



LOOKING **WEST** 2008

Segment 2. A Confident Time:
Current Economic Perceptions of Western Canadians



Loleen Berdahl, Ph.D.
Senior Researcher

April 2008



About Looking West 2008: The Looking West 2008 Survey is part of the Canada West Foundation's Going for Gold Project. The survey was administered by Probe Research between January 2 and February 8, 2008 from their Winnipeg call centre, DataProbe. A total of 4,000 residents were interviewed, with 1,000 from each of British Columbia, Alberta, Saskatchewan and Manitoba. One can say with 95 percent certainty that the results are within +/- 1.55 percentage points of what they would have been if the entire adult population of western Canada had been interviewed; for individual provinces, results are within +/- 3.1 percentage points. Looking West 2008 Survey topics include economic perceptions, policy priorities, trade, government and the economy, human capital, and climate change. The survey results will be released in segments over the course of 2008. Visit the Canada West Foundation website (www.cwf.ca) for more information.

This report was prepared by Canada West Foundation Senior Researcher Dr. Loleen Berdahl. The opinions expressed in this document are those of the author and are not necessarily those of the Canada West Foundation's Board of Directors, advisors, or funders. Permission to use or reproduce this report is granted for personal or classroom use without fee and without formal request provided that it is properly cited. Copies may not be made or distributed for profit or commercial advantage. Additional copies can be downloaded from the Canada West Foundation website (www.cwf.ca).

The Going for Gold Project has been made possible with the support of:



Western Economic
Diversification Canada

Diversification de l'économie
de l'Ouest Canada

Canada

Additional funding has been provided by the Provinces of British Columbia (Economic Development), Alberta (Employment, Immigration and Industry), Saskatchewan (Enterprise and Innovation), and Manitoba (Competitiveness, Training and Trade).

CanadaWest
FOUNDATION



Introduction

After years of strong economic growth both nationally and provincially, western Canadians are generally bullish about the economy, with 7 in 10 giving the national economy a positive rating, 8 in 10 giving their provincial economy a positive rating, and 7 in 10 giving their local economy a positive rating. Perceptions of the national economy are roughly the same as those of the provincial and local economies.

While there is little variation amongst the provinces when it comes to rating the current state of Canada's economy, residents of Saskatchewan (70.7%) are more likely than residents of Manitoba (59.1%) to state that the national economy has gotten better over the last five years. Saskatchewan residents are also a bit more optimistic about the next five years than their counterparts in the other western provinces, with 42.4% stating that the national economy will get better in the years ahead compared to a regional average of 33.1%.

When it comes to provincial economies, Albertans stand out as feeling the best about their province's current economic situation, with 9 in 10 stating that conditions are excellent or good. Clearly, Albertans know a boom when they see one. Saskatchewan residents are also in a good economic mood, with 8 in 10 stating that the provincial economy is in excellent or good shape. At the other end of the continuum are Manitobans, with 6 in 10 stating that the provincial economy is doing well.

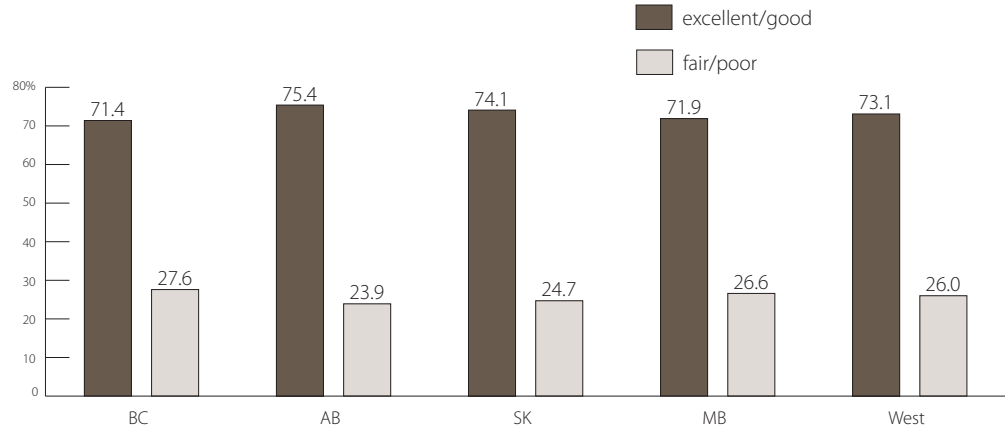
Despite the generally positive attitude, it is important to note that a significant number of westerners are negative about the economy. One-quarter feel that the current state of the national economy is best described as fair or poor and that things are likely to get worse in the next five years rather than hold steady or improve. In addition, rural residents are less likely to be in a positive mood about their local economic situation, with 4 in 10 saying that the local economy is fair or poor, while only 2 in 10 large city residents describe their local economy in less than positive terms.

At the individual level, roughly one-half of western Canadians feel that they are better off financially today compared to five years ago, about one-third feel that things are about the same and 15.4% feel that they are worse off than before. The results for how people anticipate their personal future finances are very similar.



National Economy

Figure 1: Perceptions of the National Economy



	Excellent	Good	Fair	Poor
BC	11.0%	60.4%	23.8%	3.8%
AB	13.0	62.4	21.2	2.7
SK	14.7	59.4	21.7	3.0
MB	9.7	62.2	23.4	3.2
West	11.9	61.2	22.7	3.3

Survey question: "Thinking of the country as a whole, would you say that the Canadian economy right now is excellent, good, fair, or poor?"

