as of:
Dec. 7, 2011

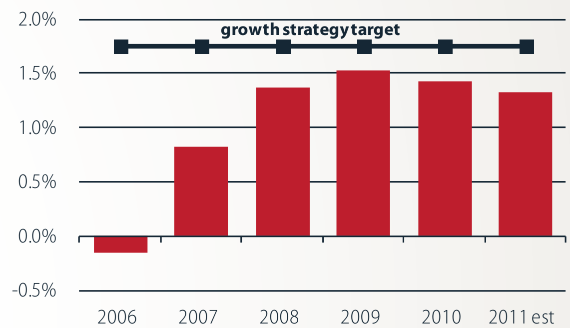
Provincial Growth Strategy Report

Saskatchewan Chamber of Commerce Provincial Growth Strategy Targets

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. This is a look at 2011's Growth Strategy report.

Total 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 annual growth rate of 1.5% in 2009 came close to this rate of increase but the annual increase has since fallen back to 1.3%.

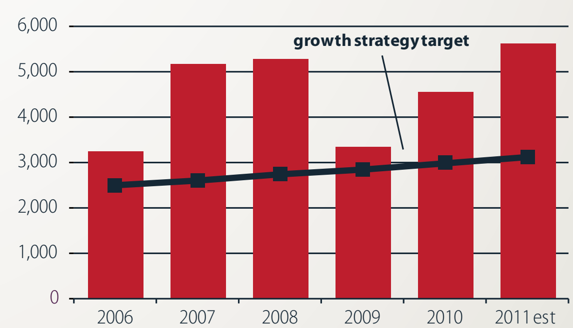


Population of young adults (15 to 54)

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 but not quickly enough to counteract the aging of the "baby boomers" so the proportion of young adults in the province is below the target and falling.

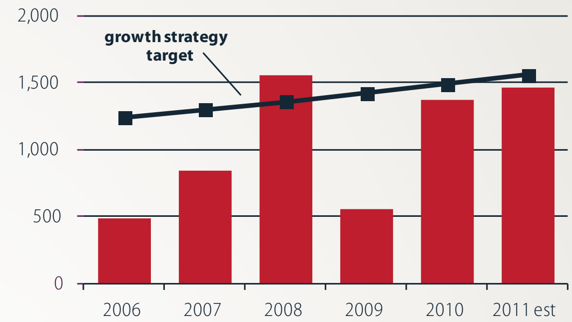
Housing Starts - Home Ownership

The number of new housing starts intended for the home ownership market (single detached, row, and semi-detached units) was well above the target levels in 2007 and 2008. This indicator continues to exceed the target levels.



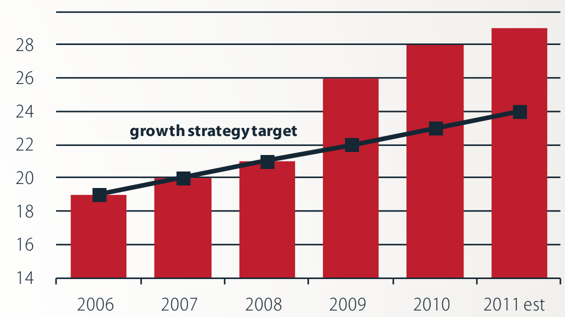
Housing Starts - Rental

New housing starts intended for the rental market (i.e. apartment units) exceeded the target level in 2008 but have been below since then. In particular, the decline in 2009 has delayed the point when the supply and demand will be more in balance.



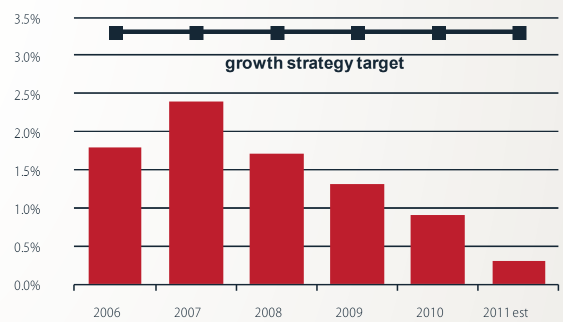
Number of Larger Centres

The number of larger centres in Saskatchewan (population of at least 2,500) has increased since 2006. The growth strategy has a target of one new larger centre in Saskatchewan every two years or so. Since 2006, figures from Saskatchewan Health suggest that several communities including La Loche, Maple Creek, Outlook, and Esterhazy have joined the group.



Total Employment

Total employment grew by more than 2% in before slowing in each of the years from 2008 to 2011. These annual growth rates are well below those needed to meet the growth strategy target of 3.3% per year. At least some of the lower growth rates are thought to be the result of skill shortages.

