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This Week...

Population Trends
Employment
Consumer Price Inflation
2011 Census Release Dates



Population Trends By Doug Elliott, Editor

The recently released population estimates for the second quarter of 2011 show that the number of people

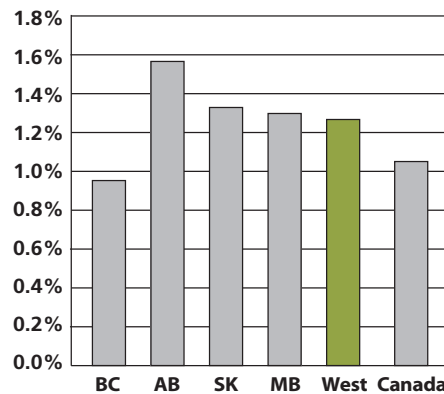
living in the West continues to grow more quickly than in the rest of Canada, but at a slower rate than in the past. As of July 2011, the population in the four western provinces reached 10.66 million, up 1.3% from a year ago. This is a lower rate of growth than a year ago (1.4%) and well below the 1.8% that was typical during the boom years of 2007 to 2009.

The growth rate is slower than in the past because of a lower rate of increase in B.C. (see Figure 1). The most recent increase of 1.0% was much lower than in the past when the population increases were in the 1.5% to 2.0% range. The higher growth rate in Alberta is partly the result of that slowdown in B.C. Net interprovincial migration from B.C. to Alberta was 2,100 in the most recent twelve months; normally the interprovincial flows are in the opposite direction.

A weaker labour market is the underlying reason for the slower rate of population growth because interprovincial migration slows when there are fewer jobs available. Figure 2 shows that interprovincial migration in the past twelve months had only a minor impact on the population of B.C. and Saskatchewan, and was a drain on Manitoba's population. In Alberta, it accounted for almost a quarter of the population increase. That leaves international immigration and natural growth as the drivers for population growth.

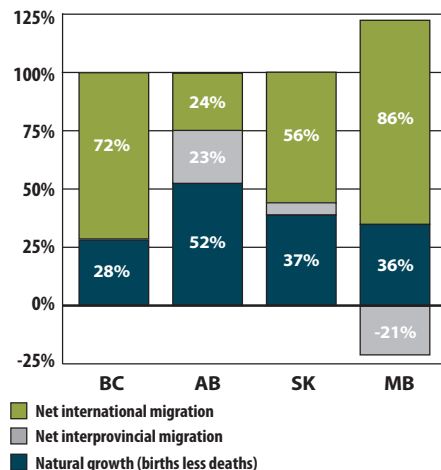
With the economic recovery in Alberta in full swing, we can expect its growth rate to continue to lead the West.

Figure 1: Population Increase, July 2010 to July 2011



Interprovincial migration is having a dampening effect on the population in B.C., but is providing a boost to Alberta.

Figure 2: Contribution to Population Change, July 2010 to July 2011



Employment

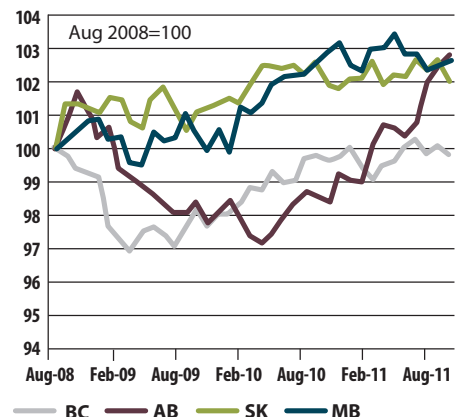
Employment in western Canada grew by 1.6% in the first eight months of 2011 compared with the same period in 2010, but the increase is almost exclusively in Alberta. The year-to-date increase in employment was:

- 3.3% in Alberta;
- 0.9% in Manitoba;
- 0.6% in B.C.; and
- 0.1% in Saskatchewan.

Figure 3 shows employment in the last three years, documenting the impact of the 2009 recession and the subsequent recovery. Manitoba and Saskatchewan avoided a dramatic drop in employment but Alberta and B.C. showed a more typical pattern of decline and recovery.

In B.C. and Alberta, employment dropped sharply to bottom out in March 2009 in B.C. and a year later in Alberta. The recovery since

Figure 3: Employment by Month, Seasonally Adjusted



then has been weak in B.C., which did not reach pre-recession levels until November 2010. Alberta's recovery was much stronger – employment reached pre-recession levels earlier this year and continues to grow.

