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THE SIGNIFICANT ECONOMIC CONTRIBUTION OF ATLANTIC INDIGENOUS BUSINESSES AND COMMUNITIES

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Highlights

- > The total impact on nominal Gross Domestic Product (GDP) from Atlantic Indigenous communities and businesses was \$6.2 billion in 2021 after accounting for direct, indirect and induced impacts. This amounts to a direct contribution of about 3% of regional GDP and over 4% when all indirect and induced effects are included.
- > The Atlantic Indigenous economy supported 89,000 jobs in total, almost 8% of the region's jobs.
- > Atlantic Indigenous communities and businesses generated \$2.1 billion in total tax revenues in 2021, about 4% of total taxes collected. About 90% of the total employment income earned by Atlantic Indigenous peoples is taxable.
- > Indigenous communities and businesses create positive impacts for the non-Indigenous economy in the Atlantic region. This includes \$1.8 billion in nominal GDP, almost 26,000 jobs and \$1.1 billion in wages and salaries.
- > Indigenous people are younger on average than non-Indigenous people. Their share of the region's population is growing due to a higher birth rate, increasing lifespans, and more people identifying as Indigenous.
- > The education levels and labour market outcomes of Indigenous people lag those of non-Indigenous people. If these gaps were closed for First Nations peoples by 2041, the region's nominal GDP and employment would increase by \$2.5 billion and 10,000 jobs, respectively.
- > Almost 1,800 Indigenous-owned businesses with employees operate in the Atlantic region in 2024. About 6 in 10 of their employees are Indigenous themselves, based on an Atlantic Economic Council business survey.
- > More than 5,100 Atlantic Indigenous persons were self-employed in 2021. Indigenous entrepreneurship grew by 37% between 2016 and 2021, faster than 22% for the non-Indigenous population.
- > The Atlantic province with the largest Indigenous economy is Newfoundland and Labrador (see Appendices). The Indigenous economy in Prince Edward Island is the smallest in the region due to its low population.

CONTENTS

Introduction	1
Indigenous economic impacts in the Atlantic region	2
Indigenous fiscal impacts in the Atlantic region	6
Profile of Atlantic Indigenous communities and businesses	7
Challenges and opportunities	13
Assessment	15
Appendix 1—Methodology	16
Appendix 2—Indigenous economic and fiscal impacts by province	17

The Atlantic Economic Council is the source for independent research, providing the insights and ideas that are vital to supporting a healthy, inclusive and sustainable Atlantic Canadian economy.

Introduction

Indigenous communities and businesses are key contributors to the Atlantic region's economy. There are many examples of the growing importance of the Indigenous economy, from the 2023 North American Indigenous Games to the acquisition of an interest in Clearwater Seafood. Indigenous communities and peoples own businesses, have band office operations, host Pow wows and summer games and operate across all industries.

Historically, estimates of these contributions have not been readily available due to a lack of data on the Indigenous economy. This report helps close that information gap.

This report provides the Atlantic Economic Council's estimates of the total economic and fiscal impacts of Indigenous communities and businesses in Atlantic Canada in 2021. It also demonstrates how the Indigenous economy benefits the non-Indigenous economy. Our primary source is Statistics Canada's [Indigenous Peoples Economic Account \(IPEA\)](#), last updated in April, 2024.

Atlantic Economic Council conducted this research project for the Atlantic Policy Congress of First Nations Chief Secretariat through its Atlantic Indigenous Economic Development Integrated Research Program (AIEDIRP). This report provides important results on the impacts of the Atlantic Indigenous economy, aligning with one of the objectives of the AIEDIRP which is to measure Indigenous economic development success. This study is the second economic impact analysis of the Atlantic Indigenous economy for AIEDIRP. The first was conducted by [Group ATN](#) in 2016.



Credit: Eskasoni Cultural Journeys

Indigenous economic impacts in the Atlantic region

Indigenous communities and businesses in the Atlantic region directly generated \$7.3 billion in direct spending in 2021, according to the IPEA. This spending generated \$4 billion in nominal GDP. Indigenous peoples in the Atlantic provinces held 60,000 jobs and earned a total of \$2.7 billion in labour income in 2021. The Indigenous economy directly created about 3% of the region's GDP and over 5% of the region's jobs. Estimates for each province are provided in [Appendix 2](#).

The total impact on GDP from Atlantic Indigenous communities and businesses in 2021 was \$6.2 billion after accounting for indirect and induced impacts. The Atlantic Indigenous economy supported 89,000 jobs in total. The total labour income generated by Indigenous communities and businesses in the region was \$4 billion. The Indigenous economy generated over 4% of the region's GDP and almost 8% of the region's jobs, after allowing for economic spin-offs.

