



**Rural Youth Research Internship Project Final Report**  
**East Algoma CFDC and CDC of Sault Ste. Marie & Area**

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## **1.0 Background**

"FedNor is a federal regional development organization in Ontario that works with a variety of partners, as both a facilitator and catalyst, to help create an environment in which communities can thrive, businesses can grow and people can prosper."  
([www.ic.gc.ca](http://www.ic.gc.ca))

In spring 2008, FedNor provided funding to the University of Guelph to conduct research into the Community Futures Program (CFP). The CFP supports 61 Community Futures Development Corporations (CFDCs) serving rural Ontario through a wide variety of programs which support community economic development and small business growth. The Rural Youth Research Internship Project (RYRIP) was designed to engage up to 10 youth as summer interns with multiple CFDCs across Ontario to collect and analyze new data about CF programs and to make interpretative reports. An underlying assumption of the research was that the community impact of the CF program would best be gauged by assessing the effectiveness of community development activities sponsored or supported by the CFDCs.

The overall goals of the RYRIP were to 1) report on the community impact of FedNor's Community Futures Program (CFP), and to 2) engage rural youth to develop their capacities to conduct research.

There were four main lines of inquiry to achieve the overall goals in the Ontario context, which all youth researchers were encouraged to address in their report:

1. What is the impact of the Community Development programming of the CFDC?
2. What is the impact of the Loans and Business programming of the CFDC?
3. What are the youth perspectives on the CFDC role and performance?
4. Has the CFDC program contribution to multi-community identity been effective?

Coordinated by Dr. Tony Fuller from Guelph University, the Rural Youth Research Internship Project (RYRIP) is supported by FedNor (Industry Canada), and has partnerships with three other universities in Ontario (Lakehead, Algoma, and Carleton University). The NORDIK (Northern Ontario Research, Dialogue, Ideas, Knowledge)

Institute is a community-based research institute associated with the Community Economic and Social Development program of Algoma University, and provided supervision to the research in the Sault Ste. Marie and Area and Algoma District, in collaboration with Dr. Fuller. NORDIK's research approach is to work with the community to develop research questions, investigate the answers, and build the community's capacity to conduct its own research. NORDIK'S interest in the RYRIP was also piqued by the opportunity to conduct research on a financial program related to the social economy, an area in which researchers at NORDIK and Algoma University have been engaged in conjunction with a number of other universities and community groups, through the SSHRC-funded Linking, Learning, Leveraging project (see <http://usaskstudies.coop/socialeconomy/>) NORDIK engaged two youth interns, David Thompson and Ashleigh Sauvé to work on the project throughout the summer of 2008.

David Thompson, (BA, Hons) is from the rural Northern Ontario community of Thessalon, which is located in the East Algoma CFDC region, and had recently graduated from Algoma University's Community Economic and Social Development program. David had previously received a diploma in Computer Networking and Technical Support, and had participated in a government funded program for youth entrepreneurs called Summer Company, where he created a computer company. His business, "OK Computers" dealt technical support to local businesses and individuals in the Thessalon area. He has also assisted in the creation of business plans for a local business and non-profit at his internship with NORDIK Institute. David's research interests include information technology, community economic development, and entrepreneurship. He was interested in the RYRIP because of its potential to increase his capacity to do qualitative research and to contribute his own perspectives as a youth in the East Algoma area. David is also a member of the Sault Youth Council in Sault Ste. Marie.

Ashleigh Sauvé was born in Sault Ste. Marie and has lived there most of her life. She is currently working towards a BA at Algoma University, and had previously obtained two college diplomas in natural resource programs. She is working towards a career in community based social development with a focus on environmental sustainability.

Ashleigh's family includes many small business entrepreneurs, and while living in Guelph, Ontario in 2001, she participated in the Youth Entrepreneurship Program; a six month program where youth are given skills development training in market research, rules and regulations, sales, marketing plan, promotion, and business action plan development. Her work experience includes a variety of forest management contracts in Northern Ontario and service industry positions. She has worked with several grass roots social justice groups, and she is serving her second term on the Algoma University Students' Union board of directors. The research internship allowed Ashleigh to learn a broad range of skills and knowledge from people and resources in the field of community economic development. Since the majority of Ashleigh's previous research has been quantitative and scientific, she appreciated the opportunity to develop her qualitative research skills. Ashleigh is a member of the Sault Youth Council in Sault Ste. Marie.

The youth population of Northern Ontario has seen a dramatic net out-migration of youth (ages 15-24). The population change for ages 15-24 has had a significant decline in the years previous, but has slowed significantly from the years 2000-2004. In Sault Ste. Marie, the decline of youth was decreasing -12.2% from 1990-2000, but between 2000-2004 it showed an increase at 3.1%. (Statistics Canada) The problems faced by Northern Ontario include small local markets at a distance from larger markets, lack of economic diversification, an aging population and youth migration, government dependency and lack of investment potential. Northern Ontario communities share a similar history of boom and bust economies, a dependency on global markets, and population loss to Southern Ontario and Western Canada; the question of the sustainability of the region should be a shared focus.

## **2.0 Research Methodology**

The project was undertaken in a joint approach with East Algoma CFDC and the CDC of Sault Ste. Marie & Area.

All of the RYRIP interns participated in a training session with faculty from Guelph University, academic advisors (Dr. Gayle Broad, Dr. Tony Fuller and Jenn

Burnett). Representatives from FedNor, Lori Seeley (Policy Lead), Ellery Leitch (Policy Assistant), and John Devlin (Contracting Officer) were also present to deliver a presentation on the CFP.

The Guelph training session focused on providing the RYRIP interns with an understanding of research techniques and the CFP in relation to the lines of inquiry. The RYRIP advisors emphasized that the human story of key respondents and loan recipients was necessary to understand the effectiveness of the CFP. Qualitative research techniques were emphasized, which included key informant interviews, journaling youth perspectives, and gathering / analyzing data. Research interns discussed the lines of inquiry in relation to the research methods presented with staff members from the Wellington-Waterloo CFDC in the neighboring community of Elora.

According to the research guidelines distributed by Dr. Fuller, the following interviews were to be setup with each CFDC.

- 10 interviews with loan applicants/recipients: 3 current loan holders, 2 having paid off their loan, 2 unsuccessful applicants, 3 successful loan recipients but with failed businesses.
- 5 interviews with key informants (staff, board members, and CFDC partners)

There were both practical and intrinsic benefits for David and Ashleigh to work collaboratively on the project, allowing for them to divide their time working on separate tasks, like conducting interviews in two communities at once, or having someone to continue working on the project if the other was away. Also, being able to research two CFDCs gave them a broader understanding of their operations. They were able to discuss and debate their individual impressions the project in order to arrive at mutual conclusion. A different kind of validation was established with two individual perspectives contributing to the research.

“We cannot speak on behalf of the institution and community to which we belong; rather we speak as individuals engaged in the research process.” (Speaking for Ourselves: A Colombia – Canada Research Collaboration)

David coming from Thessalon, located with the East Algoma CFDC, and Ashleigh coming from Sault Ste. Marie, they both felt a personal connection to the research they were doing. The research questions were designed by the two interns with oversight

provided by their Research Advisor. The interview respondents were chosen by the CFDC Executive Directors and the Investment Managers, who contacted the participants ahead of time to confirm that they were willing to participate. The research interns requested that there be an effort to adhere to the research guidelines of the three loan client profiles (current clients, client with failed business, and unsuccessful applicant), and that there be an attempt to include youth.

