



Economic Participation and Contributions of First Nations in BC

Prepared for the BC Assembly of First Nations

Final Report



Contents

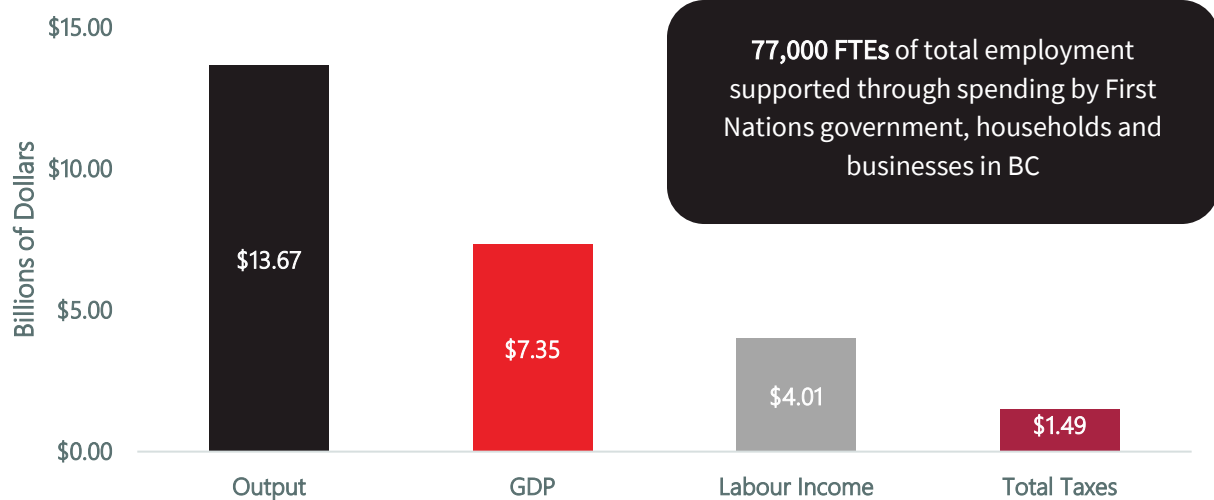
Executive Summary	3
1 Introduction	4
1.1 Background and Purpose	4
1.2 Approach	4
1.3 Structure of the Report	4
1.4 Limitations	5
2 Methodology	6
2.1 Data Sources	6
3 Overview of First Nations Communities in BC	7
4 Economic Contributions of First Nations Peoples in BC	15
4.1 Overview	15
4.2 Economic Impact Analysis	16
4.3 Economic Contributions by First Nations Governments	17
4.4 Economic Contributions from First Nations-Owned Businesses	20
4.5 Economic Contributions by Households	24
4.6 Total Economic Impacts from First Nations Communities in BC	27
4.7 Comparisons	29
Appendices	30



Executive Summary

The BC Assembly of First Nations engaged MNP LLP to undertake a study examining the economic participation and contribution of First Nations in BC. The report is intended to provide a baseline and will be used to track progress moving forward.

Total Economic Contributions of First Nations in BC in 2021



The GDP generated by the First Nations economy was approximately equivalent to **2.6 percent of BC's total GDP in 2021.**

Key Statistics

- The majority of First Nations' household income is generated through employment** – Approximately 87 percent of income for First Nations' households comes from employment income and the majority of employment income is generated through employment at non-First Nations-owned businesses and organizations.
- First Nations tax contributions** - While there are a number of tax exemptions for income earned by First Nations through entities based on reserve lands or for specific purchases, the vast majority of income and purchases made by First Nations in BC are subject to the same taxation as income and purchases by non-Indigenous People. In 2021, taxes generated through the First Nations economy were estimated to be approximately \$1.5 billion.
- First Nations peoples have lower incomes than non-First Nations in BC** – The median income of First Nations living off-reserve in BC is approximately 86 percent of the total provincial median income, while for individuals living on-reserve it was 66 percent of the provincial median income.
- Population growth among First Nations peoples is slowing** – From 2006 to 2016, First Nations peoples were among the fastest-growing populations in BC. However, growth rates slowed from 2016 to 2021, and were slightly below the overall BC population growth rate.



1 Introduction

1.1 Background and Purpose

First Nations economic development is a priority for First Nations organizations across Canada. In BC, the BC Assembly of First Nations (“BCAFN”) has taken a lead role in advancing economic development and supporting First Nations in achieving their economic development goals and objectives. As part of this, the BCAFN is creating a BC First Nations Economic Development Centre of Excellence (“CoE”).

To accompany the launch of the CoE, the BCAFN engaged MNP LLP (“MNP”) to develop a benchmark report that measures the economic participation and contribution of First Nations in BC. The report is intended to provide a baseline and will be used to track progress moving forward.

1.2 Approach

In preparing this report, MNP undertook the following activities:

- Collected data and information from publicly available sources and through interviews with subject matter experts.
- Developed estimates for the number of First Nations peoples and total expenditures or revenues for First Nations governments, households and businesses.
- Developed estimates of the economic contributions of First Nations governments, households, and businesses

1.3 Structure of the Report

The remainder of this report is organized as follows:

- Section 2 describes the methodology and approach used in the study.
- Section 3 provides an overview of the First Nations’ economy in BC.
- Section 4 provides estimates of the contributions of First Nations in BC.



1.4 Limitations

The report is provided for information purposes and is intended for general guidance only. It should not be regarded as comprehensive or a substitute for personalized, investment or business advice.

We have relied upon the completeness, accuracy and fair presentation of all information and data obtained from BCAFN and public sources, believed to be reliable. The accuracy and reliability of the findings and opinions expressed in the presentation are conditional upon the completeness, accuracy and fair presentation of the information underlying them. As a result, we caution readers not to rely upon any findings or opinions for business or investment purposes and disclaim any liability to any party who relies upon them as such.



Picture provided by BCAFN.

2 Methodology

Figure 1 provides a high-level overview of the approach used to undertake the study.

Figure 1: Approach

Data Collection	Modelling	Reporting
<ul style="list-style-type: none"> Gathered data from publicly available sources. Reviewed available data to identify gaps. Identified supplemental sources to fill data gaps. Conducted interviews with representatives of organizations that work with First Nations businesses to gather information on the number of First Nations - owned businesses in BC. 	<ul style="list-style-type: none"> Developed estimates of the number of First Nations Peoples in BC. Estimated the total expenditures associated with activities within First Nations communities, across government, businesses and households, by industry category. Estimated the contributions that First Nations Peoples make to the BC economy. 	<ul style="list-style-type: none"> Prepared a draft report of the study findings and incorporated feedback from BCAFN into this final report.

2.1 Data Sources

Data used in the study were collected through a combination of primary and secondary research. The secondary sources used included the following:

- Indigenous Services Canada (“ISC”).
- First Nation financial statements, published under the First Nations Financial Transparency Act.
- Canada Revenue Agency.
- Statistics Canada.
- Canadian Council for Aboriginal Business (“CCAB”).
- Innovation, Science and Economic Development Canada (“ISED”).
- BC Stats.
- First Peoples’ Cultural Council.
- BC Treaty Commission.
- Vancouver Economic Commission.

Terminology:

First Nations – One of the Indigenous Peoples of Canada as defined in Section 35 of the Constitution Act, 1982. This refers to Indigenous Peoples who are neither Métis or Inuit. It includes both status (e.g., are recognized under the Indian Act) and non-status Indians (e.g., either have lost their status or have not had their status recognized).

Band – Refers to the basic unit of government for a First Nation subject to the *Indian Act*. Bands are generally led by an elected Chief and Council, as well as Hereditary Chiefs in some cases; and can have a custom or standard electoral code. A First Nation Band provides local services to their community and manages their reserve lands.

Reserve - Land set aside by the federal government for the use and occupancy of a First Nation or Band. Nations in BC may have one or several reserves.

Source: Indigenous Services Canada

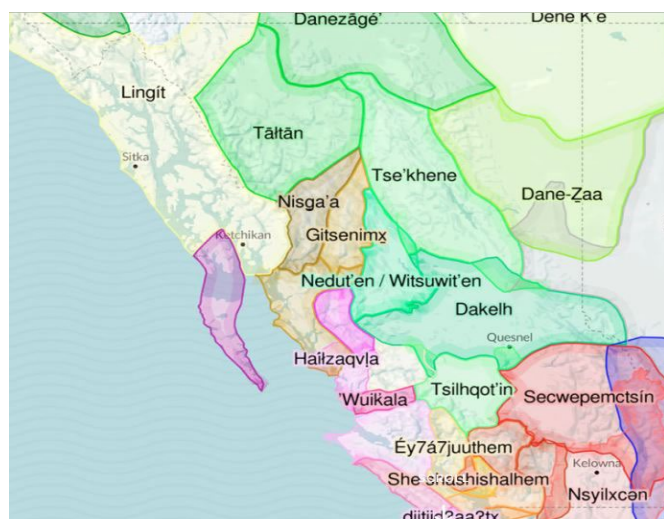


3 Overview of First Nations Communities in BC

Population and Geography

First Nations in BC were historically among the most culturally and linguistically diverse populations in Canada, with seven distinct language families, each completely unique and unrelated.

Figure 2: First Nations Language Groups in BC



Source: First Peoples' Cultural Council

Table 1: First Nations Population in BC in 2021

	Population	(%)
First Nations	180,100	
On-reserve	63,000	35%
Off-reserve: BC First Nations	91,100	51%
Other*	26,000	14%

Source: Indigenous Services Canada, Statistics Canada

*This includes non-Status individuals that self-identify as First Nations, as well as Status First Nations from other parts of Canada.

First Nations Identity

Identity comes from connection. Recognition of First Nations identity requires both self-identification and acceptance by the community with which an individual self-identifies.

Figure 2 displays the First Nations language groups in BC. Today there are 204 First Nations in BC and 34 distinct First Nations languages spoken in BC (and over 90 dialects). This represents approximately 50 percent of all First Nations languages spoken in Canada.¹

In 2021, there were approximately 180,100 First Nations people in BC, which represented approximately 3.6 percent of the province's population (see *Table 1*).² This includes all on- and off-reserve members of BC First Nations, as well as members of non-BC First Nations living in BC. Approximately 35 percent of the First Nations individuals in BC live on-reserve (63,000). Those living off-reserve include both individuals registered under the *Indian Act* and individuals that self-identify as First Nations.

¹ First Peoples' Cultural Council. "Report on the Status of B.C. First Nations Languages – Third Edition". 2018. Available here: <https://fpcc.ca/wp-content/uploads/2020/05/FPCC-Fact-Sheet-Language-Report-2018.pdf>

² Statistics Canada. Population Estimates.



