



The Aboriginal Economic
Benchmarking Report

The National Aboriginal Economic Development Board

June 2012



The Aboriginal Economic
Benchmarking Report

The National Aboriginal Economic Development Board

Updated and reprinted September, 2012.



MESSAGE FROM THE CHAIR

On behalf of the National Aboriginal Economic Development Board, I am pleased to present the *Aboriginal Economic Benchmarking Report*, a landmark document that provides comprehensive information on the degree to which Aboriginal Canadians are participating in the Canadian economy. For the past twenty years, the National Aboriginal Economic Development Board (NAEDB) has championed the benefits of Aboriginal economic development. Each member of the Board personally believes that the potential has never been greater for

Aboriginal people to be active in the economy, to strengthen their communities and to boost Canada's prosperity.

The NAEDB's vision is for Aboriginal Canadians to have the same economic opportunities and outcomes as other Canadians. To reach this goal, we need to know where we are coming from, how we are doing, and what we are hoping to achieve. It is in this context that the Board has developed the *Aboriginal Economic Benchmarking Report*.

The Benchmarking Report is the first comprehensive effort to identify a number of socio-economic indicators to assess the state and progress of the Aboriginal economy in Canada. This will enable us to track our progress over time. Data was gathered for over 100 measures, and a selection of key measures are presented in this report. The full range of the information gathered can be found on our website at www.naedb-cndea.com.

The Benchmarking Report provides solid evidence that Aboriginal Canadians are making some measurable progress toward improving their economic outcomes. Despite these gains, our report also shows that significant gaps remain between Aboriginal and non-Aboriginal Canadians. Clearly, much of our economic potential remains unrealized, and there is still much work to be done before Aboriginal Canadians are in the same position as other Canadians to contribute to and benefit from one of the world's wealthiest economies.

In this report, the NAEDB sets out bold ten-year targets to help achieve our vision. While many will find these targets ambitious, the Board believes that concerted efforts by all parties will make them attainable. For this reason, I hope that this report will be used by Aboriginal Canadians, the private sector, academics and governments, Aboriginal and non-Aboriginal alike, to influence decisions that will help achieve meaningful improvements in the economic participation of First Nation, Inuit and Métis peoples.

In the coming years, the NAEDB will release Progress Reports to track improvement across the indicators set out in this report, and to track Aboriginal Canadians' progress toward our targets. It is my sincere desire that these Progress Reports show marked improvement in the *Aboriginal Economic Benchmarking Report's* indicators, ensuring that Aboriginal Canadians achieve full inclusion in Canada's economy.

Sincerely,

Chief Clarence Louie

Chair, National Aboriginal Economic Development Board

THE NATIONAL ABORIGINAL ECONOMIC DEVELOPMENT BOARD

Established in 1990, the National Aboriginal Economic Development Board is appointed by Order-in-Council to provide policy and program advice to the federal government on Aboriginal economic development. Comprised of First Nations, Inuit and Métis community and business leaders from across Canada, the Board plays an important role in helping the federal government develop and implement policies and programs that respond to the unique needs and circumstances of Aboriginal Canadians. The Board also provides a vital link between policy makers, federal departments and Aboriginal and non-Aboriginal business and community leaders.

The National Aboriginal Economic Development Board can be found online at www.naedb-cndea.com.

The Board's members are:

Chair: Chief Clarence Louie, British Columbia
Chief, Osoyoos Indian Band

Vice-Chair: Dawn Madahbee, Ontario
General Manager, Waubetek Business Development Corporation

Member-At-Large: Pita Aatami, Quebec
Past President of Makivik Corporation

Richard Francis, New Brunswick
Past Director of Economic Development, Kingsclear First Nation

John Michael Keyuk, Saskatchewan
Vice President, G. Raymond Contracting Ltd.

Matthew Mukash, Quebec
Grand Chief, Grand Council of the Crees

Chief Terrance Paul, Nova Scotia
Chief, Community of Membertou

James Ross, Northwest Territories
President, Aura Ross Resources Limited

Chief Sharon Stinson Henry, Ontario
Chief, Rama Mnjikaning First Nation

“The first priority is economic development. This is obviously the most essential step to improving the lives of Aboriginal people and their families.”

– Prime Minister Stephen Harper

I. INTRODUCTION

Canada's Aboriginal Peoples

The Constitution recognizes three heritage groups of Aboriginal people: First Nations, Inuit and Métis. Each are distinct Peoples with unique histories, languages, cultural practices and spiritual beliefs, as well as different economic circumstances and needs. In 2006, more than one million people in Canada identified themselves as Aboriginal, roughly four per cent of the total Canadian population.

First Nations

First Nations people in Canada are also known as Status and Non-Status 'Indians'. In 2006, there were approximately 698,025 First Nations people in Canada, and 615 First Nations across the country, representing more than 50 nations, cultural groups and Aboriginal languages.¹

Inuit

Inuit are the Aboriginal people of Arctic Canada. In 2006, there were approximately 50,485 Inuit people in Canada, the majority living in 53 communities in one of four regions known collectively as Inuit Nunangat: Nunatsiavut (Labrador); Nunavik (Quebec); Nunavut; and the Inuvialuit Settlement Region of the Northwest Territories. Each of these four Inuit groups have settled land claims that, combined, cover one-third of Canada's land mass.

Métis

The Métis are Aboriginal people who trace their descent to mixed First Nation and European heritage. With 389,785 Métis people identified in Census 2006, approximately one third of all Aboriginal People in Canada identify themselves as Métis.

i. Aboriginal Economic Development

Aboriginal Canadians are critical to Canada's future prosperity. Our sizeable, growing, and relatively youthful population, our significant land holdings, and our rapidly growing business sector are key to moving ahead with economic opportunities across the country.

The National Aboriginal Economic Development Board (NAEDB) is not alone in noting the increasingly central role that Aboriginal Canadians play in the modern economy. From mining projects in the North, to major property developments in the West, to power generation projects in the East, the private sector and governments at all levels recognize that working with Aboriginal people, their communities and their businesses is critical to our shared success, and to Canada's long-term prosperity.

¹ This report takes Census 2006 data of 615 First Nations as its benchmark number. However, certain tables use either 617 or 632 to calculate percentages of total First Nations, depending on the most appropriate number for each measure. Census 2006 counted 615 First Nations in Canada; by 2011, there were two more First Nations recognized. Additionally, in 2012 the Department of Aboriginal Affairs and Northern Development Canada counted 632 different "Registry Groups" of First Nations. A Registry Group is an administrative term applied to a group of individuals who have membership in a particular Indian band, or, are descendants from members of that band.

The growing Aboriginal potential is remarkable:

- » The Aboriginal population is young, fast-growing and, with 54% of Aboriginal people located in cities, increasingly urban. Between 2001 and 2006, the Aboriginal population grew four times faster than that of non-Aboriginal Canadians, due in part to an increasing tendency to self-identify as Aboriginal. With a median age of 26.5 – compared to 39.7 for non-Aboriginal Canadians – it is estimated by the federal government that over 600,000 Aboriginal youth will enter the labour market between 2001 and 2026.
- » An already sizeable Aboriginal land base will grow significantly in the coming years. 585 First Nations live on a total land area of 3.2 million hectares, which has grown by nearly 25% since 1990 and will continue growing through land claim settlements. Inuit control one third of Canada's land mass as a result of settled comprehensive land claim agreements across the North.
- » In Budget 2012, the federal government noted that "some \$500 billion is expected to be invested in over 500 major economic projects across Canada over the next 10 years". Many of these investments are located in or near our communities, creating the potential for large-scale economic benefits, including offshoot business revenues and employment opportunities.

ii. The Federal Framework for Aboriginal Economic Development

Recognizing the growing economic potential of Aboriginal Canadians, the NAEDB took a leadership role in advising the Government of Canada on the development of a new federal approach to increasing the participation of Aboriginal Canadians in the economy. This work included helping to develop a national engagement process with First Nations, Inuit and Métis groups to ensure that the federal government's new approach would reflect the needs and aspirations of our people, their communities and their businesses. The NAEDB acknowledges the important work and input of both national and regional Aboriginal organizations, as well as countless communities and individuals that helped inform the development of the new approach.

The result was the release by the Government of Canada, in June 2009, of the Federal Framework for Aboriginal Economic Development. The Framework represents a whole-of-government approach that responds to new and changing economic conditions and emerging opportunities, seeks to leverage partnerships to achieve sustainable economic development, and aims to ensure that Aboriginal Canadians enjoy the same opportunities for employment, income and wealth creation as other Canadians.

The NAEDB continues to work closely with the federal government to advise on the implementation of the Federal Framework for Aboriginal Economic Development.

iii. The Aboriginal Economic Benchmarking Report

The *Aboriginal Economic Benchmarking Report* will play a key role in tracking and assessing the economic development outcomes of all three heritage groups: First Nations both on and off-reserve, Inuit and Métis people. It will also measure the extent to which the Government of Canada has been successful in implementing the Federal Framework for Aboriginal Economic Development. For these reasons, the Benchmarking Report is organized to track progress on:

1. Achieving key elements of the Federal Framework for Aboriginal Economic Development's vision, including employment, income, wealth and well-being; and,
2. Overcoming barriers to economic development identified in the Federal Framework for Aboriginal Economic Development, including lands and resources, entrepreneurship and business development, and infrastructure.

