels have grown in line with the growth in the labor force and total population. At Nipissing District's level, employment levels appear to have not grown, given the insignificant population growth.

## 5.0 EDUCATION

The following chart shows significant progress in the level of education attained by the District's residents since 1981:

**Figure 6: Education Levels, 1981 & 2001**



The increase in those with a trade certificate, diploma or university degree, would indicate that educational expenditure and investment is showing a return, with a greater proportion of the District's population attaining higher education levels.

Still of concern however, is the amount of people without a high school education, which on an overall population basis has decreased only slightly since 1981. Approximately 23% of the District's core wage-earning group (20-64) is still without a High School Diploma. As those lacking a high school education face the highest unemployment rates and lowest incomes, this particular group needs to be targeted more effectively at the District policy and planning level.

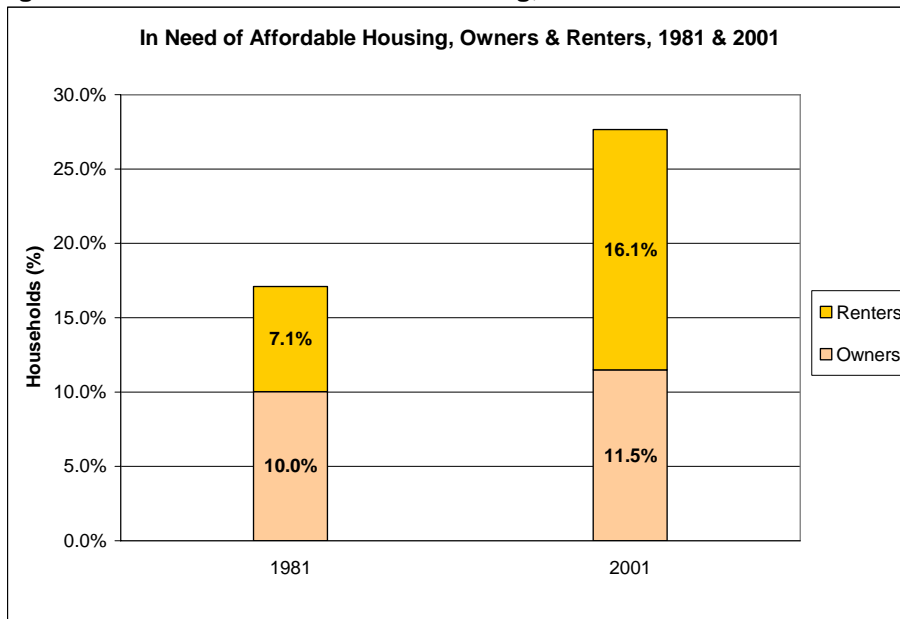
## 6.0 HOUSING

As noted by the chart on the next page, the number of households in need of affordable housing within Nipissing District, has increased by 65% since 1981.<sup>13</sup> Given the fact that affordability is the dominant reason for households falling into core housing need, this is a disturbing trend.<sup>14</sup> Not surprisingly, these households have significantly lower incomes than others, resulting in higher shelter cost-to-income ratios (STIR), and less monthly disposable income.

13. The Canadian Mortgage and Housing Corporation (CMHC) defines affordable housing as shelter which costs less than 30% pre-tax, household income (25% was used in 1981). *Affordability* is one of three standards used to define "acceptable" housing, the others being *adequacy* and *suitability*.

14. A household is said to be in *core housing need* if its housing falls below at least one of the three standards of *affordability*, *adequacy* and *suitability*, and it would have to spend 30% or more of its pre-tax income to pay the median rent of alternative local housing that is deemed acceptable.

**Figure 7: The Need for Affordable Housing, 1981 & 2001**



As noted from the chart above, the number of owners below the affordability threshold has remained relatively the same over time, while the number of renters has significantly increased. This is aligned with the provincial trend which in 2001, indicated that renters were almost four times as likely as owners, to be in core housing need. Based upon CMHC statistics, the demographic groups most likely to be in need of affordable housing are; seniors, lone-parent mothers, single individuals and portions of the aboriginal population.

## SECTION II

### PRESENT PERFORMANCE: A COMPARISON OF NIPISSING DISTRICT TO THE ONTARIO BENCHMARK

Having looked at the past, it is now beneficial to look at the present, and measure the District's socioeconomic performance with that of a benchmark. As the previous analysis has revealed weak progress within the District in these key areas, it would be beneficial to see how the current socioeconomic performance measures up outside the District, i.e., to a benchmark such as the provincial average. This will assist in further determining the social and economic status of Nipissing District.

In the following analysis, the same socioeconomic indicators are compared to Ontario's average, based upon the 2001 census and other information sources, where relevant. The information and data is expanded to reflect the additional information available in the 2001 census (and not available in the 1981 census), as well as that from other sources. Additionally, *social assistance* and *health* indicators are analyzed.

#### 1.0 POPULATION

The District's population structure is of significant interest and importance, from both a social and economic perspective. Whether at the national or community level, population movements and demographic trends can significantly impact social and economic infrastructure over time (either positively or negatively) and influence societal outcomes. From a social planning perspective, population demographics are a primary determinant of the need for health and social services, and the level of resources required for effective service delivery. From an economic development perspective, population plays a critical role as the accumulation of capital stock is a key component of economic growth and development. This includes both the *quality* of labour (health, training and education) and the *quantity* (size and participation rate). The ageing-population trend is presently the biggest demographic change underway in Canada. At the macro federal-provincial level, this has wide-ranging social and economic implications, in major policy & planning areas such as finance, health, education and the social services. But while the population ages at the macro level, it also grows (albeit at a slower rate than in the past). As the previous analysis has indicated, Nipissing District does not have a significantly growing population, and this is where the social and economic divergence occurs. As the District's population stagnates and ages, this could have a negative effect on its economic growth (decreasing GDP) as the per capita output diminishes through a declining labour force. This in turn will lower the standard of living for many and will increase costs in areas such as health and social services. Given the District's past performance with a younger population and a labour force that was increasing, the question now comes to mind *what will the future performance be with an older population and a decreasing labour force?*

The following population analysis begins with a look at the general age groups and population pyramids from the 2001 census, and then looks at the 20-yr. population projections, i.e., 2006-2025.

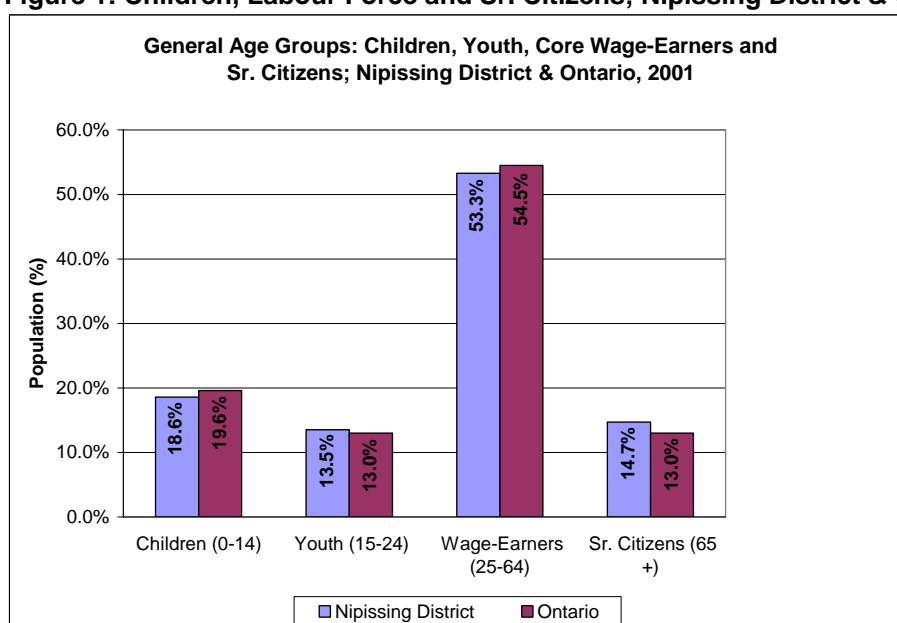
In comparing the District's general age groups with Ontario's, it initially appears that there is very little difference, as indicated by the following table and graph:

**Table 1: Comparison of General Age Groups: Nipissing District and Ontario, 2001**

Age Group	Nipissing District		Ontario	
	Population	% Population	Population	% Population
Children (0-14)	15,425	18.6%	2,232,750	19.6%
Youth (15-24)	11,145	13.5%	1,487,835	13.0%
Core Wage-Earners (25-64)	44,115	53.3%	6,217,275	54.5%
Sr. Citizens (65 +)	12,210	14.7%	1,472,170	13.0%
Total	82,895	100.1%	11,410,030	100.1%

Source: Statistics Canada, Census 2001.

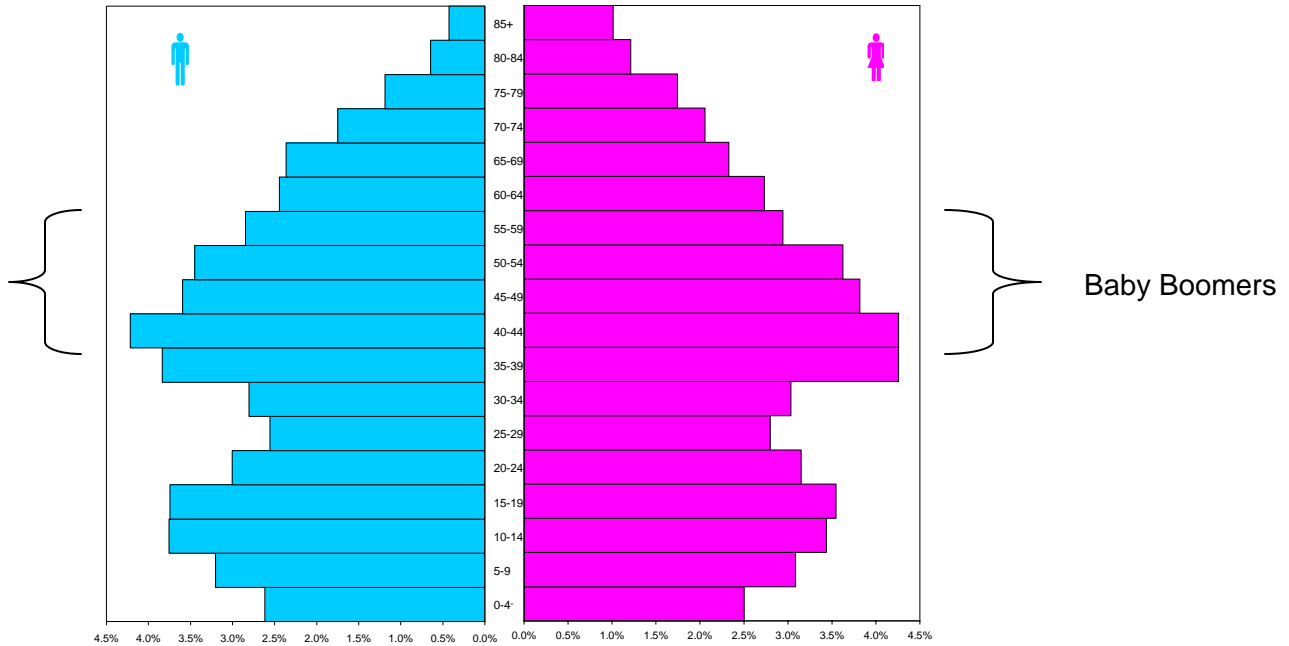
**Figure 1: Children, Labour Force and Sr. Citizens; Nipissing District & Ontario 2001**



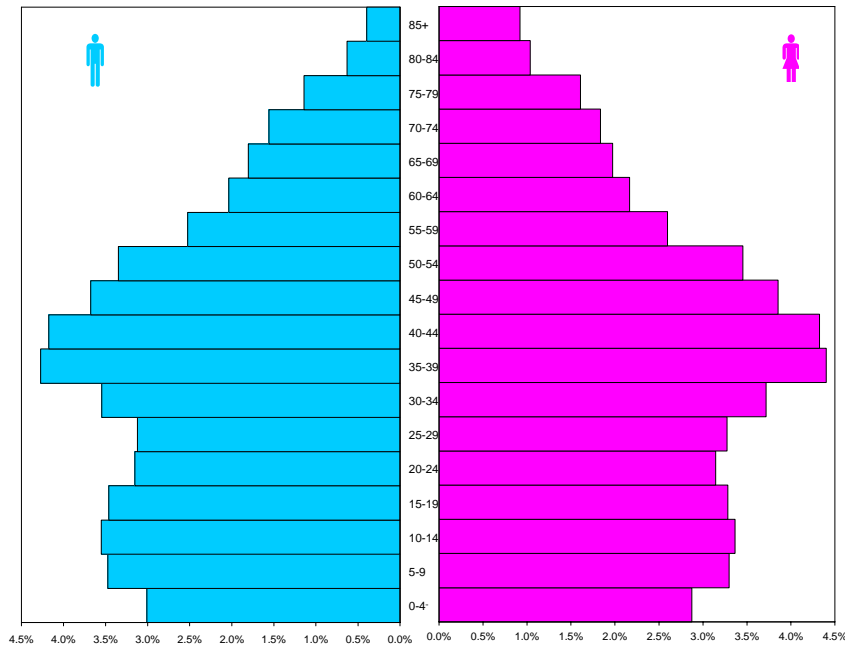
The District's general age group distribution is similar to that of Ontario's, with slight variations: it is generally older, with Sr. Citizen's being almost 2% higher, and Children, 1% lower. Additionally the core wage-earning group is approximately 1% smaller. Although the percentages may seem insignificant, they do indicate a higher *dependency ratio* which is the number of the dependent population ages 0-14 and 65+, relative to the supporting population (the labour force, ages 15 - 64 yrs.).