Dr. Gayle Broad suggested that the interview data collection method be augmented by focus groups, in order to provide further validity and additional data to the research. As a result, two focus groups were conducted, one with two key informants from the East Algoma CFDC who were partners with the CFDC in a community economic development project, entitled Business Retention and Expansion (BR&E), and a second with the three CFDC managers in the region. (See Appendix 6)

***Research Limitation and Challenges:*** East Algoma CFDC and the CDC of Sault Ste. Marie & Area were chosen rather abruptly and late RYRIP interns had already been hired and trained. Further, as the research was being funded by their own funder, FedNor, the CFDC managers felt somewhat obligated to participate, this being further complicated by the fact that it was during the summer months and vacation periods. Ideally, their participation would have been secured much earlier, so that the interns could have had greater opportunities to recruit interview and focus group respondents.

Significantly to the design of the research, the researchers discovered that the loan recipients for the CFDCs have a 95% repayment rate, resulting in a rather skewed research design, with its intent to interview 7/10 loan recipients who had been unsuccessful in one way or another. Once this was identified, the CFDCs attempted to get a more representative sample of loans recipients for interviews, but the decision to alter the interview selection came too late in a compressed timeframe, resulting in a low response rate.

The compressed timeframe was unfortunate, as was the vacation period over the summer months. For some loan recipients there were multiple attempts of making contact for

interviews. Some of the loan recipients have expressed that meeting in the summer was inconvenient because of vacation time or that their business is more active during the summer.

When performing an interview with one of the CFDC Executive Directors, a concern was raised over the interview questions that dealt with, specifically;

- Youth in the mandate of the CFDC
- Youth and the composition of the Board
- Youth-specific programming (Loans, CED)
- Youth out-migration and the CFDC's role

The Executive Director's concerns were that the nature of the questions being asked did not seem to align with the Memorandum of Understanding signed at the start of the project, since he understood that the 3<sup>rd</sup> line of inquiry, youth perspective, dealt strictly with the youth research intern's perception of the CFDCs work, and not youth as a target group of the CFDC's. Another concern was that the Executive Director was not given the opportunity to review the interview questions before the researchers began their interviews with loan clients and key informants, as promised in an earlier meeting. The researchers explained that in understanding how the CFDC catered to youth, how the program relates to youth in the community, and if they feel that youth are an important factor that contributes to community development, will help shape their youth perspective of the corporation. An agreement was reached where the questions pertaining to youth inclusion in the CFDC would be removed from the later interviews, as there was already sufficient data to answer the questions, and that the remaining questions on youth would primarily deal with out-migration.

### **3.0 Research Findings - CFDC Regional Context**

The summary of both CFDC regional contexts are attached as Appendix 1, 2, 3, and 4.

#### **3.1 Community economic development OR community Economic development?**

The Canadian Community Economic Development Network shares this definition of Community Economic Development: "CED is action by people locally to create economic opportunities and better social conditions, particularly for those who are most disadvantaged. CED is an approach that recognizes that economic, environmental and social challenges are interdependent, complex and ever-changing. To be effective, solutions must be rooted in local knowledge and led by community members. CED promotes holistic approaches, addressing individual, community and regional levels, recognizing that these levels are interconnected." (<http://www.ccednet-rcdec.ca/>)

The CFDCs promote CED as a community driven process in ways that may get overlooked when indentifying the scope of their work from strictly an economic lens. This issue was addressed in the focus group with the Executive Directors of the CFDCs, as well as David Thompson and Ashleigh Sauvé. The CED process of the CFDCs was identified as more than the just dedicated CED projects like the LIF grant, discretionary fund, and Business Retention & Expansion (BR&E), but also includes capacity building, the establishment of partnerships, the sharing of knowledge, regional representation through a diverse board of directors, entrepreneurial empowerment and alternative financing, economic diversification and sustainability, bringing people to the table, and looking at the “big picture”.

The CFDC manager from East Algoma stated that, in his view, Community Economic Development (CED) could have a big "C" and little "e", or it could have a little "c" and a big "E". The managers of East Algoma and the CDC of Sault Ste. Marie & Area shared the same view that the work they were doing had an emphasis on the economic aspect of community development.

### **3.2 Lacking Resources for CED**

A central theme that developed throughout the focus group (See Appendix 6), dealt with the CFDCs capacity for CED given their work environment. The environment is hampered by a lack of resources (funding and staff) time restrictions, and an inordinate amount work that goes into community development. With FedNor's focus on economic development, the loans program absorbs most of the resources, making it difficult for the CFDCs to develop a holistic approach to community economic development. Furthermore, it was identified that because of the lack of resources, the CFDCs are limited with how proactive they can be in planning for the community's future because their efforts are placed on reacting to current economic issues.

The increasing complexity of tasks as a result of the (necessarily) reactive nature of the corporation leads to a problem with staying focused. One CFDC Executive Director described it as battle of having to 'do things very well vs. doing a lot of things', and that the mosaic-like complexity of roles and responsibilities leads to a problem with the CFDCs sense of identity. The issue is compounded by what a CFDC Executive Director described as "constantly having to validate the program" in order to protect their funding.

It was also mentioned by some of the board that volunteers are a critical part to how their communities function. In Blind River, a board member mentioned that a strong base of volunteers is essential in an economically challenged area.

"If it weren't for that we'd be severely crippled. The volunteerism gives us access to a much larger pool of expertise than we would have normally."  
 -Vyrn Peterson, EACFDC Board member

### **3.3 Encouraging Regional Identity**

Communities need to start to realize that they are not just a nucleus of people anymore. They need to broaden their scope of what a community is.  
 - EACFDC Board Member

**A) East Algoma CFDC:** The area of East Algoma has had a history of competition between communities. The creation of Elliot Lake was a contentious issue between community leaders and the general public. Many people thought that the City of Elliot

Lake should not have been created, and that the infrastructure should have been expanded to let the community of Blind River service the mines. Since the closure of THE Elliot Lake MINES, a lot of the territorial competition has died down. East Algoma CFDC and ELNOS (see Appendix 8) have consistently attempted to build the trust between communities in order to ensure everyone is moving forward.

"You have to realize that the success in a neighbouring community, spells a positive influence on them as well. Rivalries between communities aren't productive. We're trying to keep that message out there. You're far better to support a neighbour and their efforts if it's something that they are better equipped to deal with, at least right then." ~Vyrn Peterson, EACFDC Board Member

From the perspective of the EACFDC board members and partners, the EACFDC has acted apolitically to bridge communities in the area around common concerns. Board members of EACFDC felt that the CFDC looks out for the entire area, and does not show partiality to one particular 'territory'.

"I think a lot of it went back to those days when the political patronage, and depending on where your Member (of Parliament) sat and that sort of thing, you would apply for money for jobs and that sort of thing, and that is what I find East Algoma CFDC has set aside, the political arena, and we're given the opportunity to deal with things in a more a realistic fashion." –EACFDC Board Member

### **B) CDC of SSM & Area:**

The signing of the North American Free Trade Agreement (NAFTA) in 1988 impacted the manufacturing sectors across Ontario throughout the 90's, though the impact was felt particularly in Sault Ste. Marie because of the lack of economic diversity; relying mostly on the steel lumber industries. Algoma Steel saw massive layoffs, and by 1996 Sault Ste. Marie had an unemployment rate of 12.9% compared to today's 8.1% and the Ontario average of 6.4%. Between 1990 and 2000, the area saw a drastic decline in children and youth (-18.4% and -12% respectively). (Statistics Canada)

"... I would say that I am a pretty positive person, you know, an entrepreneur is that way. I am about opportunities, I am about growing, I am about achieving something. So when you live in a community where the nature of that community is pessimistic... when there were challenges all around, it became kind of depressing."  
–CDC loan client

The economic recession that occurred throughout the 90's left some community members demoralized and feeling discouraged about recovery. With the realities of globalization, Sault Ste. Marie can no longer see itself in isolation.