Atlantic Indigenous communities and businesses generated \$6.2 billion in GDP in 2021

Economic impacts of Indigenous peoples in Atlantic Canada, 2021

	Spending (\$ millions)	GDP (\$ millions)	Labour income (\$ millions)	Jobs (persons)
Direct	7,300	4,000	2,700	60,000
Indirect	2,200	1,300	900	19,000
Induced	1,600	1,000	400	11,000
Total	11,100	6,200	4,000	89,000
Share of economy (%)	5.1	4.5	6.9	7.9

Sources: Statistics Canada, [Indigenous Peoples Economic Account](#), Atlantic Economic Council

Indigenous communities and businesses create positive impacts on the non-Indigenous economy via supply chain activity and spending generated by employees. The majority of these indirect and induced impacts are felt by the non-Indigenous economy. We estimate that the economic impacts of the Indigenous economy on the non-Indigenous economy were \$3.1 billion in spending, \$1.8 billion in GDP, \$1.1 billion in wages and salaries and 26,000 jobs. These non-Indigenous economy impacts were 30% of the total impacts from the Indigenous economy.

Direct impacts measure the economic activity of Indigenous communities and businesses without spinoff effects. Our direct impact estimates are from the IPEA.
Indirect impacts measure the economic activity of the upstream and downstream supply chain that supports Indigenous communities and businesses.
Induced impacts measure the consumer spending generated from labour income associated with the direct and indirect impacts.

Our estimates show a substantial increase in the total GDP impact from Atlantic Indigenous communities and businesses when compared to the [Group ATN](#) study. Our estimate is almost seven times higher than its 2015 estimate of about \$900 million*. This gap comes from the larger scope and data availability within the IPEA, including more Indigenous businesses, and census data on incomes and employment.

Economic indicators for Atlantic Indigenous communities and businesses were rising quickly prior to COVID-19. Direct GDP and employment in Indigenous communities and businesses in the Atlantic region grew 21% and 13% respectively, from 2015 to 2019.

* This estimate includes Atlantic provinces only. Impact on Canada was \$1.14 billion.



The impacts of recent events in the Atlantic region hosted by Indigenous groups

The [North American Indigenous Games 2023](#) were held in Halifax from July 15-23, 2023, attracting more than 5,200 athletes from across the continent. [Sport Tourism Canada](#) estimated that this event would generate \$26 million in total spending in Nova Scotia. Total [tax revenues](#) from the games were estimated to be \$6.8 million across the country, with \$2.5 million in Nova Scotia provincial and municipal taxes.

About 2,000 athletes compete in the annual [Mi'kmaw Summer Games](#) in Nova Scotia, which was last held August 20-27, 2023. We estimate this event generated about \$6.5 million in total spending in the province.

The [New Brunswick Indigenous Summer Games](#) attracts about 1,400 competitors each year. We expect this event to generate about \$4.6 million in total spending in New Brunswick in 2023.

The [Assembly of First Nations 2023 Annual General Assembly](#) in Halifax brought more than 1,500 First Nations people from across the nation together to meet on advancing First Nations priorities. We estimate this event generated almost \$1 million in spending.

Indigenous tourism generates [\\$108 million in GDP](#), \$76 million in labour income and creates almost 2,900 jobs in the Atlantic region.

Note: Our estimates for the Mi'kmaw Summer Games and the New Brunswick Indigenous Summer Games are rough estimates based on assumptions about the number of attendees. We scaled the impact relative to the North American Indigenous Games 2023, with a downward adjustment due to the presumption of less travel coming from outside the region. Our estimate of the impact of the Assembly of First Nations 2023 Annual General Assembly is based on the average spending impact per attendee from events at the Halifax Convention Centre.

Credit: Mi'kmaw Economic Benefits Office

Our estimate of the total impact of the Atlantic Indigenous economy on regional GDP is over double the impact of the Atlantic aerospace and defence industry. It is almost 13 times the size of the impact of international students attending Atlantic universities.

Indigenous renewable energy projects

Indigenous communities across the Atlantic provinces are increasingly investing in renewable energy projects. Indigenous communities benefit from investing in these projects, improving their self-determination via more own-source revenues and capacity building.

The Burchill Wind Project located near Saint John, New Brunswick, is the latest result of a partnership between Tobique First Nation and Natural Forces. The project was deemed to be operational in June 2023. Natural Forces has partnered with several First Nations communities across the region.

An economic impact assessment by Jupia Consultants estimated that the impacts of the Burchill Wind Project on GDP were about \$92 million in 2015, rising to almost \$107 million in 2023. The project is estimated to support over 480 jobs in 2023.

The Wskijnu'k Mtmo'taquinow Agency is an equity investor in Nova Scotia Power's battery storage project. This project received funding from the Canada Infrastructure Bank and Natural Resources Canada.

Over \$75 million in total spending from new Mi'kmaw Native Friendship Centre facility

The Mi'kmaw Native Friendship Centre is a non-profit organization whose mission it is to provide social programs and a place to gather for the urban Indigenous community in Halifax. It has operated for 50 years as of September 17, 2023.

The Wije'winen Centre will be the new facility to host the Mi'kmaw Native Friendship Centre. This 70,000 square-foot facility will allow for an expansion in services and provide visibility to Indigenous culture.

The federal government and the Nova Scotia government provided \$38 million and \$10 million, respectively to fund the construction of the building. The Halifax Regional Municipality supported the project with a significant land transfer and will demolish the existing building on the site.

