



*Centre for the Study of Living Standards
Centre d'étude des niveaux de vie*

Economic Well-being Fails to Advance in Canada Since 2008

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The Centre for the Study of Living Standards (CSLS) today released two reports on its composite indicator, the Index of Economic Well-being (IEWB). The IEWB has been developed to give a more accurate picture of developments in economic well-being than GDP per capita by capturing trends in consumption, stocks of wealth, economic equality, and economic security.

The first report is entitled “A Tepid Recovery: The Index of Economic Well-being for Canada and the Provinces, 1981-2014.” The key findings are highlighted below.

- Since 2008 economic well-being, as represented by the Index of Economic Well-being (IEWB) has virtually stagnated in Canada, advancing at only a 0.1 per cent average annual rate between 2008 and 2014, down from 0.7 per cent per year in the 1981-2008 period.
- In both the 1981-2008 and 2008-2014 periods the IEWB has risen at a significantly slower pace than GDP per capita, which increased 1.3 per cent and 0.4 per cent per year respectively.
- The stagnation of economic well-being since 2008 reflects declines in three of the four IEWB domains: wealth, equality, and economic security. Only consumption increased. Before 2008 the wealth domain increased while the equality and economic security domains declined.
- In 2014, Alberta enjoyed the highest level of economic well-being, followed by Saskatchewan. Prince Edward Island was tenth.
- In 2014, the level of overall economic well-being was lower than in 2008 in six of the ten provinces: Newfoundland and Labrador, Prince Edward Island, Ontario, Saskatchewan, Alberta, and British Columbia. In contrast, all provinces had higher levels of economic well-being in 2008 than in 1981 and in 2000.

The second report entitled “Equality and Security Take a Hit: The Index of Economic Well-being for Selected OECD Countries, 1980-2014” situates Canada’s performance on economic well-being in the context of 14 OECD countries. The key findings are below.

- In 2014, Norway ranked first in economic well-being, as shown by the Index of Economic Well-being, followed by the Netherlands. Canada ranked a disappointing 11th out of 14 OECD countries, surpassing only the United States, Italy, and Spain.
- In 2014, Canada ranked third for stocks of wealth and fifth for consumption, but 11th for both economic equality and economic security.
- Since 2008 Canada’s performance in terms of economic well-being has deteriorated relative to its record before 2008 and relative to other OECD countries. The IEWB in Canada was stagnated between 2008 and 2014, compared to its rate of advance of 1.6 per cent in the 1980-2008 period. Only Spain and Italy had lower rates of growth than Canada for the IEWB in the 2008-2014 period.
- Most of the 14 OECD countries covered by the IEWB have experienced declines in both equality and economic security in recent years. Since 2008, 12 of the 14 countries experienced a fall in economic security and eight in economic equality.

The reports are posted at <http://www.csls.ca/reports/csls2016-05.pdf> and <http://www.csls.ca/reports/csls2016-06.pdf>

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The Centre for the Study of Living Standards (CSLS) is a national, independent, Ottawa-based not-for-profit research organization. Its primary objective is to contribute to a better understanding of trends and determinants of productivity, living standards, and economic well-being in Canada through research.