

Ontario's Small-Sized Regions' performance on the 3Ts of Economic Development

Benchmarking Project: Ontario Competes

Ontario in the Creative Age

April 2009

Why this report is important to Peterborough:

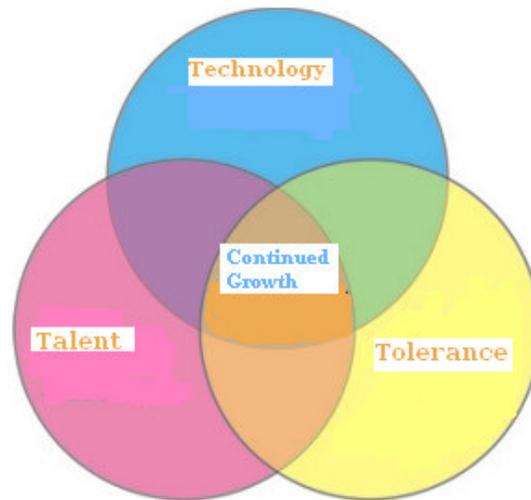
As with many communities, we must look at reconfiguring our employment base and continue to diversify. This report shows that Peterborough is ready to embrace a different path than the traditional employment base which this community has historically relied upon. We must be prepared to produce new market leading innovations and processes.

The Rotman School of Management, University of Toronto has recently completed a study comparing how small-sized regions perform within context of creative class and capital. This Benchmarking Project is part of the *Ontario in the Creative Age* series, a project being conducted for the Ontario Government. The project was first announced in the 2008 Ontario Budget Speech. Its purpose is to understand the changing composition of Ontario's economy and workforce, examine historical changes and projected future trends affecting Ontario, and provide recommendations to the Province to support Ontario's economy and help us remain globally competitive and prosperous.

The goal of the benchmarking papers in this series was to gather and analyze data on Ontario's census metropolitan areas (CMAs) and assess how well they compete with similar jurisdictions across North America. The assessments are intended to identify what factors contribute to regional economic development.

The 3Ts (**technology, talent, tolerance**) of economic development is part of a theory that gives importance to the attraction and retention of a specific type of capital – *creative capital*. Creative capital differs from human capital by viewing the Creative Class as key to economic growth and its focus on the underlying factors that determine their location decisions (Florida, 2002). In the creative economy, brawn and the ability to mass-produce goods is seen as less important to the human capability to generate new ideas, concepts, and products.

According to the report, the Creative Class is defined as people in occupations paid to think. Regions that attract and retain this group of workers are best positioned to succeed in the future. The global city hierarchy of the creative age will be determined not by access to natural resources, but by how and which are able to attract this class of creative worker. In essence, with the concentration of **Talent** and the many perspectives that come with people being able to carve out their own space in a new **Tolerant** community, comes new **Technology** and innovations that support continued growth. Each of the 3Ts plays an important role in the ability of regions to attract the Creative Class. As a result regions should not choose to focus on any one ‘T’; each is necessary but not sufficient for economic growth. In the creative age, regions will continued to be judged by their GDP per capita and other traditional measures, but it will be their overall creative output that determines their sustained success.



How did Peterborough compare?

Here is a synopsis of the findings:

Technology: Innovation and High-Tech Production

Technology is the driving force behind economic growth. The Overall Technology Ranking is based on three separate measures that reflect regions innovativeness and the size of their high-tech producing industries.

The top performers overall on Technology are:

- **Sherbrooke**
- **Kelowna**
- **Peterborough.**

Talent: Human Capital and the Creative Class

The Creative Class reflects the ability of individuals to transfer their abilities as measured by the Talent Index into high value economic activities and thus creative- thinking occupations. Research has demonstrated the importance of investing in personal productivity as a way to generate growth for firms and regions search. Due to the high correlation between the Talent Index (population greater than 25 years of age with a Bachelor's Degree or above) and the Creative Class, only the latter is used to rank the peer regions in this study.

The small-sized regions generally perform around the average or above on Talent indicators among their peer regions which is based solely on the share of the workforce in the Creative Class.