The Atlantic Economic Council estimates that this major project will generate over \$75 million in total spending in Nova Scotia, after incorporating its indirect and induced impacts. The total impact on GDP in the province will be \$33 million. The project will also support 370 jobs for Nova Scotians.

Note: Our rough economic impact estimates are based on using the 2019 within province non-residential construction multipliers for Nova Scotia.

The economic impact of COVID-19 on Indigenous communities and businesses in the Atlantic region

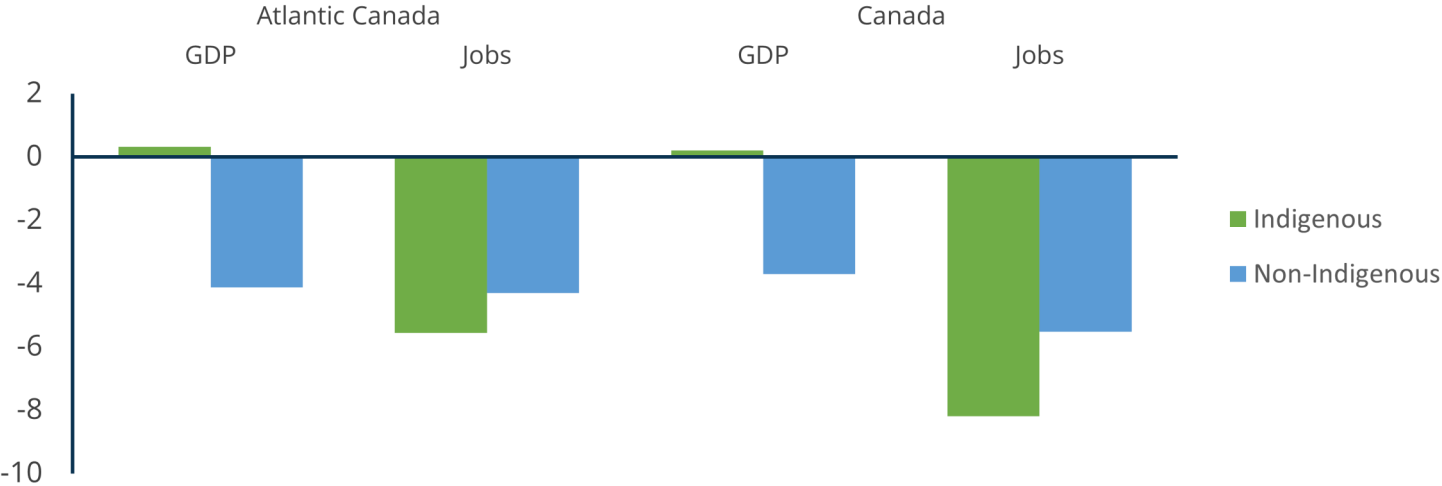
The global COVID-19 pandemic had significant negative consequences on the Indigenous economy. About 92% of Atlantic First Nations businesses had to close due to COVID-19, according to Atlantic Economic Council’s [business survey](#). Two-thirds of businesses that closed did so for over 90 days. Atlantic Indigenous communities’ own-source revenues declined as a result of closures, restrictions, and reduced demand, especially from fishing, hospitality, gaming and tourism.

The job losses that resulted from COVID-19 were felt more strongly in Indigenous communities and businesses than in the broad economy. Indigenous employment in the region declined almost 6% compared to non-Indigenous employment which dropped 4%. Atlantic region GDP from Indigenous communities and businesses remained flat compared to the non-Indigenous regional economy which declined 4%.

The Atlantic region fared better than the rest of the country on average during COVID-19 in terms of employment, although Atlantic GDP was slightly worse off. The Indigenous economy in Atlantic Canada fared better than the national Indigenous average for both metrics.

Indigenous peoples experienced more severe job losses from COVID-19

Change in select economic indicators, 2019-2020 (%)



Sources: Statistics Canada, [Indigenous Peoples Economic Account](#), Atlantic Economic Council

The industries that were most impacted by COVID-19 for Atlantic Indigenous peoples are tourism industries, primary industries, and construction. These are mainly the same industries that were the most impacted in the non-Indigenous economy, apart from construction which experienced larger declines in the Indigenous economy.

Indigenous fiscal impacts in the Atlantic region

Indigenous communities and businesses are important contributors to tax revenues. We estimate that they generated \$2.1 billion in total tax revenues in 2021, accounting for direct, indirect, and induced impacts of the Indigenous economy. This represents about 4% of the total taxes collected in the region.

Atlantic Indigenous communities and businesses generated \$2.1 billion in total tax revenue in 2021

Fiscal impacts of Indigenous peoples in Atlantic Canada, 2021 (\$ millions)

	Federal Tax	Provincial Tax	Municipal Tax	Total Tax
Direct	660	630	80	1,400
Indirect	240	230	30	490
Induced	110	100	10	220
Total	1,000	960	120	2,100
Share of total taxes (%)	4.2	4.2	4.0	4.2

Sources: Statistics Canada, [Indigenous Peoples Economic Account](#), Atlantic Economic Council

Our estimates account for the tax exemption on income generated on-reserve for status Indians under the *Indian Act*. See Appendix 1: Fiscal impacts, for more details. Almost 10% of Indigenous employment income in the Atlantic region in 2021 was from status Indians living on-reserve. Therefore, we estimate that almost 90% of the labour income earned by Indigenous peoples in the Atlantic provinces is taxable. At the indirect and induced levels, income earned by non-Indigenous persons generated by Indigenous activity is also taxable.