This initial publication of the Benchmarking Report provides baseline indicators, which will be updated in subsequent Progress Reports to track changes over time. More information on the full range and depth of detailed data on over 100 socio-economic measures underlying this report can be found on the NAEDB's website at www.naedb-cndea.com. Where possible, this data also includes gender and youth dimensions.

Our Benchmarking Report has four purposes:

1. To present comparative information on the economic standing of Aboriginal and non-Aboriginal people;
2. To identify variations among Aboriginal heritage groups (First Nations, Inuit and Métis) and, where possible, between on- and off-reserve First Nations;
3. To inform policy and program direction under the Federal Framework for Aboriginal Economic Development; and,
4. To provide a baseline and set targets against which trends and progress in Aboriginal economic development can be measured over time.

Targets

The NAEDB firmly believes that economic development is the only path to self-reliance and for this reason has set bold targets for at least one measure for each indicator. These targets aim to close the gap between Aboriginal Canadians and non-Aboriginal Canadians to create more comparable economic outcomes, as well as access to opportunities to achieve those outcomes.

These targets reflect our view that rapid and considerable improvement is needed over the next ten years to create the opportunity-ready Aboriginal communities, viable Aboriginal businesses, and skilled Aboriginal workforce that will drive the future economic success of First Nations, Inuit, and Métis peoples in Canada.

As the NAEDB continues to fulfill its mandate to advise the federal government on Aboriginal economic development, we will ensure that our advice is aligned with targets set out in this report. The strategic priorities we have identified to guide our Board's work have been developed with the goal of ensuring that all Indicators move in a positive direction over time.

Methodology

Several primary data sources were used to develop the *Aboriginal Economic Benchmarking Report*, including:

- » The Canadian Census (1996, 2001, 2006)
- » The Aboriginal Peoples Survey (2001, 2006)
- » The Aboriginal Business Survey (2011)
- » Data collected by Aboriginal Affairs and Northern Development Canada (AANDC) and Human Resources and Skills Development Canada (HRSDC)
- » Various Statistics Canada surveys

At the time of publication, relevant data from Statistics Canada's 2011 Census and National Household Survey were not yet available.

As many indicators were only partially supported by the primary data sources reviewed, secondary sources were also surveyed. This included reviewing information from more than 250 organizations, among them: national Aboriginal organizations (NAOs); federal, provincial, territorial and municipal government departments and agencies; think-tanks; non-governmental organizations; and private-sector organizations.

As noted in section IV of this report, the absence of up-to-date and comprehensive data for key socio-economic indicators across all Aboriginal heritage groups is, in itself, a significant finding of this report. In light of these gaps, the information presented in the Benchmarking Report has been selected from available sources to provide a comparison across all Aboriginal heritage groups with the non-Aboriginal population to the greatest extent possible. As well, where possible, data variations and limitations are noted. As new data becomes available, the NAEDB will track progress on the report's indicators, and develop new measures as needed through the periodic release of Progress Reports.

The NAEDB also recognizes that many of the measures of economic development that are used in the Benchmarking Report do not capture the informal economy, which includes activities outside of the wage economy — such as non-commercial hunting and fishing — that are central to the way of life for many First Nations, Inuit and Métis. By setting targets for Aboriginal Canadians to achieve comparable economic outcomes to non-Aboriginal Canadians, the NAEDB is in no way intending to diminish the value of these informal economic activities.

Acknowledgements

The development of the *Aboriginal Economic Benchmarking Report* would not have been possible without contributions from a wide range of individuals, organizations, and communities.

An exhaustive survey of data sources was carried out by Bell Browne Molnar & Delicate Consulting and The Centre for the Study of Living Standards. Representatives from the Department of Aboriginal Affairs and Northern Development Canada, and the Department of Human Resources and Skills Development Canada also contributed their assistance to the development of this report.

A number of specialists participated on an Expert Review Panel that provided regular and insightful feedback to help guide the selection of data and identification of targets. The Expert Review Panel included individuals with expertise in Aboriginal economic development from NAOs, federal government departments and agencies, Canadian universities, think-tanks, non-governmental organizations, private-sector organizations, and other Aboriginal organizations.

Finally, the NAEDB also wishes to recognize that this report would not have been possible without the contribution of information to countless reports and surveys by First Nations, Inuit, and Métis people across Canada. We wish to thank them for their participation in these important initiatives.



“At the highest level, there has been a growing awareness among Canadians that more self-reliant Aboriginal communities will reap dividends for all residents in terms of higher government revenues, lower social service costs and increased productivity.”

– TD Economics

II. TRENDS IN THE ABORIGINAL ECONOMY

The economic outcomes of Aboriginal people in Canada have changed significantly since the NAEDB began its work in the early 1990s. In surveying the state of Aboriginal economic development over the past twenty years through the lens of the *Aboriginal Economic Benchmarking Report*, the NAEDB has observed three very clear trends:

1. Aboriginal people in Canada have made important gains

The outcomes of Aboriginal Canadians have improved across a number of important economic measures, including employment and income.

- » Aboriginal Canadians' labour force participation rates – the proportion of the population aged 15 years and older that is either employed or seeking employment – has increased considerably over the ten-year period 1996 to 2006, from 58.3 per cent to 63.1 per cent. Over the same period, the gap in the labour force participation rate for Aboriginal Canadians relative to non-Aboriginal Canadians has fallen from 7.3 percentage points in 1996 to 3.8 percentage points in 2006.
- » Between 1995 and 2005, the average income in 2005 constant dollars for the Aboriginal population has increased from \$19,176 to \$23,888. Though still significantly lower in dollar amounts than the income of non-Aboriginal Canadians, income for the Aboriginal population is growing faster than income for the non-Aboriginal population, at a rate of 2.22 per cent a year, compared to 1.46 per cent for non-Aboriginal Canadians.
- » In 2006, there were 34,045 self-employed Aboriginal Canadians, an increase of 25.1% from 2001. This rate of growth in self-employment among Aboriginal Canadians was more than three times that of non-Aboriginal Canadians.

2. These gains have not been shared equally

Outcomes differ markedly among the three Aboriginal heritage groups.

First Nations

First Nations people living on reserve consistently have the lowest economic outcomes of any Aboriginal heritage group. For example, First Nations men and women living on reserve have the lowest labour force participation rates of any Aboriginal heritage group, at 55.7 and 48.5 per cent respectively in 2006.

Inuit

Inuit have generally seen little improvement in key indicators over the period 1996 to 2006. For example, Inuit have the lowest education completion rates of any Aboriginal heritage group. As a result, there are sizeable gaps between the economic outcomes of Inuit and non-Aboriginal Canadians living in the same regions.

Métis

Overall, Métis high school completion rates, university completion rates and income averages are the strongest of the three Aboriginal heritage groups. In some areas, such as employment and labour force participation, Métis in Canada have rates that are comparable to, or slightly exceed, those of non-Aboriginal Canadians, although they still lag significantly behind non-Aboriginal Canadians on measures such as income.

3. Substantial gaps remain between Aboriginal and non-Aboriginal Canadians

Despite the improvements in economic outcomes seen by some Aboriginal Canadians, overall, we continue to trail non-Aboriginal Canadians on a number of important measures. Indeed, there are significant gaps relative to the non-Aboriginal population in key measures of economic progress, including employment, income and wealth and well-being.

- » At 14.8 per cent in 2006, the unemployment rate for Aboriginal Canadians is more than double the rate of non-Aboriginal Canadians;
- » Aboriginal Canadians' average income of \$23,888 was two thirds that of non-Aboriginal Canadians';
- » Measures of community well-being indicate that among the lowest ranked 100 communities in Canada, 96 were First Nations and one was Inuit. Only one First Nation community ranked among the top 100 communities.

While important progress has been made toward improving Aboriginal Canadians' economic outcomes, significant gaps must be closed before we reach parity with our fellow Canadians.

