

# A Sustainable Growth Strategy for the New Saskatchewan

## What is the Growth Strategy for the New Saskatchewan?

In 2007 the Saskatchewan Chamber of Commerce launched the Sustainable Growth Strategy for the New Saskatchewan to support the strategic and sustainable growth of the province's economy and population.

## Why Do We Need to Grow?

Without growth, Saskatchewan will not have the tax revenues necessary to sustain the level of public services residents have come to expect. Additionally, the current demographic situation means labour shortages will increase and prosperity will decline if changes do not occur.

Saskatchewan needs to grow. Fortunately, growth is possible and the Chamber believes that by acting to promote and prepare for growth now, the province can avoid the growing pains that have plagued other jurisdictions.

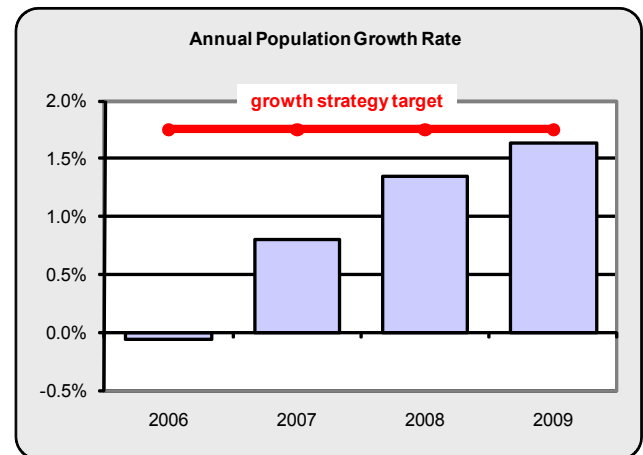
## What are the Key Indicators?

The Growth Strategy outlines important future targets for population, demographics, labour force engagement, GDP growth and more that need to be achieved for Saskatchewan to afford the cost of serving our aging population while continuing to provide a range of public services and a high standard of living.

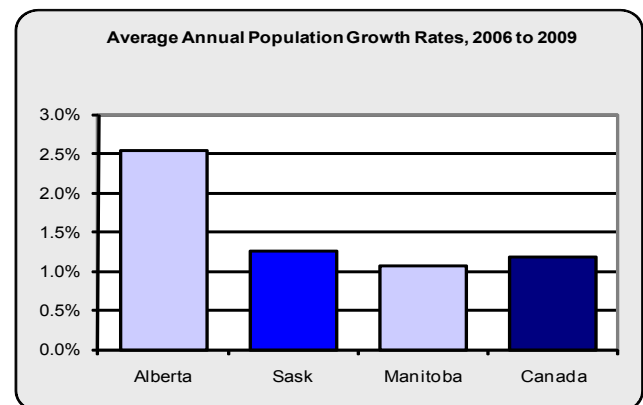
The Chamber believes that by achieving each of these twenty indicators, Saskatchewan can position itself as the best place to live, work and invest.

The Saskatchewan Chamber of Commerce knows what Saskatchewan should look like in 20 years, so we are encouraging our members to prepare for this new Saskatchewan by expanding services and properly positioning themselves for growth. We have also advised the government to take action on several policy fronts to support this growth now. We want them to enact policies that enable and encourage the increased investment necessary to grow our economy, and to focus current public sector spending on areas that will be put under the most strain in the future.

## Saskatchewan's Population

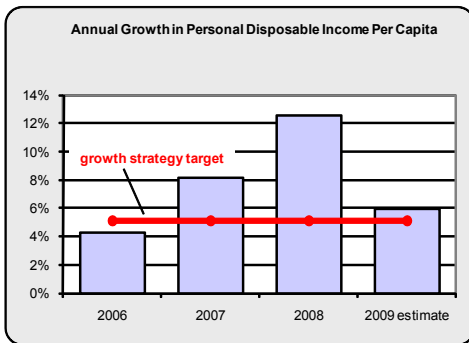


The Growth Strategy has an annual growth rate of 1.75% per year targeted for the provincial population. This is the rate needed to reach 1.5 million people by the year 2030. The 1.6% increase in 2009 came close to meeting the target.