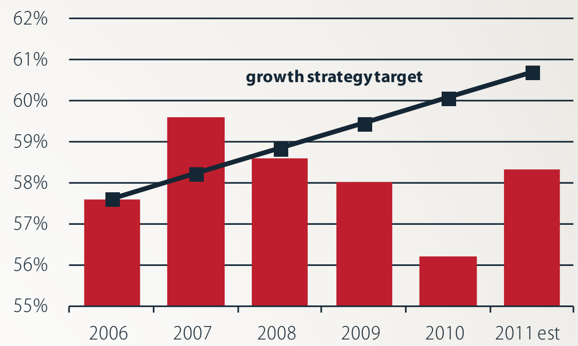


Employment Rate

The employment rate (percent of the population with a job) among the population 15 to 64 years of age reached 78.4% in 2008, an all-time high for the province and on track to meet the growth strategy targets. Since then the rate has fallen back to less than 77%.

Aboriginal Employment Rate

Aboriginal employment grew strongly in the three years from 2006 to 2008 and was near or above the growth strategy target. Since then the rate has fallen below the target level although it will recover some of the lost ground in 2011.

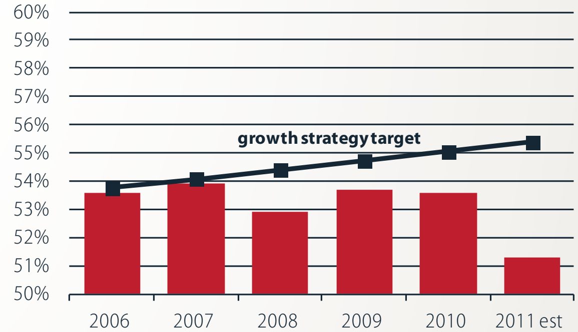


Employed Post Secondary Graduates

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 and subsequent years, to exceed them.

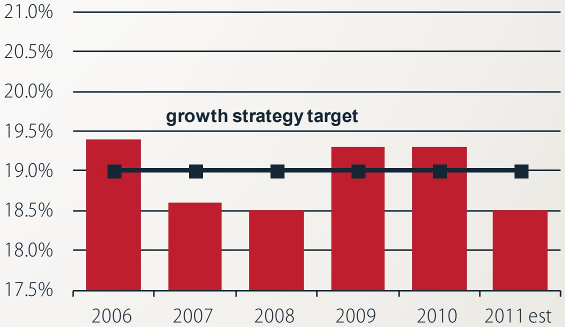
Full and Part Time Students

The proportion of young people 15 to 24 years) who are attending school (high school or a post-secondary institution) on a full-time or part-time basis dropped in 2008. There was an increase in 2009 but high school dropout rates are still too high and the target number of students is not being met.



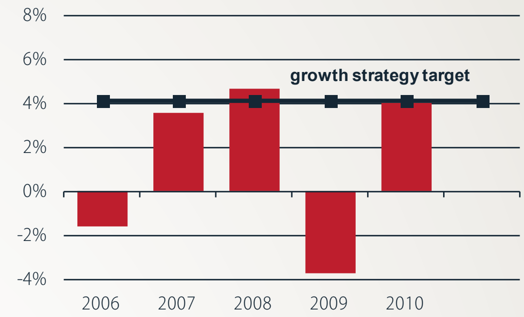
Entrepreneurial Activity

Entrepreneurial activity (defined to be the number of self-employed and business owners) is fluctuating near the 19% target level.



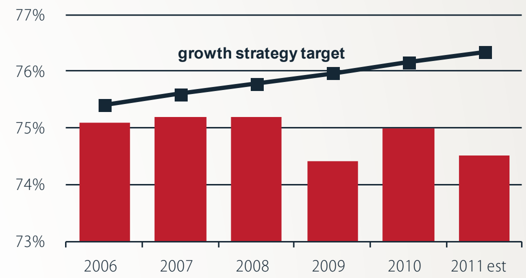
Real Gross Domestic Product

Measured in constant dollars, the provincial economy has grown by near or above the target growth rate in three of the past five years. Most observers feel that the economy will grow by 3% to 4% in 2011.



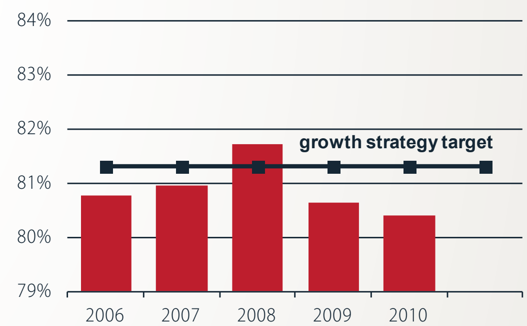
Private Sector Employment

Private sector employment must grow by 3.5% per year in order for the growth strategy targets to be met. The pace of growth in 2007 and 2008 was near 2% but it slowed since then. As a consequence, the private sector's share of total employment fell to less than 75% in 2009 and it will do so again in 2011.



