

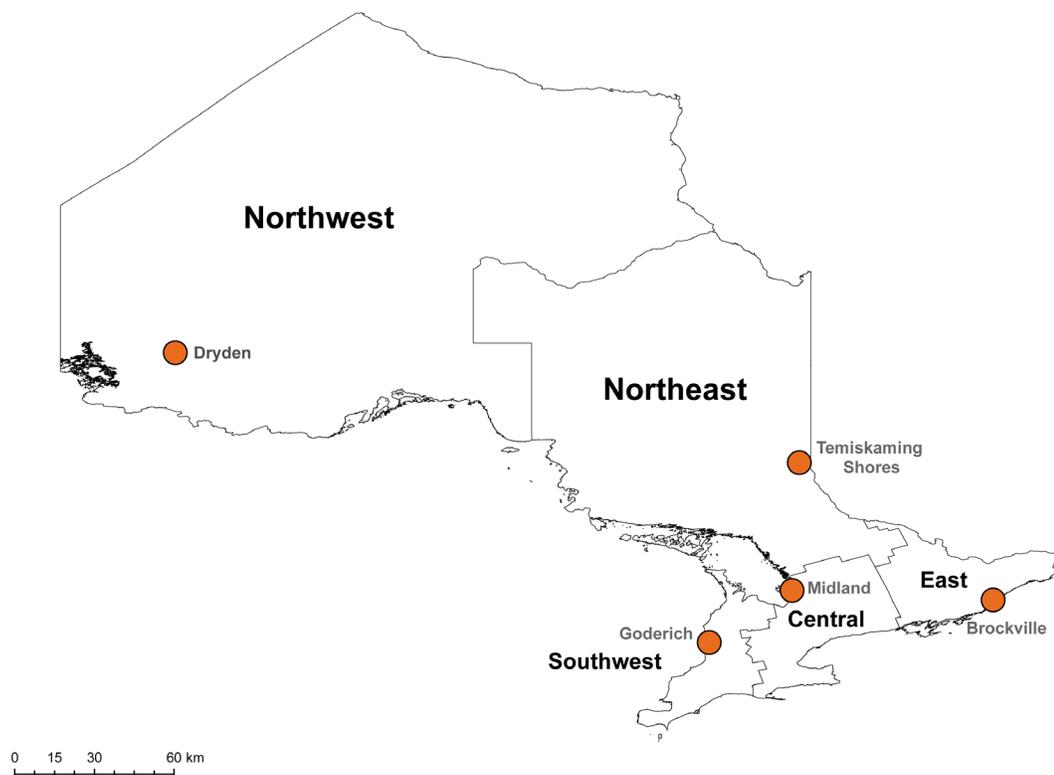
## Building Rural Ontario's Creative Economy

The Martin Prosperity Institute recently completed a large scale research project for the Economic Developers Council of Ontario, funded in part by the Ontario Ministry of Agriculture, Food and Rural Affairs, which provided benchmarking and analysis of Ontario's rural creative economy. The project divided the province into five regions, within which one focus community was selected and compared to nine benchmarking communities. Each community was compared across a host of indicators from creative class share to population density, to the number of arts and entertainment facilities. This is the last insight in a series of six, which will examine each region one by one, and will discuss the overall findings of the report, with the full report available online at <http://martinprosperity.org/research-and-publications/publication/benchmarking-the-creative-economy-in-rural-ontario>. This week, we will take a look at finding and lessons from all five regions and their benchmarking communities.

The past five Insights on Ontario's rural economy have studied a diverse array of communities. Indeed, the challenges these rural communities face are unique, as they often differ greatly from those facing urban CMA's. Each of the rural communities studied face unique economic circumstances and have several potential trajectories for future development. However, every community studied also has a unique economic advantage which can be capitalized on as a springboard to

Ontario map with EDCO benchmarking regions and communities

Exhibit 1



further economic growth. This final Insight will display some of the concurrent and unique challenges faced by rural communities and what lessons can be derived from the main report. Rather than being understood as a monolith, each rural community studied holds the key to their future economic success and can control their development into a strong, creative economy.

### **Lessons on Rural Economic Development in the Creative Economy**

The premise behind this report was to answer the question: how do rural communities address the challenges that they face in the emerging creative economy? In answering this question, each benchmarking community was examined across a host of indicators broadly based on Richard Florida's "Three T's" of economic development: talent, technology and tolerance. This final insight will compare the rural regions examined across these indicators and provide insight as to the key lessons that can be derived from the rural experience.

In examining the first T – talent – in rural Ontario, we found that on average, the communities studied had below average education levels. Geography played a key role in this, with the closest college or university often several hours away. When looking at the educational issues of Temiskaming Shores compared to Brockville for example, one key explanation for educational attainment is the location of the closest University. Therefore the possibilities of encouragement into further educational attainment will be easier somewhere like Brockville or Midland. This fact is compounded by the reality that many who travel to a regional center for their advanced schooling are less likely to return to their smaller town. As a result, many rural communities are experiencing 'brain drain' whereby the most educated in the population opt to stay within a regional center or city, where there are often increased job opportunities, in addition to attractive quality of place amenities.

