Economic Analysis of the BC Southern Interior

March 2025

Author: Mike Stolte
Centre for Innovative and Entrepreneurial Leadership (CIEL)
www.theCIEL.com
mstolte@theCIEL.com

Centre for Innovative & Entrepreneurial Leadership

Table of Contents

A. Introduction

This report provides a snapshot of the economy of the Economic Trust of the Southern Interior (ETSI-BC) service area. The region is referred to as the Southern Interior (SI) region and the ETSI-BC region interchangeably throughout the report.

The data used in this analysis - made available by BC Stats - is the foundation for the [ETSI-BC Economic Dependencies Dashboard](https://edd.etsi-bc.ca) (EDD), found at https://edd.etsi-bc.ca. This comprehensive economic data visualization dashboard was prepared for ETSI-BC by [CityViz](#) and launched in June 2024. EDD showcases Census 2016 and 2021 data.

EDD allows users to quickly make comparisons and perform analysis of 32 local areas/communities and 8 of the 9 Regional Districts in the Southern Interior. Data can be viewed in the form of numbers in tables or as graphs and is downloadable.

Economic Dependencies Dashboard Main Page

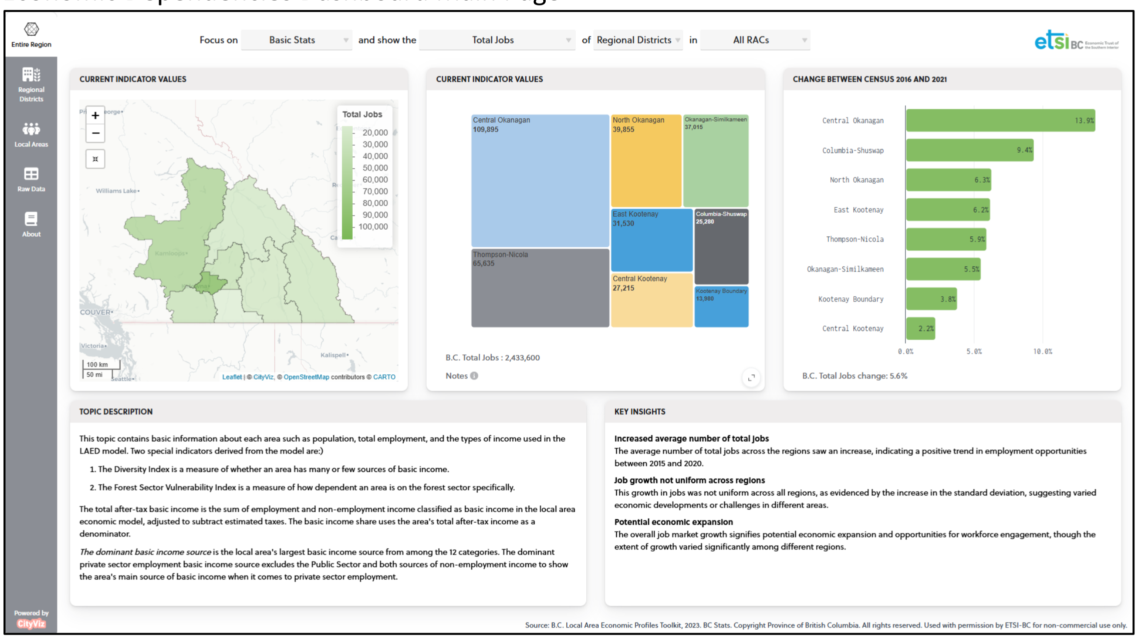


Figure 1 - Screenshot of Economic Dependencies Dashboard (EDD) – found at https://edd.etsi-bc.ca/

This report draws on the data used by EDD and supplemented by 2011 Census data, to give a more comprehensive understanding of the size and changing nature of the BC Southern Interior economy. It should be noted that the 2021 Census was conducted in May 2021, during Covid-19. While tourism businesses and employment were significantly affected (see Section F), the impact on others is difficult to determine. The next Census in May 2026 should be revealing.

This report looks at the Southern Interior Region:

1. relative to other BC regions
2. internally, breaking the data down at the regional district and the local area (community) level. There are 32 local areas within the Southern Interior.

B. Selected Highlights

The following points summarize some key features of the economy of the BC Southern Interior:

ETSI-BC Service Area – the BC Southern Interior

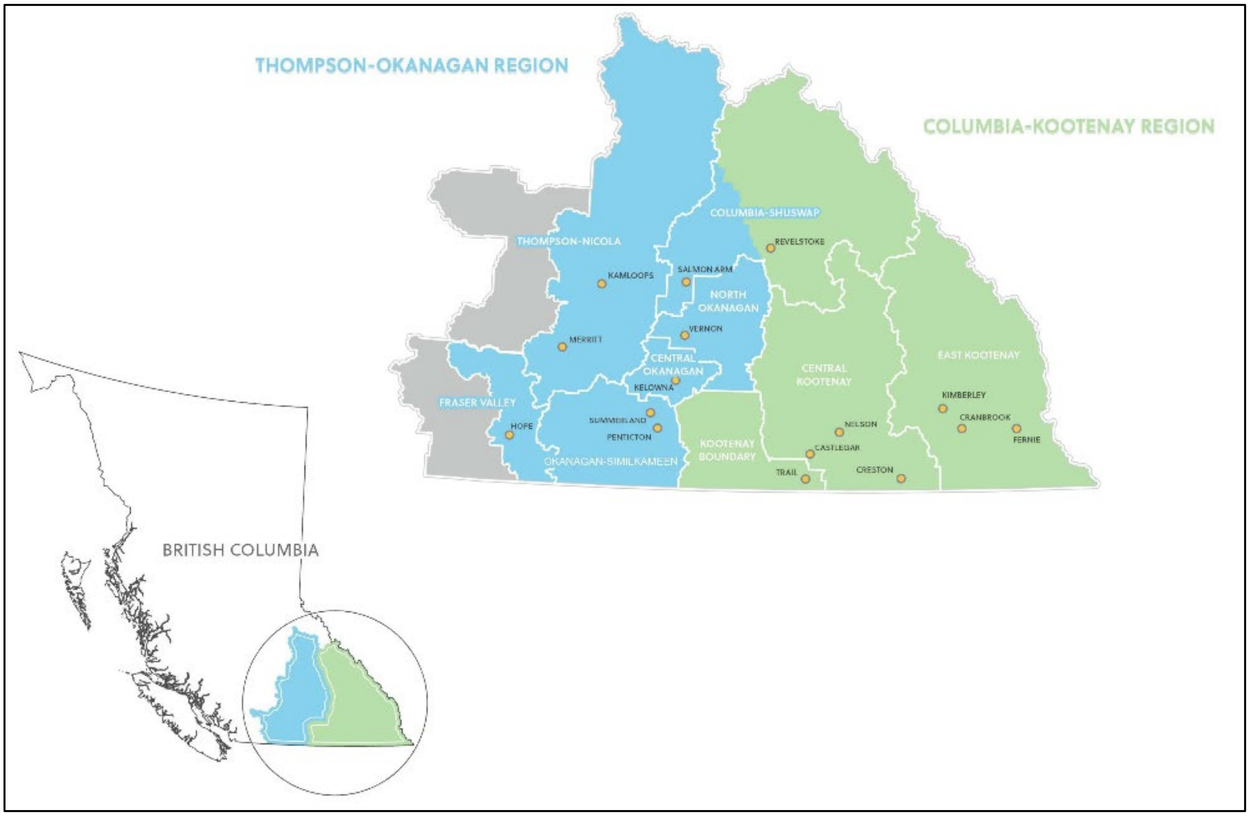


Figure 2 - Map of the ETSI-BC service area. It is interchangeably referred to as the Southern Interior (SI) region.

- The BC Southern Interior has a diverse and growing economy. In terms of total income, it would rank in the top 50% of countries - 89th of 196 countries - slightly more than Libya, Venezuela, Latvia, Bolivia and Uganda, and more than double that of Iceland. [1]

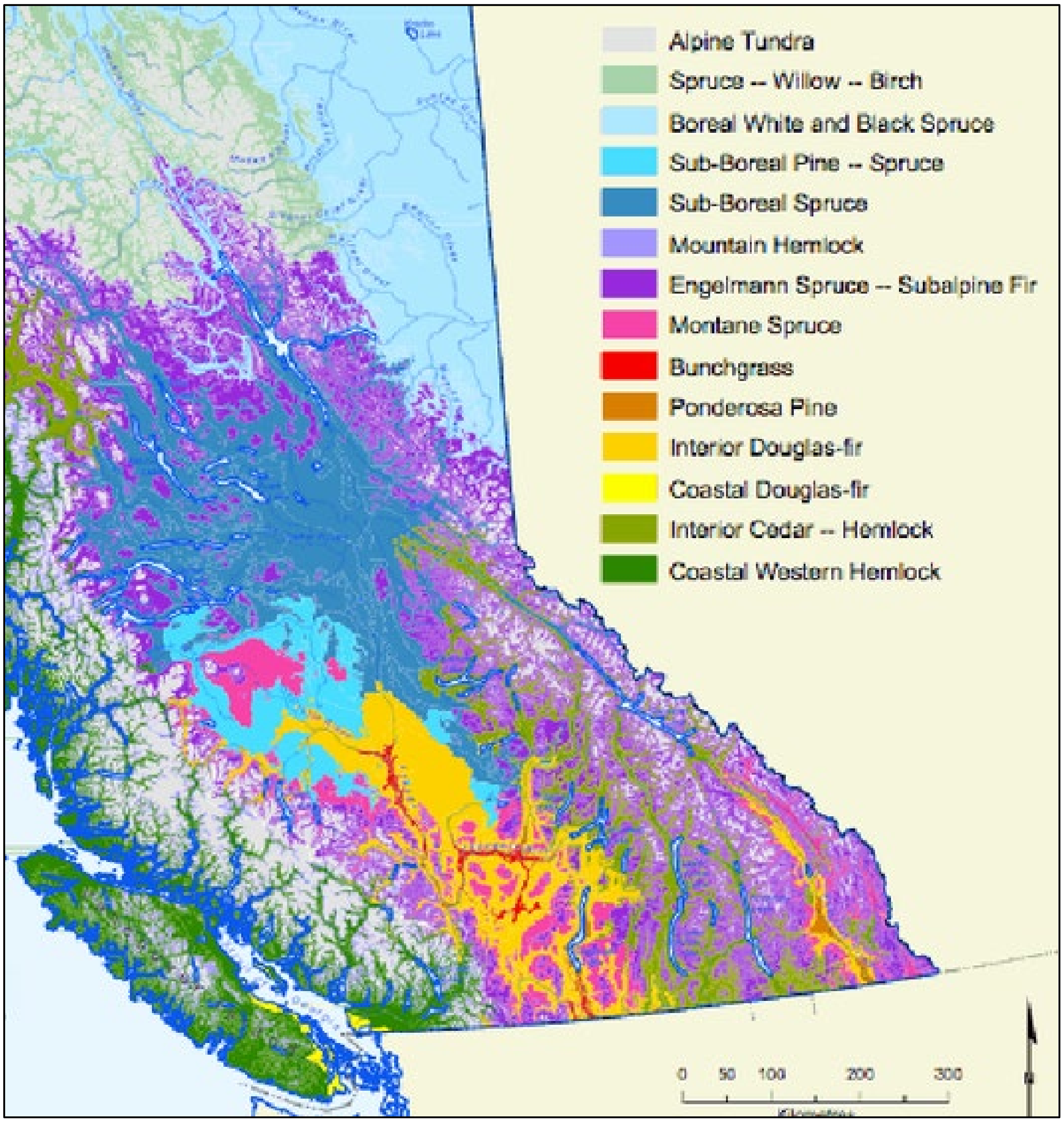
[1] List of countries by past and projected GDP (nominal) - Wikipedia - **2020 Comparison of GDP (from International Monetary Fund) and Total Income/Gross National Income (GNI):** While GDP and GNI are closely related measures, regional-level GDP data is unfortunately unavailable. Therefore, for this analysis, the total income (Gross Income) of the Southern Interior is compared to GDP figures from other countries. It is important to note that total income likely underestimates the size of the Southern Interior's economy. This is because income from exports of resources such as mining, hydroelectric power, and forestry are often attributed to other regions and are not included in the income calculation. If a methodology similar to GDP were applied, these incomes would be accounted for, resulting in a more comprehensive economic measure and a larger number. For instance, Ireland's 2022 GDP was almost 40% higher than its Gross National Income (https://www.cso.ie/en/releasesandpublications/ep/p-ana/annualnationalaccounts2022/gniandde-globalisedresults/). As GDP is typically calculated in US dollars, and the Total Income of the Southern Interior is calculated in

- At approximately 151,919 square km[2], the Southern Interior would also rank among the top 50% of countries in terms of size, two times larger than Ireland and Scotland combined, twice the size of New Brunswick and Panama, and more than seven times the size of Israel.[3]
- The Southern Interior region experienced the highest population growth rate of all BC regions, and more than BC itself (9.9% vs 7.6% for BC) from 2016 to 2021, growing to more than 763,000 people.
- The Southern Interior region also experienced the highest job growth rate of all BC regions, and more than BC itself (8.2% vs. 5.5% for BC) from 2016 to 2021, adding more than 20,000 jobs to almost 350,000 total jobs.
- The public sector is by far the largest employer in the Southern Interior at 23.9% of all jobs. Other services, retail and construction round out the top 4 sectors. Primary industries – agriculture, forestry and mining – rank # 8, 9 and 11 amongst the top 12 employing industries. Tourism is the 10th largest industry by jobs in the Southern Interior.
- When compared with BC, the Southern Interior has a higher proportion of jobs in:
    - Retail trade
    - Construction
    - Agriculture
    - Tourism, and
    - Forestry.
- While forestry jobs declined in most regions from 2011-21, the Southern Interior experienced almost 4% growth. Two Regional Districts (Central Kootenay and Columbia Shuswap) are rated as most susceptible in the region to forest sector downturns, and rank #6 and #7 of all 29 regional districts in BC, according to the Forest Sector Vulnerability Index (FSVI) provided by BC Stats in EDD. The Regional District of Central Okanagan is rated as one of the five least vulnerable regional districts, according to the BC Stats proprietary FSVI.
- There are more agriculture jobs per capita in the Southern Interior than any other region. In tourism and mining, the Southern Interior comes second of BC's five regions in terms of Location Quotient (jobs per capita compared with the BC average).
- The Southern Interior has an older population. The median age of residents ranges from 44.2 years for in the Regional District of Central Okanagan to 56 years in the Regional District of Okanagan Similkameen, which is considerably higher than the average population in Canada (41.6 years) and of BC (42.8 years).

Canadian dollars, the amount may be offset (during 2020, the comparison year, the CAD fluctuated from $0.69 to $0.79 the value of a USD).

[2] Size is approximated. The ETSI-BC service area does not conform to standard boundaries. It does not include portions of ETSI-BC Service area (District of Hope, Electoral Areas A & B); but includes parts of TNRD not in service area (Areas E & I, Ashcroft, Cache Creek, Logan Lake & Lytton).
[3] Largest Countries in the World by Area - Worldometer

- The Southern Interior tourism industry was not as adversely affected by COVID-19 as other regions in the province, and BC in general. Prior to the COVID-19 pandemic, the Southern Interior was enjoying a huge boom in tourism, with a 40% expansion in jobs over 5 years (2011-16). While the tourism sector in the Southern Interior is well developed in terms of accommodation, there are undeveloped opportunities in most communities in terms of food & beverage, retail and other tourism sub-sectors.
- There is huge regional variation in the make-up of economies in the Southern Interior based on geography, geology, topography and its bio geoclimatic zones.



Broad Conclusions

1. **Over-Reliance on the Public Sector**

    - More than sixty percent - 12,000 of 20,000 – of the jobs created in the Southern Interior in the last Census period (2016-21) were public sector jobs. Clearly this is unsustainable.
    - To put the number of public sector jobs into perspective, Canada has 21.1% of its total workforce in the public sector while BC has 24.2%, the Southern Interior 23.9% (see further breakdown of Public Sector Jobs in Section E).

Comparison of Public Sector as Share of Workforce - Public Sector Size by Country 2025[4]

Jurisdiction	Percentage Employed in Public Sector	Source
Sweden	29.2%	International Labour Organization (ILO) - 2020
Australia	28.9%	ILO - 2021
British Columbia	24.2%	BC Stats 2021/ Census 2021
Southern Interior	23.9%	BC Stats 2021/ Census 2021
United Kingdon	23.6%	ILO - 2023
Canada	21.1%	ILO - 2023
France	20.2%	ILO - 2023
Spain	16.6%	ILO – 2023
Germany	15.3%	OECD - 2012
Netherlands	13.4%	ILO – 2020
United States	13.4%	ILO - 2023

- Given the pushback from the electorate, increasing levels of federal and provincial deficits and accumulated debts (and the associated increasing debt servicing obligations), tariff threats from abroad, it is likely that the expansion of the public sector cannot continue for long. Given the unsustainability of expansion, and the likelihood of public sector contraction, our heavy reliance on the public sector for job growth poses a threat to the long-term economic prospects of the Southern Interior region.

2. **An Older Population Means Less Economic Dynamism**

    - In the coming years, an older population will likely slow economic growth in the Southern Interior because of lower labour participation rate of older populations, unless this is reversed by in-migration. The aging population might represent the biggest single threat to the economy of the Southern Interior.

[4] International Labor Organization (ILO), Organization for Economic Cooperation and Development (OECD), Census 2021 – Statistics Canada

3. **Tourism Amenities and Services Need to Keep up with Promises**
    - While the Southern Interior weathered the Covid-19 storm better than other regions (see Section F), there is still much work to be done, especially in developing other tourism services and amenities that keeps up to a growing demand.
    - Communities need to be partnering with neighbours (First Nations, other neighbouring communities and regional partners, other non-profits, etc.) to develop not only solid experiences but also retail services, food and beverage, transportation, entertainment and recreation amenities. Statistics point to underdeveloped opportunities in these areas relative to accommodations. Communities and regions also need to consider branching into niche tourism markets (e.g. agri-tourism), building on local assets while reducing reliance on volatile industries.

4. **Need for Diversification of Regions and Communities**
    - The current tariff dispute with the United States demonstrates the need for the country, provinces, regions and communities to do everything possible to diversify their economies.
    - The Southern Interior has economically benefitted from significant in-migration over the last decade. Growing populations tend to mask underlying economic issues as communities grow to accommodate newcomers. However, with high housing and accommodation costs relative to the other provinces (historically a source of new migrants) and a tightening of immigration policies, this tap may soon get turned off, possibly revealing underlying structural issues – e.g. an aging population not in the workforce, underperforming sectors, lack of investment in businesses and sectors.
    - The region needs to be proactive in increasing productivity, supporting businesses and attracting investment in order for prosperity to continue.

5. **Solid Economic Development Research, Planning and Execution**
    - Communities and regions must know their economies, be proactive in developing them and use all tools at their disposal to research, plan and execute these plans to fully develop their economies and move towards resiliency. They should consider:
        - **Strategy and Planning** – The first step involves knowing the local community and region. This involves understanding the data (ETSI-BC Economic Dependencies Dashboard (EDD – at https://edd.etsi-bc.ca/)) and knowing understanding the stories not necessarily reflected in the data. This involves engaging the community, its businesses and its leaders (official and unofficial) to create a plan.
        - **Leveraging Assets to Add Value** – Communities and regions need to map out their assets. There are always undeveloped opportunities to add value (e.g. from agriculture comes agri-tourism opportunities), link assets, and seek out/develop entrepreneurs.
        - **Entrepreneurial Culture** - Entrepreneurial communities look for opportunities, assist in developing entrepreneurs and entrepreneurial thinking, link entrepreneurs, build networks, and generally recognize the contributions of entrepreneurs and the business community. Communities should also consider creating entrepreneurial learning

opportunities, mutually rewarding mentorship opportunities for businesses, and encouraging would-be entrepreneurs (Community Futures organizations are a good place to start) and entrepreneurial thinking in young people.

- **Collaboration and partnerships** – Communities that work well internally and with their neighbours generally do better. This could be in the form of joint marketing, a community or regional brand or jointly building a more efficient transportation system to get local food and products to local/ regional or faraway destinations.
- **Invest in Emerging Sectors** – Supporting the adoption of innovative technologies, clean energy, value added (wood, tourism, etc.) can yield significant investments down the road.
- **Local Resiliency / Buy Local** – Create local resiliency by finding out what goods and services are leaking outside your community or region. A community that encourages and supports its businesses will do better in the long-term.
- **Tapping into Supportive Programs** – Communities can look to economic development support programs support like REDIP (Rural Economic Diversification Program) and the programs and supports of ETSI-BC (https://www.etsi-bc.ca).
- **Economic Development Support in the Long-term** – Economic development is a long-term endeavour. Many municipalities and regions do not invest sufficiently or with a long-term investment philosophy to reap the rewards.

C. About the Region

For the purpose of the report, the Province of BC was divided into five regions to allow for more useful comparisons, especially with regions served by two other regional economic trusts, namely Northern Development Initiative Trust (NDIT) and Island Coastal Economic Trust (ICET).[5]

Economic Regions of BC

1. Vancouver and Lower Mainland / Southwest
2. Southern Interior (SI) – ETSI-BC Region
3. Capital Regional District (CRD) – Greater Victoria
4. Island and Coastal Region – ICET Region
5. North – NDIT Region

Geographic Size

At approximately 151,919 square kilometres[6] the Southern Interior of BC would be in the top 50% of the world's countries by size. It would be the 94th largest country in the world (of 233), just behind Tunisia, and ahead of Bangladesh.

For perspective, the Southern Interior (SI) region is:

- More than 2 times the size of Ireland
- 7 times larger than Israel
- 2 times the size of New Brunswick (with a similar population size; average employment incomes in the Southern Interior are 18% higher than New Brunswick [Source: Census 2021])

Size of Economy (by Total Income)

- The BC Southern Interior has a diverse and growing economy. In terms of total income, it would rank in the top 50% of countries - 89th of 196 countries - slightly more than Libya, Venezuela, Latvia, Bolivia and Uganda, and more than double that of Iceland. [7]

---

[5] As regional boundaries do not align perfectly to those used in the collection of statistics in BC, some numbers in this report may be slightly off or add up to exactly 100%.

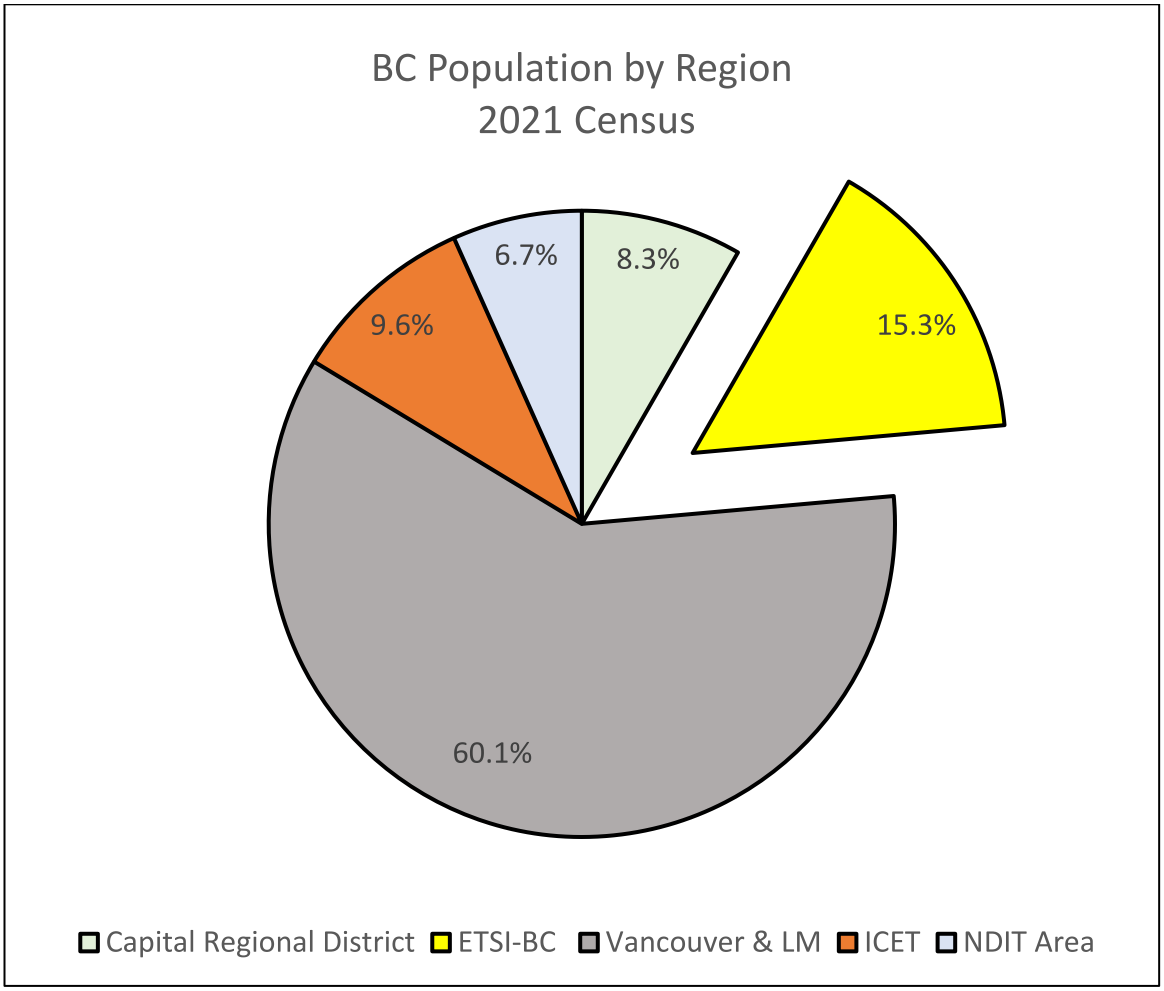
[6] Approximated. Not including portions of the ETSI-BC Service area (District of Hope, Electoral Areas A & B); but including parts of TNRD not in its service area (Areas E & I, Ashcroft, Cache Creek, Logan Lake & Lytton).

