

# WESTERN POLICY Analyst

Bi-Weekly Briefing Volume 3, Issue 8

JOHNSON  
SHOYAMA GRADUATE SCHOOL OF  
PUBLIC POLICY

APRIL 30, 2012

## This Week...

GDP Growth by Industry  
Consumer Price Inflation  
Household Spending  
Work Absence



### GDP Growth by Industry

By Doug Elliott, Editor

The recently released estimates for economic growth by province show the

West has fully recovered from the 2009 recession. Measured at basic prices in chained 2002 dollars, the 2011 gross domestic product (GDP) for the West was \$426 billion, up 3.9% from 2010 and the largest increase in five years. Alberta and Saskatchewan had the highest growth rates with increases of 5.2% and 4.8% respectively. British Columbia and Manitoba had increases of 2.9% and 1.1% respectively. The national average was 2.6%.

The goods-producing side of the economy was responsible for much of the growth. Four of the six fastest growing industry groups produce goods rather than provide services – construction, manufacturing, resources, and agriculture. Two of the other fast growing sectors, namely transportation and wholesale trade, tend to provide services to those goods-producing sectors.

The public sector had much lower growth rates with increases near or less than 2% in health care, education services, and public administration. The slowest growth rate was in the “information, culture, recreation” group.

### Consumer Price Inflation

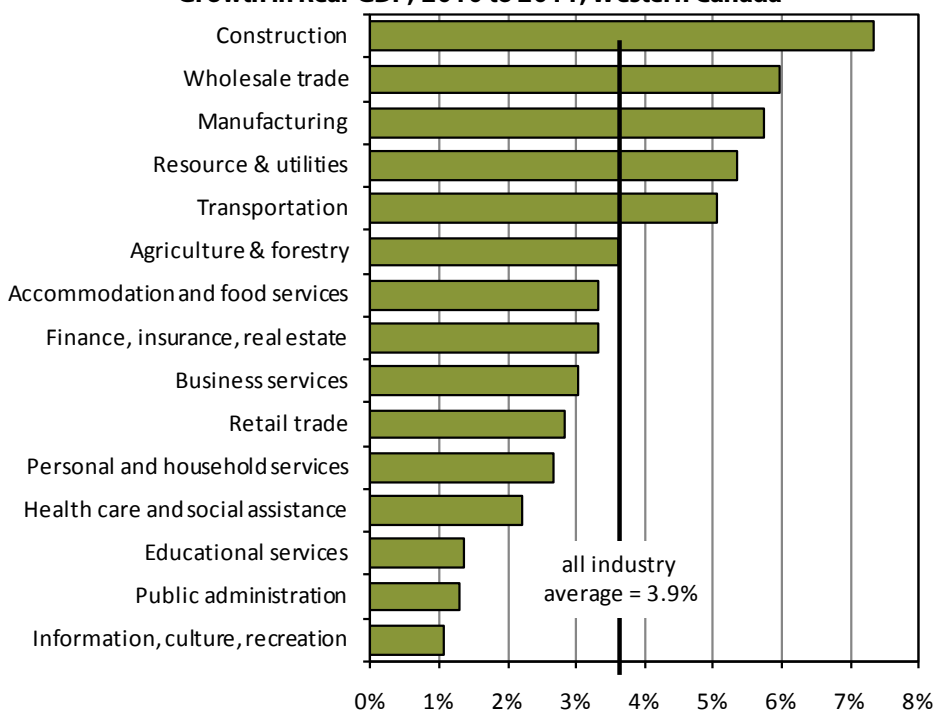
The rate of consumer price inflation in early 2012 is lower than in 2011. Compared with an increase of 2.6% in 2011<sup>1</sup>, the rate of inflation in the first quarter of 2012 was 1.9% with increases of:

- 2.2% in Alberta;
- 2.0% in Saskatchewan; and
- 1.7% in B.C. and Manitoba.

The national average was 2.3%.

The main reason for the lower rate of inflation is a levelling of commodity prices that is leading to smaller increases in food and fuel prices. Most observers expect the rate of inflation to remain below 2% for the balance of 2012.

**Growth in Real GDP, 2010 to 2011, Western Canada**



### Household Spending

Statistics Canada’s annual survey of household spending describes in some detail the spending in the approximately 4.1 million households in the West during 2010. Total spending averaged \$75,500 per household. This is well above the national average of \$70,600 but only because of higher average spending among Alberta (\$84,100) and British Columbia (\$72,500) households. Both Manitoba (\$66,300) and Saskatchewan (\$69,200) had lower average annual expenditures.

The figure shows that western households spend money in much the same way as those in other provinces. Spending is somewhat higher in each of the major categories (clothing is an exception) which is simply a reflection of the higher average incomes in the West.

<sup>1</sup>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.

APRIL 30, 2012

The Western Policy Analyst is published bi-weekly and quarterly by the Johnson-Shoyama Graduate School of Public Policy. No reproduction of any material is allowed without express consent of the publishers.

