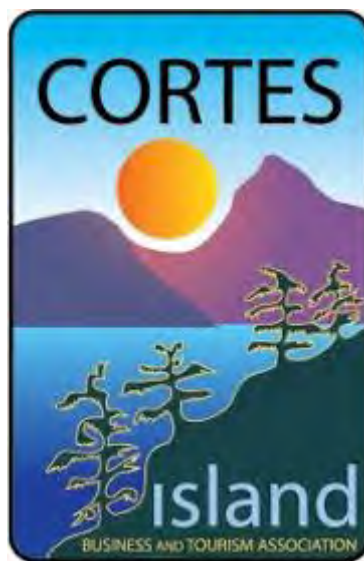


CORTES ISLAND LOCAL ECONOMIC ACTION PLAN FOCUS GROUPS AND SURVEY RESULTS

OCTOBER 2017

INSERT CORTES PICTURE



CONTENTS

BACKGROUND AND PROCESS	3
FOCUS GROUPS AND SURVEY METHODOLOGY	4
1. Respondent and Household Profile	6
Overview	6
1.1 Respondents age.....	6
1.2 Housing ownership and Household Profiles	7
1.3 Residency and intent to stay on/move to Cortes Island	9
2. Income, Employment, and Affordability	10
Overview	10
2.1 Household income, sources, and employment categories.....	10
2.2 Housing costs and self- reported affordability	13
3. Quality of life and Sectoral satisfaction	14
4. Attitudes and Perception of the Cortes Island Economy and Public Services	16
5. Opportunities and Concerns for Cortes Island.....	19

BACKGROUND AND PROCESS

The goal of the Cortes Island Local Economic Action Plan project (LEAP), led by the Cortes Island Business and Tourism Association (CIBATA) is to identify priorities Cortes Islanders would like to be pursued to ensure a healthy island economy into the future. The effort is in part funded by the Island Coastal Economic Trust (ICET) and the Strathcona Regional District. Between April and October 2017, the team gather a tremendous amount of information and opinions about trends and opportunities in the island economy. This information is presented here, and will help inform the development of a five years action plan, to be completed by February 2018. The LEAP process is guided by an independent Steering Group responsible for all aspects of the project. The chart below highlights our process and where and status at the time of publishing this document:

PROCESS TIMELINE



FOCUS GROUPS AND SURVEY METHODOLOGY

A key deliverable of our process is to gather broad and in-depth information about the Cortes Island economy. Our goal was to generate information that would be useful to the community regardless of the specific outcomes of the LEAP process. This information would also help ground our analysis in support of our final recommendation and a five years plan for Cortes Island. To date we have been thrilled by the level of engagement from the community. The two main research strategies we deployed was the delivery of an Economic Survey, which was completed by 230 individuals, and the hosting of a launch event and 10 focus groups, which were attended by 120 people.

SURVEY DESIGN

The survey was designed to both capture basic information about Cortes households that would help us validate the representation of our sample group with Stats Canada data, and most importantly to capture opinions and ideas in relation to trends, opportunities, and priorities to work in regards to the Cortes Island economy. The questions were selected based on those found in other rural economic development surveys; some specific questions that relate to Cortes; and a handful of questions that echoed those found in previous Cortes Island surveys (for example a housing-related question was formulated based on results of a prior Cortes Housing survey).

METHODOLOGY

The survey was set up on the platform Survey Monkey, which would allow a high level of customization and ability to segregate, filter, and compare data across different groups. The survey was promoted via posters, survey cards distributed by BC Ferries and the Coop, on Tideline, and through word of mouth. Paper copies were also made available for those who want to fill it out by hand rather than online. The survey also allowed visitors to the island to participate, though they would actually complete a different set of questions when doing so (which are not covered in this report). This set of strategies and decisions allowed us to promote the survey to everyone, with the hope to reach the highest level of saturation.

SURVEY ANALYSIS

The survey's statistical significance (based on an estimated resident and non-resident population) is a confidence level of 90% and confidence interval (variance in possible answer ranges) of 5%. The team reviewed the results and a bare minimum of analysis is provided in this report, so as to let community members review the results in a generally unfiltered way. Some observations are provided to highlight any noticeable trends in results. Questions 25-28 used "grounded theory" to identify concepts and number of occurrences. A synthesizing Word Cloud was created for each question based on the number of times a concept was mentioned, with bigger letters indicating more occurrences.

FOCUS GROUPS SUMMARIES

The focus groups were similarly designed to have in-depth small group conversations about certain economic aspects and groups in the community. The goal for the session was to identify trends and opportunities for each of those segments, and complement survey results. The summary to each question is presented as Word Clouds.