[7] List of countries by past and projected GDP (nominal) - Wikipedia - **2020 Comparison of GDP (from International Monetary Fund) and Gross National Income (GNI):** While GDP and GNI are closely related measures, regional-level GDP data is unfortunately unavailable. Therefore, for this analysis, the total income (Gross Income) of the

D. Demographic and Economic Snapshot

Share of Population of BC – 2021 Census

The ETSI-BC service areas, the BC Southern Interior, accounts for 15.3% of BC's population.



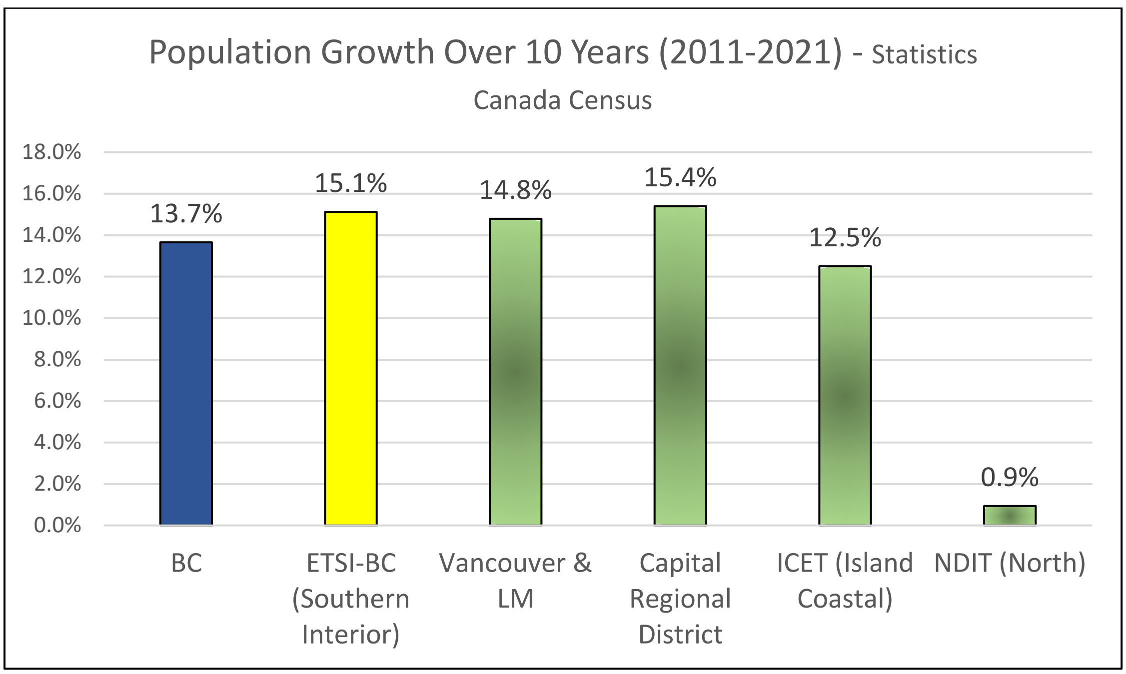
Southern Interior is compared to GDP figures from other countries. It is important to note that total income likely underestimates the size of the Southern Interior's economy. This is because income from exports of resources such as mining, hydroelectric power, and forestry are often attributed to other regions and are not included in the income calculation. If a methodology similar to GDP were applied, these incomes would be accounted for, resulting in a more comprehensive economic measure and a larger number. For instance, Ireland's 2022 GDP was almost 40% higher than their Gross National Income (https://www.cso.ie/en/releasesandpublications/ep/p-ana/annualnationalaccounts2022/gniandde-globalisedresults/). As GDP is typically calculated in US dollars, and the Gross Income of the Southern Interior is calculated in Canadian dollars, the amount may be offset (during 2020, the comparison year, the CAD fluctuated from $0.69 to $0.79 the value of a USD).

REGION	Share of BC Pop'n	Population at 2021 Census
Capital Regional District	8.3%	415,451
ETSI-BC - SI	**15.3%**	**763,601**
Vancouver & LM	60.1%	3,004,301
ICET	9.6%	481,583
NDIT Area	6.7%	334,709
BC	**100.0%**	5,000,879

10-Year and 5-Year Population Growth

Population Growth – Last 10 Years (2011-2021)

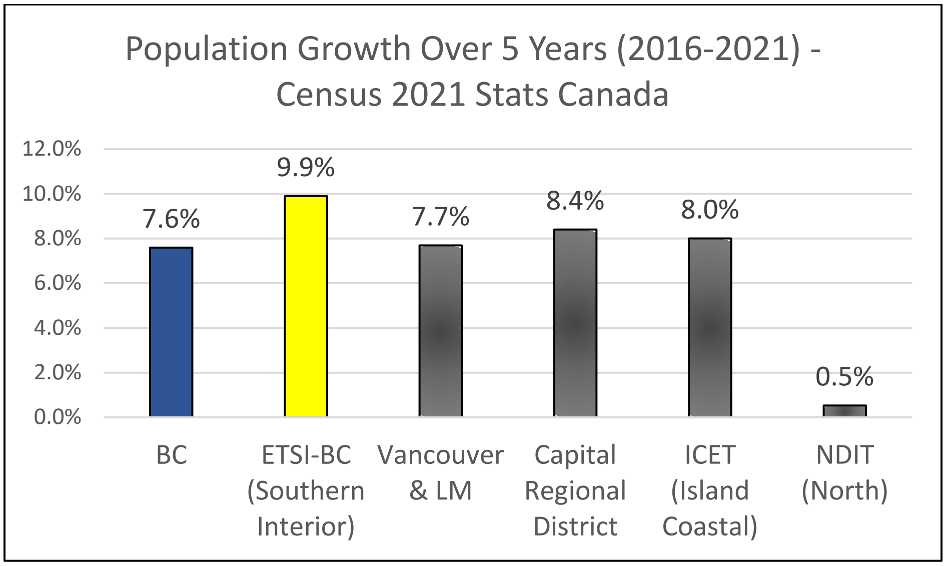
The Southern Interior's population growth has exceeded that of the province over the 10-year period, from 2011-2021, at 15.1% Its growth has been second only to that of the Capital Region District (15.4%).



Population	2011	2016	2021
BC	4,400,057	4,648,055	5,000,879
ETSI-BC - SI	**663,293**	**694,863**	**763,601**
Vancouver & LM	2,617,174	2,789,791	3,004,301
Capital Regional District	359,991	383,360	415,451
ICET (Island Coastal)	427,994	446,010	481,583
NDIT (North)	331,605	332,955	334,709

Population Growth - Last 5 Years (2016-2021)

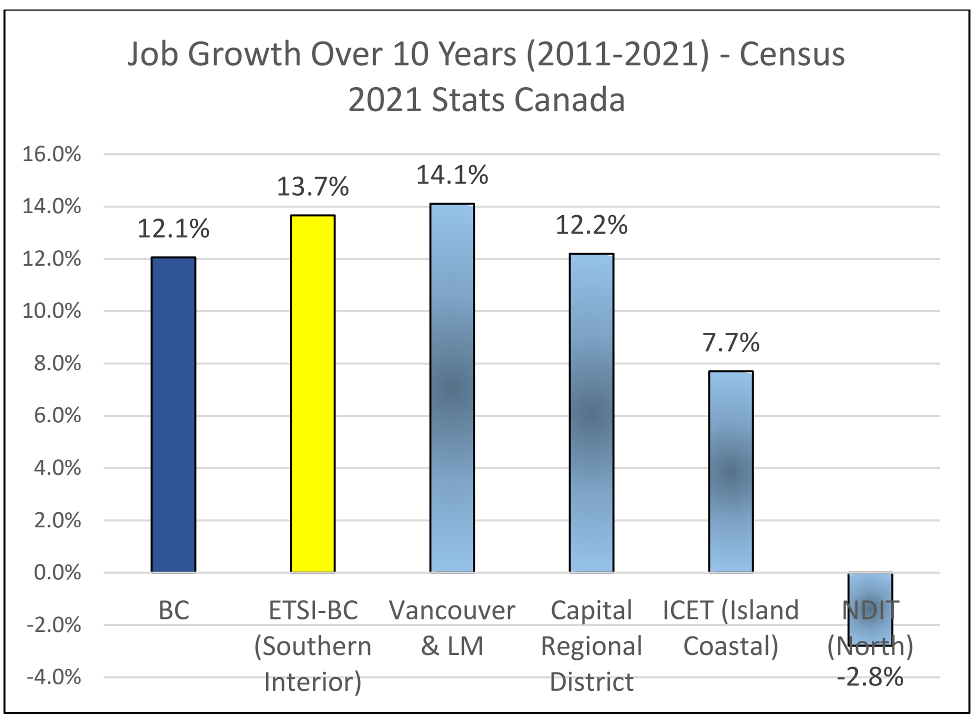
Over the last 5-year period (ending in Census 2021), the Southern Interior experienced the most robust growth of the 5 regions examined at 9.9%. The province grew by 7.6% in that time.



Job Growth - Last 5 and 10 Years

Job Growth – Last 10 Years (2011-21)

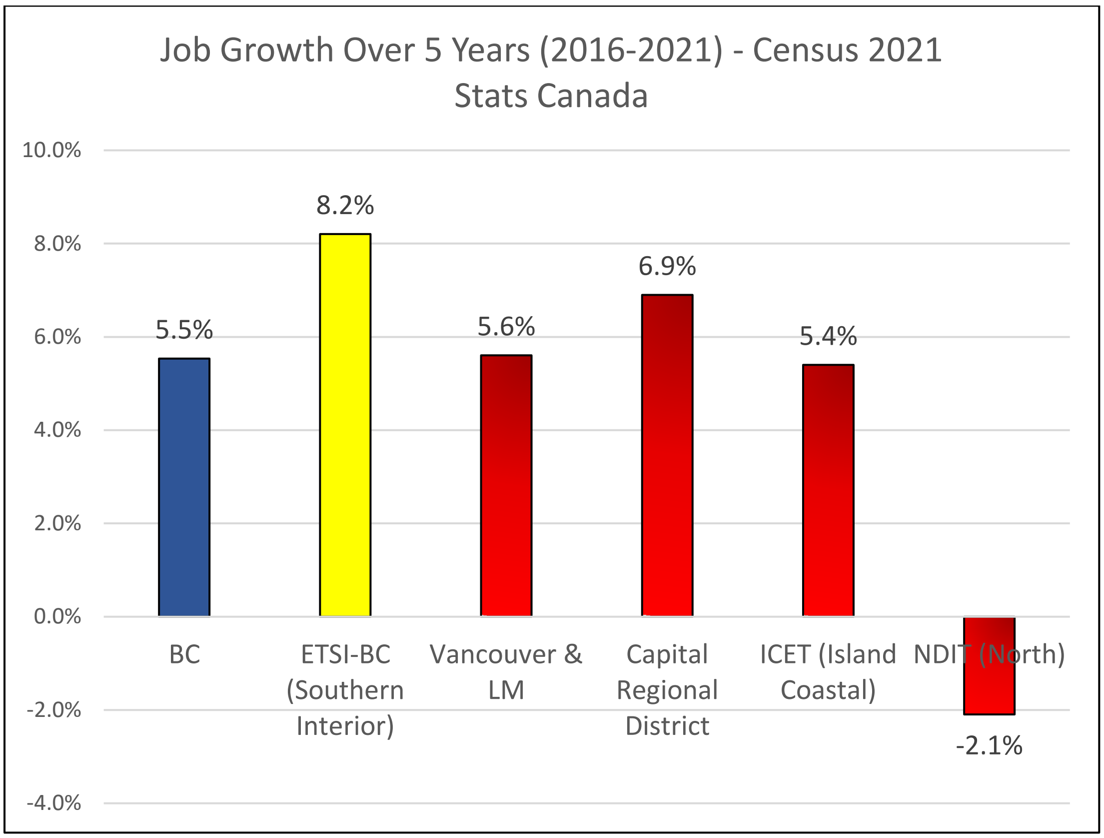
The Southern Interior also experienced robust job growth, 13.7%, over the last 10 years (2011-21), outpacing that of BC (12.1%) and all regions but Vancouver and the Lower Mainland.



Jobs	2011	2016	2021
BC	2,171,470	2,305,690	2,433,305
ETSI-BC - SI	**307,243**	**322,745**	**349,225**
Vancouver & LM	1,328,620	1,435,645	1,516,105
Capital Regional District	185,405	194,505	208,005
ICET (Island Coastal)	190,419	194,526	205,015
NDIT (North)	159,314	158,179	154,865

Job Growth Over Last 5 Years (2016-2021)

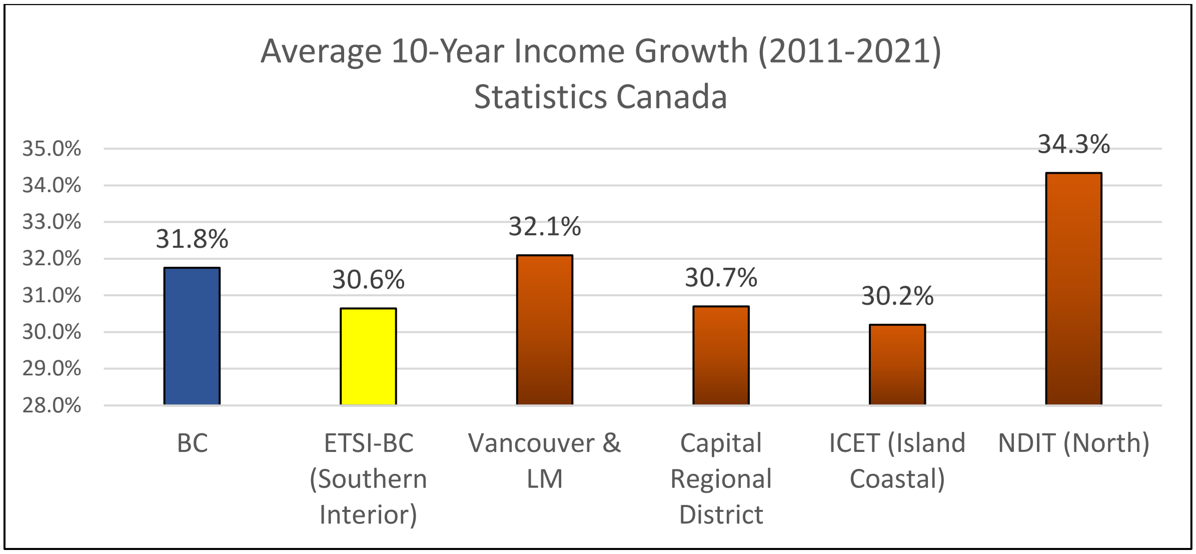
The Southern Interior has experienced the highest rate of job growth over the last 5 years, at 8.2%, compared to 5.5% for the province



Average Employment Income Growth over 10 Years (2011-21)

Income Growth over 10 Years (2011-21)

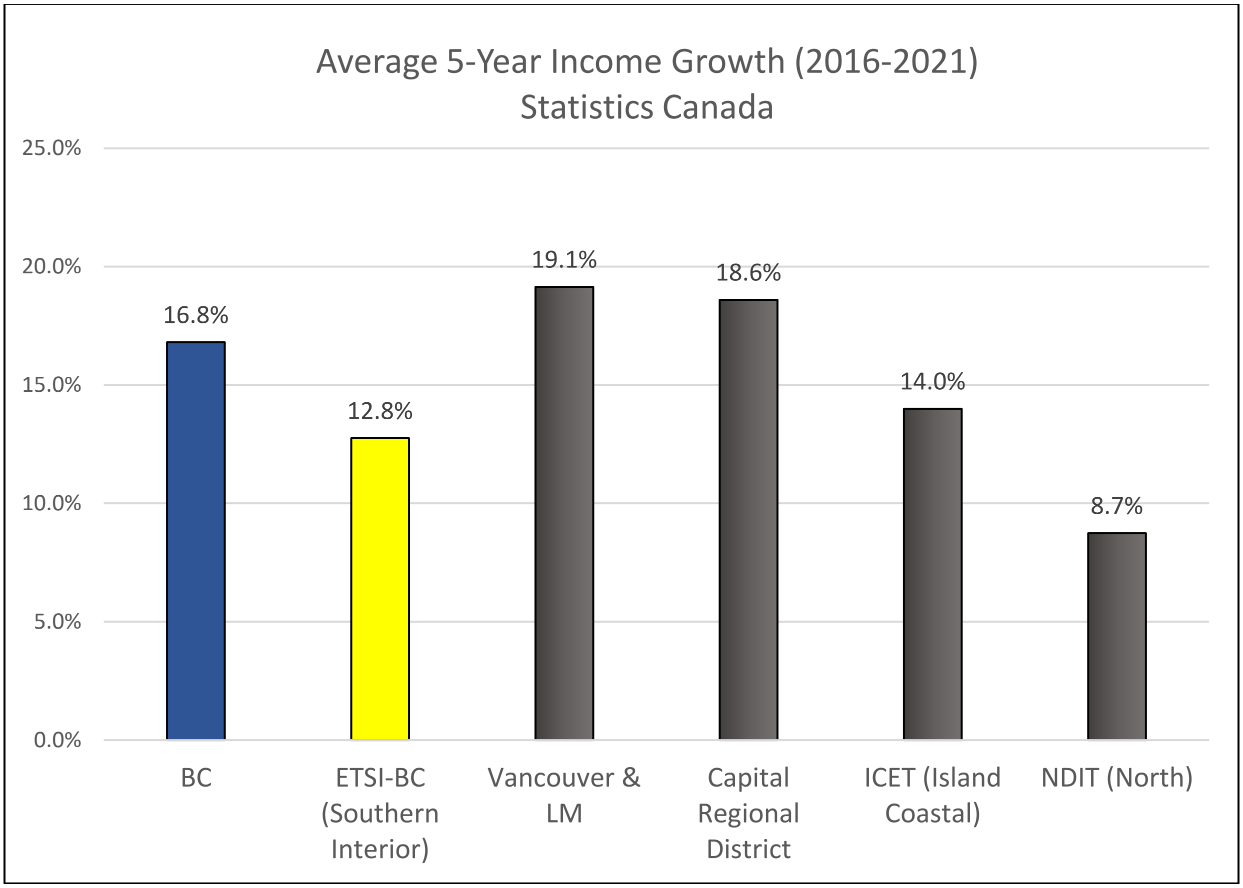
Average employment income in the Southern Interior has lagged BC slightly, at 30.6% compared to 31.8% over the last 10 years (2011-21). Wages in the North (NDIT region) experienced the largest growth, 34.3%, despite a net loss of jobs and people.



	Income 2011	Income 2021	Change
BC Average	$42,200	$55,600	31.8%
ETSI-BC (Southern Interior)	**$39,183**	**$51,191**	**30.6%**
Vancouver & LM	$43,478	$57,432	32.1%
Capital Regional District	$41,400	$54,100	30.7%
ICET (Island Coastal)	$37,242	$48,503	30.2%
NDIT (North)	$44,233	$59,421	34.3%

Average Employment Income Growth over 5 Years (2016-21)

Over the last 5 years, average income growth in the Southern Interior was the second lowest, exceeding only that of the North. Vancouver and the Capital Regional District led the way with 19.1% and 18.6% wage growth respectively.



Largest Employers by Sector in the Southern Interior – 2021 Census[8]

The PUBLIC SECTOR (see PUBLIC SECTOR and sub-sectors of the public sector highlighted in light blue below) is the largest employer in the Southern Interior, with 83,458 jobs (see next section for more detail), representing 23.9% of all jobs in the Southern Interior region. Public sector employment represents 24.2% of all jobs in BC. Please note, sectors that have sub-sectors - OTHER SERVICES, AGRICULTURE, FORESTRY and TOURISM - are all colour-coded and bolded in the chart below.

[8] NOTE: This chart does not add up to the total of 349,225 jobs for the Southern Interior reported in the 2021 Census, as some sectors are counted multiple times (e.g. Public Sector TOTAL is made up of Health, Education, Provincial Government, Social Services, Local Government, Federal Government and Aboriginal Government). Tourism, Forestry, Agriculture, and Other Services also have sub-components. Please see Section G for the top 12 sectors.

1	**PUBLIC SECTOR TOTAL**	83,458
2	**OTHER SERVICES TOTAL**	49,087
3	Retail Trade	45,023
4	Public Sector: Health	37,679
5	Construction	36,944
6	Business Services	33,979
7	Public Sector: Education	23,621
8	Info & Comm. Technology	17,909
9	Other Services: Other	16,124
10	Finance, Insurance & Real Estate	15,231
11	**AGRICULTURE TOTAL**	13,054
12	**FORESTRY TOTAL**	12,227
13	**TOURISM TOTAL**	10,665
14	Mining	8,996
15	Other Services: Recreation and Entertainment	8,699
16	Agriculture: Farming, Greenhouses and Aquaculture	8,628
17	Wholesale Trade	8,227
18	Forestry: Wood Manufacturing	7,942
19	Other Manufacturing Total	7,270
20	Public Sector: Social Services	5,927
21	Truck Transport Total	5,351
22	Other Services: Accommodation	5,155
23	Public Sector: Local Government	5,137
24	Public Sector: Provincial Government	5,129
25	Public Sector: Federal Government	4,878
26	Agriculture: Food Processing	4,426
27	Forestry: Logging	4,286
28	Other Transport Total	3,285
29	Tourism: Accommodation	3,002
30	Tourism: Food and beverage	2,786
31	Utilities Total	2,665
32	Oil and Gas Total	2,163
33	Rail Transport Total	1,937
34	Tourism: Transportation	1,877
35	Tourism: Recreation and entertainment	1,332
36	Tourism: Other	1,320
37	High Tech Manufacturing Total	1,180
38	Public Sector: Aboriginal Government	1,084
39	Film and TV Total	841
40	Tourism: Retail	349
41	Water Transport Total	289
42	Fishing Total	99

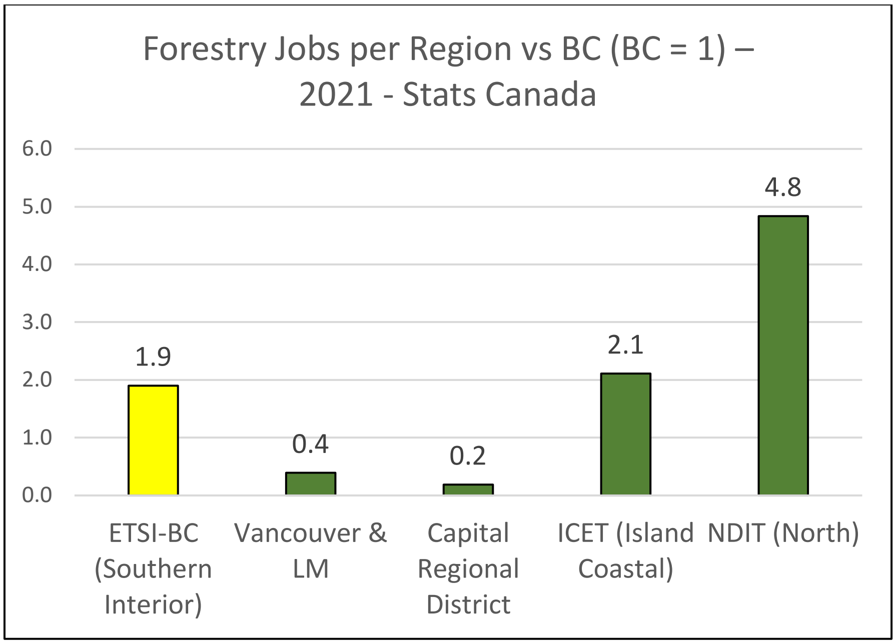
E. Location Quotients - Job Ratios vs BC in Selected Industries (2021)

Forestry Jobs Relative to Other BC Regions (BC = 1)

Location Quotient (LQ) shows how much employment specialization a geographic area has in different industries compared with the BC average. A location quotient of 2 means that the area has double the jobs in an industry as the BC average (BC always has a score of 1). A location quotient of 0.5 means that the area has half the jobs of the BC average in that industry.