As shown in *Figure 3*, the Vancouver Island/ Coast development region has the largest number of First Nations (54), as well as the largest population of First Nations living on-reserve (18,500). It is part of the traditional territories of many Coast Salish First Nations, a large and diverse linguistic and cultural group of First Nations communities. The Mainland/ Southwest has the second largest number of First Nations (47) and has the largest population of First Nations living off-reserve (43,400). It is also part of the traditional territories of the Coast Salish First Nations.

The North Coast/ Nechako region has the overall highest percentage of First Nations (27 percent in 2021) peoples of any region in BC.

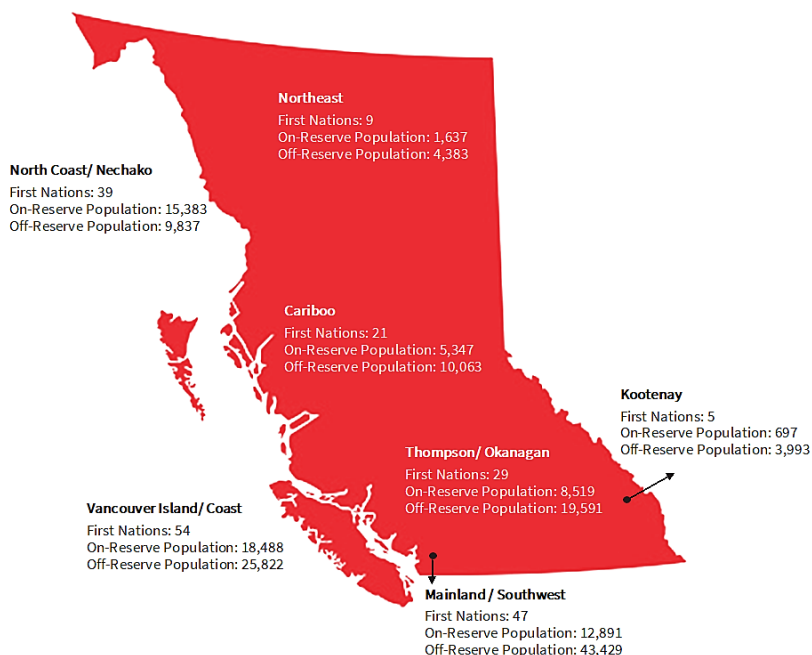
It is the traditional territories of

the Coast Tsimshian, Haida, Tlingit, Nisga'a, Tahltan, Sekani, Kaska Dene, Dakelh and Wet'suwet'en.³ The Cariboo and Thompson/Okanagan development regions have a combined 50 First Nations, and include the traditional territory of the Secwepemc, Stl'atl'imx, Tsilhqot'in, Dakelh, Sto:lo, Nlaka'pamux and Okanagan.⁴ The Kootenay and Northeast regions have the smallest number of First Nations and lowest First Nations populations in BC. The Kootenay region is the traditional territory of the Ktunaxa ethnic and linguistic group while the Northeast region is the traditional territory of the Dene Tha', Acho Dene Koe and Kaska Dene.

Population Trends

The population of BC First Nations has grown from approximately 129,600 in 2006 to 180,100 in 2021.⁵ Between 2006 and 2011, the growth rate of the First Nations population in BC (19.6 percent) far outpaced the growth rate of the overall population (5.1 percent). Since 2011 the growth rate of the First Nations population in BC has been trending down and between 2016 and 2021 it was lower (4.4 percent) than that of

Figure 3: First Nations and First Nations Population, by Development Region, 2021



Source: First Peoples' Cultural Council, ISC, Statistics Canada.

³ BC Assembly of First Nations.

⁴ Ibid.

⁵ Statistics Canada Census Profiles. 2006, 2011, 2016, 2021



the overall population (7.6 percent). Trends in BC are consistent with those observed across Canada.⁶ Previously elevated population growth rates among First Nations were due in part to higher birth rates and increased lifespans of First Nations, as well as the increasing likelihood of Statistics Canada survey respondents identifying as First Nations, when they previously had not.⁷ There have also been several changes to the *Indian Act* which restored the right to claim status for women and their descendants who lost status as a result of sex based inequities (see text box *Discrimination within the Indian Act*).

Figure 4 displays the overall population levels of BC First Nations from 2006 to 2021, while **Figure 5** displays the growth rates of BC First Nations compared with the overall population from 2006 to 2021.

Figure 4: Population, BC First Nations, 2006 to 2021

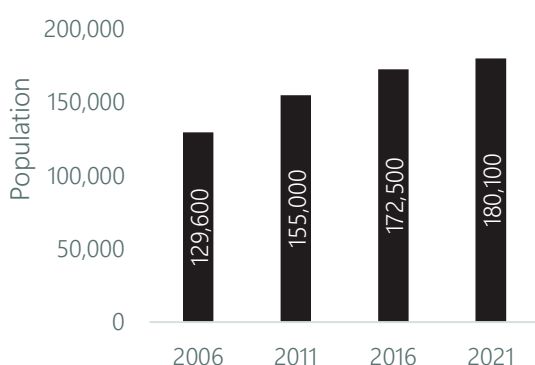
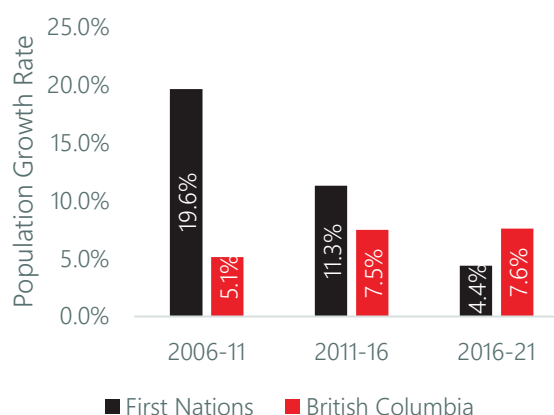


Figure 5: Population Growth Rate, BC First Nations vs. Total Population



Source: Statistics Canada Census Profiles. 2006, 2011, 2016, 2021

Discrimination within the *Indian Act*

In 2010, Bill C-3 was passed as an amendment to the *Indian Act*. It allows individuals born after 1951 to apply for registered Indian status if their grandmother lost status as a result of marrying a non-status man. Consequently, approximately 45,000 Indigenous Canadians were estimated to be entitled to register for status, of which 39,000 applied for registration by 2017.*

In 2017, Bill S-3 was passed to eliminate sex discrimination to ensure Indigenous women and their descendants have full status as Indigenous men and their descendants do. In 2019, the *Indian Act* was further amended to remove the 1951 cut-off date from Bill C-3, so that all descendants of Indigenous women that lost their status, no matter their age, are eligible to receive status. The Canadian government estimates this change could result in between 270,000 and 450,000 individuals being newly eligible to register for status between 2019 and 2029.**

* Office of the Parliamentary Budget Officer. "Bill S-3: Addressing sex-based inequities in Indian registration."

** CBC. Available here: <https://www.cbc.ca/news/indigenous/bill-s-3-indian-act-sex-discrimination-1.5249008>

⁶ Statistics Canada. Available here: <https://www150.statcan.gc.ca/n1/daily-quotidien/220921/dq220921a-eng.htm>

⁷ Statistics Canada. Available here: <https://www150.statcan.gc.ca/n1/daily-quotidien/220921/dq220921a-eng.htm>



Tribal Councils

Approximately 50 percent of First Nations in BC have on-reserve populations of under 200 people, with 25 percent having fewer than 100 people and only 2 percent having over 1,000.⁸ Small on-reserve populations present unique challenges in providing essential services for Band members and negotiations with federal and provincial governments. As a result, many First Nations in BC have joined together to create tribal councils to provide services to Band members across multiple Nations collectively. Approximately 60 percent of First Nations belong to the 22 tribal councils within BC.⁹ Tribal councils range in size from two First Nations (Council of the Haida Nation) to 14 First Nations (Nuu-Chah-Nulth Tribal Council).¹⁰

Tribal Council – An association of First Nations Bands, typically along geographic or cultural/linguistic lines, that join to provide services to Band members. This can include operating schools, negotiating economic benefits, providing community workshops to membership, as well as other services.

Service Centre - The nearest community to which a First Nation group can refer to gain access to government services, banks and suppliers. A service centre would have the following services available:

- Suppliers, material and equipment (i.e., for construction, office operations, etc.)
- A pool of skilled and semi-skilled labour
- At least one financial institution (i.e., bank, trust, company, credit union, etc.)

Source: Government of Canada, Crown-Indigenous Relations and Northern Affairs Canada.

Source: Indigenous Services Canada

Remoteness

Despite the economic opportunities that may be gained through collective participation in a tribal council, the proximity to major population centres is an important factor in shaping the socio-economic opportunities of communities. First Nations peoples that live on-reserve generally live in more remote and northern parts of the province, and often lack access to essential services.

Approximately 55 percent of the on-reserve First Nations population in BC live in remote areas, meaning they are located at least 50km from the nearest service centre. Additionally, 15 percent of the on-reserve First Nations population in BC live in communities that do not have year-round road access. In comparison, approximately 12 percent of the BC's population lives in places categorized as 'rural', meaning a population centre of less than 1,000 with a population density of less than 400 people per square kilometre.¹¹

⁸ Indigenous Services Canada.

⁹ Ibid.

¹⁰ Ibid.

¹¹ Statistics Canada. Available here: <https://www12.statcan.gc.ca/census-recensement/2021/as-sa/98-200-x/2021002/98-200-x2021002-eng.cfm>



Small Communities – Historical Roots and Treaty Process

BC's treaty-making process was very different compared with that in other provinces in Canada. This has been important in shaping the current socio-economic conditions among BC First Nations. The only historic treaties in BC were the extension of Treaty 8 into northeastern BC and the Douglas treaties on Vancouver Island, both of which covered a small number of First Nations. Historic treaties were not concluded in any other part of BC. As a result, in the 1800s the BC provincial government took the position that First Nations did not have rights to land within the province aside from those within already created reserves.

When reserves were being created in BC, reserve acreage was considerably smaller than in other provinces. The average size was approximately 20 acres per family in BC, compared with 640 acres per family in the Treaties 3 and 11 areas in Ontario, Manitoba and the Northwest Territories. Additionally, reserves were often created outside First Nations' traditional territory and away from important waterways and resources that could provide economic opportunities. Reserves were also periodically reduced in size and expropriated by the BC Government to be used for farming and resource extraction. In some cases expropriated lands were re-allocated to settlers. Limitations on activities that could be performed on reserve (e.g., sale of livestock or produce grown on the reserve), disruption of traditional networks and hunting and gathering activities led to increases in poverty among First Nations and unequal access to economic opportunities beginning in the late part of the 19th century.