RESEARCH LIMITATIONS

The LEAP team is aware of research limitations, which we can sum up as follow:

- ✓ Question design limitations. As with any qualitative survey and focus groups the very questions asked can funnel assumptions about what is important. To mitigate - especially in the long-form answers and focus groups - we asked very broad questions about the Cortes Island economy, including quality of life as a whole.
- ✓ Sample size limitations. While we did our best to give everyone a chance to participate, we realize that not everyone did. In order to mitigate we asked questions that would allow us to see if any groups are over or under-represented (based on Stats Can data). We were pleased to find out that is not the case.
- ✓ Qualitative analysis skewing. Analyzing data to make it more accessible can skew results based on the bias of the researcher. Our mitigating strategy was to use grounded theory - which simply counts the number of mentions or occurrences of general categories, and represent the result in weighted word clouds.

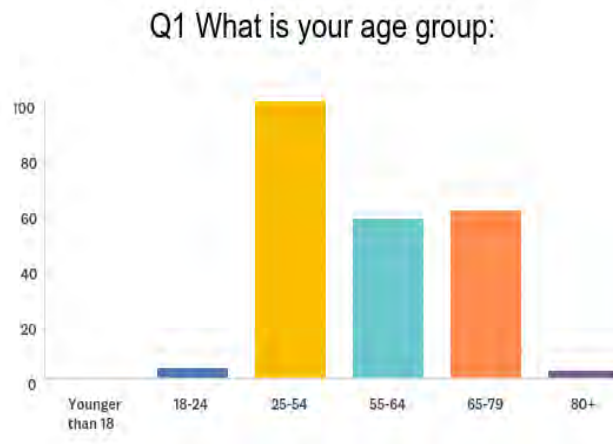
The LEAP team is committed to be transparent in terms of the strengths and weaknesses of our results, and are happy to answer questions about our methodology.

1. RESPONDENT AND HOUSEHOLD PROFILE

Overview

The survey was partially or fully completed anonymously by 230 individuals, 209 of whom completed it online via Survey Monkey and 21 via a paper version. 10 individuals were classified as “visitors”, leaving 220 respondents in the part-time or full-time resident categories. For the purpose of this report, we are presenting the results from part-time and full-time resident categories only, as they were the primary target for the survey, while those who self-categorized as “visitors” or “other” were directed to a different set of questions. The sample size for visitors was deemed too small to prove useful.

1.1 Respondents age

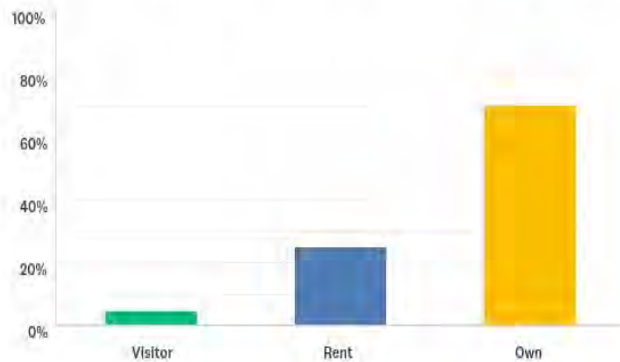


The age of respondents is reasonably representative of the Cortes Island adult resident population, with the exception of an almost absent representation of the younger-than-18 years old category (just 1 respondent). With the majority of questions requiring good knowledge of the management of financial affairs of households and the general island economic and tax structure, this limitation is noted but not seen as a critical concern. As seen in the table below, the number of respondents who are 80+ years old is also half of the perfect theoretical sample, with 3 respondents instead of a 8 ideal sample, and similarly for the 18-24 years old group. The 25-79 years old groups are generally well-represented and distributed, with the 25-54 age group (core working age) being represented slightly more than their perfect theoretical sample size.

Age group	2016 Census	LEAP Survey	Perfect theoretical sample
Younger than 18	135	1	30
18-24	65	4	14
25-54	345	100	77
55-64	200	58	44
65-79	250	61	55
80+	40	3	8
Total:	1035	226	226

1.2 Housing ownership and Household Profiles

Q2 Do you rent or own a home on Cortes or are you a visitor?

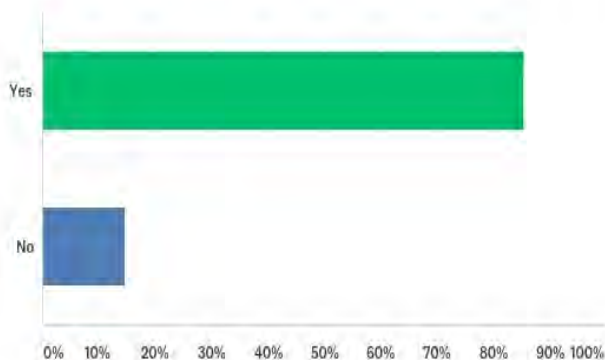


155 of respondents classified as owners, and 55 as renters. It is important to note that these responses apply to individuals and not to dwellings. In other words, 3 people from the same household could have completed the survey and listed as renters, thus skewing household type representation.