Forestry is made up of logging and wood manufacturing.

The Southern Interior provides 1.9 forestry jobs for every one forestry job in BC. The North has 4.8 forestry jobs for every one forestry job in BC, followed by the ICET (Island Coastal region), at 2.1 jobs.

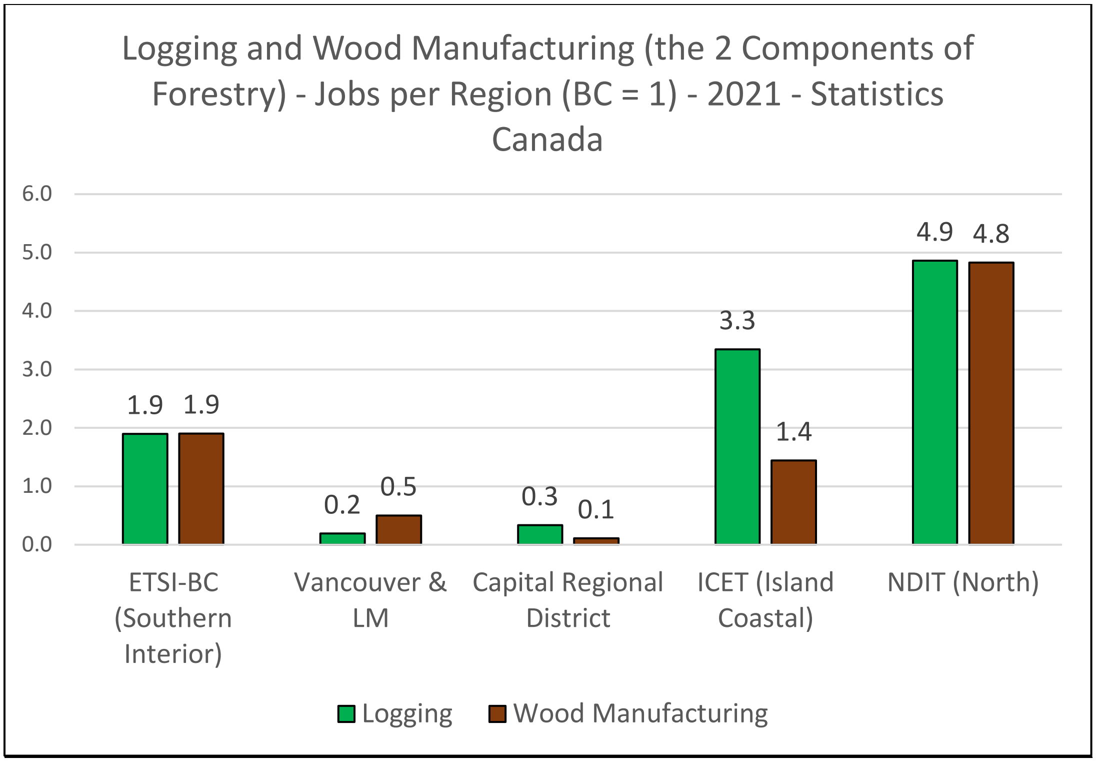


Logging and Wood Manufacturing Jobs per Region (BC = 1) – 2021

This graph compares the LQ for the two components of forestry: logging and wood manufacturing.

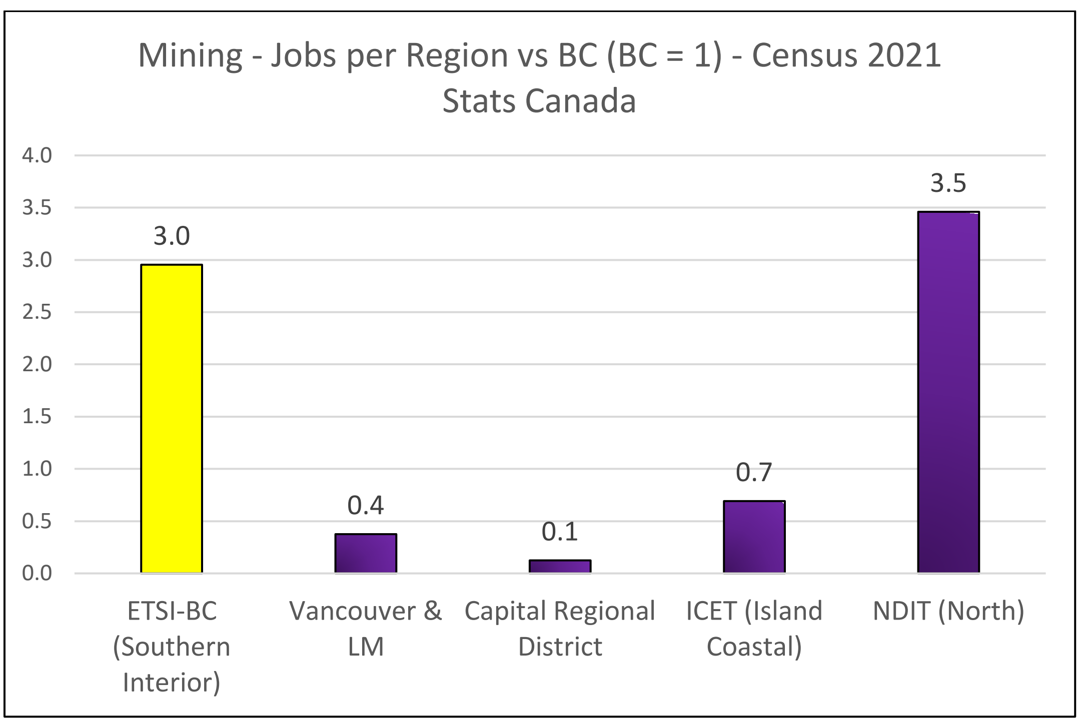
In a balanced world, the raw logs harvested in a region would be processed in that region. This graph demonstrates that this is largely occurring in the Northern and the Southern Interior, where LQs for logging and wood manufacturing have similar values.

The Island Coastal region and the Capital Regional District both have higher LQs for forestry than logging, indicating that wood harvested in these regions is not processed in their respective regions.



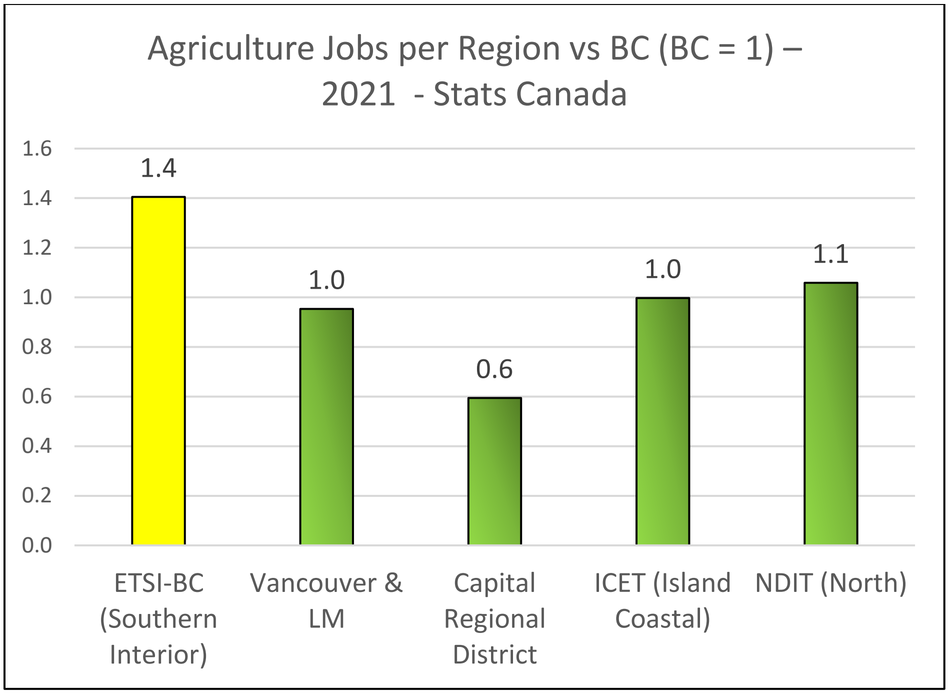
Mining Jobs per Region vs BC (BC = 1) – 2021

The North has the highest LQ for mining jobs, 3.5, followed by the Southern Interior at 3.0.



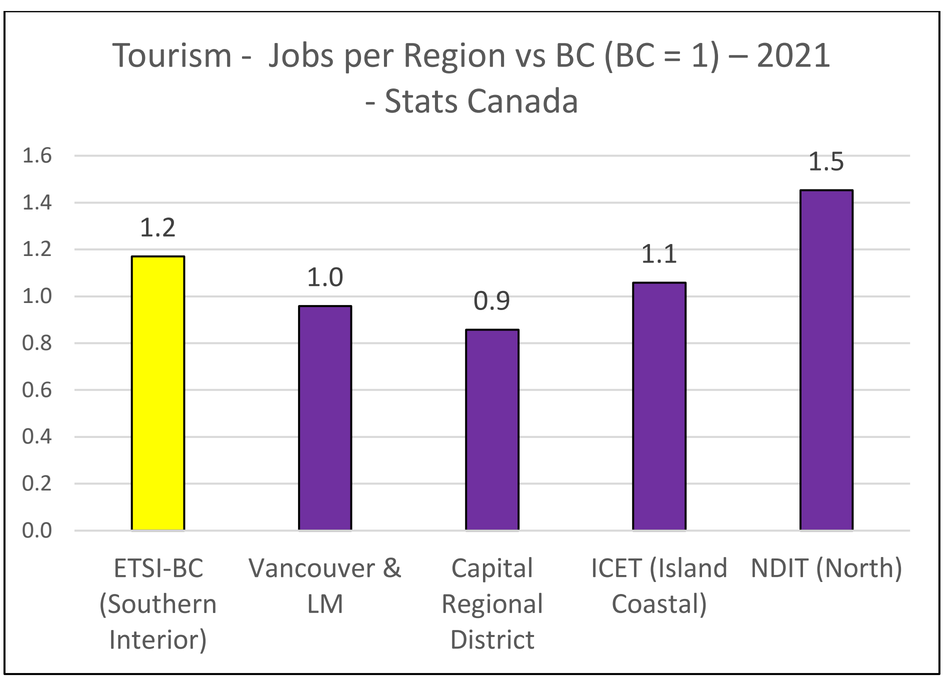
Agriculture Jobs per Region vs BC (BC = 1) – 2021

The Southern Interior enjoys a higher LQ in agriculture than any other region in BC, with a Location Quotient of 1.4.



Tourism Jobs per Region vs BC (BC = 1) – 2021

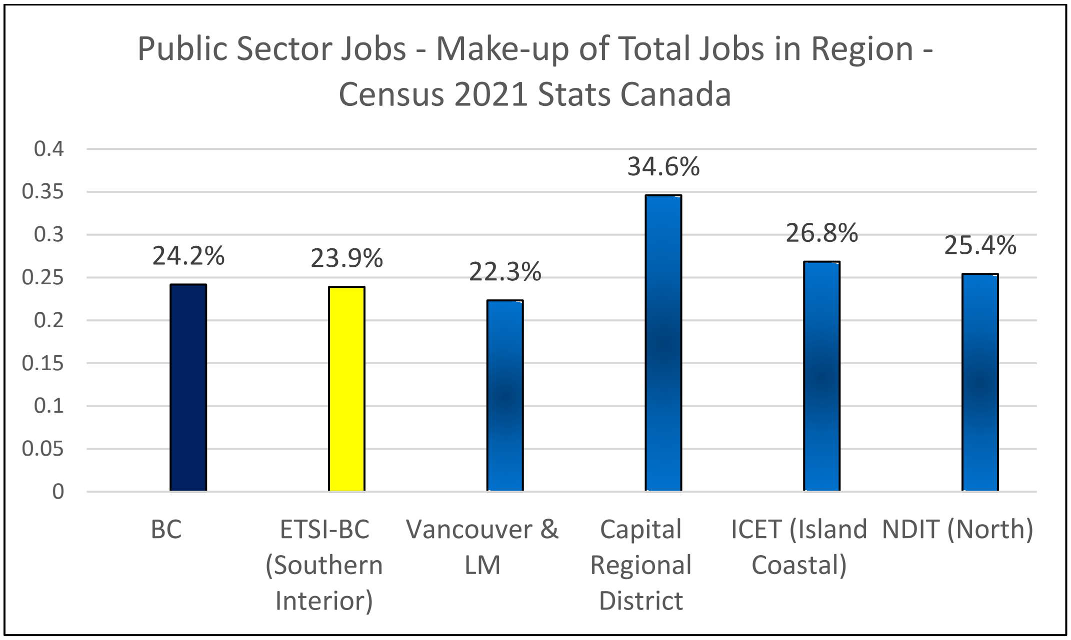
The Southern Interior, with a Location Quotient of 1.2 has 20% more tourism jobs than the BC average, second only to the North at 1.5.



Public Sector Jobs – As % of Total Jobs in Region - Census 2021 Stats Canada

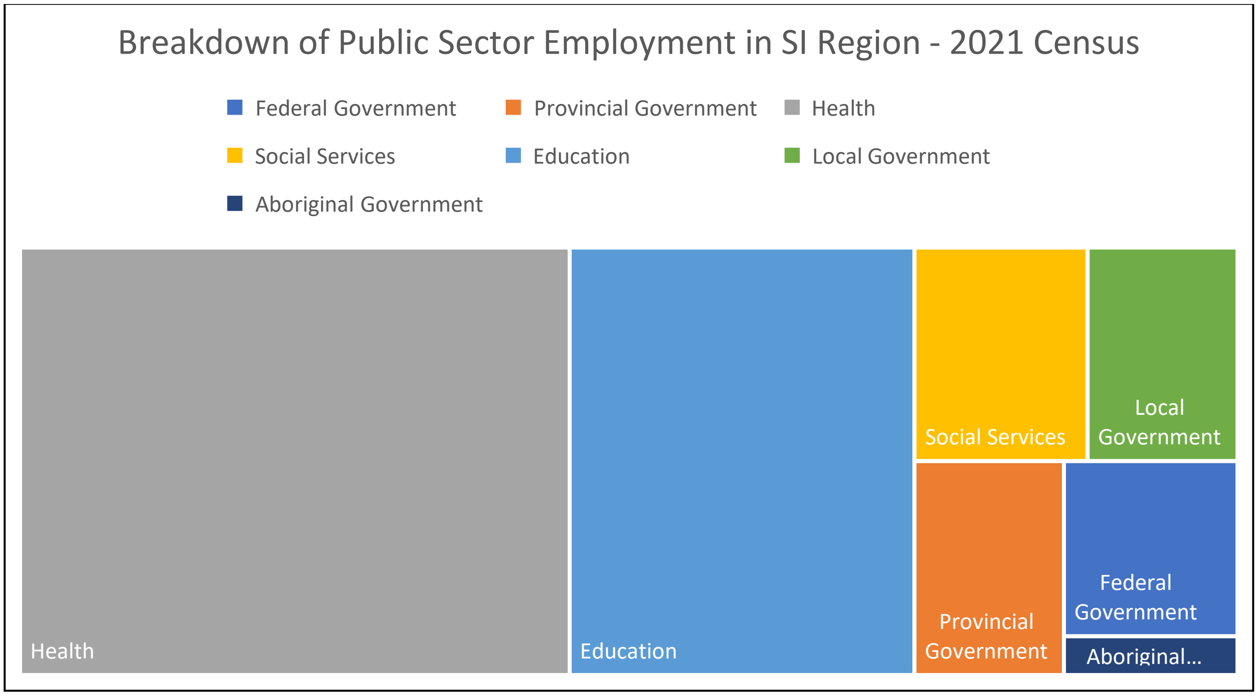
Public sector jobs including teaching, health care, fire and policing in addition to those employed directly in governments.

The public sector is responsible for nearly one in four jobs in BC. The Capital Regional District (CRD) enjoys a higher proportion than any other region of these jobs, at 34.6%. The Southern Interior had 23.9% of its jobs classified as public sector.



Growth/(Decline) of Public Sector Employment in SI Region Since Last Census 2016-2021

Public Sector Total	**17.2%**
Federal Government	15.6%
Provincial Government	39.3%
Health	18.6%
Social Services	24.9%
Education	15.9%
Local Government	-5.9%
Aboriginal Government	15.2%



Breakdown of Public Sector Employees in SI Region – 2021 Census

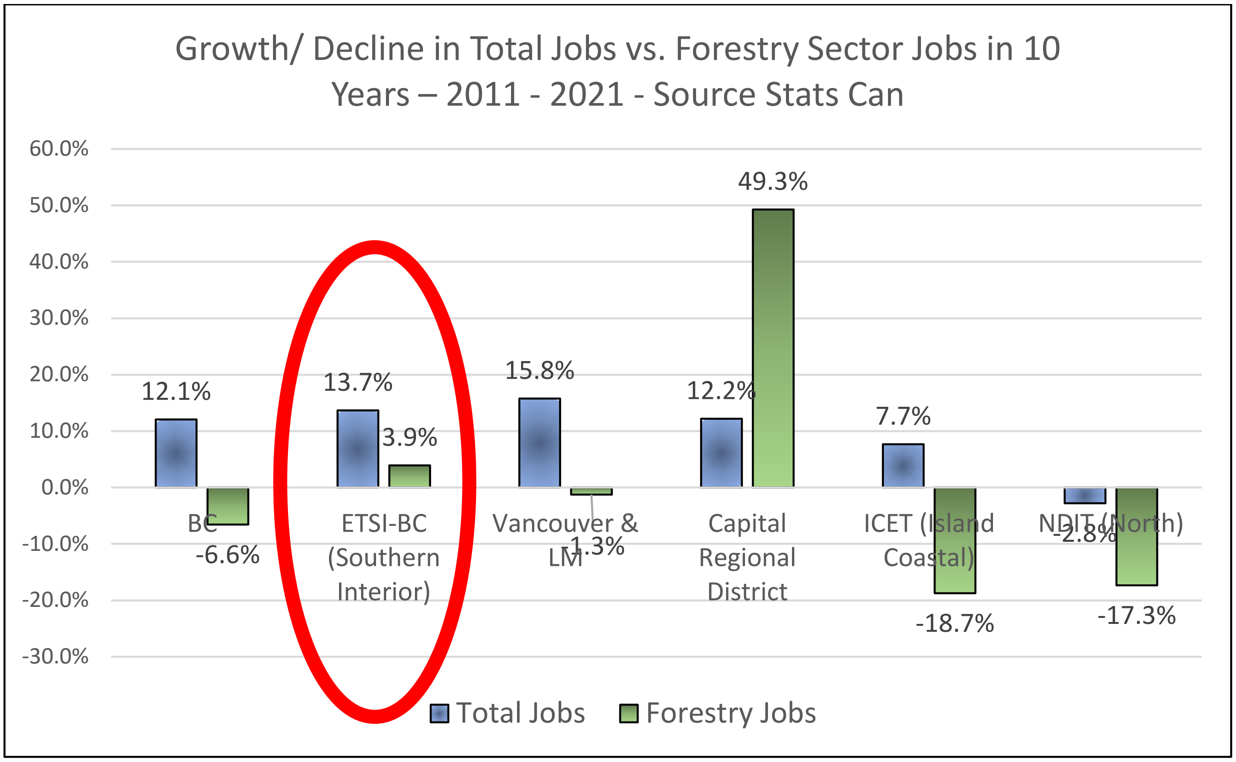
Sub-Sector	Total Employees - 2021	Percentage of Public Sector
Health	37679	45.1%
Education	23621	28.3%
Social Services	5927	7.1%
Local Government	5137	6.2%
Provincial Government	5129	6.1%
Federal Government	4878	5.8%
Aboriginal Government	1084	1.3%
TOTAL	**83458**	**100.0%**

F. Job Changes (2011-2021)

Growth/ Decline in Total Jobs vs. Forest Sector Jobs in 10 Years, 2011-2021

This graph shows the growth/decline in total jobs in each region relative to the growth /decline of forestry jobs in BC and each of its five regions over a 10-year period (2011-2021).

While the Southern Interior region has seen 13.7% job growth overall, the growth of forestry jobs has been much smaller, 3.9%. Other then the CRD (which has a very small forestry sector relative to the other regions), the Southern Interior fared better than other regions of BC, which all experienced losses in forestry jobs from 2011-21.



Growth/ Decline in Total Forestry Jobs Over 10 Years – 2011-2021

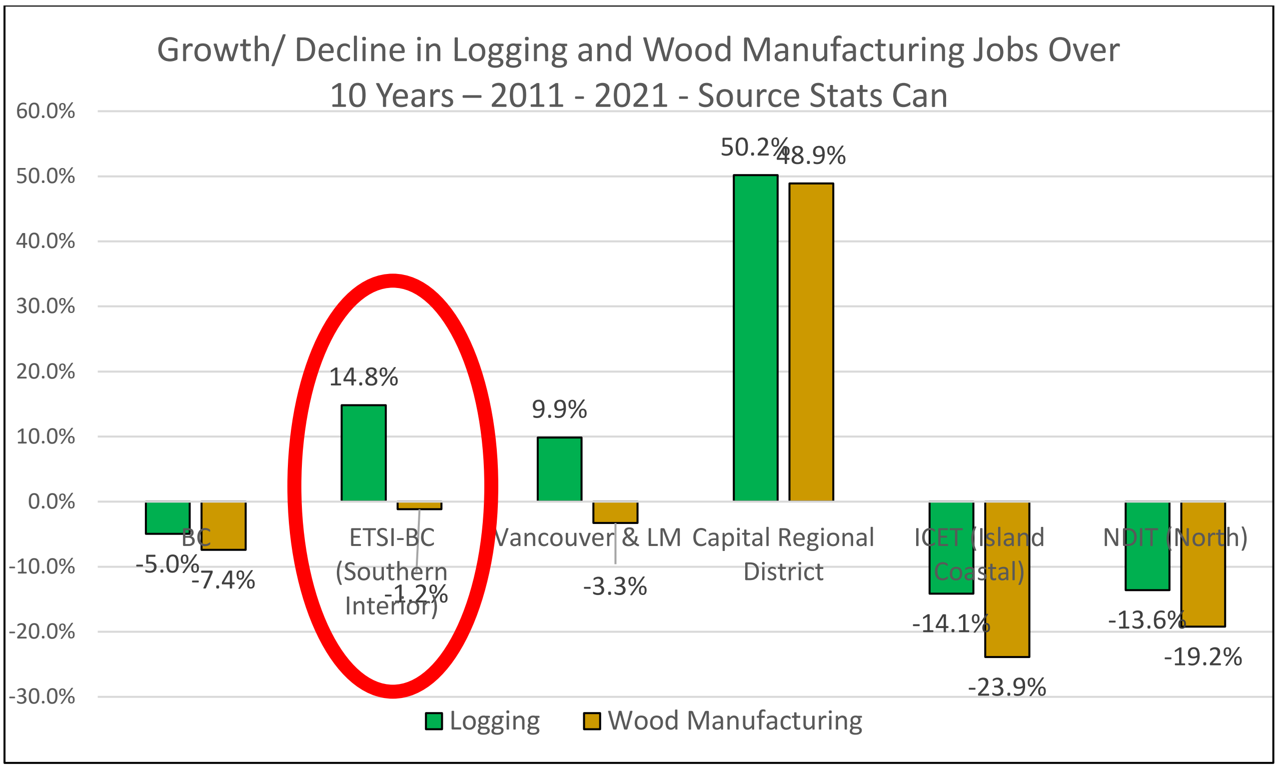
	2011	2016	2021	Growth/(Decline) over 10 Years
BC	47976	51093	44826	-6.6%
SI Region	**11766**	**12855**	**12227**	**3.9%**
Van & LM	11062	12252	10923	-1.3%
CRD	489	777	705	44.2%
ICET (Island)	10287	10765	8687	-15.6%
NDIT (North)	16699	16183	13804	-17.3%

Growth/ Decline in Logging and Wood Manufacturing Jobs - 2011-21

When the two components of forestry are broken out over the 10-year period 2011-21, a more nuanced picture emerges. In the Southern Interior, logging jobs increased by 14.8% and wood manufacturing sector jobs declined by 1.2%. In BC overall, logging jobs declined by 5.0% while wood manufacturing jobs declined by 7.4%.