Some Indigenous communities in the Atlantic region have implemented self-taxation. Out of the 34 Indigenous communities in the Atlantic region, 11 communities have implemented property taxes. The Nunatsiavut Government has self-taxation on personal income and goods and services. Self-taxation allows Indigenous governments to generate their own revenues and spend these funds on programs and capital, which helps to advance self-determination.

Tax agreements are essential to properly account for the generation and distribution of tax revenues between Indigenous communities and provincial government. Our 2021 estimate of provincial government sales and excise taxes generated from the Indigenous economy in New Brunswick is 30% higher than the \$44 million in tax dollars that the New Brunswick government refunded to First Nations communities in 2021. The provincial government tax payment in 2021 was likely based on activity the prior year, which was subject to the COVID-19 impact.

Profile of Atlantic Indigenous communities and businesses

Indigenous communities and businesses are important contributors to the Atlantic economy. Over 60,000 Indigenous persons worked in 2021. Almost 1,800 Indigenous-owned businesses with employees operated in the region between 2023Q2 and 2024Q1.

The largest share of Indigenous employment in the region is in public services, which includes public administration, health care, and education. The Indigenous share of public administration workers (21%) is over double the share of non-Indigenous public administration workers (9%). Much of this gap is due to employment in Indigenous band offices which provide many important services to their communities.

Indigenous peoples in the Atlantic region contribute to all industries across the economy

Total Indigenous employment by industry, 2021

	Atlantic Canada	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick
Public services	27,100	9,100	640	11,300	6,100
Retail and wholesale trade	7,600	2,300	130	3,200	1,900
Tourism industries	5,200	1,600	120	2,000	1,500
Construction	4,300	1,600	120	1,600	900
Financial and professional services	3,300	1,000	80	1,400	800
Primary industries	2,900	900	120	1,200	700
Manufacturing	2,900	600	90	1,400	800
Other industries	6,700	2,200	170	2,600	1,700
Total	60,000	19,000	1,500	25,000	14,000

Sources: Statistics Canada, [Indigenous Peoples Economic Account](#), Atlantic Economic Council

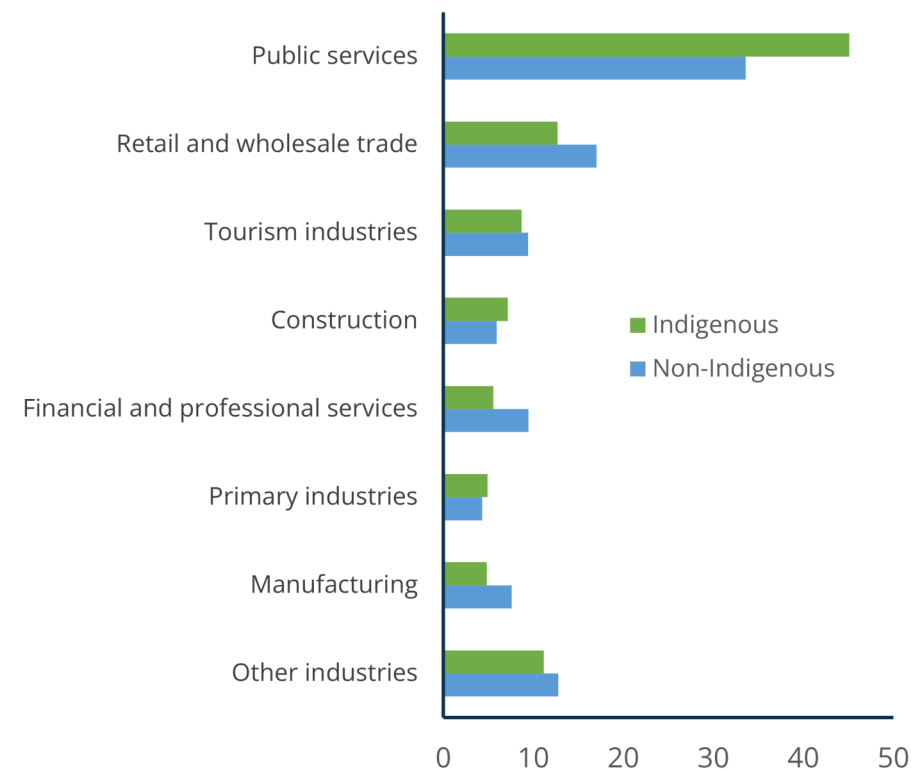
Indigenous workers in the Atlantic region are also more likely than non-Indigenous workers to be employed in construction and primary industries. Indigenous workers are less likely than non-Indigenous workers to work in most other industries. This gap is the largest in information and cultural industries and financial services.