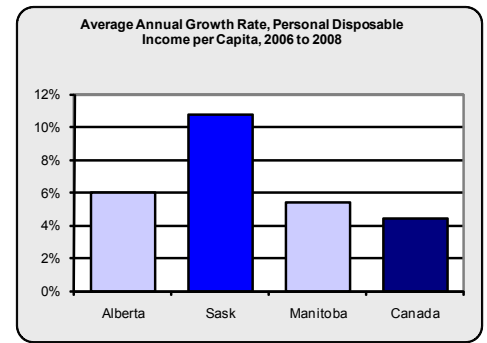
Since the 2006 base year for the growth strategy, the Saskatchewan population has grown by an average of 1.3% per year. This is above the national average of 1.2% and higher than in Manitoba where the population growth rate has averaged 1.1% per year. The rate is half of the average annual growth rate of 2.5% in Alberta.

## Personal Disposable Income



Disposable income per capita is a measure of how overall economic prosperity has an impact on the general public.

Disposable income per capita, after adjusting for inflation, grew by 6% in 2007 and 9% in 2008. Both are well above the 3.1% target in the Growth Strategy.



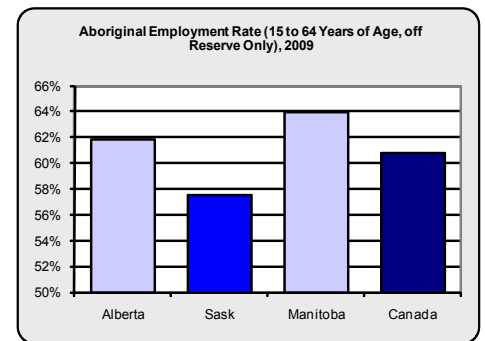
On a per capita basis, the average annual growth rate of 10.8% from 2006 to 2008 in Saskatchewan's personal income has outperformed both the national average of 4.4% per year and the increase in our neighbouring provinces - 5.4% in Manitoba and 6.0% in Alberta.

## Aboriginal Employment Rate (15 to 64 years, Off-Reserve Only)



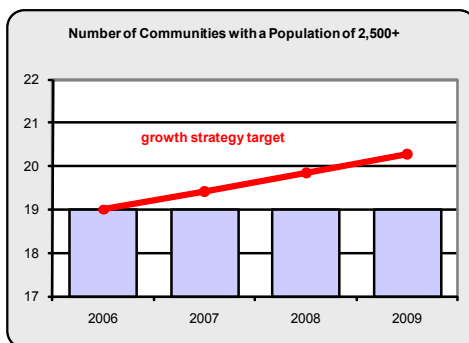
Aboriginal employment grew strongly in 2007 before falling back in 2008 and 2009.

The Growth Strategy targets assume that one half of the 13% Aboriginal/non-Aboriginal gap in employment rates can be closed by 2030.

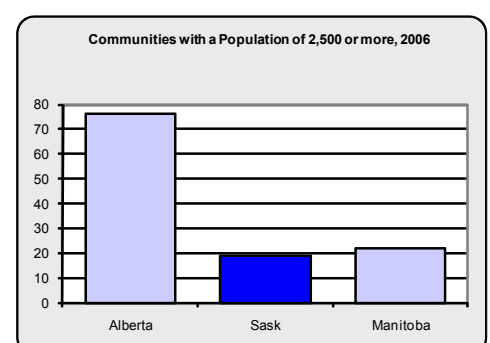


Compared with 57.5% in Saskatchewan, the Aboriginal employment rate is 61% in Canada as a whole. It is also higher in our neighbouring provinces of Alberta (62%) and Manitoba (64%). (The data are only available for the population living off Reserve.)