Over 7 in 10 give Canada's economy a positive rating (i.e., excellent or good), and differences among the four western provinces are not significant. It should be noted that responses to this question changed after the market turbulence of January 15-17, with the number of "excellent" ratings dropping and the number of "fair" ratings increasing. Differences were not found in the good or poor ratings.

n/a National Economy
10.4%

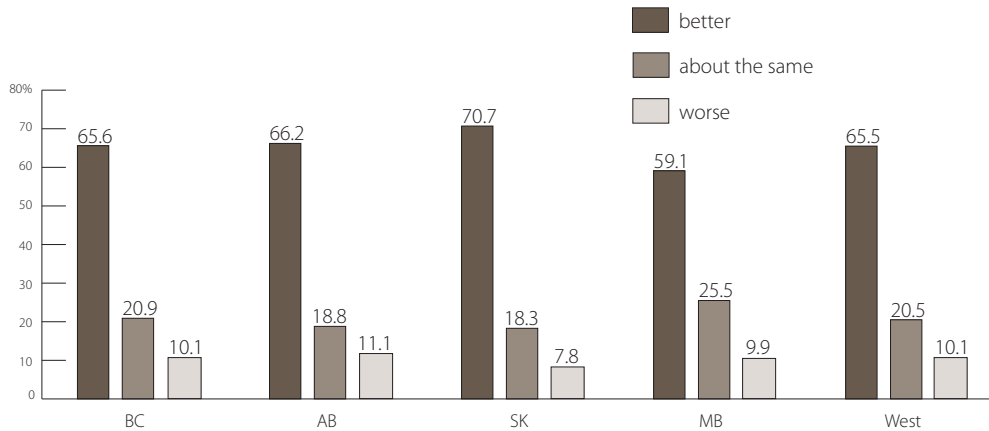
Most western Canadians feel that the national economy is doing well.





National Economy

Figure 2: The National Economy Compared to Five Years Ago



	Much better	Somewhat better	About the same	Somewhat worse	Much worse
BC	20.6%	45.0%	20.9%	8.4%	1.7%
AB	23.6	42.6	18.8	9.8	1.3
SK	24.3	46.4	18.3	6.3	1.5
MB	18.3	40.8	25.5	8.4	1.5
West	21.7	43.8	20.5	8.6	1.5

Survey question: "Compared to five years ago, would you say that the Canadian economy is doing much better, somewhat better, about the same, somewhat worse, or much worse than it was five years ago?"

Over 6 in 10 western Canadians feel that the national economy has improved over the past five years. Saskatchewan residents are the most likely to state that the national economy has improved; Manitoba residents are least likely to state this.

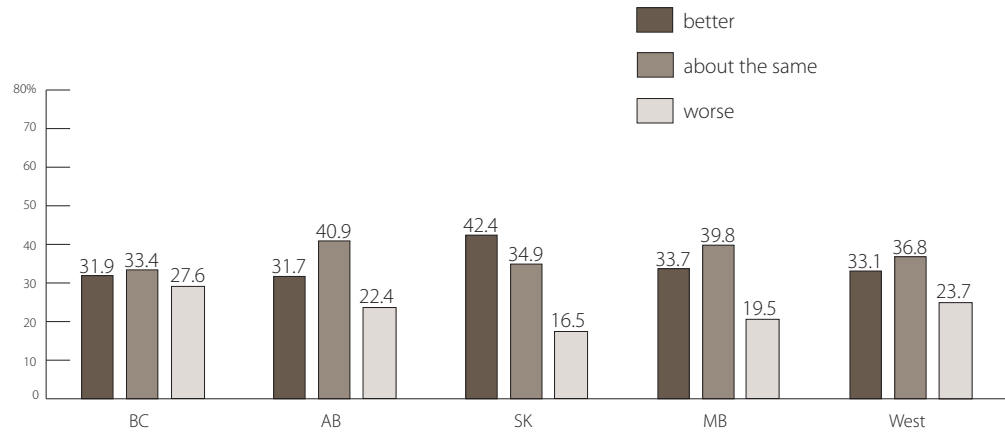
National Economy

Most western Canadians feel that the national economy has improved over the past five years.



National Economy

Figure 3: Expectations for the National Economy in Five Years



n/a National Economy

Western Canadians are divided in their expectations for Canada's economy five years from now.

	Much better	Somewhat better	About the same	Somewhat worse	Much worse
BC	7.5%	24.4%	33.4%	22.7%	4.9%
AB	7.3	24.4	40.9	19.1	3.3
SK	10.0	32.4	34.9	13.5	3.0
MB	5.1	28.6	39.8	16.6	2.9
West	7.4	25.7	36.8	19.8	3.9

Survey question: "Looking ahead five years, do you think that the Canadian economy will be much better, somewhat better, about the same, somewhat worse, or much worse compared to today?"

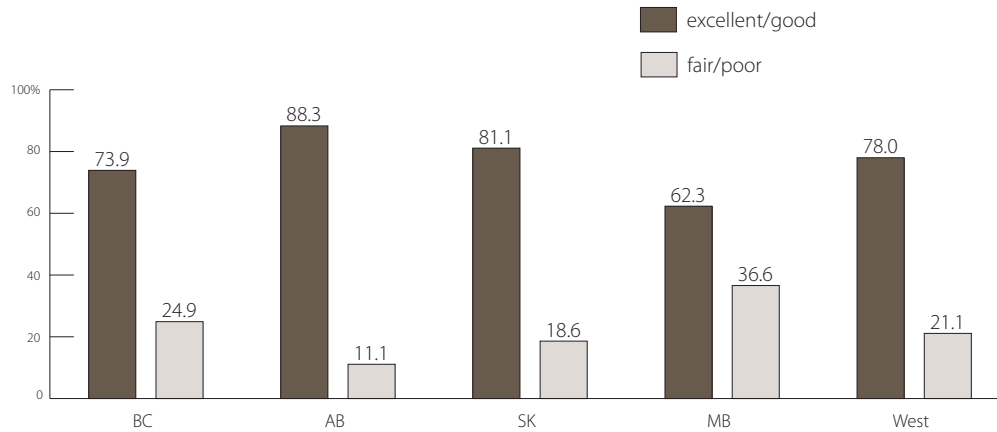
Western Canadians are divided in their expectations for the national economy five years into the future: one-third of western Canadians anticipate that the economy will improve, one-third expect the economy to stay the same, and one-quarter expect the economy to get worse. BC residents are the most likely to state that the national economy will get worse, while Saskatchewan residents are the most likely to state that it will get better.





