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This Week...

Crime Rates
Employment
Food Prices
Retail Sales



Crime Rates By Doug Elliott, Editor

Crime rates in Canada are declining and the same pattern is evident in the West. The number of criminal code

offenses reported to the police (and verified as legitimate) has declined from 1.17 million in 2006 to 1.01 million in 2011. Adjusted for population, the crime rate in the four western provinces has dropped from 11,894 per 100,000 population to 9,452 per 100,000 population over the five-year period, the equivalent of a 20% reduction.

The crime rate has declined in all four provinces but to different degrees. The drop in Saskatchewan, for example, has not been as pronounced as elsewhere so the gap between Saskatchewan and the other three provinces, already substantial, is widening.

From 2006 to 2011, the crime rate had declined by an average of:

- 5.9% per year in B.C.;
- 4.5% in Manitoba;
- 3.8% per year in Alberta; and
- 1.5% in Saskatchewan.

The decline at the national level averaged 3.8% per year.

Statistics Canada also calculates a “crime severity” index from crime rate figures. This is a more sophisticated measure of crime that takes into account both the number of crimes and their severity (as measured by the average sentence length). The graph shows that the index, like the crime rate, declined in all four western provinces with a drop of 3% in Saskatchewan and declines of 6% to 10% in the other three western provinces. Notwithstanding the declines, however, the severity index is still above the national average in each of the four western provinces.

Employment

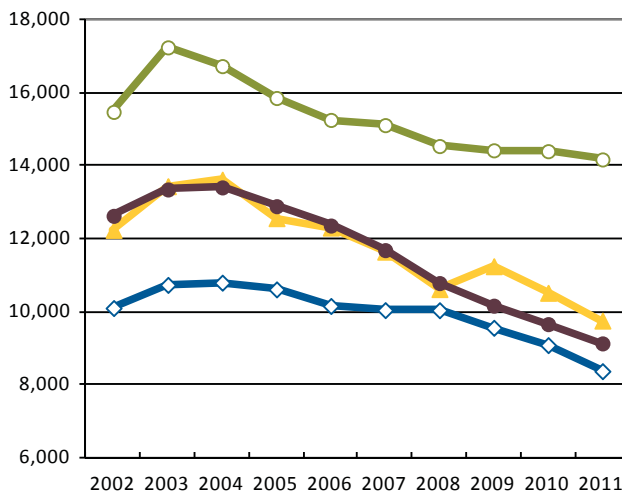
July was another month of employment growth in the West but there are signs that the labour market is weakening. Employment in July increased by 1.8% from July 2011 which is the lowest rate of increase in almost a year and compares with 2.3% in the first six months of 2012. The increase was lowest in Manitoba with year-over-year increases of:

- 2.4% in Alberta;
- 1.9% in Saskatchewan;
- 1.7% in British Columbia; and
- 0.2% in Manitoba.

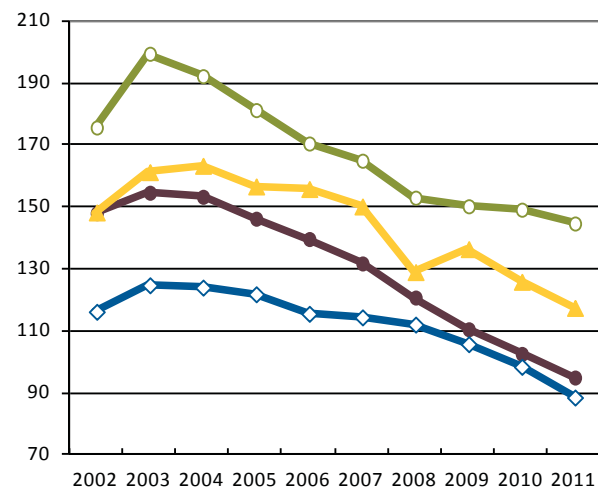
The national average was 0.8%.

The weaker labour market seems to be affecting the availability of summer jobs for students in Alberta and Saskatchewan. In July, 51.8% of Westerners 15 to 24 years of age and intending to go to school in September were working. This is down slightly from 52.5% last summer. The figure shows that the drop was more substantial in Alberta and Saskatchewan.

