

# Building Reconciliation at the U of S

Department of Agricultural and Resource Economics

## Economic Impacts of First Nations Spending: Case Studies in Saskatchewan

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### BACKGROUND AND OBJECTIVES

In 2015, the BOFN, OAFN and the University of Saskatchewan initiated research that would quantify the level and type of spending by on-reserve households. This represents the first phase of research that will determine the level of spending that occurs on- and off-reserve. The revenues that leave the BOFN and OAFN reserves are captured by regional businesses and urban centers (i.e., Prince Albert), whose business owners employ workers, pay wages, and expand businesses opportunities – revenues and opportunities that are lost to the BOFN and OAFN. The results of this research will help to 'plug' economic leakage through strategic on-reserve economic development and investment - thereby creating jobs, revenue and opportunities for First Nation members.

Our objectives include:

1. Estimate economic leakage rate for One Arrow First Nation (OAFN) and Beardy's Okemasis First Nation (BOFN).
2. Using an Input-Output multiplier effect approach, estimate the total economic impacts on Saskatchewan's economy.
3. Calculate the aggregate economic impact of spending by all First Nations (70) in Saskatchewan on provincial GDP, employment, and labour income (data for 4 First Nations was unavailable).

### METHODS

The primary method used to calculate household spending effects was the delivery of a Household Spending Surveys. The survey captured: 1) Household demographic information; 2) Annual purchasing history; 3) Location and frequency of purchases; 4) Estimation of household expenses vs. income; and 5) Spatial Analysis of regional spending. Provincial Impacts were calculated by Input-Output provincial multipliers obtained from Statistics Canada.

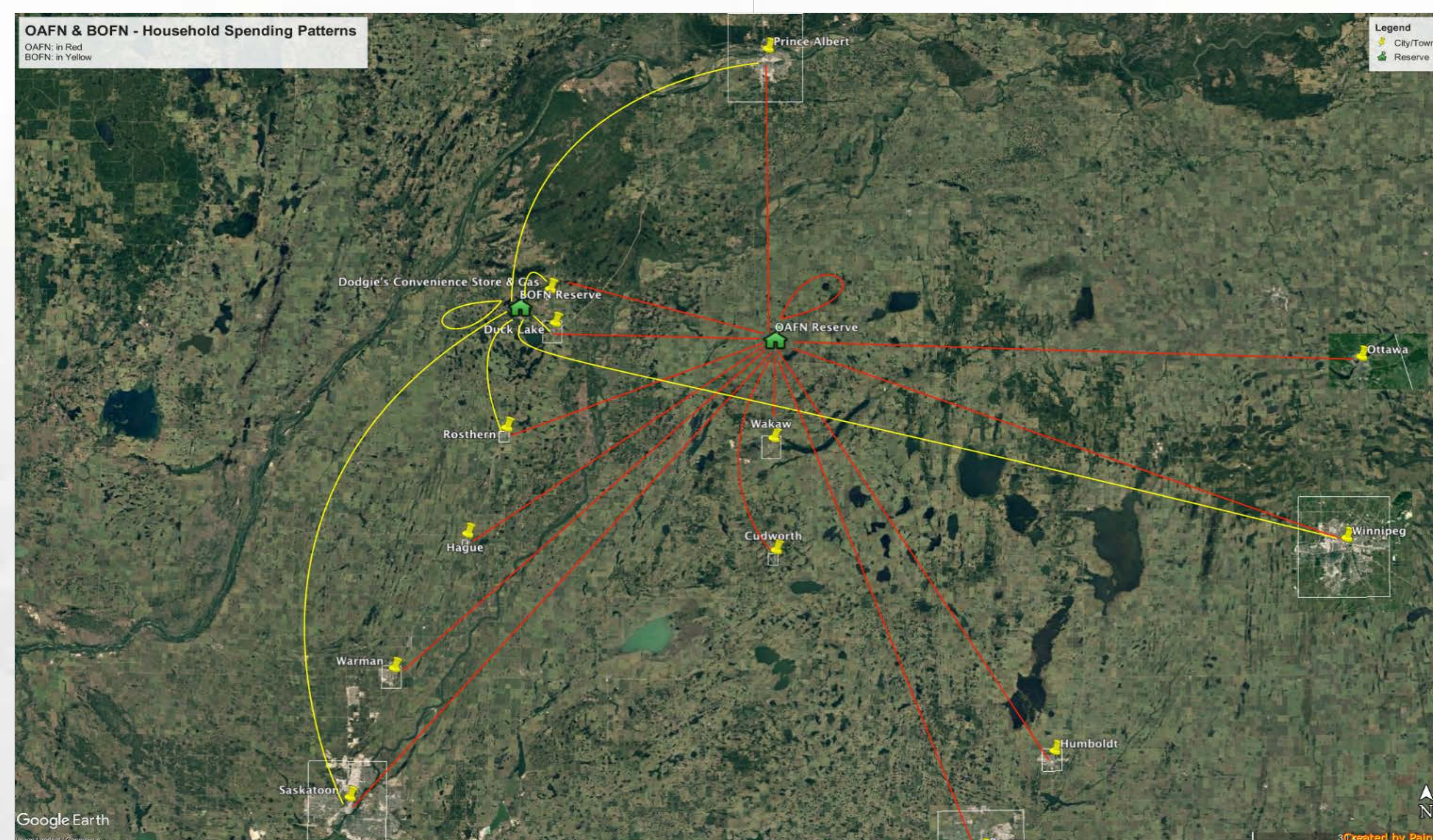
### RESULTS

#### Motivations/Constraints to On-Reserve Purchasing

Do you purchase locally?	Reasons
Yes (87% of OAFN – 85% of BOFN)	<ul style="list-style-type: none"> <li>✓ No Tax</li> <li>✓ Supporting their own community</li> <li>✓ Convenience</li> </ul>
No (13% of OAFN – 15% of BOFN)	<ul style="list-style-type: none"> <li>✓ Limited Services</li> <li>✓ Cost</li> <li>✓ Lack of variety in products</li> </ul>

### REGIONAL HOUSEHOLD SPENDING

LOCATION	AMOUNT (\$)	%
On-Reserve	1,542,178	12%
Saskatoon	4,733,917	39%
Prince Albert	4,616,964	38%
Duck Lake	531,262	4%
Rosthern	388,129	3%
Manitoba	270,064	2%
Wakaw	27,492	<1%
Humboldt	19,836	<1%
Regina	10,704	<1%
Ottawa	8,376	<1%
Cudworth	1,800	<1%
Hague	1,308	<1%
Warman	240	<1%
<b>TOTAL</b>	<b>12,152,270</b>	<b>100%</b>



### IMPACT ON PROVINCIAL ECONOMY

Economic Index	Household Contribution \$	FN Government's Contribution \$
GDP (in millions dollars)	231	702
Employment	1907	5797
Labor Income (in millions dollars)	102	310

### KEY FINDINGS

- OAFN and BOFN households spend approximately \$12 million in 12 other regional communities.
- 12%, or 12 cents of every dollar spent by households stays on Reserve.
- Limited services, cost and selection are the greatest constraints to On-Reserve spending.
- Median household income = \$29,620
- Median household expenses = \$26,077
- Total First Nation spending (based on 70 First Nations):
  - Contributes over \$702 million annually to the Provincial economy.
  - Creates an estimated 5,797 jobs.
  - Contributes over \$310 million in taxable labour income.

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### FOR ADDITIONAL INFORMATION

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