

- Labour income rises 1.4% in the fourth quarter
- Fourth quarter residential investment up 4.1%
- Room revenues advance 3.3% in November

The Economy

- Labour income earned by workers in British Columbia, including wages, salaries and benefits, rose 1.4% (*seasonally adjusted*) in the fourth quarter of 2009. This was the first increase in labour income since the fourth quarter of 2008. Similarly, total Canadian labour income advanced 1.4% with strong gains made in most provinces. This was particularly true in Ontario (+1.8%), BC (+1.4%) and Alberta (-0.8%), all of which were recovering from declines registered through most of 2009. Saskatchewan (+1.8%), Newfoundland & Labrador (+1.5%) and Manitoba (+1.4%) also saw labour income improve. Only in PEI did labour income fail to increase (-0.3%).
Data Source: Statistics Canada

- Residential investment in British Columbia rose 4.1% (*seasonally adjusted*) in the fourth quarter of 2008 after falling during each of the six previous quarters. Much of the increase was due to a jump in new construction (+8.8%), particularly single-family homes (+28.4%). Investment in apartments & condominiums, however, continued to plummet (-26.7%).
Data Source: Statistics Canada & BC Stats

- Building permits issued by municipalities in British Columbia were worth 22.5% less (*seasonally adjusted*) in January compared the previous month. Most of the decline was the result of a significant drop (-20.6%) in the value of permits issued for residential building projects. Non-residential permits were also down sharply (-28.5%). Vancouver (-37.2%), Victoria (-10.1%) and Kelowna (-29.0%) all posted double-digit declines in permit values.

Nationally, the value of building permits issued fell 4.9%. Alberta (-28.5%) and British Columbia (-22.5%) were the main contributors to the overall decline.

Data Source: Statistics Canada

- Lumber production at British Columbia's sawmills rose 14.1% in December 2009 when compared to December 2008. Production at both Coastal (+19.4%) and Interior (+13.6%) mills increased with much of that coming from mills in the province's Northern Interior (+25.6%). Nationally, lumber production dipped 0.9%.
Data Source: Statistics Canada

Room Revenues

- Room revenues at BC's accommodation properties rose 3.3% (*seasonally adjusted*) in November, the largest increase in almost three years. Receipts at accommodations in both Vancouver Island/Coast (+2.9%) and Mainland/Southwest (+5.3%) drove the overall surge in revenues, supported by growth in Kootenay (+7.5%) and Cariboo (+0.5%). However, room revenues slipped in Thompson/Okanagan (-2.1%), North Coast (-1.7%), Nechako (-11.5%) and Northeast (-1.2%).
Data Source: BC Stats

2009 in Review

- Wages, salaries and benefits earned in BC were down 1.9% in 2009, the first time labour income has dropped in the province on an annual basis since 1961¹. Nationally, labour income edged up just 0.1% compared to the previous year. Saskatchewan (+3.6%),

¹ The first year for which data is available.

Did you know...

Nearly one in five (18%) British Columbians said that Canada's gold medal victory in men's ice hockey was the defining moment of the 2010 Olympics.

Data Source: Ipsos.ca

Manitoba (+1.8%), Quebec (+1.5%) and the Atlantic Provinces (+2.6%) all registered modest increases for the year. However, these increases were almost entirely offset by declines recorded in Ontario (-1.0%) and British Columbia (-1.9%), which together put downward pressure on the national average.

Data Source: Statistics Canada

- **Despite an increase late in the year, total residential investment in British Columbia tumbled 24.0% in 2009.** This marks the first annual decline in residential investment since 1999 and the largest retreat in investment since the recession of 1982. Nearly half of the decrease was due to a 45.4% drop in apartment & condominium projects with a 35.8% reduction in single-family housing also contributing substantially to the decline.

