

WESTERN POLICY Analyst

Bi-Weekly Briefing Volume 2, Issue 12

JOHNSON
SHOYAMA GRADUATE SCHOOL OF
PUBLIC POLICY

JULY 11, 2011

This Week...

Personal Income
Employment
Obesity
Population
University Revenues



Personal Income By Doug Elliott, Editor

Statistics Canada's regular annual survey of personal income was released in June with data about personal

income up to and including 2009. This was the year when commodity prices fell as the world economy went into a recession. Unemployment increased and consumer spending slowed. With a stagnant labour market, it is not surprising that household incomes in the West lost some purchasing power acquired in previous years.

Adjusted for inflation, average individual income fell by 0.8% nationally and three of the four western provinces experienced a negative change from 2008 to 2009:

- -0.5% in Manitoba;
- +3.1% in Saskatchewan;
- -1.5% in Alberta; and
- -2.3% in B.C.

The income growth in Saskatchewan was out of step with its neighbours. The province avoided the slowdown that was occurring elsewhere in Canada that year and experienced a significant increase (3.8% after inflation) in employment income in 2009.

Income measured at the household level is often a better indicator of economic well being than individual incomes. Household incomes also did not keep pace with inflation although Saskatchewan was again an exception. The change from 2008 to 2009 was:

- -1.3% in Manitoba;
- +2.7% in Saskatchewan;
- -2.4% in Alberta; and
- -4.1% in B.C.

Notwithstanding the income decline in Alberta, Figure 1 shows that average incomes are still

head and shoulders above those in other western provinces. Average household incomes in Saskatchewan have, in the past five years, moved from the lowest in the West to the second highest.

Except for Saskatchewan, household incomes did not grow as quickly as inflation in 2009.

Employment

If the labour market is any indication, the Alberta economy is booming again with a 3.1% increase in employment during the first half of 2011. Employment is also growing in the other western provinces but the increases are much lower, ranging from 0.2% in Saskatchewan to 1.2% in Manitoba. Summed over the four western provinces, employment has grown by 1.6% in the first six months of 2011 compared with the same period a year ago.

Employment is increasing at an above-average rate so far this year among:

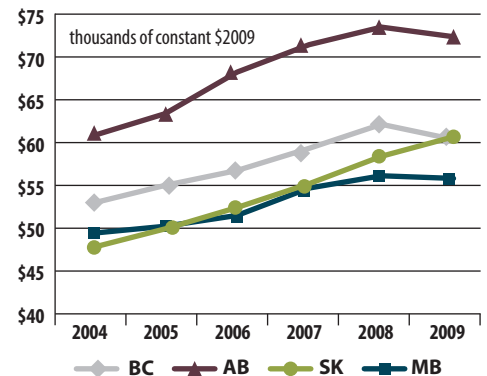
- men (1.9%);
- older workers (5.8% for those 55 & older); and
- part-timers (2.8%).

The fastest growing industry group is wholesale trade with an 11% increase.

Obesity

Health ministries and health promotion agencies are turning their attention from smoking to the high and increasing levels of obesity in Canada. The most recent survey on the subject measures weight (self-reported) among adults in 2007-08.

Figure 1: Average Household Income Before Taxes



The Alberta economy is booming again with a 3.1% increase in employment during the first half of 2011.

Figure 2: Annual Increase in Employment

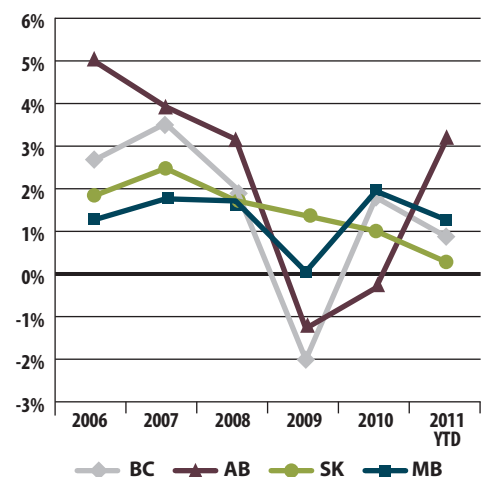
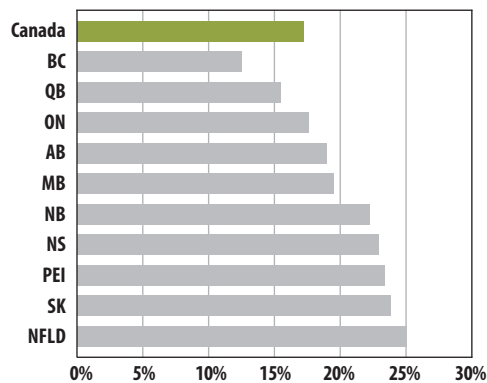


Figure 3: Prevalence of Obesity Among Adults, 2007/08



In Canada, 17% of the adult population have a body mass index that puts them in the “obese” category, which is one step above “overweight”¹. Among the provinces, the highest levels of obesity are in Saskatchewan and the Atlantic provinces. The lowest are in B.C., Ontario, and Quebec (see Figure 3).