## Centres with a Populations of 2,500 or more

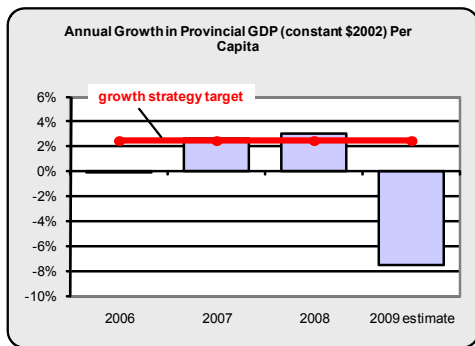


The number of larger centres in Saskatchewan (population of at least 2,500) is unchanged from 2006. The Growth Strategy has a target of one new larger centre in rural Saskatchewan every two years or so. At least twelve communities with a population of 1,800 or more could grow to more than 2,500 by 2030 with the expected population increase.

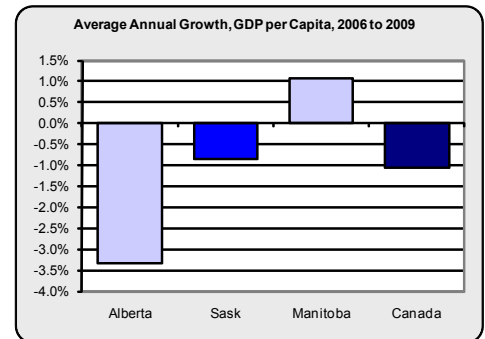


According to the 2006 census, Saskatchewan has 19 larger centres. With a similar population, Manitoba has 22 centres with a population of 2,500 or more. With a population 3.5 times as large, Alberta has 76 larger communities, including 24 with a population of 10,000 or more.

## Real GDP per Capita



GDP per capita is a good summary measure of overall economic prosperity. This indicator grew by 2.6% in 2007 and 3.0% in 2008 both of which were above the 2.4% rate needed to meet the Growth Strategy target. Real GDP per capita fell in 2009.



In Saskatchewan GDP per capita dropped by an average of 0.9% per year from 2006 to 2009. This compares with a drop of 3.3% in Alberta and an increase of 1.1% in Manitoba. The change in Saskatchewan was near the national average.

## How Does Growth Benefit You?

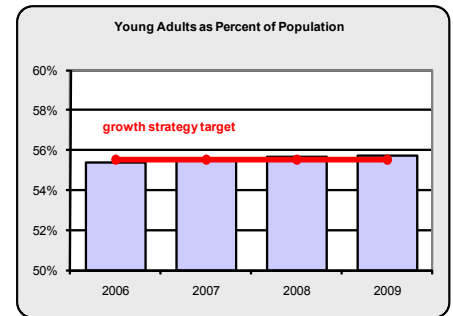
- A growing economy means more job opportunities
- Expanded infrastructure
- More people to share the tax burden
- Improvements in living standards
- Greater business confidence
- Enhanced tourism and recreational activities
- Increased competition
- A strengthened service industry (ie. more choices)
- Potential taxation reductions
- Increased trade, investment and labour mobility

## What Are We Doing to Grow Saskatchewan?

- The Chamber has created the *Community Growth Toolkit* in partnership with the University of Regina. This Toolkit was sent to 80 chambers in the province and has had positive feedback. The Chamber will continue to work to increase the awareness of the Toolkit as a helpful resource to the local chambers in growing their communities.
- The Chamber continues to work with the Growth Strategy Task Force in order to create new policy action plans and continue to support our existing policies
- The Chamber congratulates the success of businesses and individuals in our province as it creates optimism and higher confidence. While we celebrate those successes, we continue to advocate for change in the business community in order to help our province grow and become even more successful.
- In December of 2009, we celebrated our province hitting a record in population. The Chamber garnered an abundance of media attention, as it is important to show our progress to the people of our province and the provinces across Canada. Continuing to monitor our population growth rate is important as this change, arguably more than any other, that will help make our province the best place to live, work and invest. We are the only business organization that is monitoring the growth of our province and will continue to do so.