Consumer Price Inflation

The inflation-rate story over the summer is the same as it has been throughout most of 2011. Higher prices for gasoline and groceries are driving the consumer price index (CPI) higher, whereas lower prices for clothing and other imported items are dampening the increase and preventing the overall inflation rate from getting too high.

The transportation component in the August CPI is up by as little as 4.1% in B.C. and as much as 6.7% in Saskatchewan. There is more consistency among grocery prices with August year-over-year increases ranging from 3.0% in Manitoba to 4.7% in Alberta. Price inflation in shelter costs is much higher in Alberta (19%) and B.C. (21%), compared with Manitoba (8%) and Saskatchewan (8%).

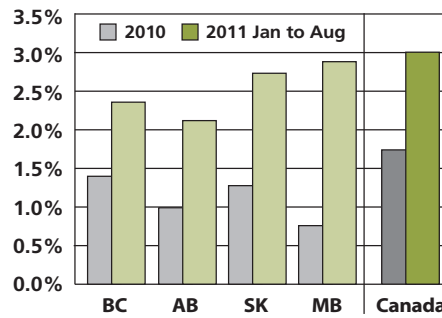
Two competing forces will affect prices over the next six months. Lower crude oil prices will lead to a decline in energy prices in general and gasoline prices in particular. The decline in the value of the Canadian dollar, on the other hand, is driving up the price of imported goods. In selected markets such as Vancouver there is also some upward pressure on shelter costs so inflation rates are expected to stay in the 2.5% range for the next three to six months. This is higher than in past years but not yet at a level that should cause concern.

2011 Census Release Dates

Statistics Canada is wrapping up the collection phase of the 2011 census so attention is turning to when the results will be ready. The data will be released in stages starting early in 2012.

- Population and dwelling counts will be available February 8, 2012.

Figure 4: Consumer Price Inflation Rates



- Information from the census of agriculture will be available May 10, 2012.
- Age and sex counts for the population will be available May 29, 2012.
- Dwelling characteristics and living arrangements data will be available September 19, 2012.
- Language data will be available October 24, 2012.

Information about employment, education, and income from the voluntary long form (i.e. the National Household Survey) will be released in 2013.

Upcoming Releases

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

- September estimates of 2011 crop production on October 4;
- August building permits data on October 6;
- September labour force figures on October 7; and
- August manufacturing sales on October 14.

Sources:

The figures are adapted from the following sources:

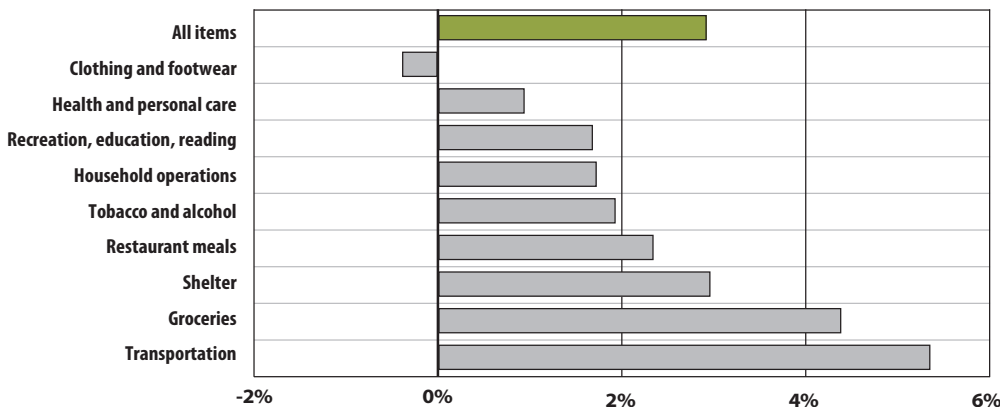
Population Trends: Statistics Canada Annual Demographic Estimates, 91-215-X

Employment: Statistics Canada Labour Force Survey, 71-001-X

Consumer Price Inflation: Statistics Canada Consumer Price Index, 62-001-X

2011 Census Release Dates: www.statcan.gc.ca

Figure 5: Annual Inflation Rates by Category, August 2011, (Average of Four Western Provinces)



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