Provincial Economies

Figure 4: Perceptions of the Provincial Economy



	Excellent	Good	Fair	Poor
BC	22.0%	51.9%	20.6%	4.3%
AB	44.7	43.6	9.1	2.0
SK	28.8	52.3	15.8	2.8
MB	5.9	56.4	29.1	7.5
West	28.3	49.7	17.3	3.8

Survey question: "Would you say that [province]'s economy right now is excellent, good, fair, or poor?"

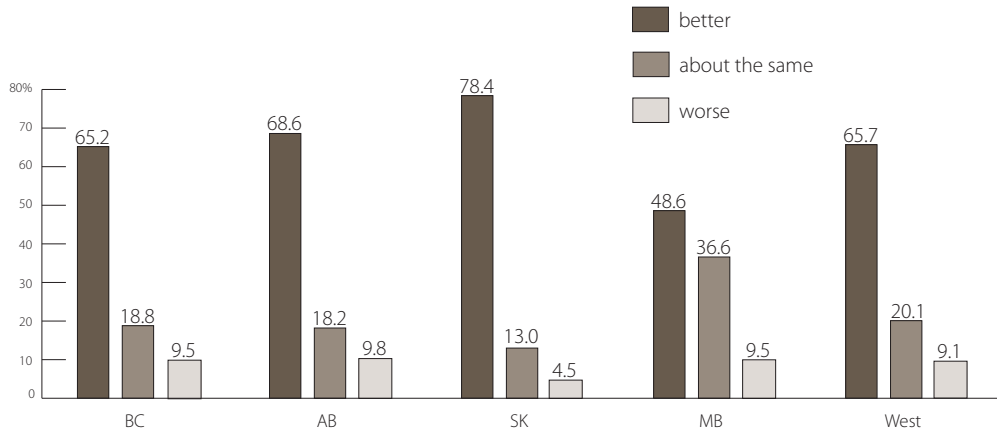
Albertans are the most positive about their provincial economy, with 9 in 10 stating that it is either excellent or good. Saskatchewan residents are also very positive, with 8 in 10 describing the provincial economy as excellent or good. Numbers drop in BC, where three-quarters give the economy a positive assessment and one-quarter give the economy a fair or poor rating. Manitoba stands apart with the lowest public assessments of their provincial economy: 6 in 10 perceive the Manitoba economy as excellent or good, while a third state that it is fair or poor.

Provincial Economies

Western Canadians vary in their perceptions of their provincial economies, with Alberta residents the most likely, and Manitoba residents the least likely, to be positive.

Provincial Economies

Figure 5: The Provincial Economy Compared to Five Years Ago



	Much better	Somewhat better	About the same	Somewhat worse	Much worse
BC	26.4%	38.8%	18.8%	7.5%	2.0%
AB	33.3	35.3	18.2	8.6	1.2
SK	41.6	36.8	13.0	4.0	0.5
MB	10.5	38.1	36.6	8.0	1.5
West	28.3	37.4	20.1	7.6	1.5

Survey question: "Compared to five years ago, would you say that the [province] economy right now is doing much better, somewhat better, about the same, somewhat worse, or much worse than it was five years ago?"

Saskatchewan residents are considerably more likely than residents in other western provinces to state that their provincial economy has improved. Just under one-half of Manitoba residents feel that their provincial economy improved over the past five years—considerably lower than in the other three provinces.

n/a Provincial Economies

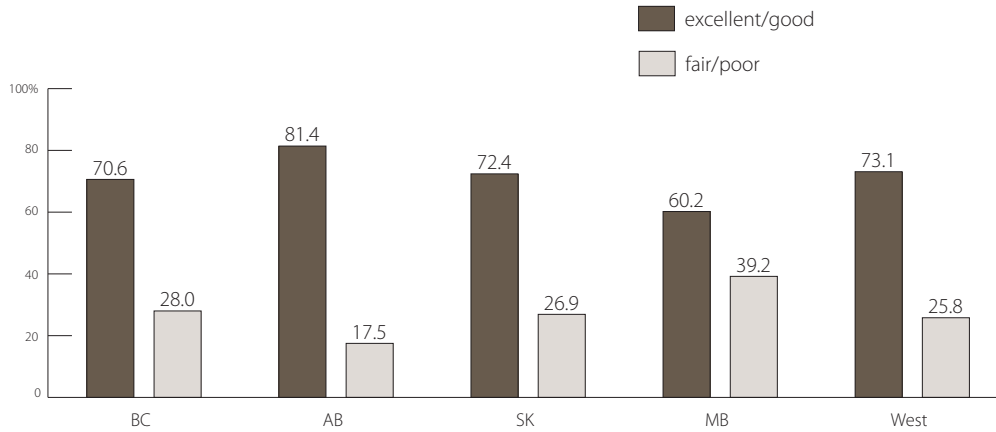
Large numbers of Saskatchewan residents feel that their provincial economy has improved over the past five years.