“By focusing on opportunities, responding to new and changing conditions, leveraging partnerships and focusing on results, the Government of Canada, Aboriginal Canadians and willing partners will work together to ensure that Aboriginal Canadians enjoy the same opportunities for employment, income and wealth creation as other Canadians.”
–The Federal Framework for Aboriginal Economic Development

III. WHERE WE ARE TODAY: KEY INDICATORS OF THE ABORIGINAL ECONOMY

The *Aboriginal Economic Benchmarking Report* is organized around two sets of indicators:

- » **Core Indicators**, which are aligned with the vision of the Federal Framework for Aboriginal Economic Development to track the most important measures of economic benefits and participation; and,
- » **Underlying Indicators**, which are aligned with the barriers identified in the Federal Framework for Aboriginal Economic Development to track the underlying factors that have a direct impact on the ability of Aboriginal Canadians to improve their Core Indicators.

i. Core Indicators

The *Aboriginal Economic Benchmarking Report* identifies three Core Indicators that are central to measuring the true economic progress of First Nations, Inuit, and Métis in Canada. These require particular focus by Aboriginal and non-Aboriginal leaders to close the socio-economic gaps between Aboriginal People and non-Aboriginal Canadians:

1. Employment

- **Measure 1:** Aboriginal Employment
- **Measure 2:** Aboriginal Labour Force Participation
- **Measure 3:** Aboriginal Unemployment

2. Income

- **Measure 1:** Aboriginal Income
- **Measure 2:** Aboriginal Income Received Through Transfers

3. Wealth and Well-being

- **Measure 1:** Community Well-Being Index

ii. Underlying Indicators

Underlying Indicators track the ability of Aboriginal Canadians to improve their performance on the Core Indicators set out in the Benchmarking Report. For example, the growth and profitability of businesses, increases in educational attainment, as well as access to lands and resources each have an influence over the quality of our jobs, our earnings and our wealth accumulation. Not all of these measures are applicable to – or available across – all heritage groups, but together they help to track the readiness of Aboriginal Canadians to seize economic opportunities.

The NAEDB has identified five Underlying Indicators that help track the progress of Aboriginal Canadians toward improving their Core Indicator outcomes. The Board expects that as better data becomes available over time, the number of Underlying Indicators and measures that are tracked will increase.

1. Education

- **Measure 1:** High School Completion
- **Measure 2:** University Completion

2. Entrepreneurship and Business Development

- **Measure 1:** Aboriginal Self-Employment
- **Measure 2:** Profit and Revenue of Aboriginal-owned Businesses

3. Governance

- **Measure 1:** First Nations Community Intervention Status
- **Measure 2:** First Nations Property Taxation Status

4. Lands and Resources

- **Measure 1:** *First Nations Land Management Act*
- **Measure 2:** Comprehensive Land Claim and Self-Government Agreements

5. Infrastructure

- **Measure 1:** Access to Clean Drinking Water
- **Measure 2:** Overcrowding
- **Measure 3:** Connectivity
- **Measure 4:** Off-Grid Communities

“As Canada’s labour market tightens, employers are scouring many sources in their search for skilled workers. One such source is the Aboriginal population. By the end of 2017, Aboriginal people of working age (15 and older) will number close to a million—about 3.4% of the working-age population overall.”

– Statistics Canada

CORE INDICATOR # 1 EMPLOYMENT

i. ABORIGINAL EMPLOYMENT RATE

The employment rate measures the proportion of the population aged 15 or older that is employed. It is an important measure to assess economic progress, as a higher rate of employment increases purchasing power which contributes to a higher Gross Domestic Product.

Baseline data: employment rate, by heritage group

	FIRST NATIONS (on reserve)	FIRST NATIONS (off reserve)	FIRST NATIONS (total)	INUIT	MÉTIS	ABORIGINAL (total)	NON- ABORIGINAL
EMPLOYMENT RATE	39.1%	54.9%	48.3%	48.9%	63.1%	53.8%	62.7%
GAP WITH NON-ABORIGINAL CANADIANS (percentage points)	-23.6	-7.8	-14.4	-13.8	0.4	-8.9	–

(2006, Statistics Canada)

During the period 1996 to 2006, the employment rates of Aboriginal Canadians showed a steady increase in both relative and absolute terms.

- » In 2006, the employment rate for the Aboriginal population aged 15 and older was 53.8 per cent, up from 49.7 per cent in 2001 and 44.3 per cent in 1996.
- » Over this same time period, the gap with non-Aboriginal Canadians decreased from 14.9 per cent in 1996, to 12.1 per cent in 2001, to 8.9 per cent in 2006.

However, more recent data indicates that Aboriginal Canadians living off-reserve and outside the territories were more affected by, and took longer to recover from, the labour market downturn that began in 2008 than non-Aboriginal Canadians.²

- » In 2009 and 2010, Aboriginal employment rates fell by a total of 5.9 percentage points. Non-Aboriginal employment rates fell by 1.9 percentage points in 2009, but stabilized again in 2010.
- » Aboriginal employment rates began to demonstrate growth again in 2011, but remain – in absolute terms – lower than their pre-downturn levels.

² Data from Statistics Canada Labour Force Survey, which does not include First Nations on reserve or territorial populations.

ii. ABORIGINAL LABOUR FORCE PARTICIPATION

The labour force participation rate measures the proportion of working-age persons in an economy who are employed, or are unemployed but looking for a job. A strong labour force participation rate is a key contributor to long-term economic growth.

Baseline data: labour force participation, by heritage group

	FIRST NATIONS (on reserve)	FIRST NATIONS (off reserve)	FIRST NATIONS (total)	INUIT	MÉTIS	ABORIGINAL (total)	NON- ABORIGINAL
LABOUR FORCE PARTICIPATION RATE	52.1%	63.8%	58.9%	61.3%	70.1%	63.1%	66.9%
GAP WITH NON-ABORIGINAL CANADIANS (percentage points)	-14.8	-3.1	-8.0	-5.6	3.2	-3.8	–

(2006, Statistics Canada)

The labour force participation rate of Aboriginal Canadians is lower than the non-Aboriginal rate. However, the gap between the two closed considerably between 1996 and 2006, dropping from 7.3 per cent to 3.8 per cent.

- » Between 1996 and 2006, the Aboriginal labour force participation rate grew by nearly five percentage points from 58.3 to 63.1 per cent, while the labour force participation rate of non-Aboriginal Canadians rose by just over one point to 66.9 per cent.
- » The Métis labour force participation rate was actually higher than that of the non-Aboriginal population, due to the relative youth of the Métis population. Off-reserve First Nations and Inuit were slightly below the non-Aboriginal rate. On-reserve First Nations have the largest gap, trailing the non-Aboriginal rate by 14.8 percentage points.
- » At 67.4 per cent, the labour force participation rate of Aboriginal men in 2006 was more than 8 percentage points higher than that of women, at 59.2 per cent. The non-Aboriginal population has a similar, though slightly larger gap of almost 11 percentage points between male and female labour force participation rates, at 72.5 and 61.7 per cent, respectively.
- » This smaller gender gap in Aboriginal labour force participation rates is due to the fact that the gap between Aboriginal and non-Aboriginal men is larger than the gap between Aboriginal and non-Aboriginal women.

iii. ABORIGINAL UNEMPLOYMENT

The unemployment rate is the proportion of those in the labour force who are not working. Unemployment occurs when a person is both available to work and seeking work, but does not have a job. Typically, a lower unemployment rate suggests a stronger economy.

Baseline data: unemployment rate, by heritage group

	FIRST NATIONS (on reserve)	FIRST NATIONS (off reserve)	FIRST NATIONS (total)	INUIT	MÉTIS	ABORIGINAL (total)	NON-ABORIGINAL
UNEMPLOYMENT RATE	25.0%	14.0%	18.0%	20.3%	10.0%	14.8%	6.3%
GAP WITH NON-ABORIGINAL CANADIANS (percentage points)	18.7	7.7	11.7	14.0	3.7	8.5	–

(2006, Statistics Canada)

Overall, the unemployment rate for Aboriginal Canadians is higher than that of non-Aboriginal Canadians.

- » While the gap between Aboriginal and non-Aboriginal Canadians has narrowed considerably over the 1996–2006 period, from 14.2 per cent to 8.5 per cent, the unemployment rate for Aboriginal Canadians remains substantial – more than double that of non-Aboriginal Canadians.

All Aboriginal heritage groups have higher unemployment rates than the non-Aboriginal population, however there are important differences:

- » On-reserve First Nations – with an unemployment rate in 2006 nearly four times that of non-Aboriginal Canadians – and Inuit saw minimal improvement in their unemployment rates between 1996 and 2006.
- » In contrast, off-reserve First Nations and Métis saw substantial improvements in the same time frame, with their rates dropping by more than 10 percentage points.

2022 TARGET: EMPLOYMENT

KEY MEASURES	ABORIGINAL BENCHMARK	2022 TARGET
Employment Rate	8.9 percentage points below the non-Aboriginal rate	The NAEDB target for Employment is Aboriginal employment, labour force participation, and unemployment rates comparable to those of Canada's non-Aboriginal population
Labour force participation Rate	3.8 percentage points below the non-Aboriginal rate	
Unemployment Rate	8.5 percentage points below the non-Aboriginal rate	

“When income gains are adjusted for the rapid population growth among Aboriginal people, little progress is being made in reducing the disparity in living standards relative to the Canadian average.”

– TD Economics

CORE INDICATOR # 2

INCOME

i. ABORIGINAL INCOME

Average income divides all available income in a given region by the number of individuals with income. It is an important measure of economic progress as it assesses the standard of living enjoyed by citizens.

Baseline data: average income, by heritage group

	FIRST NATIONS (on reserve)	FIRST NATIONS (off reserve)	FIRST NATIONS (total)	INUIT	MÉTIS	ABORIGINAL (total)	NON- ABORIGINAL
AVERAGE INCOME	\$15,958	\$24,519	\$20,940	\$25,461	\$28,226	\$23,888	\$35,872
% DIFFERENCE FROM NON- ABORIGINAL CANADIANS	-55.5%	-31.6%	-41.6%	-29.0%	-21.3%	-33.4%	–

For population 15 and over; expressed in 2005 dollars.