While segmenting the population into these general age groups is beneficial for broad, initial analysis and reference, effective social and economic planning requires analyzing the age structure in more detail, and anticipating trends and population dynamics. Population pyramids are a graphical tool that show the age-gender distribution within a given population, and are useful for analysis and planning purposes. The following are population pyramids for Nipissing District and Ontario (2001), which will provide a more detailed analysis and comparison of population structure:

**Figure 2: Nipissing District Population Pyramid, 2001**



**Figure 3: Ontario Population Pyramid, 2001**



When used for analyzing population growth, pyramids usually fall into one of three general categories: *rapid growth* (with the pyramid resembling a triangular shape), *slow growth* (with the shape being more rectangular, like that of Ontario's above) and *negative growth* (characterized by a top-heavy pyramid, where the upper section is considerably larger than the base).

Ontario's pyramid shape generally resembles that of Canada's, and indicates the current demographic trends at the macro level. Under this population scenario, growth is slow and sustainable, with net migration accounting for the majority of the growth.<sup>15</sup> The bulge in the middle of the graph shows the location of the boomers, whom are now aged 40-60, and are moving through their core-earning years and into retirement. Coming up behind the boomers is a smaller population comprised of the *Bust* and *Echo* generations, each of which, will have their own unique demographic effects.<sup>16</sup> Graphically, the pyramid illustrates one of the major future challenges facing all levels of Government: supporting the larger, ageing & retiring population, with the upcoming smaller and younger one.

In comparing Nipissing District's pyramid to that of Ontario's, the shapes bare close resemblance. Two significant differences however, are apparent: the District's pyramid is top-heavier, and it reveals undermining of the younger age groups at the base. Essentially this implies an older population when compared to the average, and reduced growth capacity. Thus the pyramid reaffirms what the earlier analysis indicated regarding population ageing and growth, but also helps by visually displaying it.

Having looked at the District's present population structure, and given the indication that the population is not only ageing but has experienced marginal growth, it would now be beneficial to look at the population projections for the future, to determine where the trends are headed and their possible implications.

### 1.1 Population Estimates

Before analyzing population *projections*, it is necessary to look at the population estimates after the 2001 census. In 2004, Statistics Canada released *postcensal* estimates for Ontario and its 49 census divisions. These estimates adjust the 2001 census population counts, based upon net undercoverage and the components of demographic change. Based upon these estimates, the Ministry of Finance has calculated 30-yr. population projections for the province and census divisions.

Note: Up to this point, the analysis in this report has referred to population figures from the previous census (2001). The following population estimates and projections are now based upon Statistics Canada estimates, and the Ministry of Finance projections. In the case of the District's 2001 population, it has been revised upwards by 4% (the 1996 census population has also been revised upwards through the *intercensal* estimate).

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15. Net migration is the difference between the number of people entering, and leaving, a given area. For the 2005 /06 year, net migration will account for 71% of Ontario's growth (the other 29% will come from natural increase, i.e., births minus deaths). Immigration is the largest component within net migration, and currently averages 125,000 people annually for Ontario. Source: Ontario Ministry of Finance, *Toward 2005: Assessing Ontario's Long-term Outlook*.

16. Using the analytical framework from *Boom, Bust and Echo* (Foot 1996, 2000), the Bust generation followed the Boomers, and covers the years 1967-79. This generation earned its name from the sharp decline in birth rates, and is best characterized by the social & economic challenges it faced, coming on the heels of the much larger Boomer population. The Echo generation was born in the years of 1980-95 and is primarily comprised of children from the Boomers. This generation is best characterized by its diversity – while their boomer parents took more of a uniform approach to life, the Echo's are quite diverse in many areas of life including; race, religion, entertainment, arts & culture, and consumerism. This generation is producing a high proportion of Teenagers, relative to the population.

Note: The dates and definitions of generations vary, depending upon the source of information /analysis.

The following table illustrates the population estimates for Nipissing District and Ontario:

**Table 2: 2001 Census-based Population Estimates**

Population	Intercensal	Postcensal Estimate			Change		Demographic Growth Components	
		1996	2001	2002	2003	Difference	% Change	Natural
Nipissing District	87,042	86,283	86,192	85,962	-321	-0.4%	-12	-309
Ontario	11,083,052	11,897,647	12,096,627	12,238,300	340,653	2.9%	95,564	245,089

Source: Statistics Canada and Ontario Ministry of Finance, 2001 Census-based estimates for CDs, Population and Components of Growth, Ontario CDs.

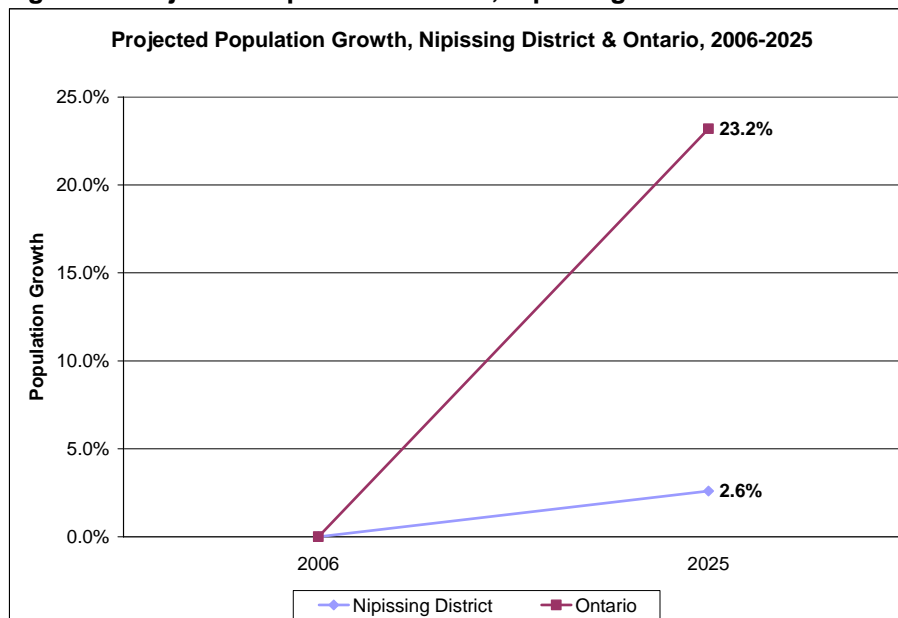
Using 2001 as the base year, the emerging growth trends for the future indicate non-growth for the District and moderate growth for Ontario. Of particular interest are the components of demographic change: births, deaths and net migration. As noted from the table, Nipissing District is experiencing negative change on both counts, i.e., deaths are exceeding births and more people are leaving the District, than are entering. Contrast this to Ontario, which is experiencing 72% of its growth from inward migration, and 28% from natural increase (births minus deaths). These trends are analyzed in more detail in the following population projections:

## 1.2 Population Projections: 2006 - 2025

### 1.2 a) Growth

The chart below indicates the projected population growth of Nipissing District and Ontario over the next 20 years:

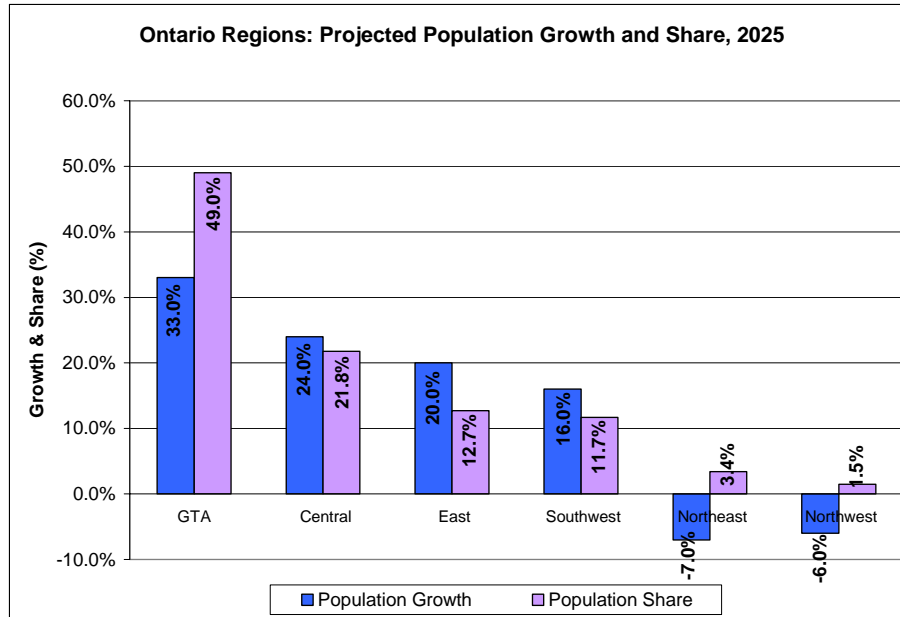
**Figure 4: Projected Population Growth, Nipissing District & Ontario**



Source: Ontario Ministry of Finance, Population Projections 2004-2031, Ontario and its 49 Census Divisions.

Clearly, this is where the District and Province diverge significantly In terms of future population – Ontario will grow by approximately 23% (1% annually) over the next 20 years while Nipissing District’s growth will remain negligible at approximately 2.5%.<sup>17</sup> It should be noted that this population projection comparison to “Ontario”, is actually a comparison to “Southern Ontario”. Of the six Ontario regions comprising the 49 census divisions, all the provincial growth is coming from the Southern ones: the GTA (Greater Toronto Area), Central, Eastern and Southwestern Ontario. The two Northern regions will experience an average population decline of 6.5% by the year 2025, as illustrated in the chart below:

**Figure 5: Ontario Regions: Projected Population Growth & Share, 2025**



Source: Data from Ontario Ministry of Finance: *Toward 2025: Assessing Ontario’s Long-Term Outlook*.

It should also be noted that while the Northern regions on average will decline, the population growth rates vary significantly between areas. As an example, Parry Sound is projected to grow by approximately 17% over this period, while Timiskaming will lose approximately 25% of its population.<sup>18</sup> The above also illustrates the 90 /10 rule whereby 2025, 88% of Ontario’s area will be located in the North, but inhabited with only 5% of the population. This has been a source of social and economic woe for Northern Districts such as Nipissing for many years in the past, and will only worsen as this urban – rural gap continues to widen due to declining Northern populations.

17. The population projections are based upon the Ministry of Finance’s *reference* scenario. The Ministry produces three scenarios for its population forecast: a *low*, *medium (reference)* and *high-growth* scenario. The medium (reference) scenario is considered the most likely to occur, and assumes a slightly increasing fertility level until 2011, a moderate decline in mortality and a slowly declining net migration level.

18. Kenora, Manitoulin and Nipissing District are others projected for growth, but only marginally at an average of 3%, to 2025. All other areas will experience population declines, with Cochrane and Timiskaming projected to lose the most (18% and 25% respectively). For reference, The *Northwest* region is comprised of *Kenora, Rainy River and Thunder Bay*, and the *Northeast* region contains *Algoma, Cochrane, Greater Sudbury, Manitoulin, Nipissing District, Parry Sound, Sudbury District and Timiskaming*. Ref: *Ministry of Finance, Population Projections 2004-2031, Ontario and its 49 Census Divisions*.

While reversing the District's (and for that matter, Northern Ontario's) stagnant growth trend would be difficult as it will require increasing net migration through immigration policies or a sudden increase in birth / fertility rates, effective planning and investment can help to offset the negative consequences of these population trends.

To complete the analysis on the population, it would be beneficial to look at the projected general age groups through the same period to 2025, followed by the population pyramids.

### 1.2 b) General Age Groups

The following tables and graphs display the projected population trends for the general age groups and labour force, for Nipissing District and Ontario:

**Table 3: Projected Population by General Age Group & Labour Force 2006 to 2025**

Age Group	Nipissing District			Ontario		
	Pop. 2006	Pop. 2025	% Change	Pop. 2006	Pop. 2025	% Change
0-14	13,860	12,240	-11.7%	2,261,940	2,479,310	9.6%
15-24	12,260	8,680	-29.2%	1,722,210	1,714,140	-0.5%
25-64	46,310	45,230	-2.3%	7,079,750	8,424,110	19.0%
65+	13,440	21,870	62.7%	1,649,050	3,038,850	84.3%
Total	85,870	88,020	2.5%	12,712,950	15,656,410	23.2%
15-64	58,570	53,910	-8.0%	8,801,960	10,138,250	15.2%

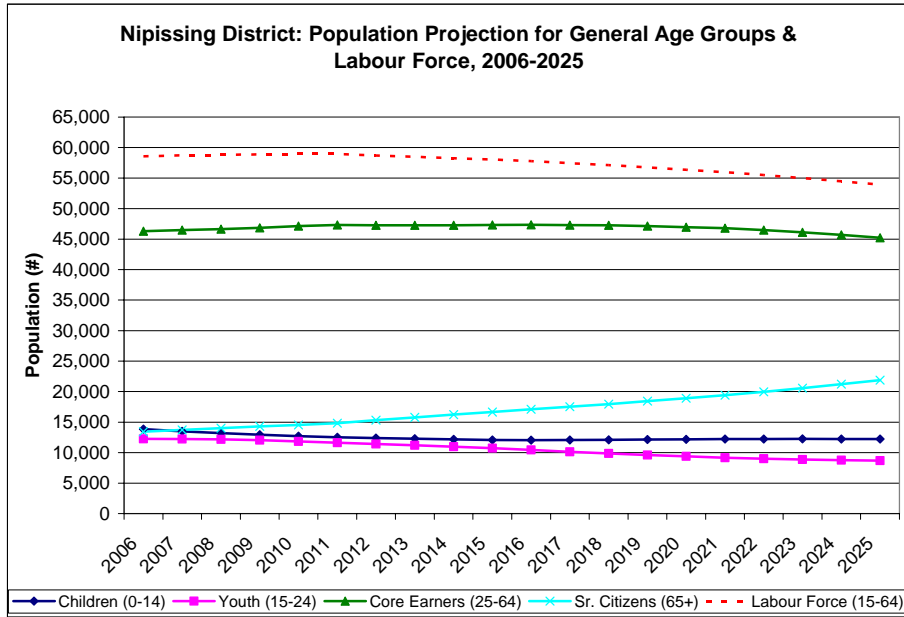
Source: Ontario Ministry of Finance, Office of Economic Policy.

