

2013 Regional Check-Up

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IN BC

Mainland/Southwest Development Region



The Mainland/Southwest Development Region (MSWDR) accounts for 61% of BC's population, and was home to 2.83 million residents in 2012. This Development Region spans an area of approximately 36,305 km², extending from Lillooet at its northern extremity, to the US border, and from the Sunshine Coast, to its western border near Hope.

Last year marked the second consecutive year of moderate population growth (1.4%) in the MSWDR. It again ranked second out of all Development Regions in population growth, trailing only the Northeast, which posted a 2.2% growth rate due to activity in its resource industries that drew many new workers and their families.

In the MSWDR, net international in-migration was 35,963 between July 2011 and June 2012, accounting for 83% of the MSWDR's almost 44,000 new residents. This significantly offset the slight outflow of residents from the region to other provinces, or elsewhere in BC—which totaled just over 3,500. Most of these new in-migrants originated in Asian countries. Census results from 2011 show that in Greater Vancouver, 29% of residents cited one of the major Asian languages as their mother tongue – Mandarin, Cantonese, Korean, Vietnamese, Punjabi, or Farsi. Altogether, 45% of all residents in Vancouver indicated a non-official language as their mother tongue.¹ This underscores the vast array of ethnicities that now characterize the city of Vancouver and the Mainland/Southwest.

¹Statistics Canada, 2011 Census Profile.

BC's real GDP growth rate dipped slightly in 2012, falling from 2.8% to 2.1%.² The MSWDR's economy moved in tandem, due largely to reduced exports, public sector spending restraint, and a correction in the housing market—particularly in Greater Vancouver Regional District (GVRD).

In 2012, the total value of BC exports was \$31.3 billion. While this was a slight decline (4%) from 2011, figures remained well above the 2009 low of \$25.3 billion. While the largest losses occurred in energy exports (coal, natural gas, and electricity) these were partly offset by greater demand for the province's wood products, agricultural products, and machinery and equipment. BC continues to have the most diverse market of all provinces, with approximately 40% of its exports destined for Asia. Its growing role as the Canadian gateway to Asian markets has fuelled employment growth in the MSWDR's transportation and warehousing sector, and its many service sector businesses.

The MSWDR's technology and knowledge-based industries continued to grow in 2012; these businesses attract increased capital, as well as skilled and innovative workers. Investment and job creation also increased in the alternative energy, food processing, and pharmaceuticals and life sciences sectors, in which BC is developing a strong foothold. Innovative, progressive companies like D-Wave, Westport Innovation, Ballard, EnWave, and Xenon Pharmaceuticals are paving the way for future technological growth and dissemination throughout the province. Further, due to Vancouver's film industry, the city's profile as a business hub continues to grow throughout North America and Asia. Looking forward, these "new economy" industries will continue to draw investment, create direct and indirect skilled jobs, and generate long term economic growth in the MSWDR as well as the rest of the province.

The region's traditional economic drivers also thrived in 2012: both employment and exports increased in the region's wood product and agricultural industries; demand also grew for the MSWDR's poultry, fruit, vegetables, and wine products. Tourism continues to create jobs and income throughout the Mainland/Southwest, especially in communities like Whistler, the Sunshine Coast, and Squamish.

WORK Indicators

Job Creation

Job creation provides a good indication of a region's economic health and highlights labour market trends. In 2012, the creation of 28,300 new jobs saw the MSWDR enjoy its third year of employment growth since the recession of 2009. This brought total regional employment to 1.447 million. While the goods sector accounted for the majority of new jobs in 2011, this trend reversed in 2012, with the services sector generating the majority of new employment.

In 2012, total employment in the MSWDR's goods-producing sector grew to 268,800, an increase of 8,500 new jobs over the previous year. The majority of employment growth in this sector occurred in manufacturing, where the number of jobs grew by 17,200, reaching 120,200, and a number on par with 2008. A stronger US housing

²GDP for 2012 is an estimate from TD Bank, *Provincial Economic Forecast*, April 4, 2013.

market and the subsequent demand for BC softwood lumber resulted in increased manufacturing employment at the region's sawmills. The rising value of both computer and electronics goods, and transportation equipment also spurred growth in the goods sector, and resulted in increased job creation in the manufacturing industry.³ The agriculture and utilities industries in the MSWDR also saw slight gains in 2012, with 400 and 2,800 new jobs respectively.