(2005, Statistics Canada)

Across all heritage groups, Aboriginal Canadians have lower average income levels than non-Aboriginal Canadians. **However, between 1995 and 2005, the relative gap between Aboriginal and non-Aboriginal Canadians closed.**

- » In 2005, the average income for the Aboriginal population was \$23,888—two thirds of non-Aboriginal Canadians’ average income.
- » The growth in Aboriginal incomes, in 2005 constant dollars, between 1995 and 2005 was 2.22 per cent a year, higher than the average annual growth rate of non-Aboriginal Canadians’ income, at 1.46 per cent per year. However, while the average Aboriginal income has increased, the absolute gap with non-Aboriginal Canadians has changed little: in 2005 constant dollars, the gap was \$11,866 in 1995, as compared to \$11,984 in 2005.
- » Aboriginal men earn more than Aboriginal women (\$27,135 compared to \$20,908), a gender gap that is smaller than the one seen among non-Aboriginal Canadians.

As more Aboriginal Canadians have become active in the labour force, their incomes have increased. If trends continue in the same direction, with the average Aboriginal income growing faster than the non-Aboriginal income, the NAEDB expects that the divide will continue to close over time.

ii. ABORIGINAL INCOME RECEIVED THROUGH TRANSFERS

Income received through transfers measures the proportion of total income received from government sources, such as Old Age Security Pensions, Guaranteed Income Supplements, Canada or Quebec Pension Plan benefits, child benefits, Employment Insurance benefits, and other income from government sources. As earned income increases or reliance on government transfers decreases – or if both happen at the same time – the proportion of income derived from transfers such as social assistance will decrease.

Baseline data: proportion of income from government transfers

	FIRST NATIONS (on reserve)	FIRST NATIONS (off reserve)	FIRST NATIONS (total)	INUIT	MÉTIS	ABORIGINAL (total)	NON- ABORIGINAL
% OF INCOME FROM TRANSFERS	28.6%	18.6%	21.8%	17.7%	13.8%	18.1%	10.9%
GAP WITH NON-ABORIGINAL CANADIANS (percentage points)	17.7	7.7	10.9	6.8	2.9	7.2	–

(2005, Statistics Canada)

People who are more economically disadvantaged are more eligible for transfers and, as other indicators in the *Aboriginal Economic Benchmarking Report* demonstrate, the Aboriginal population is not yet on an equal footing with non-Aboriginal Canadians.

- » Overall, Aboriginal Canadians receive a higher proportion of income from government transfers than non-Aboriginal Canadians. However, between 1995 and 2005 the gap between Aboriginal and non-Aboriginal Canadians' reliance on government transfers shrunk by 5.1 percentage points.
- » A 2007 evaluation of federal income assistance to First Nations showed that dependency rates on income assistance are particularly pronounced for First Nations people living on reserves. In 2005-06, 36 per cent of people living on reserves received income assistance, as opposed to 5.5 per cent of all people across Canada.
- » Much of the difference between Aboriginal and non-Aboriginal Canadians is due to Aboriginal people having lower incomes. If the Aboriginal population earned the same total income as non-Aboriginal Canadians, government transfers would represent just 12.1 per cent of Aboriginal Canadians' income, a gap of only 1.2 percentage points over non-Aboriginal Canadians.

2022 TARGET: INCOME

KEY MEASURES	ABORIGINAL BENCHMARK	2022 TARGET
Aboriginal Income	33.4% lower than the non-Aboriginal level	The NAEDB target for Income is Aboriginal income and per cent of income from transfers comparable to those of Canada's non-Aboriginal population
% of Income from Transfers	7.2 percentage points above the non-Aboriginal rate	

“Ensuring that Aboriginal people share in the economic wealth and prosperity of this country, however, is essential to achieving improved social outcomes. The two are inextricably linked. Moreover, continued dependency on government transfers and economic marginalization is unacceptable to Aboriginal people.”

– Standing Senate Committee on Aboriginal Peoples

CORE INDICATOR # 3

WEALTH AND WELL-BEING

i. COMMUNITY WELL-BEING INDEX

The Community Well-Being (CWB) Index is a means of examining the well-being of individual Canadian communities. Various indicators of socio-economic well-being, including education, labour force activity, income and housing, were derived from Statistics Canada’s Census of Population and combined to give each community a well-being “score”. These scores are used to compare well-being across First Nations and Inuit communities with well-being in other Canadian communities over time.

Baseline data: community well-being scores

	FIRST NATIONS COMMUNITIES	INUIT COMMUNITIES	OTHER CANADIAN COMMUNITIES
AVERAGE SCORE (2006)	57.4	61.6	76.7
GAP WITH OTHER CANADIAN COMMUNITIES	-19.3	-15.1	-

(2006, Aboriginal Affairs and Northern Development Canada)

Based on 2006 data, the CWB revealed:

- » Approximately 90 per cent of First Nations communities have a CWB score equal to or below 70, while just 13 per cent of other Canadian communities do. Overall, 97 per cent of First Nations communities had a score below the average of other non-Aboriginal Canadian communities.
- » Among the lowest ranked 100 communities in Canada, 96 were First Nations and one was Inuit. Only one First Nation community ranked among the top 100 communities.
- » 64 per cent of First Nations communities and 70 per cent of Inuit communities had stable or increasing CWB scores between 2001 to 2006, as compared to 90 per cent of other Canadian communities.

2022 TARGET: WEALTH AND WELL-BEING

KEY MEASURE	ABORIGINAL BENCHMARK	2022 TARGET
Community Well-Being Index	First Nations communities have a CWB score 19.3 points below other Canadian communities Inuit communities have a CWB score 15.1 points below other Canadian communities	The NAEDB target for Wealth and Well-Being is average community well-being scores comparable to those of Canada’s non-Aboriginal population

“A higher level of educational attainment on a reserve is, on average, associated with both better labour market performance ... and higher economic outcomes.”

– Centre for the Study of Living Standards

UNDERLYING INDICATOR # 1

EDUCATION

Education is essential to economic development. Core skills, specialized skills and leadership capabilities come from a combination of formal and informal education and training – ultimately producing the types of role models communities need to succeed at entrepreneurial activities. Although limited measures exist to assess the extent of education in traditional pursuits, measures of formal educational attainment, such as high school and university completion rates, provide valuable insight into the employment and income potential of Aboriginal Canadians.

i. ABORIGINAL HIGH SCHOOL COMPLETION

In 2006, a significantly smaller proportion of the Aboriginal population aged 15 and over had a high school diploma when compared to non-Aboriginal Canadians.

Baseline data: high school completion rates

	FIRST NATIONS (on reserve)	FIRST NATIONS (off reserve)	FIRST NATIONS (total)	INUIT	MÉTIS	ABORIGINAL (total)	NON-ABORIGINAL
HIGH SCHOOL COMPLETION	40.2%	59.9%	51.6%	39.3%	65.4%	56.3%	76.9%
GAP WITH NON-ABORIGINAL CANADIANS (percentage points)	-36.7	-17.0	-25.3	-37.6	-11.5	-20.6	–

(2006, Statistics Canada)

- » In 2006, the high school completion rate for Aboriginal persons aged 15 and older was 56.3 per cent. This number is an improvement from 1996, when an estimated 46.4 per cent of Aboriginal Canadians aged 15 and older had completed high school, although rates are not directly comparable due to changes in measurement.
- » In 2006, there remained a significant gap of 20.6 percentage points in the high school completion rates of Aboriginal and non-Aboriginal Canadians
- » Slightly more Aboriginal women finish high school than Aboriginal men: 58.8 per cent of Aboriginal women 15 and older earned at least a high school diploma in 2006 compared to 53.7 per cent of men. This gap between the genders is larger among Aboriginal Canadians than non-Aboriginal Canadians.

The importance of improving high school completion rates cannot be overstated – in 2010, 80.1 per cent of employed Aboriginal Canadians had a high school diploma.

ii. ABORIGINAL UNIVERSITY COMPLETION

In 2006, 5.8 per cent of Aboriginal people 15 and over had completed university, and 34.5 per cent had completed some form of post-secondary education. Even when Aboriginal students do not finish college or university programs, evidence has shown that those who have some post-secondary experience do better in terms of employment outcomes than those with none at all.

Baseline data: percentage of population with university certificate, diploma, or degree

	FIRST NATIONS (on reserve)	FIRST NATIONS (off reserve)	FIRST NATIONS (total)	INUIT	MÉTIS	ABORIGINAL (total)	NON-ABORIGINAL
UNIVERSITY COMPLETION	3.0%	6.8%	5.2%	2.7%	7.0%	5.8%	18.5%
GAP WITH NON-ABORIGINAL CANADIANS (percentage points)	-15.5	-11.7	-13.3	-15.8	-11.5	-12.7	–

Population 15 and over

(2006, Statistics Canada)

- » While the gap in university completion rates between Aboriginal and non-Aboriginal Canadians is much smaller than the gap in high school completion rates, the relative difference is much larger. **The proportion of Aboriginal Canadians who hold a university certificate, diploma, or degree is just under a third of the proportion of the non-Aboriginal population.**
- » The gap between Aboriginal and non-Aboriginal university completion rates widened from 11.3 percentage points in 2001 to 12.7 in 2006.
- » The smallest gaps in university completion rates between Aboriginal and non-Aboriginal Canadians occur in the provinces of Atlantic Canada, while the largest gaps are seen in the three territories.