Local Economies

Figure 6: Perceptions of the Local Economy



	Excellent	Good	Fair	Poor
BC	21.0%	49.6%	19.7%	8.3%
AB	29.9	51.5	12.8	4.7
SK	23.8	48.6	21.6	5.3
MS	7.4	52.8	31.2	8.0
West	22.6	50.5	19.0	6.8

Survey question: "Would you say that your local economy right now is excellent, good, fair, or poor?"

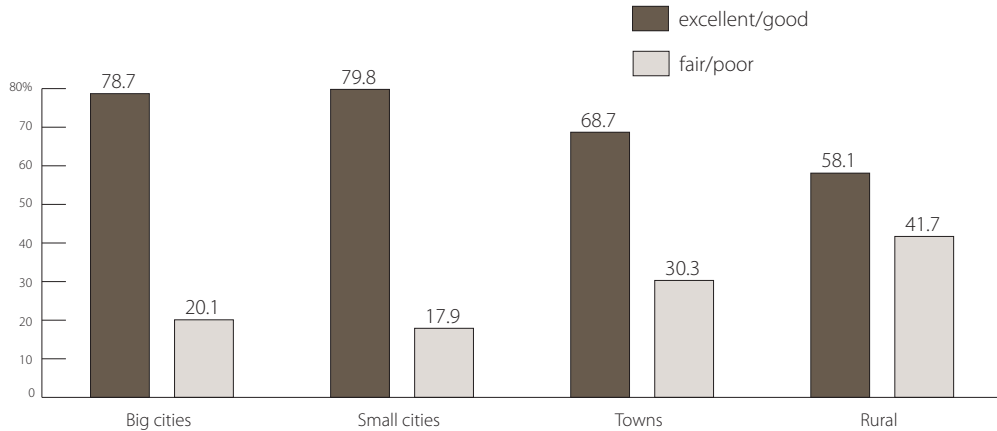
For the West as a whole, 2 in 10 residents state that their local economy is excellent, 5 in 10 state that it is good, 2 in 10 state that it is fair, and less than 1 in 10 state that it is poor. Albertans stand apart as being considerably above the regional average, and Manitobans stand apart as being considerably below the regional average in local economic perceptions.

Local Economies

Over 7 in 10 western Canadians describe their local economy in positive terms.

Local Economies

Figure 7: Urban-Rural Perceptions of the Local Economy



n/a Local Economies

City residents are considerably more likely than rural residents to describe their local economy as excellent or good.

	Excellent	Good	Fair	Poor
Big cities	26.3%	52.4%	16.5%	3.6%
Small cities	26.2	53.6	14.2	3.7
Towns	19.0	49.7	19.7	10.6
Rural	13.7	44.4	27.9	13.8

Survey question: "Would you say that your local economy right now is excellent, good, fair, or poor?"

Residents of big cities and small cities alike see their local economies as relatively strong, with three-quarters stating that their local economy is either excellent or good. Assessments are lower in the towns, but still almost 7 in 10 rate their local economy as excellent or good.

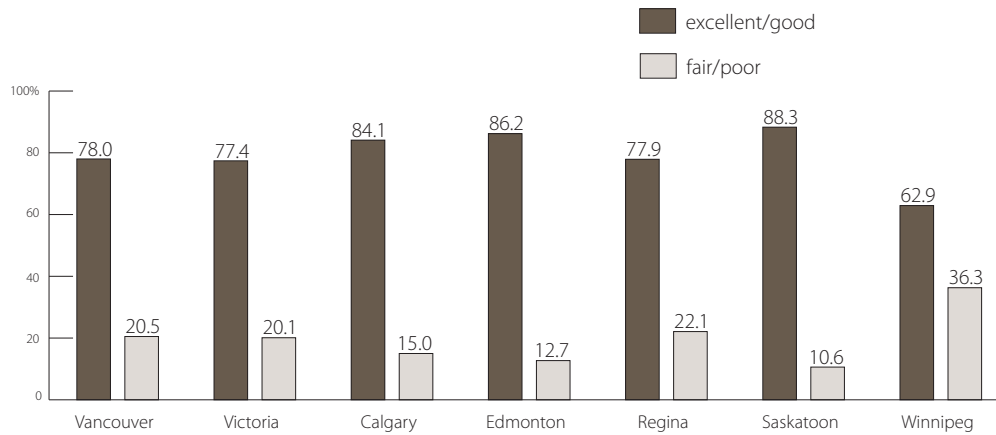
Rural residents provide the lowest ratings of their local economies: although the majority states that their local economy is excellent or good, the difference between rural and city residents is over 20 percentage points. Rural assessments vary by province: while over 15% of rural residents in BC, Alberta and Saskatchewan describe their local economy as excellent, only 5.5% of Manitoba rural residents use that description. Looking more broadly, Alberta rural residents are the most likely to rate their local economy as excellent or good (68.9%), followed by Saskatchewan (60.3%), BC (51.8%) and Manitoba (50.3%).





Local Economies

Figure 8: Big City Perceptions of the Local Economy



	Excellent	Good	Fair	Poor
Vancouver	22.0%	56.0%	16.4%	4.1%
Victoria	28.0	49.4	18.3	1.8
Calgary	41.5	42.6	11.4	3.6
Edmonton	32.5	53.7	9.5	3.2
Regina	27.3	50.6	20.8	1.3
Saskatoon	39.4	48.9	8.5	2.1
Winnipeg	4.9	58.0	31.8	4.5

Survey question: "Would you say that your local economy right now is excellent, good, fair, or poor?"

