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This Week...

Employment Insurance
Consumer Prices
Retail Sales
Family Violence



Employment Insurance By Doug Elliott, Editor

The federal government has announced several changes to the way the employment insurance (EI) program works.

The reforms will make it harder to continue to receive benefits over long periods if the recipient is a frequent user. They will do this by requiring frequent users to look for work further afield both in terms of the kinds of job they should accept and the distance it is from home.

The figure shows that the reforms will come when the number of EI beneficiaries is on a downward trend in the West. During the first quarter of 2012, the number of beneficiaries averaged 116,000 per month compared with 142,000 a year ago and well below the recent peak of 171,000 in the first quarter of 2010.

Although British Columbia is an exception¹, the number of unemployed in the West has historically been lower than in other parts of Canada. In 2011, for example, the unemployment rate in the prairie provinces was 5.4% compared with 7.5% in British Columbia and 8.0% in the rest of Canada.

In spite of the lower unemployment rate in the West, the changes will have an effect on some of the unemployed. As the figure shows, the average duration of unemployment in the prairies has been rising – jobs are harder to find than they were a few

years ago. In 2011, the average unemployment spell lasted 15 weeks in the prairie provinces compared with 10 weeks five years ago and 19 weeks in Canada and British Columbia.

The main impact of the changes will be on EI workers east of the Ontario border. Nevertheless, frequent users in the West, particularly those in British Columbia, will find that they will be expected to take lower paying jobs further from home.

Consumer Prices

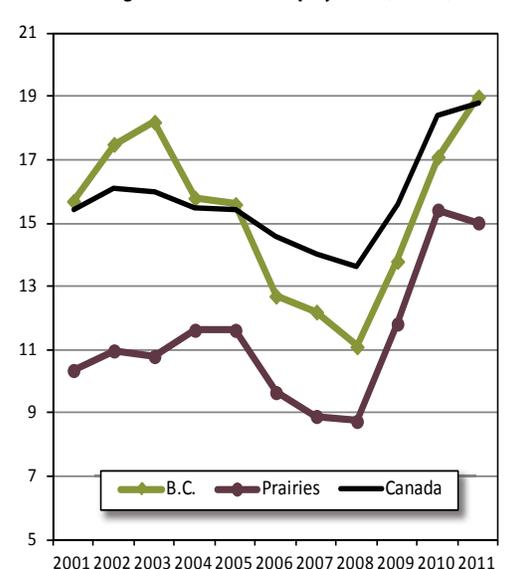
The rate of consumer price inflation continues to drift downward in the first part of 2012. Compared with an average of 2.6% in 2011 and 1.9% in the first quarter of 2012, the rate of inflation in April was 1.6% in the West².

The figure shows that the inflation rate is noticeably lower in Alberta than in the other provinces. This is mainly because of a 17% drop in utility rates (water, gas, electricity) which drove shelter costs 2.4% lower than they were a year ago. The higher rate of inflation in Saskatchewan, on the other hand, is also because of shelter costs, which are increasing rather than declining. Shelter costs in Saskatchewan have increased by 2.0% from April 2011. Most observers expect the rate of inflation to remain below 2.0% for the rest of 2012.

Average Number of EI Beneficiaries per Month, Western Canada



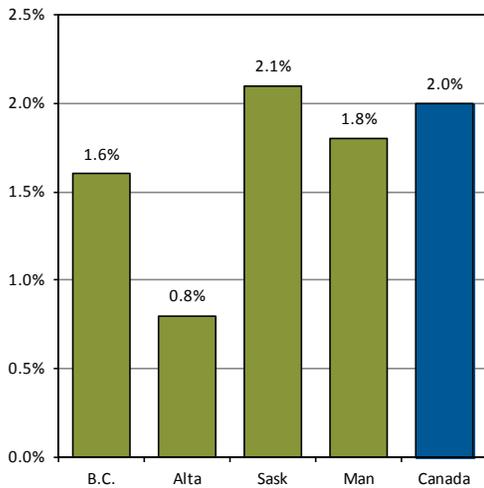
Average Duration of Unemployment (Weeks)