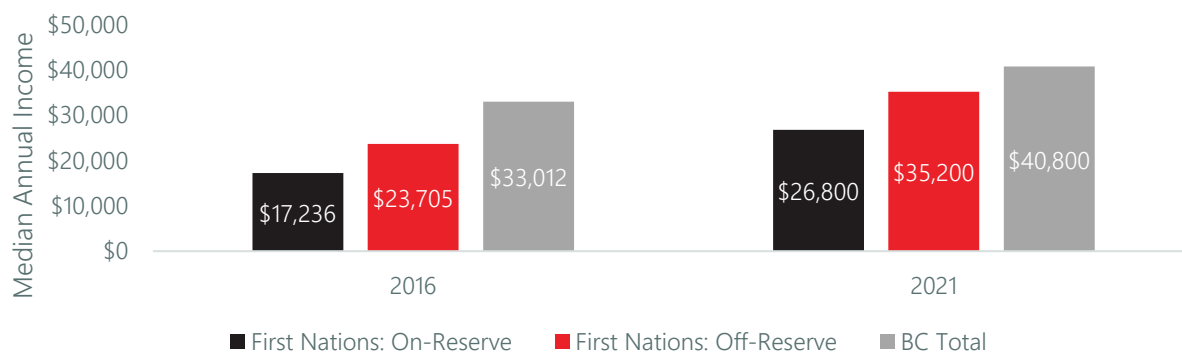
*Source: Government of Canada. A New Direction: Advancing Aboriginal and Treaty Rights
UBC Indigenous Foundations. Available here: <https://indigenousfoundations.arts.ubc.ca/reserves/>*

Socio-Economic Outcomes

For BC First Nations peoples, particularly those living on-reserve, there is a notable income gap with the overall population. In 2021, the median on-reserve income (\$26,800) was approximately 66 percent of the median income for the overall population (\$40,800), while the median income of First Nations off-reserve (\$32,400) was approximately 86 percent of the BC total.¹² There is some indication that the gap has narrowed over time. In 2016 on-reserve First Nations' median incomes were approximately 50 percent of median incomes for the total population in BC, while the median income First Nations off-reserve was approximately 70 percent of that in BC. **Figure 6** displays a comparison of median incomes among First Nations peoples in BC and the overall population, from 2016 to 2021.

¹² Statistics Canada Census Profiles. 2016, 2021

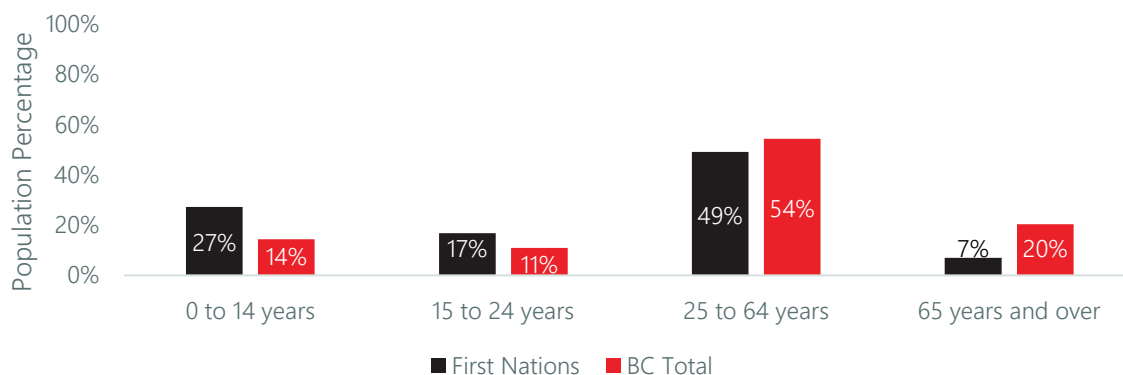
Figure 6: Median Income, First Nations vs. BC Total Population, 2016 to 2021



Source: Statistics Canada Census Profiles. 2016, 2021

Another key difference between First Nations and the overall population of BC is the age distribution, which skews significantly younger for First Nations. Approximately 27 percent of the BC First Nations population is under age 15, compared with 14 percent of the overall population, while only 7 percent of BC First Nations are 65 and over compared with 20 percent of the overall population.¹³ **Figure 7** displays the age distribution of BC First Nations compared with the overall population of BC in 2021.

Figure 7: Age Distribution, First Nations vs. BC Total, 2021



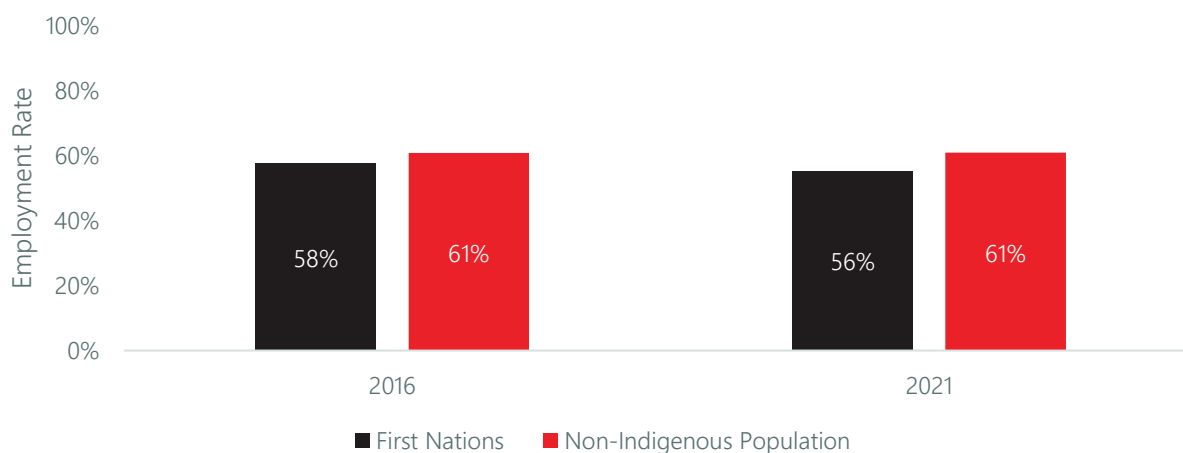
Source: Statistics Canada Census Profiles. 2021

The employment rate measures the percentage of the population over 15 years of age that are employed. As shown in **Figure 8** the employment rate among off-reserve First Nations peoples in BC decreased from approximately 58 percent in 2016 to 56 percent in 2021. Over the same period the employment rate among the non-Indigenous population was relatively stable.

¹³ Statistics Canada Census Profiles. 2016, 2021



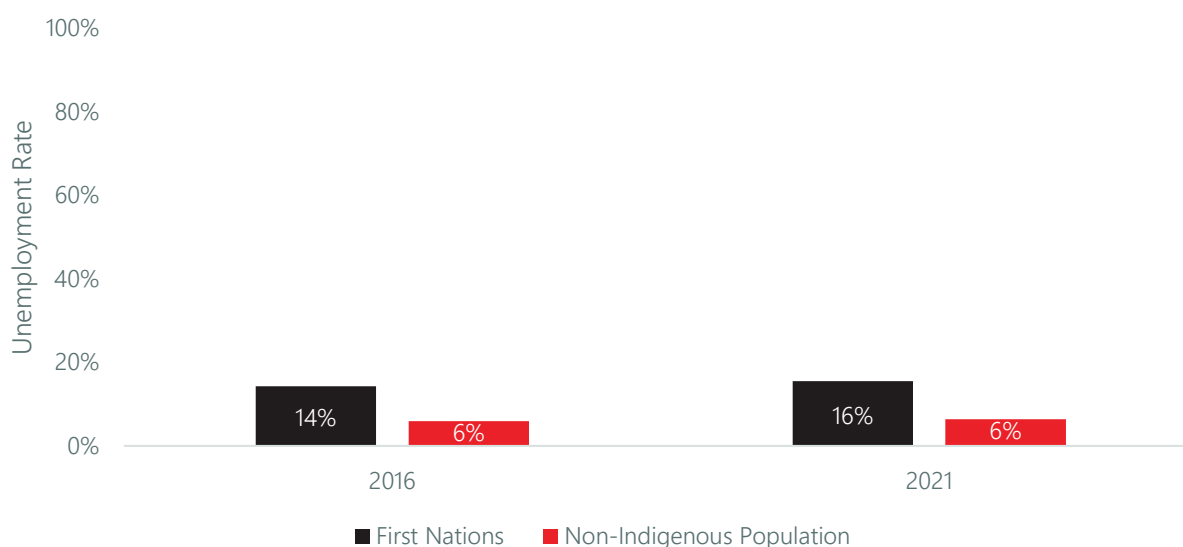
Figure 8: Employment Rates in BC, 2016 to 2021¹⁴



Source: Statistics Canada, Labour Force Survey, Custom Tabulation.

While the gap between the employment rate among off-reserve First Nations and the non-Indigenous population has narrowed, the unemployment rate among off-reserve First Nations in BC (16 percent) has remained significantly higher than that of the non-Indigenous population (6 percent).¹⁵ **Figure 9** compares the unemployment rate of First Nations and the non-Indigenous population in BC from 2016 to 2021.

Figure 9: Unemployment Rates in BC, 2016 to 2021



Source: Statistics Canada, Labour Force Survey, 2015 to 2021, Custom Tabulation.

¹⁴ Statistics Canada, Labour Force Survey, 2015 to 2021, Custom Tabulation.

¹⁵ Ibid.

Table 2 compares the distribution of employment by region for First Nations and the non-Indigenous population in BC. First Nations living off-reserve are somewhat more likely to be employed in the goods-sector (e.g., construction forestry, mining and manufacturing) than the non-Indigenous population; however, this varies by region. In the Mainland/Southwest a significantly higher share of First Nations are employed in the goods-sector, primarily construction and manufacturing, than the non-Indigenous population, while in the North Coast/Nechako the share of First Nations people employed in the good-sector is significantly below the share of non-Indigenous people.

Table 2: Distribution of Employment by Industry Sector, 2021.

	First Nations		Non-Indigenous	
	Share - Goods-Producing Sector	Share - Service-Producing Sector	Share of Goods-Producing Sector	Share of Service-Producing Sector
Vancouver Island/Coast	17%	83%	16%	84%
Mainland/Southwest	26%	74%	16%	84%
Thompson/Okanagan	20%	80%	24%	76%
Kootenay	Data not available.	Data not available.	31%	69%
Cariboo	30%	70%	26%	74%
North Coast/Nechako	9%	91%	29%	71%
Northeast	35%	65%	32%	68%
BC Total	21%	79%	18%	82%

Source: Statistics Canada, Labour Force Survey, 2015 to 2021, Custom Tabulation.