**Table 4: Projected Population Share (%) by General Age group, 2006 to 2025**

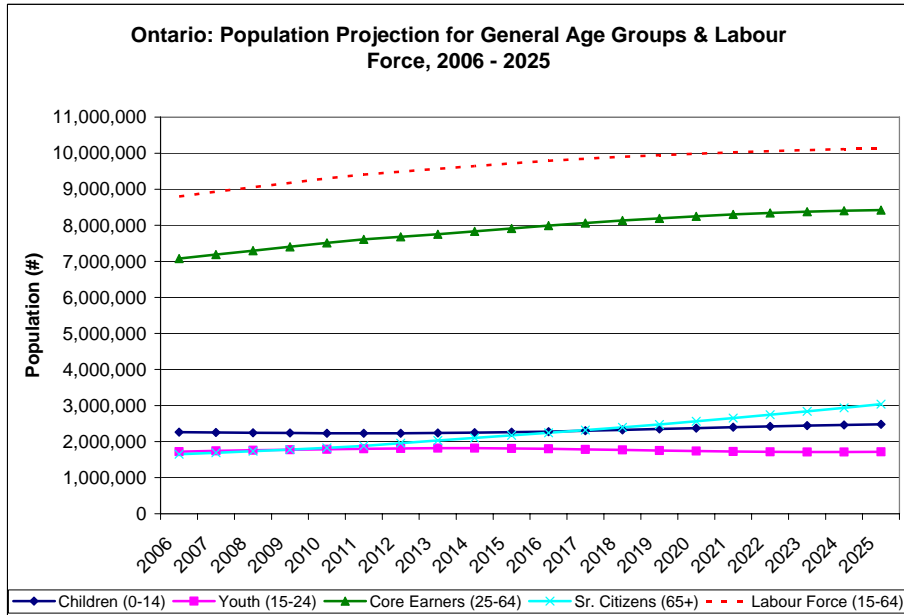
Age Group	Nipissing District		Ontario	
	%Pop. 2006	%Pop. 2025	%Pop. 2006	%Pop. 2025
0-14	16.1%	13.9%	17.8%	15.8%
15-24	14.3%	9.9%	13.5%	10.9%
25-64	53.9%	51.4%	55.7%	53.8%
65+	15.7%	24.8%	13.0%	19.4%
Total	100.0%	100.0%	100.0%	100.0%

Over the next 20 years, the District will experience significant declines in the children, youth and core-earning age groups, and a significant increase in Senior Citizens. While Ontario's Senior Citizen population will also rise significantly, its youth and core-earning groups will actually grow, and the number of children will stay approximately the same. The charts on the following page show these future population trends (note: for analysis purposes, the *labour force* has been added to the general age group graphs and represents the 15-24 and 25-64 age groups combined).

**Figure 6: Nipissing District, General Age Group & Labour Force Projections**



**Figure 7: Ontario, General Age Group & Labour Force Projections**



Given the prior analysis of population growths, the above graphs come as less of a surprise. However, the comparison of population trends within the general age groups between the District and Ontario is quite revealing. Perhaps the most significant finding is that concerning the labour force. As the tail end of the boomer generation moves through their core earning years, the lack of inward migration and birth rates in Nipissing District will result in an 8% reduction in the labour force by 2025 - it will peak in the next 5 years (2011) and will steadily decline afterwards, effectively reversing a 25-year trend of labour force growth. Ontario on the other hand will experience average labour force growth of 15% by 2025.

The District's smaller workforce will also cause a significant rise in the *dependency ratio*, which is a general indicator of how well a population can look after itself – it is a measurement of the *dependent* population (those ages 0-14 and 65+) relative to the *supportive* population (the workforce, ages 15-64).<sup>19</sup> In 2001, the Districts dependency ratio was 50 (i.e., 50 dependents per 100 individuals of working age). By 2025, this will have risen to 63, an increase of 13 dependents.<sup>20</sup> While Ontario's workforce will also decrease in terms of population-share, the decline will only be two-thirds that of the Districts, with a rise in the dependency ratio equal to half that of Nipissing Districts (from 48 to 54).

Regarding youth (defined as ages 15-24 for the purpose of this report), the chart indicates that Ontario's youth population will hold steady until 2025, whereas Nipissing District's will decline by 29%. This will occur due to the combination of declining birth rates and youth leaving the area. Some youth will leave their communities as a natural course of life but the Northern outward migration rates in general, are very high. This declining youth population has been of great concern for Northern Ontario's Municipalities since the 1980's and has been highlighted in recent reports such as MNPS LTAB's *2006 TOP Report*.<sup>21</sup> Currently there are youth-retainment initiatives underway, such as local youth workshops, meetings and events, and the city of North Bay has formed a *Youth Action Team* in order to further engage it's youth. At the macro level, approximately 35% of FEDNOR's target group is youth, suggesting it may be necessary to conduct a review of these Northern youth-initiative outcomes. Trying to reverse this outward-migration trend however, will likely require a coordinated strategy that is developed within a systems-thinking type framework by the provincial and municipal Governments. Long-term resources will need to be committed to ensure that action items can be carried out. While there are no easy solutions to the youth out-migration problem, it needs to remain on the planning radar screen, especially in view of the District's future population scenarios.

Over the next 20 years, the Senior Citizen age group (ages 65 and over) will grow the most in both Ontario and the District, with increases of 84% and 63% respectively. While Ontario will have a higher Senior Citizen growth rate, Nipissing District will have a larger share relative to the population – approximately one quarter of the Districts population will be Senior Citizens by the year 2025 ( a 9% share increase), compared to Ontario where one-fifth will be Seniors (a 6% share increase). The additional burden placed on social service and public health programs due to this ageing population is well known. For example, per-capita government health spending for senior citizens is over three times higher than the average of \$2,240 /person for the total population.

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19. As mentioned previously in this report, Statistics Canada defines the labour force as 15-64. Throughout this report, the core earning group has been considered 25-64 for the analysis and comparisons of the general age groups. This is primarily due to the fact that the District (and Northern Ontario in general) is concerned about youth migration and population levels, and by putting the 15-24 age group into a youth category, it provides more focus and attention on this group for analysis and planning.

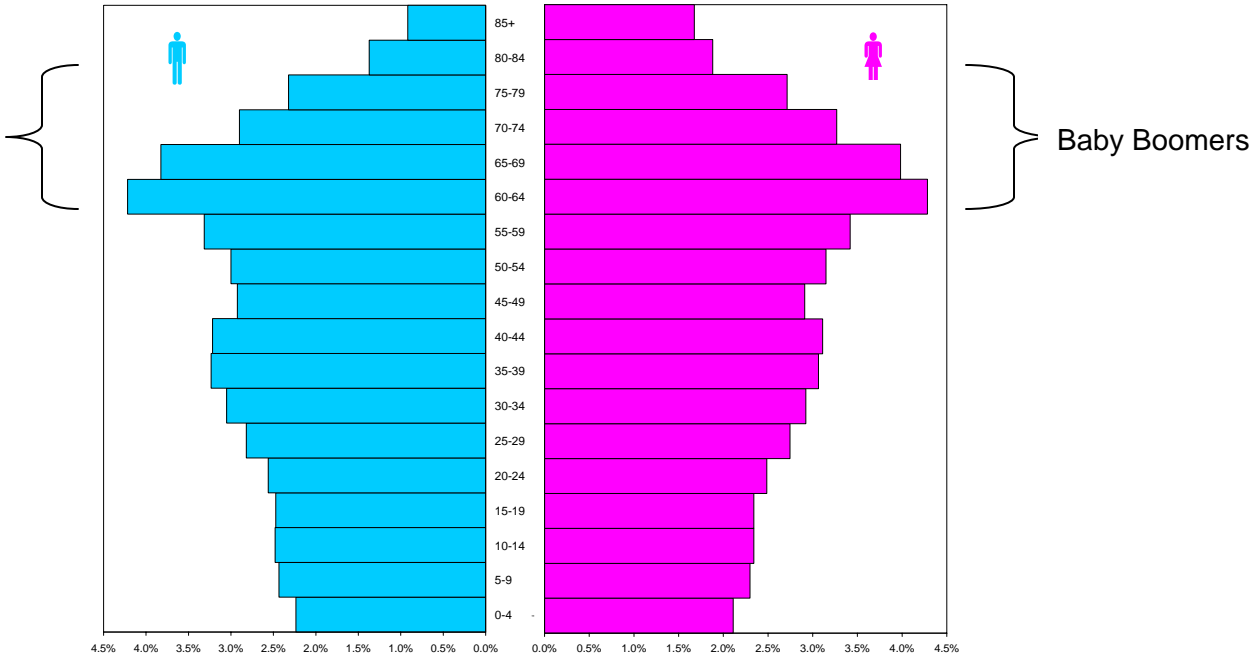
20. As a point of interest and referring back to the table on page 9, the Districts dependency ratio in 1981 was 49. Thus in the 20 yr. period to 2001, it increased by only 1. During this period the labour force stayed the same size relative to the population – this illustrates the effect, the size of the workforce has.

21. Ref: Muskoka Nipissing Parry Sound, Labour and Training Adjustment Board: *Trends, Opportunities and Priorities Report*, 2006.

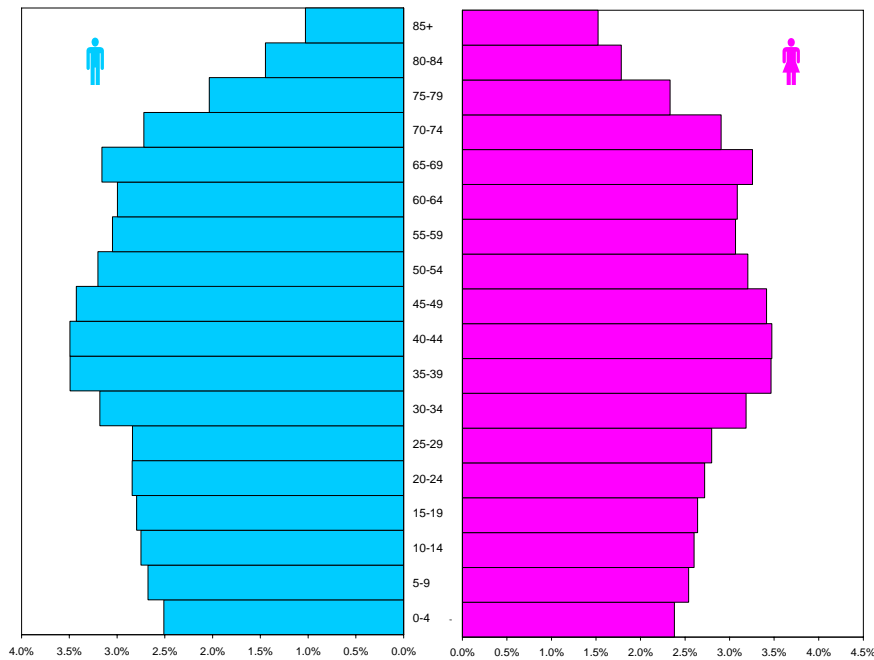
### 1.2 c Population Pyramids

Concluding the analysis on population, the following are the population pyramids for Nipissing District and Ontario, calculated for 2025 from the population projections:

**Figure 8: Nipissing District Projected Population Pyramid, 2025**



**Figure 9: Ontario Projected Population Pyramid, 2025**



Whereas Nipissing District's and Ontario's population structure bore closer resemblance in 2001 (see page 19), the above shows a significant population divergence by 2025. The top-heavy pyramid of Nipissing District reveals a startling picture of a population that is in a negative-growth scenario. The graphs depict much of the prior analysis: The Districts low birth rates and negative migration result in a proportionately older population than Ontario, along with a declining labour force and reduced youth population. Ontario in comparison has had its ageing population mitigated through significant population growth, which includes a growing labour force, as the result of net migration and natural population increase.

Currently, the above population dynamics are one of the most significant factors in terms of differentiating Nipissing District and the province. To fully understand the implications of these population swings for community planning purposes, will require further research and analysis. Suffice it to say that the social and economic implications at the District level could have far reaching implications and will span both social and economic boundaries. Unless increased performance by the other components of economic growth (innovation, physical capital and industry structure) can offset the District's diminishing human capital, the District's GDP could decline, which in turn would lower the real incomes and standard of living for some, and further load social services. Future community programming will need to provide for the older, non working population and the costs of this are surely to rise. Per-capita Government spending on the elderly is estimated to be 2-3 times that spent on children, so as the District's population base steadily becomes older, municipal fiscal pressure will only increase. With the District Municipalities already funding 49% of the social services through the DNSSAB, this is presently a contentious resourcing issue which, without realignment or review, will only worsen under the above scenarios.<sup>22</sup>

While these population trends can not be reversed unless there are marked changes in birth rates or migration, they can be anticipated and planned for - future policies and strategies can help offset the socioeconomic deficit which may occur. For example, by focusing on strategies that will reduce the dependency ratio effects through extended retirement programs.

## **2.0 FAMILY CHARACTERISTICS**

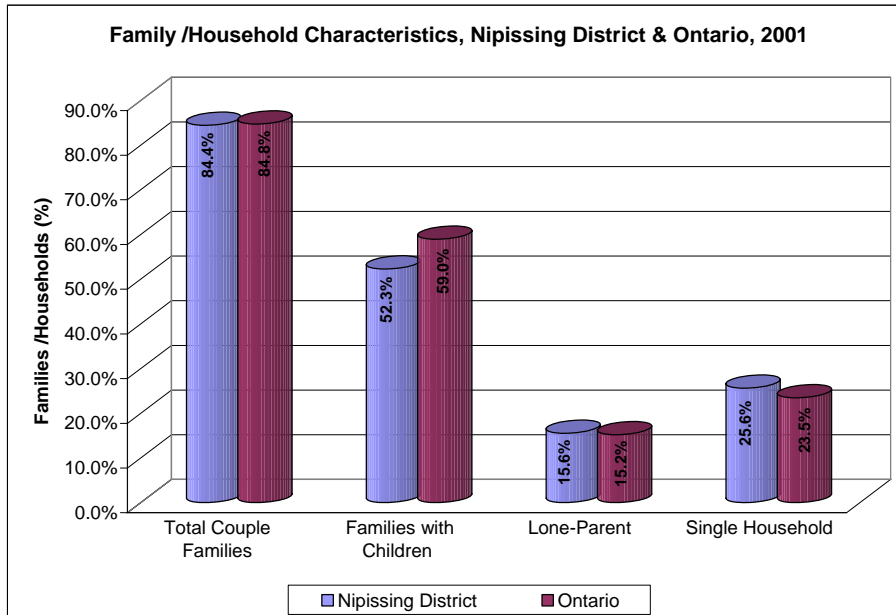
In the prior analysis on page 10, an increase in lone-parent families and single households was a District trend evident between the census periods 1981 and 2001. Due to the prevalence of low incomes and the need for affordable housing within these population segments, they are of concern from a community and social planning perspective. The chart on the following page compares the family characteristics of Nipissing District with that of Ontario. Proportionately, it can be seen that the District's number of single households and lone-parent families are within +/- 2% of the provincial average. The largest difference is in families with children, where Ontario is approximately 6.5% higher.