Accounting for this limitation, the results do suggest general representativeness from past results: A 2009 Cortes Island housing survey assessed a general ratio of 70% ownership.

***Further In-Depth:** It is worth noting that a higher proportion of renters tend to be between the ages of 25-54 (70%); have been here for a shorter period of time (60% under 10 years), and are slightly more likely to be part of a household with children under the age of 18 (36%).

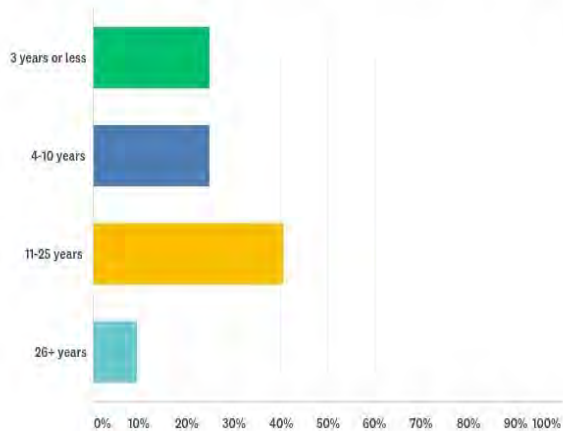
Q3 Are you satisfied with your current housing situation?



85% of respondents are satisfied with their current housing situation. 27 comments were provided by those who are not satisfied, who are in majority renters (65% not satisfied are renters). Those not satisfied provided 27 comments generally related to three key concerns:

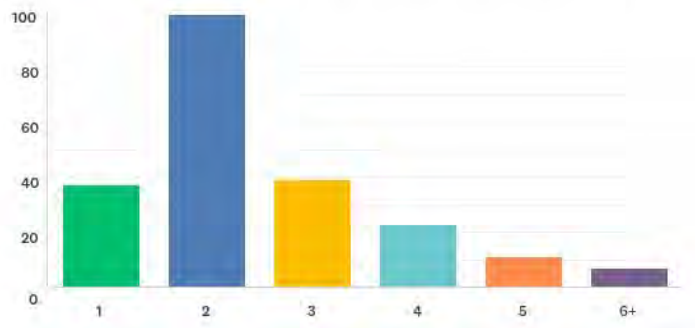
1. Cost and availability of rental options is low
2. Affordability of ownership is decreasing
3. Renters would like to become owners
3. Concern about losing existing rentals

Q4 How long ago did you first become a resident or ratepayer on Cortes Island?



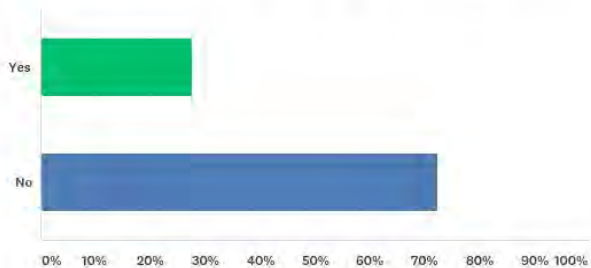
In terms of length of residency, close to a majority of Cortes Islanders have been residents for 11 to 25 years. Of those that moved 3 years ago or less, there is a proportion of 50/50 homeowners and renters and 30% have children under the age of 18. Generally speaking migration is well-represented across all age groups except 80 yrs +.

Q5 How many people live in your household?



Number of people per household is generally representative of Stats Can data, except for one person households who are slightly under-represented. Otherwise compared to national statistics Cortes Island has an average profile in terms of people-per-household proportions.

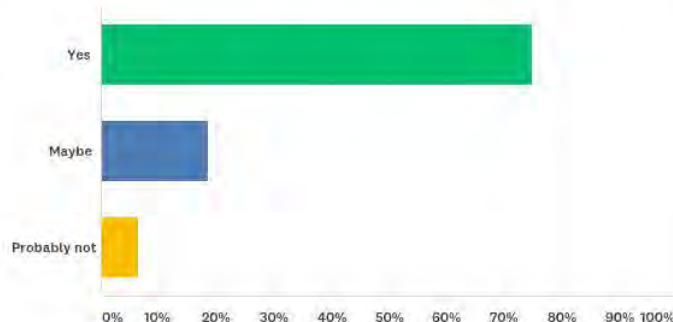
Q6 Do any children under the age of 18 live in your household?