The news was not so positive for the construction industry. After a significant spike in employment in 2011, this trend reversed in 2012. A slow-down in the region's housing market and reduced government and institutional investment negatively impacted non-residential building construction, which declined in the third quarter of 2012.⁴ In total, the construction industry lost 10,100 jobs. Employment in the region's resource industries also declined by 1,900 jobs.

Total employment in the Mainland/Southwest's services-producing sector grew by 19,800, to reach 1.18 million in 2012. The largest one-year employment gain of 10,300 new jobs occurred in "other professional services," a sub-category that captures most of the newly emerging knowledge and technology-based industries.⁵ The health care and social assistance industries accounted for another 8,100 new jobs in the region, while 6,700 new jobs were created in the transportation and warehousing industries. Employment in information, culture and health care rose by 6,400, while business, building and other support services, and educational services both registered employment gains, of 3,000 and 4,000 respectively.

It is surprising to note that employment in professional, scientific and technical services declined by 9,500 in 2012, after two solid years of growth, and now rests at 118,700, almost on par with 2008 levels.⁶ This sector represents an array of businesses that are driven by economic developments in other industries, such as housing, construction, and resources.

After its robust recovery in 2011, employment in the accommodation and food services sector declined by 5,800 jobs in 2012, reflecting fewer tourism visits from Europe and the struggling US. Public administration also declined by 3,300 jobs, mainly due to ongoing provincial and federal fiscal restraint measures. For the second year in a row, trade employment also declined; the loss of 1,100 jobs is a reflection of reduced consumer spending.



³ BC Stats, February 27, 2013, *Business Indicators*.

⁴ BC Stats, updated December 7, 2012, *BC Key Indicators*.

⁵ Excludes legal, architectural, engineering, computer design, and management/scientific services.

⁶ The Professional, scientific and technical services sector includes services in the legal, accounting, architectural, engineering, surveying and mapping, design, advertising, scientific research and development, and other knowledge-based industries. It also includes management, scientific and technical consulting.

Table 1-1: Employment, Mainland/Southwest Development Region, 2007 to 2012⁷

	2007	2008	2009	2010	2011	2012	Job Creation (000)	
							5-Year 2007-12	1-Year 2011-12
TOTAL EMPLOYMENT (000)	1357.6	1382.9	1369.2	1388.4	1419.1	1447.4	89.8	28.3
Goods-Producing Sector (000)	266.6	277.1	242.7	242.4	260.3	268.8	2.2	8.5
Agriculture	15.6	16.8	14.9	15.0	12.9	13.3	-2.3	0.4
Forestry, fishing, mining, oil and gas	10.5	6.6	7.8	7.6	10.9	9.0	-1.5	-1.9
Utilities	5.6	9.0	7.5	9.5	7.8	10.6	5.0	2.8
Construction	110.8	125.2	109.9	108.2	125.7	115.6	4.8	-10.1
Manufacturing	124.2	119.5	102.7	102.1	103.0	120.2	-4.0	17.2
Services-Producing Sector (000)	1091.0	1105.8	1126.5	1146.1	1158.8	1178.6	87.6	19.8
Trade	213.3	208.5	222.4	226.3	221.5	220.4	7.1	-1.1
Transportation & warehousing	84.0	81.2	74.9	79.2	82.2	88.9	4.9	6.7
Finance, insurance, real estate & leasing	96.3	104.9	97.5	97.3	100.8	101.7	5.4	0.9
Professional, scientific & technical services	119.3	118.7	117.8	121.6	128.4	118.9	-0.4	-9.5
Business, building & other support services	63.3	65.2	61.8	61.7	61.0	64.0	0.7	3.0
Educational services	98.0	103.5	108.1	109.5	110.0	114.0	16.0	4.0
Health care & social assistance	129.1	128.6	147.7	149.6	147.1	155.2	26.1	8.1
Information, culture & recreation	81.6	80.9	78.8	74.1	75.3	81.7	0.1	6.4
Accommodation & food services	100.4	101.0	100.4	100.4	110.7	104.9	4.5	-5.8
Other services	54.1	62.0	60.4	65.6	62.0	72.3	18.2	10.3
Public administration	51.6	51.2	56.5	60.8	59.9	56.6	5.0	-3.3

Source: Statistics Canada, Labour Force Survey Historical Review

The MSWDR's overall one-year job creation rate of 2% ranked fourth among BC's Development Regions, behind the Northeast (6.7%), Cariboo (4.9%), and Kootenay (3.7%). The Nechako ranked last, with a rate of job decline of 9.2%.

