

2.2.2 Economic Dependency

The Shuswap region, like all other areas of the province, draws its income from a variety of economic sectors. BC Statistics has used 1996 data to determine, for each region of BC, what share of local after-tax income was derived from each of the principal sectors, specifically: forestry, mining, fishing and trapping, agriculture, tourism, high tech industries, the public sector, construction, "other" basic industries, transfer payments (for example, E.I. and social assistance) and other non-employment income.¹ This income can be used, then, to determine "income dependence": the percent of total basic income which is derived from each of the basic sectors.

In the following table, income dependency in the Salmon Arm local area² is shown, and compared with that of the Kamloops area. The results show that forestry, the public sector and transfer payments account for the largest proportion of basic income in the Salmon Arm area (12, 19 and 24 percent respectively), while tourism's share is small at 4 percent.

¹ BC Statistics, Ministry of Finance and Corporate Relations (1999), *British Columbia Local Area Economic Dependencies and Impact Ratios -- 1996*.

² This corresponds with the entire Shuswap region.

Table 2.2-1: 1996 Income Dependency in Salmon Arm & Kamloops (percent of total)		
Source of Income	Salmon Arm	Kamloops
Forestry	12	11
Mining	1	7
Fishing & Trapping	0	0
Agriculture	4	2
Tourism	4	6
High Technology	3	0
Public Sector	19	27
Construction	10	9
Other Basic ³	4	13
Transfer Payments	24	16
Other Non-employment Income ⁴	19	10
Total	100	100

It is instructive to compare this with Kamloops, where forestry's share of basic income is approximately the same, but the public sector's share much higher, and transfer payments significantly smaller. Tourism comprises 6 percent of basic income in the Kamloops area.

To provide some further context, consider that tourism's share of regional basic income is generally higher than Salmon Arm in most areas of the province -- for example, tourism constitutes:

- 7 percent of basic income in Victoria and the Gulf Islands, and 8 percent in Parksville-Qualicum;
- between 6 and 8 percent in most parts of the Thompson-Okanagan, and 10 percent in Revelstoke;
- 5 to 6 percent in Nelson, Invermere, Fernie and Cranbrook, but 19 percent in Invermere; and,
- 7 to 8 percent in Prince Rupert, Hazelton, and the Queen Charlotte Islands.

It is likely that these dependency ratios have increased since the 1996 census, because of the growth in tourism activity throughout British Columbia.

³ Miscellaneous non-resident-based manufacturing, transportation activities

⁴ Primary investment income and corporation pension plans