The gap in education levels between Aboriginal and non-Aboriginal Canadians is a significant variable in explaining gaps in socio-economic outcomes. The NAEDB believes that closing the gap in terms of educational attainment is necessary to realize improvement in each of the Core Indicators.

2022 TARGET: EDUCATION

KEY MEASURES	ABORIGINAL BENCHMARK	2022 TARGET
High school completion rate	20.6 percentage points lower than the non-Aboriginal rate	The NAEDB target for Education is Aboriginal high school and post-secondary completion rates comparable to those of Canada's non-Aboriginal population
University completion rate	12.7 percentage points lower than the non-Aboriginal rate	

“Aboriginal businesses face the same challenges as any small or medium-sized business, as well as unique challenges related to being Aboriginal. These include limited access to capital, limited access to resources, issues related to band governance (for band-owned businesses), and stereotyping. While these challenges cannot necessarily be eliminated, they can be addressed.”

– Conference Board of Canada

UNDERLYING INDICATOR # 2

ENTREPRENEURSHIP AND BUSINESS DEVELOPMENT

Aboriginal entrepreneurs face greater obstacles than non-Aboriginal entrepreneurs when starting businesses. Taken as a whole, Aboriginal-owned businesses tend to have less access to capital and established business networks, incur higher costs of business due to their often remote locations, do not always have access to the necessary skills or training, and encounter limited understanding of Aboriginal circumstances by non-Aboriginal firms and individuals. This may be especially true for First Nations entrepreneurs living on reserve, due to provisions in the *Indian Act* that can impede business development.

Entrepreneurs are the principal drivers of community-based economic activity, yet there aren’t any direct ways to measure ‘entrepreneurship’. There are, however, some useful indirect indicators: the proportion of self-employed people, for example, and the profits and revenues earned by businesses.

i. ABORIGINAL SELF-EMPLOYMENT

Baseline data: percentage of workers who are self-employed, by heritage group

	FIRST NATIONS (on reserve)	FIRST NATIONS (off reserve)	FIRST NATIONS (total)	INUIT	MÉTIS	ABORIGINAL (total)	NON-ABORIGINAL
SELF-EMPLOYMENT	3.6%	7.1%	5.8%	3.3%	8.5%	6.8%	12.0%
GAP WITH NON-ABORIGINAL CANADIANS (percentage points)	-8.4	-4.9	-6.2	-8.7	-3.5	-5.2	–

(2006, Statistics Canada)

Growth in self-employment rates is strong among Aboriginal Canadians, with little variation across the country. In 2006, there were 34,045 self-employed Aboriginal Canadians, an increase of 25.1% from 2001. **This rate of growth in self-employment among Aboriginal Canadians was more than three times the national average of non-Aboriginal Canadians.**

It is important to note that rates of self-employment move in line with the broader economy, with rates increasing during periods of low or negative economic growth, and falling when growth is strong and hiring increases. For this reason, improvements in self-employment rates do not automatically imply an improved economic situation. However, the rapidly growing numbers of self-employed Aboriginal Canadians suggests a strong entrepreneurial impulse within Aboriginal communities, and potential for continued growth under the right conditions.

- » The self-employment rates of each Aboriginal heritage group are significantly lower than those of non-Aboriginal Canadians in every one of Canada's provinces and territories.
- » Of self-employed people from the three Aboriginal heritage groups in 2006, 50 per cent were of Métis heritage, 45 per cent were First Nations, and 2 per cent were Inuit.
- » In general, Aboriginal men are much more likely to be self-employed than Aboriginal women at 8.5 per cent and 5.1 per cent respectively. However, the gender gap in self-employment between Aboriginal men and women was much smaller than that of non-Aboriginal Canadians.
- » Self-employment among Aboriginal Canadians is concentrated in the construction industry (18 per cent of all self-employed), as well as the resource sectors (13 per cent). However, 27 per cent of self-employed Aboriginal Canadians work in knowledge-based industries, including professional, scientific and technical, and education.

ii. SIZE, PROFIT AND REVENUE OF ABORIGINAL-OWNED BUSINESSES

Baseline data: size, profit and revenue of Aboriginal-owned businesses

% OF BUSINESSES WITH ONE OR MORE EMPLOYEES	% OF BUSINESSES REPORTING A NET PROFIT IN PREVIOUS FISCAL YEAR	% OF PROFITABLE BUSINESSES WITH NET PROFITS OF UP TO \$50,000	% OF PROFITABLE BUSINESSES WITH NET PROFITS OVER \$90,000
37%	61%	51%	19%

(2011, Canadian Council for Aboriginal Business)

Despite the obstacles faced by Aboriginal entrepreneurs, the impact of Aboriginal businesses is remarkable, though still proportionally small as compared to the size of the Aboriginal population – a recent TD Economics report estimated Aboriginal-owned businesses in Canada were projected to earn \$974 million in 2011.

However, challenges with accessing capital can be significant for Aboriginal businesses: a Waterstone Strategies study estimates that First Nation and Inuit were accessing barely one tenth of one percent of the market capital at work in Canada in 2003. In the CCAB's more recent report, limited access to capital and financing was reported as a major obstacle to starting and growing businesses, particularly businesses on reserve.

- » According to the Canadian Council for Aboriginal Business (CCAB), in 2011 approximately 61 per cent of Aboriginal small business owners experienced a net profit in their most recent fiscal year. Net profits were more common among organizations with employees, and occurred in more or less similar proportions across locations, industries and Aboriginal heritage groups.
- » The same study noted that approximately 35 per cent of Aboriginal business saw their revenues increase between 2009 and 2010, while 24 per cent saw them decrease. Increases were more often reported by businesses with staff, businesses located off reserve, companies with business plans, and those with government grants or contributions. Seventy-one per cent of Aboriginal companies expected their revenues to grow within the next two years (and 91 per cent of those with government grants or contributions).
- » 19 per cent of Aboriginal businesses with net profits posted gains of \$90,000 or more, while 51 per cent reported gains under \$50,000. Of those reporting losses, 45 per cent reported a nominal loss of less than \$10,000, while 3 per cent reported a loss of \$90,000 or more.

2022 TARGET: ENTREPRENEURSHIP AND BUSINESS DEVELOPMENT

KEY MEASURE	ABORIGINAL BENCHMARK	2022 TARGET
Self-employment rate	5.2 percentage points lower than the non-Aboriginal rate	The NAEDB target for Entrepreneurship is Aboriginal self-employment rates comparable to that of Canada's non-Aboriginal population

“Where tribes make their own decisions about what approaches to take and what resources to develop, they consistently out-perform outside decision-makers.”

– Harvard Project on American Indian Economic Development

UNDERLYING INDICATOR # 3

GOVERNANCE

Strong governance is a vital pre-condition for economic development. However, there are few solid measures that help benchmark governance across all Aboriginal heritage groups. Based on the available data, the NAEDB has identified community intervention status and property taxation as good indirect measures of Governance. While the implications of intervention and property taxation status differ according to the unique context and circumstances of any particular community, they both serve as limited measures of sound management practices and transparency within First Nation communities.

i. COMMUNITY INTERVENTION STATUS

In 2012, 152 First Nations communities were under some form of intervention, meaning that the Government of Canada implemented one of three levels of intervention – recipient managed, co-managed, or third party managed – to address a default by the community on a funding arrangement, and to return the community to the point where it could resume control over the administration of its funding agreements.

A community's intervention status most directly measures its ability to manage funds provided by Aboriginal Affairs and Northern Development Canada.³ It is not a measure of the general well-being of a community; some communities under intervention may perform well in a number of other areas. However, since strong and transparent financial management is a key element of effective governance, community intervention status provides an indirect measure of the number of communities where partial governance challenges may exist.

Baseline data: number of First Nations under intervention

	RECIPIENT MANAGED	CO-MANAGED	THIRD PARTY MANAGED	TOTAL
INTERVENTION STATUS	74	66	12	152
% OF FIRST NATIONS ⁴	11.9%	10.7%	1.9%	24.6%

(2012, Aboriginal Affairs and Northern Development Canada)

³ According to the federal government's 2011 Default Prevention and Management Policy, a default can occur when: the health, safety or welfare of the community is at risk or being compromised; the recipient has not met its obligations under the funding agreement; an auditor has flagged concerns with the recipient's annual audited financial statements; the recipient's financial position places the delivery of funded programs at risk; and, the recipient is bankrupt or at risk of bankruptcy, or has lost or is at risk of losing its corporate status.

⁴ Percentages calculated using figure of 617 First Nations in 2012.

