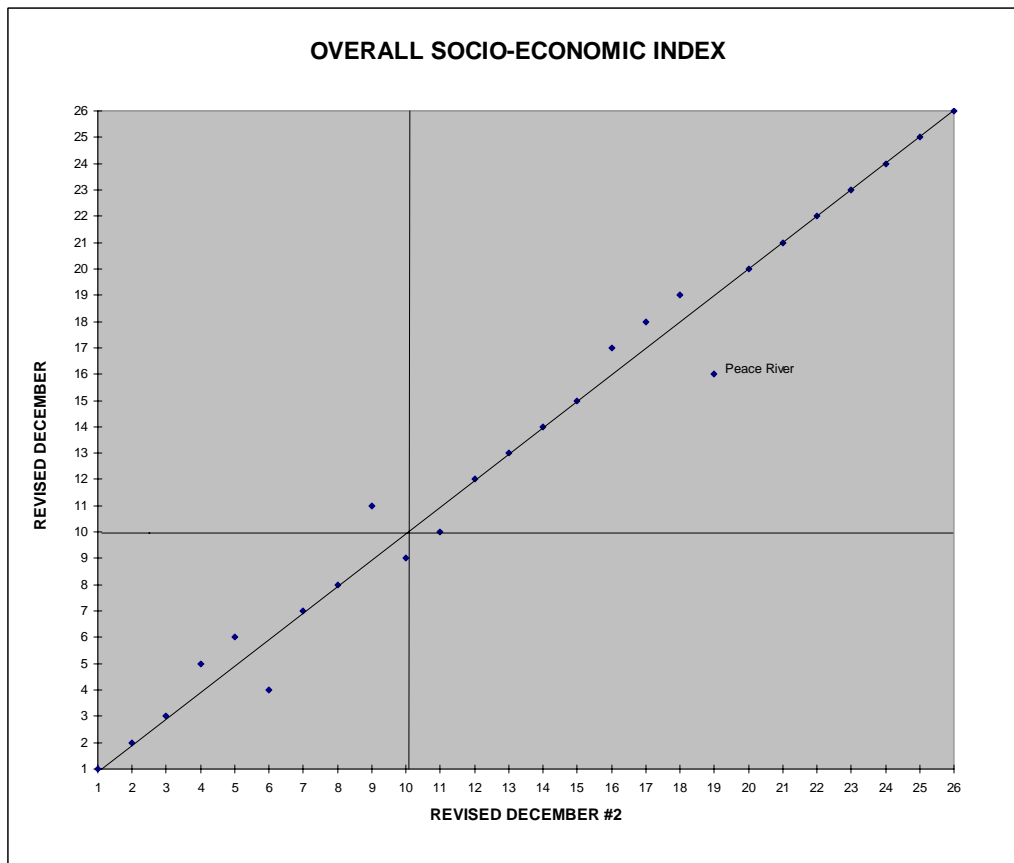


Impending Change Indicator Removed

— December 98 Report -

Assigning a weight of 0 to the **Index of Impending Change in Economic Hardship** (i.e. removing it from the Overall SEI), and increasing the weight assigned to the **Index of Human Economic Hardship** from 0.25 to 0.30 resulted in some minor changes to the rank order of regions under the **Overall Socio-Economic Index**. The most significant change occurred with Peace River which went from 16th rank order to 19th.



As a bit of background, it may be useful to review the thought processes behind the "Impending Change" indicator. In our original discussions that took place last year on what should be included as indicators of well-being the initial suggestion to incorporating a change variable was based on the logic that regions that were deteriorating had the additional stress of change that should be measured in the index. For example, assume that two regions had similar index values of economic hardship but one region had been in that condition for years while the other had just

recently undergone hard times. In such cases it was felt that the latter region would be under additional stress because of the probable lack of adequate support systems to deal with the new problems.

This concept made intuitive sense until we started to deal with the numbers. We had trouble explaining positive changes in the data, which was what was happening in most regions of the province (i.e. IA and EI rates were falling at that time). It didn't seem to make sense that given two regions with identical and declining IA caseloads, the region that had fallen the most was better off than the other region. The argument of an imbalance between need and adequate support systems causing additional stress didn't seem to hold under this scenario.

We therefore modified the concept behind the "change in economic hardship" index and took it as a correction factor for the possible understatement of economic hardship. The logic behind this was that the IA data was likely understating economic hardship for regions falling into recession (unemployed people living off savings and the help of relatives before resorting to IA), and overstating economic hardship for those regions coming out of recession (IA recipients taking longer to find jobs than the rest of the unemployed). In other words, the theory behind the change indicator is that the IA caseload is a lagging indicator of economic conditions. However, the variables used to measure this hidden hardship/non-hardship have not behaved well as leading indicators. In general, reliable leading indicators are very difficult to come by.