“SSM...is the regional centre for a good deal of Algoma and beyond that. We have to be concerned when working with Superior East or East Algoma, that we don't achieve development at the cost of their communities, and they have the same sensitivities. That they and their boards don't want to see their resources directed to supporting Sault Ste. Marie, and it's entirely reasonable. It's a very delicate role that provides benefits to both communities, or all the communities at the same time.” – CDC board member

### **3.4 Identifying trends and shifting public opinion**

**A) East Algoma CFDC:** Out of the period of economic recession, East Algoma is starting to show signs of a shift in the mindset of leaders in its communities. There are now bigger economic drivers in the City of Elliot Lake, and the East Algoma economy is improving and EACFDC sits in a good position to communicate new opportunities to the public.

"The City has some well-defined plans in terms of tourism, cottage lots, and 'retirement living' that are big drivers. The smaller communities (in East Algoma) don't have them. I think my standpoint with those I work with, we recognize that we have the same problems that they have maybe on a different scale, but they are very similar." -William Elliot, General Manager of ELNOS

Elliot Lake has a demographic that is skewed because of a high population of retirees, which brings unique economic opportunities. Another economic driver in East Algoma is Cameco, a large Uranium refinery in Blind River that provides over one-hundred jobs.

**B) CDC of SSM & Area:** In response to the economic challenges facing the Sault Ste. Marie area, public and private sector community development organizations have been created including; FedNor; Northern Ontario Heritage Fund Corporation (NOHFC); The Economic Development Corporation (EDC); the Community Futures Development Corporation (CFDC); The Innovation Centre, and The Northern Ontario Research, Development , Ideas and Knowledge (NORDIK) Institute . Together, these

organizations have contributed to the stabilization of the local economy, as well as improving the quality of life of the community members.

“I would say that FedNor ... and NOHFC has contributed significantly to the changes, to the cultural sensitivities, the issues, the emotional realities of the people who live here, their vision of the future, because now all of a sudden we see investments in those foundational opportunities that create employment and create opportunities” -CDC loan Client

The area has seen improvements; there are some critical areas that still need to be addressed. There remains a need for increased funding for community development in order to attract and retain people, though there is a perception that there is a shortage of progressive or proactive people in the community making this a challenge, and that despite strategies being developed, no action on the strategies is taking place. Another concern is that there is a lack of opportunity to grow professionally in a progressive or non-traditional career, or a career that is not labour oriented. As a result, a shift towards a diversified and sustainable economy through small business development is viewed as an unrealistic future for Sault Ste. Marie.

### **3.5 Regional Collaboration**

"I think that CFs are finding now that they can't stay within their own little bubble."  
-EACFDC Board Member

The three CFDCs in the region, (including Superior East CFDC) have a close working relationship. They share resources and information and also develop long-term strategies. They partnered to develop a Youth Entrepreneurship Camp, an idea which had its origins in South Timiskaming Shores CFDC and Kirkland & District CFDC. They have worked with other Northeastern Ontario CFDCs to develop the Youth Camp, which is a week long summer camp held at Algoma University with youth aged 9-12. This collaboration brings experience and knowledge of other CFDCs to community organizations and businesses involved in various CED activities.

According to the CFDC managers, one of the most significant regional initiatives is the Northern Ontario Investment Pool, which is able to advance up to \$500,000 in loans for

businesses. This regional pool has provided an opportunity for more strategic investment in regional business, often ensuring the private sector projects get implemented.

Other examples of regional cooperation include working together to develop broadband internet services across the Algoma region, a key part of business infrastructure, and the reconstitution of a local training board for the Algoma region.

### **3.6 Leadership Development**

The structure of the CFDCs as non-profit corporations with volunteer Boards of Directors contribute to leadership development. Both CFDCs identified the crucial role that the boards serve in linking the CFDC to other organizations, reviewing loan applications, contributing knowledge and skills to the CFDC, and augmenting the work of the staff. The CFDC obviously repays this debt to its Board volunteers through providing the opportunity for them to learn from one another and from the work of the CFDC, and from developing their skills in committee work.

One of the CFDC managers indicated that his Board of Directors had almost disappeared after the last municipal election, because so many of his board members had become mayors or councillors in their various municipalities. Their work in creating the youth entrepreneurship camp also is contributing to building leadership among young people. And of course, their support for small business, together with the mentorship program, all contribute to building the business leadership within their communities.

## **4.0 Partnership Development**

### **4.1 Partnerships**

A) **East Algoma CFDC:** In the days of a competitive environment, there was a perception that having a partner would be a liability because of longstanding distrust in the community. With the support of EACFDC, community partners are coming to the table.

I think the community as a whole, the more partners they see at the table, the more willing they are to participate, more willing to support, because they go back to this belief that this is really a community project; it's not an ELNOS project, or a city project. We're all in the same boat. – William Elliott, General Manager of ELNOS

Community leaders in the public sector may see the opportunities to partner, but there is a gap for businesses and individuals to see the potential of creating partnerships.

Most of the community leaders are aware that communities need to set aside their differences to work together. They see that certain communities have certain strengths, and communities are better off to support a neighbour who is well equipped to provide economic benefits.

"You have to realize that the success in a neighbouring community, spells a positive influence on them as well. Rivalries between communities aren't productive. We're trying to keep that message out there." – Vyrn Peterson, EACFDC Board Member

**B) CDC of Sault Ste. Marie & Area:** In Sault Ste. Marie, the partnerships with other community-based organizations, such as the Algoma Workforce Investment Committee (AWIC) and Sault Ste. Marie Innovation Centre, are critical to the development of the CFDC's work. The collaboration can help fill in gaps that cannot be fully addressed by any one organization. In working together they can establish a "big picture" of the community, by identifying the priority issues, and then strategizing towards a common goal.

"I think people are in a certain mind set, they are very protective...in our area it's very territorial and...if you are protective of a territory then you won't see the big picture and you won't actually capitalize on the true opportunity that exists to expand your territory and it's not taking something away from you it is actually growing what you were already doing." - CDC Partner

Partnerships have become an important facet of community development work. The CFDCs understand the benefits to collaborate with one another, and they have been engaging the public and private sector through their CED activities.

#### **4.2 Business Retention & Expansion (BR&E): A Case Study in Partnership Development with EACFDC**

The BR&E project is an excellent example of the importance of developing partnerships in rural areas, and the role of CFDCs in encouraging social capital development. BR&E is a community based, volunteer driven economic development tool to encourage the growth and stability of local businesses. (For a full BR&E description see Appendix 7)

BR&E was undertaken in different communities in East Algoma, all with some EACFDC involvement. The Elliot Lake BR&E partners included the EACFDC, ELNOS (see Appendix 8), The Elliot Lake Chamber of Commerce, OMAFRA, MNM, and the City of Elliot Lake. In Elliot Lake, the BR&E project interviewed 100 businesses who identified short-term issues (red flags), and long-term issues that affect the success of area businesses. The following long-term issues were identified in the BR&E process:

- **Training & Labour:** Recruitment, retention, and general human resource needs of the business community. A shortage of skilled & unskilled labour.
- **Energy:** rising cost of fuel, availability of grants and technicians
- **Infrastructure / Municipal Services / Processes:** Land & Zoning issues, taxes, bylaws, parking, approval processes, relationship and communication with government.
- **Networking:** Improve communication between businesses & Chamber of Commerce
- **Quality of Life:** Community image, beautification initiatives, trails, signage.
- **Business & People Attraction:** Recruitment strategies for labour shortage.

Studies usually have negative connotations, but the community started to see definitive steps taken through the BR&E process.

“I don't know how many times I heard, ‘A waste of money, another study, nothing’s going to happen’ But, once they started to see some of the implementation, I think it dramatically changed the mindset of the business community, and they said, ‘you know what maybe something is going to happen.’ I think the work we're doing to put together the labour study, the retail leakage study, the Community Improvement Plan, they are all very definitive things, that you can show the link between the study (the info that you gave us) has resulted in this program now being implemented. –William Elliott, General Manager of ELNOS

The partners are already seeing the effects of the BR&E process. As a result of participating in the BR&E, the Chamber of Commerce has been strengthened as the business community has become more aware of their presence. Also, communication between ELNOS and the City of Elliot Lake has become stronger. The evidence shows that the rest of the region shares some of the issues raised by the BR&E process. Labour shortages and the rising cost of energy are key issues in East Algoma, which must be addressed by way of key partnerships.