Unemployment Rate

The unemployment rate captures the balance of labour force supply and demand. In 2012, the unemployment rate in the MSWDR declined for the second year in a row, reaching 6.8%. Although this indicator has continued to improve since the recession, the unemployment rate still rests well above pre-recession rates. As of March 2013, the unemployment rate in the MSWDR was 7.1%, on par with that of March 2012.

The MSWDR's labour force grew by 21,400, to reach 1.552 million in 2012, but the number of employed outpaced this growth, with a gain of 28,300. The outcome was a 0.5 percentage point (ppt) decline in the unemployment rate. Overall, 2012 saw an increase in the number of full-time jobs, and a decline in the number of part-time employment.



⁷ Industries with "-" are estimated to have less than 1,500 employed at that particular point in time, thus the numbers presented in the table may not add up to total sector figures, and job creation statistics can not be calculated.

Between 2011 and 2012, approximately 14,800 workers left the labour force, a greater loss than that which occurred between 2010 and 2011, but well below the levels of 2008 and 2009, which exceeded 21,000. In any given year, workers leave the labour force for a variety of reasons – they can return to school, choose to stay at home with children, or leave due to the discouraged worker effect.

In comparison to other Development Regions, Northeast BC continued to enjoy the lowest unemployment rate in 2012 at 4.1%. Vancouver Island/Coast ranked second at 6%, while the MSWDR had the third lowest rate of 6.8%. Northwest BC had the highest regional unemployment rate of 10.7%, a dramatic 2.1 ppt increase over 2011.

Table 1-2: Unemployment Rate, Mainland/Southwest Development Region, 2007 to 2012

Region	2007	2008	2009	2010	2011	2012	Percentage Point (ppt) Change	
							5-Year 2007-12	1-Year 2011-12
Mainland/Southwest	4.0%	4.3%	7.2%	7.6%	7.3%	6.8%	2.8 ppt	-0.5 ppt
British Columbia	4.3%	4.6%	7.7%	7.6%	7.5%	6.7%	2.4 ppt	-0.8 ppt

Source: Statistics Canada

While there was a slight unemployment decline in 2012, the rate of youth unemployment⁸ in the MSWDR remained high at 11%. This was almost double the rate recorded between 2007 and 2008. The recession of 2008 eliminated many jobs held by young workers, both in this region and throughout the province, and its effects continue to be felt today. Many middle-class jobs were eliminated in the last recession and have yet to be regained in the labour force. This has presented hardship for workers of all ages throughout North America, but in particular for young workers competing for stable entry level jobs. Many are unable to find any work and, as a result, are either unemployed or underemployed.

Youth unemployment rates ranged from 7.2% in the Northeast, where the natural gas and resource sectors are active, to as high as 16.7% on the North Coast. The MSWDR youth unemployment rate of 11% ranked in the middle.

Table 1-3: Youth (age 19 to 24 years) Unemployment Rate, Mainland/Southwest Development Region, 2007 to 2012

Region	2007	2008	2009	2010	2011	2012	Percentage Point (ppt) Change	
							5-Year 2007-12	1-Year 2011-12
Mainland/Southwest	6.0%	5.8%	9.9%	11.4%	11.5%	11.0%	5.0 ppt	-0.5 ppt
British Columbia	6.1%	6.8%	11.1%	11.3%	11.5%	10.9%	4.8 ppt	-0.6 ppt

Source: Statistics Canada, Labour Force Survey, Custom Table



⁸ Workers between age 19 and 24.

INVEST Indicators

Business and Investment Activity

Capital investment in non-residential structures, machinery, and equipment fuels both current and future economic growth. Investment adds to a region's critical mass of industry and public infrastructure; it ensures that BC remains competitive with producers in other provinces and countries, and boosts productivity and job creation. In recent years, BC's private sector has accounted for approximately 90% of total capital investment in BC, with the public sector comprising the rest.

While total capital investment in BC grew in 2012, it fell short of initial predictions. Preliminary estimates of last year's investment figures show that between 2011 and 2012, non-residential investment in BC grew by only 6.8% to reach \$20 billion; this is less than half of the predicted growth rate of 14.8%.⁹ During this same period, investment in machinery and equipment increased 9.6%, to reach \$11.9 billion in 2012; this growth was slightly larger than the predicted jump of 8.3%. Slower economic growth in late 2012, a decline in provincial exports, and the prospect of a "fiscal cliff" in the US are some of the factors that suppressed investor confidence in 2012.