- » As of February 1, 2012, 24.6 per cent of First Nations in Canada were under some form of intervention, with the highest proportion located in Manitoba, Saskatchewan and Quebec. The lowest proportions of communities under intervention were found in the Yukon, British Columbia and the Northwest Territories.
- » The level of intervention has not significantly decreased over time. **80 per cent of First Nations under some form of intervention policy as of February 1, 2012 had been under intervention for ten or more years.**

ii. PROPERTY TAXATION STATUS

Enabling First Nations to leverage real property taxation on reserve is another way to ensure that a community benefits from market activity occurring on their lands. First Nations currently have two means of instituting property taxation frameworks on reserve: developing bylaws under section 83 of the *Indian Act*, or under the authorities of the *First Nations Fiscal and Statistical Management Act* (FSMA).

Applying either regime requires that a community exercise sound financial management practices, which is a basis of effective and transparent governance. Property taxation also provides communities with access to stable revenue streams that can be reinvested into infrastructure and services, and give a community additional flexibility in spending-related decisions without the involvement of the federal government.

Although there are significant differences between section 83 and the FSMA, the overall relationship between an active property taxation framework, good governance practices, and economic success is important.

Baseline data: First Nations with property assessment and taxation bylaws

	CURRENTLY APPLYING PROPERTY TAX	BYLAWS UNDER FSMA	BYLAWS UNDER S. 83
TAXATION STATUS	91	28	63
% OF FIRST NATIONS ⁵	14.7%	4.5%	10.2%

(2012, Aboriginal Affairs and Northern Development Canada)

⁵ Percentages calculated using 2012 figure of 617 First Nations.

- » Early findings suggest that First Nations that have real property taxation bylaws tend to have better economic outcomes than those that do not. First Nations that have had property tax bylaws for longer periods of time demonstrate significantly higher outcomes than First Nations both with and without property tax bylaws. The NAEDB will continue to track this relationship as these initiatives progress.
- » According to the First Nations Tax Commission, participating First Nations generated over \$99 million in property tax revenues under the FSMA between 2008 and 2012. This figure contributes to the almost \$1 billion in total property taxes collected by First Nations since 1988.

2022 TARGET: GOVERNANCE

KEY MEASURE	ABORIGINAL BENCHMARK	2022 TARGET
Aboriginal community intervention status	152 First Nations under intervention	The NAEDB target for Governance is 0 First Nation communities under intervention

“...Increased access to lands and resources – including through the resolution of land claim and treaty land entitlement settlement agreements as well as the negotiation of resource revenue sharing arrangements from development on traditional territories – is fundamental if the existing Aboriginal economic opportunity structure is to change in any significant way.”
– Standing Senate Committee on Aboriginal Peoples

UNDERLYING INDICATOR # 4 LANDS AND RESOURCES

The Board recognizes that the substantial and growing land and natural resource base of Aboriginal Canadians is one of our greatest assets, and that as Aboriginal people, we have a special relationship with and rights to this land. Yet inappropriate laws and regulations and deficits in community and institutional capacity pose challenges for communities seeking to unlock the vast potential of these assets.

One of the most important findings of the *Aboriginal Economic Benchmarking Report* is that there is a positive correlation between greater control over lands and resources and higher socio-economic outcomes. The Board believes that tracking the extent to which Aboriginal communities have meaningful control over lands and resources indicates in large part the degree to which they are positioned to take advantage of economic development opportunities.

The measures listed below are not the only possible approaches to increasing land-related economic development opportunities on-reserve, as not all communities are interested in or ready for these steps. However, these measures are useful in assessing the number of communities that are able to meaningfully adopt strategies to create the conditions for economic success.

i. FIRST NATIONS LAND MANAGEMENT ACT (FNLMA)

The *First Nations Land Management Act* removes First Nations from the land management provisions of the *Indian Act* and enables them to develop land codes, assume management over their reserve lands, and hold law-making authority respecting the development, conservation, protection, management, use and possession of First Nations’ land. The Act empowers First Nations to overcome some of the persistent barriers to economic development, enabling unrestricted access to manage their lands and – as the Auditor General of Canada has noted – providing them with the ability “to make timely business and administrative decisions and to accelerate their progress in economic development, resource management, and land use planning.”

Baseline data: number of First Nations in the FNLMA

	TOTAL NUMBER IN FNLMA	MOVED TO SELF GOVERNMENT	OPERATIONAL	OTHER STATUS UNDER FNLMA
FNLMA STATUS	77	2	34	41
% OF FIRST NATIONS ⁶	12.2%	0.3%	5.4%	6.5%

(2012, Aboriginal Affairs and Northern Development Canada)

⁶ Percentages calculated using figure of 632 Registry Groups.

- » In general, First Nations participating in the *First Nations Land Management Act* have better economic outcomes as compared to non-participants. In particular, First Nations that are operational or have moved on to a self-government agreement significantly outperform both non-participants and other participants, especially in income and education indicators.
- » According to Census 2006 data, the average income of \$22,883 for First Nations people living in communities operational under the FNLMA or that have moved on to self-government agreements was \$4,554 higher than average incomes for First Nations people living in communities not enrolled in the FNLMA.

ii. COMPREHENSIVE LAND CLAIM AND SELF-GOVERNMENT AGREEMENTS

Comprehensive land claim agreements (CLCAs) are forward-looking modern treaties that are negotiated between Aboriginal groups, the federal government, and provincial or territorial governments to address Aboriginal land rights that have not been dealt with by past treaties or through other legal means. Self-Government Agreements (SGAs) are legal arrangements that provide Aboriginal groups with greater responsibility and control over their internal affairs and decision-making. CLCAs and SGAs give greater certainty over rights to land and resources, thereby contributing to a positive investment climate and creating greater potential for economic development and growth.

Twenty six CLCAs and SGAs covering over 40 per cent of Canada's land mass have been ratified and brought into effect since the announcement of the Government of Canada's Comprehensive Land Claims Policy in 1973, the establishment of the BC Treaty Process in 1992, and the introduction of the Government of Canada's Approach to Implementation of the Inherent Right and the Negotiation of Aboriginal Self-Government in 1995. Each agreement can involve more than one community, giving these agreements a wide impact.

Not all Aboriginal groups choose to pursue a CLCA or SGA. Other processes exist to promote Aboriginal interests in land and resource management, strengthen internal governance of Aboriginal communities, and to settle historic claims, such as Specific Claims, or non binding agreements. However, given the broad reach in terms of both geography and the number of communities involved in CLCAs and SGAs, this measure can serve as one assessment of the number of Aboriginal communities with greater control over their lands and resources.

Baseline data: number of comprehensive land claim and self-government agreements ratified

NUMBER OF CLCAs RATIFIED	NUMBER OF STAND-ALONE SGAs RATIFIED	NUMBER OF COMMUNITIES INVOLVED IN RATIFIED AGREEMENTS
24	2	96

*Note: The number of CLCAs Ratified includes 16 combined CLC and SG agreements involving 30 communities, while the remaining 8 are stand-alone comprehensive land claims involving 64 communities
(2012, Aboriginal Affairs and Northern Development Canada)*

- » A 2009 Aboriginal Affairs and Northern Development Canada Evaluation of CLCAs found that “Aboriginal participation in the northern economy has expanded significantly in the years since the land claim agreements” and that the agreements have been a major factor in helping increase the participation of Aboriginal Canadians in the economy, with funds obtained through the agreements helping to establish a range of industrial and service businesses.
- » The same evaluation also reported that in the area of resource development, new regulatory processes, increased clarity about land access and ownership, and the establishment of joint ventures have worked to improve the climate for economic development, and have positioned Aboriginal stakeholders as key decision makers in and beneficiaries from resource projects.

Accelerated resolution of land claim and self-government agreements currently under negotiation has significant potential to improve the climate for economic development for the 313 Aboriginal communities involved in these negotiations.

2022 TARGET: LANDS AND RESOURCES

KEY MEASURES	ABORIGINAL BENCHMARK	2022 TARGET
Participation in the <i>First Nations Land Management Act</i>	77 First Nations under the <i>First Nations Land Management Act</i>	The NAEDB target for Lands and Resources is 50% of First Nation communities either participating in the <i>First Nations Land Management Act</i> or having settled comprehensive land claim or self-government agreements
Participation in Comprehensive Land Claims and Self-Government Agreements	96 Aboriginal Communities involved in Ratified Agreements	

“Lack of infrastructure is often a significant barrier to economic development and investments, particularly on reserves, and in northern, remote communities.”

– Federal Framework for Aboriginal Economic Development, 2009

UNDERLYING INDICATOR # 5

INFRASTRUCTURE

Infrastructure is critical to economic development. Transportation infrastructure helps move goods to market, community infrastructure helps ensure that the local population has the necessary services and supports to ensure public health and safety, and communications infrastructure connects communities to domestic and international networks.

Infrastructure in many Aboriginal communities across the country is substandard, deteriorating rapidly, and faces high costs of maintenance and upgrade. For water and wastewater alone, the 2011 National Assessment of First Nations Water and Wastewater Systems estimated that an investment of \$4.7 billion over the next ten years is needed to meet current standards and anticipated population growth.

i. ACCESS TO CLEAN DRINKING WATER

The NAEDB has identified the ability of Aboriginal Canadians to access clean drinking water as an indirect measure of infrastructure. Yet there is no single measure that comparatively tracks the access of different heritage groups to clean drinking water.