Looking at the big cities alone, Calgary residents are the most likely to describe their local economy as excellent, followed by Saskatoon. Less than 5% of Winnipeggers state that their local economy is excellent, and 36.3% of Winnipeg residents state that the local economy is either fair or poor—considerably higher than for any other large city.

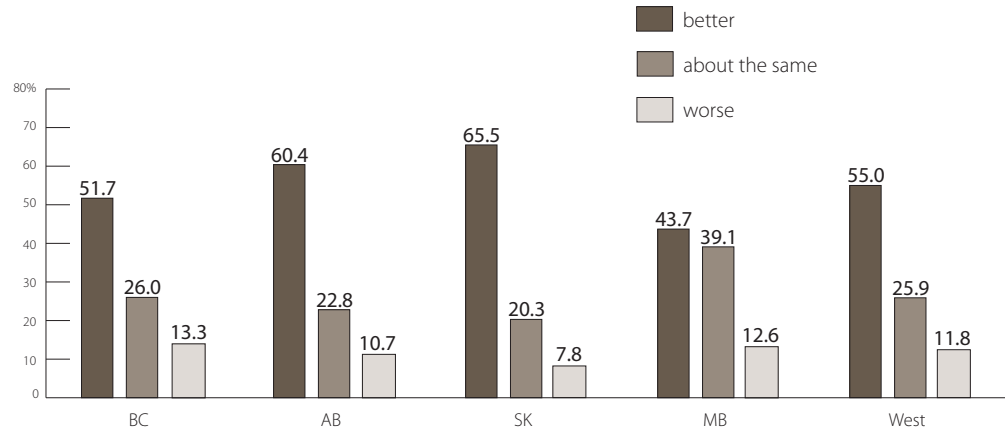
Local Economies

Calgary and Saskatoon residents are the most likely to describe their local economy as excellent.



Local Economies

Figure 9: The Local Economy Compared to Five Years Ago



	Much better	Somewhat better	About the same	Somewhat worse	Much worse
BC	19.9%	31.8%	26.0%	9.0%	4.3%
AB	25.0	35.4	22.8	7.9	2.8
SK	30.0	35.5	20.3	5.8	2.0
MB	11.8	31.9	39.1	9.7	2.9
West	21.6	33.4	25.9	8.4	3.4

Survey question: "Compared to five years ago, would you say that your local economy right now is much better, somewhat better, about the same, somewhat worse, or much worse than it was five years ago?"

For the West as a whole, the majority states that their local economy is better, one-quarter state that it is about the same, and 1 in 10 state that it is worse than five years ago. Saskatchewan residents are the most likely to state that their local economy is better, followed by Alberta, BC, and Manitoba residents.

n/a Local Economies

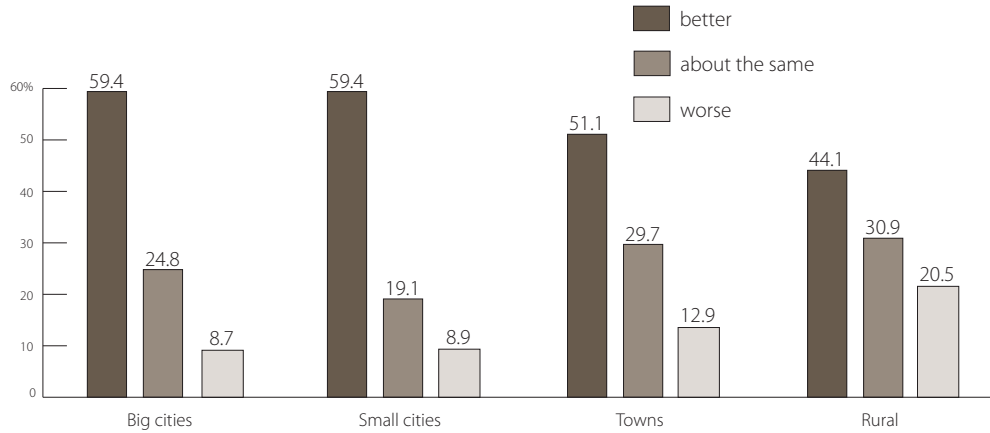
Saskatchewan residents are the most likely to state that their local economy has improved in the last five years.



Local Economies



Figure 10: Urban-Rural Perceptions of the Local Economy Compared to Five Years Ago



	Much better	Somewhat better	About the same	Somewhat worse	Much worse
Big cities	24.2%	35.2%	24.8%	7.5%	1.2%
Small cities	23.0	36.4	19.1	7.0	1.9
Towns	20.5	30.6	29.7	9.4	3.5
Rural	15.4	28.7	30.9	10.6	9.9

Survey question: "Compared to five years ago, would you say that your local economy right now is much better, somewhat better, about the same, somewhat worse, or much worse than it was five years ago?"

Local economic perceptions vary with urban size. City residents—be they in large cities or smaller urban areas—are more likely than residents of towns, and much more likely than rural residents, to state that their economy has improved over the past five years. The difference between city and rural residents is over 15 percentage points.