Similarly, many of these rural communities have below average creative class occupation shares. Within the creative class itself, there is a reliance on occupations in medicine and teaching, and too few professional and technical positions in other areas of the creative class. This is compounded by a larger than average service class or working class, which leads in turn to a lower overall average income in many rural communities. A main lesson from this report was the clear dominance of the service class occupational share, and these jobs have the lowest average wages. It was found that most communities had aspects in which they could develop their creative occupational share, but they were generally all unique. In Midland for example it was found that there were a large number of jobs falling within technical occupations in art, culture and recreation. In an attempt to grow professional positions within this category, Midland has recently built the Midland Cultural Centre for arts. This example would not be fully applicable in a town such as Dryden in which the creative class breakdown is dominated by occupations related to natural and applied sciences and opportunities to develop financial services and support around mining. It can be concluded that on average, many of the rural communities studied should try and develop higher paying creative class job, the application of this is must be different within each community.

Second, technology scores can be examined in the rural communities. Each of the benchmarking communities had low scores when it came to the Tech-Pole Index, and more broadly, our key technology indicators. The lesson in regards to technology is that many rural communities face the issue that high tech industries and business within their community are scarce. While most towns studied have a much lower high-tech establishment share (defined as the percentage of high-tech establishments in an area, relative to all industries) than Ontario and Ontario's Regional Metros, this was not always the case. In towns with a similar high-tech establishment share to Brockville, generally a pattern displayed was that the town was less dependent on service class occupations and had a stronger professional creative class share. The lesson for these communities is that they have been able to create a regional creative hub with some high-tech occupations and the further

development of this should be encouraged. Other communities dependent on low paying service jobs, with lower education rates not only generally have low high-tech shares, but will have to overcome these barriers to develop a stronger technological capacity within their borders.

Finally, the third T of tolerance can be examined, and a key trend is the low immigrant share and exceptionally low visible minority share, of the population in these communities. In light of aging populations and declining population growth, there is a key need for rural Ontario towns to attract newcomers to their communities. This would support increased population growth, while also increasing education levels through attracting highly-skilled immigrants which would help increase the share of creative professionals in the workforce. This was a trend that was concurrent throughout all of the communities, despite the seeming location advantage of communities which are the shortest distance to major cities. The focus community that was found to have the highest visible minority and immigrant share was Brockville with a 3.1% (VM) and 9.3 % (I). Along with Coburg and West Elgin, these three towns still fell below the Ontario and Metro Ontario averages for these indicators as the scores are as follows: Metro Ontario 28.4% (VM) 33.4% (I) and Ontario 22.8% (VM) 29.2% (I). Some of the scores for other rural communities were much lower, with more than 7 communities having an immigrant share of 4% or less. More than 13 communities were found to have a visible minority share of their population less than 0.9%, with the lowest scores being 0.3% and a rural average of 2.0%. While some communities had better scores in regards to tolerance indicators, on the whole attraction of immigrants and visible minorities is a challenge for rural Ontario.

## Recommendations and Conclusions

Rural economies across Ontario are facing challenges in light of developing to compete in the creative economy. With that in mind, in researching and completing this report, we found that every community studied has unique competitive advantages and weaknesses. Some communities are currently better situated to succeed than others. Despite this fact, these communities must each realize their creative potential in order to address a unique action plan to develop creative occupations. There is a need for growth within high paying professional creative occupations in rural Ontario, but the difficulty inherent to this challenge is within realizing the correct potential that is unique to a distinct geographical area. While development of creative occupations is the overall goal, the implementation of it in Midland will be different from that in Goderich, and so on and so forth. This is because the lessons learned were all unique and the variety of them demands polarization in their solutions. Some lessons are concurrent, but the over-arching lesson is that there are a variety of lessons unique to place. Some places are addressing these issues differently. How should these towns address their challenges? There is no overall rubric for rural areas, as rural communities are not as opaque as some might think. Some towns will find success easier and some will struggle, and therefore the solutions must be as unique as the challenges faced. While the task at hand is not easy by any means, there is hope, but this hope must be realized. Rural communities in Ontario must realize their creative potential if they are to succeed in the creative economy. A key intention of the report was to provide an information package and toolkit designed to be accessible to leaders in rural regions. The report works to allow communities to gauge their own performance in the Creative economy while recognizing strengths, weaknesses and opportunities in relation to similar communities in Ontario. Each community was found to possess unique opportunities, offer individual lessons, and present specific challenges for increasing its prosperity in the creative economy.

*The [Martin Prosperity Institute](#) at the [University of Toronto's Rotman School of Management](#) is the world's leading think-tank on the role of sub-national factors—location, place and city-regions—in global economic prosperity. We take an integrated view of prosperity, looking beyond economic measures to include the importance of quality of place and the development of people's creative potential.*