## Population of Young Adults

To ensure sustainable growth, it is important for the population of young adults to grow as quickly as the population of seniors in the province. International and interprovincial migration is occurring among younger people, so the age distribution of the Saskatchewan population has been tilting toward younger people and the growth strategy target is being met.



## Annual New Housing Starts

New housing starts have slowed in 2009 but the large number of new units started in 2007 and 2008 will ensure that the aggregate housing supply is on target in the short term.



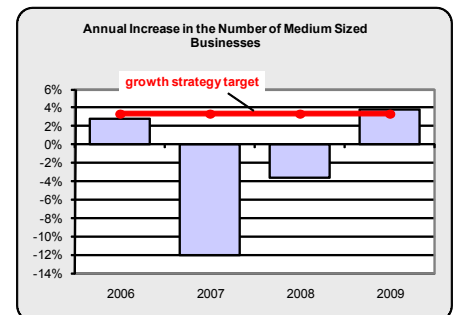
## Entrepreneurial Activity

Entrepreneurial activity (defined to be the number of self-employed and business owners) fell in 2007 but has since grown rapidly.



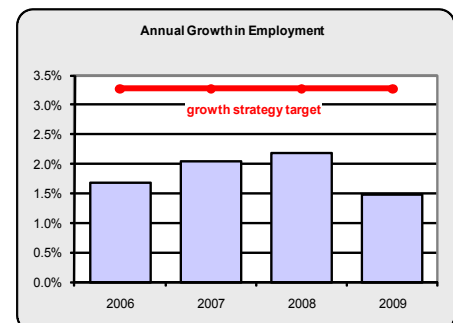
## Number of Medium Sized (50 to 199 employees) Businesses

This is the number of (private and public sector) establishments with 50 to 199 employees as of December. The target growth rate of 3.3% would yield 3,000 medium sized businesses by 2030. The number of these kinds of businesses increased in 2009 after dropping in 2007 and 2008.



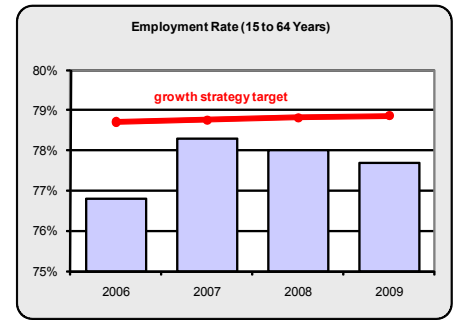
## Total Employment

Total employment grew by more than 2% in 2007 and 2008 before slowing in 2009. These annual growth rates are well below the annual increases needed to meet the Growth Strategy target of 3.3% per year.



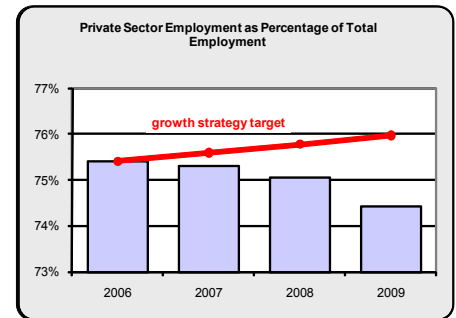
## Employment Rate

The employment rate (percent of the population with a job) among the population 15 to 64 years of age reached 78.3% in 2007, an all-time high for the province and on track to meet the Growth Strategy targets. Since then the rate has fallen back to 77.7%.



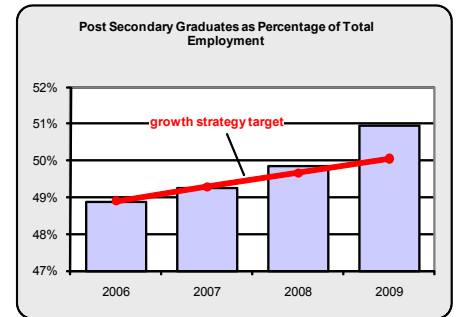
## Private Sector Employment

Private sector employment must grow by 3.5% per year in order for the Growth Strategy targets to be met. The rate of growth in 2007 and 2008 was near 2% but it slowed in 2009. As a consequence, the private sector's share of total employment has been falling.