28% of respondents report having children under the age of 18 living at home. The sample size of our survey would indicate that this would translate to 290 people living in a family with children situation. Incredibly, the 2016 Stats Canada survey indicates that precisely 290 live in this situation, indicating strong correlation between the two surveys.

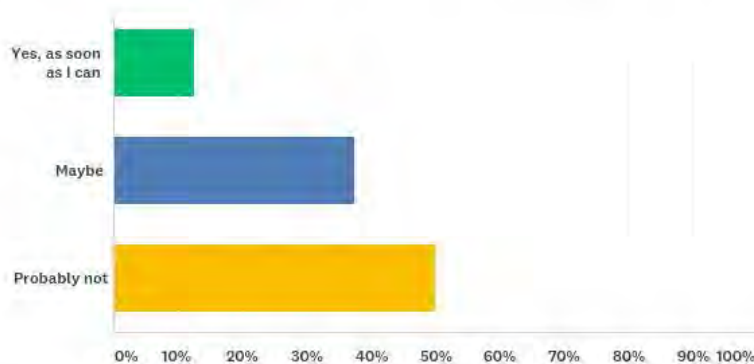
1.3 Residency and intent to stay on/move to Cortes Island

Q8 Do you plan to stay on Cortes Island full-time for at least the next 5 years?



In terms of intent of residency in the future, 75% of permanent residents intend to stay for at least the next 5 years, 19% maybe, and 6% probably not. For those potentially leaving, 18 comments were included. Two almost exclusive reasons for leaving were cited in 16 of those comments: 1) lack of affordable and secure housing, and 2) lack of income opportunities.

Q9 Do you plan to move to Cortes Island full-time in the foreseeable future ?



In terms of those who have a secondary or part-time home on Cortes, 50% probably will not move to the island in the next 5 years, 37% are considering it (maybe), and 13% "as soon as they can." 12 comments were included. 4 mentioned the cold and rainy winter as a reason not to move; 6 mentioned work concerns; and 2 mentioned lack of access, including internet.

2. INCOME, EMPLOYMENT, AND AFFORDABILITY

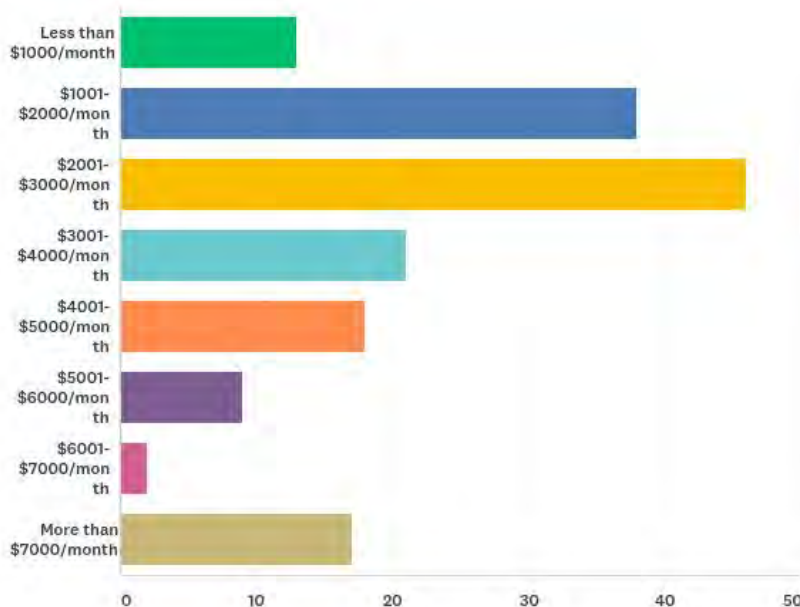
Overview

The steering group considered a number of options to assess income, employment, and, most importantly, affordability and livability. On the one hand, it was felt that Census data was too generalized, and that there may be better opportunity to capture useful information through a mix of quantitative (i.e., gross income) and qualitative (i.e., perceptions of affordability and ability to make ends meet) questions. One key consideration was whether to ask for gross vs. net household income. The decision was made to use Gross income because other questions would shed light on overall affordability and ability to make ends meet, while there was a concern that some respondents may have a hard time estimating or qualifying their net income.

It is also important to note that over 60 respondents decided not to answer some of the income questions, potentially due to privacy concerns, which was expected. The decision was made not to require answers to these questions, even though it would lead to variance in statistical significance between questions. While the sample size remains meaningful, the degree of significance is therefore lower than the questions above and below for this question. However, the data that was gathered is possibly more accurate and useful in assessing affordability and livability concerns, and being able to do a triage of affordability and livability concerns by population segments (renters vs. owners, young vs. old, permanent vs. part-time resident, high vs. low income, etc.).