The Southern Interior fared better on a relative basis than all of other regions (other than the CRD region which experienced large growth in its very small forestry sector) in both logging jobs and wood manufacturing jobs.

The Island Coastal Region and the North both experienced declines in both logging (14.1% and 13.6% respectively) and a more pronounced decline in wood manufacturing jobs (23.9% and 19.2% respectively).

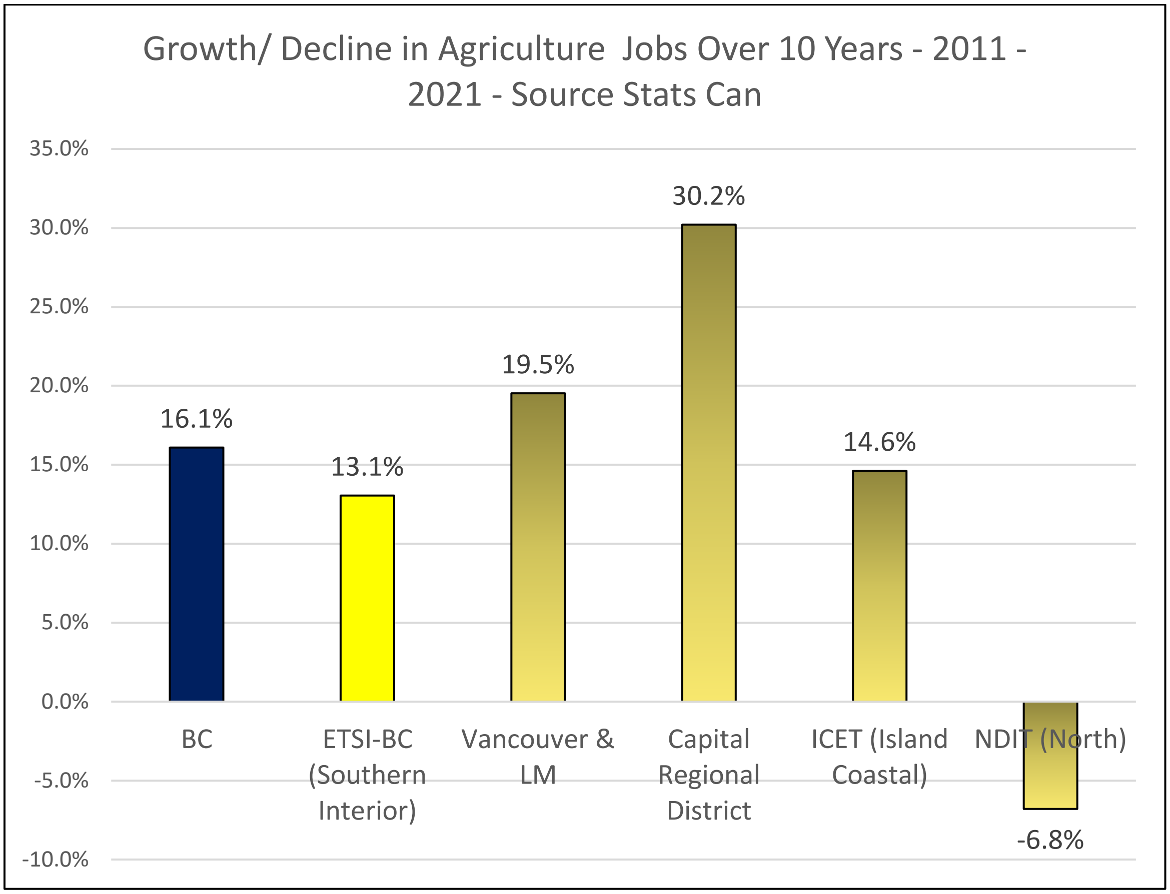


Total Jobs in Logging & Wood Manufacturing – 2021 Census

	Logging	% of BC Total	Wood Manufacturing	% of BC Total
BC	15,761		29,065	
SI	**4,286**	**27.2%**	**7,942**	**27.3%**
Van	1,870	11.9%	9,052	31.1%
CRD	449	2.8%	268	0.9%
Island	4,442	28.2%	3,527	12.1%
North	4,875	30.9%	8,930	30.7%

Growth/ Decline in Agriculture Jobs Over 10 Years – 2011-21

While the Southern Interior experienced 13.1% growth in agriculture jobs from 2011-21, it fell slightly behind the province's 16.1% growth. Recall though that the Southern Interior has a greater number of agriculture jobs. Growth in agriculture jobs in other regions (other than the North) out-paced that of the Southern Interior.

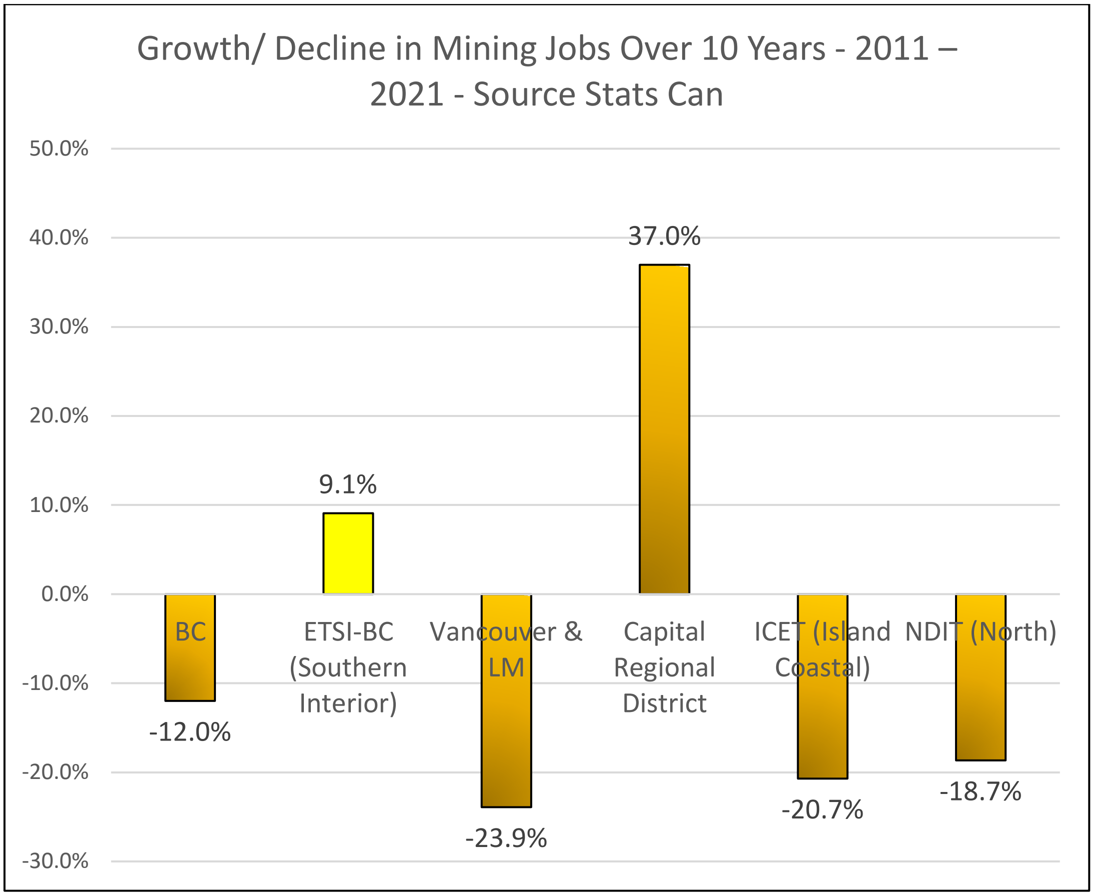


Total Jobs in Agriculture – 2021 Census

	Agriculture	% of BC Total
BC	64,733	
SI	**13,054**	**20.2%**
Van	38,456	59.4%
CRD	3,289	5.1%
Island	5,440	8.4%
North	4,362	6.7%

Growth/ Decline in Mining Jobs Over 10 Years - 2011- 2021

Mining jobs in the Southern Interior saw a 9.1% growth relative to BC's 12.0% decline in the sector from 2011-2021. Only the CRD experienced a greater proportional increase than the Southern Interior.

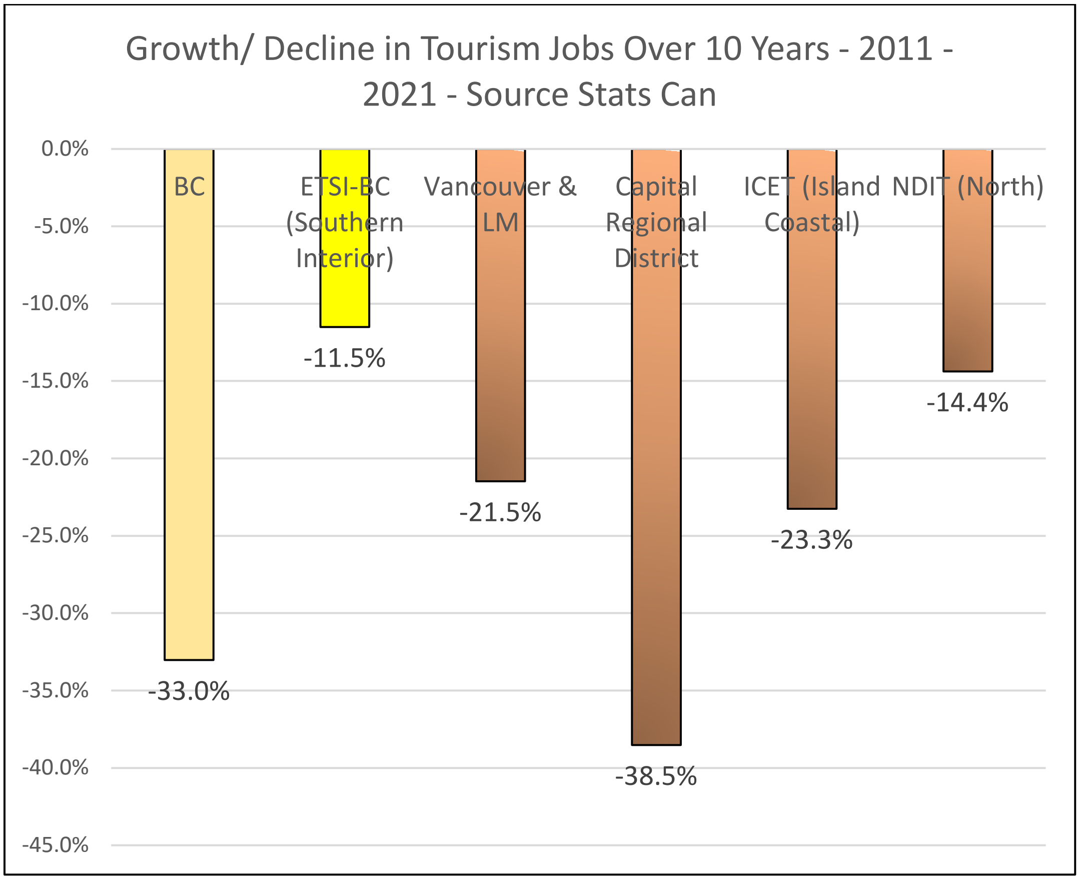


Total Jobs in Mining – 2021 Census

	Mining Total	% of BC Total
BC	21,218	
SI	**8,996**	**42.4%**
Van	4,964	23.4%
CRD	226	1.1%
Island	1,237	5.8%
North	4,673	22.0%

Growth/ Decline in Tourism Jobs Over 10 Years - 2011 – 2021

Jobs in the tourism sector declined by 33% in BC over 10 years (2011-2021). Much of this reflects the massive layoffs in the sector during COVID-19[9]. The Southern Interior experienced the smallest relative decline all regions.



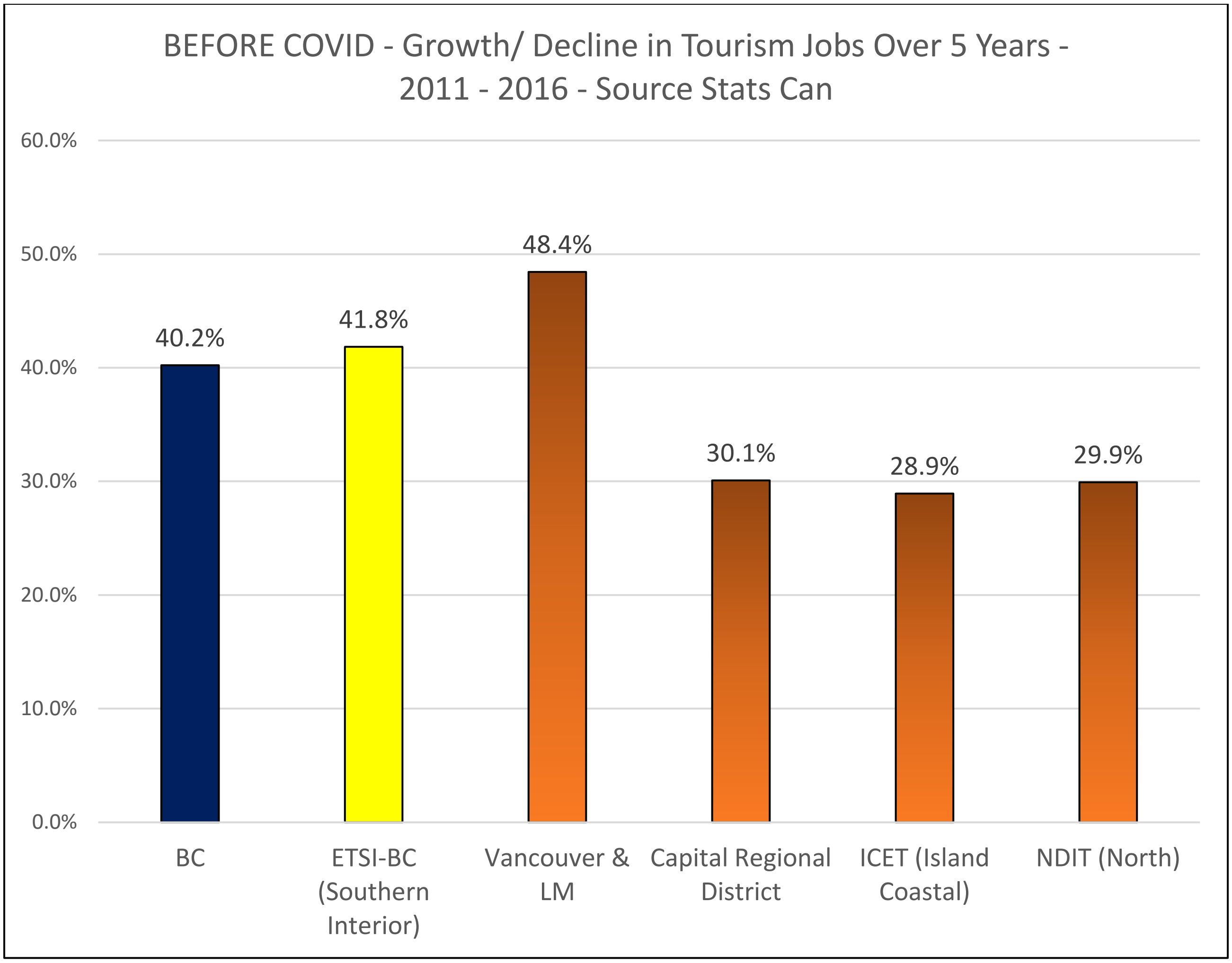
Total Jobs in Tourism – 2021 Census

	Tourism	% of BC Total
BC	62,047	
SI	**10,665**	**17.2%**
Van	36,470	58.8%
CRD	4,548	7.3%
Island	5,531	8.9%
North	4,174	6.7%

[9] The Census took place on May 11, 2021 when many Covid-19 restrictions were still in place. Covid-19 restrictions disproportionately affected the tourism sector.

The Previous 5 Year Period Saw Robust Growth in all Regions in Tourism

This graph shows the meteoric growth in tourism jobs in the 2011-16 period before Covid-19 restrictions forced massive layoffs in the sector. Growth of tourism jobs in the Southern Interior was 41.8%, slightly higher the provincial average of 40.2%. Only Vancouver and Lower Mainland enjoyed a greater growth, at 48.4%.



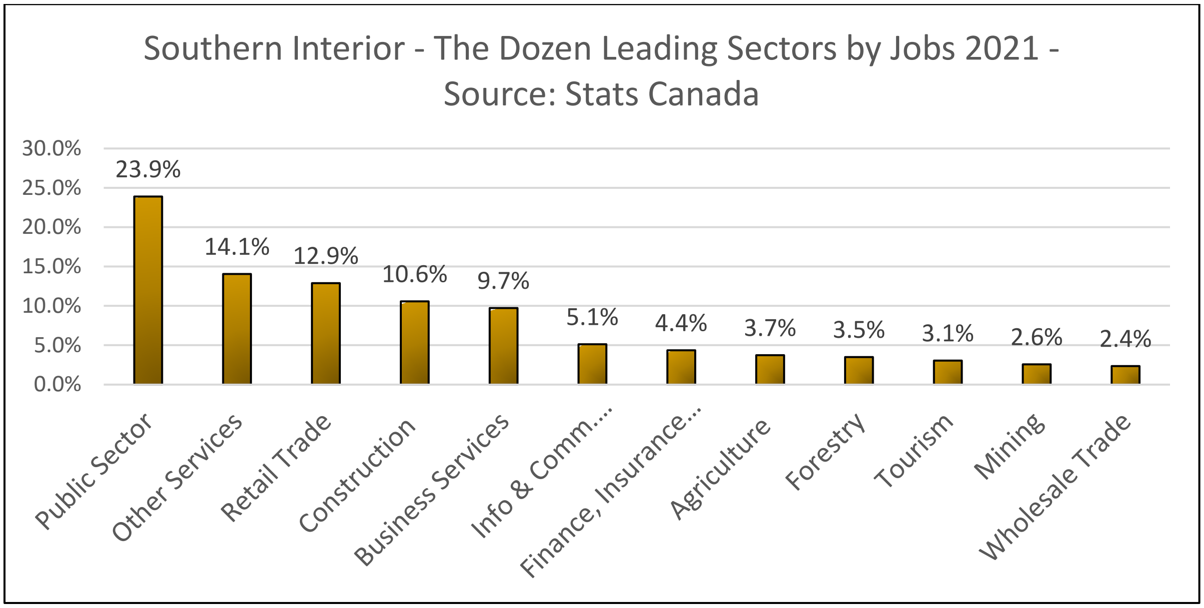
G. Biggest Industries by Jobs in Southern Interior/ ETSI-BC Region

Southern Interior – 12 Biggest Sectors by Jobs in 2021

This graph shows the breakdown of the top 12 sectors by jobs in the Southern Interior in 2021[10].

The public sector is by far the largest employer in the Southern Interior at 23.9% of all jobs. Other services, retail jobs and construction round out the top 4 sectors.

Primary industries – agriculture, forestry and mining – hold down 8,9 and 11 amongst the top 12 employing industries. Tourism is the 10th largest industry by jobs in the Southern Interior.

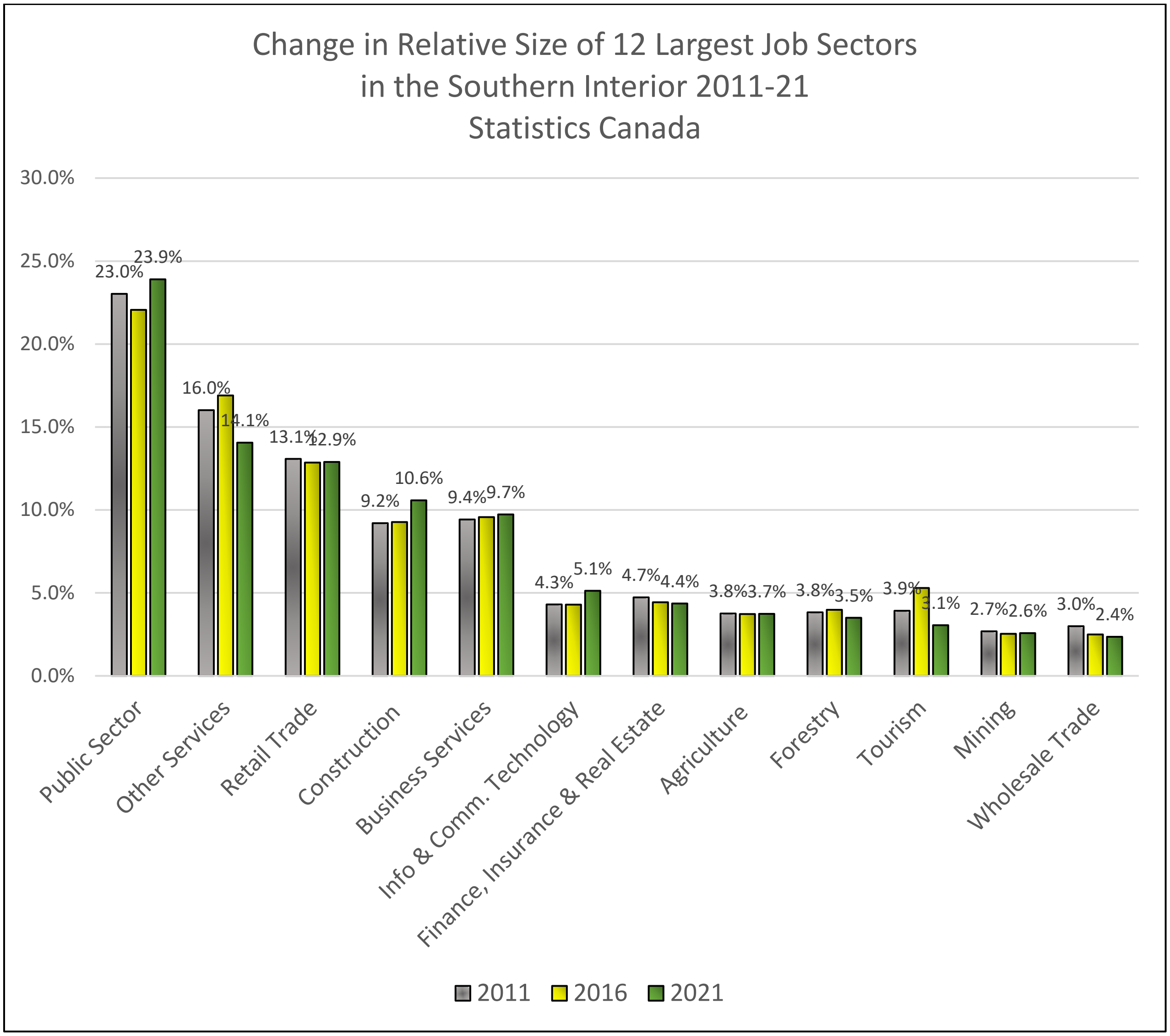


Rank	Total Jobs in SI		% of Jobs
1	Public Sector (Includes health, education, social services, provincial, federal, local and aboriginal governments)	83,458	23.9%
2	Other Services	49,087	14.1%
3	Retail Trade	45,023	12.9%
4	Construction	36,944	10.6%
5	Business Services	33,979	9.7%
6	Info, Communications and Tech. (ICT)	17,909	5.1%
7	Finance, Insurance, Real Estate (FIRE)	15,231	4.4%
8	Agriculture Total	13,054	3.7%
9	Forestry Total	12,227	3.5%
10	Tourism Total	10,665	3.1%
11	Mining	8,996	2.6%
12	Wholesale Trade Total	8,227	2.4%
	TOTAL	**349,225**	**95.9%**

[10] Sectors have been consolidated from the chart in Section D.