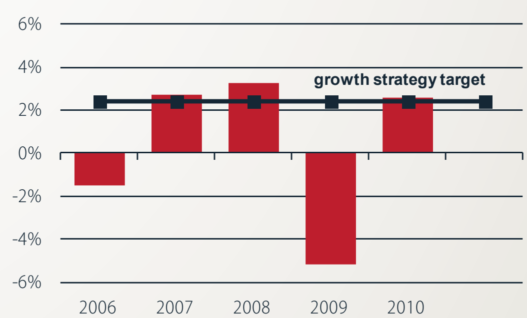
Private Sector GDP Growth

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 2010, above-average growth in health care and utilities combined to lower the private sector's share of GDP to an estimated 80.4% compared with 81.7% in 2008.



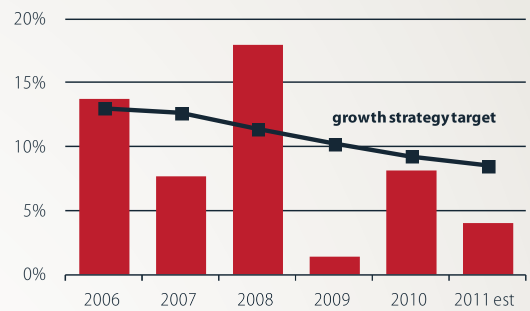
Real GDP per Capita

GDP per capita is a good summary measure of overall economic prosperity. This indicator grew by 2.7% in 2007 and 3.2% 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 but grew by the target rate again in 2010.



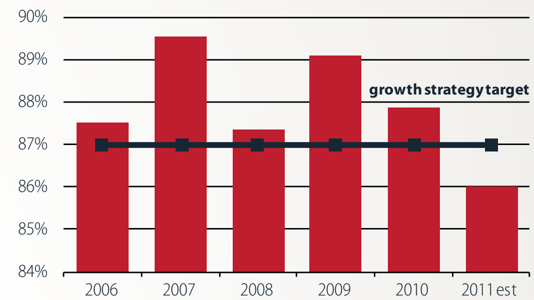
Capital Investment

High levels of capital investment will be required to meet the growth strategy targets. Capital investment in fixed assets grew at double digit rates in the three years from 2006 and 2008. Capital investment slowed significantly in 2009 and has been below the target rate since then.



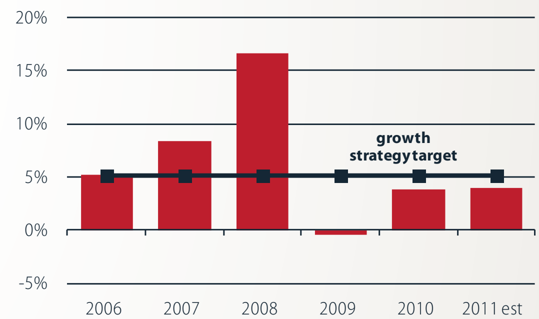
Private Sector Share of Investment

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 was above the target in each of the past four years but will decline to 86% in 2011.



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, grew by 8.4% in 2007 and 16.6% in 2008 before levelling off in 2009. The increase was estimated at 3.7% in 2010 and most observers expect it to grow at near that level in 2011.



Why is monitoring growth important?

Without growth, Saskatchewan will not have the tax revenues necessary to sustain the level of public services residents have come to expect. This report allows us to see where the province stands economically, and as a direct result, socially.

While Saskatchewan continues to grow, the Saskatchewan Chamber of Commerce works to monitor where we are excelling, and which areas require improvement, by doing this the province can avoid the growing pains that have plagued other jurisdictions.

Why are these indicators important?

These growth indicators are important because they provide a way for Saskatchewan people to monitor all aspects of growth so it is sustainable and strategic.

Without having these kinds of growth benchmarks with which to monitor our province's growth, it is very difficult to identify what the current and future impediments to growth are. It is a real world example of the old quote, "What gets measured, gets managed." If we do not know what our weaknesses as a province are, how will we be able to work toward fixing them?

Where can I get more information?

To read Growth Strategy reports from previous years please visit ***www.saskchamber.com.***
For more information on the 2011 growth indicators please contact Steve McLellan 306.35 2.2671