2.1 Household income, sources, and employment categories

Q.30 What is your household's Gross Income (before taxes). ***This question was asked last but is presented in this section****



Survey responses indicate a broad diversity of gross household income levels on Cortes Island. Our survey estimates that the median gross household income for permanent residents is \$3,000/month, or \$36,000/year, while Statistics Canada indicates \$36,160/year - so again a high degree of correlation between the two surveys. This compares to \$75,412/year for the rest of Canada - so less than half.

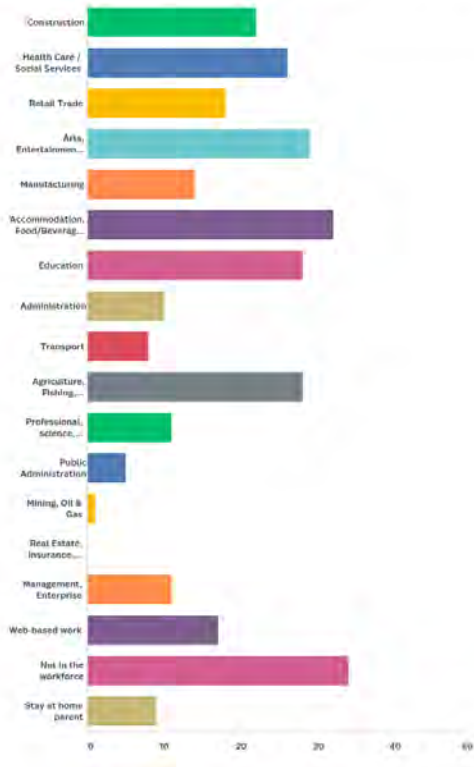
The survey also confirms that part-time residents earn substantially more than permanent residents, with a median household income estimated at \$6,200/month, and generally in line with the national average.

Q10 Please categorize your source/s of employment, from (1) providing the highest income to (4) the lowest (click N/A beside those that are not applicable)



The chart above may take you a moment to consider. It represents the weighted average, or importance of different streams of income across all households. While employment and self-employment are still the most important in the Cortes economy, this chart shows that the three other streams of income (government transfers, rental, and investment income) are very close in terms of importance to the local economy.

Q11 Which sector(s) do you work in (you may choose more than one answer):



In terms of type of work for self-employment and employment, 34% of respondents are out of the work force, representing the highest segment of the population. The five top active sectors are Accommodation-Food, Arts, Education, Agriculture/Fishing/Forestry, and Health Care in that particular order.

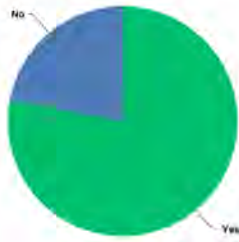
A strong majority (78%) of total respondents are satisfied with their employment and income situation.

***Further in-depth:** The group with the highest satisfaction includes those who have a household income of \$7,000+/month (94% satisfied), and part-time residents (90% satisfied). The group with the lowest satisfaction includes respondents 25 years old and younger (60% satisfied), renters (58% satisfied), and those with children 18 or younger in their household (66% satisfied).

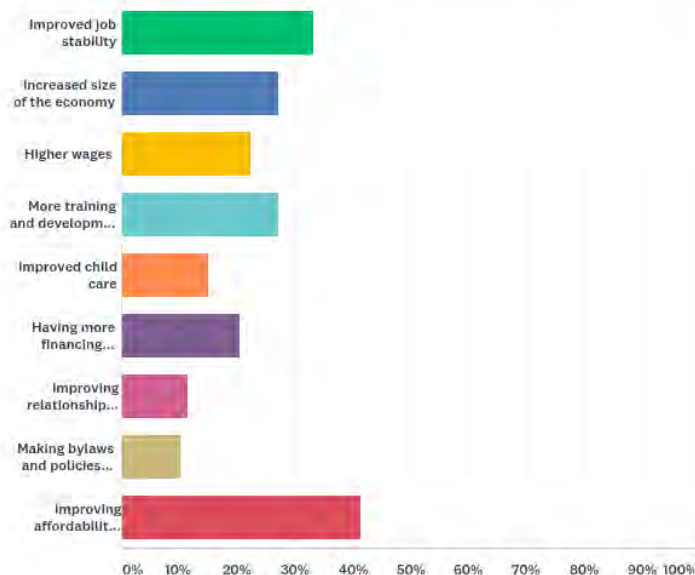
55 provided comments to qualify their choice. The following observations were noted:

- 21 comment related to the difficulty to make an income year-round (particularly in winter)
- 16 comments related to importance of off-island income
- 10 comments related to need for more social supports in order to work(child care was cited)
- 8 comments related to small size of economy.