Despite slower-than-anticipated investment growth, venture capital investment— a small but dynamic element of private sector investment— surged in 2012. Venture capital is defined as financial capital provided to startup companies (usually in the IT sector) in either the inception phase or a period of early growth, and is generally characterized by high risk. A report to the Canadian Venture Capital and Private Equity Association shows that venture capital investment in BC rose 71% in the second quarter of 2012, compared with the same quarter of 2011.¹⁰ This was the largest increase of its kind in Canada. The largest deal in Canada was a \$39.5 million investment in D-Wave, a quantum computing company, in Burnaby, BC.

Capital investment in the MSWDR continued to grow in 2012. According to the *BC Major Projects Inventory*, fourth quarter totals for the region's major projects - either proposed, underway, completed, or on hold - grew to \$77.58 billion. This was an increase of \$5.9 billion from fourth quarter totals of 2011.¹¹ At the end of 2012, there were 509 major projects in the MSWDR: of these, 250 were in the proposal stage (worth \$33.1 billion), 217 had already begun construction (worth \$38.48 billion), 17 were completed (worth \$1.3 billion), and 25 were on hold (worth \$4.7 billion).¹² These projects spanned many sectors from mining and transportation, to utilities and public infrastructure, however the largest share of projects (60%) were in commercial/residential projects.

The viability or start-up dates of those projects currently in the proposal stage will depend on the region's economic developments and investment climate during the next few years. Many of the projects that have already begun construction are well underway, with some nearing completion. Others, such as the Richmond airport expansion and the Skytrain Expo Line expansion, were initiated several years ago and will not be completed for another five to ten more years.



⁹ 2012: Public and Private Intentions in Canada – 2012, statistics Canada – Catalogue no. 61-205-X <http://www.statcan.gc.ca/pub/61-205-x/61-205-x2012000-eng.pdf> text table 2; *Public and Private Intentions in Canada – 2013*, text table 2. <http://www.statcan.gc.ca/pub/61-205-x/61-205-x2013000-eng.pdf> Note that these are preliminary estimates for 2012, as of March 2013.

¹⁰ Thomson Reuters, *Canada's Venture Capital Market in 2Q 2012*, prepared for the Canadian Venture Capital and Private Equity Association <http://canadavc.com/files/Q22012EnglishOverview.pdf>

¹¹ BC Ministry of Economic Development, *BC Major Projects inventory*, December 2010. Definition of private sector excludes utilities and public services.

¹² BC Ministry of Economic Development, *BC Major Projects inventory*, December 2012. Definition of private sector excludes utilities and public services.

Some of the largest projects now under construction in the MSWDR include the following:

- Ruskin Dam safety and powerhouse expansion upgrade (capital cost \$748 million) – Mission. Started in 2011 and due for completion in early 2018;
- River Green residential development (capital cost \$500 million) – Richmond. Started in 2010 with targeted completion date of 2018;
- Telus Gardens Communications Centre (capital cost \$750 million) – downtown Vancouver. Started fall 2012 and will be finished by May 2015; and
- Skytrain Evergreen Line (capital cost \$1.4 billion) – Vancouver. Started early 2012 and due for completion in summer 2016. This project is dependent on both provincial and federal government funding.

Incorporations and Bankruptcies

Business incorporations and bankruptcies are principal indicators of commercial success or failure, both of which have a direct bearing on entrepreneurial and investor confidence. This year's results show that neither of these indicators changed significantly in the MSWDR when compared to 2011. The total number of business incorporations declined negligibly from 23,335 to 23,329, while the number of bankruptcies was the same as 2011.

Metro Vancouver Regional District accounted for 93% of the new business incorporations in 2012. Of these, Burnaby, Richmond, Surrey, and Vancouver accounted for 79%, a reflection of the concentration of population, industrial, and retail growth that exists in these municipalities. In the past decade, the number of incorporations in Surrey has more than doubled, showing the fastest incorporation growth rate of any city in Metro Vancouver.

Only the Nechako, Cariboo, and Thompson-Okanagan Development Regions recorded increases in the number of business incorporations. The Nechako led with a 32.3% increase, while the latter two regions recorded growth rates of 8.6% and 6.4% respectively. Mainland/Southwest and the Northeast saw no increase in their incorporations, while all other regions had negative results.

The Nechako also saw a decline in this indicator from 1 bankruptcy to 0 in 2011.¹³ The Cariboo ranked second with a 33% decrease, and the Mainland/Southwest and the North Coast both ranked fifth, with no change in this indicator. At the bottom of the spectrum was the Kootenay, with a 57.1% increase in bankruptcies.