Approximately 82% of the lone-parents in Nipissing District and Ontario are comprised of single mothers.

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22. Following the Provincial devolution of social services in 1999, Ontario Municipalities are required to partially fund community health and social services. Ref: Consolidated Financial Statements of DNSSAB, Dec. 31 2004.

**Figure 10: Families & Households, 2001**



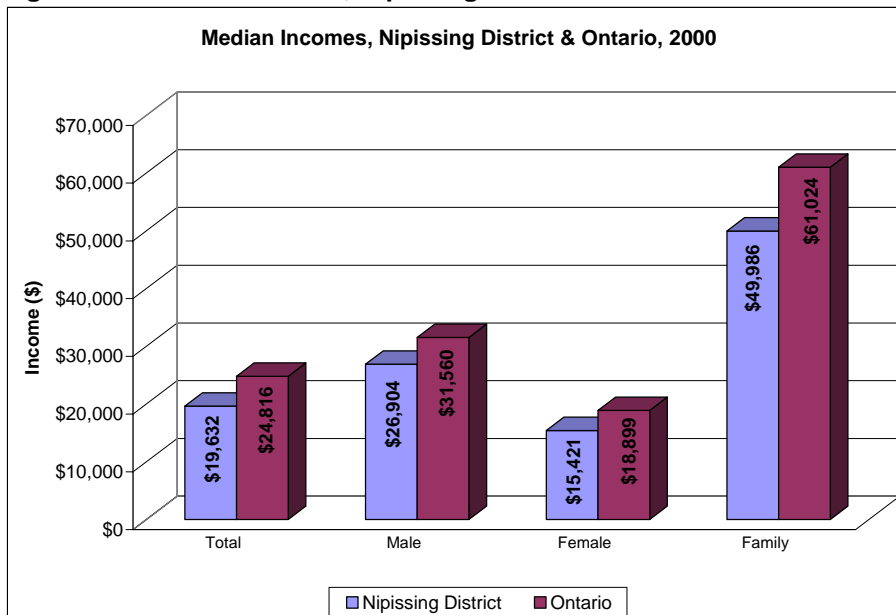
Source: Statistics Canada, Census 2001.

Given the unique needs of this group with respect to childcare and employment, community-level programming must target this group effectively. There are approximately 1,000 lone-parents on social assistance in Nipissing District (19% of the OW & ODSP caseload) and the majority of these are single mothers. Singles make up a further 64% of the caseload.

### 3.0 INCOME

The following chart compares the District's median incomes to the Ontario benchmark:

**Figure 11: Median Incomes, Nipissing District and Ontario 2000**



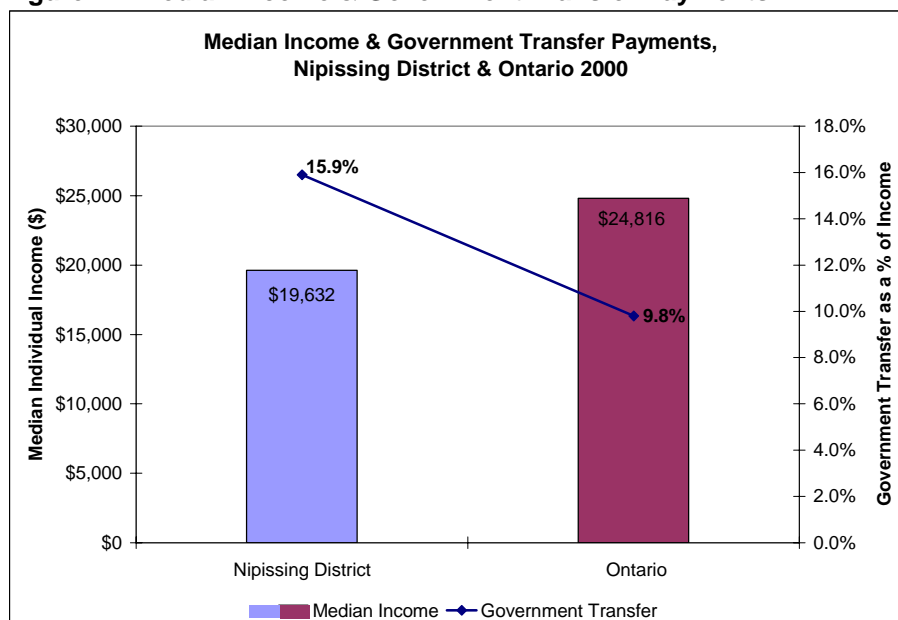
Source: Statistics Canada, Census 2001. Note: "income" refers to total income from all sources.

Previous analysis indicated that although the District incomes have risen over time, they have not done as well when taking inflation into account. From the above chart, it can be noted that the District's median incomes have not done that well when compared to Ontario either – they are between 14%-21% lower, depending upon the gender and family status. In terms of total median income, Nipissing District's is \$5,184 lower (21%) than Ontario's while the median family income is \$11,038 lower. The following looks at *composition of income, income distribution, industry structure and low income cutoff.*

### 3.1) Composition of Income

The relationship between *low incomes* and *Government transfer payments* is evident, as noted on the following chart:

**Figure 12: Median Income & Government Transfer Payments**



Source: Statistics Canada, Census 2001. Government transfers include OAS, GIS, CPP, Employment Insurance, Canada Child Tax Benefits and other income from Government sources. It does not include investment or pension income, or other money income.

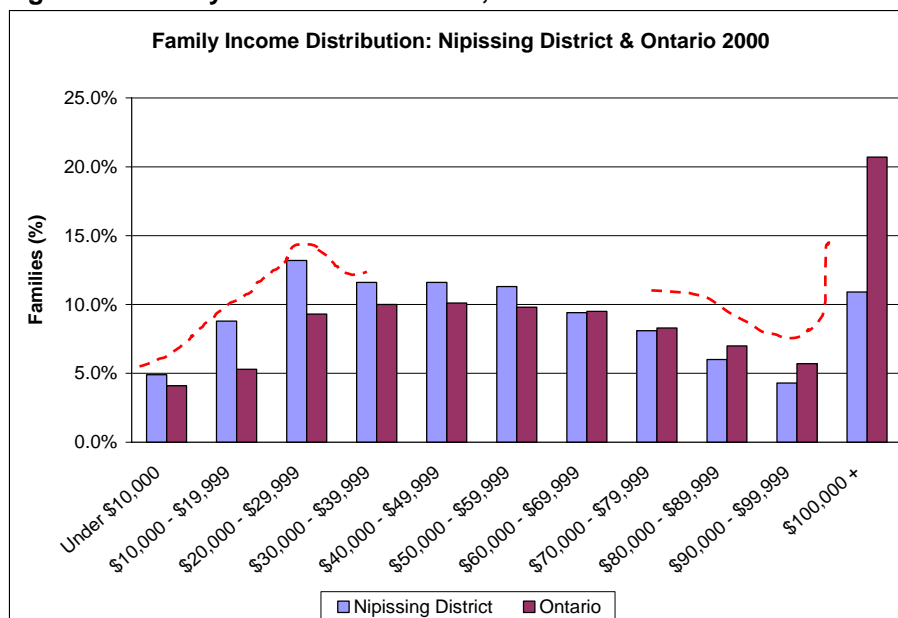
Government transfer payments account for 16% of the District's total median income, which is 50% higher than Ontario's average. While this is the same transfer rate as that of Northern Ontario on average, it does give indication of an earning environment that is somewhat more unstable and heavily reliant on Government support. The District's *higher unemployment rate* (see page 34) invariably leads to greater transfers through employment insurance, as does the *greater share of senior citizens*, through old age pensions and other income supplements. The District's *higher social assistance caseload* also helps to explain this higher transfer rate – as mentioned earlier, the District presently has a caseload which is approximately twice the provincial average, per capita (see pages 7 & 40 for more detail). In terms of ODSP, this caseload has been this high since at least 2000 (which is as far back as comparable data is available).

In 2001, the District's ODSP caseload was 2.5 times higher per capita – for every one person on provincial disability transfer, the District had two and a half.<sup>23</sup> This helps to not only explain the higher transfer rate, but also the lower incomes in general, within Nipissing District.

### 3.2) Income Distribution

Income distribution graphs are beneficial for analyzing the way income is distributed within a given population or area, and are useful in detecting variations in income inequality or within class-structures. Below is the family income distribution for Nipissing District and Ontario:<sup>24</sup>

**Figure 13: Family Income Distribution, 2000**



Source: Statistics Canada census 2001, *2000 Income Characteristics, census families by structure and family income groups in 2000*. Note: the above incomes are for a "census family" defined by Statistics Canada as a married couple (with or without children of either or both spouses), a couple living common-law (with or without children of either or both partners) or a lone parent of any marital status, with at least one child living in the same dwelling. Income refers to "total income" which includes the incomes of all family members (15 yrs. +), from all sources.

The graph illustrates a similar, yet uneven, income distribution pattern for the District and Province, and indicates that significant income inequalities exist *between families at the upper and lower income scales*, as well as *between families of Nipissing District and Ontario*.

23. In June 2000, the Districts caseload was 3,581 and Ontario's was 191,531. Based on 2001 census age group population interpolations of years 18-64, this gives per capita rates of 6.9% and 2.6% respectively. Incidentally, the Districts caseload then was only 8 people less than it is today. Ref. *MCSS Social Assistance Quarterly* and *MCSS Statistical Analysis Unit* for custom 2000 data.

24. These calculations are estimates that have been interpolated from the income characteristics in the 2001 census. Ref: *Census 2001, 2000 Income Characteristics, Census families by structure and family income groups in 2000*.

### 3.2 i) Family Income inequalities in both Nipissing District & Ontario

The above income distributions clearly indicate an income gap between families at the upper and lower income levels. As an example, families in the upper 10% decile have incomes over \$100k (rich), while those in the lower decile have less than \$20k (the working poor). This gives a gap ratio of 5, i.e., for every \$5 in total income the rich family has, the working poor have only \$1. The pattern also reveals a gap in the family class structure, i.e., a proportionately smaller middle class. To illustrate, if “middle class” is identified as those earning between \$30k - \$60k (for the purpose of this exercise), it can be seen that this represents a smaller proportion of the income scale – approximately 32% on average, for both the District and Province. The well- off and rich class is actually larger at approximately 39% (for Nipissing District) and 51% (for Ontario). The distribution pattern further reveals possible barriers in upward income mobility for the lower and middle income levels. This is illustrated by the dotted red lines on the chart, which show a steep rise or fall (or hollowing out effect). For example, the steep rise of the lower income / class levels (< \$10K – \$30K) could indicate difficulty for those families in moving up the income scale. As a large percentage of this income level would be filled with OW social assistance recipients, this may be an indication of the degree of program effectiveness (or ineffectiveness), i.e., difficulty in moving off of the program.<sup>25</sup> The same can also be said for the middle class – the hollowing out of the upper income levels (\$70k - \$99k) might indicate barriers for these families, in moving into the next class structure. Upward income mobility is important for community progress and stability, as is a solid middle class that is not shrinking. The graph suggests that this income mobility restriction is more pronounced for Nipissing District.

### 3.2 ii) Family Income inequalities between Nipissing District and Ontario

The graph clearly reveals income gaps between some of the District’s and Province’s families, particularly those at the lower and upper income levels. Approximately 27% of the District’s families have an income below \$30k, which is 8% higher than Ontario’s average. On the other end of the income scale, Nipissing District has 12% less families earning over \$60k (this is skewed by the fact that Ontario’s \$100k+ group is almost twice that of the District’s). With approximately 34.5% of its families in the \$30 - \$60k range, the District’s middle class is 4% larger than Ontario’s.

### 3.3) Industry structure (NAICS), Nipissing District and Ontario

Looking at incomes should also be considered in the context of the type of employment, and industry structure. At the regional level, previous reports and studies have been published on this income disparity which exists for Northern Ontario in general.<sup>26</sup> Many of these reports point out, that while the North relies on its primary (resource-based) industries as the main driver of economic activity, the very nature of these industries leads to higher rates of seasonal work, lay-off’s and unemployment.