Q12 Are you satisfied with your current employment and income situation?



Q13 What would improve income and employment on Cortes Island - please select the top TWO elements that you believe would have the most impact:

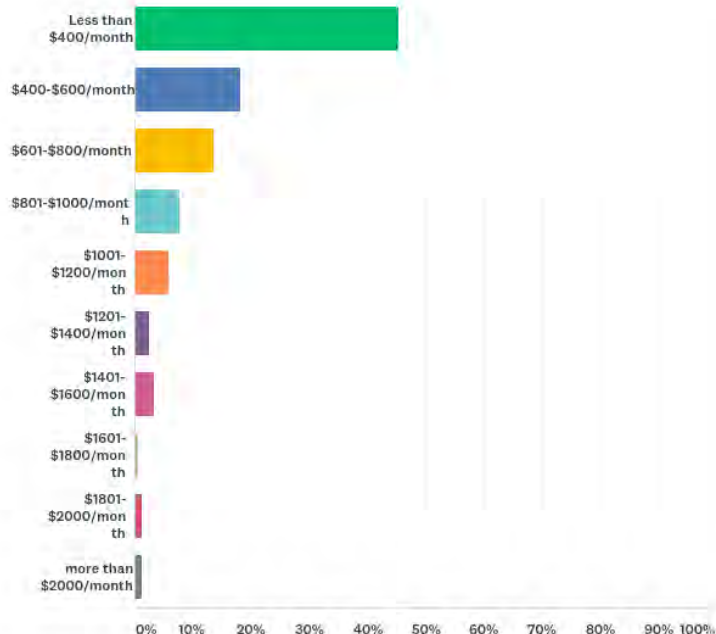


Looking at the broader island economy, survey respondents identified the following top three elements to improve employment and income on the island:

- 1) Improving affordability
- 2) Improving job stability
- 3) Increasing the size of the economy

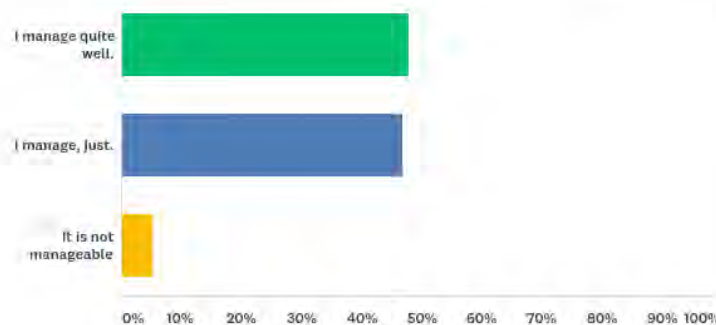
2.2 Housing costs and self- reported affordability

Q14 What is your monthly rent / mortgage on Cortes?



In order to keep the survey simple to complete, the steering group opted to ask for just rent or mortgage costs, rather than variable items such as utilities, maintenance, property taxes, etc. While this approach can be reconciled with affordability/homelessness formulas, a limitation is that it leaves potential high variations in total housing costs between households hidden. According to our survey, Cortes has a pyramid-like distribution in terms of cost of housing. In analyzing the numbers we estimate that 40% live rent/mortgage free. Of those who pay rent or a mortgage, 60% pay less than \$800/month. In terms of feeling comfortable with payments, 5% find it unmanageable (which translates to potentially 50 individuals, or 25 households).

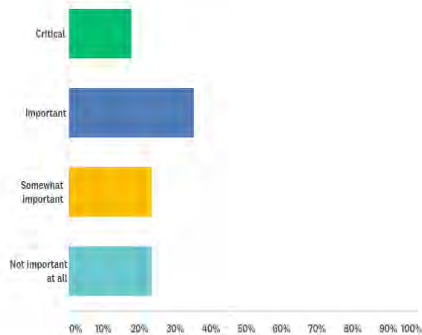
Q15 Do you feel that meeting basic housing costs including property taxes, insurance and standard maintenance is manageable on Cortes?



3. QUALITY OF LIFE AND SECTORAL SATISFACTION

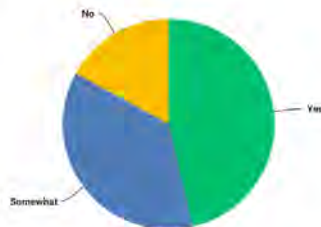
The Steering Group heard that the economy of Cortes Island is nestled in a broader social and ecological set of values. In other words, Cortes for many is more about lifestyle than money. At the LEAP Launch Event in April we were asked to approach this project holistically. As a result, this section aims to assess basic perception on the overall "quality of life" on Cortes.