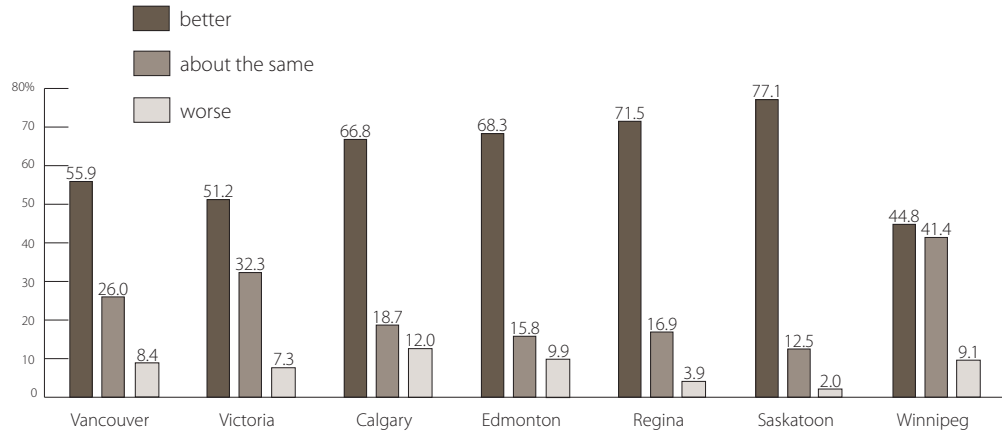
Saskatchewan rural residents (57.2%) are more likely than Alberta (46.8%), BC (39.9%) and Manitoba (34.3%) rural residents to state that their local economy is better than five years ago.

Local Economies

City residents are more likely than town and rural residents to state that their local economy has improved in the last five years.

Local Economies

Figure 11: Big City Perceptions of the Local Economy Compared to Five Years Ago



n/a Local Economies

Saskatoon and Regina residents are more likely than other big city residents to state that their local economy has improved in the last five years.

	Much better	Somewhat better	About the same	Somewhat worse	Much worse
Vancouver	21.3%	34.6%	26.0%	7.9%	0.5%
Victoria	24.4	26.8	32.3	6.7	0.6
Calgary	32.4	34.4	18.7	9.8	2.2
Edmonton	26.8	41.5	15.8	7.4	2.5
Regina	36.4	35.1	16.9	3.9	0.0
Saskatoon	39.6	37.5	12.5	1.0	1.0
Winnipeg	9.8	35.0	41.4	8.3	0.8

Survey question: "Compared to five years ago, would you say that your local economy right now is much better, somewhat better, about the same, somewhat worse, or much worse than it was five years ago?"

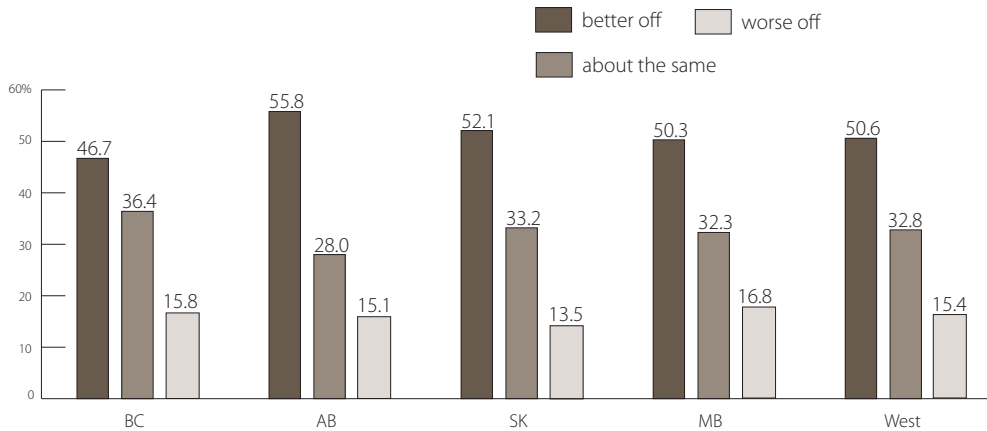
Amongst the big cities, Saskatoon and Regina residents are the most likely to state that their local economy is better than it was five years ago. Less than half of the residents in Winnipeg state that their economy is better, with a near-equal number stating that their economy is about the same as five years ago.



Personal Economic Perceptions



Figure 12: Personal Financial Well-Being Compared to Five Years Ago



Personal Economic Perceptions

Many western Canadians feel that they are financially better off now than five years ago.

	Much better off	Somewhat better off	About the same	Somewhat worse off	Much worse off
BC	20.4	26.3	36.4	11.6	4.2
AB	23.4	32.4	28.0	10.9	4.2
SK	21.4	30.7	33.2	9.0	4.5
MB	18.2	32.1	32.3	13.0	3.8
West	21.2	29.4	32.8	11.3	4.1

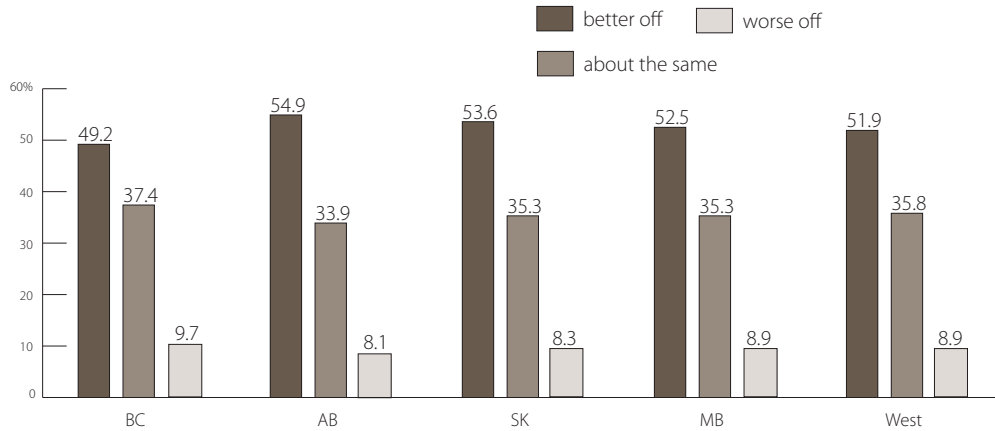
Survey question: "Right now, would you say that you are financially much better off, somewhat better off, about the same, somewhat worse off, or much worse off than you were five years ago?"