#### **4.3 Searchmont Ski Resort: A Case Study in Partnership Development with CDC of SSM & Area.**

In 2001, after being in bankruptcy for a year, the not-for-profit corporation Searchmont Ski Association Incorporated (SSAI) formed a volunteer board of 12 members to save the Searchmont Ski Resort. Their goal was to re-establish the operation over the course of one year, as an interim rescue group, and then sell it. The board members were handpicked based on their business experience. They recognized that if the resort shut down, they would be at risk of losing their customer base, the equipment would not be maintained, assets would disappear as the trustees and banks would recover as much money as possible.

The negotiations with the banks were complicated because it was the CIBC that foreclosed on the previous owners (Hilsinger Group) and they were doubtful that the resort could be run responsibly by the board;

“We spent from April 2001, and dealt with someone from the bank, and he didn't want to talk to us. He was trying to sell it, and didn't want us to get in the way. I don't mean that in a negative sense, I understand his position, but it was on into the fall before finally we went to the City and asked for their assistance.”

- Board member of the Economic Development Corporation

The SSM City Council was resistant to investing money into the resort at first, despite Searchmont's estimated \$8 - \$10 million annual impact on the community. In the end, the city lent the board \$250,000 (repaid the following spring). Sault Ste. Marie CAO Joe Fratesi and the Mayor John Roswell lobbied the CIBC to lease the resort to the board for the ski season, to which the bank eventually agreed. The City of Sault Ste. Marie, Tourism Sault Ste. Marie, FedNor, the CDC worked together throughout the year to keep the resort in operation. In the spring of 2002 the board sold the resort to a buyer from Chicago. By 2004, after operating it for three seasons, the owner had lost money and wanted to close the resort, and again, the SSAI began negotiations to keep it alive. Currently, the ski resort is fully owned and operated by the SSAI.

It's been a shoestring; it's the toughest project I've ever worked on. It's been so tenuous and time-consuming that we never knew from month to month whether we were going to make it through the next season or not... we don't have the community behind it in a sense that they aren't putting tax dollars in to support it... To me it would make sense if the ski operation was owned by the city and perhaps

have an organization such as the Searchmont Ski Assoc. operate it... It really needs a sugar-daddy.  
- Board member of the Economic Development Corporation

The SSAI continues to maintain important partnerships on their volunteer Board of Directors and community stakeholders including; the CDC, the City of Sault Ste. Marie, The Sault Ste. Marie Economic Development Corporation, Tourism Sault Ste. Marie, Searchmont Ski Runners and Chalet Owners, Ministry of Northern Development and Mines, FedNor and Alpine Ontario ([www.searchmont.com](http://www.searchmont.com)).

Of all the agencies around, the CDC has been most valuable in them. I really don't think we could have done it without them. It's simple as that.  
- Board member of the Economic Development Corporation

Where the banks were not interested in allocating resources for Searchmont, the CDC saw the value in protecting an integral component of the community's identity, and an important tourist location. The CDC was central to bringing members of the community together to discuss the economic relevance of the resort within its intrinsic values.

#### **4.4 CFDC Partnerships Build Credibility**

**A) East Algoma CFDC:** Making sure everyone comes to the table, and providing the environment for the establishment of trust is another important part of how the CFDCs do the work of Community Development. The BR&E partners not only have found the EACFDC to be helpful with the wide breadth of knowledge it offers, but also for the additional credibility it adds to a project.

"A lot of the projects that we are running, we are trying to make an effort to consult the public, we are having public meetings, and we're having stakeholder sessions, and something that before BR&E we weren't doing a lot of."  
- Daniel Gagnon, Economic Development Officer of Elliot Lake, Dan Gagnon

With the help of EACFDC, the BR&E partners have increased the communication between them and also with the community. The EACFDC is seen as a facilitator to help enable organizations and communities to work together, while providing the needed resources.

And now we are all co-dependent. We each rely on the other organizations to be at the table for these things. For human resources, technical resources, financial resources, but also to provide that credibility foundation to actually implement this stuff. - William Elliot, General manager of ELNOS

EACFDC and ELNOS have a strong working relationship, and they share their office resources because of the distance between Elliot Lake and Blind River. A stronger working relationship provides added awareness of what the CFDC offers, both internally and externally.

**B) CDC of SSM & Area:** Destiny Sault Ste. Marie is a project of the CDC that formed in 2003 and develops strategies focused on the future of the community by coordinating public and private sector partnerships to work together towards economic diversification. ([www.destinyssm.com](http://www.destinyssm.com)) Destiny is currently working on a project with Algoma Workforce Investment Committee (AWIC) to address issues surrounding workforce shortages in sectors that are affected by high retirement and youth out-migration.

“The Algoma Workforce Investment Committee (AWIC) is a community-based organization funded by the Ministry of Training Colleges and Universities consisting of members who are knowledgeable about the labour force development issues in the District of Algoma. The mandate of AWIC is to act as a catalyst for change in the Algoma District’s labour market by partnering with labour market groups in addressing training and adjustment issues.” ([www.awic.ca](http://www.awic.ca)).

By completing the comprehensive profile of key human resource issues and analyzed gaps, Destiny and AWIC hope to meet the goals of the Sault Ste. Marie Attraction and Retention Growth Strategy. Destiny and the CDC have acted as a conduit to bring social, cultural, economic, and political organizations together.

## **5.0 CFDC Programming Builds Capacity**

### **5.1 Community Economic Development**

#### **A) East Algoma CFDC:**

**Strategic Planning:** The EACFDC strategic plan was conducted by WCM Consultants to write a report on economic opportunities through research with local stakeholders in East Algoma. With the help of individuals, public organizations, and small businesses, the consultants' analysis identified four fields of issues that need to be addressed:

1. Investment Readiness
2. Labour and Training
3. Small Business Support and Retention

#### 4. Communication

A comment that was consistently heard from the board was that not enough people from the general public participated in the strategic planning session, though a good effort was made.

"The consultants that were hired were experienced and indicated they would spend a fair bit of time meeting with individuals, and I know they did some of it. But, do I think everything possible was done to get people to come out of the woodwork? No." - Vyrn Peterson, EACFDC Board Member.

There were a lot of knowledgeable people who participated from the government / public sector, but there was a lack of individuals from the private sector. Some of the Board members felt that the consultants failed to connect the opportunities with the communities. The EACFDC has played an ongoing role to keep those involved informed through newsletters. Currently, the EACFDC has a strategic planning committee that is in the process of looking at ways of how to make the information gathered more accessible to the communities.

"We didn't let them come out just once and then drop them. We want to make the information in there better available to as many as possible. So we're looking at setting up something on the net. It could be a benefit to the region."  
- Vyrn Peterson, EACFDC Board Member

The board members on the strategic planning committee are positive about the opportunities that have been identified, and know that the EACFDC has the initiative to see the process through.

**Support for the Non-Profit Sector:** Another CED activity delivered by the EACFDC is financial support for the non-profit and social economy sector through the discretionary fund. The discretionary fund supports community economic development activities by community organizations. The fund is set at a maximum of \$3000 for each applicant. In the past it has been a source of funding for trade shows, special events, bike races, and other community-based projects. The fund raises the EACFDC's awareness in the community, as they get recognition. For example, if the fund supports an event, the EACFDC's name and logo will be on promotional materials and posters.

This fund also plays a key role in providing support to leverage other funds, and begin development opportunities. For example, the EACFDC assisted local farmers in accessing funds both from its discretionary fund, as well as from the Sault Ste. Marie and

Area CFDC's LIF grant program, to support business plan development for marketing local beef. The resulting business of eight local farmers, Penokean Hills Farms, is fast becoming a highly successful business, doubling its sales in the past year of beef to local consumers.