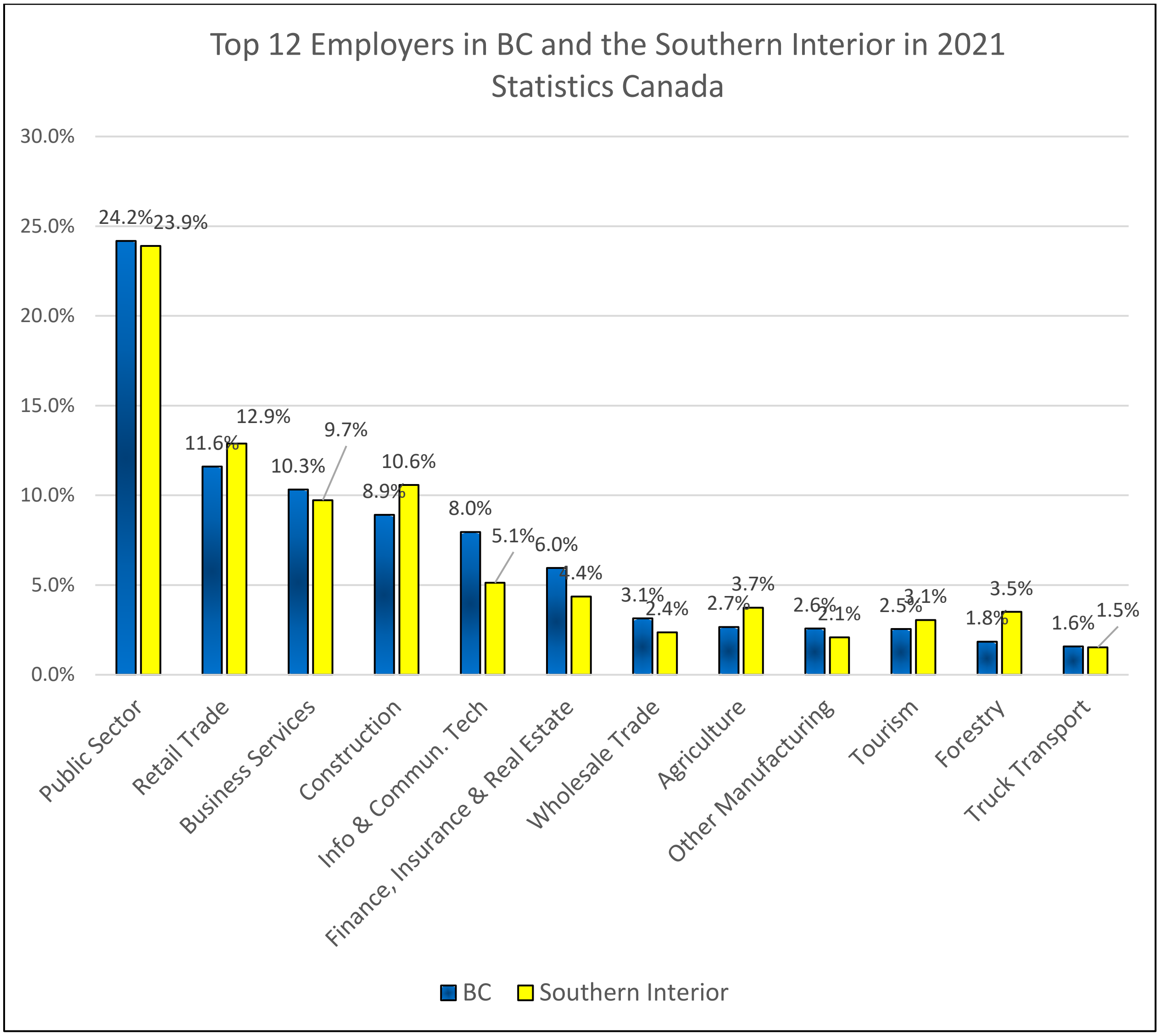
Change in Relative Size of 12 Largest Job Sectors in Southern Interior, 2011-21

This graph shows the relative size of each sector in terms of proportion of jobs for the 12 largest sectors in the Southern Interior in 2011, 2016, and 2021. The sectors that grew the most over that period were the public sector and construction.



BC's Dozen Biggest Sectors by Jobs 2021 vs Southern Interior (Stats Canada)

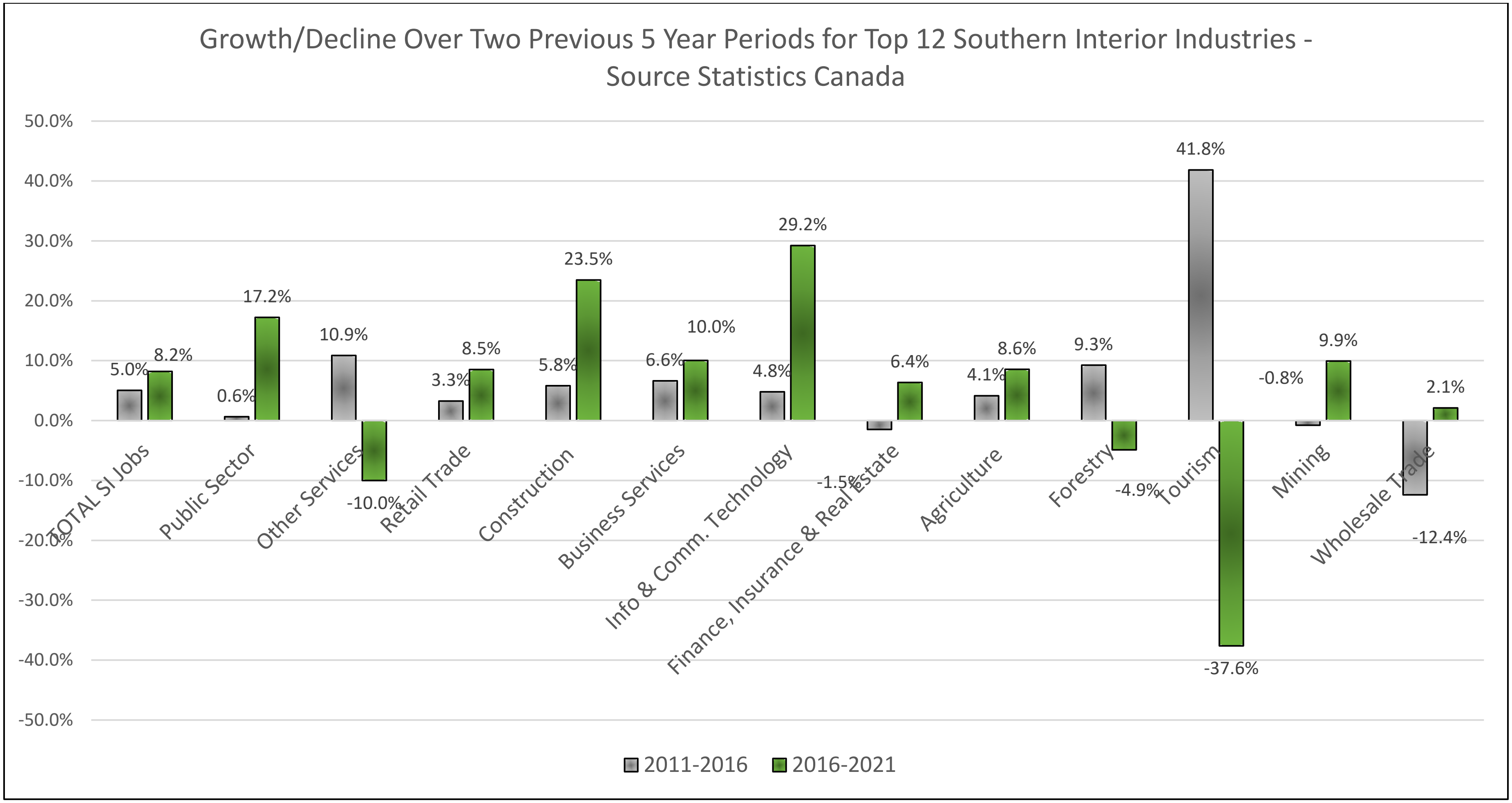
When compared with BC, the Southern Interior enjoys a higher proportion of jobs in the retail trade, construction, agriculture, tourism and forestry.



Net Growth/Decline in Southern Interior Sectors

When examined as two 5-year periods, significant growth in information and communications technology (29.2%), construction (23.5%) and the public sector from (17.2%) are noted. Significant declines occurred in tourism (37.6%), other services (10.0%) and forestry (4.9%) in that same period.

In the first 5-year period (2011-2016), tourism (41.8%), other services (10.9%) and forestry (9.3%) were the top 3 industries in terms of job growth. Wholesale trade (-12.4%), finance, insurance and real estate (-1.5%) and mining (-0.8%) were the largest laggards for job growth, all losing jobs.



Growth / Loss in Jobs in Top 12 Sectors in SI Over Last 2 Census Periods – 2011-16 & 2016-21

	2011-16	2016-21
Public Sector	**455**	**12,265**
Other Services	5,347	-5,457
Retail Trade	1,310	3,535
Construction	1,645	7,023
Business Services	1,921	3,100
Info & Comm. Technology	635	4,050
Finance, Insurance & Real Estate	-215	911
Agriculture	478	1,029
Forestry	1,089	-628
Tourism	5,043	-6,430
Mining	-64	813
Wholesale Trade	-1,140	170
Total Growth/ Loss in 12 Largest Sectors	**16,504**	**20,381**

H. Southern Interior Region – Looking More Closely

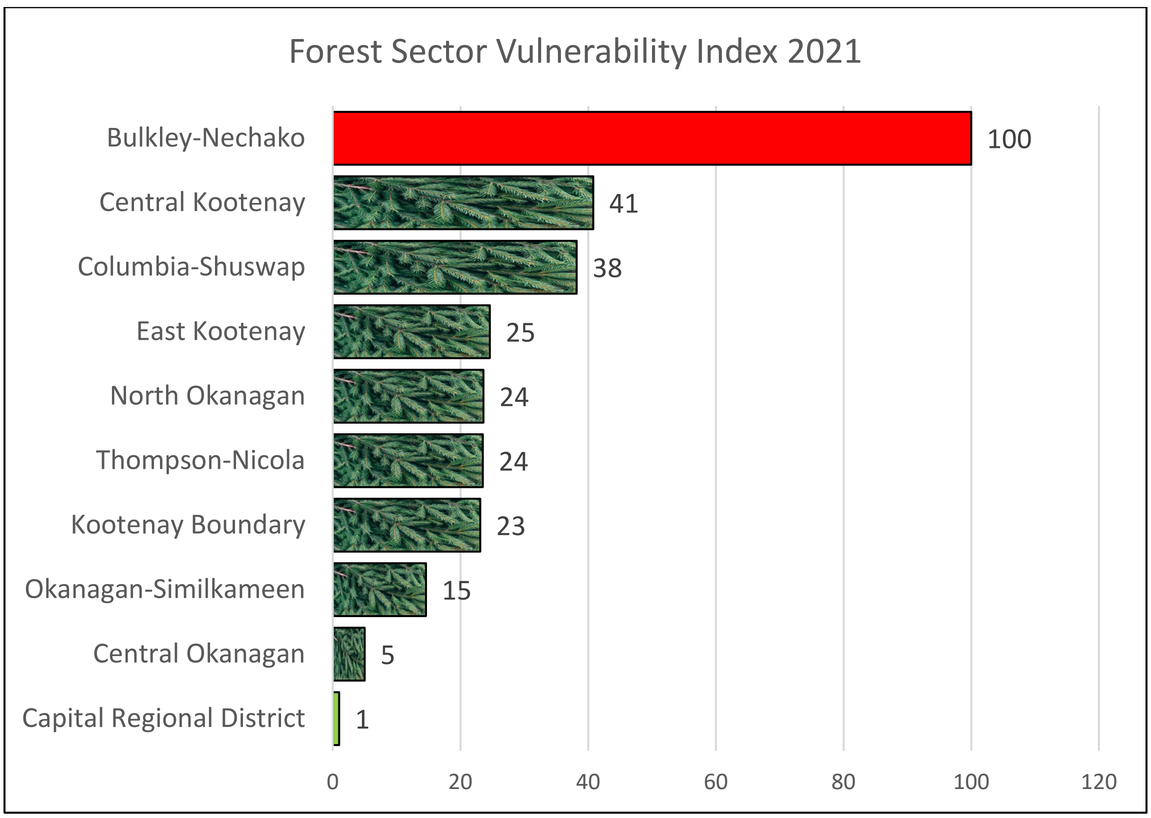
Up until now, we have examined the Southern Interior region as a whole, comparing it to other regions and BC. In this section we dive into what is happening within the Southern Interior.

Forest Sector Vulnerability Index (FSVI) – 2021 by Regional District

(also includes BC Highest (CRD) and lowest (Bulkley-Nechako))

BC Stats has developed a proprietary forest sector vulnerability index, which rates communities/regions from 1 to 100. This index shows who is more susceptible to downturns in the forest industry. Communities that score higher are more vulnerable. In BC, the Bulkley Nechako region scored 100 while the Capital Regional District scored 1. The FSVI formula includes jobs, income, and economic diversity within a community/regional district.

Within the Southern Interior, the Central Kootenay (41) and the Columbia-Shuswap (38) are the two most vulnerable Regional Districts to a downturn in forestry. The Central Okanagan, at a FVI score of 5, is one of the least vulnerable Regional Districts in the province.



Forest Sector Vulnerability Index (FSVI) Over the Last 10 years

This table shows how Regional Districts ranked, with #1 most vulnerable from 2011-21. Regional Districts in the Columbia-Kootenay region are shaded in green while those in the Thompson-Okanagan are shaded blue to better track the change of each over 10 years.

The Regional District of Central Kootenay (RDCK) has remained among the top 10 most vulnerable RDs over the 10 years and is now the 6th most vulnerable regional district in the province. The Regional District of Central Okanagan (RDCO) is less vulnerable to changes in the forestry industry dropping from 23rd (out of 29 RDs) to 26th over the 10-year period.

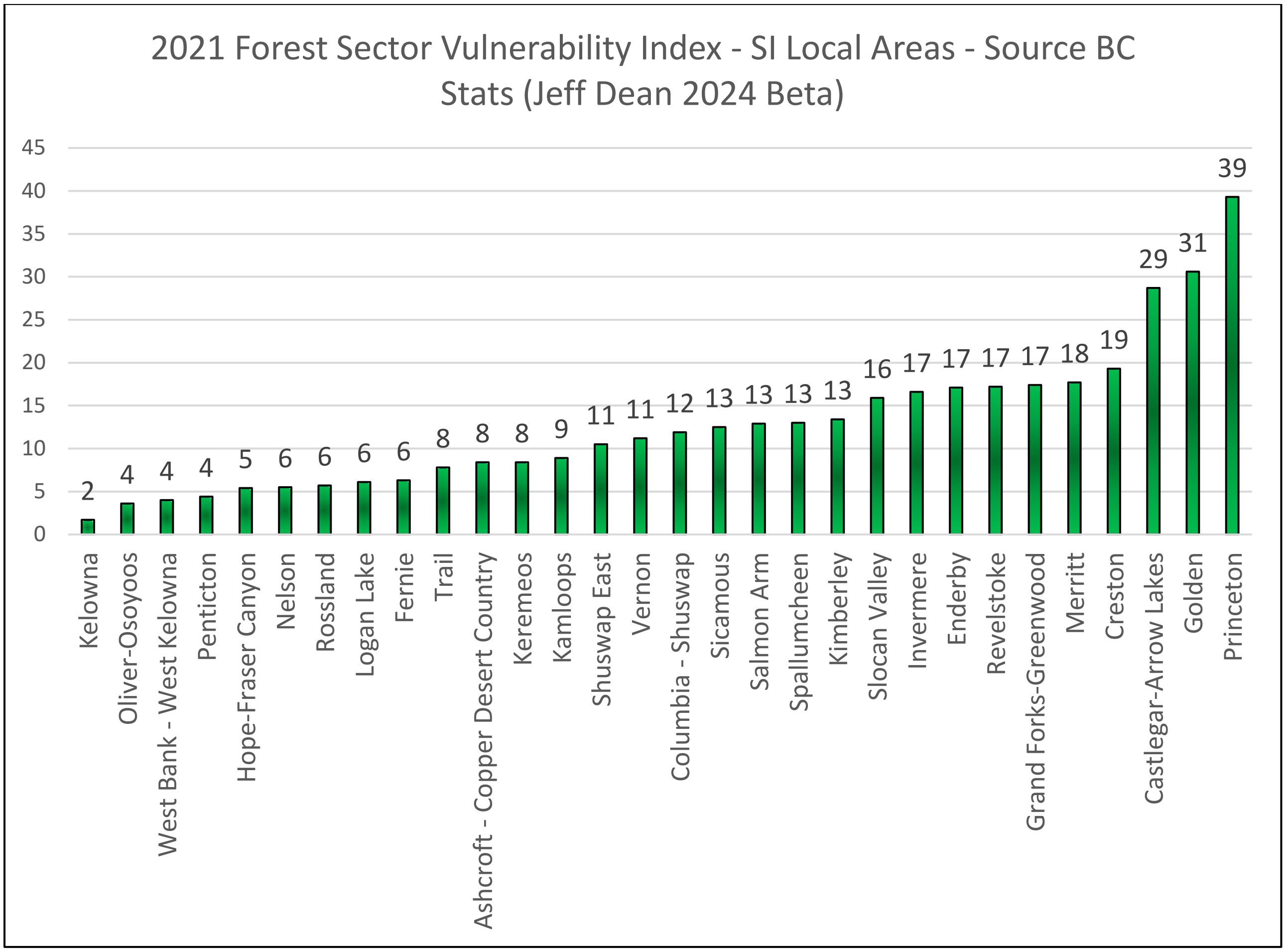
Rank	2011	2016	2021
1	Bulkley-Nechako	Bulkley-Nechako	Bulkley-Nechako
2	Cariboo	Cariboo	Cariboo
3	Mount Waddington	Mount Waddington	Fraser-Fort George
4	Fraser-Fort George	Fraser-Fort George	Mount Waddington
5	Powell River	Powell River	Alberni-Clayoquot
6	Alberni-Clayoquot	Alberni-Clayoquot	Central Kootenay
7	Sunshine Coast	Sunshine Coast	Columbia-Shuswap
8	Central Kootenay	Cowichan Valley	Powell River
9	Cowichan Valley	Central Kootenay	Sunshine Coast
10	North Okanagan	Columbia-Shuswap	Cowichan Valley
11	Columbia-Shuswap	North Okanagan	East Kootenay
12	Thompson-Nicola	Peace River	North Okanagan
13	East Kootenay	Strathcona	Thompson-Nicola
14	Strathcona	Thompson-Nicola	Peace River
15	Peace River	Kootenay Boundary	Kootenay Boundary
16	Kitimat-Stikine	East Kootenay	Strathcona
17	Nanaimo	Nanaimo	Nanaimo
18	Kootenay Boundary	Okanagan-Similkameen	Kitimat-Stikine
19	Okanagan-Similkameen	Comox Valley	Okanagan-Similkameen
20	Comox Valley	Skeena-Queen Charlotte	Skeena-Queen Charlotte
21	Fraser Valley	Kitimat-Stikine	Fraser Valley
22	Skeena-Queen Charlotte	Fraser Valley	Central Coast
23	Central Okanagan	Squamish-Lillooet	Comox Valley
24	Northern Rockies	Central Okanagan	Northern Rockies
25	Squamish-Lillooet	Northern Rockies	Squamish-Lillooet
26	Central Coast	Central Coast	Central Okanagan
27	Metro Vancouver	Metro Vancouver	Metro Vancouver
28	Capital	Capital	Capital
29	Stikine Region	Stikine Region	Stikine Region

2021 Forest Sector Vulnerability Index by Local Area

Source BC Stats Jeff Dean 2024 Beta)

This graph displays the FSVI ratings in 2021 for 32 Southern Interior local areas. Princeton (39), Golden (31) and Castlegar/ Arrow Lakes (29) have the highest forest sector vulnerability in the Southern Interior.

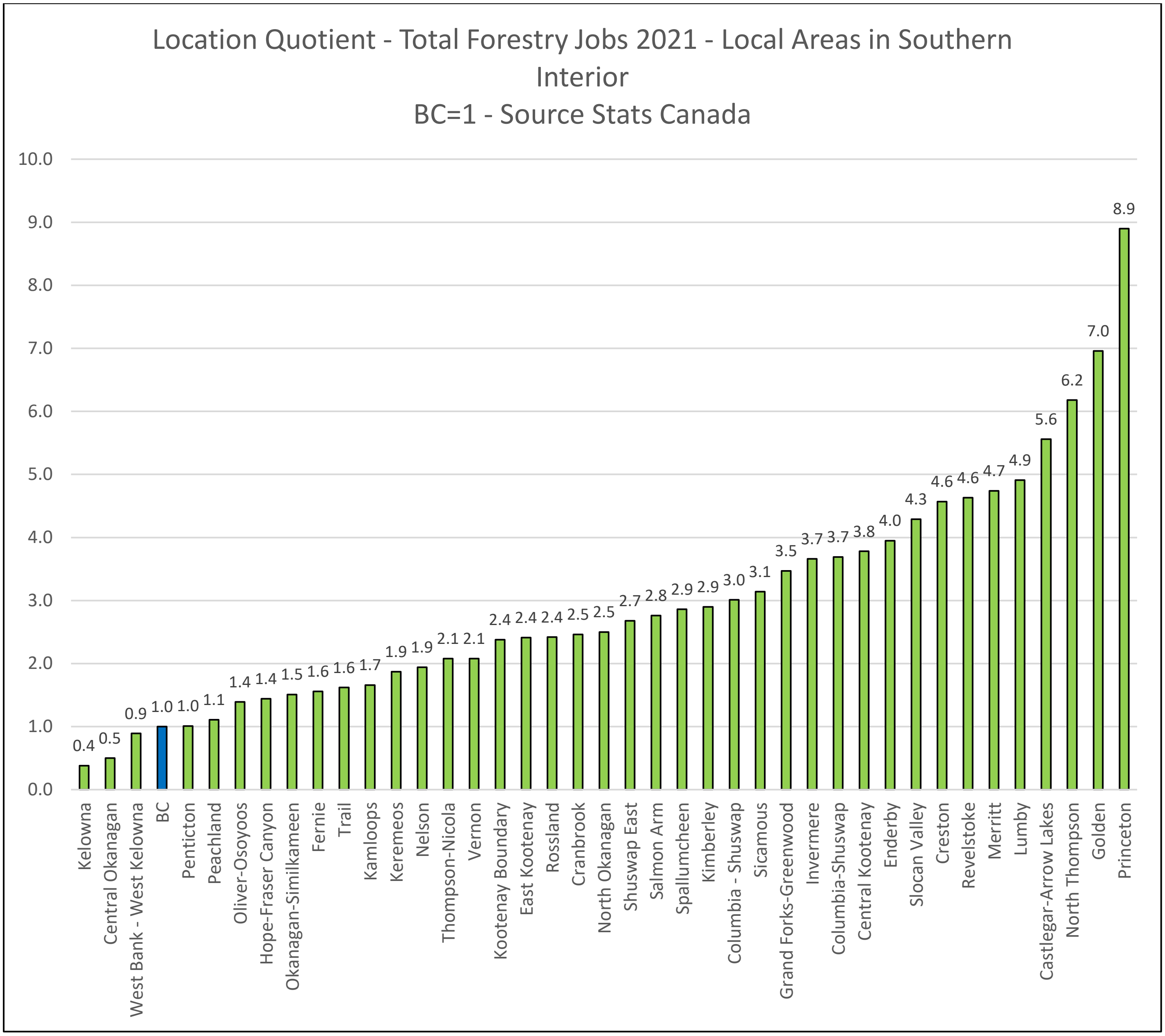
Kelowna (2), Oliver-Osoyoos (4) and West Bank – West Kelowna (4) have the lowest forest sector vulnerability in the Southern Interior.