Differences exist in the concentration of Indigenous employment by industry between provinces. The share of Indigenous workers in manufacturing in Newfoundland and Labrador (3%) is lower than in the Maritime provinces (6%). Newfoundland and Labrador has the highest share of Indigenous employment in construction. The province has higher major project activity than the Maritimes, leading to more jobs in construction.

Agriculture, forestry, fishing and hunting as a share of Indigenous employment is lowest in Newfoundland and Labrador (1%) and highest in Prince Edward Island (8%), driven by the Island's high activity in agriculture. Mining activity is absent in Prince Edward Island and below half of a percent in the rest of the Maritimes. Mining makes up over 3% of Indigenous employment in Newfoundland and Labrador thanks to its large mining operations.

Indigenous workers are more concentrated in public services

Share of employment by industry, Atlantic Canada, 2021 (%)



Sources: Statistics Canada, Indigenous Peoples Economic Account



Credit: Indigenous Clean Energy
The 2019 cohort of the 20/20 Catalysts Program at the Six Nations of the Grand River - Nanticoke Solar Farm

Indigenous peoples in the Atlantic region earned almost \$2.7 billion in wages and salaries in 2021 according to the IPEA. The largest share of this comes from Nova Scotia as it has the largest Indigenous population in the Atlantic region. Newfoundland and Labrador is close behind as people in the province earn higher wages on average than in the Maritime provinces.

Public services account for almost half of Indigenous peoples' wages and salaries in the Atlantic region

Total Indigenous wages and salaries by industry, 2021 (\$ thousands)

	Atlantic Canada	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick
Public services	1,380	500	34	560	290
Retail and wholesale trade	230	80	5	90	50
Construction	220	110	4	70	40
Primary industries	170	80	4	70	30
Financial and professional services	170	60	3	70	40
Manufacturing	130	30	4	70	30
Tourism industries	120	40	3	40	30
Other industries	260	110	5	100	60
Total	2,680	1,010	60	1,060	550

Sources: Statistics Canada, [Indigenous Peoples Economic Account](#), Atlantic Economic Council

The wages and salaries Indigenous persons earn in the Atlantic region are lower than those for non-Indigenous persons on average. The gap is much larger in New Brunswick at almost 24%. The gap is just 6% in Newfoundland and Labrador, where average wages and salaries for both Indigenous and non-Indigenous persons are the highest in the region.

Indigenous persons earn lower wages and salaries on average than non-Indigenous persons in the region

Average annual wages and salaries, 2021 (\$)

	Canada	Atlantic Canada	Newfoundland and Labrador	Prince Edward Island	Nova Scotia	New Brunswick
Indigenous	50,000	47,000	54,000	45,000	46,000	40,000
Non-Indigenous	59,000	53,000	57,000	49,000	51,000	53,000
Gap (%)	-16	-11	-6	-9	-10	-24

Source: Statistics Canada

Multiple factors contribute to this earnings gap, including differences in demographics and educational attainment. The Indigenous labour force is relatively younger which means they have fewer average years of work experience.

Education levels among Indigenous persons in the Atlantic region are lower than for the non-Indigenous population. However, this gap has been closing. The share of Indigenous persons with a bachelor's degree or higher has grown about 2% between the 2016 and 2021 census. Even with equal education, Indigenous people still earn lower incomes than non-Indigenous people.

Location and market access are also key differences that affect economic opportunities. Some Indigenous communities are in rural or remote areas that have less access to larger markets. Other communities may have more natural resources or better infrastructure, including broadband and access to major highways, airports and ports.



Credit: Irving Shipbuilding

Indigenous community-owned businesses strengthen their communities via employment opportunities and own-source revenues. Indigenous governments are also major employers as evidenced by the large share of Indigenous employment in public administration.

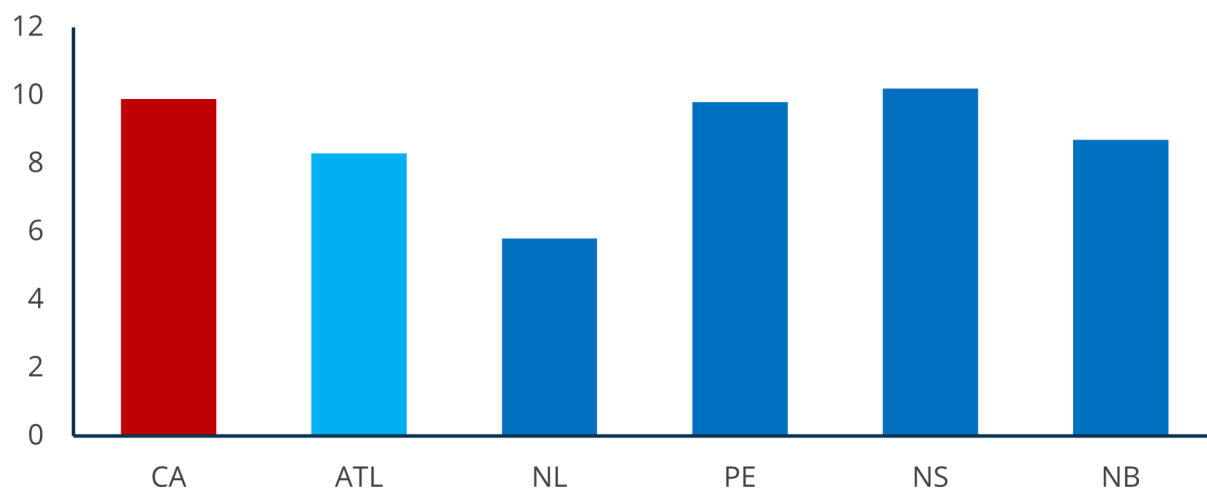
Indigenous entrepreneurs play an important part in the development of the Indigenous economy by providing employment opportunities and revenues for Indigenous communities. Indigenous entrepreneurship is a key component of self-determination as it reduces dependency on non-Indigenous businesses and governments for goods, services, and financial capacity. More than 5,100 Indigenous persons in the Atlantic region were self-employed in 2021, according to the census.