Q16 How important is the informal economy to your ability to stay on Cortes? (by informal economy, we mean things like barter, favor exchanges, volunteer contributions, casual work...things that have a real monetary value but may not be capture by your income tax filings)?



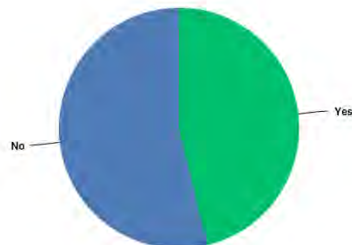
Informal Economy: Over 50% of Cortes Islanders view the informal economy as critical or important to sustain their life on the island. 15 comments were received which highlighted different aspects of the informal economy. On the negative some believe there are lost taxes or that it can create a false sense of security until real payments have to be made. On the positive volunteerism and barter were mentioned as key elements of resilience.

Q17 Are you satisfied with the level of on-island healthcare services?



Health Care: 82% of respondents are satisfied or somewhat satisfied with health care services on Cortes. 41 comments were noted on the topic. Of these, over 35 comments related to the need to have either a full-time doctor on-island, or at least regular doctors that visit.

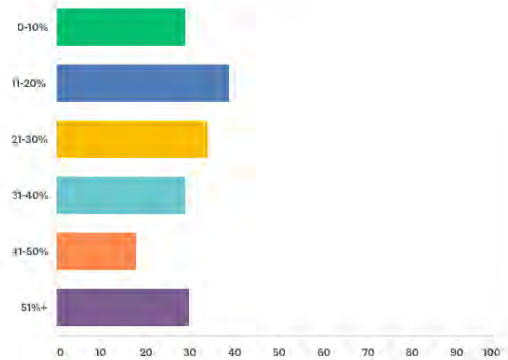
Q18 Are you satisfied with the island's current modes of transportation (private and public)?



Transportation: 46% of respondents are satisfied with the island's modes of transportation. 73 comments were made. The top categories of comments related to:

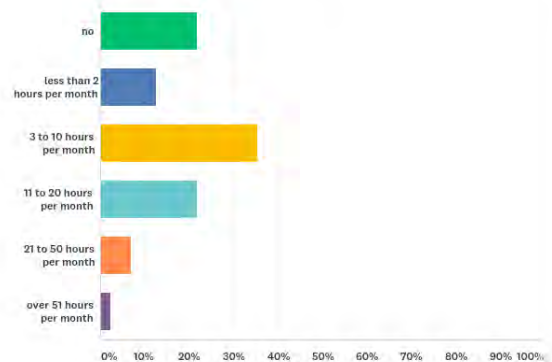
- 1) Need for improved ferry service (fare/schedule)
- 2) Need to add to Cortes Connection service for public connectivity, with most reference for on-island service
- 3) Need for better bike/walk trails

Q19 Estimate the percentage of your food that you produce or source from Cortes producers as part of your diet?



Food Security: 63% of respondents estimate that they produce or source 21% or more of their food from Cortes Island products. Those most likely to produce or source more food from on-island are low income households (the average goes to 74% of this group producing 21% or more).

Q20 Do you volunteer your time?

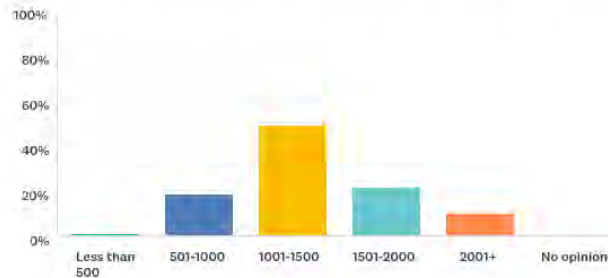


Volunteerism: 66% of respondents volunteer 3 hours or more per month. Those in the 25-54 working group were less likely to volunteer compared to their normal sample group. Other than this variable, the data did not indicate strong correlation in the answer for other groups (i.e., owners' vs. renters, permanent vs. part-time residents, etc.).

Further In-Depth: Based on results from this survey, and assuming a \$24 average value per volunteer hour, we estimate the minimum annual value of volunteerism on Cortes Island to be \$1,5 million/year to the local economy.