Data Source: Statistics Canada & BC Stats

- **On an annual basis, lumber production by British Columbia's sawmills fell 18.5% in 2009.** Both Coastal (-23.8%) and Interior (+17.8%) mills registered sharp decreases in lumber production during the year. Shipments of BC lumber were also significantly lower (-17.0%) in 2009. Nationally, production (-21.0%) and shipments (-19.0%) of lumber products were down considerably in 2009.

Data Source: Statistics Canada

Labour

- **Of all new mothers in Canada outside Quebec² in 2008, nearly one in five (17%) received both Employment Insurance maternity benefits as well as an employer 'top-up' to these benefits.** These top-ups lasted an average of 18 weeks with average payments of \$300 per week. While mothers working in the public sector were 5.7 times more likely to receive a top up, being a member of a labour union was not a significant factor. Women who worked for companies with 500 or more employees were 2.9 times

more likely to enjoy a top-up compared to those who worked in smaller establishments. Wages rates were also a factor with those making more than \$20.00 per hour 2.7 being times more likely to be eligible for employer top up than those who earned less on an hourly basis.

Data Source: SC Cat. no. 75-001-X

The Nation

- **The Canadian economy contracted 2.6% in 2009, the largest annual decline in real gross domestic product (GDP) since 1982.** Since 1961³, GDP has fallen just three times, the other declines occurring in 1982 (-2.9%) and 1991 (-2.1%). Economic slowdown was widely evident throughout the economy. Despite an expansion in government expenditures (+3.0%) and investment (+12.9%), a lack of meaningful annual growth in consumer spending (+0.2%) combined with a sharp drop in capital investment by businesses (-14.1%) served to drive final domestic demand down by 1.7%. In the end, however, the weakness in final domestic demand only put further downward pressure on the overall economy as both exports (-14.0%) and imports (-13.4%) were down dramatically from the previous year.
- **During the fourth quarter economic activity increased 1.2%, the largest quarterly increase since the second quarter of 2007.** Consumer spending was up 0.9%, but much of the turnaround came as a result of a rebound in residential investment (+6.7%). Exports (+3.7%) expanded more than imports (+2.2%), narrowing the country's trade deficit and contributing to the quarterly increase in national GDP.

Data Source: Statistics Canada

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² Quebec maintains its own *Quebec Parental Insurance Program* in lieu of *Employment Insurance* benefits available in the rest of Canada.

³ The first year for which data using the current definition of GDP are available.

GSEing Sub-Provincial Population in B.C.

Population estimates play an important role in the allocation of resources. As well, population estimates underlie the effective derivation and analysis of key demographic and social statistics—e.g., labour market measures, crime rates, etc. Knowledge of population growth and where it occurs is vital to both planning and analytical processes.

Statistics Canada produces, on a quarterly basis, the official population estimates at the Canadian, provincial and territorial levels. Each November, Statistics Canada releases third-quarter estimates (as at July 1), which represent the mid-point annual population. Several provincial and territorial statistical agencies, including BC Stats, take the next step and develop sub-provincial population estimates.

A Made in B.C. Approach

Population statistics and analysis is one of the core functions of BC Stats as the central statistics agency for the Government of British Columbia. BC Stats has been producing sub-provincial population estimates for British Columbia since 1978. In December, BC Stats will be releasing 2009 municipal and regional district total population estimates for British Columbia: for 190 municipalities and unincorporated areas, 29 regional districts and eight development regions¹. These estimates are consistent in aggregate with the Statistics Canada produced annual (July 1) provincial level population. As well, population estimates are produced for special geographies—e.g., RCMP Respondent Code Areas and Provincial Electoral Districts.

This 'made in B.C. approach' to population estimation is both innovative and cost-effective.

¹ The annual production of municipal and regional district population estimates is funded by Local Government, Ministry of Community and Rural Development.

Estimates production is accomplished in less than three months and, compared to the cost of undertaking a census, the approach is extremely cost effective.