Entrepreneurship is expanding quicker in the Indigenous population than in the non-Indigenous population. The number of self-employed Indigenous persons in the Atlantic region grew 37% between 2016 and 2021, greater than the 22% increase in the non-Indigenous population. While the non-Indigenous rate of self-employment remains higher in each province, the gap is shrinking.

Indigenous entrepreneurs are also generally younger than non-Indigenous entrepreneurs. The national share of entrepreneurs under 35 years old is 14% for Indigenous businesses, while it is 11% for non-Indigenous businesses.

Indigenous self-employment in Nova Scotia is higher than the national rate

Self-employed Indigenous persons as a share of the total employed Indigenous population, 2021 (%)



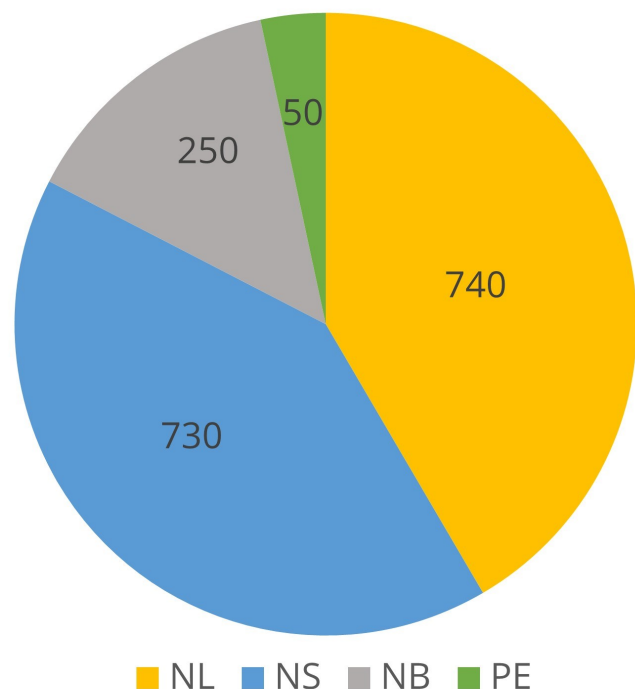
Sources: Statistics Canada, 2021 Census of Population

The rate of self-employment among Indigenous persons is higher in the Maritimes than in Newfoundland and Labrador. A similar gap exists in the non-Indigenous population.

Almost 1,800 Indigenous-owned businesses with employees are operating in the Atlantic region, based on an average of the four quarters from 2023Q2 to 2024Q1. This excludes self-employment, which is also part of entrepreneurship. These businesses create vital employment opportunities for Indigenous and non-Indigenous persons alike. About 8 in 10 of these businesses employ at least one Indigenous person according to a survey by the [Canadian Council for Aboriginal Business](#). About 6 in 10 employees of Indigenous businesses are Indigenous, based on our [business survey](#).

The majority of Indigenous-owned businesses in the Atlantic region are in Newfoundland and Labrador

Number of Indigenous-owned businesses with employees (average of 2023Q2-2024Q1)



Source: Statistics Canada, Canadian Survey on Business Conditions ([2023Q2](#), [2023Q3](#), [2023Q4](#), [2024Q1](#))

The number of Indigenous businesses in the region has been rising quickly. About 30% more Indigenous-owned businesses operate in the region since [2018](#), while the number of non-Indigenous-owned businesses fell by 1%. About 3% of businesses in the Atlantic region are Indigenous-owned. The Indigenous-owned share of businesses in Newfoundland and Labrador is the highest of all provinces at almost 7%.

Challenges and opportunities for the Atlantic Indigenous economy

Challenges

Indigenous businesses located on-reserve face difficulties accessing capital from traditional banks because the *Indian Act* prohibits reserve property from being used as collateral. [Ulnooweg Development Group](#), the Atlantic region's only Indigenous financial institution, improves capital access for Indigenous businesses by offering small business loans. The *First Nations Fiscal Management Act* institutions provide financial and administrative support for economic development and infrastructure projects for [29 of the 34](#) First Nations governments in the region.