### **B) CDC of Sault Ste. Marie & Area**

**Local Initiatives Fund:** The LIF grant supports community economic development activities by community organizations, and allows for a maximum loan of \$5000. Some of these events can be social and cultural development activities, with economic spin-offs. The program is accessible to not-for-profit corporations or organizations, including youth groups. Since 2001 the LIF has funded 107 community projects with a total funding of \$348,000.

“The CFDC supported Echoes (of the World Drum Festival, a First Nations sponsored event) the first couple of years through the LIF grant, that festival has completed its 6<sup>th</sup> year, and has thrived with ambitious plans for future years as well. It's a new component for the community both in cultural terms and significantly in tourism terms, we'd like it to be more effective to get world tourists, and that will come, we hope.”  
– CDC Board Member

A LIF grant that supported a youth endurance competition hosted by Sault College that attracted people from Toronto and other areas, to experience the educational institutions and community of Northern Ontario.

## **5.2 Investment Profile**

**A) East Algoma Investment Profile:** The EACFDC loans program supports small businesses, most that would have difficulty getting a loan through the banks. Resounding from the research was that the CFDCs, as lenders of last resort, are prepared to support any viable business idea that can generate an income. (See Appendix 5 for EACFDC Loan Stats)

You don't have to be a farmer, you don't have to be a logger, you don't have to be a business man, anybody can apply for it. – EACFDC Board Member

The EACFDC provides labor market information through its networks, and is skilled at assessing potential clients. In East Algoma, out of the four businesses which were

interviewed, three were in operation. Those who were interviewed felt that the EACFDC exceeded their expectations at providing information and being accessible. Two of the clients with successful businesses had noted that they would like to see their children take on the business when they retire or find another career.

The business advisory services that the CFDCs deliver are important to the businesses created by clients. These services include mentoring on creating a business plan, assessing the market, and recording financial information. Even if the business is not successful, the process of doing a business plan gives a client an awareness of what works and what does not work in the area.

Not everyone's business idea does get off the ground, but at least it goes through the process of understanding why it may not work.  
– Vyrn Peterson, EACFDC Board Member

The number of businesses and jobs created is one indicator that assesses the effectiveness of the loans program. However, the process an individual goes through with the CFDC may spur another business idea, it may increase their desire to continue education, and it may provide skills for further career development.

**Self-Employment Benefit Program (SEB):** SEB was a successful tool that Human Resources & Social Development Canada (HRSDC) operated in coordination with EACFDC. SEB is an employment program of HRSDC that provides financial assistance to unemployed individuals to help them create jobs for themselves by starting a business.

“We used to look after the Self-Employment Benefit Program. If they come to the end of their UI, they can apply and get about \$7000, and some training. We used to do that, and again we had occasion years later to do some interviews with these people, and we wanted some stats of successes. About 70% success rate. For the most part, these are people with no business experience. When you do things like that you get a feeling that we are contributing something.”  
– Vyrn Peterson, EACFDC Board Member

Even though this program was highly successful, it was difficult for EACFDC to maintain its operation with their exhausted human resources. This program is a good fit for the EACFDC, since they have a wide breadth of knowledge, and have an established presence in the area. The program has been maintained in the area, as the CDC now

delivers the program throughout all of Algoma and EACFDC refers appropriate clients to the program on a regular basis.

**B) CDC of SSM & Area:** The CDC loans program is funded through a \$3.9 million investment fund, and can offer businesses an investment of \$1,000 to \$150,000. According to the CDC Fact Sheet (1986 - March 2008), \$10.4 million in loans or investments have been made to 291 local businesses that have created 1,724 jobs. An additional \$16.5 million has been leveraged from banks, owner's equity, government and non-traditional sources.

“I don't really need the CDC now, but I appreciate that they were there for when I needed them... It kept me from going bankrupt... “-CDC Loan Recipient

Only three interviews were able to be arranged with loans clients during our research period, restricting an analysis of the loans program though through the interviews with loans clients, key informants and the literature review, several themes were developed.

The loans program works to empower entrepreneurs to start businesses and give them the support they require throughout the business development process through counseling, mentoring, and financial assistance. They are able to be more flexible and creative with their loan distribution and repayment procedures to promote diversity and sustainability by funding smaller businesses and non-traditional business. This flexibility offers an opportunity to those who would otherwise have had difficulty securing a loan through a bank, suggesting that many of the businesses funded through the CFDC may not have been able to open or be sustained without their funding.

Because the CFDC is taking a higher risk with their clients than traditional lending institutions, their interest rate is slightly higher.

“Their interest is very high. Too high. 10% - that's ridiculous. But when you find out that they literally are the last resort, and when you find out that you have no other option, you just deal with it.” -CDC Loan Recipient

There are few youth that apply for business start up funding through the CFDC. This could be because youth tend to not make a decision on their career choice until after they have completed post secondary, or spent several years in the workforce.

**Self Employment Benefit (SEB) Program:** The SEB program funded by MTCU provides 50 weeks of funding for entrepreneurs to access while they develop their

business plan. Since 1988 the program has provided over \$11.0 million to 868 businesses that have created 922 jobs. The SEB program clients could offer valuable interviews to compliment the loans program clients.

## **6.0 The Youth Environment**

“Without young people, this place will die. It’s inevitable.” – CDC Loan Client

Youth out migration has slowed over recent years from the drastic decline in youth seen in the 1996 census, though problems surrounding youth labour and training, political perceptions of youth in our community, and cultural and social perceptions of youth remain barriers to achieving a youth friendly environment.

### **6.1 Youth Environment - Labour and Training**

**A) East Algoma CFDC:** In East Algoma, youth out-migration is looked at as a labour issue. The EACFDC strategic plan identified youth entrepreneurship as a key priority. The reason youth are moving out in droves are attributed to the fact that there are not enough good paying jobs out there, but the evidence is showing that there are large shortages in labour. One board member of EACFDC said, "My other son he lives in Southern Ontario, because to get a job in what he wanted to, he had to leave, so this is the only thing, myself personally, that I feel I have lost, is that my children did not have the opportunity, and I don't think my grand-children are going to have the opportunity to necessarily stay in the community." (EACFDC Board Member) The simple fact can be that Youth often leave for education, which does not prepare them well for the jobs that are here. Young people are growing up with the pressure of a fast changing environment responding to the forces of globalization, shifts in the labour force, family composition, the proliferation of media, and abundance of information technology. In the larger populated areas like Elliot Lake, youth are starting to come back to the area. Elliot Lake is recognizing that the labour shortages have to be addressed, so there have been efforts to increase training opportunities with educational institutions in the area. There is a strong need for further collaboration with colleges and universities to work with organizations in East Algoma to meet the labour demands.

<p>"It's unfortunate, but we don't get a lot of submissions from young entrepreneurs, but hopefully because of what we do it provides an atmosphere where they will think about setting up shop here." - EACFDC Board Member</p>
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There has not been a lot of young entrepreneurs that go through the CFDC loans program in East Algoma, but there are businesses run by youth that have accessed EACFDC business advisory services. There are also other programs such as Summer Company that is ran in Sault Ste. Marie, led by the Enterprise Centre of the SSM Economic Development Centre. EACFDC also offers a bursary to high school graduates in the area who have demonstrated a commitment to community service.

**B) CDC of SSM & Area:** Based on the interviews with both loan clients and key informants, local educational institutions have not had a strong presence in the community and there is a need for increased collaboration. A frequent response to the reasons behind youth out migration in Northern Ontario, was that youth need to leave town to go to post secondary school, because a community college diploma or university degree from local institutions is undervalued, not recognized, or because the program offerings are misunderstood.