EDITOR  
Doug Elliott

PUBLISHER  
Andrea Geisbauer

EDITORIAL BOARD  
Rose Olfert  
Lihui Zhang  
Jim Marshall

COPYRIGHT JSGS 2010

Johnson-Shoyama Graduate School of Public Policy  
University of Saskatchewan Campus  
Diefenbaker Building  
101 Diefenbaker Place  
Saskatoon, SK, Canada, S7N 5B8  
Tel: 306 966-8525  
Fax: 306 966-1967  
Email: public.policy@usask.ca

University of Regina Campus  
3737 Wascana Parkway  
Regina, SK, Canada, S4S 0A2  
Tel: 306 585-5460  
Fax: 306 585-5461  
Email: gspp@uregina.ca

Outreach & Training  
University of Regina  
College Avenue Campus  
Gallery Building, Second Floor  
Regina, SK, Canada, S4S 0A2  
Tel: 306 585-5777  
Fax: 306 585-5780  
Email: js\_outreach@uregina.ca

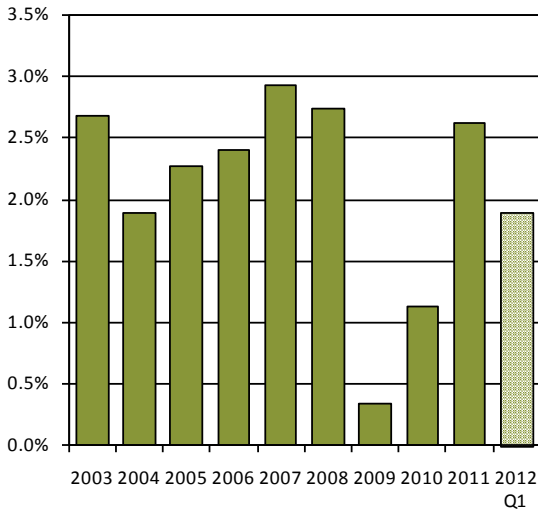
ISSN 1923-9971



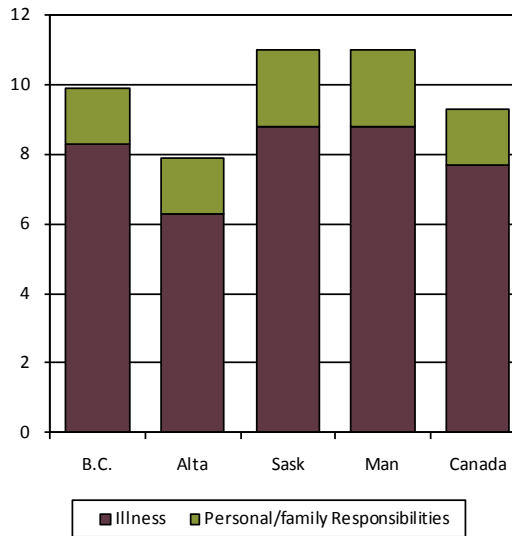
University of Regina

www.schoolofpublicpolicy.sk.ca

**Annual Increase in Consumer Prices, Average of Four Western Provinces**



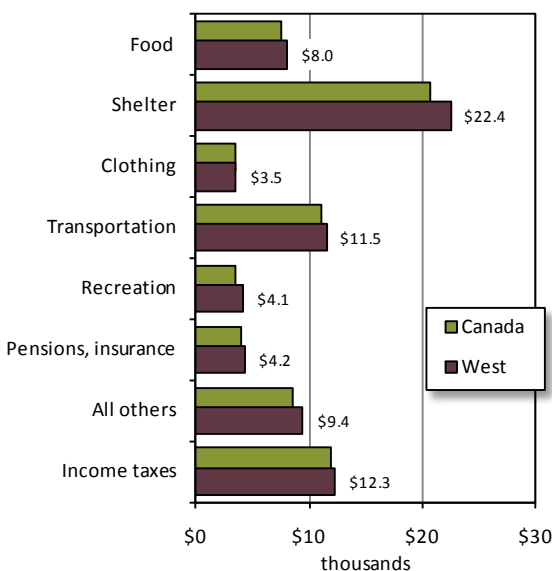
**Average Days Lost per Worker per Year, 2011**



Shelter costs account for \$22,400 or 30% of total spending in 2010. Within this group, \$14,500 is dedicated to ownership and maintenance of the (owned or rented) principal residence including \$2,300 for utilities. Most of the rest is for household operation (\$4,200) or furniture and appliances (\$2,100). Of the \$11,500 spent on transportation, \$10,200 was for the purchase and operation of private vehicles with the balance for public transit including airline travel.

Spending on food was split 70:30 between groceries (\$5,660) and eating out (\$2,340).

**Average Household Spending by Category, 2010**



**Work Absence**

In an average week of 2011, about 8% of full-time employees in the West missed some work because of illness or personal and family responsibilities. Expressed as an annual figure, the absences amounted to 8 to 11 days per worker per year.

The incidence of work absence is higher in the West than in other parts of Canada although Alberta is an exception. Days lost ranged from 11.0 in Manitoba and Saskatchewan through 9.9 in B.C. to 7.9 in Alberta. The national average was 9.3. Among large western cities, the lowest days lost were in Calgary (7.1) and the highest in Victoria (11.1).

The pattern in previous years was similar and it is evident across different industries, different age groups, and both sexes. Neither the low rate of illness in Alberta nor the higher rates in the other western provinces are easy to explain. Perhaps the higher average age of the workforce in Saskatchewan and Manitoba is having an effect.

**Upcoming Releases**

In the next two weeks, Statistics Canada will be releasing data describing March raw material price indices on April 30; the value of March building permits on May 7; and, April labour force statistics on May 11.

**Sources**

*(The figures are adapted from the following sources):*  
Employment by Industry Group: Statistics Canada  
CANSIM Table 282-0007

Consumer Price Inflation: Statistics Canada  
CANSIM Table 326-0020

Household Spending: Statistics Canada  
CANSIM Table 3-0021

Work Absences: Statistics Canada Perspectives on Labour and Income volume 24 #2