Market access is an issue for many Indigenous businesses. For businesses in rural communities, the relatively small population and reduced proximity to potential economic partners can dampen business prospects. The [Canadian Council for Aboriginal Business](#) found that Indigenous-owned small and medium-sized enterprises were more likely to export than their non-Indigenous counterparts. This is possibly out of necessity due to the smaller local market in reserve communities. About 31% of Indigenous-owned small and medium-sized enterprises in the Atlantic region exported outside of Canada in 2014.

Inadequate access to high-speed broadband is another issue affecting some rural Indigenous communities. Our report on [broadband access in Indigenous communities](#) highlighted the importance of broadband availability for these communities. Adequate bandwidth enables these communities to access opportunities in the digital economy and key services. The situation has been improving as new infrastructure projects to expand internet access in Indigenous communities have been implemented across the region.

A gap exists between the education levels of Indigenous and non-Indigenous persons that leads to income disparity and fewer employment opportunities for Indigenous peoples. Education is essential for Indigenous youth to access many job opportunities, as our report on [opportunities for Indigenous youth](#) demonstrated. About 14% of Indigenous peoples in the Atlantic region possessed a university education in 2021 compared to 21% in the non-Indigenous population. Indigenous education rates are improving, however. About 3% more Atlantic Indigenous persons in 2021 had a high school diploma than in 2016 and 2% more had a university degree.

Opportunities

One of the most significant advantages of the Indigenous economy is its young and growing population. The Indigenous population is about seven years younger on average than the non-Indigenous population in the Atlantic region as of 2021. The Indigenous population's growth between the 2016 and 2021 census outpaced the growth of the non-Indigenous population in each Atlantic province except Nova Scotia. Statistics Canada projects that the proportion of Indigenous people in the total Atlantic population could reach around 9% by 2041, from about 6% in 2021.

The region's economy would benefit greatly if labour market and education gaps were closed between Indigenous and non-Indigenous people. The nation's GDP would increase by \$48.4 billion if the gap between First Nations and non-Indigenous people's education levels, incomes, and employment rates were closed by 2041. The employment gains would be about 188,000. These impacts include \$2.5 billion in GDP and 10,000 jobs in the Atlantic region.

Indigenous peoples in the Atlantic region have the potential to expand their activity in a variety of key sectors, as our 2022 report demonstrates. These sectors are fisheries and aquaculture, clean technology and green energy, ocean technology, digital technology, tourism, aerospace and defence, mining and construction.

Partnerships between Indigenous and non-Indigenous businesses provide mutual benefits and help to grow the region's economy. Indigenous businesses benefit through capacity building, mentorship and market access. Non-Indigenous businesses benefit by gaining better access to the growing Indigenous labour force and their unique perspectives, as well as eligibility for certain supply chain procurement contracts.

Self-taxation and the potential for property ownership are key opportunities for First Nations communities participating in the *First Nations Fiscal Management Act* and *First Nations Land Management Act*, respectively. Self-taxation allows communities to generate increased own-source revenues that can be reinvested in infrastructure and economic development projects. Five First Nations in this region allow for home ownership under the First Nations Market Housing Fund, which includes mortgages. A mortgage provides opportunities to leverage collateral and credit history to borrow money for starting a business.

Assessment

Our findings demonstrate the significant contributions of Indigenous communities and businesses to Atlantic Canada's economy. The Indigenous economy generated about 4% of the region's nominal GDP and 8% of the jobs in the region in 2021.

The Indigenous economy provides large benefits to the non-Indigenous economy. Atlantic Indigenous businesses' supply chain activity and employee spending added \$1.8 billion to non-Indigenous GDP and created 26,000 jobs which paid \$1.1 billion in wages and salaries in 2021.

Indigenous communities and businesses create sizeable tax revenues for the region. The Indigenous economy generated about 4% of the total tax revenues in the region after accounting for direct, indirect, and induced impacts. We estimate that about 90% of income earned by Indigenous persons in the region is taxable. However, some income earned by Indigenous persons is exempt from taxation.

The Indigenous population in the region is growing quicker than the non-Indigenous population, but education and labour market gaps still limit the growth of the Indigenous economy. Closing these gaps would expand the region's GDP by about \$2.5 billion and increase employment by 10,000 in 2041.

Challenges facing the Indigenous economy must be addressed to close gaps and unlock the potential of the Indigenous economy. The opportunities to grow the Indigenous economy and advance self-determination should be explored further. The success of our region's economy is bolstered by the success of Atlantic Indigenous communities and businesses.



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Statement of Independence

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Appendix 1 - Methodology

Economic impacts

The Atlantic Economic Council's methodology for estimating the economic impacts of Indigenous communities and businesses in 2021 relies primarily on two datasets from Statistics Canada. The first is the preliminary 2021 results from the IPEA, which include estimates by province and industry for spending, GDP, jobs, and labour income. The second dataset is the provincial input-output multipliers by industry from the Supply-Use tables.