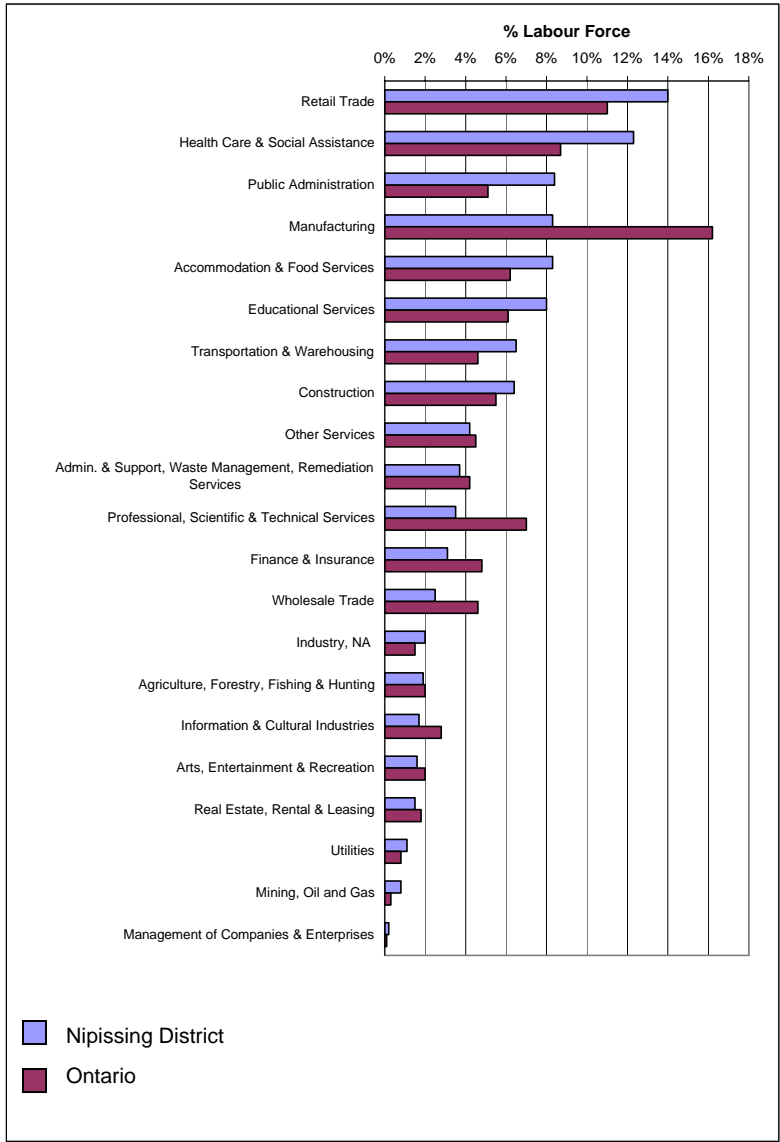
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25. The District’s OW caseload in 2001 was approximately 1754 and combined with the ODSP caseload of 3484, social assistance recipients would comprise a good portion of this income group. As ODSP is a longer term program (the average time on assistance is currently 10 years), it would be inappropriate to include this group in reference to upward income mobility.

26. All the Districts in Northern Ontario have median incomes below that of Ontario. Northern Ontario’s average median income is \$19,995 which is 19.5 % lower than Ontario’s. The income disparity ranges from 34% lower (Manitoulin District) to 4% (Thunder Bay District). One such report is *The Industrial Structure of Northern Ontario*, 2001 Census Research Paper Series: Report #6, Sept. 2003.

In Nipissing District however, less than 3% of the labour force is employed in the primary industries, as can be seen in the following chart:

**Figure 14: Labour Force by Industry**



Source: Statistics Canada, Census 2001. Total labour force 15 years and over by industry based on the 1997 *North American Industry Classification System – NAICS*. Nipissing District’s industries are listed in order of highest occupational share and this is then compared to Ontario.

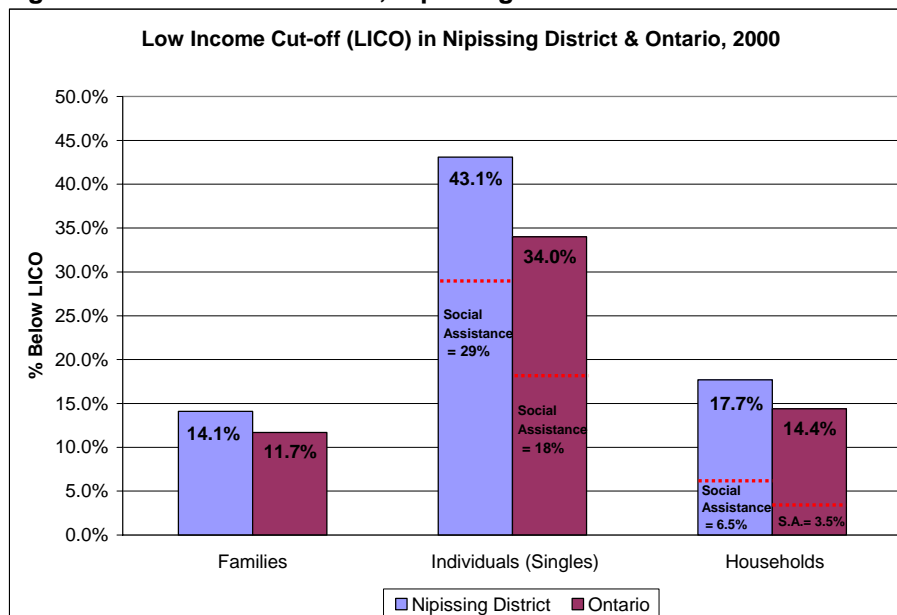
Also, in terms of industries and employment, the District can be considered reasonably diversified, especially when compared to other regions of Northern Ontario. The main difference when compared to the province (and specifically Southern Ontario) however, lies in primary industry by occupation. As seen from the above chart, in Ontario manufacturing is the main industry providing employment for 16% of the labour force, whereas in Nipissing District, the main employment driver is retail trade which provides 14% employment.

The fact that the average manufacturing job pays 25% more than retail trade (for example \$13.55 /hr. vs. \$9.90 /hr.), can start to explain these income disparities.<sup>27</sup> Also notable is the indication that the District has only half the occupations Ontario does, in the professional, scientific and technical service areas. Not only does this contribute to wage-gaps, it provides less of an economic hedge against reliant industries experiencing downturns in the economy and contributes to occupational volatility and unemployment. The District appears to have more of a reliance on the Government for employment, as the public sector employs approximately 20% of the workforce (vs. Ontario at 13%). Traditionally the public sector has higher proportions of management and higher-paying positions, and without this sector, District incomes would probably be lower than what they are. While the District is fortunate to have the strong public sector, it does link the largest part of the workforce to Government policy and planning cycles, which may contribute to higher amounts of contract, part time and seasonal work.

Understanding the District's industrial structure is key to effective economic and social planning and development. From a social services perspective, the structure has implications for caseloads and programming. As an example, new policy changes in the Ontario Works (OW) program for 2006 will result in a heavy focus on the outcomes of *employment*, *earnings* and *increased employability* for OW recipients. Provincial funding allocations will be directly tied to these outcomes through a well defined measurement system. Thus it will become increasingly important to align the District's employment structure with the skills of DNSSAB's OW clients, in order to maximize resources and program effectiveness.

### 3.4) Low Income Cut-off (LICO)

Figure 15: Low Income Cutoff, Nipissing District & Ontario



Source: Statistics Canada, Census 2001

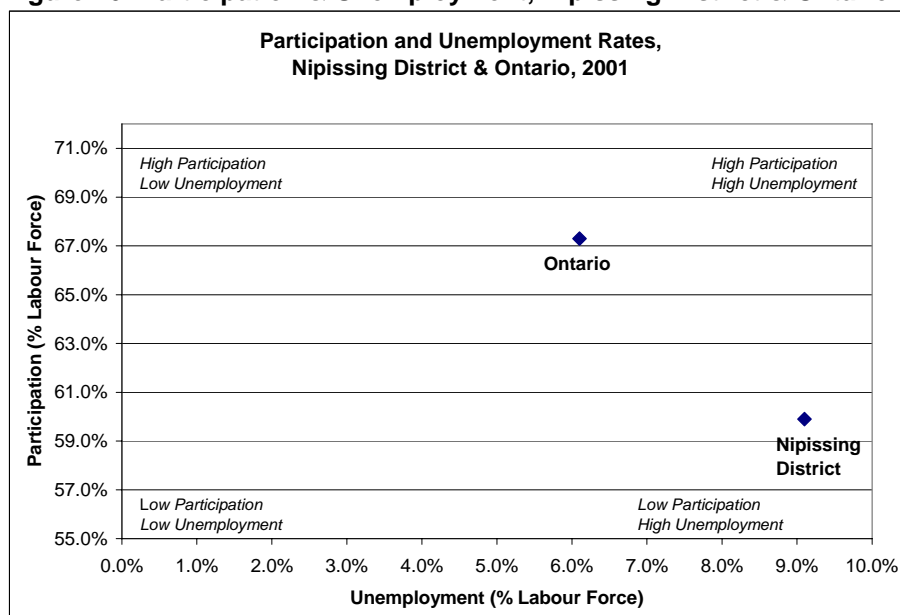
27. This makes a comparison between a retail salesperson or clerk working in North Bay (NOC 6421), and a labourer (NOC 9612) working in metal fabrication, in Toronto. Ref: *National Occupational Classification 2001* and *Service Canada, Wages & Salaries*.

Earlier in the report, the analysis revealed that the same numbers of families in the District are living below the Low Income Cut-Off (LICO) level, as were 20 years ago. The chart above reveals that although the number of people living below LICO is a concern throughout the province, the District's rate is 2-3% higher where families and households are concerned, and a significant 9% higher with respect to singles. It's also interesting to note from the chart, that a greater number of people living below LICO in the District are on social assistance, compared to the average. As an example, 29% of Nipissing's singles who are living below LICO are on OW or ODSP (or 67% of those below LICO), compared with 18% for Ontario. Not surprisingly and as mentioned earlier, the District's social assistance caseload per-capita is the highest in the province and twice the provincial average (see page 40). This has significant implications for planning, and suggests that broad policies or strategies may not be as effective as targeted ones. For example, reducing LICO in Nipissing District will require a greater share of planning and resources targeted to social assistance recipients, whereas Ontario will generally need to focus equally on both social assistance and non-social assistance recipients. Considering that Ontario's *real GDP growth* rate has averaged 3% annually since 1982 and the *real GDP per capita growth* has been about half this (1.5%), it indicates that (to borrow the phrase from TD Economics) *a rising tide is not lifting all boats.*

#### 4.0 LABOUR FORCE

At the time of the 2001 census, the District's participation rate was approximately 7.5% lower than Ontario's, and unemployment was 3% higher. This can be seen on the following chart where Nipissing is located in the lower right-hand quadrant, signifying low participation and high unemployment:

**Figure 16: Participation & Unemployment, Nipissing District & Ontario**

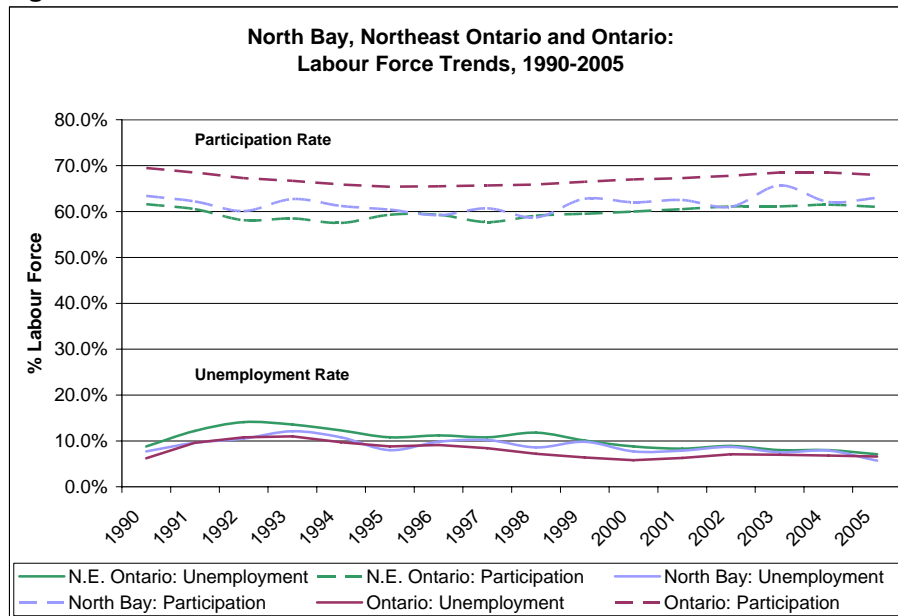


Source: Statistics Canada, Census 2001

While a cross-sectional view of participation and unemployment rates provides a snapshot of the labour force, looking at their annual trends provides a more accurate picture - these particular indicators can fluctuate considerably on an annual basis as they tend to move in concert with the economic and business cycles.

The following chart compares the participation and unemployment rates between the City of North Bay, the Economic Region of Northeastern Ontario and Ontario, over a 15 year period. Annual labour force data on Nipissing District is not available, but as North Bay is the largest urban centre within the District, which in turn is a part of Northeastern Ontario, this can be considered somewhat representative of Nipissing District. As indicated on the chart, the above cross-sectional comparison is also indicative of the longer-term trend of the area's participation and unemployment rates:

**Figure 17: Labour Force Trends**



Source: Statistics Canada CANSIM Tables 282-0055 and 282-0064, Labour Force estimates by Economic Region and selected medium-sized cities, annual.

Historically, it can be seen that the regions' labour force characteristics move with the provincial business and economic cycles. Over the 15-yr. period however, the Northeastern's participation rate has averaged 7.5% lower than Ontario's while North Bay's has been 5.5% lower. Lower participation rates are discouraging as this implies there are less people who are ready and willing to work, out of the available labour supply (i.e., the population ages 15-64). As labour supply is a principal determinant of economic growth, the District's soon-to-be declining labour force combined with lower participation rates should be of great concern. While currently there are other trends that can help offset this, such as seniors working later in life and more mothers entering /returning to the workforce, provincial and municipal Governments need to tailor policies to the local conditions to ensure the environment is conducive to facilitating these trends.

In terms of unemployment, Northeastern Ontario's rate has been on average, 2.5% higher than Ontario's. North Bay has fared better, with an unemployment rate that has averaged just 1% higher during the 15-yr. period. Twice during this period, North Bay's unemployment rate has actually been lower than Ontario's: in 1995, and most recently in 2005. The fact that North Bay's employment performance has been stronger than the Northeast Region (and at times, Ontario) indicates a stronger economy in terms of providing jobs. This also suggests that there are higher rates of unemployment in other areas of the District, which positively skews the District's overall rate.

Having annual labour force data specific to Nipissing District (or looking at the data for each municipality within the District), is needed for an accurate trend comparison to Ontario.

As mentioned earlier, a cross-sectional analysis of unemployment provides only a snapshot which is indicative of trend movement. Depending on the purpose of the study however, a more detailed analysis may be required which involves longitudinal studies or trends. For example, looking at the above chart, a 10-year cross-sectional view of unemployment rates in 1990 and 2000, shows that each area has approximately the same unemployment rate in 2000 as it did in 1990. Without the chart to look at, one might infer from this that the unemployment rate did not move during this time (unlikely), or if it did, it has returned to its same level (correct). From the chart however, we see that during this period, there was significant labour force movement. A recession took place in 1991 and by 1993, unemployment had increased by over 50% in all the areas. Ontario's unemployment rate actually increased to 11% and the Northeastern Region hit a high of 14%. It then took until 2000 for these high unemployment rates to return to their pre-recession levels.