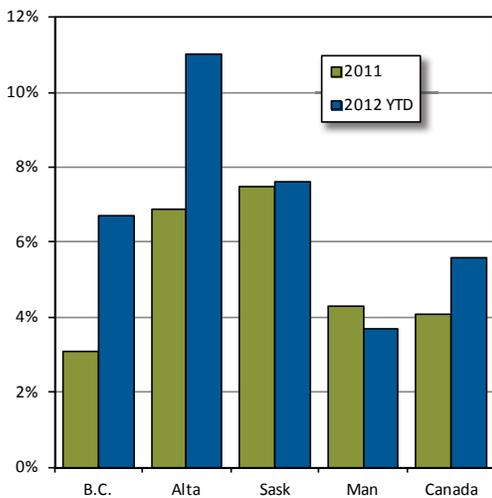
¹ The number of "unemployed" is derived from the Statistics Canada Labour Force Survey; fewer than one half are eligible to receive EI benefits.

² This is the average of the four western provinces and is used because there is no "official" inflation rate published for the West. A more precise measure would take into account the different populations and spending patterns for consumers in the four provinces.

Annual Consumer Price Inflation, April, 2012



Annual Increase in Retail Sales



Retail Sales

Western consumers were in a spending mood in 2011 with an annual increase in retail sales of 5.2% compared with the national average of 4.1%. Given the uncertain state of the markets and the world economy, one might have expected a bit more caution in 2012. Except for Manitoba, this has not been the case.

Gross sales in retail establishments in the West were 8.2% higher in the first quarter of 2011 with increases of 11.0% in Alberta and 7.6% in Saskatchewan. This compares with the national average of 5.6%.

Among the different kinds of stores surveyed by Statistics Canada, the spending was widespread with the largest increases in:

- clothing and shoe stores (+17%);
- motor vehicle dealers (+16%);
- specialty food stores (+12%); and
- furniture and appliance stores (+10%).

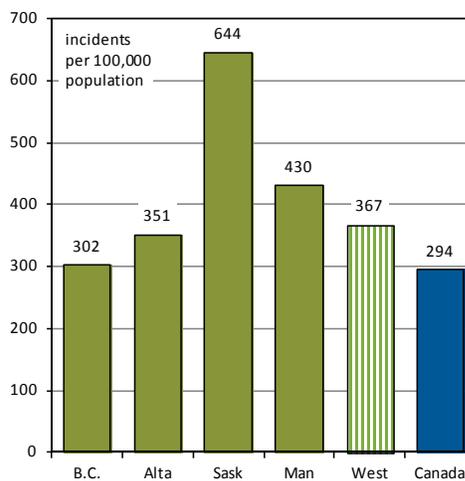
Personal incomes are not growing as quickly as consumer spending so this level of sales is not sustainable over the long term. A slowdown in spending should be expected in the near future, particularly in Alberta and Saskatchewan.

Family Violence

Statistics Canada has released a compendium of family violence statistics for 2010. The statistics cover incidents reported to and verified by the police. Family violence includes violence committed by spouses, parents, children, siblings, and extended family members where the victim is also a family member. The figures show a significantly higher incidence in western Canada in general and Saskatchewan in particular. In 2010, there were 6,500 such incidents in Saskatchewan, which is the equivalent of 644 per 100,000 population. This compares with the national average of 294 per 100,000 and is head-and-shoulders above the rates in other provinces. The rates are higher for all kinds of violence including spousal violence, violence against youth or children, and violence against seniors.

Family violence rates are also published for major urban centres and the rates for Regina or Saskatoon were 317 and 351 respectively – among the highest in Canada but only half the rates outside the two cities. Rates in Saskatchewan are higher, in part because of the high proportion of Aboriginal people living in the province, a segment of the population that has a higher incidence of reported family violence. However, the comparison with Manitoba suggests there are other factors at play because that province has an even higher proportion of Aboriginal people.

Police Reported Family Violence, 2010



Upcoming Releases

In the next two weeks, Statistics Canada will be releasing data describing:

- 2010-11 criminal court statistics on May 28;
- 2011 Census data on age and sex on May 29;
- March employment earnings and hours on May 31;
- April building permits on June 5; and
- May labour force statistics on June 8.

The figures are adapted from the following sources:

Employment Insurance: Statistics Canada CANSIM Tables 276-0002, 282-0001, 282-0048

Consumer Price Inflation: Statistics Canada CANSIM Table 326-0020

Retail Sales: Statistics Canada CANSIM Table 080-0020

Family Violence: Statistics Canada, 85-002-X

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