¹³ Note that these are small absolute numbers, however. The number of bankruptcies in the Nechako declined from 1 in 2011 to 0 in 2012.

Table 1-4: Business Incorporations and Bankruptcies, Mainland/Southwest Development Region, 2007 to 2012

	2007	2008	2009	2010	2011	2012	Percentage Change	
							5-Year 2007-12	1-Year 2011-12
Business Incorporations	24,538	21,445	19,483	22,714	23,335	23,329	-4.9%	0.0%
Business Bankruptcies	212	181	205	127	108	108	-49.1%	0.0%

Source: BC Stats and Office of the Superintendent of Bankruptcy Canada

LIVE Indicators

Educational Attainment

Both worker productivity and purchasing power potential are associated with education level attainment. In 2012, the share of the MSWDR's labour force aged 25 to 54 with a post-secondary certificate/diploma or higher grew by 0.6 pts, to reach an unprecedented high of 69%. There was also a shift in the composition of the labour force with post-secondary credentials. Last year, the number of workers with a post-secondary certificate or diploma declined by 21,800, while the number of individuals with a university education rose by 25,100. It is interesting to note, that in the latter grouping, those with degrees higher than a bachelor's accounted for 22,300, or 89%.

While the number of university-educated workers in the MSWDR has risen every year since 2006, the numbers with post-secondary certificates or diplomas have been more variable. This suggests that workers with trades or employed in skilled occupations are more mobile and responsive to labour market conditions. The outflow in 2012 reflects a migration of workers from the MSWDR to other regions, such as the Cariboo and Northeast, or parts of Alberta, where individuals with these skills are in high demand.

Table 1-6: Percent of Labour Force Age 25 to 54 with a Post-Secondary Certificate/ Diploma or Higher, Mainland/Southwest Development Region, 2007 to 2012

Region	2007	2008	2009	2010	2011	2012	Percentage Point Change	
							5-Year 2007-12	1-Year 2011-12
Mainland/Southwest	64.4%	65.1%	65.0%	67.1%	68.4%	69.0%	4.6 ppt	0.6 ppt
British Columbia	61.7%	62.6%	63.0%	64.4%	65.9%	66.6%	4.9 ppt	0.7 ppt

Source: Statistics Canada, Labour Force Survey, Custom Table.

In 2012, the Mainland/Southwest maintained its first place ranking in educational attainment among BC's Development Regions, followed by Vancouver Island/Coast (65.6%), and Thompson-Okanagan (62.2%). The lowest levels of attainment were reported in the North Coast and Nechako (55.6%), and in the Northeast (52.8%), where there is a significant demand for unskilled labour. While there is no doubt that access to post-secondary training options in BC's Mainland/Southwest region has a bearing on its high rate of educational attainment, it is also likely that the qualifications and skills obtained in higher education programs are a better match to jobs in urban centres than those available in BC's rural areas.

Dependency on the Social Safety Net

Social safety net dependency is defined as the share of population age 19 to 64 that requires basic income assistance due to the inability to work. This indicator moves with the unemployment rate, rising in times of high unemployment and in a slowdown in GDP. It generally accounts for a small but consistent proportion of the population.

Between September 2011 and 2012, social safety net dependency in the MSWDR declined by 0.2 ppt, and accounted for 1.5% of the population. During the past five years, the region has enjoyed a lower level of social safety net dependency than the provincial average.

Out of all Development Regions, the North Coast saw the biggest one-year decrease in social safety net dependency, with a 0.6 ppt decline, or 4.3% of the population. The Cariboo and Thompson-Okanagan ranked second with a 0.5 ppt decline, falling to 2.7% and 2% respectively. The smallest decline in this indicator was in the Northeast and the Vancouver Island/Coast, at 0.1 ppt, to reach 1.1% and 2% respectively.

Table 1-7: Basic Income Assistance Recipients as a Percent of the Population, Age 19 to 64, Mainland/Southwest Development Region, 2007 to 2012¹⁴

Region	2007	2008	2009	2010	2011	2012	Percentage Point (ppt) Change	
							5-Year 2007-12	1-Year 2011-12
Fraser Valley	1.9	2.0	2.5	2.5	2.6	2.3	0.4 ppt	-0.3 ppt
Greater Vancouver	1.2	1.3	1.6	1.7	1.6	1.4	0.2 ppt	-0.2 ppt
Sunshine Coast	1.3	1.3	2.3	2.1	2.0	1.7	0.4 ppt	-0.3 ppt
Squamish-Lillooet	0.3	0.4	0.5	0.6	0.8	0.6	0.3 ppt	-0.2 ppt
Development Region Total	1.3	1.3	1.7	1.7	1.7	1.5	0.3 ppt	-0.2 ppt
British Columbia	1.4	1.5	1.9	2.0	2.0	1.7	0.3 ppt	-0.3 ppt

Source: BC Stats.