Picture provided by BC AFN.

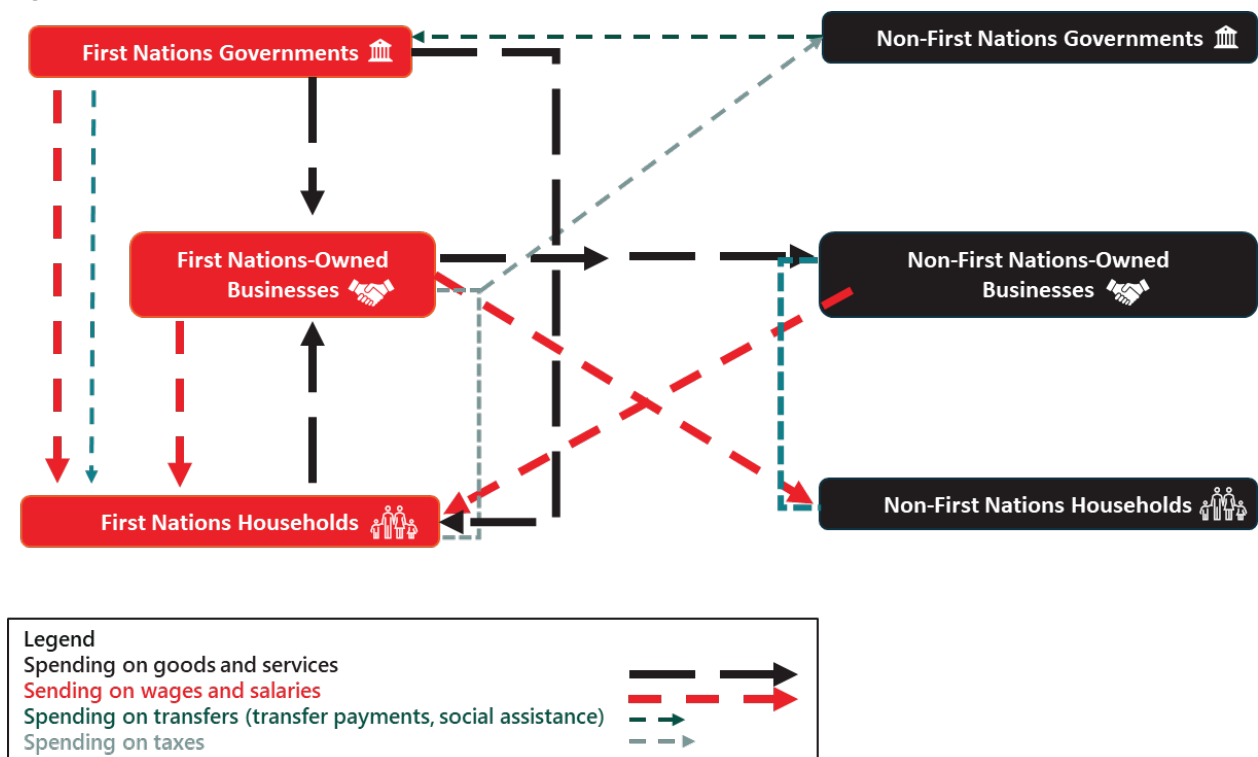


4 Economic Contributions of First Nations Peoples in BC

4.1 Overview

The contributions of First Nations Peoples arise from the direct employment of First Nations Peoples, as well as the spending by First Nations governments, First Nations-owned businesses and First Nations households. These contributions occur through activities both within First Nations communities and outside First Nations communities, as shown in *Figure 10*.

Figure 10: Economic Contributions of First Nations Peoples





4.2 Economic Impact Analysis

Economic impacts are generally viewed as being restricted to quantitative, well-established measures of economic activity. The most commonly used of these measures are output, GDP, employment, and government tax revenue:

- **Output** - is the total gross value of goods and services produced by a given organization, industry or project, measured by the price paid to the producer. This is the broadest measure of economic activity.
- **GDP** – the “value added” to the economy (the unduplicated total value of goods and services).
- **Employment** – the number of additional jobs created, measured as full-time equivalents (FTEs).
- **Labour income** - income that is received by households from the production of goods and services that is available for spending on goods and services. It includes all forms of employment income, as well as employers' social contributions (e.g., contributions to employee welfare, pensions, workers compensation and employment insurance).
- **Government tax revenue** – the total amount of tax revenues generated for different levels of government

Economic impacts may be estimated at the direct, indirect, and induced levels:

- **Direct impacts** are changes that occur in “front-end” businesses that would initially receive expenditures and operating revenue as a direct consequence of the operations and activities of an organization.
- **Indirect impacts** arise from changes in activity for suppliers of the “front-end” businesses.
- **Induced impacts** arise from shifts in spending on goods and services as a consequence of changes to the payroll of the directly and indirectly affected businesses.

To assess the economic impacts of the First Nations economy in BC, MNP followed an input-output methodology using provincial industry multipliers published by Statistics Canada. Input-output modeling is a widely used and accepted approach, making it recognizable by many different stakeholders and audiences. The structure of the approach also facilitates easy comparisons between reported results for different industries and projects.

For a detailed description of MNP’s economic impact methodology, please refer to Appendix A.

Tax Exemptions

There are a number of tax exemptions that apply to First Nations individuals and businesses. In general, income earned by individuals with Indian status through entities based on reserve lands are exempt from taxes, as are goods and services purchased on-reserve for personal use by individuals with Indian status or by the Administration.

These exemptions do not apply to First Nations individuals living and working off-reserve.

Source: Government of Canada. Information on the tax exemption under section 87 of the Indian Act. Available here: <https://www.canada.ca/en/revenue-agency/services/-peoples/information-indians.html#hdng2-1>



4.3 Economic Contributions by First Nations Governments

First Nations government spending in BC is the spending by First Nation Administrations. The primary sources of funding for First Nations governments include the following:

- Indigenous Services Canada.
- Own-source Revenue (investment income, interest income, rent payments, etc).
- First Nations Development Fund.
- Health Canada.
- Canada Mortgage and Housing Corporation.
- Tribal Council Funding.
- Other Federal and Provincial Government Grants.

The activities and associated spending by First Nations governments include the following six broad categories:

1. **Community development.** This may include investments in physical infrastructure (such as new roads and bridges), housing (including housing construction and renovations), waste management (including recycling and landfills), internet connectivity, community and recreational amenity buildings, and government operations.
2. **Health.** This may include investments in homecare and community care programs, community-based healing initiatives, prevention programs, health services integration initiatives and substance abuse programs.
3. **Education.** This may include investments in post-secondary school education, elementary and secondary education programs, apprenticeship and trades programs, and industry-specific training (such as training of First Nations healthcare professionals).
4. **Economic development.** This may include First Nations business development programs, First Nations economic development programs, employment support programs, financial lending programs and First Nations skills training.
5. **Cultural development.** This may include First Nations language projects, First Nations broadcasting and communications, and First Nations cultural celebrations.
6. **Social assistance.** This includes income assistance payments to on-reserve households.

This spending includes salaries and benefits to First Nations government employees and employees of related entities.

To estimate total spending by First Nations governments we used reported expenditures from First Nation's financial statements published through the First Nations Financial Transparency Act.¹⁶ **Table 3** displays the total expenditures of First Nations governments in BC. In 2021, spending by First Nations governments in BC was estimated to be approximately \$2.087 billion, of which approximately \$581 million (28 percent) was spent on wages and salaries and \$142 million (7 percent) was spent on social assistance payments to Band members. The remaining \$1.37 billion was spent on goods and services.

¹⁶ All expenditures were adjusted to reflect 2021 dollars.



Table 3: Estimated Spending by First Nations Governments, 2021

	Total Spending	Wages, Salaries and Benefits	Social Assistance Payments
Total Expenditures (\$ millions)	\$2,087	\$581	\$142

Source: First Nations Financial Statements

Table 4 shows the breakdown of First Nation Government spending by region. Spending by region is influenced by both the number and size of the First Nation communities in a region. The Vancouver Island/Coast, Mainland/Southwest and North Coast Nechako regions have significantly more First Nations communities and more individuals living on-reserve, and as a result have substantially larger expenditures than other regions in the province.

Table 4: Estimated Spending by First Nations Governments, by Development Region, 2021

	Total Spending (\$ millions)	Percentage of Total Spending (%)
Vancouver Island/Coast	\$528	25%
Mainland/Southwest	\$467	23%
North Coast/Nechako	\$431	21%
Thompson/Okanagan	\$293	14%
Cariboo	\$234	11%
Northeast	\$104	5%
Kootenay	\$30	1%
Grand Total	\$2,087	100%

Source: First Nations Financial Statements

The total spending of First Nations governments was estimated to have generated the following economic impacts, as shown in :

- Approximately \$3.3 billion in total output, including \$2.1 billion in direct output and \$1.2 billion in indirect output.
- Approximately \$1.7 billion in total GDP, including \$940 million in direct GDP and \$760 million in indirect GDP.
- Approximately \$1.1 billion in total labour income, including \$580 million in direct labour income and \$510 million in indirect labour income.
- Approximate employment of 27,000 FTEs, including 17,000 direct FTEs and 10,000 indirect FTEs.
- Approximately \$140 million in total tax revenue, which is all derived at the indirect level.

The majority of the indirect impacts both in terms of employment and spending accrue to non-First Nations-owned businesses located off-reserve.