“We tell our young people to leave at the dinner table. We say ‘you will not be anything in this world unless you go get an education, and the place you need to get that education is not here. It’s out there.’ So we send them to London, we send them to Waterloo, we send them to Toronto, we send them to Guelph, we send them to all those other communities where there is an educational institution which will give you a better chance of succeeding in this world supposedly. .. It’s crap. It’s garbage...” - CDC loan client

There is also a problem with youth leaving the community to get educated, and returning to Northern Ontario and not being able to find a job in their chosen field because they are restricted by the limited diversity of employment opportunities in Sault Ste. Marie. Similarly, there is a mismatch between local postsecondary institution’s programming and the job opportunities within the community. The CFDC in cooperation with other community-based organizations (AWIC, NORDIK, SSM Innovation Centre) are in a position to identify the gaps and will hopefully be able to lead the way in addressing the issues of training vs. labour with the local post secondary institutions, as more people begin to retire, leaving labour shortages in certain areas, and labour surpluses in others.

“We’ve come into a knowledge based economy right so with the knowledge-based economy...if the Sault has a strong academic presence it will have a strong economic presence.”  
– CDC Loan Client

It is possible that with Algoma University receiving independence from Laurentian University, that the institution's increased flexibility and funding will become more attractive to local youth. With an increase in enrolment, comes a stronger presence within the community and a movement towards a "university town"; a sustainable diversification strategy for what has traditionally been a steel town, and a move towards a knowledge-based economy.

## **6.2 Youth Environment - Political**

A number of the interviews revealed that the more progressive people within the community have a perception of the local leaders as being stagnant or regressive in areas that require a definite proactive approach to change.

"There is a lack of proactive nature among the people who are working to lead the community forward, or strategic thinking, you know, the big picture for the future, it's hard to get people in that mindset because they are just kind of concentrating on the here and now and not really looking to progress, so that has affected me personally because I am very proactive, so it's kind of like I am always going against the grain trying to move things forward that people are not really ready to see or they can't comprehend" –CDC Partner

It was also perceived that for several systemic reasons, Sault Ste. Marie does not foster an environment for attracting youth, retaining youth, or encouraging them to come back after leaving. Youth programming is underfunded and not considered a priority, despite a recognition that out-migration is an issue.

"If you're not taking care of our future, and if youth are our future, and you're not engaging them in how great and amazing this community is and how they can contribute, then when they go away to school chances are they won't come back because they didn't see any value in the community in the first place. So now we are in a position where we need to create a strategy to attract and recruit new people...or in the future we won't have enough population to support our existing services... in the past, if they would have taken care of youth, they might not be in this situation 'cause youth would naturally want to return to an area that they felt part of ,that they felt heard, that they felt they were provided for. Right? Cause you usually remember a place... if there was nothing for you here, why would you want to come back?" – CDC Loan Client

Sault Ste. Marie City Council declared 2008 "The Year of the Youth", to create an image of a youth-friendly community. Many community members, including youth, see the impact of this declaration as fairly insignificant, since little has materialized from it beyond establishing a \$0.50 bus fare for high school students (set to expire at the end of

the year). The declaration is however, being used to leverage other youth driven initiatives.

The Superior Community Skate Park Association (SCSA), a committee of local skate park advocates from all ages and professional demographics, is carrying on the work of youth that have been lobbying the City Council for decades to build a skate park. In recent meetings the topic has been readdressed, with the SCSA requesting from city council to commit to investing the remaining amount of required funding to see the project move forward. “The Year of the Youth” may result in a feeling of obligation from the councillors.

### **6.3 Youth Environment - Cultural and Social**

“Everybody in this community was saying how much they didn’t want young people to leave, yet no one was willing to take the chance to hire them. So I had to create my own opportunity to stay here. I had to make work to be here.” – CDC loan client

“it’s desirable to have experience on the loans / business front. It is desirable to know what the world is like, and it’s a challenge for young people who have not been involved in business to bring that kind of knowledge, they don’t have it / haven’t gained it. On the CD side it would be much more relevant.” – CDC board member

Another frequent reply to questions regarding youth out migration was that youth need to migrate away from the rural experience, and move into an urban setting to gain experience and life skills, in a sort of “coming of age” sense. While this mentality is felt with many youth who move away from home for a variety of reasons when younger, the problem is not so much that they leave; it is whether they come back.

“I don’t think there’s anything wrong. I’m not one that says we shouldn’t have out migration of the youth... People who live in Sault Ste.Marie need to see the world and come back with a variety of experiences / greater knowledge. To be a little older. “ – CDC Board member

To treat out migration as a necessary requirement of maturity could further contribute to the negative perception of gaining a community college or university degree, and perpetuate a negative association with staying within one’s own community.

### **6.4 'Youth Perspective' – David Thompson**

Youth who would like to stay in the East Algoma area that have come back, like myself, appreciate the quality of life and want to plant their roots back home with their families. It is easy for me to find my sense of history and place in East Algoma, as my family has been in the area for over 100 years. My family was and continues to have a focus in self-

employed ventures in East Algoma, including: my father with his Chartered Accountant practice, my grandfather who started McDougall Fuels a distributor of oil and gas, and my other grandfather who was a dairy farmer. I grew up with a sense of security and connectedness to an economically disadvantaged area, in which you have to be resilient to live and make it work, even though the odds are stacked against you. As a teen, I had a view that was shared among my peers that the area is boring and the people were nosy and unflinching in their unwillingness to change. Community projects that had an emphasis on youth were put to the wayside, such as a long contested construction of a skateboard park in the Sault. With the increased sense of alienation, youth often turn to crime and violence out of sheer apathy and ignorance for their communities. If I did not have the sense of belonging I have to my family and the community, I never would have stayed. It would be youth who are at a socio-economic disadvantage or who have a lack of family cohesion that would be most likely to leave the area.

I do not think you can just call youth-outmigration a labour issue, as there more external and internal social, cultural, and political forces at work. The work of community economic development (CED) recognizes that economic, social, and environmental development are interdependent, complex, and ever-changing. If there are to be any solutions they have to use a holistic approach that addresses youth retention. If there is only a cED (big "E", little "c") focus, it detracts from the 'big picture' projects identified and supported by youth (and parents) of the community to make youth feel like they belong and matter. These community projects can range from programs to physical spaces that are conducive to youth interests. Projects fitting to the needs of youth would create a number of volunteer opportunities for young people looking to gain practical experience, as well as adults interested in giving back to their community. Youth that take active roles in community organizations gain skills, build confidence, and see themselves and are seen as positive contributors. By taking on active roles, youth will be more inclined to give back in the future in the form of support and volunteering.

### **6.5 'Youth Perspective' by Ashleigh Sauvé**

“My youth perspective on the CFDC program may have a lot to do with how the CFDC program caters to youth.”

- Me

While traveling to Guelph for the project orientation on my first day of work, Gayle sarcastically said “who would have thought you could learn things from *talking* to people!” while discussing the negative perception of qualitative, as opposed to quantitative research. It stuck with me when I was reading her joint article “Speaking for Ourselves: A Colombia – Canada Research Collaboration”, when I came across a section about non-structured learning environments. Such a simple concept that I had never considered (I’ll blame my ignorance on my former science-based education): I can *talk* to someone and I can *learn* from them. It doesn’t have to be typed in 10 point Arial font in an overpriced text book. I don’t have to see their proof or references. We learn from our relationships with others, and we learn from listening to others' stories.