On a positive note, the current trends for North Bay, Northeastern Ontario and Ontario based upon the above data, are *steady participation rates* and *decreasing unemployment*. On the not-so-positive note however, the trends also indicate that Northern participation & unemployment rates lag the provincial average. Speaking for the Northern Region in general, it appears that this unemployment rate imbalance is a systemic characteristic of the Northern markets and labour force. How long should the status quo prevail before new focus and policies are directed to this area? While the Government's past (and current) economic initiatives in Northern Ontario are certainly vital and needed, the unemployment trend suggests that these efforts may be more short-term expansionary efforts, and lack the longer-term components of true economic growth.

Ontario's unemployment rate is currently at 6% - the lowest since 1987. During the next 20 years, unemployment is forecasted to steadily decline, reaching an all-time low of 4.1% in 2025.<sup>28</sup> Given the current trends, this will put the District's unemployment rate at approximately 7% in 2025 - still higher than where Ontario is today.

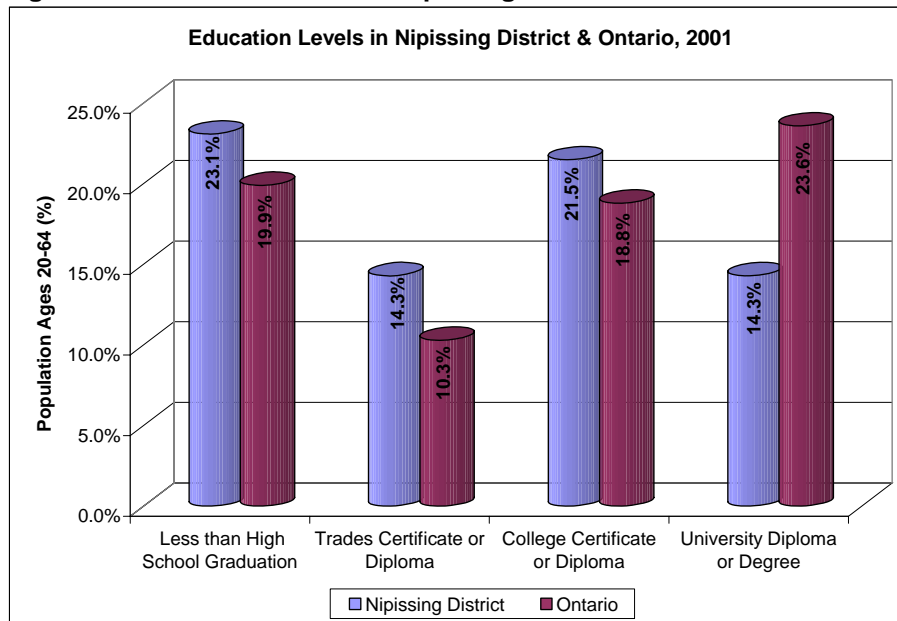
## 5.0 EDUCATION

Previously in the report, we saw that although the District has made progress in terms of the post-secondary education level attained, there is a shortfall in those graduating from high school. The chart on the following page compares education levels to Ontario by population percentage and reveals that the District has higher levels of College and the Trades, but a lower rate of High School and University completion. Based on relative population share (ages 20-64), the District's High School Graduation level is approximately 3% lower than Ontario's, and there are 9% fewer University graduates. As mentioned earlier, the low rate of High School Graduates is concerning, given the positive correlation between earnings and basic levels of education. Not to mention the other social and economic burdens that can be placed on the individual and community, through lack of basic education.

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28. Ref: *Toward 2025: Assessing Ontario's Long-Term Outlook*. Ministry of Finance.

**Figure 18: Education Levels in Nipissing District & Ontario**



Source: Statistics Canada, Census 2001: Community Profiles.

As an example of societal costs, over 50% of the present OW caseload is without a high school education.<sup>29</sup> As 17% (or approximately \$4.6 million) of the municipal levy is presently allocated to the Ontario Works program, this represents a very real cost to the community.

There has recently been a great deal of attention focused on the trades and college programs within the District, and the proportional higher level of college education and trades certificates appears to reflect this campaign. This aligns with the industry structure and the needs of the area (see page 32), and the greater reliance on occupations in the construction, transportation, tourism, and public-sector industries (for clerical, office work, etc.). The District appears to be positioning itself well for the increasing demand of skilled trades and workers. The lower University levels however are a concern, given the nature of the current economy and the need to shift with the times. As the global and knowledge economies continue to gather steam and press for change, the District will need people with higher-education levels that can respond to changes in the market, and also fill the vacancies left by the older, retiring population. Referring back to the chart on page 32, Nipissing District is very much reliant on service industries. Many of these service sectors such as health, education and public administration, require highly educated workers. If growth is to come from these areas, the need for people with higher levels of education will only increase. Additionally, the current emphasis on creating value-added businesses in the area, will further increase the demand for more, and better educated, people.

Given the plight of the District's future population and labour force as discussed earlier, it will become even more important to reach productivity levels through the quality of the labour force in the absence of an increasing labour supply – education will factor increasingly heavily into this equation.

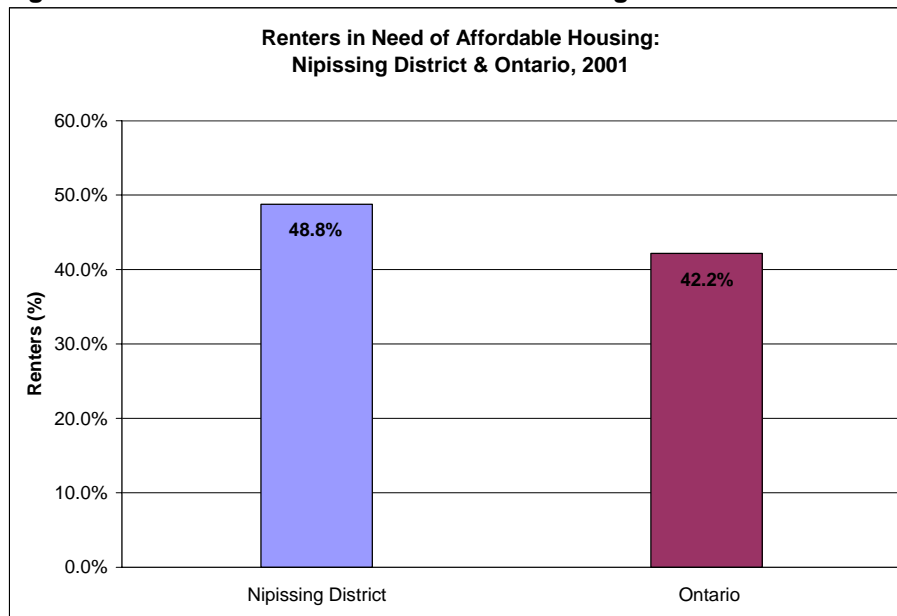
29. Ref: *Ontario Works 2006 Employment Outcomes Service Planning and Funding Preliminary Data Reports*

## 6.0 HOUSING

For the purpose of this analysis of affordable housing, the focus is more on renters who are paying market rent than on home owners. Market rents are primarily determined by supply and demand, and those on fixed and low incomes have little control or choice over prices or rental choice. Home owners not only have equity in their homes and alternative financing options, they may choose to pay more than 30% of their income on mortgage, so as to reduce longer term borrowing costs.

In 2001, 49% of the District's renters were in need of affordable housing, i.e., they were paying more than 30% of their gross income on rent. The following chart illustrates that while Ontarians face a similar need, the District's rate is 6 ½ % higher:

**Figure 19: Renters in Need of Affordable Housing**



Source: Source: Statistics Canada, Census 2001, Profile of Census Divisions and Subdivisions: Catalogue No. 95-220-XPB.

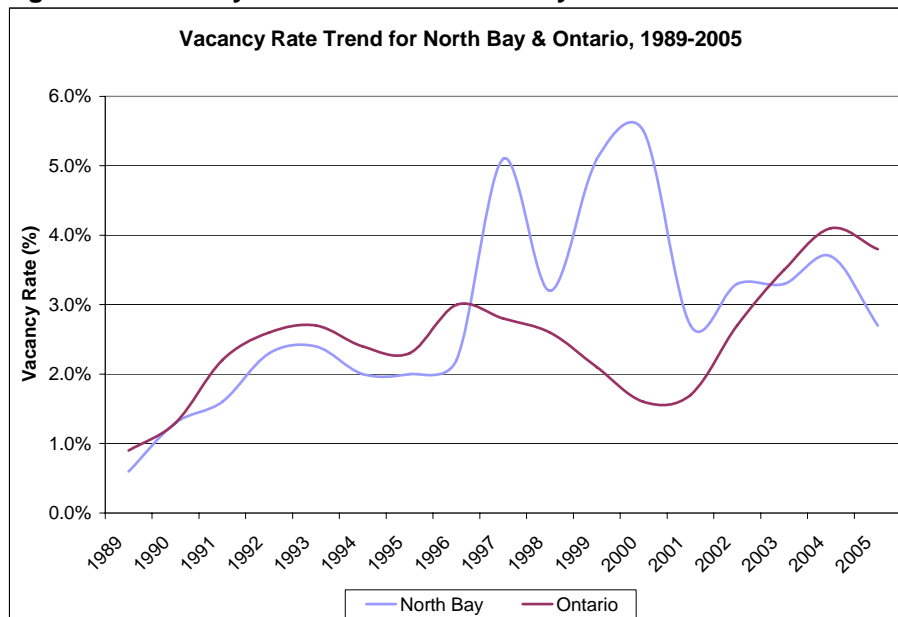
Given the previous description of Nipissing District's incomes and the positive correlation between income and housing, it's not hard to see where the District's high need for affordable housing comes from. As of December 31 2005, the centralized waiting list for social housing in Nipissing District had 1,056 people on it, with an average waiting time (other than special priorities or emergency transfers) of 3-5 years for 1-bedroom units, and 2 years for 2+-bedrooms.

The lack of affordable housing is a problem within many communities across the province, and it can be rather complex with many interactive socioeconomic variables involved. A community's own socioeconomic mix will to some degree, define the housing mix that it requires. As the need for housing derives from affordability and income, there is a direct link to the rental markets, and supply and demand. As the rental market in turn is affected by the home-buying market, rental prices and vacancy rates swing with the mortgage interest rates. Generally as home-buying increases, rental demand and prices fall, while vacancies rise, and vice-versa.

As rental prices adjust upwards in a time of low house-buying activity, this can put a squeeze on people with low and fixed incomes, and increase the need for affordable housing. Thus housing affordability gaps are relative to market fluctuations and price. The District's housing problems are compounded somewhat by North Bay's rental market which is generally tighter than Ontario's average (and Northern Ontario's average if comparing economic regions). Additionally, North Bay's housing market does not necessarily move in concert with other areas or regions.

Market rent vacancy rates are a good indicator of housing supply and demand, and a rate of 3% is generally used as a bellwether to indicate healthy market equilibrium. With more than 60% of the District's population living in North Bay, its vacancy rates are a good indication of the District's housing movements, and supply and demand. The graph below illustrates that North Bay's housing market is generally tighter than the average, and does not always move in the same direction as Ontario's:

**Figure 20: Vacancy Rate Trend for North Bay & Ontario**



Source (1989-2004): *Whereshome 2005* / CMHC Ontario Market Analysis Centre. Source (2005): *CMHC Rental Market Report*, Ontario Highlights, Oct. 2005 survey. Note: Vacancy rates are for apartments in buildings with 3+ units.

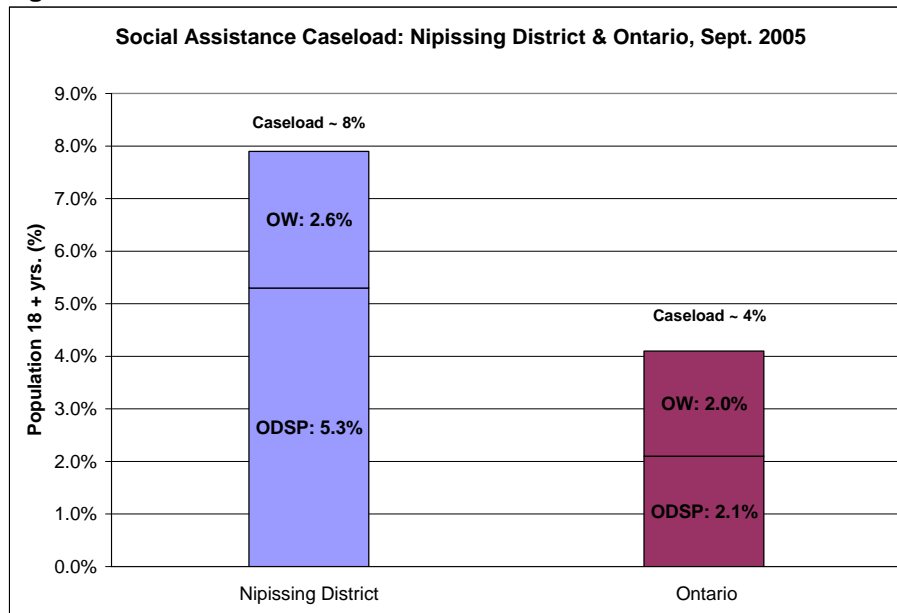
On the contrary, during the later part of the 90's through to 2001, the vacancy trend was opposite to that of Ontario. This indicates that while there was a rental housing squeeze on in most places, North Bay was experiencing excess supply. The favorable home-buying environment facilitated by low interest rates in 2001 can easily be seen on the graph, where vacancy rates started to rise as renters left their apartments for home ownership. Although North Bay's market followed the trend, it tapered off earlier and remained tighter than average, hovering between 3 - 4%. In 2005, North Bay's vacancy rate dipped below the healthy 3% benchmark (the first time in 10 years) to where it presently sits at 2.7%. This will start exerting additional pressure on people with low and fixed incomes and create further loading on the community organizations who deliver services to this group.