GES – A Synopsis of the Methodology

The Generalized Estimation System (GES) refers to the procedures and methods by which current British Columbia small area population estimates are prepared. The approach employed in GES relies upon the use of administrative data sources—i.e., symptomatic indicators—that act as proxies of population change. The two indicators used are:

- Residential electrical connections as at July 1 of each year; and
- Health care registrants as at July 1 of each year.

GES employs two analytical methods (Difference-Correlation and Proportional Allocation) that relate past changes in regional populations to changes in the indicators symptomatic of population change. Two approaches are used because research has shown that for smaller geographies (with population of less than 4,000), more accurate estimates result when using a Proportional Allocation-based approach as opposed to the regression-based approach.

Difference-Correlation Method

The primary method by which population change is estimated is known as Difference-Correlation. This regression approach examines temporal changes (i.e., changes over time) in the symptomatic indicators and their correlation with known changes in populations; from this relationship regression coefficients are derived—in essence a type of average over time and/or across regions. Then, this "average" past

relationship between the difference in indicator shares and the difference in population shares is applied to the present. The Difference-Correlation method is used to estimate the population for larger areas, typically with populations over 4,000, which represent 97% of the provincial population.

Proportional Allocation Method

The secondary method is referred to as the Proportional Allocation method. Unlike the regression approach employed in Difference-Correlation, the Proportional Allocation method uses a fixed (in time and place) share approach. It takes the relationship between the ratio of symptomatic indicator and population at a previous point in time, for a given place, and applies this relationship to the present. Proportional Allocation is used to estimate approximately 3% of the provincial population—i.e., areas with population of less than 4,000.

Estimates Quality

An evaluation of the sub-provincial population estimation methodology is necessary to ensure that the information output is relevant and reliable for users. Periodic evaluation assesses the accuracy of estimates and helps illuminate the magnitude and nature of estimation error. This gives users more complete information to enable better utilization of the estimates, and provides BC Stats an analytical feedback mechanism to aid the improvement of future estimates. Error measurement is only possible when actual figures are available to compare with the estimates: the availability of a census every five years makes evaluation possible².

The accuracy of the population estimates depends largely on the quality, consistency and

relevance of the symptomatic indicators used in the model. Over the last thirty years, different indicators have been incorporated in, and dropped from, the model reflecting an approach of continuous improvement in population estimation at BC Stats.

BC Stats' sub-provincial estimates are recognized in B.C. as the official population estimates. The quality of B.C.'s sub-provincial estimates has also been recognized by Statistics Canada, which has incorporated BC Stats' municipal estimates growth rate information as its own in publications³ for several years. As well, starting in 2008, BC Stats (along with Quebec and Northwest Territories) began supplying municipal population estimates to Statistics Canada, which will become Statistics Canada's official sub-provincial estimates for the province⁴.

Population estimates information is available on the BC Stats web site at the following link:
<http://www.bcstats.gov.bc.ca>.

² An updated GES methodology document, including an evaluation based on results from the 2006 census will be available in early 2010.

³ Statistics Canada. 2008. Annual Demographic Estimates: Census Metropolitan Areas, Economic Regions and Census Divisions, Age and Sex. pp 135. Statistics Canada Catalogue no. 91-214-X. Ottawa.

⁴ Sub-provincial estimates for the remaining eight provinces and two territories will be derived by Statistics Canada through a micro-simulation approach.



Email transmission information service from BC Stats



also on the Internet at www.bcstats.gov.bc.ca or choose [RSS](#)

BC at a glance . . .