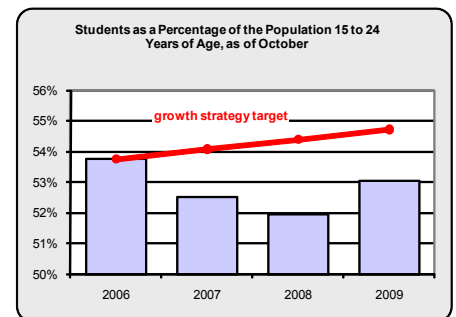
## Employment of Post-Secondary Graduates

In spite of the relatively slow growth in overall employment, the number of post-secondary graduates in the labour market has been growing fast enough to meet the Growth Strategy targets and, in 2009, exceeded them.



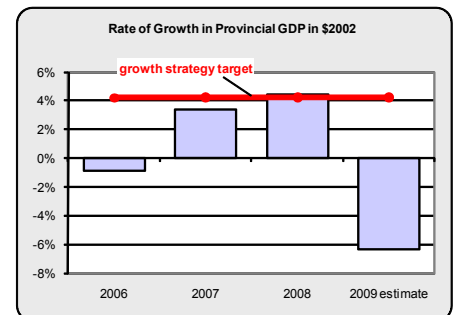
## Full and Part Time Students

The proportion of full-time and part-time students 15 to 24 years of age declined in 2007 and 2008 before recovering some of the lost ground in 2009. High school dropout rates are still too high to meet the target.



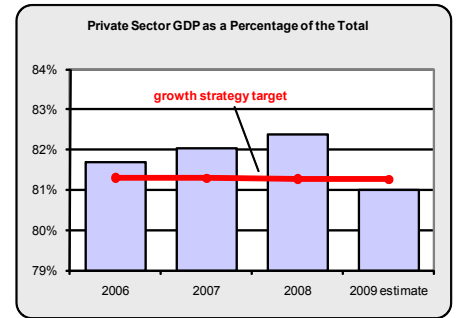
## Private Sector Gross Domestic Product

Measured in constant dollars, the provincial economy grew by approximately 4% in each of 2007 and 2008. The significant drop in 2009 (estimated at 6.2%) was well below the Growth Strategy target of 4.2% per year.



## Private Sector GDP

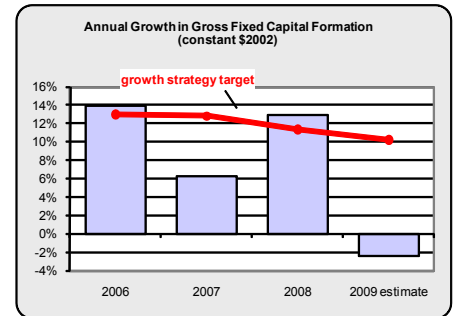
Balanced growth will occur if both the public sector (government, health, education, crowns) and the private sector grow in tandem. In the Growth Strategy, the mix of private and public sector growth is targeted to remain near its current ratio of 81%:19%. In 2009, stronger growth in health care and lower growth in the resource sector combined to lower the private sector's share of GDP to an estimated 81.0% compared with 82.4% in 2008.



## Capital Investment

High levels of capital investment will be required to meet the Growth Strategy targets. Adjusted for inflation, capital investment grew by 7% in 2007 and 12% in 2008. This is above the long-term growth rate and sufficient to meet the targets, but capital investment probably slowed significantly in 2009.

*\*Chart titled Annual Growth in Gross Fixed Capital Formation because capital investment refers to money used by a business to purchase fixed assets such as land, machinery, or buildings.*



## Private Sector Share of Investment

The mix of private and public sector growth is targeted to remain near its current ratio of 87%:13%. The private sector's share of overall capital investment has been above the target in each of the past four years.