Generally the larger urban centers have more capacity to absorb these housing fluctuations and meet the short-term housing needs of their low income groups. Cities like North Bay however lack the resources and housing infrastructure, to meet the needs of their high-risk population.

## 7.0 SOCIAL ASSISTANCE

When compared to Ontario on a per capita basis, Nipissing District has twice the adult population drawing social assistance either in the form of *Ontario Works* or the *Ontario Disability Support Program*. The significant difference lies in the ODSP caseload, which is currently 2 ½ times greater than that for Ontario. As mentioned at the beginning of this report, the DNSSAB has undertaken a separate study on the adequacy of community services for ODSP clients, given this large caseload. The following chart summarizes the social assistance caseloads for Nipissing District and Ontario:

**Figure 21: Social Assistance Caseloads**



Source: CMSM's *Social Assistance Quarterly*, Sept. 2005 and *Ontario Works Social Assistance Trends Quarterly Report*, Sept. 2005; Statistics and Analysis Unit, MCSS. Note: Population percentages are calculated from the Ministry of Finance population projections, 2005.

This higher caseload rate has significant implications and considerations for the following;

### *The clients*

Many of the clients in these social programs face extended challenges and barriers that are difficult to deal with and overcome. Whether these are of a personal nature, situational or other, the hardships they encounter would overwhelm many. With average net earnings (above the Government transfer) of \$ 629 /mo. and \$544 /mo. respectively for OW and ODSP recipients, many have little-to-no disposable income left after covering the costs for basic necessities such as shelter, food and clothing. Approximately 20% of the caseload is comprised of lone-parents (the majority being single mothers) and the average time on assistance is currently 1 ¼ years for OW clients, and 10 years for ODSP.

### Community services

The District's organizations and agencies that provide services to OW and ODSP clients range from grass-roots level organizations and associations, to Government Ministries and agencies. Many of the community organizations operate within a non-profit structure and compete for limited resources and funding. In terms of servicing the ODSP clients, the recent study *ODSP Community Services Review, Nipissing District* (Jan. 2006-draft) revealed service gaps in *information & program accessibility, financial supports, transportation, housing, children programming, health services and general service delivery* (through a fragmented system). The higher-than-average caseload appears to be loading these already burdened agencies even more.

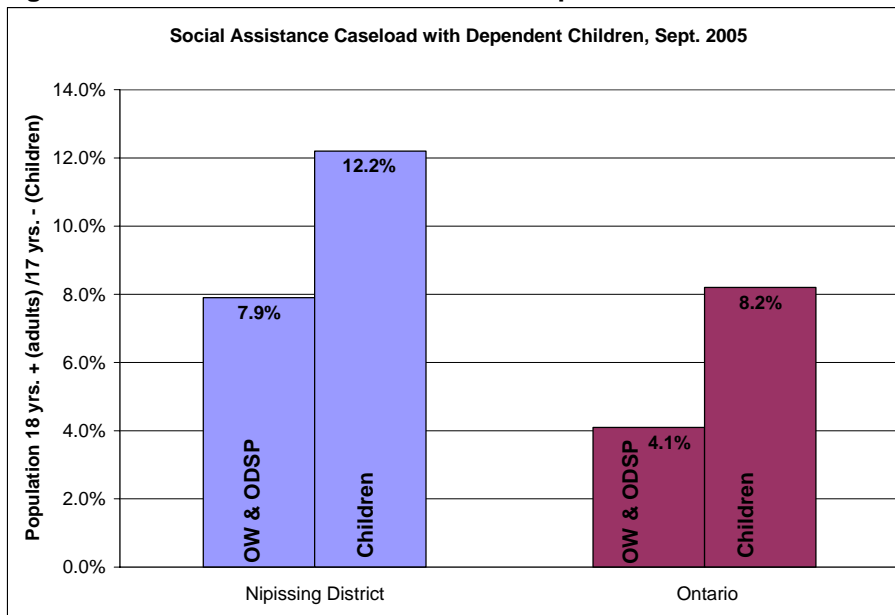
### Community costs

The District's combined caseload above, represents 57% of the municipal levy for social services, or approximately \$15 million.<sup>30</sup> The goal of social assistance optimality is of prime importance for Social Service Managers, who strive to deliver the highest quality service for clients while keeping the taxpayer's costs to a reasonable level. Invariably the higher caseload results in higher operating costs which increase the cost structure for the District's Municipalities and their communities.

## 7.1 Social Assistance, Dependent Children

Of equal concern to the District's high rate of social assistance is the large number of children who are dependents of social assistance recipients (referred to as *Beneficiaries* or *Dependent Children*). This is illustrated by the following chart:

**Figure 22: Social Assistance Caseload & Dependent Children**



Approximately 12% of the District's children (17 yrs. or under) are social assistance beneficiaries – 50% higher than Ontario's average.

30. Ref: Consolidated Financial Statements of DNSSAB, Dec. 31 2004

This is of primary concern as research indicates that children in low income families may be at risk of reduced early childhood development, health, education and social skills. It is imperative that these children receive the supports where needed and transfer productively into the labour force, vs. moving along the continuum of social assistance.

## 8.0 HEALTH

The importance of healthy individuals and communities is an obvious one, not to mention the fact that health sits at the top of Government agendas. Health policy and planning is vertically integrated through the three levels of Government, and health outcomes have causal affects that span horizontally across many key areas such as economic development, labour force development, education, income security, culture and social well-being. Given the existing research that confirms correlative relationships between income, employment, education, housing and health, it is important to include health indicators in the District's socioeconomic profile.

When comparing health populations and statistics with other socioeconomic data, caution must be exercised when making direct comparisons due to varying geographical boundaries. National and provincial health studies are usually conducted within the health planning and public health regions, and more recently in Ontario, the new LHIN regions. Peer groups are also used in gathering and comparing health information and these areas have different geographical boundaries than census divisions and economic regions. The indicators used below are for the *North Bay Parry Sound District Health Unit*, which covers most of the Nipissing and Parry Sound Districts (excludes Temagami and South Algonquin in Nipissing). Data that is used prior to 2004 is for the *North Bay and District Public Health Unit* (pre-amalgamation) which more closely resembles that of Nipissing District. These indicators are then compared to *Ontario by Health Unit*.

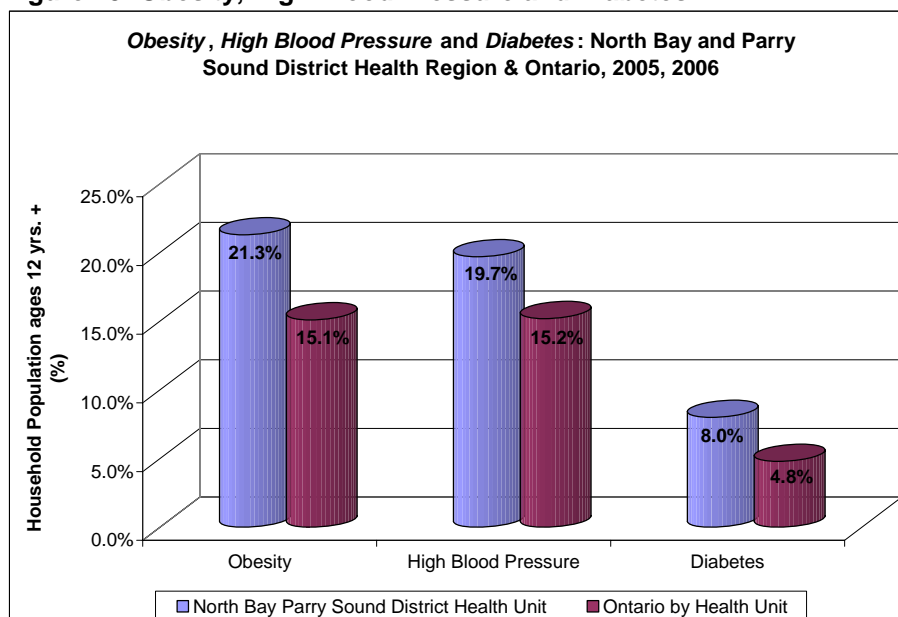
The *Canadian Community Health Survey* is a Federal survey conducted by Statistics Canada, in partnership with the *Canadian Institute for Health Information* (CIHI). This survey provides health information for over 130 health regions across Canada, and is conducted every two years (alternating years between health regions, and the provinces). The survey is based upon a number of health indicators which include risk and determinant components. Below are some of these health indicators:

### 8.1 Obesity, High Blood Pressure and Diabetes

The chart on the following page indicates that the local health region's prevalence of obesity is 41% higher than Ontario's, while the concomitant health problems of high blood pressure (hypertension) and diabetes are 30% and 67% higher, respectively. Regarding obesity in general, it has moved into the forefront of public health concern at the national level, and is being described by some groups as an epidemic (Canadian Council of Food Nutrition, Ontario College of Family Physicians, Ontario Chief Medical Officer, Ontario Ministry of Health Promotion, etc.). If obesity is being acknowledged as a serious problem across the province, then the local health region's higher prevalence has to be of great concern. Obesity not only leads to an increase in illnesses such as diabetes, hypertension, heart disease, stroke and some cancers, it increases health care costs significantly – in 2002, obesity cost the health care system approximately \$1.6 Billion in direct expense and another \$2.7 Billion indirectly.<sup>31</sup>

31. *Healthy Weights, Healthy Lives*, Chief Medical Officer of Health Report, 2004.

**Figure 23: Obesity, High Blood Pressure and Diabetes**



Data source (diabetes): Statistics Canada, *Canadian Community Health Survey, 2005*; CANSIM Table 105-0411. Data source (obesity, high blood pressure): Statistics Canada, *Canadian Community Health Survey, 2006*; CANSIM Tables 105-0410 & 105-0409.

Although obesity is traditionally attributed to overeating / poor nutrition and a lack of physical activity, there is a set of complex, interactive forces at work which combine biological, social, economic, environmental, cultural and behavioral factors. Thus from a policy and planning perspective, implementing effective solutions for reducing obesity may not be as straightforward as otherwise indicated. There is a current move on for further evidenced-based research that will increase the effectiveness of intervention strategies and solutions.

The socioeconomic profile of Nipissing District as outlined in this report, suggests that obesity be considered in the local context. In other words, while solutions for reducing obesity may be considered within a broad, provincial strategy (to meet provincial objectives), health unit regions will need to set their own objectives and strategies which align with the province, yet are tailored specific to their region. For example, reducing obesity in an area that has a comparable rate to Nipissing District, such as Brant County in Southern Ontario (21.3%), will require a different approach than that for Nipissing District. This is because they have different external forces at play and also a different socioeconomic mix. While there will be some commonalities in strategies and tactics, there will be many different ones too (incidentally, the Brant County Health Unit is acting on Obesity through its *Call for Action, 2006* program).

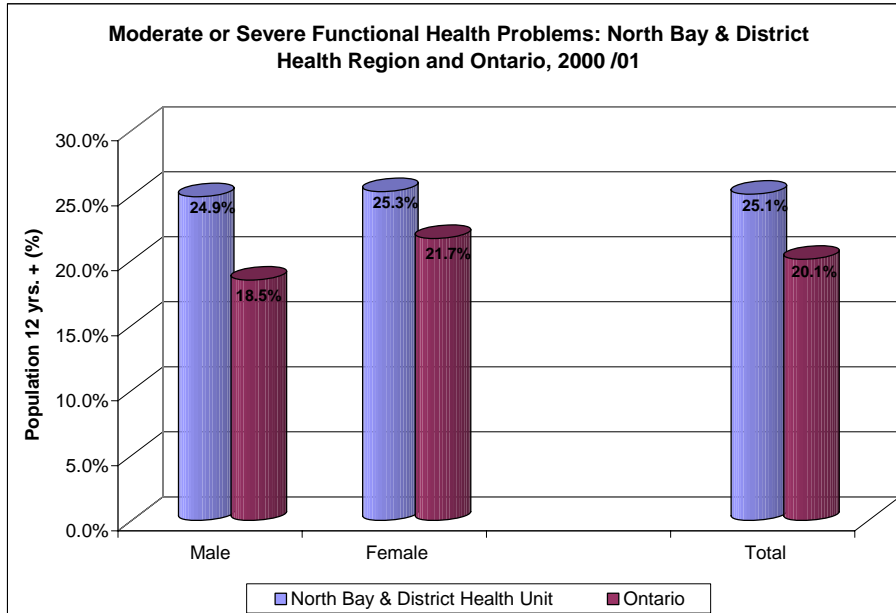
While provincial initiatives such as ensuring healthier vending machines are in schools, and *ACTIVE 2010* are great steps towards obesity reduction, the North Bay Parry Sound Health Unit will need to work with multidisciplinary partners in order to tackle the local obesity issue.

### **8.1 Functional Health Problems**

The *Canadian Institute for Health Information* (CIHI) views self-reported health as an indicator of overall health status.

In order to obtain measures of overall health functioning, the Canadian Community Health Survey issues a questionnaire that is based upon eight (8) dimensions of functioning: *vision, hearing, speech, mobility, dexterity, feelings, cognition and pain*. The chart below summarizes the results for the North Bay & District Health Region and Ontario (2001):

**Figure 24: Functional Health Problems**

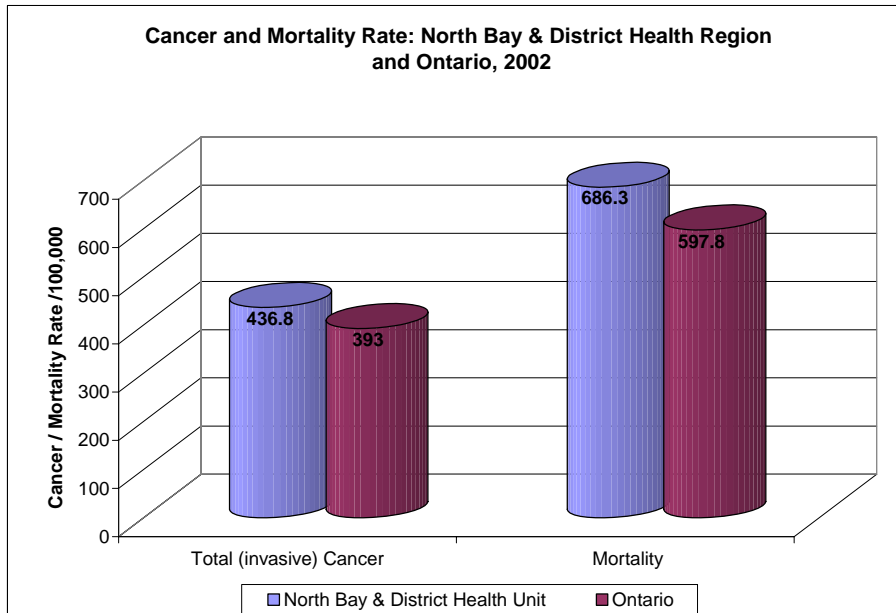


Data source: Statistics Canada, Canadian Community Health Survey, 2000 /01

In another health survey conducted more recently in 2005, 14.8% of the local health regions' respondents reported that their health was "fair or poor" compared to 11% for Ontario.