| POPULATION (thousands) | | |
|---|--------------------------|--------------------------|
| | Jul1/2009 | % change on one year ago |
| BC | 4,455.2 | 1.6 |
| Canada | 33,739.9 | 1.2 |
| GDP and INCOME (Revised Nov 9) | | |
| (BC - at market prices) | 2008 | % change on one year ago |
| Gross Domestic Product (GDP) (\$ millions) | 197,931 | 3.3 |
| GDP (\$ 2002 millions) | 164,520 | 0.0 |
| GDP (\$ 2002 per Capita) (reflects revised pop) | 37,529 | -1.7 |
| Personal Disposable Income (\$ 2002 per Capita) | 25,931 | 3.2 |
| TRADE (\$ millions, seasonally adjusted) | | |
| | | % change on prev. month |
| Manufacturing Shipments - Dec 2009 | 2,690 | -2.3 |
| Merchandise Exports - Dec 2009 | 2,130 | 4.6 |
| Retail Sales - Dec 2009 | 4,630 | 0.1 |
| CONSUMER PRICE INDEX | | |
| (all items - Jan 2010) | % change on one year ago | 12-month avg % change |
| BC | 0.7 | -0.1 |
| Vancouver | 1.0 | 0.1 |
| Victoria | 0.5 | 0.0 |
| Canada | 1.9 | 0.4 |
| LABOUR FORCE (thousands) | | |
| (seasonally adjusted) | Jan 2010 | % change on prev. month |
| Labour Force - BC | 2,481 | 0.3 |
| Employed - BC | 2,281 | 0.5 |
| Unemployed - BC | 201 | -1.7 |
| | | Dec 2009 |
| Unemployment Rate - BC (percent) | 8.1 | 8.3 |
| Unemployment Rate - Canada (percent) | 8.3 | 8.4 |
| INTEREST RATES (percent) | | |
| | Mar 3/2010 | Mar 4/2009 |
| Prime Business Rate | 2.25 | 2.50 |
| Conventional Mortgages - 1 year | 3.60 | 5.00 |
| - 5 year | 5.39 | 5.79 |
| US-CANADA EXCHANGE RATE | | |
| | Mar 3/2010 | Mar 4/2009 |
| (avg. noon spot rate) Cdn \$ per US \$ | 1.0287 | 1.2765 |
| (closing rate) US \$ per Cdn \$ | 0.9690 | 0.7841 |
| AVERAGE WEEKLY WAGE RATE | | |
| (industrial aggregate - dollars) | Jan 2010 | % change on one year ago |
| BC | 812.32 | 1.6 |
| Canada | 814.06 | 1.2 |
| SOURCES: | | |
| Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate | } Statistics | |
| Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics | } Canada | |
| For latest Weekly Financial Statistics see www.bankofcanada.ca | | |

British Columbia Wage & Salary Survey

In 2009, the first-ever Wage and Salary Survey was completed by the BC Government. This survey provides up-to-date wage and salary information on part-time and full-time wages, hours of work, hiring difficulties, and vacancies for 121 of the province's most common occupations. In B.C.'s three largest economic regions (Vancouver Island/Coast, Mainland/Southwest, and Thompson/Okanagan), the top 100 occupations were targeted, and in the five remaining regions (Kootenay, Cariboo, North Coast, Nechako, and Northeast), the top 35 occupations were targeted.

www.bcstats.gov.bc.ca/data/lss/labour/wage/

Historical Census Profiles

We have added 1986 Census Profiles to our site. This series of profiles is for development regions, regional districts, municipalities, and unincorporated areas. Recently we added detailed profiles for development regions, regional districts, municipalities, unincorporated areas and Indian reserves from the 1996 and 1991 censuses. Registration is required for access.

www.bcstats.gov.bc.ca/census.asp

Aboriginal Peoples Profiles - BC

Province-level profiles have been added to this series. These profiles provide comparisons of the socio-economic conditions of the Aboriginal populations as well as profiles of Aboriginal groups such as First Nations, Métis, and Status Indians using data from the 2006 Census.

www.bcstats.gov.bc.ca/data/cen01/abor/ap_main.asp

Released this week by BC Stats

- Tourism Sector Monitor, February 2010

Next week

- Business Indicators, February 2010
- Exports, January 2010
- Labour Force Statistics, February 2010
- Earnings & Employment Trends, February 2010