In conclusion, we first need to decide if we want to continue with the concept that the IA data is lagging the real level of economic hardship and hence an IA predictor would help to overcome the lag, or whether we want to measure the original idea that change in itself is a "bad" on the way down and a "good" on the way up. If the latter is what we want, perhaps a measure of the IA caseload per financial aid worker included in the Economic Hardship Index would work. However, if it's the former concept that we want to measure then some rigorous modeling has to be done. As a possible suggestion, we may want to examine the methodology used to forecast IA caseloads at the provincial level and assess the applicability of applying it at the regional district level.

OVERALL REGIONAL SOCIO-ECONOMIC INDEX

December, 1998 - Revised #2

Ranked from Worst-Off to Best-Off Regions

Regional Districts*	Regional Socio-Economic		Human		Impending Change in		Crime		Health		Education		Children		Youth	
	Index ^{&}		Economic Hardship		Economic Hardship		Crime		Health		Education		Children		Youth	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank
				Wt=(.30)		Wt=(.0)		Wt=(.2)		Wt=(.2)		Wt=(.2)		Wt=(.05)		Wt=(.05)
Alberni-Clayoquot	0.71	1	0.61	4	0.16	12	0.68	3	0.94	1	0.64	4	0.79	1	0.77	1
Skeena-Queen Charlotte	0.55	2	0.81	1	-0.47	22	-0.12	17	0.58	3	0.76	2	0.64	2	0.74	2
Kitimat-Stikine	0.41	3	0.64	3	0.59	4	-0.01	15	0.40	7	0.41	8	0.58	3	0.67	3
Fort Nelson-Liard	0.40	4	-0.22	17	-0.10	17	1.01	1	0.51	5	0.68	3	0.54	4	0.07	14
Fraser-Fort George	0.35	5	0.41	5	0.65	3	0.44	7	0.37	9	0.23	9	0.28	9	0.15	11
Mount Waddington	0.33	6	-0.30	20	1.22	1	0.62	5	0.86	2	0.46	7	0.36	7	0.37	7
Cariboo	0.31	7	0.39	6	0.30	9	-0.31	21	0.40	8	0.84	1	0.06	15	0.07	15
Thompson-Nicola	0.22	8	0.34	8	-0.06	16	0.12	11	0.55	4	-0.11	14	0.11	12	0.08	13
Nanaimo	0.20	9	0.71	2	-0.18	20	0.11	12	-0.20	17	-0.22	17	0.39	5	0.58	5
Powell River	0.19	10	0.29	9	0.45	5	0.17	9	-0.01	13	0.16	10	0.22	10	0.63	4
Bulkley-Nechako	0.15	11	-0.25	19	0.84	2	0.07	13	0.49	6	0.54	6	0.31	8	-0.29	19
Fraser Valley	0.08	12	0.13	12	-0.06	15	0.64	4	-0.49	22	0.07	11	-0.25	18	0.17	10
Comox-Strathcona	0.05	13	0.35	7	0.42	6	0.14	10	-0.34	19	-0.21	15	0.09	13	0.40	6
Sunshine Coast	0.05	14	-0.11	15	-0.16	19	0.51	6	0.06	11	-0.27	19	0.09	14	0.30	8
Cowichan Valley	0.01	15	0.19	10	0.23	10	-0.23	19	0.26	10	-0.38	22	0.37	6	0.10	12
Central Kootenay	-0.09	16	0.19	11	-0.14	18	-0.53	24	0.04	12	-0.24	18	-0.19	17	0.23	9
North Okanagan	-0.09	17	0.05	14	-0.33	21	-0.16	18	-0.06	15	-0.21	16	-0.27	21	-0.21	18
Okanagan-Similkameen	-0.10	18	0.06	13	-0.72	26	-0.32	22	-0.24	18	-0.09	13	0.18	11	-0.01	16
Peace River	-0.12	19	-0.36	21	0.19	11	0.00	14	-0.47	21	0.58	5	-0.34	22	-0.35	20
Squamish-Lillooet	-0.24	20	-0.61	26	0.39	7	-0.05	16	-0.01	14	0.05	12	-0.44	24	-0.57	25
Greater Vancouver	-0.27	21	-0.25	18	-0.49	23	0.80	2	-0.71	24	-0.79	25	-0.51	25	-0.64	26
Columbia-Shuswap	-0.38	22	-0.44	22	0.33	8	-0.40	23	-0.39	20	-0.27	20	-0.26	19	-0.38	21
Central Okanagan	-0.40	23	-0.53	25	-0.68	25	0.37	8	-0.92	26	-0.49	23	-0.27	20	-0.42	23
Kootenay Boundary	-0.47	24	-0.15	16	0.00	14	-0.89	26	-0.12	16	-0.84	26	-0.62	26	-0.41	22
East Kootenay	-0.50	25	-0.50	24	0.07	13	-0.56	25	-0.66	23	-0.37	21	-0.18	16	-0.43	24
Capital	-0.53	26	-0.47	23	-0.62	24	-0.30	20	-0.85	25	-0.66	24	-0.41	23	-0.18	17
British Columbia	-0.23		-0.31		-0.38		0.54		-0.56		-0.51		-0.31		-0.34	

*Excludes Stikine and Central Coast RD's due to small numbers.