When we started the interviewing process, some of the people we spoke with deeply affected me, in both good and bad ways, when discussing the youth environment in our community. Some discussed youth issues in a way that affirmed things that I would have otherwise gone on thinking that I had exaggerated or distorted as a local leftist youth activist (I can admit my biases). There was one interview with a loan client that I particularly identified with. They were discussing the lack of being proactive within the community, not just as a problem with our current leaders, but also as a problem with our youth who are not making an effort to take on leadership roles within the community, and who passively participate in the broken system;

“We’ve set up a system where the cost of living is out of control. You take two young people, you put them together, and you tell them to succeed in this world. They come out of high school, they get this massive loan to get educated, you take two of these loans and take two of these people and tell them that they need to buy a house, buy reliable vehicles, because they are now both working, it compounds the problem, because they are going to have children, and now we have to pay someone to take care of them for us, you end up living a lifestyle that is completely dysfunctional on every level. In my opinion you are going to see that there is a lot young people who loath the lives they live - and that is the urban drama. It is the urban reality. That is not life. It’s basically; we work to keep this machine going. And debt rules everything.”  
-CDC Loan Client

It is worth considering that the reason why youth are not taking on leadership roles is because they are not being empowered to do so. Again it is an issue of capacity. We cannot expect people to be able to rise up from being held down. It is not a local problem, or a rural problem, it is a systemic problem with our society. Youth are

expected to be passive organisms in a system that seems to be building up its immunity so that it can reject us, or cope with us being here without noticing us. The people we need to think critically about this – our community leaders - seem to accept it as hopeless realities and as life lessons.

There were other interviews that scared me. Listening to non-youths discuss “realities” about youth that I thought were so negative that I didn’t think people would admit to feeling, even if they did – and professionals for that matter, people who could use their positions to make a difference with youth issues if they wanted to. I remember one conversation where someone said that the youth who haven’t left East Algoma to go and get an education and life experience are “not exactly the type of people we want in our community”. I will also revisit the quote from the CDC Board member who said;

“I don't think there's anything wrong. I'm not one that says we shouldn't have out migration of the youth... People who live in Sault Ste. Marie need to see the world and come back with a variety of experiences / greater knowledge. To be a little older. “

So the problem with youth is that they are not old. Let them leave and come back as tax payers. We have done nothing to ensure that they will want to come back, but we will assume that they will. Despite having gone through the cycle myself, I still find it frustrating to hear it being described as a cookie cutter for a well-rounded citizen; as though suggesting that we can't gain valuable knowledge and experiences from within our own towns. And in fact maybe they are partially correct in saying so; in so far as that there is a limited room for growth here for those who don't have the capacity to create their opportunities. Then maybe they do have to go to someone else's city to grow into a decent citizen, but if it is the case then I think it speaks volumes about the youth environment in this community.

I can't remember why I left, but I know that I hated being away. I came back a few years later tired of searching for a pre-fabricated community, and I was prepared to create my own, the way youth generally are after about age 23. By getting involved in community-based social activism locally, I found my place, I found the value of community, and I found hope for change in the amazing network that I became part of.

This summer internship gave me real tools for my future work within my community and not just another line item on my resume. The anxiety that I had with this project was that I had learned so much more than what I could fit into 20 pages of a report about CFDCs. Not to negate the important role that the CFDCs play in our communities, in fact “important role” is an understatement, but the real knowledge that I will take away with me comes from the research process within the framework of Community economic and Social development -with a big C and a big S.

## **7.0 Conclusions**

The process of the RYRIP lacked a certain structure in that its focused had shifted at different times in regards to the selection of loans clients and the understanding of the ‘youth perspective’. With the lack of loans clients, the researchers missed a core function of the CFDC’s operation, and instead focused on line of inquiry 1, 2, and 4. More in-depth interpretive reporting could have been gathered by contacting clients who went through the Self-Employment Benefit program.

The evidence reveals that the CFDCs are overburdened from its lack of resources; the staff is too busy being reactive to current issues rather than being proactive. East Algoma is recovering from a period of distrust and competition, while Sault Ste. Marie recovers from isolation, but a general apathy still permeates the leadership and community at large. Searchmont and the BR&E are two examples of how Sault Ste. Marie and East Algoma have shown the importance of how partnerships sustain the lives of communities. Consistently, the CFDCs show that communities must be the leaders of their own projects.

The recognition of youth within the mandate was a major part of the youth perspective. The board of EACFDC and CDC has reiterated that the Youth Entrepreneurship Program (ages 9-12) is the way youth are included in the mandate of the CFDC. The youth perspective from the RYRIP has surmised that older youth (age 15-29) in Northern Ontario have been identified as a group that is being diminished, but that is also

important to the life of communities. The lack of professional post-secondary education institutions has not helped the exodus of youth. Even with many labor opportunities available for youth, communities have only begun to develop solutions. The CFDCs have shown consistently that they are in the position to communicate economic opportunities and establish partnerships for tomorrow's youth, but must be assisted by businesses, individuals, and agencies in the communities where they operate.

## **Appendix 1 - East Algoma Context Report**

The East Algoma Community Futures Development Corporation (East Algoma CFDC) and Partners, in its grassroots economic development initiatives represents communities from the Townships of Tarbutt & Tarbutt Additional to Spanish, and including Elliot Lake, Blind River, Huron Shores, Thessalon, Bruce Mines and St. Joseph Island. East Algoma includes fourteen municipalities and three First Nations, along the Northern Shore of Lake Huron. The total population is approximately 24,599 (Statistics Canada, 2006). The area of East Algoma covers a vast distance, being a three hour drive from East to West ends of the area, and many communities north of Highway 17 on small secondary highways. East Algoma is 16% francophone and has been heavily reliant on rich resources as the economic engine of communities. Elliot Lake, the largest community in the region was established as a planned community for the uranium mining industry in 1955. However, by the early 1990s depleted reserves and low prices caused the last mines in the area to close. In the East Algoma region, the structure of the economy changed from primary sector-based employment to the services and government sectors in the early '80s and into the '90s. Today, East Algoma is experiencing an economy on the rise. There is a significant slowing of the amount of out-migration, but there is still a widespread shortage of skilled / unskilled labour, a lack of succession planning, and an under-representation of population in the 24-40 age group; mainly due to out-migration. Also, its population is at a higher median age (46 years in Blind River, compared with 39 in Ontario)

## **Appendix 2 - East Algoma CFDC**

The East Algoma CFDC has an office in Blind River and its Board of Directors consists of 11 volunteers drawn from different geographic areas. The mission of the CFDC is to work towards a stronger regional economy while preserving the quality of life. Five objectives guide the organization: 1) to create jobs; 2) to maintain our quality of life; 3) to forge strong community partnerships; 4) to encourage new ventures; and 5) to improve human resources. The four staff of the CFDC undertake administrative work, business services, and community economic development (CED) services. The EACFDC offers a variety of tools to individuals who are seeking a self-employment venture through advice, mentorship, and loans. The business services assist small businesses to attain advisory services, counseling, and investment. In coordination with the residents of the communities, the CFDC Board of Directors and staff pursue CED activities to determine the needs of communities and as such, conduct strategic planning to pursue identified economic development projects. Also, CFDCs offer financial support for the non-profit and social economy sector through the discretionary fund or local initiatives fund (LIF). The EACFDC board members are well connected to their communities. Most of the board have been committed volunteers to community organizations and municipal governments. They have a strong knowledge of being self-employed, since the majority of those interviewed were self-employed through a family farm or small business. A few of the board members became mayors in the last municipal elections. In this way, CFDCs help contribute to the areas leadership development.

### **Appendix 3 - Community Development Corporation of Sault Ste. Marie & Area**

“The CDC works with individuals, businesses and community partners to facilitate the creation and maintenance of jobs and to build healthy, sustainable communities.”

- CDC Mission Statement

The Community Development Corporation of Sault Ste. Marie and Area was established in 1986 and services an area from Lake Superior Provincial Park in the Northwest to Laird Township in the Southeast, and includes the City of Sault Ste. Marie, and the townships of Macdonald, Meredith, and Aberdeen Additional, Laird, and Prince, as well as two First Nations; Batchewana First Nation and Garden River First Nation.