To get a sense of how residents are faring in the economy, the survey included questions about personal finances. First, respondents were asked about how their personal financial situation has changed over the past five years. There is slight variation across the provinces, with 55.8% of Albertans stating that they feel they are better off now than they were five years ago, and 46.7% reporting this in BC.



Personal Economic Perceptions

Figure 13: Expectations of Personal Financial Well-Being in Five Years



n/a
10.4%

Personal Economic Perceptions

Many western Canadians are optimistic about the direction of their personal financial well-being.

	Much better off	Somewhat better off	About the same	Somewhat worse off	Much worse off
BC	21.0	28.2	37.4	7.4	2.3
AB	23.5	31.4	33.9	6.7	1.4
SK	22.8	30.8	35.3	6.3	2.0
MB	19.3	33.2	35.3	7.4	1.5
West	21.8	30.1	35.8	7.0	1.9

Survey question: "Looking ahead five years, do you think that you will be financially much better off, somewhat better off, about the same, somewhat worse off, or much worse off than you are right now?"

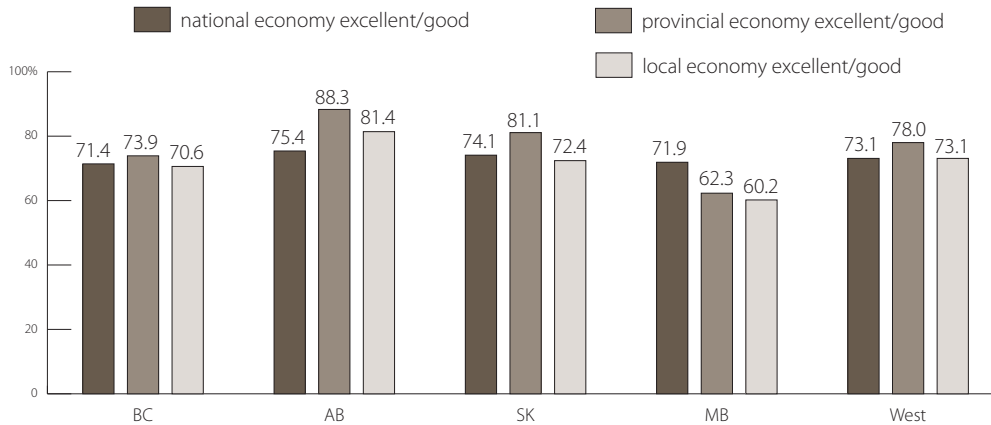
Looking West 2008 respondents were also asked about their expectations for their personal financial situation five years into the future. The majority of western Canadians are optimistic, believing that they will be better off in five years. Provincial variations are not significant.





Current Economic Perceptions Summary

Figure 14: Excellent/Good Perceptions of the National, Provincial and Local Economy



Survey questions: "Thinking of the country as a whole, would you say that the Canadian economy/[province]'s economy/your local economy right now is excellent, good, fair, or poor?"

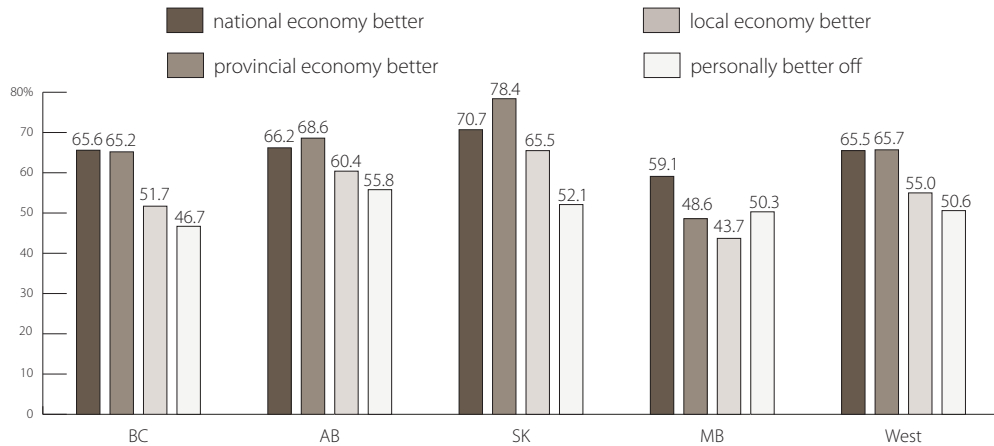
For the West as a whole, it would appear that western Canadians see their local, provincial and national economies in a similar light. However, while this pattern is seen in British Columbia, there is variation between the prairie provinces with respect to provincial and local economic evaluations. Alberta residents see their provincial and local economies in a better light than the national economy, and Saskatchewan residents evaluate their provincial economy more positively than the national economy. Manitoba residents, on the other hand, rate their provincial and local economies less positively than the national economy.

Current Economic Perceptions Summary

While Alberta residents rate their provincial and local economies more positively than the national economy, the opposite pattern is found in Manitoba.

Change in Past Five Years Summary

Figure 15: Economies and Personal Finances Now Compared to Five Years Ago



Survey questions: "Compared to five years ago, would you say that the Canadian/[province]/your local economy is doing much better, somewhat better, about the same, somewhat worse, or much worse than it was five years ago?" and "Right now, would you say that you are financially much better off, somewhat better off, about the same, somewhat worse off, or much worse off than you were five years ago?"