Crime Rates (offences per 100,000 population)



Crime Severity Indices (Canada 2006 = 100)



Legend: Sask (green circle), Man (yellow triangle), B.C. (brown square), Alta (blue diamond)

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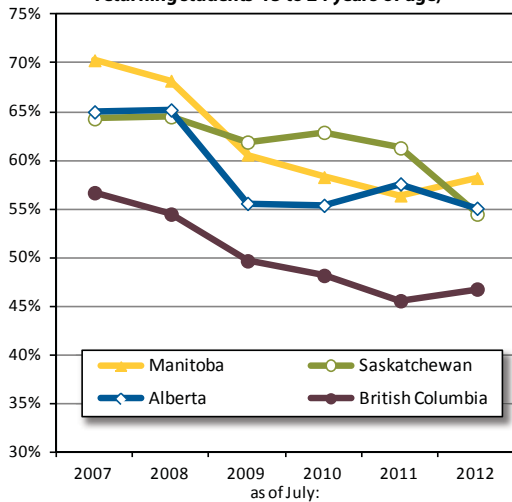
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Summer Jobs (employment rates among returning students 15 to 24 years of age)



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%. The enthusiasm has continued into 2012 with gross sales in the first five months of 2012 growing by:

- 10.1% in Alberta;
- 7.6% in Saskatchewan;
- 5.2% in B.C.; and
- 3.0% in Manitoba.

The national average was 4.4%.

As is often the case, new vehicle sales are one of the drivers for the increased spending. Unit sales of new motor vehicles are up 14% in the first five months of 2012 compared with the same period in 2011. The increase is above the national average in each of the four western provinces and was particularly pronounced in Alberta and Saskatchewan. Less than a third (31%) of the new vehicles are classified as cars with the rest being vans, trucks, or SUVs. The average price paid was \$36,400.

Food Prices

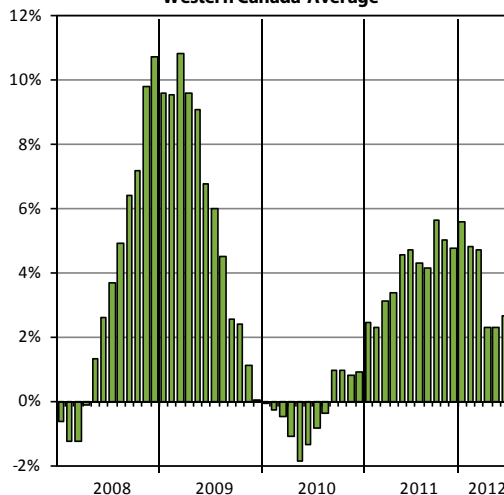
In the first half of 2012, the rate of inflation in the West has been lower than in 2011 and, with the exception of Saskatchewan, lower than in Canada as a whole.

Compared with the national average of 2.0%, the Consumer Price Index has increased by:

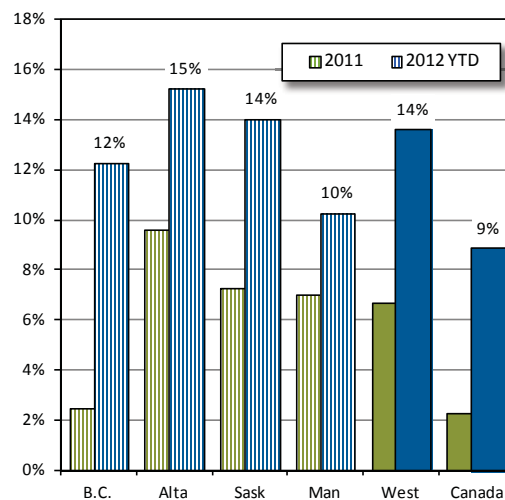
- 2.0% in Saskatchewan;
- 1.6% in B.C. and Manitoba; and
- 1.5% in Alberta.

The lower inflation rates this year are mainly because gasoline prices have stopped increasing but the figure shows that grocery prices are increasing more slowly than last year as well. There is concern, however, that this moderating of grocery prices will be short-lived as the drought in the USA Midwest will drive up food prices. An expected decline in the value of the loonie vis-à-vis the US\$ won't help either.

Annual Rate of Inflation, Grocery Prices, Western Canada Average



Increase in Motor Vehicle Sales, # of Units



Sources:

The figures are adapted from the following sources:

Crime Rates: Statistics Canada, CANSIM Table 252-0051 and 252-0052

Employment: Statistics Canada CANSIM Tables 282-0001 and 282-0006

Consumer Price Inflation: Statistics Canada CANSIM Table 326-0020

Retail Sales: Statistics Canada CANSIM Table 080-0020 and 079-0003