### 8.3 Cancer and Mortality

**Figure 25: Cancer and Mortality Rates.**



Data source: Mortality –CANSIM Table 1020303.

As the above chart indicates, the local health region's prevalence of cancer is approximately 11% higher than Ontario's, and not surprisingly, its mortality rate is 15% higher. The North Bay Parry Sound health region also has higher rates of drinking, smoking and participation & activity limitation.<sup>32</sup>

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32. Statistics Canada, *Canadian Community Health Survey* (2005).

## SECTION III

### 1.0 POSSIBLE SOLUTION FRAMEWORK

In keeping within the scope of this project, there are some broad recommendations that follow on page 49. However, given the magnitude of the District's socioeconomic disparity gap, the most effective strategies and solutions will likely come from a collaborative process with community Leaders. There is both a short-term and long-term component to addressing these disparities: *in the short-term*, intervention and action is required to address the immediate needs - the higher prevalence of low incomes, core housing need, social assistance and children at risk, demands prompt action. *In the long-term* however, a social and economic plan is required at the District level, which involves municipalities and strategic partners working together to increase the District's prosperity level. Only through this means will there will be a chance of reversing the negative trends, and improving economic growth and social well-being for Nipissing's residents. This perhaps will be the biggest challenge to any planning group tackling such an effort; the ability to be tactical (short-term) while remaining strategic (long-term).

The indicators used in this report have strong relationships with each other and are in some form or other, determinants of social, economic and health outcomes. In many cases the strength of the relationships between these variables is known or can be estimated, such as that between income and health, or between the labour supply and economic output. What is not as obvious are the co-related variables and causation, i.e., what causes what to occur and by how much? Reverse causation can be equally perplexing, such as income affecting health but health also affecting income. This unknown makes it difficult to make investment decisions that will improve socioeconomic outcomes, while providing the greatest return to multiple stakeholders. The fact that these disparities can exist to such an extent within the province however, indicates the need for Governments to develop new development strategies and equalization programs.

#### 1.1 Something to Think About: a Solution Framework

Given that the variables profiled in this report are not only indicators but also determinants of social, economic and health outcomes, it makes sense to look at the *determinant theories* in trying to look for effective solutions. There are presently two theories which could provide a framework for developing strategies and solutions specific to Nipissing's disparity woes. These are the *social determinants of health* and *health as a determinant of economic growth*.

The ***Social Determinants of Health*** theory has been gaining momentum since the *Social Determinants of Health across the Life-span* conference took place in Toronto in 2002. These determinants refer to the social and economic conditions that influence the health of people and communities. There are eleven (11) determinants (Raphael et al, 2004), of which five (5) have been profiled in this report: *income, unemployment, education, housing* and *children* (early life /childhood, health & education).<sup>33</sup>

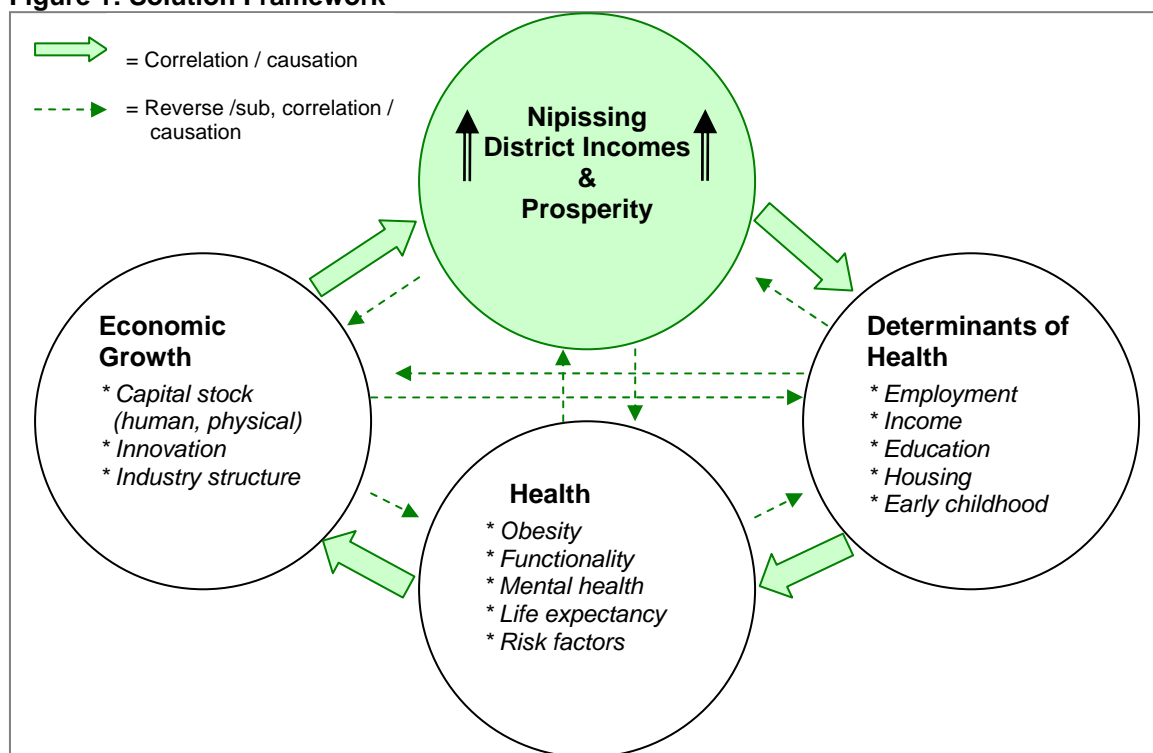
33. The other six (6) social determinants are: *employment & working conditions, food security, health care services, social safety net, social exclusion* and *aboriginal status*. These determinants were identified as being specifically relevant to Canadians, and may differ from other social determinants used elsewhere. Note: *Gender* is also an important determinant of health, and researchers usually consider it in the context of its impact and interaction with each of the other determinants of health.

This theory implies that these determinants generally have a far greater influence upon health and the incidence of illness than the traditional biomedical and behavioral risk factors (such as cholesterol, diet, smoking, physical activity, etc.). Thus it is these determinants which largely determine, whether individuals stay healthy or become ill. With this approach, economic and social policies are directed towards improving health through increased focus and investment in these areas.

**Health as a Determinant of Economic Growth** is also gaining momentum as top health economists and researchers explore in more detail, the impact of health on economic growth and prosperity. While the role of human capital is widely accepted as central to economic growth, it has traditionally been associated more with education, and health has been acknowledged as just “being important” or peripheral. A “new focus of serious academic inquiry” this theory posits that a population’s health status directly affects economic development and performance. This approach shows the relationship between health and economic growth (theoretically & empirically), and the impact of health on long-run development, economic growth, and poverty reduction.

Combining the above social and health determinant theories together produces a basic causal model as follows:

**Figure 1: Solution Framework**



Source: D. Plumstead based upon the above social and health determinant theories.

This model not only has implications for improving outcomes and allocating resources, it can be applied at either the macro (provincial) or micro (District) levels. It can be used in an advanced way, say for calculating and explaining statistical relationships, or in a very general way, such as in guiding community leaders towards a common goal and strategies.

Based upon the District's current situation, the model implies that investing more in the disparity areas (the social determinants) will yield increasing returns in health and economic growth. But the model also implies that the Government's large investment in health (currently around \$35 Billion) should also increase economic growth and prosperity, which in turn would improve the social determinants, and in Nipissing's case, reduce disparities. This is not occurring however (at least at the District level) and the model also helps to provide a possible explanation of why: it is important to differentiate between *health care* and *health cure* (van Zon; Muysken 2005) because they differ in production and consumption activities – whereas *health cure* may change the health state (and hence productivity) of a population, *health care* does not. If a greater proportion of the provincial health budget is going into care activities (or putting it into the local context, if a greater share of Nipissing's residents are requiring care) this will likely not lead to an increase in economic growth. Rather the reverse causations could hold true and growth would actually decline due to the loss in labour and productive capacity. Again, this has implications for spending decisions and indicates that the greatest return on a dollar spent would come from the health prevention (cure) areas, i.e., the social determinants of housing, labour force development, children, etc.

The model is also useful for making resource allocation decisions, and measuring the effectiveness of these allocations. Theoretically, following the causal path of the model, each circle is a determinant of the next one (although there are sub correlations and reverse causations as indicated by the dotted arrows). Thus an investment that is made in any of the circles should have the effect of increasing prosperity (which is the end goal for Nipissing as this will reduce or eventually eliminate, its socioeconomic disparities). However, we have just seen that this does not necessarily hold true for direct health expenditures. Looking at economic growth, the same may apply. Governments currently invest significantly in Northern Ontario's economic development, through programs *such as FEDNOR, Northern Ontario Heritage Fund, Northern Ontario Prosperity Plan*, and the *Ministry of Northern Development and Mines*. These Northern programs are vitally needed and without them, District's such as Nipissing would likely be even worse off and have greater disparities. But the model suggests that regional incomes and prosperity should rise uniformly with this investment – something that does not appear to be happening. It then prompts the question *why* and helps to seek possible answers: maybe these programs are more expansionary in nature (i.e., short-term measures to reduce unemployment from lay-offs or to stimulate the economy, etc.), or perhaps the Government (with the best of intentions) is trying to spend its way into raising Northern incomes (not that effective). These initiatives may be lacking some of the more important components of economic growth, such as the accumulation of human capital and innovation (R & D, technological progress, productivity). In any case, the model helps to visually provide feedback and is a guide for seeking explanations and solutions.

These are just simplified examples of how a model such as the one above can help to explain the current situation or more importantly, assist in delivering solutions. In reality, the problem-solving steps are a little more complex! Currently, individual ministries, agencies and municipalities are engaged in their own policy-making and planning, but there is no mechanism in place for joint socioeconomic planning across the municipalities or disciplines. Governments and community leaders alike would benefit from some type of framework that puts them onto the same page, and helps them to recognize the potential social and economic synergies.

## 2.0 CONCLUSION

This profile paints a less-than-rosy picture of Nipissing District from a social and economic perspective, and indicates there is plenty of work to be done. Unfortunately it does not touch down on some of the more positive aspects of the District, which include a healthy segment of the population who are well-off and enjoying a good quality of life.

Rather, this report speaks for the marginalized population and highlights some of the economic challenges that lie ahead and the social and economic disparities, relative to Ontario. It should be noted that Nipissing's disparities do not wear any political stripes nor can they be attributed to any one government, event, group of people, or notable wrongdoing. They are the result of internal and external forces that have interacted in such a way, so as to have created a relatively unfavorable environment for many people. Having said that, the need for macro intervention at the provincial level is evident, and the provincial partner needs to re-think how it invests in Northern District's such as Nipissing. Ontario's 2006 provincial budget states that *Northern Ontario's unique circumstances require focused and coordinated programs and initiatives to promote economic growth and job creation. The Province continues to work with communities and key industries in Northern Ontario to support long-term prosperity within an increasingly competitive global economy.* This report suggests however, that any "long-term prosperity support" that may have occurred for the District's communities is minimal at best - rather there is now a prosperity deficit which needs to be erased. The "focused and coordinated programs and initiatives" mentioned above will need to be just that – *focused* on reducing these socioeconomic disparities and *coordinated* between the provincial and municipal Governments, and key community agencies and Stakeholders.

In closing, health costs are escalating and consuming more and more of the provincial budget, Northern municipalities are cash-strapped and unable to invest where investment is needed (such as in the areas profiled in this report) and true economic growth does not look promising for Nipissing District and many others in the North. Amidst all this, there are people in need and children at risk. This report stresses the need for change through focused intervention and the challenging of the status quo.

## 3.0 RECOMMENDATIONS

The following are broad recommendations only, based upon the premise that the DNSSAB Board and Senior Staff will have their own recommendations to make, after having read the report. These recommendations can then be combined and presented in a report update. These initial recommendations are directed to DNSSAB:

1. There is a short-term and long-term perspective to the solutions for reducing Nipissing's disparity gap:
  - i) In the short-term, it is recommended that DNSSAB educate Government Ministries on Nipissing District's position through the use of this report and presentations. Also on behalf of Nipissing District, DNSSAB should seek additional funding for the respective areas of social assistance, housing, children's services and health. This funding will be used within the community to enhance present programs and bridge gaps, to meet the immediate needs of low income families.

- ii) In the short-term, it is recommended that DNSSAB take the initial lead in raising awareness of the District's disparity gap with municipal leaders, Government officials and community partners. This will include sharing this report where appropriate, making presentations and meeting with senior-level administrators.
- 2. Working on permanent solutions that will reverse the District's negative trends and reduce the disparities is a long-term value proposition. As such, once committed, DNSSAB and others will need to expend significant resources for planning and implementation. It is recommended that DNSSAB first establish a Task Force or Committee comprised of municipal representation and other strategic community partners, to evaluate the present environment for this type of planning, and to determine the next steps.
- 3. *The first step in being able to improve something is being able to measure it*, and this initial report serves to create a type of *socioeconomic scorecard* for Nipissing District. It is recommended that DNSSAB maintain, update and improve this report where possible, and share the results with Governments and community partners (above). In the future, this will become increasingly important for providing feedback and measuring progress.

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