The risk factors for high levels of obesity are quantified in the report. Most of the factors would have been expected:

- low levels of physical activity;
- older ages;
- low incomes; and
- fewer fruits and vegetables in the diet.

Conversely, single persons, smokers, and those from a visible minority group are less likely to be obese. The prevalence of obesity among the Aboriginal population living off Reserve was also high – 26% compared with the national average of 17%.

Population

Preliminary estimates for the first quarter of 2011 show that the population in the West continues to grow more quickly than in other parts of Canada. In the first quarter of 2011, the population in the four western provinces grew by 1.3% from the first quarter of 2010 to reach 10.6 million. This is a lower growth rate than a year ago (1.5%) but still above the national average of 1.1%.

Figure 4: Annual Increase in Population, First Quarter

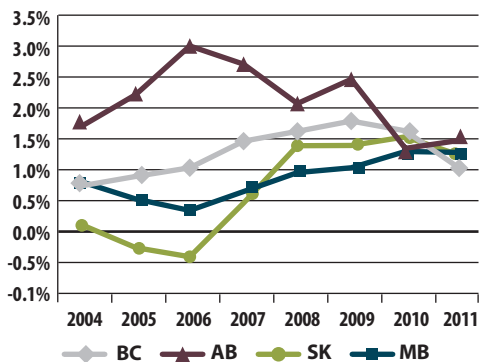
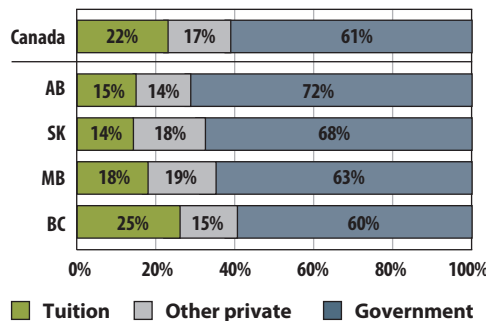


Figure 4 shows that, among the four western provinces, the population growth rates varied widely in the mid 2000s but have since converged to the 1.0% to 1.5% range.

University Revenues

Over time, Canadian universities have gradually reduced their dependency on government funding. Instead, they rely on tuition fees and private revenues such as corporate donations. Recently released figures for 2008/09 show a wide variation among the provinces.

Figure 5: Sources of Revenues for Universities in Canada, 2008/09



In Canada as a whole, undergraduate tuition fees averaged \$4,747 per year in 2008/09 and account for 22% of revenues received by universities. Tuition fees are at the national average in B.C. (\$4,746) and above average in Saskatchewan (\$5,064) and Alberta (\$5,308). At \$3,238, they are significantly lower in Manitoba.

Universities in B.C. rely the most on tuition fees and the least on government for revenues. Alberta and Saskatchewan are the most dependent on governments and the least dependent on tuition fees and other private sources.

Upcoming Releases

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

- May international trade figures on July 12;
- May manufacturing sales on July 15;
- May motor vehicle sales on July 18;
- June inflation rates on July 22; and
- June retail sales on July 22.

Sources:

The figures are adapted from the following sources:

Personal Income: Statistics Canada, *Income of Canadians, 75-202-X*

Obesity: *Obesity in Canada*, Public Health Agency of Canada and the Canadian Institute for Health Information

Employment: Statistics Canada Labour Force Survey, special tabulations

Population: Statistics Canada, CANSIM Table 051-0005
University Revenues: Statistics Canada, *Education Indicators in Canada Issue #7, 81-599-XWE*

JULY 11, 2011

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

EDITORIAL BOARD

Peter Phillips
 Lihui Zhang
 Jim Marshall

COPYRIGHT JSJS 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 and 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

¹ For example, a male who is 5' 10" tall would be classified as "overweight" if their weight was 175 to 210 pounds and "obese" if it was over 210 pounds.