Location Quotient - TOTAL Forestry Jobs 2021 – Southern Interior Local Areas (BC =1)

We have examined Location Quotients for the Southern Interior, relative to other regions. This graph displays the location quotients for communities (also called local areas) and sub-regions within the Southern Interior.

Relative to BC (BC = 1 and is displayed in blue on the graph), Princeton (8.9 more jobs for the population than the provincial average), Golden (7.0 times), the North Thompson (6.2) and Castlegar/ Arrow Lakes (5.6) have the highest proportion of forestry jobs. Kelowna (0.4), Central Okanagan (0.5%) and West Bank – West Kelowna (0.9%) have the fewest forestry jobs within the Southern Interior.

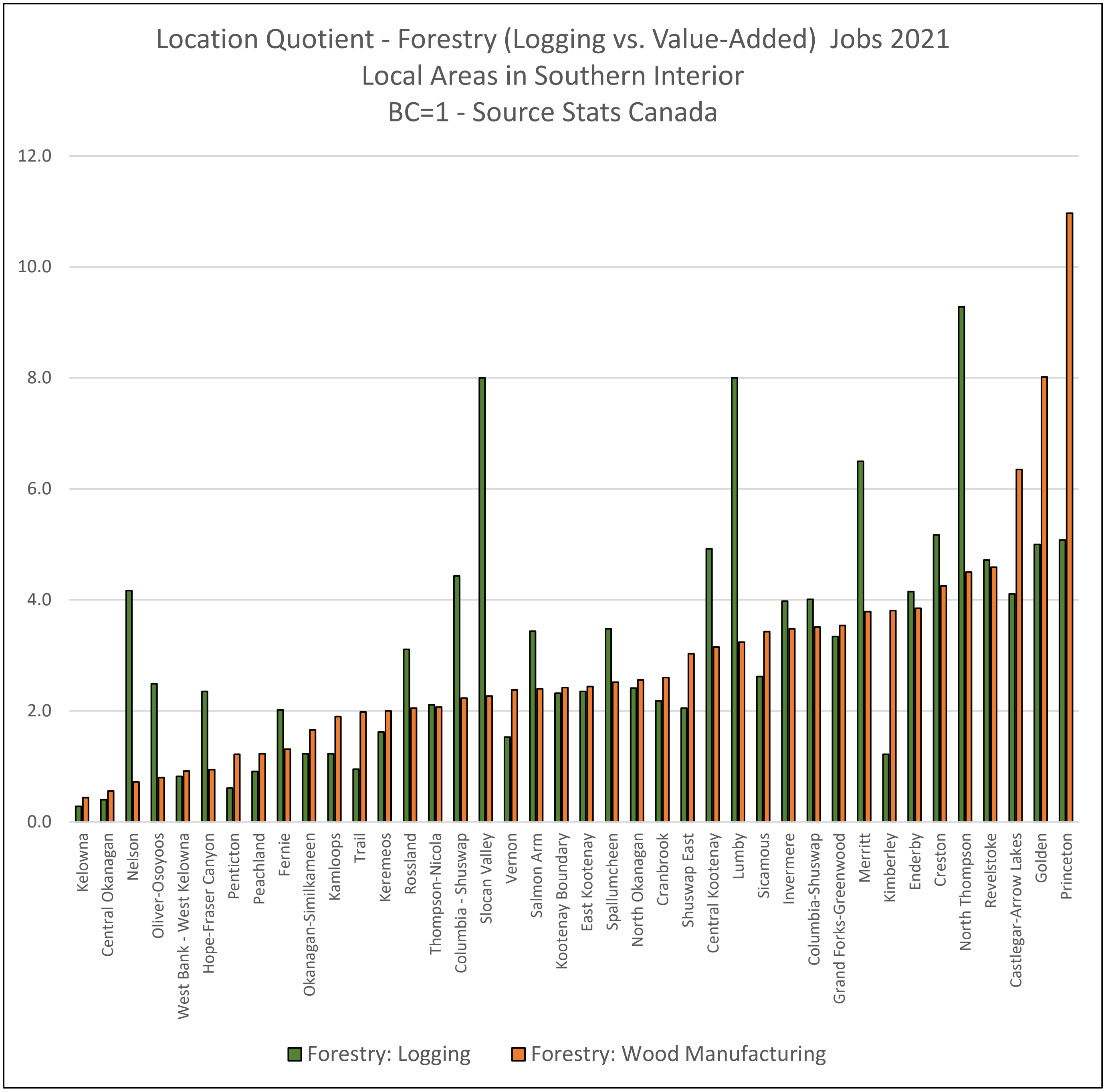


Location Quotients - Logging vs Wood Manufacturing Jobs 2021 by Local Area (BC =1)

This graph shows the breakdown of components of forestry - logging and wood manufacturing.

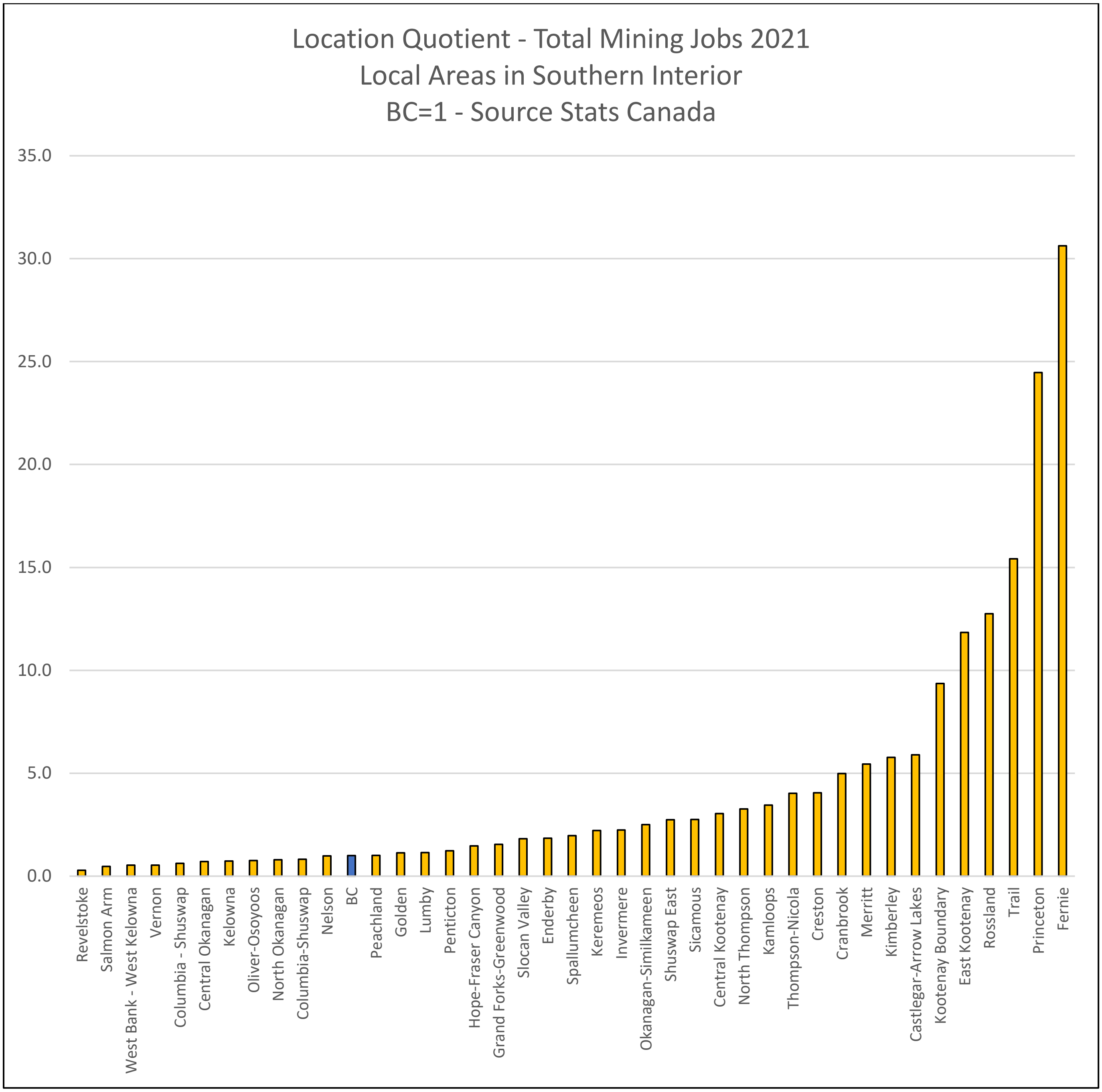
There are vast differences in the LQ for logging jobs vs wood manufacturing jobs in Nelson, RD Columbia Shuswap, Slocan Valley, Lumby, Merritt and Creston. In those places, more wood is logged and moved outside the region for processing. Logging and wood manufacturing are more closely aligned in Kelowna, the Thompson-Nicola, Kootenay Boundary, North Okanagan, Invermere, Sicamous, Grand Forks, Enderby, and Revelstoke.

Some communities like Princeton, Golden, Castlegar-Arrow Lakes, have a higher portion of wood manufacturing jobs. This picture will change in the next census, since mills have closed since the last census, leaving some of these communities bereft of their main employer.



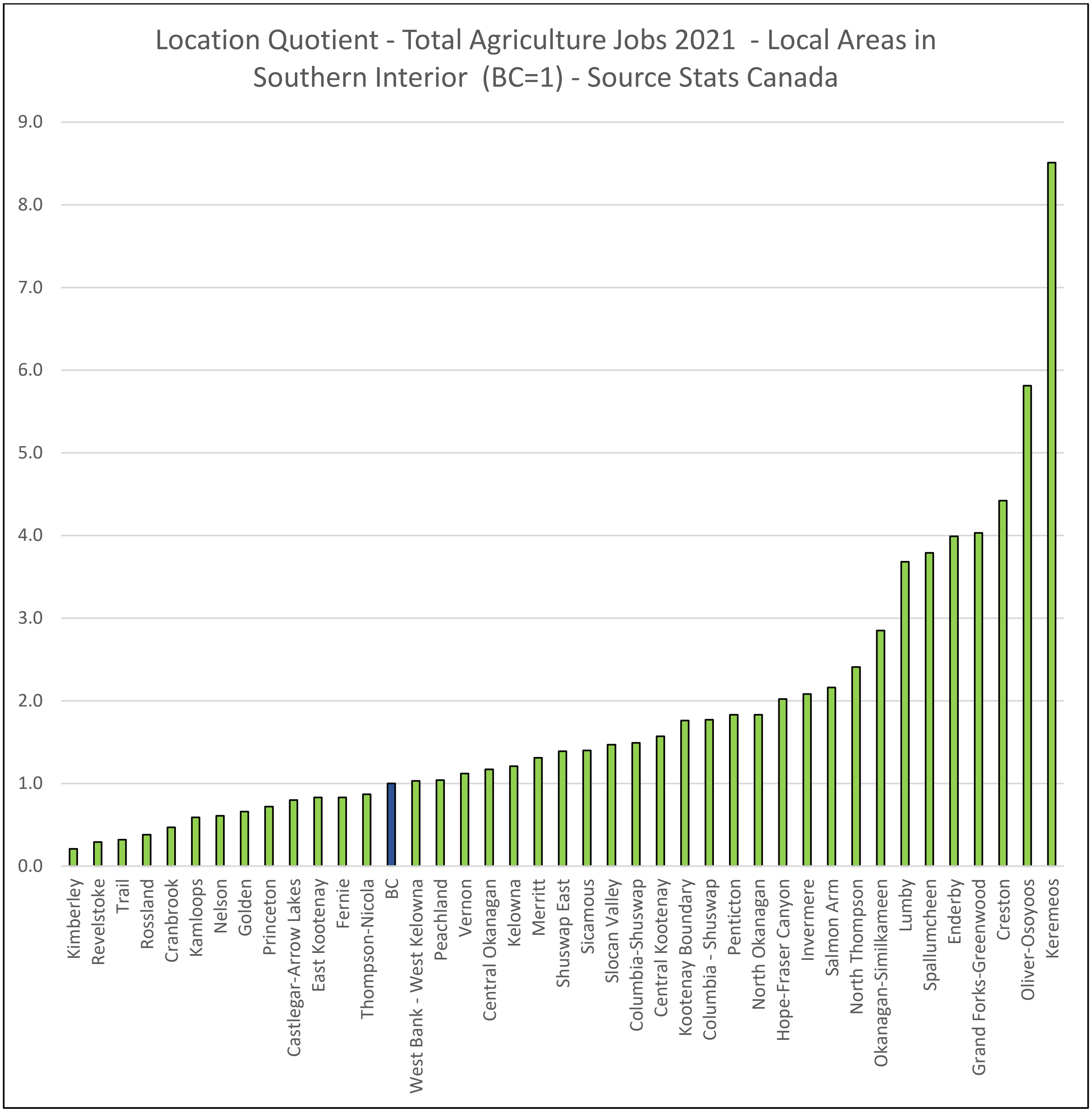
Location Quotient - TOTAL Mining Jobs 2021 Local Areas in Southern Interior (BC =1)

The Location Quotient for mining jobs is highest in SI communities of Fernie (30.6), Princeton (24.5), Trail (15.4), and Rossland (12.8). It is lowest in Revelstoke (0.3), Salmon Arm (0.5) and West Bank – West Kelowna (0.5)



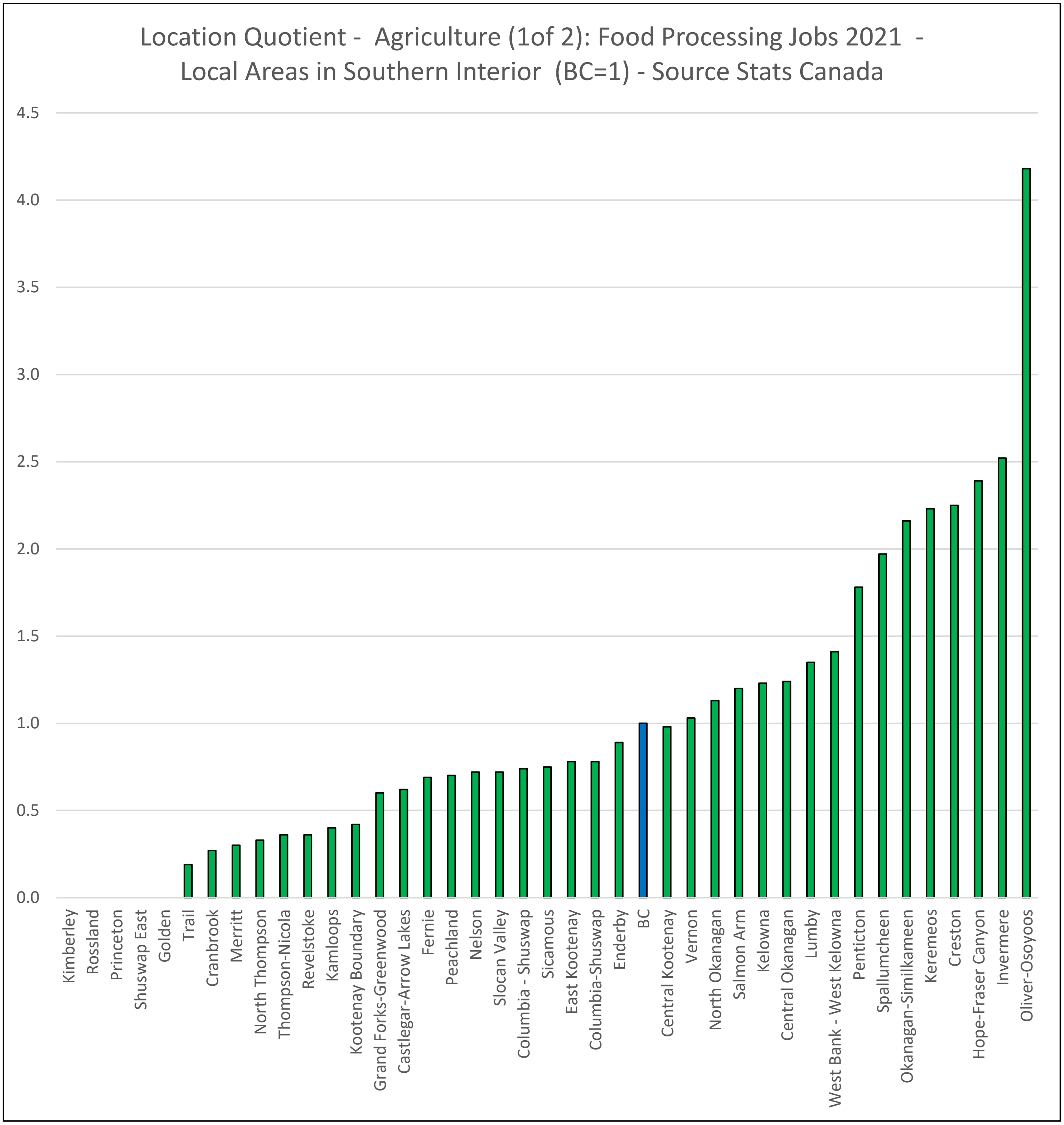
Location Quotient - TOTAL Agriculture 2021 Jobs by Local Areas (BC =1)

Keremeos (8.5), Oliver-Osoyoos (5.8) and Creston (4.4) have the highest LQs in the Southern Interior for agriculture. Kimberley (0.2), Revelstoke (0.3) and Trail (0.3) have the lowest LQs in the Southern Interior for agriculture.



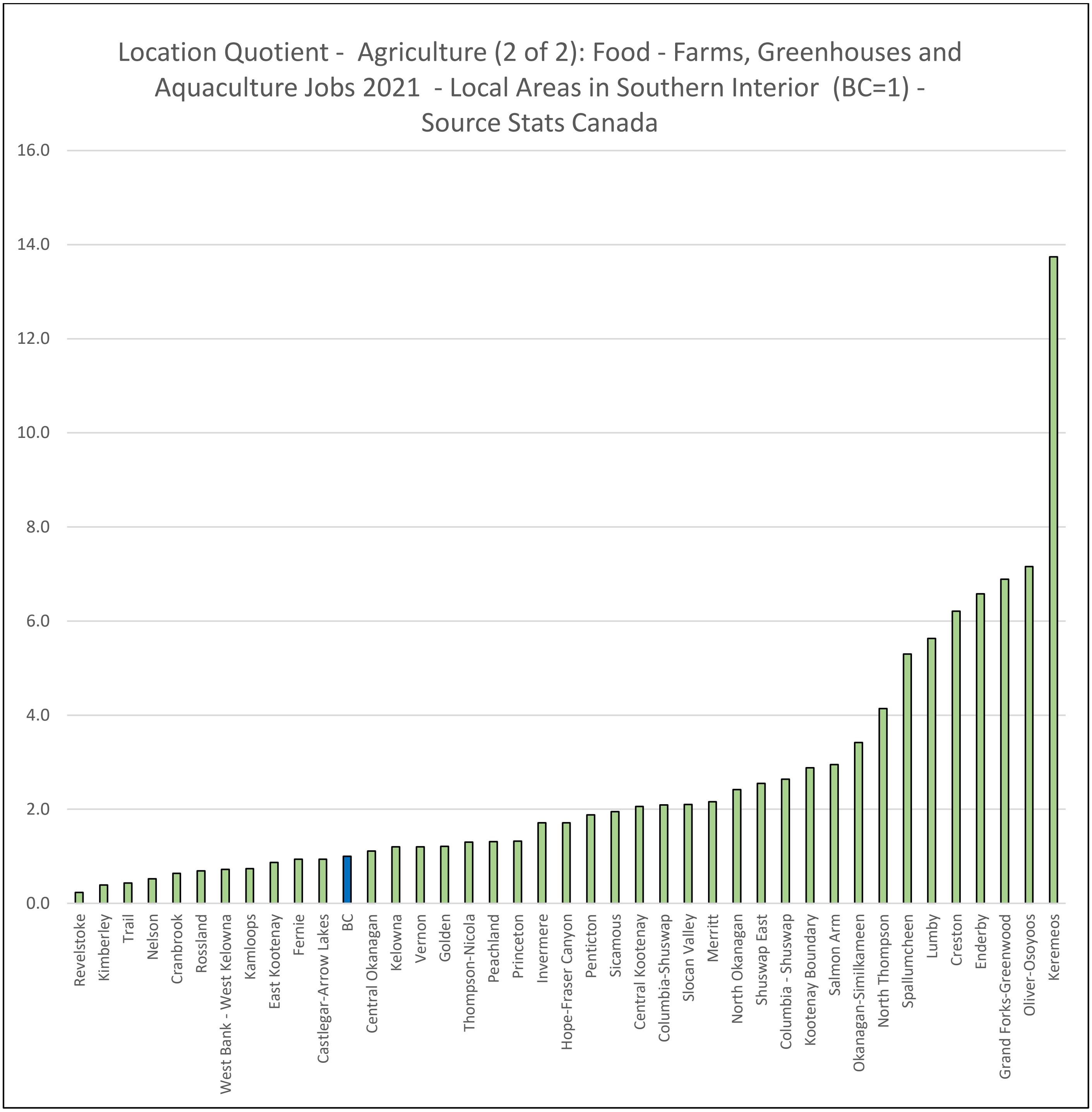
Location Quotient - Agriculture Food Processing 2021 by Local Areas (BC =1)

The Location Quotient for jobs in agricultural food processing (one of 2 agricultural designations) is highest in SI communities of Oliver Osoyoos (4.2), Invermere (2.5), and Hope-Fraser Canyon (2.4). It is lowest in Kimberley, Rossland, Princeton, Shuswap East and Golden, all scoring 0.0.



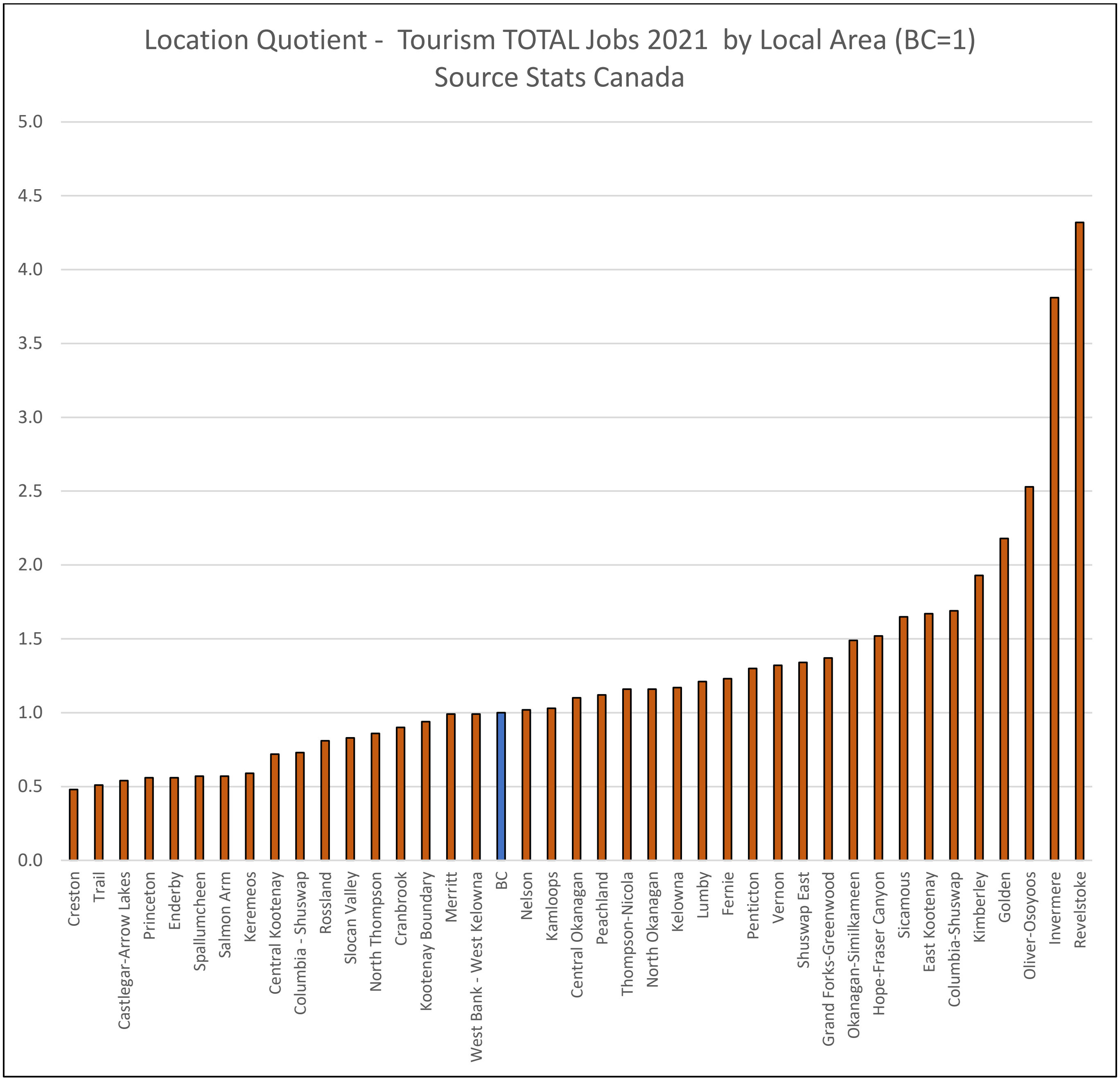
Location Quotient - Agriculture Farms, Greenhouses & Aquaculture - 2021 Local Areas in Southern Interior (BC =1)

The Location Quotient for jobs in agriculture - farms, greenhouses & aquaculture (the second agricultural designation) is highest in SI communities of Keremeos (13.7), Oliver-Osoyoos (7.2), and Grand Forks-Greenwood (6.9). It is lowest in Revelstoke (0.2), Kimberley (0.4), Trail (0.4) and Nelson (0.5).