While almost two-thirds of western Canadians see the national economy as having improved over the past five years, and a similar number feel their provincial economy has improved, numbers are lower for local economies and personal financial well-being. Looking at individual provinces, this pattern is seen in BC, but greater variation is seen in the prairie provinces.

Change in Past Five Years Summary

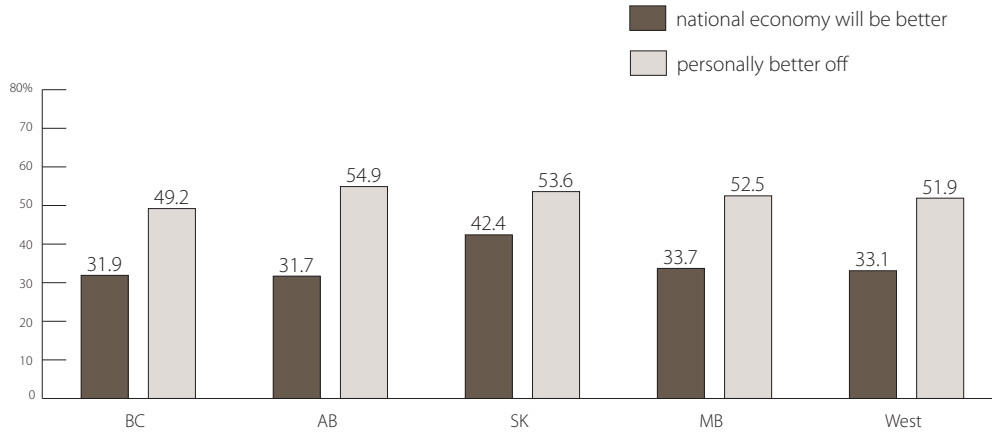
Almost two-thirds of western Canadians feel that the national economy and their provincial economy have improved in the last five years, compared to one-half who feel that their local economy and their personal financial situation have improved.

2007E	2008E
1.1%	15.1%
8%	10.4%
	n/a
	10.1%
	10.0%



Expectations for Next Five Years Summary

Figure 16: Expectations for National Economy and Personal Finances in Five Years



Survey questions: "Looking ahead five years, do you think that the Canadian economy will be much better, somewhat better, about the same, somewhat worse, or much worse compared to today?" and "Looking ahead five years, do you think that you will be financially much better off, somewhat better off, about the same, somewhat worse off, or much worse off than you are right now?"

Western Canadians anticipate a rosier future for their personal finances than they do for the national economy: while only one-third foresee the national economy improving in five years time, a slim majority expects to be personally better off in the same time period.

Expectations for Next Five Years Summary

Although only one-third of western Canadians expect the national economy to improve over the next five years, the majority anticipates that they personally will be better off financially in five years time.



Conclusion

The 2008 Looking West Survey was conducted to provide a public opinion context for *Going for Gold*, a Canada West Foundation project that is examining the public policy options for improving western Canada's—and by extension Canada's—ability to succeed in the highly competitive global economy.

Overall, people in the West are in a good economic mood and this tracks the strong economic performance of the region in recent years. GDP growth has been strong, unemployment low and the commodities that are abundant in the region have been fetching good prices.

What does this mean for public policy development? On the positive side, strong economic perceptions can create room for policy innovation, as the public may be more open to new ideas (and the associated government spending) when times are good. Strong economic perceptions may also place higher expectations for governments to ensure that such conditions are maintained, even in the face of larger international economic downturns.

At the same time, contentment and optimism can lead to complacency. It is often argued that a sense of crisis is a necessary spur to policy action. Given the general sense of satisfaction with the economy, there may be public reluctance to make significant public policy changes. Although many analysts argue that what has created our current economic success may not be sufficient to sustain future economic success, such an argument may find a limited public audience at the moment.

The opportunities and challenges of policy-making aside, western Canada is in an enviable position of relative economic strength, and this strength is recognized by the vast majority of the general public.



About the Canada West Foundation

Our Vision

A dynamic and prosperous West in a strong Canada.

Our Mission

A leading source of strategic insight, conducting and communicating non-partisan economic and public policy research of importance to the four western provinces and all Canadians.

Canada West Foundation is a registered Canadian charitable organization incorporated under federal charter (#11882 8698 RR 0001).

In 1970, the One Prairie Province Conference was held in Lethbridge, Alberta. Sponsored by the University of Lethbridge and the Lethbridge Herald, the conference received considerable attention from concerned citizens and community leaders. The consensus at the time was that research on the West (including BC and the Canadian North) should be expanded by a new organization. To fill this need, the Canada West Foundation was created under letters patent on December 31, 1970. Since that time, the Canada West Foundation has established itself as one of Canada's premier research institutes. Non-partisan, accessible research and active citizen engagement are hallmarks of the Foundation's past, present and future endeavours. These efforts are rooted in the belief that a strong West makes for a strong Canada.

More information can be found at www.cwf.ca.

CanadaWest
FOUNDATION

Manitoba Office:
#400, 161 Portage Avenue East
Winnipeg, Manitoba, Canada R3B 0Y4
Telephone: 204.947.3958

British Columbia Office:
#810, 1050 W. Pender Street
Vancouver, BC, Canada V6E 3S7
Telephone: 604.646.4625

Head Office:
#900, 1202 Centre Street SE
Calgary, Alberta, Canada T2G 5A5
Telephone: 403.264.9535

www.cwf.ca