Baseline data: proportion of population that report contaminated water during a year, by heritage group

FIRST NATIONS (off reserve)	INUIT	MÉTIS
17.0%	31.0%	17.0%

(2006, Statistics Canada)

Baseline data: per cent of First Nations with drinking water infrastructure that meets prescribed standards in the *Guidelines for Canadian Drinking Water Quality*

FIRST NATIONS (on reserve)
46%

(2010, Aboriginal Affairs and Northern Development Canada)

- » 18 per cent of the Aboriginal population in Canada, excluding those on reserve, report that their water is contaminated at certain times during the year.
- » 31 per cent of Inuit report contaminated water at some point during the year, due in large part to higher reported rates of contamination in Nunavik and Nunatsiavut.
- » According to Health Canada, as of November 30, 2011, there were 131 First Nations communities across Canada under drinking water advisories, including ‘boil to drink’ and ‘do not drink’.

ii. OVERCROWDING OF DWELLINGS

A higher proportion of the Aboriginal than the non-Aboriginal population lives in dwellings with more than one person per room.⁷ Although it does not take into account the extent of crowding, this measurement is a reasonably good measure of overcrowding, as most dwellings with more than one person per room would be considered crowded by Canadian standards.

Baseline data: proportion of population living in dwellings with more than 1 person per room, by heritage group

	FIRST NATIONS (on reserve)	FIRST NATIONS (off reserve)	FIRST NATIONS (total)	INUIT	MÉTIS	ABORIGINAL (total)	NON- ABORIGINAL
PROPORTION OF POPULATION	25.6%	6.4%	14.7%	31.1%	3.4%	11.4%	2.9%
GAP WITH NON-ABORIGINAL CANADIANS (percentage points)	22.7	3.5	11.8	28.2	0.5	8.5	–

(2006, Statistics Canada)

- » With 31.1 per cent of Inuit households having more than one person per room, the Inuit have the highest proportion of people living in crowded conditions, and a rate that is more than ten times higher than the proportion of non-Aboriginal households. At 25.6 per cent of households, First Nations on reserve also have a high proportion of crowded living conditions.
- » The Métis and off-reserve First Nations also live in slightly more crowded conditions than the non-Aboriginal population but the gaps are much smaller.
- » The provinces and territories with large numbers of Inuit (Nunavut, Northwest Territories and Quebec) or on-reserve First Nations (Manitoba, Saskatchewan and Alberta) tend to have the highest proportion of Aboriginal households experiencing crowded conditions.

⁷ A room is defined as any room inside the dwelling, excluding bathrooms, halls, vestibules, and rooms used solely for business purposes.

iii. CONNECTIVITY

There is little data on the digital divide between Aboriginal and non-Aboriginal Canadians, which is affected by a number of factors, such as the ability of individuals, households or businesses to access information and communication technologies; the availability of the required physical infrastructure; and the resources and skills needed to use these technologies effectively.

The data in this section is restricted to computer and Internet usage. Information related to mobile usage, access to broadband and other information and communication technologies are not available.

Baseline data: proportion of population (15+) who used a computer or the Internet in the last 12 months

	FIRST NATIONS (off reserve)	INUIT	MÉTIS	TOTAL ABORIGINAL
USED A COMPUTER	80.0%	71.0%	84.0%	81.0%
USED THE INTERNET	76.0%	66.0%	80.0%	77.0%

(2006, Statistics Canada)

The 2006 Aboriginal Peoples Survey asked respondents, none of whom lived on reserve, if they had used a computer or Internet in the last 12 months.

- » Approximately 81 per cent of the Aboriginal identity population responded that they had used a computer and 77 per cent responded that they had used the Internet. The proportion for the Inuit population was lower (71 and 66 per cent), while the Métis and off-reserve First Nations population have levels close to the total Aboriginal level.
- » The survey did not include the on-reserve First Nations population. No comparable data are available for the non-Aboriginal population for computer usage.

iv. OFF-GRID COMMUNITIES

The federal government defines off-grid communities as those that are neither connected to the North American electrical grid nor to the piped natural gas network and are permanent or long-term (5 years or more) settlements with at least 10 dwellings.

The vast majority of off-grid communities in Canada rely on diesel generators for electricity, although others are hydro- or wind-powered. In addition to health, safety, and environmental concerns, these communities also face a number of challenges that act as a deterrent to businesses and investors, such as high fuel prices due to their remote locations.

Baseline data: number of off-grid communities

	ABORIGINAL	NON-ABORIGINAL	TOTAL
OFF-GRID COMMUNITIES	170	122	292
POPULATION	126,861	67,420	194,281

(2010, Natural Resources Canada; 2006, Statistics Canada)

- » The number of off-grid communities in Canada decreased from 380 in 1985 to 292 in 2010. However, the total population living in off-grid communities has remained virtually stable over the same time period, as the populations of the remaining off-grid communities have grown.
- » The three territories, as well as Ontario, Quebec, and Newfoundland and Labrador have the most off-grid Aboriginal communities, while Alberta, Saskatchewan and Manitoba have very few. There are no off-grid Aboriginal or non-Aboriginal communities in Nova Scotia, New Brunswick and Prince Edward Island.

2022 TARGET: INFRASTRUCTURE

KEY MEASURES	ABORIGINAL BENCHMARK	2022 TARGET
Drinking water infrastructure	46% of First Nations communities have drinking water infrastructure that meets prescribed standards	The NAEDB target for Infrastructure is 100% of First Nations communities have drinking water infrastructure that meets prescribed Health Canada standards and overcrowding rates comparable to those of Canada's non-Aboriginal population
Overcrowding of dwellings	8.5 percentage points above the non-Aboriginal rate	

IV. DATA GAPS – THE UNTOLD STORY

The *Aboriginal Economic Benchmarking Report* makes intensive use of data gathered to benchmark the situation of Aboriginal Canadians through over 100 separate measures. However, despite the great quantity of data identified, perhaps the most important finding of the Benchmarking Report is that there are significant gaps in the availability of statistics to track the economic progress of Aboriginal Canadians. This finding provides important direction as to where governments, businesses, communities and Aboriginal organizations need to start acquiring data to inform decision makers on areas important to advancing Aboriginal economic development.

- » In general, data were most widely available for the First Nations population; data for the Métis and the overall Aboriginal population was less widely available.
- » In some cases, only relatively outdated data could be found. In other cases, no data were available for the non-Aboriginal population and/or Aboriginal heritage groups. In such instances, the indicator or measure was retained as a placeholder to bring attention to the need for future data collection efforts. Similarly, data on Aboriginal Canadians in important areas such as personal wealth and business survival rates are not available.
- » Census data on Aboriginal Canadians is far from comprehensive: in 2006, 22 reserves – including some of the largest communities – declined to participate in the Census. The Census also significantly undercounts the population of participating First Nations on reserves.

From the perspective of the NAEDB, key data gaps that need to be addressed are:

1. Federal spending on Aboriginal education at the band level;
2. Data for all Aboriginal communities consistent with data available on reserve;
3. Broad challenges associated with collecting infrastructure data that contributes to assessing the state and nature of the infrastructure gap;
4. Income assistance expenditures and recipients off-reserve; and,
5. On-reserve labour market trends.

“...forward thinking companies who recognize that First Nation, Métis and Inuit partnerships make good business sense are taking the first steps by expanding engagement with these communities and spearheading cooperation.”

– Canadian Council for Aboriginal Business

V. THE WAY FORWARD

First Nations, Inuit and Métis people have made significant progress toward taking their rightful place in the Canadian economy through increasing income, business creation, and employment rates. Although these achievements are still early and fragile, Aboriginal Canadians have the potential to continue this progress and contribute significantly to Canada's economy.

Furthering the gains that have been achieved, and addressing the growing divides, is critically important not only for Aboriginal people but – in fact – **for all Canadians**.

- » First, it is important because **poverty is expensive**; expensive for individuals, their communities, and all governments. The most effective way to reduce the amount of money spent on social programs is to foster economic self-sufficiency.
- » Second, Aboriginal individuals and communities that perform well on the Underlying Indicators are better able to contribute to the economic growth and performance of the entire country. For example, if Aboriginal businesses had revenues proportional to the size of the Aboriginal population, their contribution to the GDP would be \$54 billion, over 50 times more than their current contribution.

We are at a critical juncture in our history. The opportunities for Aboriginal economic development have never been greater but we must work together and recognize the opportunity to move away from dependency through increased support to economic development. When Aboriginal economies grow, regional economies grow and all of Canada stands to benefit.

NEXT STEPS

The NAEDB believes that the *Aboriginal Economic Benchmarking Report* will be an invaluable tool for tracking the progress as Aboriginal and non-Aboriginal businesses, communities, governments and other partners work together to increase the economic participation of Aboriginal Canadians. However, there is more work to be done to ensure that outcomes improve and the Board is committed to tracking our progress.