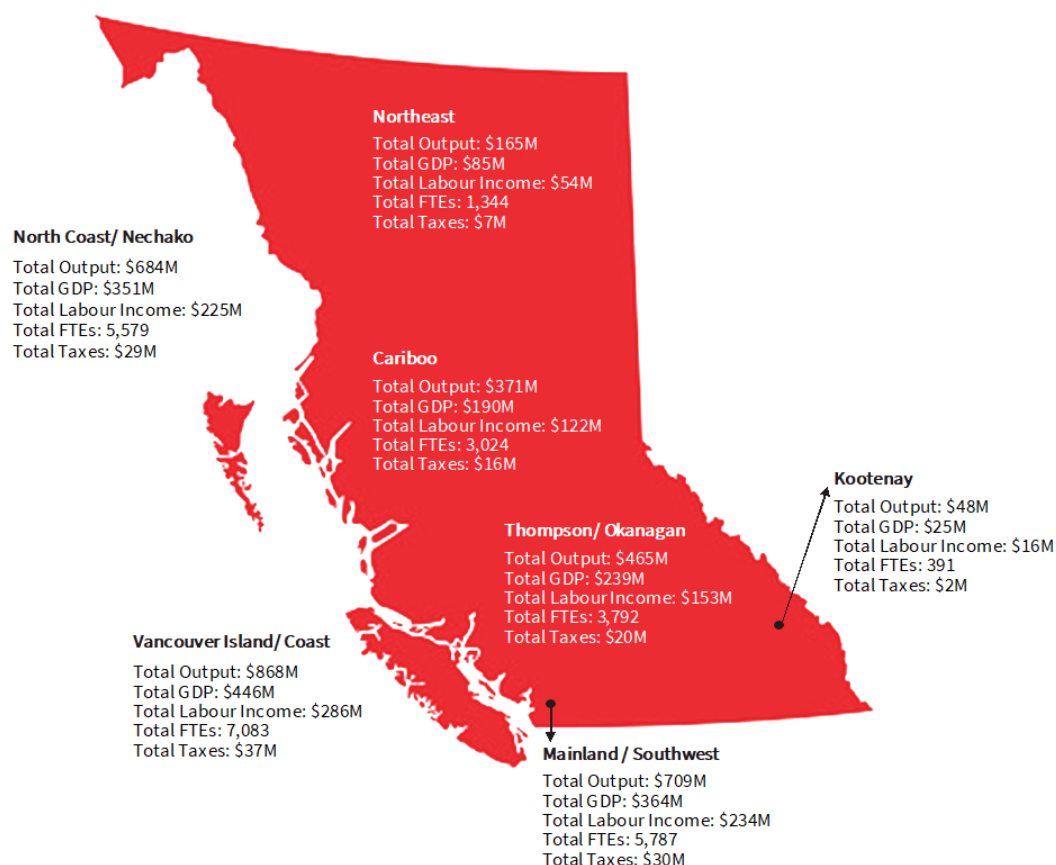
Table 5: Estimated Economic Impacts of First Nations Government Spending, 2021

	Output (millions)	GDP (millions)	Labour Income (millions)	Employment (FTEs)	Total Tax Revenues (millions)
Direct Impacts	\$2,090	\$940	\$580	17,000	\$0
Indirect Impacts	\$1,220	\$760	\$510	10,000	\$140
Total	\$3,310	\$1,700	\$1,090	27,000	\$140

In addition to the direct and indirect impacts, First Nations governments generate induced impacts through the wages and salaries paid to households and through the wages and salaries paid by their suppliers to households. The impacts of spending on wages and salaries is included in the household impacts reported in Section 4.5.

Figure 11 shows the regional distribution of total direct and indirect impacts generated through spending by First Nations governments.

Figure 11: Estimated Total Economic Impacts of First Nations Governments, by Region, 2021





4.4 Economic Contributions from First Nations-Owned Businesses

First Nations-owned businesses are located both on- and off-reserve and contribute to various sectors of the BC economy. These businesses generate economic impacts through spending on wages and salaries for employees as well as through spending on suppliers throughout the province. First Nations-owned businesses, and their associated economic impacts, occur both on- and off-reserve.

Table 6 compares the estimated distribution of First Nations-owned businesses by sector in BC with the province as a whole. Compared with the distribution of all businesses in BC, First Nations-owned businesses are more likely to be in natural resources-related and/or goods-sector sectors such as forestry, mining, construction and manufacturing. This is consistent with the distribution of First Nations communities and the opportunities in their local areas. The sectors with the highest percentage of First Nations-owned businesses are Professional Scientific and Technical Services (16 percent), Construction (13 percent) and Management of Companies and Enterprises (13%). The latter are largely Nations-owned companies that own and operate affiliate businesses.

Business Activity on Urban Reserves

A small number of BC First Nations reserves are located in major urban centres and have a significant number of businesses located on-reserve. These include Westbank First Nations reserves in West Kelowna and the Squamish First Nation reserve in West Vancouver. The majority of businesses located on these reserves are not owned by First Nations peoples and are thus not included in the economic impacts of this report. However, these businesses are important sources of leasing income for the First Nations governments and provide employment opportunities for membership.

Treaty Land Entitlement – Northeast BC

Northeast BC is home to the only numbered treaty signed with First Nations in BC. Eight First Nations are signatories to Treaty 8: Blueberry River, Doig River, Fort Nelson, Halfway River, McLeod Lake, Prophet River, Saulteau and West Moberly First Nations. However, many of these First Nations did not receive all of the lands promised to them under the treaties.

In April 2023, five of the above First Nations announced settlement agreements for their Nations' Treaty Land Entitlement claims, to honour Treaty and legal obligations to First Nations. The Province of BC is providing over 44,000 hectares of Crown land to the above First Nations. Doig River is planning to use the reclaimed land to develop an urban reserve and business hub in Fort St. John.

Source: BC Government. Available here: <https://news.gov.bc.ca/releases/2023IRR0019-000539>

CBC. Available here: <https://www.cbc.ca/news/canada/british-columbia/northern-b-c-first-nations-reclaim-thousands-of-hectares-of-land-launch-community-business-hub-1.6497743>



Table 6: Industry Sector Distribution of First Nations-Owned Businesses and All Businesses in BC, 2021

Sector	Distribution of First Nations-Owned Businesses	Distribution of Businesses - BC Total
Professional, scientific and technical services	16%	12%
Construction	13%	8%
Management of companies and enterprises	13%	1%
Agriculture, Forestry, Fishing & Hunting	12%	3%
Retail trade	8%	5%
Arts, entertainment and recreation	7%	3%
Accommodation and food services	5%	2%
Other services (except public administration)	5%	6%
Transportation and warehousing	4%	5%
Mining, quarrying, and oil and gas extraction	4%	0%
Manufacturing	3%	2%
Administrative and support, waste management and remediation services	2%	5%
Real estate and rental and leasing	2%	31%
Utilities	1%	0%
Wholesale trade	1%	2%
Health care and social assistance	1%	6%
Information and cultural industries	1%	2%
Educational services	1%	3%
Finance and insurance	1%	4%

Source: BC Stats, Business Location Counts. Government of Canada, MNP, BC Government.

To estimate revenues for First Nations-owned businesses located on-reserve we used data from a 2019 Statistics Canada study, as well as information from First Nation's financial statements published through the First Nations Financial Transparency Act. To estimate off-reserve First Nations business revenues, we used data from Innovation, Science and Economic Development Canada and CCAB. For a complete methodology please refer to Appendix A.

As shown in **Table 7**, First Nations-owned businesses in BC were estimated to generate approximately \$4.0 billion in revenue in 2021, of which approximately two-thirds (\$2.67 billion) was estimated to be generated by on-reserve businesses. The majority of the on-reserve businesses revenues are from Nation-owned enterprises.



Table 7: Estimated Revenues of First Nations-Owned Businesses in BC, 2021

	On-Reserve	Off-Reserve	Total
Revenues (\$ billions)	\$2.67	\$1.33	\$4.00
Percentage (%)	67%	33%	100%

Source: Statistics Canada, ISEC, CCAB, ISC

The total spending of First Nations-owned businesses was estimated to have generated the following economic impacts, as shown in **Table 8**.

- Approximately \$6 billion in total output, including \$4 billion in direct output and \$2 billion in indirect output.
- Approximately \$2.9 billion in total GDP, including \$1.8 billion in direct GDP and \$1.1 billion in indirect GDP.
- Approximately \$1.7 billion in total labour income, including \$1 billion in direct labour income and \$680 million in indirect labour income.
- Approximate employment of 31,000 FTEs, including 21,000 direct FTEs and 10,000 indirect FTEs.
- Approximately \$360 million in total tax revenue, including \$140 million in direct tax revenue and \$220 million in indirect tax revenue.

The majority of the indirect impacts both in terms of employment and spending accrue to non-First Nations-owned businesses.

Table 8: Estimated Direct and Indirect Economic Impacts of First Nations-Owned Business Spending in BC, 2021

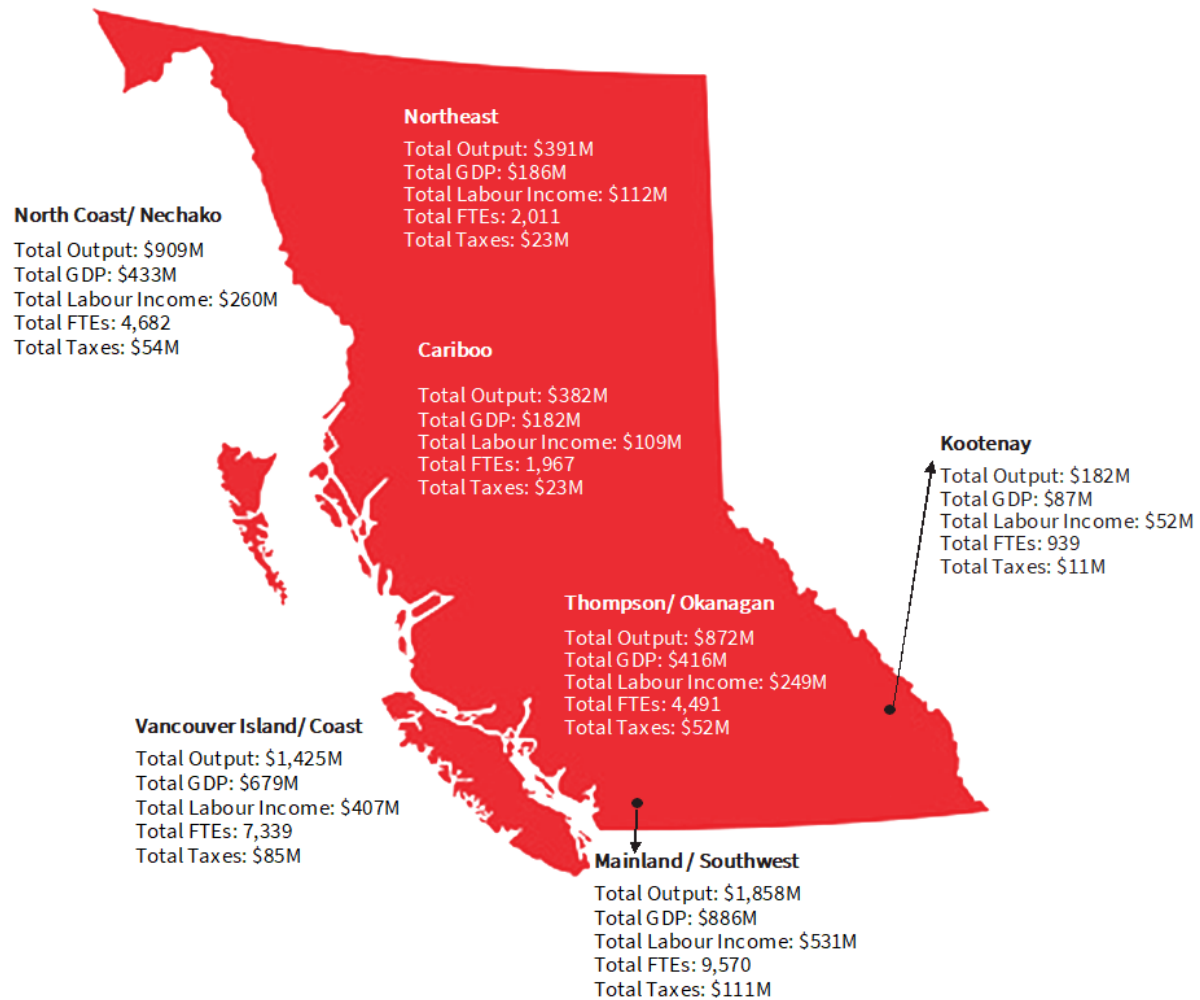
	Output (millions)	GDP (millions)	Labour Income (millions)	Employment (FTEs)	Total Tax Revenues (millions)
Direct Impacts	\$4,000	\$1,750	\$1,040	21,000	\$140
Indirect Impacts	\$2,020	\$1,120	\$680	10,000	\$220
Total	\$6,020	\$2,870	\$1,720	31,000	\$360

In addition to the direct and indirect impacts, First Nations-owned businesses generate induced impacts through the wages and salaries paid to households and through the wages and salaries paid by their suppliers to households. The impacts of spending on wages and salaries is included in the household impacts reported in Section 4.5.