4. ATTITUDES AND PERCEPTION OF THE CORTES ISLAND ECONOMY AND PUBLIC SERVICES

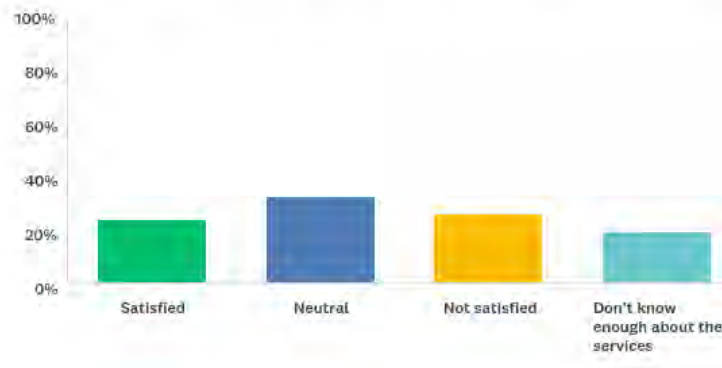
Q21 There are currently about 1000 full-time residents on Cortes Island. In the long-run, what would be the ideal year-round population for Cortes?



79% of respondents would like to see an increase in the population of Cortes Island. 31% would like to see the population at more than 1,500, against 21% who would like to maintain it at less than 1000.

No specific correlation could be found between specific groups and choices of answer.

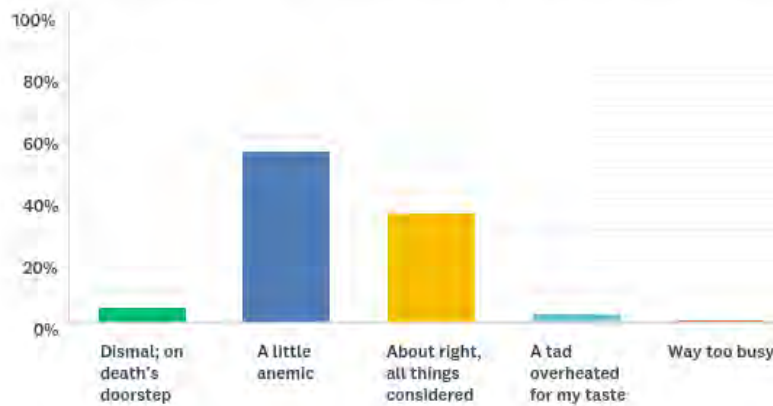
Q22 Are you satisfied with the property tax rate and delivery of local public services on Cortes Island (for regional district services)?



The survey indicates that most respondents are neutral in terms of satisfaction with local public services and the property tax rate, with slightly more people being not satisfied than satisfied. 19% feel like they don't know enough about the services to be able to judge their satisfaction. 44 comments to the questions were provided. Most comments (22) highlighted the need for road improvements. The next most cited item was to secure funding for the community halls (13). Other comments provided suggestions to new services consideration;

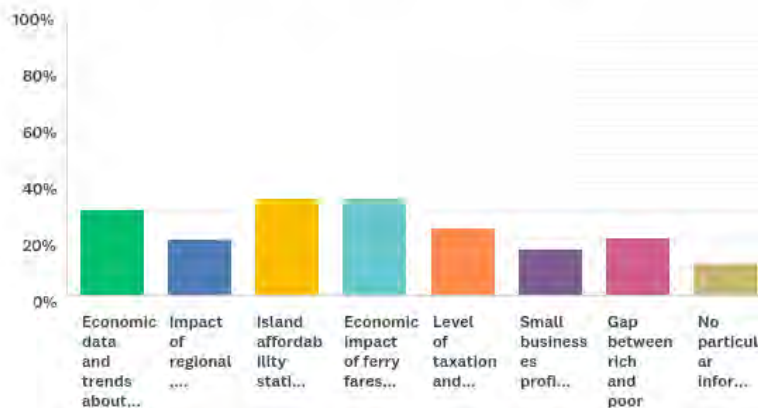
satisfaction with keeping taxes low, and dissatisfaction with certain services. Households with higher incomes were more likely to be dissatisfied with services and the tax rate (34% not satisfied).

Q23 Do you think the economy of Cortes Island is:



60% of respondents believe that the Cortes Island is a little anemic. In terms of information that would enable people to make informed decisions about Cortes Island's future, the top three were the economic impact of ferries on the local economy, island affordability statistics, and economic data and trends about the Cortes economy..

Q24 What are the top two pieces of information that would enable you to make informed decisions about Cortes' future?



5. OPPORTUNITIES AND CONCERNS FOR CORTES ISLAND

Q25 Thinking in broad terms, what are the two best things Cortes Island has going for it?



Q26 Thinking in broad terms, what is lacking on Cortes Island, or is holding the island back from reaching its full potential?



Q27 Moving forward, what kinds of things, broad or narrow, could be done to ensure you and others can live on Cortes?



Q28 Is there one trend you're seeing which concerns you about Cortes Island's future?