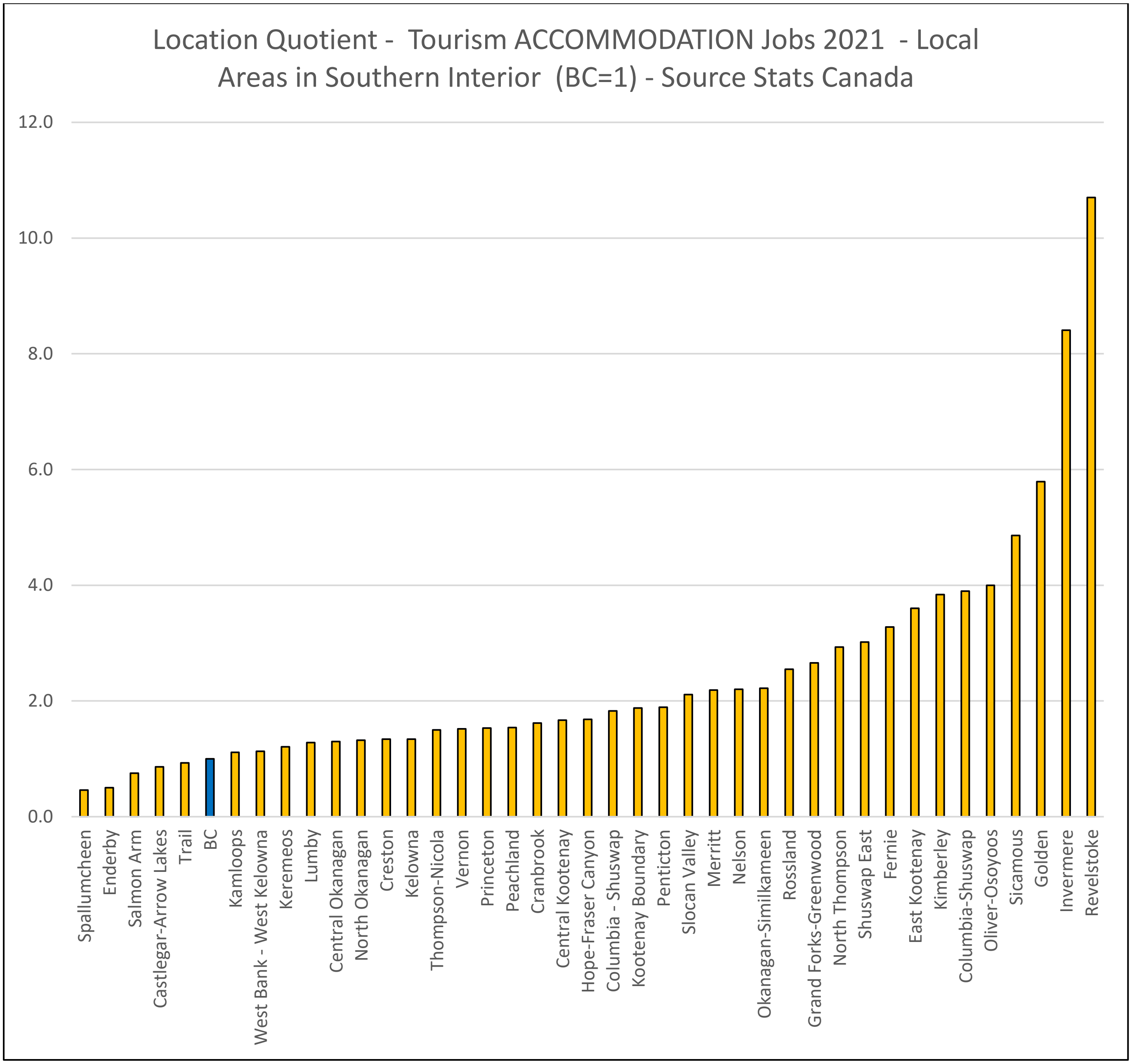
Location Quotient - Tourism TOTAL- 2021 Local Areas in Southern Interior (BC =1)

The Location Quotient for jobs in tourism is highest in the SI communities of Revelstoke (4.3), Invermere Oliver-Osoyoos (2.5). It is lowest in Creston (0.5), Trail (0.5), and Castlegar-Arrow Lakes (0.5).



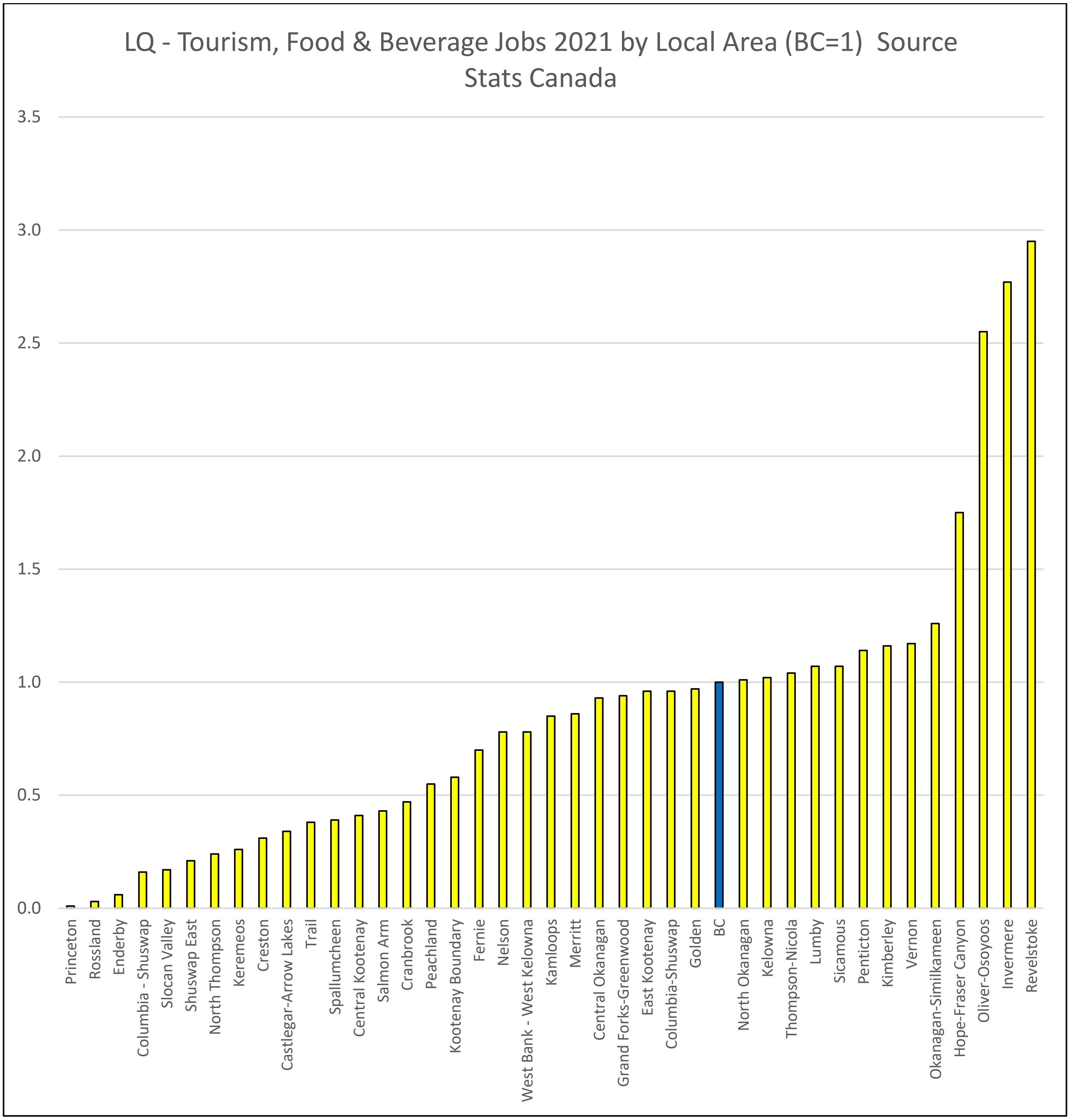
Location Quotient - TOURISM Accommodation Jobs - 2021 Local Areas in Southern Interior (BC =1)

The Location Quotient for accommodation jobs in tourism (one of 5 components of total tourism jobs) is highest in SI communities of Revelstoke (10.7), Invermere (8.4), and Golden (5.8). It is lowest in Spallumcheen (0.5), Enderby (0.5), and Salmon Arm (0.8).



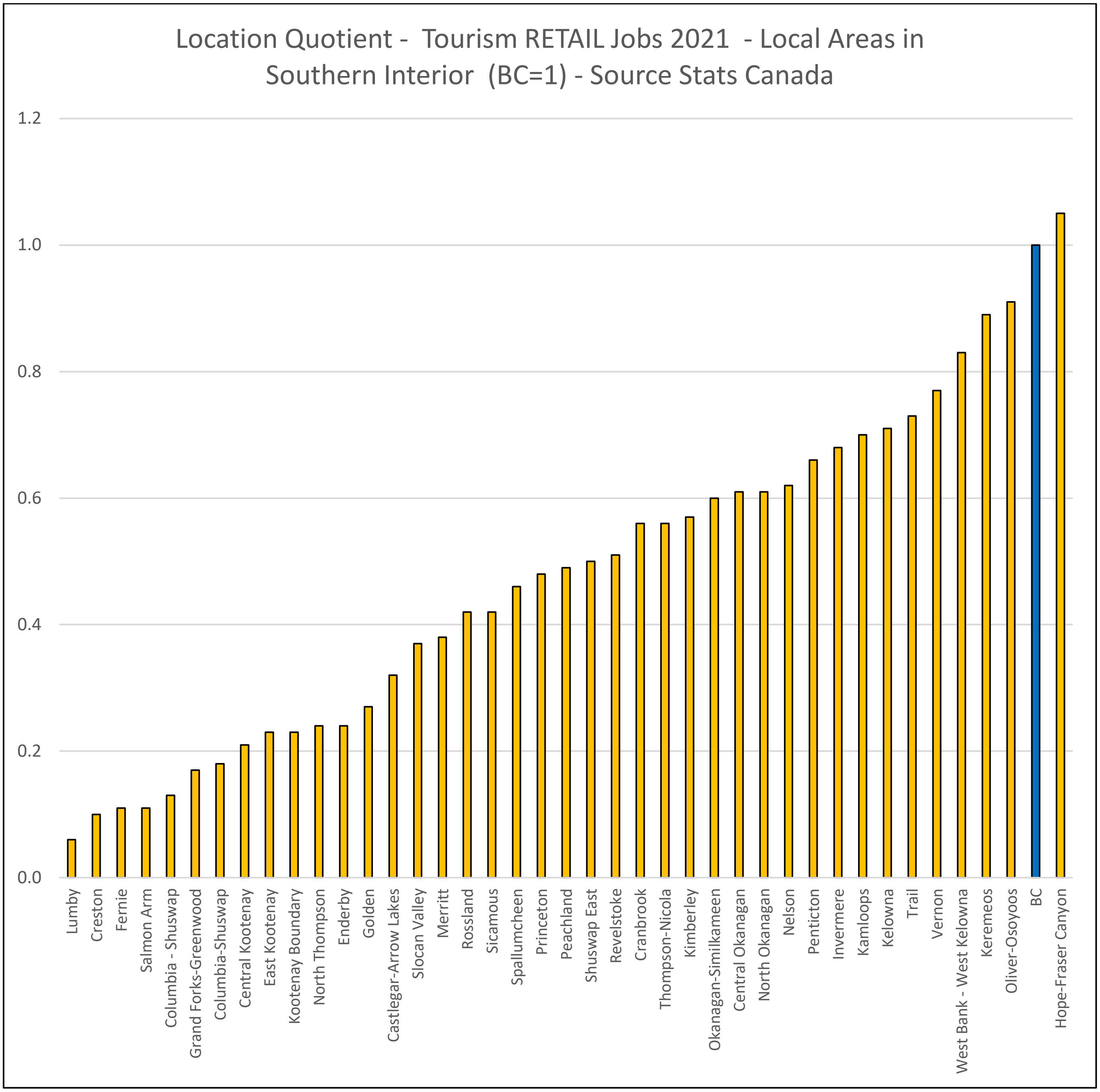
Location Quotient – Tourism, Food & Beverage Jobs by Local Areas (BC =1)

The Location Quotient for food and beverage jobs in tourism (one of 5 components of total tourism jobs) is highest in SI communities of Revelstoke (3.0), Invermere (2.8), and Grand Forks-Greenwood (2.6). It is lowest in Princeton (0.0), Rossland (0.0) and Enderby (0.1). Food and beverage is much less developed in SI regions relative to accommodation jobs.



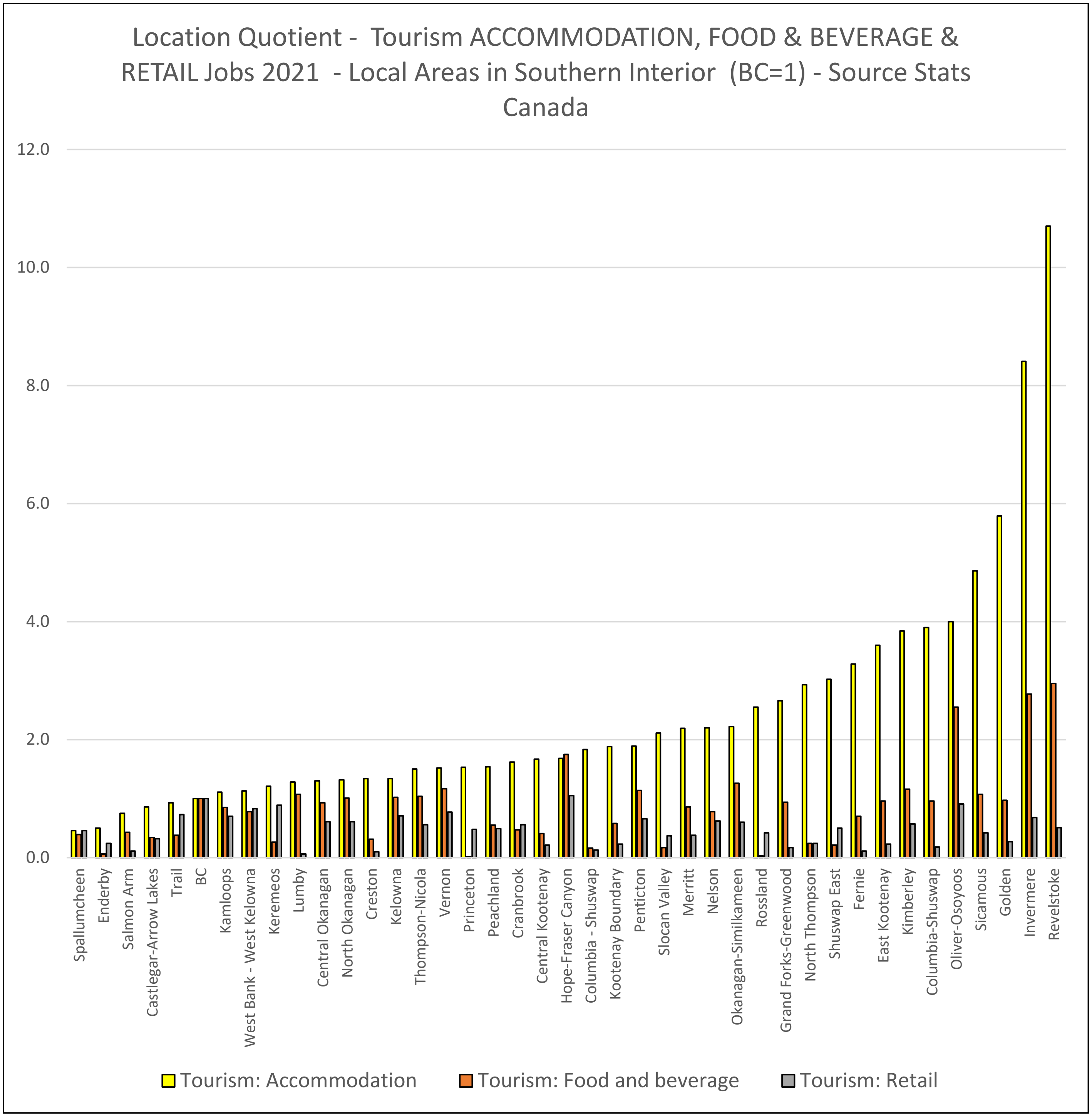
Location Quotient - TOURISM Retail Jobs by Local Area (BC =1)

The Location Quotient for retail jobs in tourism (one of 5 components of total tourism jobs) is highest in SI communities of Hope-Fraser Canyon (1.1), Oliver-Osoyoos (1.0), and Keremeos (0.9). It is lowest in Lumby (0.1), Creston (0.1) and Fernie (0.1). The retail sector in tourism is underdeveloped relative to accommodation jobs.



Location Quotient - Tourism Accommodation, Food & Beverage, & Retail Compared - by Local Area (BC =1)

This graph shows the relationship among the three largest components of tourism. In a perfect world, the tourism jobs for all three components should be closely aligned. While many SI communities have healthy accommodation sectors in tourism, there appears to be opportunities for ‘catching up’ in retail, and food and beverage jobs in tourism.

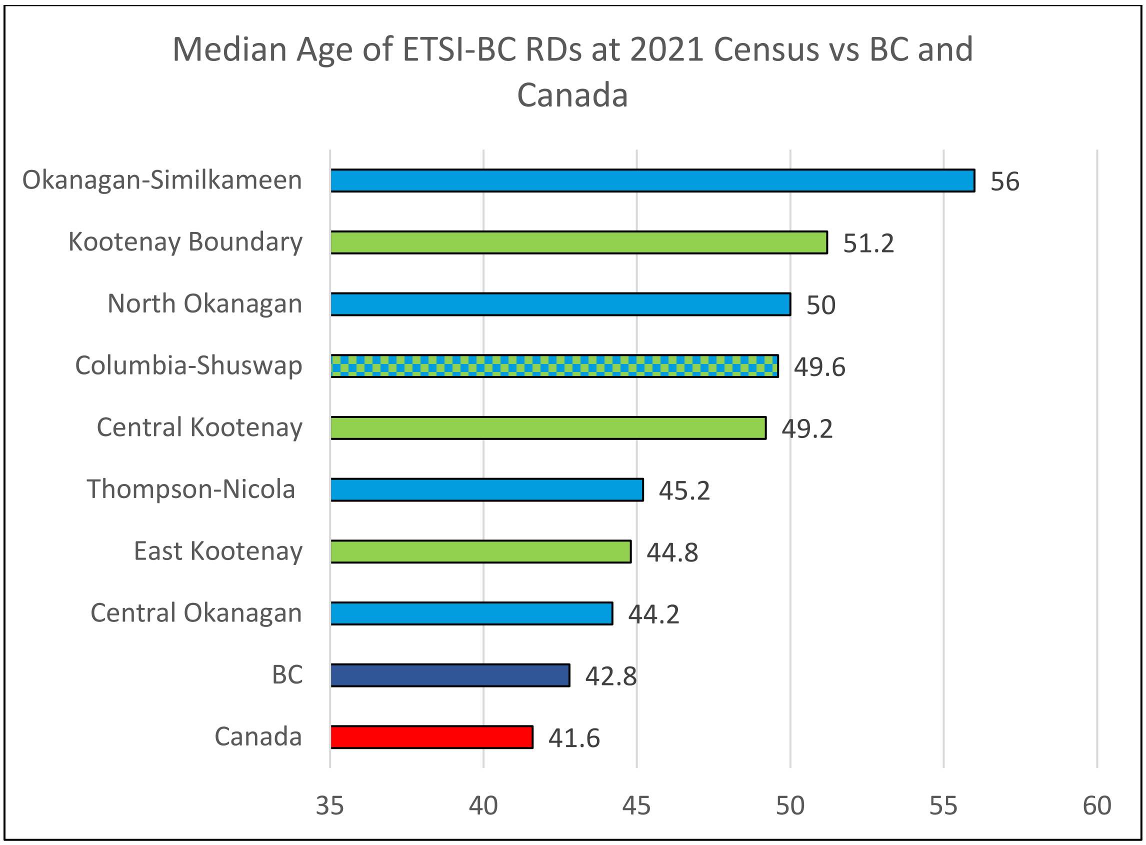


I. ETSI-BC Regional Advisory Committee (RAC) Areas

The ETSI-BC region is made up of two regions that each have a Regional Advisory Committee – the Thompson-Okanagan region (denoted by blue in the graphs) and the Columbia Kootenay region (denoted by green).