Figure 12 shows the distribution of total direct and indirect impacts generated through the spending of First Nations-owned businesses.



Figure 12: Estimated Total Economic Impacts of First Nations-Owned Businesses, 2021, by Region





4.5 Economic Contributions by Households

The economic contributions of households in the First Nations economy include spending by First Nations households as well as the spending by non-First Nations households of employment income received as a result of spending by First Nations governments and First Nations-owned businesses.

Spending by First Nations households is supported by employment income, government transfers (e.g., social assistance payments and Canada Pension Plan income) and other sources (e.g., private pensions, savings, etc.). Estimates of household income in the First Nations economy were developed based on labour spending by First Nations governments, labour spending by First Nations-owned businesses on-reserve and income reported by the Canada Revenue Agency by those living on-reserve, employment information for First Nations peoples living off-reserve from the Statistics Canada labour force survey, and information on government transfers from Statistics Canada. For a complete methodology please refer to *Appendix A*.

As shown in *Table 9*, household income in the First Nations economy was estimated to be approximately \$4.08 billion. Of this, approximately 62 percent was generated from employment at non-First Nations organizations, 14 percent was generated from employment with First Nations governments, 11 percent was generated from employment at First Nations-owned businesses and the remainder was derived from non-employment sources.

Table 9: Household Income in the First Nations Economy by Source, 2021

Sector	Total (\$ millions)	Percentage of Income
Wages and Salaries paid to First Nations households by non-First Nations Organizations	\$2,510	62%
Wages and Salaries paid by First Nations Governments	\$581	14%
Wages and Salaries paid by First Nations-owned Businesses	\$450	11%
Other Sources of Income to First Nations Households	\$540	13%
Total	\$4,081	100%

Household spending occurs primarily off-reserve, generating economic impacts throughout the province of BC. *Table 10* shows the distribution of household spending used to estimate the economic impacts of First Nations households.



Table 10: Distribution of Household Spending by Category, 2021

Spending Category	Spending Distribution (%)
Shelter	22%
Transportation	14%
Food Expenditures	11%
Household Operations	6%
Health Care	4%
Recreation	5%
Water, Fuel and Electricity for Principal Accommodation	2%
Income Taxes	9%
Other	28%

Source: Statistics Canada.

As shown in **Table 11**, the total spending of First Nations households was estimated to have generated the following economic impacts:

- Approximately \$3.3 billion in total output.
- Approximately \$2.1 billion in total GDP.
- Approximately \$850 million in total labour income,
- Approximate total employment of 15,000 FTEs.
- Approximately \$740 million in total tax revenue.

The spending of employment income received by non-First Nations households as a result of spending by First Nations governments and First Nations-owned businesses in BC was estimated to have generated the following economic impacts:

- Approximately \$1.1 billion in total output.
- Approximately \$690 million in total GDP.
- Approximately \$280 million in total labour income,
- Approximate total employment of 4,000 FTEs.
- Approximately \$250 million in total tax revenue.

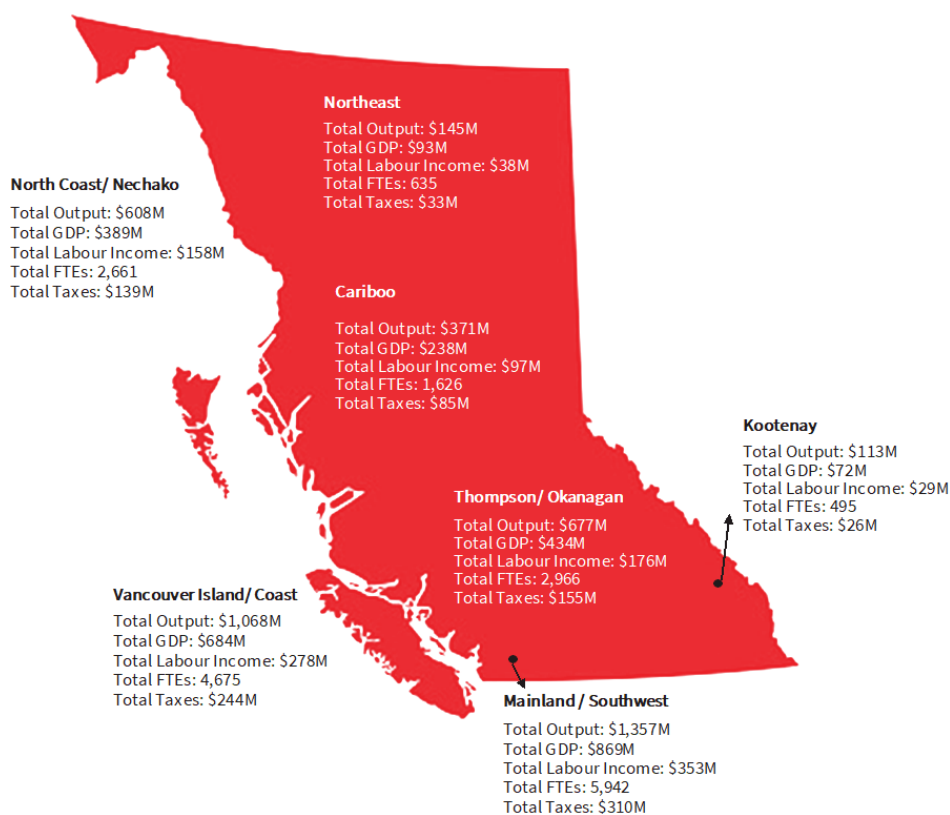


Table 11: Estimated Total Economic Impacts of First Nations Household Spending, 2021

	Output (millions)	GDP (millions)	Labour Income (millions)	Employment (FTEs)	Total Tax Revenues (millions)
Spending by First Nations Households	\$3,250	\$2,090	\$850	15,000	\$740
Spending by Non-First Nations Households					
Induced from First Nations Government Spending	\$320	\$200	\$80	1,000	\$70
Induced from First Nations-Owned Business Spending	\$770	\$490	\$200	3,000	\$180
Total	\$4,340	\$2,780	\$1,130	19,000	\$990

Figure 13 shows the distribution of total economic impacts generated through the spending of First Nations households.

Figure 13: Estimated Total Economic Impacts of First Nations Households, 2021, by Region





4.6 Total Economic Impacts from First Nations Communities in BC

The economic contributions of First Nations in BC arise from spending by First Nations government, First Nations-owned businesses and First Nations-households. As shown in **Table 12**, the total spending of First Nations in BC was estimated to have generated the following economic impacts:

- Approximately \$13.7 billion in total output, including \$3.3 billion from First Nations governments, \$6 billion from First Nations-owned businesses, and \$4.3 billion from household spending.
- Approximately \$7.4 billion in total GDP, including \$1.7 billion from First Nations governments, \$2.9 billion from First Nations-owned businesses and \$2.8 billion from household spending.
- Approximately \$3.9 billion in total labour income, including \$1.1 billion from First Nations governments, \$1.7 billion from First Nations-owned businesses and \$1.1 billion from household spending.
- Approximate total employment of 77,000 FTEs, including 27,000 FTEs from First Nations governments, 31,000 FTEs from First Nations-owned businesses and 19,000 FTEs from household spending.
- Approximately \$1.5 billion in total tax revenue, including \$140 million from spending by First Nation governments, \$360 million from spending by First Nations-owned businesses and \$990 million from household spending.

Table 12: Total Economic Impact Summary

	Output (millions)	GDP (millions)	Labour Income (millions)	Employment (FTEs)*	Total Tax Revenues (millions)
First Nations Governments	\$3,310	\$1,700	\$1,090	27,000	\$140
First Nations-Owned Businesses	\$6,020	\$2,870	\$1,720	31,000	\$360
Household Spending**					
First Nations	\$3,250	\$2,090	\$850	15,000	\$740
Non-First Nations	\$1,090	\$690	\$280	4,000	\$250
Total	\$13,670	\$7,350	\$3,940	77,000	\$1,490

