

WESTERN POLICY Analyst

Bi-Weekly Briefing Volume 2, Issue 20

JOHNSON
SHOYAMA GRADUATE SCHOOL OF
PUBLIC POLICY

DECEMBER 13, 2011

This Week...

Aboriginal Population Projection
Employment among Older Workers
RRSP Contributions
Newspaper Revenues and Expenditures
Consumer Price Inflation



Aboriginal Population Projection

By Doug Elliott, Editor

Statistics Canada teamed up with several federal ministries to develop a projection for

the size of the Aboriginal population up to 2031. Four scenarios were examined but we will limit our analysis to the scenario with a slight decline in the fertility rate for Aboriginal women and no “ethnic mobility”¹.

In 2006, there were approximately 750,000 Aboriginal people living in western Canada, although this number understates the size of the population because of incompletely enumerated Reserves, particularly in Alberta. By 2031, the size of the Aboriginal population in the West is projected to increase to more than one million. The average increase in the size of the Aboriginal population of 1.2% per year over the twenty-five years is somewhat higher than the 1.1% projected for Canada as a whole.

In absolute terms, the largest increase is projected to be in Alberta but Figure 1 shows that in percentage terms, the Aboriginal population in Alberta and Saskatchewan is projected to grow the most quickly. The First Nations population is projected to increase more quickly than the Métis population in the prairie provinces but not in B.C.

The reports include projections for the share of the Aboriginal population in each province but those figures are suspect because they seriously underestimate the growth rates for the non-Aboriginal populations in Alberta and Saskatchewan.

Employment among Older Workers

Except for Saskatchewan, employment in the West has grown strongly in 2011. Thanks to a 3.7% increase in Alberta’s employment, the year-to-date increase for the first eleven months of the year is 1.8% in the West. Increases in the other provinces range from a low of 0.3% in Saskatchewan to 0.8% in B.C. and Manitoba. The national average is 1.6%.

Much of the employment growth is among older workers. The oldest of the “baby boom” generation, namely those who are currently 55 to 64 years of age, are defying expectations by remaining in the labour force longer than expected or re-entering after they leave. This has led to an increase in the employment rate (the percentage of the population who are working) from levels in the 25% to 35% range around the turn of the century to figures as high as 44% in Alberta (see Figure 2).

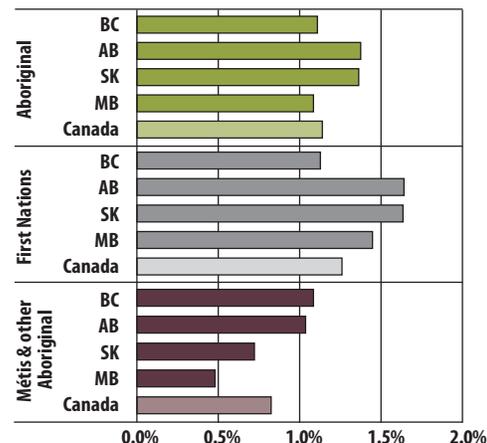
This phenomenon is happening among all ages and both sexes but is particularly strong among women and among those in the 65 to 69 age group. For example, 27% of westerners 65 to 69 years of age were working in 2010 compared with 14% ten years ago.

RRSP Contributions

The number of people who put money aside in their RRSPs is a function of their age, sex, employment status, and above all, their income. Accordingly, one might expect an increase in RRSP contributions in 2010 after the downturn in 2009 and this, in fact, has occurred.

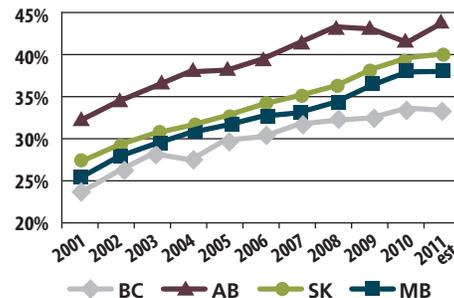
In the last contribution year (that is, from January 2010 to February 2011) one quarter of the 7.4

Figure 1: Average Annual Population Growth, 2006 to 2031



The oldest of the “baby boom” generation are defying expectations by remaining in the labour force longer than expected or re-entering after they leave.