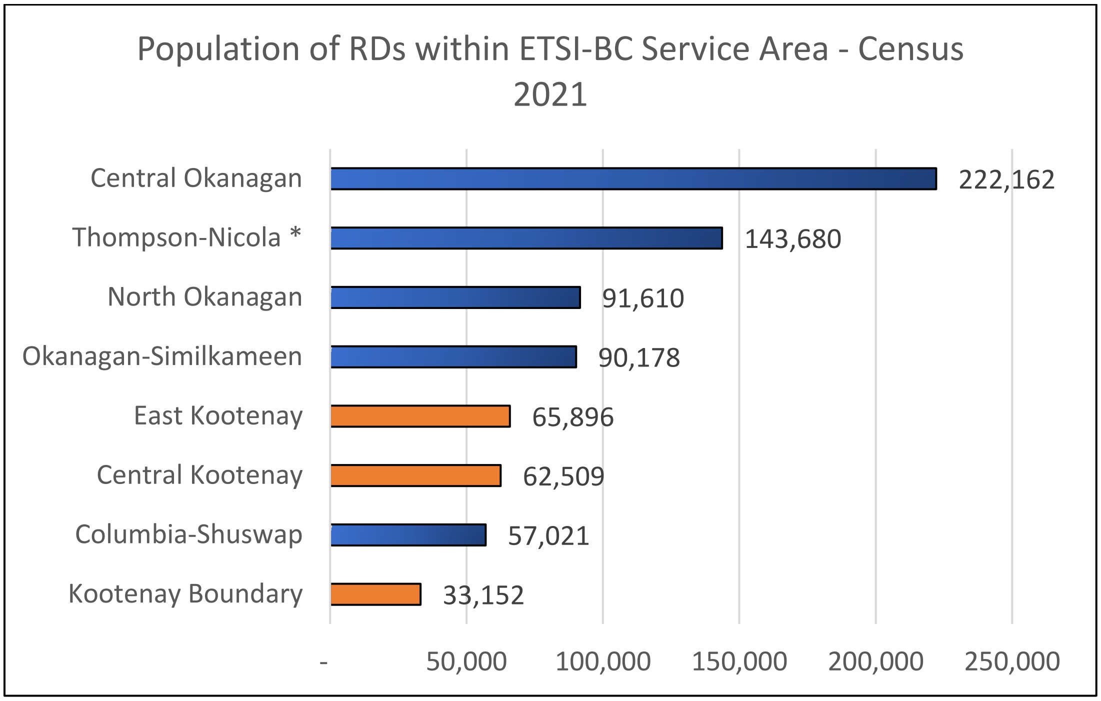
Median Age – 2021

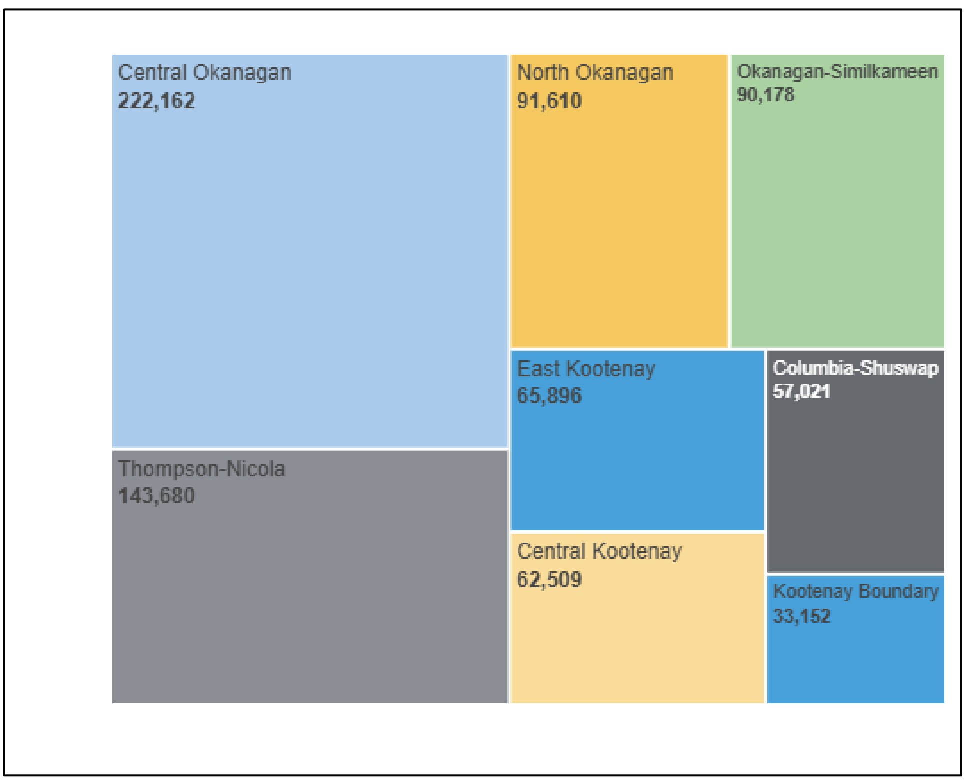
The median age of all of the ETSI-BC Regional Districts is considerably higher than the population of Canada (41.6) and of BC (42.8). This will likely slow economic growth in coming years because of the lower labour participation rate in older populations. This could be somewhat mitigated by significant in-migration. The SI region's older population might provide the biggest single threat to the economies of the Southern Interior.



Total Population - 2021

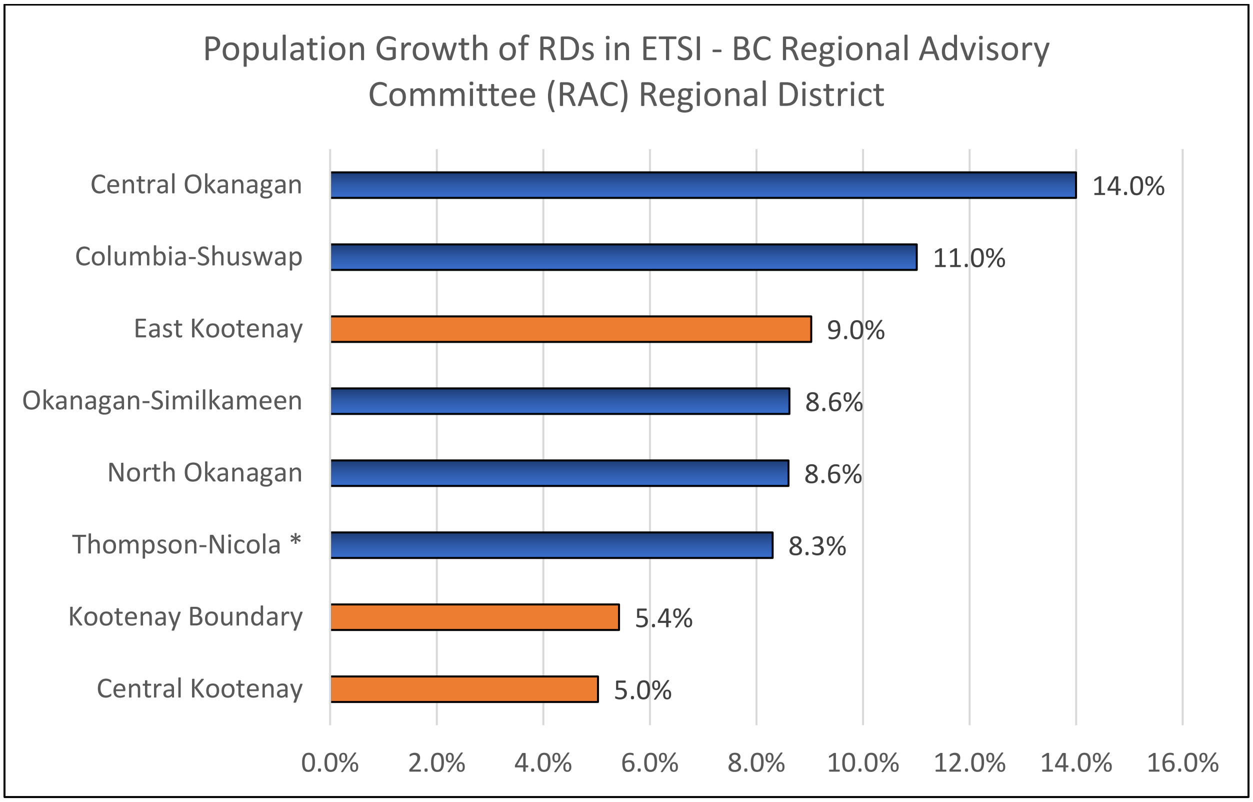
The Central Okanagan has the highest population of the eight Regional Districts (RDs) within the Southern Interior at 222,162 in 2021. The four top Regional Districts in terms of population in 2021 were all in the Thompson Okanagan region. Three of the four lowest were in the Columbia Kootenay region.





Population Growth 2016-2021

Population growth from 2016-21 was highest in the Central Okanagan (14.0%) and lowest in the Central Kootenay (5.0%). Only the RD East Kootenay was among the top six Regional Districts in the Southern Interior in terms of population growth from 2016-21. The RDKB and the RDCK experienced the slowest population growth in the Southern Interior.

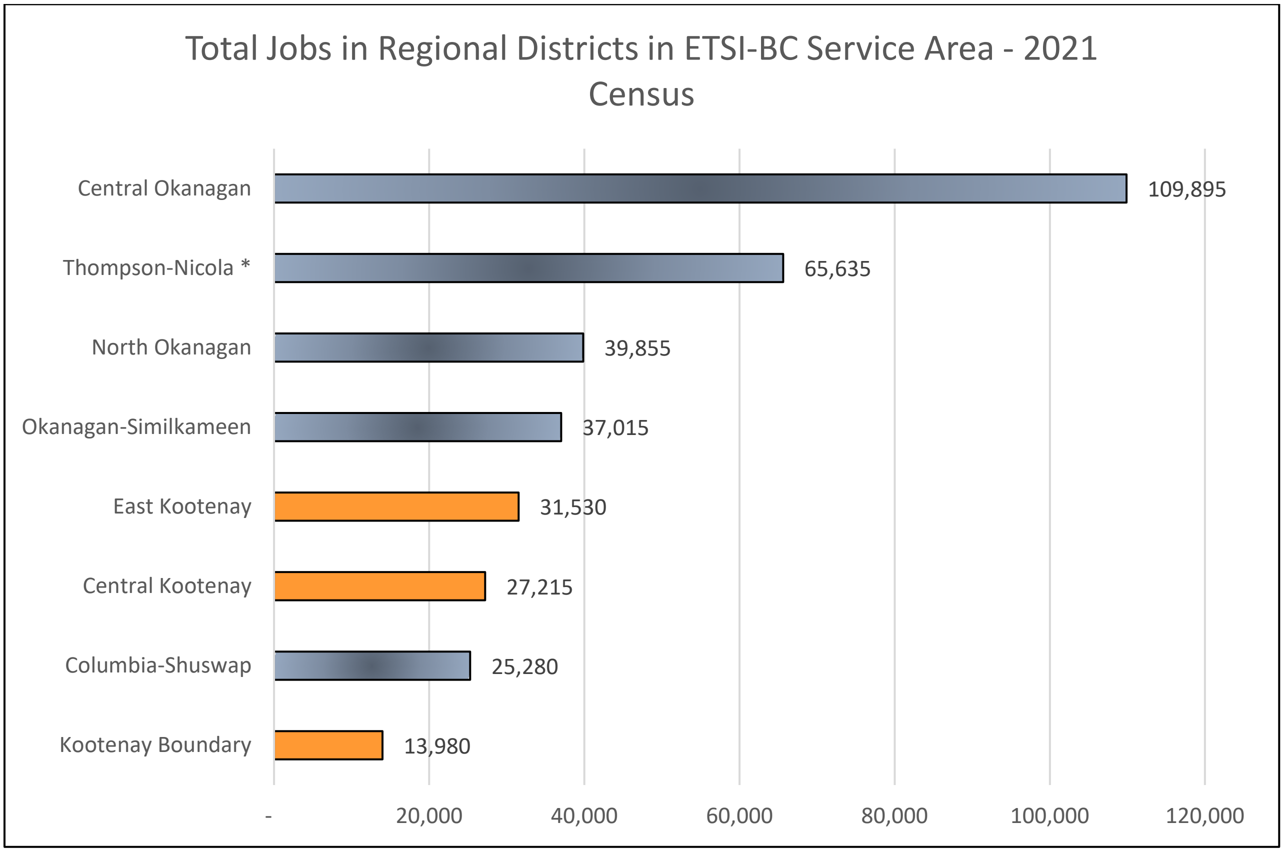


Population Growth in SI Regional Districts (2016-21)

	2016	2021	Growth/ Loss	% Growth
Central Okanagan	194,882	222,162	27,280	14.0%
Columbia-Shuswap	51,366	57,021	5,655	11.0%
East Kootenay	60,439	65,896	5,457	9.0%
Okanagan-Similkameen	83,022	90,178	7,156	8.6%
North Okanagan	84,354	91,610	7,256	8.6%
Thompson-Nicola *	132,663	143,680	11,017	8.3%
Kootenay Boundary	31,447	33,152	1,705	5.4%
Central Kootenay	59,517	62,509	2,992	5.0%

Total Jobs - 2021

The Regional District of Central Okanagan has the highest number of jobs at 109,895. They also posted the fastest growth of jobs, at 13.9% between 2016 and 2021. The four top Regional Districts in terms of total jobs in 2021 were all in the Thompson Okanagan region. Three of the four lowest were in the Columbia Kootenay region.

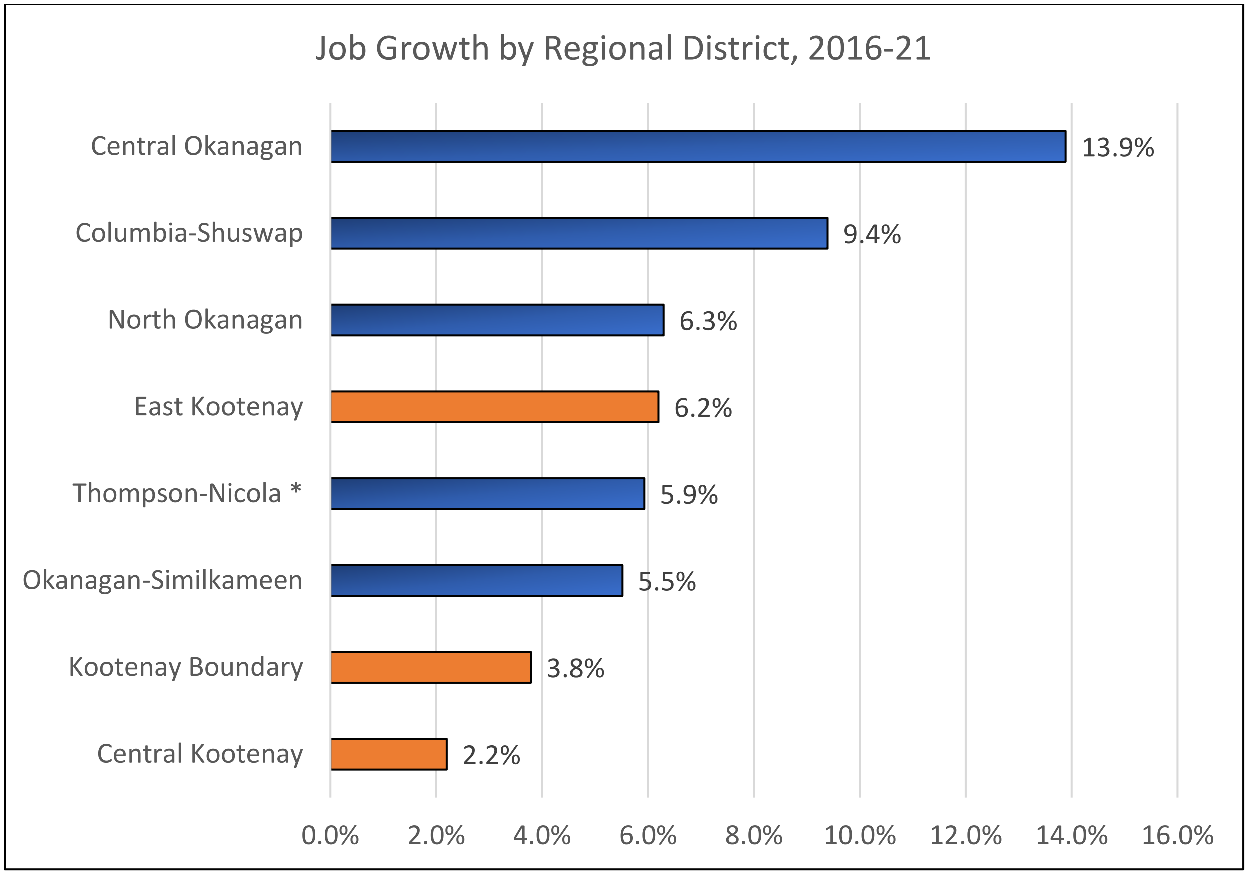


Job Growth in SI Regional Districts (2016-21)

	2016	2021	Growth/ Loss	% Growth
Central Okanagan	96,495	109,895	13,400	13.9%
Columbia-Shuswap	23,110	25,280	2,170	9.4%
North Okanagan	37,495	39,855	2,360	6.3%
East Kootenay	29,690	31,530	1,840	6.2%
Thompson-Nicola *	61,960	65,635	3,675	5.9%
Okanagan-Similkameen	35,080	37,015	1,935	5.5%
Kootenay Boundary	13,470	13,980	510	3.8%
Central Kootenay	26,630	27,215	585	2.2%

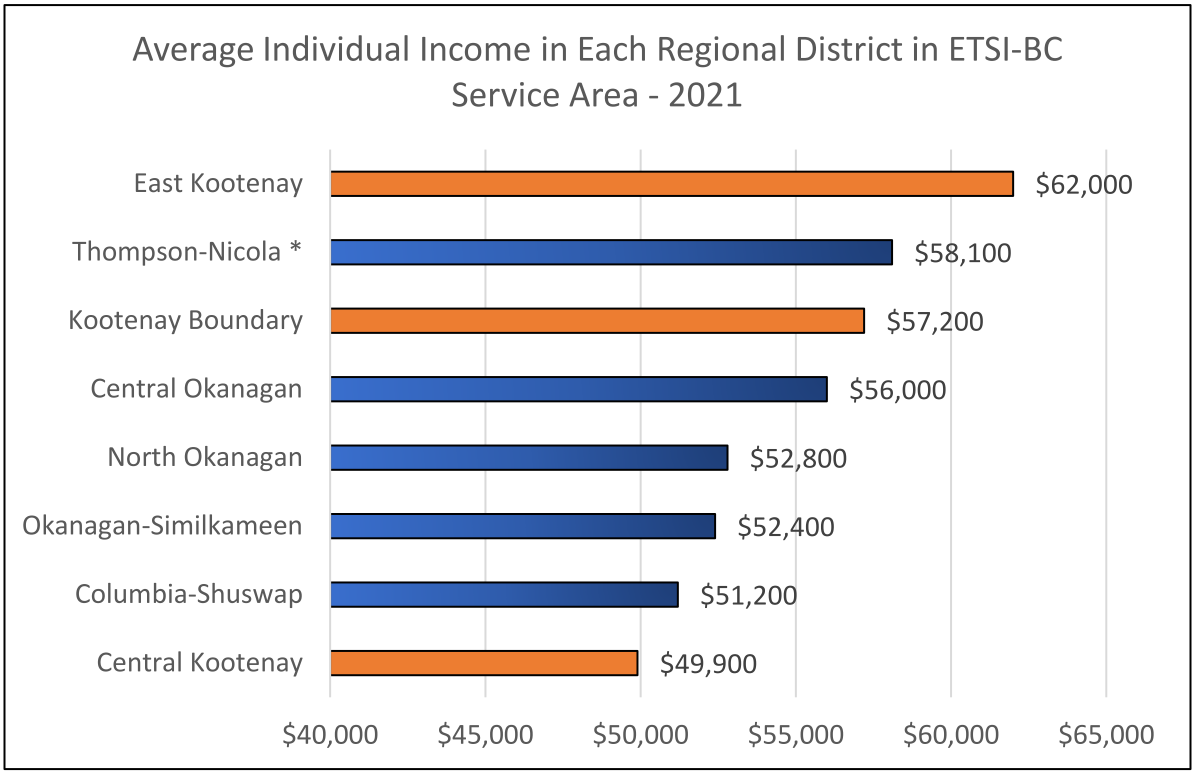
Job Growth – 2016 – 2021

Job growth from 2016-21 was highest in the Central Okanagan (13.9%) and lowest in the Central Kootenay (2.2%).



Average Income 2021

Average individual income from 2021 was highest in the RD East Kootenay ($62,000) and lowest in the RD Central Kootenay ($49,900).

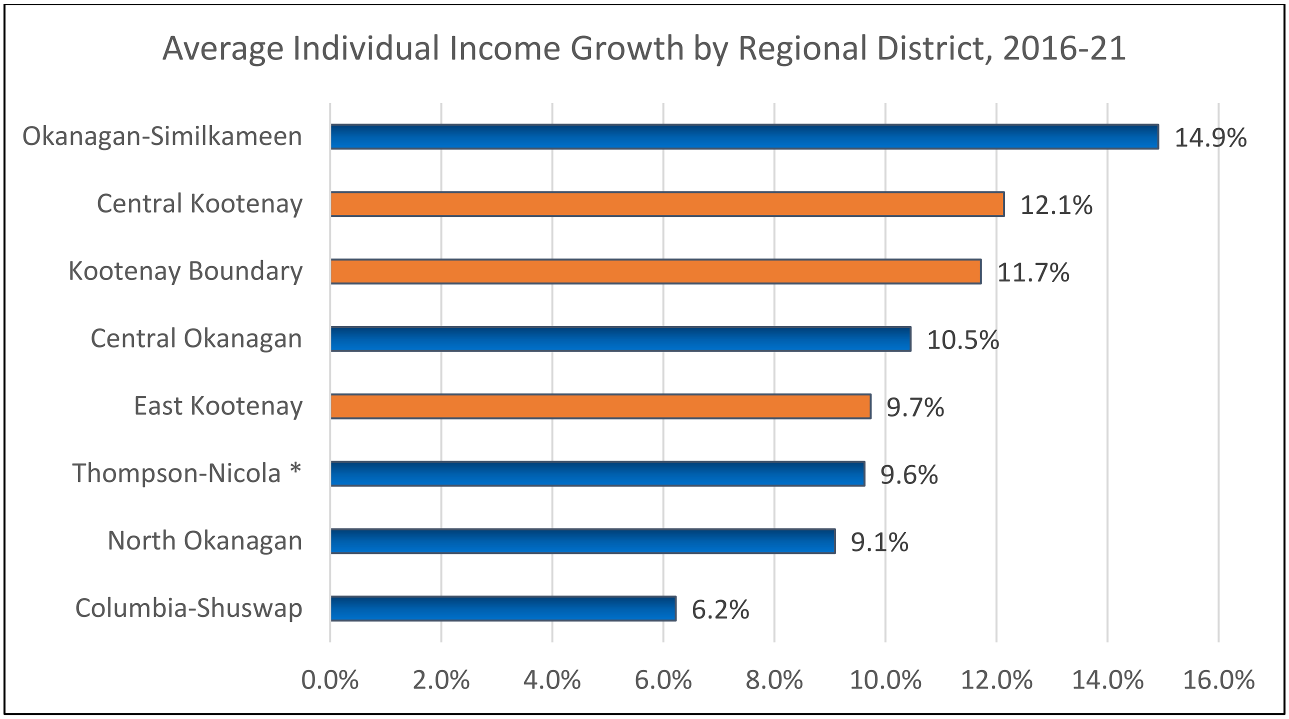


Income Growth in SI Regional Districts (2016-21) (sorted by Rate of Growth)

	2016	2021	Increase	% Increase
Okanagan-Similkameen	$ 45,600	$ 52,400	$ 6,800	14.9%
Central Kootenay	$ 44,500	$ 49,900	$ 5,400	12.1%
Kootenay Boundary	$ 51,200	$ 57,200	$ 6,000	11.7%
Central Okanagan	$ 50,700	$ 56,000	$ 5,300	10.5%
East Kootenay	$ 56,500	$ 62,000	$ 5,500	9.7%
Thompson-Nicola *	$ 53,000	$ 58,100	$ 5,100	9.6%
North Okanagan	$ 48,400	$ 52,800	$ 4,400	9.1%
Columbia-Shuswap	$ 48,200	$ 51,200	$ 3,000	6.2%

Income Growth 2016-21

Average income growth from 2016-21 was highest in the Okanagan Similkameen (14.9%) and lowest in Columbia Shuswap (6.2%).



J. About the Author

Mike Stolte, a former Government of Canada economist, is the President of the Centre for Innovative & Entrepreneurial Leadership (CIEL – www.theCIEL.com), based out of Nelson, BC. He is the originator and co-creator of the Business Vitality Initiative (BVI), the Community Vitality Initiative (CVI), the Communities 'Life Cycle' Matrix, and Tourism Vitality Index, all tools and processes to assess and strengthen communities.

Mike has spent many years working in the field of community, economic & business/ entrepreneurial development. He moved to the Kootenays 30 years ago to become the Business Analyst and then Community Economic Development (CED) Manager at Community Futures Central Kootenay. He has worked on many feasibility studies and economic analyses pieces in BC and elsewhere in Canada. He is the author and co-author of many publications in the field including:

- *Starting Strong: Community Economic Development Planning and Assessment Guide* (for the government of BC)
- *Beyond Economic Survival: 97 Ways Small Communities can Thrive – A Guide to Community Vitality*
- *The State of Entrepreneurship in Rural BC*
- *The (Economic) Value of a New Resident – A Model for Competitive Economic Growth in Rural Quebec (OLMC) Communities*

Mike has made presentations at the Federation of Canadian Municipalities (FCM), facilitated several national conferences and think-tanks and has written many articles and publications in the field of community and economic development. He has made presentations in Australia, New Zealand, and in many parts of Canada. His subject matter most often centers around the need and the method for creating entrepreneurial, vital and sustainable communities. His work has been featured in the Globe & Mail's *Report on Business*, *Canadian Living* & *Profit* magazines, on CBC Radio's *Sounds Like Canada*, and on the Australian Broadcasting Corporation.

Mike is the past president of the Canadian Rural Revitalization Foundation (www.crrf.ca). He holds degrees from Carleton University (MA in Public Administration) and the University of Western Ontario (Economics).

Mike Stolte

mstolte@theCIEL.com