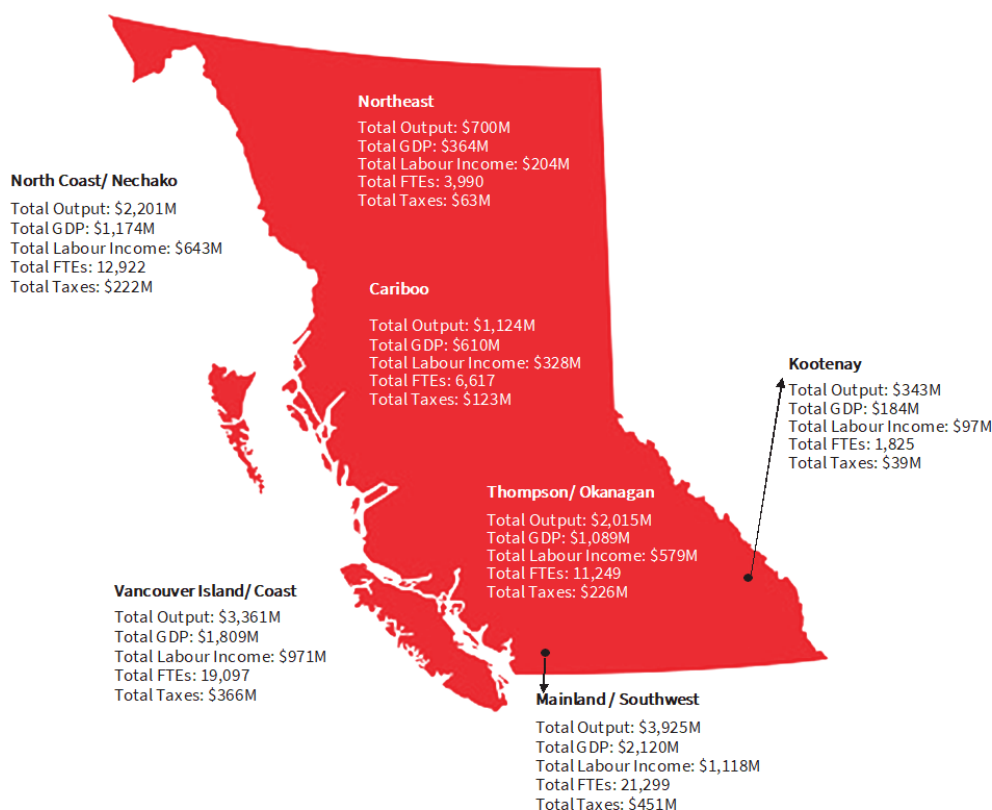
**Employment is the direct, indirect and induced employment generated by the spending of First Nations governments, First Nations-owned businesses and First Nations households. It does not include total employment of First Nations at non-First Nations-owned businesses or organizations.*

***First Nations household impacts include the impacts of spending by all First Nations households in BC regardless of the income source. The impacts of spending of non-First Nations households are the induced impacts that arise from employment income received as a result of spending by First Nations governments and First Nations-owned businesses.*



Figure 14 shows the distribution of total economic impacts generated through the spending of BC First Nations.

Figure 14: Estimated Total Economic Impacts of BC First Nations, by Region, 2021



Closing the Gap

First Nations peoples make significant contributions to the economy of BC. This arises through the spending of First Nations governments, First Nations-owned businesses and First Nations households, which creates employment for both First Nations and non-First Nations peoples in BC. BC First Nations also generate significant tax revenues for the Government of BC, the federal government and municipal governments throughout the province.

However, First Nations in BC have lower income levels and higher unemployment rates than non-First Nations. Closing these gaps for First Nations involves increasing First Nations participation in the labour market, improving incentives for First Nations entrepreneurship and supporting the growth of First Nations-owned businesses both on- and off-reserves.

Many First Nations peoples reside in rural and remote communities throughout the province, though these communities are often near to non-First Nations communities. Growing the First Nations economy in these regions would contribute to the continued vibrancy of rural areas and the overall long-term prosperity of BC.



4.7 Comparisons

To provide perspective on the size of the First Nations economy in BC, we compared the contributions of First Nations governments, businesses and households with key metrics for BC.

Total BC Economy

The First Nations economy was estimated to have generated total GDP of approximately \$7.4 billion in 2021, which is approximately 2.6 percent of total BC GDP in 2021 (\$292 billion).¹⁷

Construction, High-Tech and Film and Television Sectors

The total GDP generated by the First Nations economy in BC (\$7.4 billion) is approximately:

- 40 percent of the GDP generated by BC's high-tech sector (\$18.3 billion in 2019).¹⁸
- 29 percent of the GDP generated by BC's construction sector (\$25.4 billion in 2021).¹⁹

The total direct output generated by the First Nations economy in BC (\$6.1 billion) is approximately 1.3X the total annual expenditures of BC's film and television sector (\$4.8 billion in 2021).²⁰

Employment

Total employment among First Nations peoples was estimated to approximately 87,000, which is approximately 1.8X the total direct employment in BC's forestry sector (48,000 in 2021).²¹

Income

The median income of First Nation peoples has grown more rapidly than that of the overall population of BC. Between 2016 and 2021, the median incomes of First Nations living both on- and off-reserve grew by approximately 50 percent, while the median income of the overall population grew by approximately 25 percent.²² If these growth rates continue through 2026, median incomes of off-reserve First Nations would be nearly in-line with the overall population at approximately \$50,000, while median incomes of on-reserve First Nations peoples would be approximately 80 percent of the overall median incomes in the province.

¹⁷ BC Stats. BC GDP by Industry, \$Current 2019 adjusted to 2021 based on 2 percent growth.

¹⁸ BC Government. Profile of the British Columbia Technology Sector. 2020 Edition.

¹⁹ BC Stats. BC GDP by Industry.

²⁰ Vancouver Economic Commission. "B.C. film roars back with record-shattering \$4.8 billion spend in 2021".

²¹ BC Stats. Detailed Employment by Industry.

²² Statistics Canada. Census 2016, 2021.



Appendices

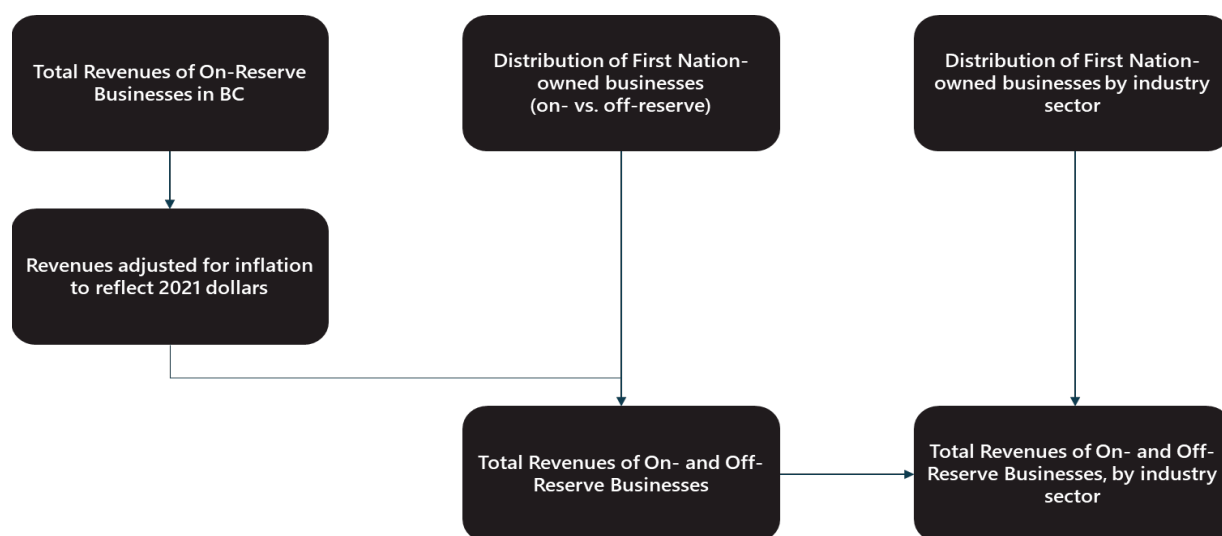
Appendix A – First Nations Spending Estimation Methodology

The following sections provide a detailed explanation of MNP's approach to estimating First Nations spending for First Nations-owned businesses and First Nation households.

First Nations-Owned Businesses

Figure 15 displays the approach used to estimate First Nations-owned business revenues.

Figure 15: Approach to Estimating First Nations-owned Business Revenues



Statistics Canada data for on-reserve business revenues was used as a starting point to estimate total on-reserve First Nations business revenue in 2021. This included all businesses located on-reserve, including those that were non-First Nations-owned.

The next step was to identify the non-First Nations-owned businesses on-reserve in order to remove them from the revenue totals. We used data from the Statistics Canada Business Register on business counts by industry sector for urban reserves that have non-First Nations-owned businesses. We then estimated the total revenue of these businesses using industry sector average revenues from Innovation, Science and Economic Development, as well as the percentage of urban reserve businesses expected to be non-First Nations-owned. These business revenues were then removed from the Statistics Canada estimates.

Off-reserve First Nations-owned business revenue was estimated using lists of First Nations-owned businesses compiled from the Government of Canada, BC Stats, MNP, and CCAB. These business lists provided the sectors along with revenues for approximately 5 percent of businesses. For businesses without revenues provided, revenues were estimated using sector averages from Innovation, Science and Economic Development Canada. The total estimated off-reserve First Nations-owned business income was cross-referenced with estimates from the CCAB Aboriginal Business Survey, which provided the distribution of First



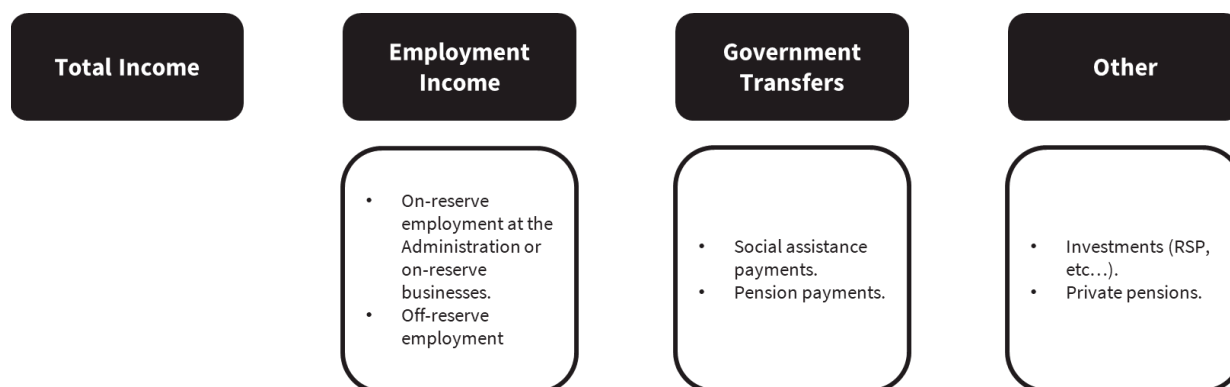
Nations-owned businesses located on- and off-reserve. Our estimates were found to be consistent with the relative distribution of First Nations-owned business income that is accrued on- vs. off-reserve.

To estimate the distribution of First Nations-owned businesses revenues by region, we used the locations of businesses in the Government of Canada, BC Stats, MNP and CCAB lists. The distribution of businesses by region from these lists was used to guide the assumed overall distribution of revenues, and associated economic impacts, by region.

First Nation Households

Spending by First Nation households was estimated based on total income. As shown in *Figure 16* total income was estimated as the sum of employment income, government transfers and other sources.