The three top performers among Ontario Regions on the Talent Index are:

- **Guelph (26.7%)**
- **Kingston (23.3%)**
- **Peterborough (16.2%)**

Only the first two are above the Ontario average of 22.8%, with the rest falling below the average.

Tolerance: Openness and Diversity

The collection of Tolerance indicators is not meant to suggest that regions with high numbers of gay and lesbians, bohemians, or immigrants cause economic growth. Rather, regions that are open to different types of people have a more open-minded culture, which is conducive to idea exchange and the creativity that is vital to the process of innovation.

The small-sized Ontario regions perform very well on Tolerance, accounting for five of the top ranked regions. Kingston is the most tolerant region in the peer group with a very consistent performance on all measures. Just below Kingston is Guelph which ranks number one on two of the four indicators that determine the overall Tolerance ranking.

The table on the next page indicates that regions like Kingston, Guelph and Peterborough are highly creative regions that can help support industry and business across the province.

The 3Ts of economic development show that the small-sized regions of Ontario are lacking when it comes to Technology and the education of the population. These regions must improve their performance on innovation, an issue closely linked with the levels of education seen in regions around the province. Without a workforce trained and educated with the most up-to-date knowledge and theories it is difficult to produce new market leading innovations and processes.

Creativity Index

Creativity Index Ranking	Creativity Index	Technology Ranking	Talent Ranking	Tolerance Ranking
1. Kingston, ON	0.67	14	1	1
2. Sherbrooke, (QC)	0.66	1	3	5
3. Guelph, ON	0.66	11	2	2
4. Peterborough, ON	0.59	3	7	3
5. Kelowna, BC	0.56	2	11	4
6. Bloomington, IL	0.55	4	4	15
7. College Station, TX	0.52	8	5	14
8. Trois-Rivieres, QC	0.50	9	9	9
9. Sudbury, ON	0.47	6	10	11
10. State College, PA	0.46	5	13	9
11. Barrie, ON	0.45	7	12	7
12. Thunderbay, ON	0.45	15	8	6
13. Battle Creek, MI	0.39	12	6	16
14. Mount Vernon, WA	0.36	10	14	13
15. Brantford, ON	0.28	17	16	10
16. Dalton, GA	0.26	16	17	12
17. Rocky Mount, NC	0.24	13	15	17

Tolerance found in the small-sized regions of Ontario make them places that are open to new ideas and filled with diverse perspectives. Working together, when people are educated and open minded to different ideas, the best and most creative ideas tend to rise to the top. Regions able to harness the creative potential of their citizens attract the human, financial and physical capital necessary to commercialize products and services by forming new firms, and make existing ones more effective.

The following table indicates the present breakdown of our labour force.

Labour Force Characteristics City and County of Peterborough

Labour Characteristics for Age 15 and Over	Employees	Total % of Labour Force	Average Wage for Sample Jobs
Sales and Services	18,195	26.87	
Food and Beverage Servers			\$8.80
Retail Sales Clerks			\$9.27
Trades, Transport & Equipment Operators	10,950	16.17	\$15.13
Material Handlers			\$19.29
Truck Drivers	10,115	14.94	
Business, Finance & Administration			\$18.50
Secretaries (not medical or legal)			\$17.14
Administrative Officers	6,095	9.00	
Management			
	3,975	5.87	
Processing, Manufacturing & Utilities			\$14.37
Machining Tool Operators			\$17.23
Mechanical Assemblers	4,475	6.61	
Health			\$30.83
Registered Nurses			\$16.69
Nurses Aides, Orderlies	6,545	9.67	
Social Sciences, Government, Religion, Education			\$27.66
Elementary School Teachers	3,375	4.98	\$15.04
Early Childhood Educators			\$25.39
Natural & Applied Sciences			\$27.64
Information Systems Analysts	2,230	3.29	
Mechanical Engineers			\$11.46
Primary Industries			\$19.41
General Form Workers	1,745	2.58	
Logging			\$24.11
Arts Culture Recreation & Sport			\$13.57
Professionals in PR and Communications			
Program leaders/instructors sport and recreation			

Source : Service Canada – Labour Market Information , 2007

Any comments or questions regarding the content of this report may be directed to info@martinprosperity.org.

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