The CDC has seven staff members and nine volunteer seats on their board of directors. The responsibilities of the board include budgeting, investments, strategic planning, policy development and general operation. There are two standing subcommittees of the board, the Investment Committee, which makes recommendations to the board regarding loan investments, and the Community Development Committee, which coordinates the strategic planning of CDC though examining local labour issues and needs of the community. The board members come from a variety of business backgrounds and are active volunteers within their communities. The board members interviewed said that they benefit from belonging to the CDC by being able to contribute their expertise to aid in community development, as well as enjoying being an active participant in the community and feeling more connected through sitting on the board.

Though their years of business experience are an asset to the corporation, there are no youth that currently sit on the board to offer a youth perspective in meetings, and there are no youth staff; however, there are staff members who were hired as youth, who are still working for the CDC presently.

#### **Appendix 4 - Sault Ste. Marie and Area Context Report**

**Economic recession to a period of stabilization:** The signing of the North American Free Trade Agreement (NAFTA) in 1988 impacted the manufacturing sectors across Ontario throughout the 90's, though the impact was felt particularly in Sault Ste. Marie because of the lack of economic diversity; relying mostly on the steel lumber industries. Algoma Steel saw massive layoffs, and by 1996 Sault Ste. Marie had an unemployment rate of 12.9% compared to today's 8.1% and the Ontario average of 6.4%. Between 1990 and 2000, the area saw a drastic decline in children and youth (-18.4% and -12% respectively).

**Area Overview:** The CDC area services an area from Lake Superior Provincial Park in the Northwest to Laird Township in the Southeast, and includes the City of Sault Ste. Marie, and the townships of Macdonald, Meredith, and Aberdeen Additional, Laird, and Prince, as well as two First Nations; Batchewana First Nation, and Garden River First Nation. The vast area occupied by unorganized townships and woodland of northern Algoma accounts for the bulk of the Area's land mass. The approximate population has dropped from 85 950 in 1996, to approximately 75,000 today.

Sault Ste. Marie is the third largest city in Northern Ontario after Thunder Bay and Sudbury. The area is located within the Great Lakes St. Lawrence forest region, and sits on the St. Maries River. Sault Ste. Marie is the urban centre to the CFDC areas of East Algoma and Superior East. Sault Ste. Marie is home to two post secondary institutions, Algoma University and Sault College of Arts and Technology. Manufacturing and retail make up the largest sectors of the local economy. Retail was also the sector with the highest number of establishments, reflecting the growing impact of the service economy. 51% of establishments were classified as "small," which is remarkably higher than the Ontario average of 38%. Sault Ste. Marie and Area also has a lower labour force participation rate (59.4%) than Ontario generally (67.3%). Average income in the area is also lower, with an average household income of \$43 419. Dependence on Employment Insurance and Social Assistance is significantly higher than the provincial average, at 2.42% and 3.04% respectively in 2004. Essar Steel Algoma (formerly Algoma Steel) is the largest single employer with 3150 employees at the main plant and approximately

554 at an adjacent tube mill operated by Tenaris. Forestry is another important industry, with St. Mary's Paper and Flakeboard Ltd. The city has five call centers that together employ around 4000 people. The Ontario Lottery and Gaming Corporation (OLG) employs approximately 900 people, when combined with the Casino.

Between 1990 and 2000, the area saw a drastic decline in the population of children and youth (-18.4% and -12.2% respectively) while the proportion of people over the age of 65 increased substantially (32.7%). The period from 2000 to 2004 saw an easing of this trend, with an increase in the youth population of 3.1%, while the population of children and seniors continued to decline and increase respectively, each at a significantly reduced pace.

Approximately 7.5% of residents in the area are of aboriginal identity. Anglophones account for 84.7% of the population, while Francophones account for 4.1% and Italian speakers account for 5.8% of the population according to the 2001 Census. Italy also represented the most common birthplace among immigrants to the area.

**Appendix 5 East Algoma CFDC Investment Stats**

	Loans Approved	Loans Disbursed	Loans Declined by Board	Loans Declined by Client	Jobs Created (Full-Time)	Jobs Created (Part-time)	Total Jobs Created	Jobs Retained (Full-time)	Jobs Retained (Part-time)	Total Jobs Retained
2007	12	16	2	1	18	3	21	5	1	6
2006	24	20			9	2	11	17	12	29
2005	21	29	1		8	7	15	22	9	31
2004	13	17			36	20	56	23	4	27
2003	23	15	1	1	9	57	66	13	49	62
2002	17	23	1		27	2	29	68	30	98
2001	34	32	3		22	10	32	76	11	87
2000	26	22	2	1	16	12	28	41	14	55
Total	170	174	10	3	145	113	258	265	130	911

% of Loans Declined by Board 2000-2007	5.88%
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% of Loans Declined by Client 2000-2007	1.76%
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## **Appendix 6 – Focus Group #2 Framework**

A focus group conducted between the managers of the East Algoma CFDC, the Superior East CFDC, and the CDC of Sault Ste. Marie and Area; and David Thompson and Ashleigh Sauvé (researchers), and was facilitated by the faculty advisor for the research project, Dr. Gayle Broad. There were three questions for the focus group:

1. Community Context – what has happened within the community over the last five years that has impacted the work of the CFDCs?
2. What is the scope of the CFDC's work?
3. What are the challenges facing the CFDCs?

The three questions received similar responses from all five participants, showing a continuity of understanding and similarities across the regions. Having both Ashleigh and David participate in the focus group with the three CFDC Executive Directors provided an opportunity to cross-check their information about the CFDCs, and to bring out different perspectives.

### **Appendix 7 – Business Retention & Expansion:**

Business Retention & Expansion (BR&E): BR&E is a community-based, volunteer driven economic development tool to encourage the growth and stability of local business. It's an ongoing cooperative effort between business, City Council and staff, economic development agencies, and other organizations and the community that focuses on identifying opportunities to assist the retention and expansion of existing businesses.

The project partners, along with some local businesses, recruit, train and carefully select volunteers who interview a large sample of business owners across all sectors. The province of Ontario, in a confidential, field-tested program, provides the survey itself and the tools to conduct the project. The survey results will help all the project partners and the community overall gauge what it's like to do business in the community and what they can do to improve the chances for our local businesses to grow and prosper. During the survey the community will identify the barriers to growth and work with businesses to remove them. They will also be able to identify opportunities for growth and determine how we can assist where possible.

The BR+E short term goals are:

- improve communications between the community, local businesses and municipal government and agencies
- demonstrate community support for local business
- solve immediate individual business concerns wherever possible

Long term BR+E goals include:

- increase the competitiveness of local businesses
- assist businesses to create and/or retain jobs
- improve economic development planning and implementation by addressing the needs as determined by the local businesses and employers

<http://www.cityofelliottlake.com/breinfo.html>

## **Appendix 8 – Glossary**

**Community Economic Development (CED):** is an approach that recognizes that economic, environmental and social challenges are interdependent, complex and ever-changing. To be effective, solutions must be rooted in local knowledge and led by community members. CED promotes holistic approaches, addressing individual, community and regional levels, recognizing that these levels are interconnected. CED has emerged as an alternative to conventional approaches to economic development. It is founded on the belief that problems facing communities - unemployment, poverty, job loss, environmental degradation and loss of community control - need to be addressed in a holistic and participatory way.

*[http://www.ccednet-rcdec.ca/?q=en/what\\_is\\_ced/about\\_ced](http://www.ccednet-rcdec.ca/?q=en/what_is_ced/about_ced)*

**Elliot Lake and North Shore Corporation for Business Development (ELNOS):** The creation of ELNOS helped to diversify the economy of the communities of Blind River, Elliot Lake, Spanish, Serpent River First Nation, and the township of the North Shore, which represents approximately 64% of the East Algoma population. "ELNOS' mandate is to improve the long-term economic prosperity of the region by assisting businesses which create wealth and jobs." (ELNOS Website) ELNOS has undertaken multiple economic development initiatives with the City of Elliot Lake and East Algoma CFDC. Recently, the three organizations have supported a Business Retention & Expansion project for the City of Elliot Lake (pop. 11,549).

*<http://www.elnos.com>*