We estimated the indirect and induced effects of Indigenous communities and businesses in the Atlantic region by using the appropriate provincial industry input-output multipliers on each of the direct economic indicators available in the IPEA separately. The direct impacts we present are sourced from the IPEA. Some imputation was done to address gaps in the data such as in Prince Edward Island.

Newfoundland and Labrador has the largest economic impact in the Atlantic region. This result is partially due to the recognition of the Qalipu First Nation under the *Indian Act* in 2011, which increased the Indigenous population in this province.

Fiscal impacts

To estimate the fiscal impacts of Indigenous communities and businesses in the Atlantic region in 2021, we multiplied our estimates for labour income by adjusted effective tax rates that we derived from household income data and tax revenue data from 2021.

These effective tax rates were adjusted to account for the tax exemption in Section 87 of the *Indian Act*. Persons with Indian status under the *Indian Act* generally do not have to pay tax on income that is generated on-reserve. This includes goods and services that are purchased or delivered on-reserve.

About 4 in 10 employed Indigenous persons in the Atlantic region have Indian status, but only a small fraction generate income on-reserve that is tax exempt. Our estimate for the share of tax-exempt income from all Indigenous persons ranges from 8% to 18% depending on the province.

When estimating the indirect and induced fiscal impacts, we reduced the size of these adjustments to account for the fact that Indigenous businesses buy from and sell to non-Indigenous businesses and create employment for non-Indigenous persons who are not eligible for a tax exemption. Most of the indirect and induced impacts are accrued by the non-Indigenous economy, so this adjustment is smaller than the adjustment for direct income to Indigenous peoples. Incomes and property owned or purchased by non-Indigenous persons are usually taxable.

Appendix 2 - Indigenous economic and fiscal impacts by province

Newfoundland and Labrador

Economic impacts

	Spending (\$ millions)	GDP (\$ millions)	Labour income (\$ millions)	Jobs (persons)
Direct	2,700	1,500	1,000	19,000
Indirect	770	440	330	5,900
Induced	510	330	150	3,500
Total	4,000	2,300	1,500	29,000
Share of economy (%)	7	6	12	13

Sources: Statistics Canada, [Indigenous Peoples Economic Account](#), Atlantic Economic Council

Fiscal impacts (\$ millions)

	Federal Tax	Provincial Tax	Municipal Tax	Total Tax
Direct	280	290	25	600
Indirect	97	101	8	210
Induced	43	44	4	91
Total	420	440	37	900
Share of taxes (%)	7	7	7	7

Sources: Statistics Canada, [Indigenous Peoples Economic Account](#), Atlantic Economic Council

Prince Edward Island

Economic impacts

	Spending (\$ millions)	GDP (\$ millions)	Labour income (\$ millions)	Jobs (persons)
Direct	160	100	60	1,500
Indirect	50	40	30	600
Induced	30	20	10	200
Total	240	160	90	2,300
Share of economy (%)	2	2	3	3

Sources: Statistics Canada, Indigenous Peoples Economic Account, Atlantic Economic Council

Fiscal impacts (\$ millions)

	Federal Tax	Provincial Tax	Municipal Tax	Total Tax
Direct	13.2	13.5	0.7	27.3
Indirect	6.5	6.7	0.3	13.5
Induced	2.1	2.2	0.1	4.4
Total	21.8	22.4	1.1	45.3
Share of taxes (%)	1	1	1	1

Sources: Statistics Canada, Indigenous Peoples Economic Account, Atlantic Economic Council

Nova Scotia

Economic impacts

	Spending (\$ millions)	GDP (\$ millions)	Labour income (\$ millions)	Jobs (persons)
Direct	2,800	1,500	1,060	25,000
Indirect	770	400	270	6,200
Induced	690	390	170	4,200
Total	4,200	2,300	1,500	35,000
Share of economy (%)	6	5	6	8

Sources: Statistics Canada, Indigenous Peoples Economic Account, Atlantic Economic Council

Fiscal impacts (\$ millions)

	Federal Tax	Provincial Tax	Municipal Tax	Total Tax
Direct	240	210	36	490
Indirect	68	60	10	140
Induced	40	35	6	80
Total	350	300	52	700
Share of taxes (%)	4	4	4	4

Sources: Statistics Canada, Indigenous Peoples Economic Account, Atlantic Economic Council

New Brunswick

Economic impacts

	Spending (\$ millions)	GDP (\$ millions)	Labour income (\$ millions)	Jobs (persons)
Direct	1,700	820	550	14,000
Indirect	620	380	250	5,800
Induced	330	220	100	2,600
Total	2,600	1,400	900	23,000
Share of economy (%)	4	3	5	6

Sources: Statistics Canada, Indigenous Peoples Economic Account, Atlantic Economic Council

Fiscal impacts (\$ millions)

	Federal Tax	Provincial Tax	Municipal Tax	Total Tax
Direct	122	110	15	250
Indirect	66	60	8	130
Induced	24	22	3	48
Total	210	190	26	430
Share of taxes (%)	3	3	3	3

Sources: Statistics Canada, Indigenous Peoples Economic Account, Atlantic Economic Council