Our next steps include:

- » Later in 2012, releasing a data annex to the *Aboriginal Economic Benchmarking Report*.
- » In 2013, releasing a socio-economic annex to the *Aboriginal Economic Benchmarking Report*, which will provide a broad range of socio-economic data on Aboriginal Canadians.
- » By 2015, releasing the *Aboriginal Economic Progress Report*, which will track the progress of Aboriginal Canadians across all of the measures listed in the Benchmarking Report.

ANNEX: THE ABORIGINAL POPULATION IN CANADA

The 2006 Canadian census identified 1,172,785 Aboriginal men and women in Canada, 3.8 per cent of the country's total population. This total comprises 698,025 people of First Nations identity; 389,785 Métis; and 50,485 Inuit; and does not reflect a number of First Nations communities that did not participate in the 2006 census.

While Aboriginal Canadians share many realities, each of these heritage groups have distinct cultures, histories and circumstances which present unique challenges and opportunities affecting their economic participation.

The tables in this annex provide detailed breakdowns across all three Aboriginal heritage groups by their age, gender and regional distributions

i. Population by Age and Gender

Baseline data: population by age, gender and heritage group

AGE GROUP	FIRST NATIONS (on-reserve)	FIRST NATIONS (off-reserve)	FIRST NATIONS (total)	INUIT	MÉTIS	ABORIGINAL (total)	NON-ABORIGINAL
Total – Age groups	300,755	397,270	698,025	50,480	389,780	1,172,785	30,068,240
Male	152,500	185,550	338,050	25,025	193,500	572,090	14,754,175
Female	148,255	211,720	359,975	25,455	196,280	600,695	15,314,065
0 to 14 years	102,425	122,365	224,785	17,710	98,455	348,895	5,227,905
Male	52,490	62,190	114,675	9,060	50,660	178,410	2,677,070
Female	49,935	60,175	110,110	8,650	47,795	170,485	2,550,835
15 to 29 years	75,680	96,905	172,585	14,225	99,300	293,770	5,889,820
Male	38,445	46,095	84,540	7,120	48,670	144,195	2,967,780
Female	37,235	50,810	88,045	7,105	50,630	149,575	2,922,040
30 to 44 years	59,500	87,060	146,560	10,055	85,295	249,275	6,556,125
Male	29,730	38,380	68,110	4,760	40,795	116,875	3,211,620
Female	29,770	48,680	78,450	5,295	44,500	132,400	3,344,505
45 to 64 years	48,390	73,715	122,110	6,640	86,760	224,380	8,376,560
Male	24,750	31,950	56,700	3,180	43,525	106,965	4,109,645
Female	23,640	41,765	65,410	3,460	43,235	117,415	4,266,915
65 years and over	14,760	17,210	31,975	1,840	19,965	56,465	4,017,830
Male	7,085	6,930	14,020	895	9,845	25,655	1,788,055
Female	7,675	10,280	17,955	945	10,120	30,810	2,229,775

Note: Aboriginal total population also include those with multiple Aboriginal identities, as well as those without Aboriginal identity but having registration status under the Indian Act and/or having band membership.

(2006, Statistics Canada)

ii. Population by Heritage Group and Urban or Rural location

Population, by heritage group and urban/rural location

	FIRST NATIONS (on- reserve)	FIRST NATIONS (off- reserve)	FIRST NATIONS (total)	INUIT	MÉTIS	ABORIGINAL (total)	NON- ABORIGINAL
Canada	300,755	397,265	698,025	50,485	389,780	1,172,785	30,068,240
Rural	269,285	85,210	354,500	31,450	118,700	516,865	5,701,425
Urban	31,465	312,055	343,525	19,030	271,080	655,925	24,366,815
Atlantic	16,615	20,005	36,620	5,250	18,810	67,010	2,190,545
Rural	13,945	10,110	24,050	3,170	11,650	42,665	1,001,475
Urban	2,670	9,895	12,565	2,080	7,160	24,350	1,189,065
Quebec	33,400	31,685	65,085	10,955	27,980	108,430	7,327,475
Rural	23,075	8,125	31,205	9,895	10,390	52,950	1,430,910
Urban	10,320	23,560	33,880	1,055	17,590	55,480	5,896,565
Ontario	47,005	111,390	158,400	2,040	73,610	242,490	11,786,405
Rural	42,810	21,580	64,390	365	20,705	87,690	1,708,925
Urban	4,195	89,810	94,005	1,675	52,905	154,805	10,077,480
Manitoba	55,825	44,820	100,645	565	71,805	175,395	958,115
Rural	55,705	9,560	65,265	165	21,195	87,465	237,895
Urban	120	35,260	35,375	400	50,610	87,935	720,220
Saskatchewan	47,760	43,635	91,400	215	48,120	141,890	811,960
Rural	44,145	8,175	52,315	60	18,265	71,720	264,170
Urban	3,615	35,465	39,085	160	29,850	70,170	547,790
Alberta	40,195	57,085	97,280	1,610	85,495	188,365	3,067,990
Rural	40,195	11,180	51,380	215	21,290	73,830	513,385
Urban	0	45,900	45,900	1,395	64,205	114,535	2,554,605
British Columbia	49,275	80,305	129,580	795	59,445	196,075	3,878,310
Rural	38,730	14,025	52,755	105	13,275	67,800	531,365
Urban	10,540	66,280	76,820	690	46,170	128,270	3,346,940
Yukon Territory	1,860	4,420	6,275	250	800	7,580	22,610
Rural	1,860	1,715	3,575	35	300	4,000	8,240
Urban	0	2,705	2,705	220	505	3,585	14,370
NWT and Nunavut	8,820	3,925	12,745	28,800	3,715	45,555	24,825
Rural	8,820	740	9,565	17,445	1,625	28,750	5,060
Urban	0	3,180	3,180	11,355	2,085	16,805	19,770

Note 1: For all heritage groups except First Nations, both the Rural and Urban categories include people living both on and off reserves. For First Nations, the Rural and Urban categories have been broken down into on and off-reserve components.

Note 2: Aboriginal total population also includes those with multiple Aboriginal identities, as well as those without Aboriginal identity but having registration status under the Indian Act and/or having band membership.

(2006, Statistics Canada)

TARGETS AT A GLANCE

I. CORE INDICATORS

INDICATOR	KEY MEASURES	ABORIGINAL BENCHMARK	2022 TARGET
EMPLOYMENT	Employment Rate	8.9 percentage points below the non-Aboriginal rate	The NAEDB target for Employment is Aboriginal employment, labour force participation, and unemployment rates comparable to those of Canada's non-Aboriginal population
	Labour force participation Rate	3.8 percentage points below the non-Aboriginal rate	
	Unemployment Rate	8.5 percentage points below the non-Aboriginal rate	
INCOME	Aboriginal Income	33.4% lower than the non-Aboriginal level	The NAEDB target for Income is Aboriginal income and per cent of income from transfers comparable to those of Canada's non-Aboriginal population
	% of Income from Transfers	7.2 percentage points above the non-Aboriginal rate	
WEALTH AND WELL-BEING	Community Well-Being Index	First Nations communities have a CWB score 19.3 points below other Canadian communities Inuit communities have a CWB score 15.1 points below other Canadian communities	The NAEDB target for Wealth and Well-Being is average community well-being scores comparable to those of Canada's non-Aboriginal population

II. UNDERLYING INDICATORS

INDICATOR	KEY MEASURES	ABORIGINAL BENCHMARK	2022 TARGET
EDUCATION	High school completion rate	20.6 percentage points lower than the non-Aboriginal rate	The NAEDB target for Education is Aboriginal high school and University completion rates comparable to those of Canada's non-Aboriginal population
	University completion rate	12.7 percentage points lower than the non-Aboriginal rate	
ENTREPRENEURSHIP AND BUSINESS DEVELOPMENT	Self-employment rate	5.2 percentage points lower than the non-Aboriginal rate	The NAEDB target for Entrepreneurship is Aboriginal self-employment rates comparable to that of Canada's non-Aboriginal population
GOVERNANCE	Aboriginal community intervention status	152 First Nations under intervention	The NAEDB target for Governance is 0 First Nation communities under intervention
LANDS AND RESOURCES	Participation in the <i>First Nations Land Management Act</i>	77 First Nations under the <i>First Nations Land Management Act</i>	The NAEDB target for Lands and Resources is 50% of First Nation communities to be either participating in the <i>First Nations Land Management Act</i> or having settled comprehensive land claim and self-government agreements
	Participation in Comprehensive Land Claims and Self-Government Agreements	96 Aboriginal Communities involved in Ratified Agreements	
INFRASTRUCTURE	Drinking water infrastructure	46% of First Nations communities have drinking water infrastructure that meets prescribed standards	The NAEDB target for Infrastructure is 100% of First Nations communities have drinking water infrastructure that meets prescribed Health Canada standards and overcrowding rates comparable to those of Canada's non-Aboriginal population
	Overcrowding of dwellings	8.5 percentage points above the non-Aboriginal rate	

The National Aboriginal Economic Development Board
email: naedb@naedb-cndea.com
website: www.naedb-cndea.com