& The Regional Socio-Economic Index is the weighted average of the individual subject matter "composite indices". See attached sheets for the derivation of these composite indices.

REGIONAL SOCIO-ECONOMIC INDEX

June, 1999

Ranked from Worst-Off to Best-Off Regions

Regional Districts*	Regional Socio-Economic Index ^{&}		Human Economic Hardship		Impending Change in Economic Hardship		Crime		Health		Education		Children		Youth	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank
			Wt=(.30)				Wt=(.2)		Wt=(.2)		Wt=(.2)		Wt=(.05)		Wt=(.05)	
Alberni-Clayoquot	0.65	1	0.45	4	-0.48	24	0.68	3	0.94	1	0.64	4	0.78	1	0.56	3
Skeena-Queen Charlotte	0.54	2	0.75	1	-0.33	18	-0.12	17	0.58	3	0.76	2	0.66	2	0.71	1
Mount Waddington	0.39	3	-0.15	16	0.73	3	0.62	5	0.86	2	0.46	7	0.46	4	0.51	6
Kitimat-Stikine	0.38	4	0.56	3	0.74	2	-0.01	15	0.40	7	0.41	8	0.51	3	0.56	4
Fraser-Fort George	0.33	5	0.37	5	0.58	4	0.44	7	0.37	9	0.23	9	0.23	11	0.06	15
Fort Nelson-Liard	0.33	6	-0.42	22	-0.15	17	1.01	1	0.51	5	0.68	3	0.42	5	-0.15	16
Cariboo	0.30	7	0.37	6	0.11	8	-0.31	21	0.40	8	0.84	1	0.02	15	0.07	12
Thompson-Nicola	0.20	8	0.28	8	0.06	11	0.12	11	0.55	4	-0.11	14	0.05	14	0.07	11
Nanaimo	0.17	9	0.62	2	-0.39	20	0.11	12	-0.20	17	-0.22	17	0.34	7	0.52	5
Powell River	0.16	10	0.19	9	0.01	14	0.17	9	-0.01	13	0.16	10	0.25	9	0.63	2
Bulkley-Nechako	0.16	11	-0.20	18	0.16	7	0.07	13	0.49	6	0.54	6	0.29	8	-0.21	17
Sunshine Coast	0.04	12	-0.12	15	-0.52	25	0.51	6	0.06	11	-0.27	19	0.07	13	0.27	8
Fraser Valley	0.04	13	0.01	13	-0.43	21	0.64	4	-0.49	22	0.07	11	-0.26	18	0.11	10
Comox-Strathcona	0.03	14	0.30	7	-0.12	16	0.14	10	-0.34	19	-0.21	15	0.08	12	0.46	7
Cowichan Valley	0.00	15	0.16	11	0.35	5	-0.23	19	0.26	10	-0.38	22	0.38	6	0.07	13
Okanagan-Similkameen	-0.07	16	0.15	12	-0.11	15	-0.32	22	-0.24	18	-0.09	13	0.23	10	0.07	14
Central Kootenay	-0.09	17	0.19	10	0.10	9	-0.53	24	0.04	12	-0.24	18	-0.21	16	0.19	9
Peace River	-0.10	18	-0.30	20	0.83	1	0.00	14	-0.47	21	0.58	5	-0.33	22	-0.25	19
North Okanagan	-0.12	19	-0.01	14	0.03	13	-0.16	18	-0.06	15	-0.21	16	-0.31	20	-0.27	20
Squamish-Lillooet	-0.22	20	-0.56	25	-0.62	26	-0.05	16	-0.01	14	0.05	12	-0.44	24	-0.50	24
Greater Vancouver	-0.26	21	-0.21	19	-0.47	23	0.80	2	-0.71	24	-0.79	25	-0.51	25	-0.63	25
Columbia-Shuswap	-0.36	22	-0.41	21	0.23	6	-0.40	23	-0.39	20	-0.27	20	-0.28	19	-0.31	21
Central Okanagan	-0.42	23	-0.60	26	-0.35	19	0.37	8	-0.92	26	-0.49	23	-0.31	21	-0.38	22
Kootenay Boundary	-0.49	24	-0.18	17	0.07	10	-0.89	26	-0.12	16	-0.84	26	-0.64	26	-0.67	26
East Kootenay	-0.51	25	-0.53	24	0.04	12	-0.56	25	-0.66	23	-0.37	21	-0.23	17	-0.49	23
Capital	-0.55	26	-0.50	23	-0.45	22	-0.30	20	-0.85	25	-0.66	24	-0.44	23	-0.25	18
British Columbia	-0.20		-0.20		-0.42		0.54		-0.56		-0.51		-0.33		-0.37	

*Excludes Stikine and Central Coast RD's due to small numbers.

& The Regional Socio-Economic Index is the weighted average of the individual subject matter "composite indices". See attached sheets for the derivation of these composite indices.