Figure 2: Employment Rate, Population 55 and older

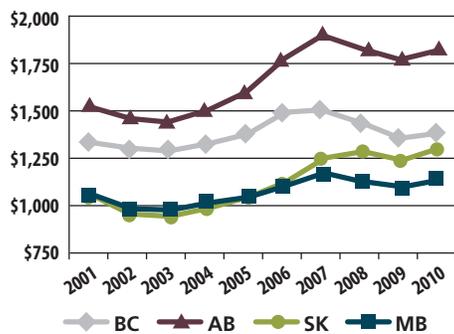


¹ Ethnic mobility is the term used when a person who previously self-identified as non-Aboriginal later self-identifies as Aboriginal. This is more common among the Métis population than among the First Nations population.

million tax filers in western Canada made a contribution to their RRSP. The average amount was \$5,936 which is equivalent to \$1,493 per tax filer. Relative to Canada as a whole, westerners were both more likely to make a contribution and, if they did, to make a larger contribution. Consequently, the average contribution per western tax filer was 8% higher than the national average.

The average RRSP contribution per western tax filer was 8% higher than the national average.

Figure 3: RRSP Contributions, Average per Tax Filer

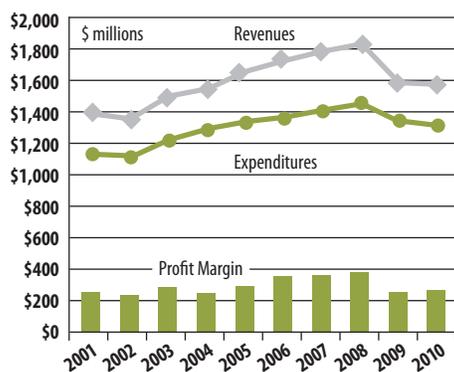


Albertans were the most likely to contribute (28.2% did so) and also had the highest average contribution of \$6,420. Manitobans were at the other end of the spectrum with a 23.2% contribution rate and an average contribution of \$4,870. Figure 3 shows that RRSP contributions in each of the four western provinces reversed the downward trend from 2007 to 2009.

Newspaper Revenues and Expenditures

Newspapers around the world are struggling as advertisers move to the Internet and readers turn to free digital news sources. Those in the West are no exception but recent estimates suggest that they are coping quite well.

Figure 4: Revenues and Expenditures for Western Canadian Newspaper Publishers



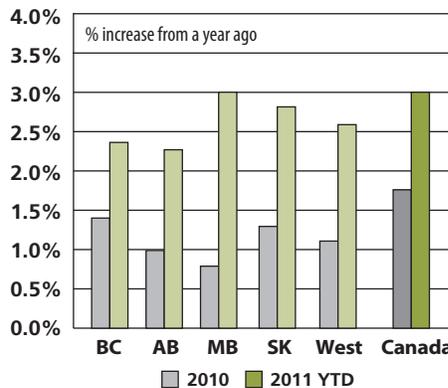
In 2010, revenues for newspaper publishers in the West were approximately \$1.6 billion and expenditures were \$1.3 billion to yield a profit margin before taxes of \$272 million or 21%. About three quarters of revenue is from advertising and about one half of expenditures are for wages and salaries. Figure 4 shows that revenues dropped sharply in 2009 and did not recover in 2010.

Consumer Prices

The rate of inflation in the West was lower than in other parts of Canada in 2010, and the same is true in the first ten months of 2011. The consumer price indices for the first ten months of 2011 show that the year-over-year increase in prices averaged 2.9% among the four western provinces which is the same as for Canada as a whole.

Inflation rates were significantly lower a year ago. The higher rates in 2010 are the result of particularly high inflation rates for gasoline and groceries. Most observers expect inflation rates to be lower in 2012.

Figure 5: Consumer Price Inflation, 2010 and 2011 YTD



Upcoming Releases

From now to the end of December, Statistics Canada will be releasing data describing:

- October manufacturing shipments on December 14;
- October motor vehicle sales on December 14;
- October employment insurance statistics on December 16;
- November consumer price inflation rates on December 20;
- October retail sales figures on December 21; and
- October employment and payrolls data on December 22.

Sources:

The figures are adapted from the following sources:

Aboriginal Population Projection: Statistics Canada, *Population Projections by Aboriginal Identity in Canada, 2006 to 2031, 91-552-X*

Employment among Older Workers: Statistics Canada CANSIM Table 282-0001

RRSP Contributions: Statistics Canada CANSIM Table 111-0039

Newspaper Revenues and Expenditures: Statistics Canada, *Newspaper Publishers, 63-241-XWE*

Consumer Prices: Statistics Canada, *The Consumer Price Index 62-001-X*

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
Rose Olfert
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 & 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