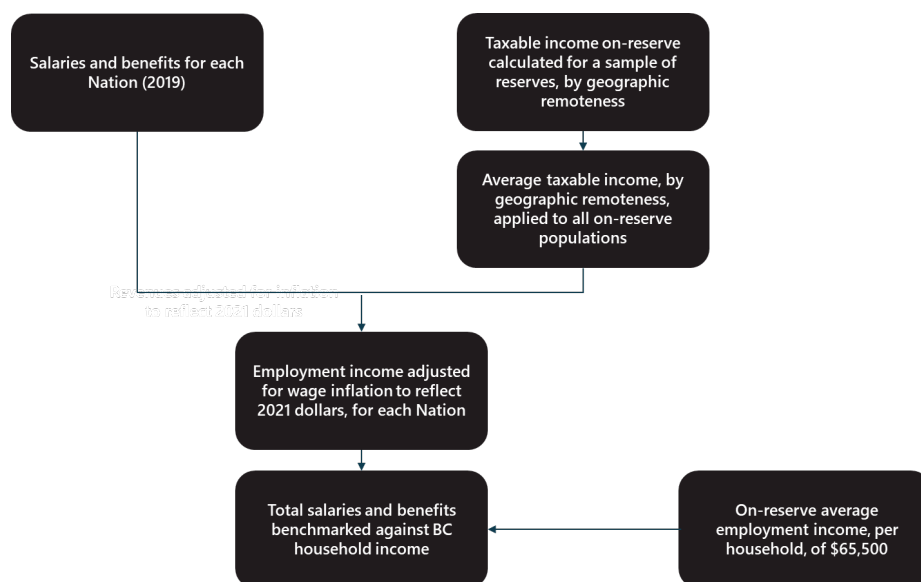
Figure 16: Calculation of Total Income



First Nation Households – Employment Income On-Reserve

Figure 17 displays the approach used to estimate employment income for individuals on-reserve.

Figure 17: Approach for Estimating Employment Income for Individuals On-Reserve



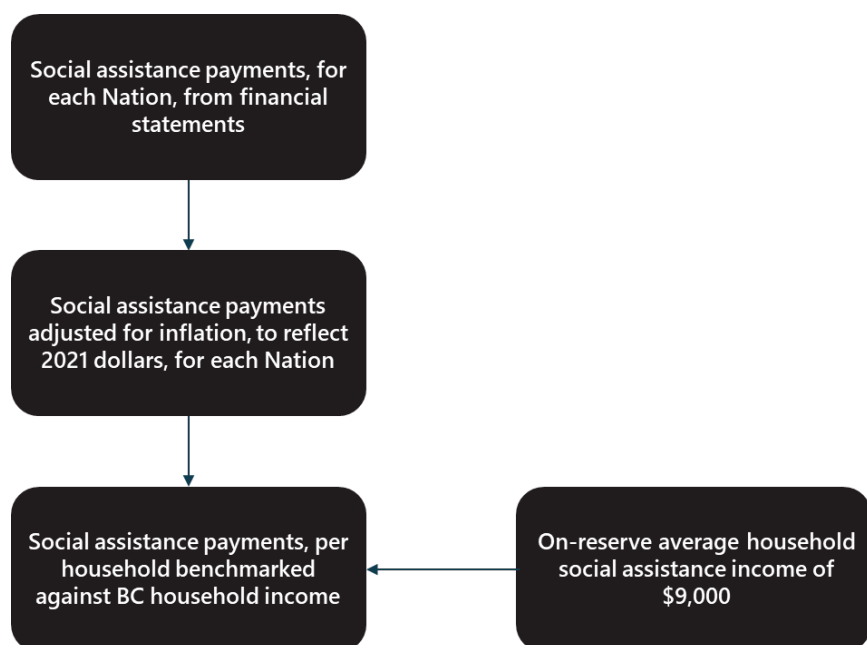


First Nation's financial statements were used to estimate the total salaries and benefits paid to individuals living on-reserve and working for the Administration and related entities. For individuals living on-reserve who receive taxable income (e.g., employment income from non-First Nations businesses), tax filing data for First Nation communities from the Canada Revenue Agency was used to estimate the taxable income received by individuals living on-reserve. This total combined with all salaries and benefits paid to employees of the Administration and related entities was adjusted for inflation to reflect 2021 dollars and provided an estimate of the total employment income on-reserve. This equated to an average on-reserve household employment income of approximately \$65,500.

First Nation Households – Social Assistance Income On-Reserve

Figure 18 displays the approach used to estimate social assistance income for individuals on-reserve.

Figure 18: Approach to Estimating Social Assistance Income for Individuals On-Reserve



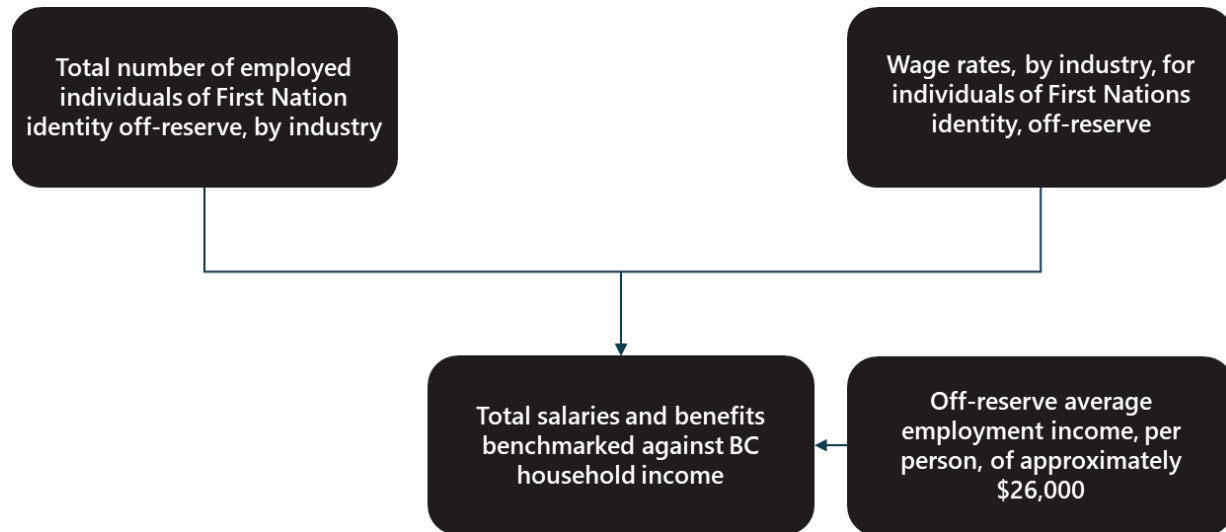
First Nation's financial statements were used to estimate total social assistance payments to individuals living on-reserve. The total was adjusted for inflation to reflect 2021 dollars. The average household social assistance income was estimated to be approximately \$9,000.



First Nation Households – Employment Income Off-Reserve

Figure 19 displays the approach used to estimate employment income for individuals off-reserve.

Figure 19: Approach to Estimating Employment Income for Individuals Off-Reserve



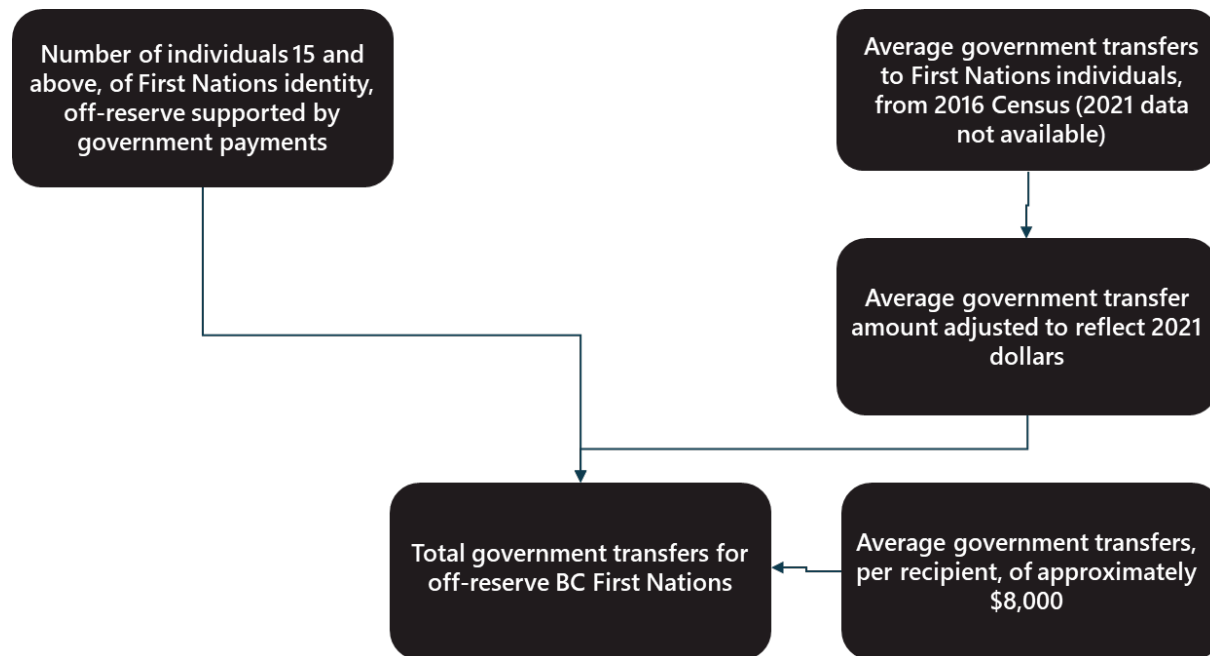
A custom data tabulation from the Statistics Canada Labour Force Survey was used to estimate off-reserve income. This data set provided estimates of total off-reserve First Nations employment, by industry, while other Statistics Canada data was used to estimate average wage rates for First Nations, by industry. Average employment income, per off-reserve working-age individual, was estimated to be approximately \$30,000, while the median income of off-reserve First Nations in BC was approximately \$35,000



First Nation Households – Government Transfers Income Off-Reserve

Figure 20 displays the approach used to estimate government transfers for individuals living off-reserve.

Figure 20: Approach to Estimating Government Transfers for Individuals Off-Reserve



The Statistics Canada Labour Force Profile custom tabulation reported the total number of employed First Nations living off-reserve as approximately 62,000. This was used, in addition to information from the Statistics Canada Census 2021, to estimate the total number of First Nations individuals living off-reserve that do not receive employment income. The 2016 Census provided an estimate of average annual government transfers to First Nations individuals, which was adjusted to reflect 2021 dollars. Average government transfers for individuals off-reserve was estimated to be approximately \$8,000 per recipient.



Wherever business takes you

[MNP.ca](https://mnp.ca)