Consumer Bankruptcies

Personal consumer bankruptcy is an effective indicator of the collective outcome of economic change, including unemployment rate, reduced savings rate, and credit market fluctuations. The rate of consumer bankruptcies rose in the MSWDR after the economic downturn in 2008, and peaked in 2009 at 2.6 per 1,000 population aged 18 and older. Since that time this indicator has declined, reaching 1.7 in 2012, this is on par with pre-recession levels and below the provincial average.

In absolute terms, the Nechako's bankruptcy rate of 1.3 was lowest in the province last year, followed by the North Coast (1.6). This is no doubt related to the optimistic economic climate that has emerged in both these regions, in particular their burgeoning mining activity. The Mainland/Southwest ranked third at 1.7. The Cariboo, which has generally had a high level of consumer bankruptcies over the past five years, saw the highest bankruptcy rate of 2.7.

¹⁴ Rates are as of September for each year. Data unavailable for years prior to 2008. These figures include those on Temporary Assistance, but exclude those on Continuous Assistance (Disabled or with persistent multiple barriers to employment), Children in the Home of a Relative, and OAS/Seniors and aboriginal people living on reserve.

Looking at percentage changes over the past year, the Nechako's dramatic decline of 30.8% in its bankruptcy rate was the largest decline in all Development Regions. The Cariboo ranked second, recording a decline of 11%, and the Vancouver Island/Coast was third, with a 9.5% decline. At the other end of the spectrum, consumer bankruptcies rose in the Kootenay by 18.9%; this was the highest growth rate of in all of BC.

Table 1-8: Annual Consumer Bankruptcy Rates per 1,000 Population Aged 18 Years and Older, Mainland/Southwest Development Region, 2007 to 2012

Region	2007	2008	2009	2010	2011	2012	Percentage Change	
							5-Year 2007-12	1-Year 2011-12
Mainland/Southwest	1.8	1.9	2.6	2.3	1.9	1.7	-2.7%	-7.7%
British Columbia	1.9	2.1	2.9	2.6	2.2	2.0	+3.9%	-7.2%

Source: Office of the Superintendent of Bankruptcy Canada and Statistics Canada

Conclusions

The MSWDR economy continued to grow in 2012, albeit at a slower rate than 2011. This was due in part to reduced demand for BC's energy products, a housing market slowdown, and on-going public sector fiscal restraint measures.

On the labour market side, job creation continued to grow in 2012, although the construction industry took a hit, a reflection of a cooling housing market. The overall unemployment rate declined for the second year in a row; however the youth unemployment rate remained high at 11%, almost twice the rate of five years ago. This underscores what might be a very different labour climate for young workers, in particular when compared to that which has existed in the past. (This will be further analyzed in the provincial BC Check Up later this year.)

Capital investment in the MSWDR also continued to grow in 2012, although at a lower rate than initially predicted, with machinery and equipment leading the way in terms of percentage growth. Both incorporations and business bankruptcies remained static at 2011 levels.

The level of educational attainment in the MSWDR's labour force rose for a third consecutive year, with the share of workers with some level of post-secondary educational attainment reaching an unprecedented 69%, well above the provincial average of 66.6%. At the same time, the consumer bankruptcy rate and social safety net dependency declined.

Overall it appears that, despite a slight economic slowdown, both the provincial and MSWDR economies continued to stay the course in 2012. Provincial GDP growth is predicted to grow slightly in 2013 (2.3%) as the recovery in the US housing starts continues, and provincial non-residential investment grows.¹⁵ This will be moderated to some degree by the cooling of the BC housing market, and more provincial government spending restraints.

¹⁵ RBC Economics, *Provincial Outlook*, December 2012.

Glossary of Definitions

- **Business establishments:** Production entity or group of entities that produces goods or services, does not cross provincial boundaries, and provides data on value of output and input costs to the government.
- **Job creation:** Change in number of employed individuals between two given years.
- **Social safety net:** Transfers to unemployed individuals and families from the federal and provincial governments under the auspices of the Income Assistance and Employment Insurance programs.
- **Unemployment rate:** Share of employable labour force looking for work but unable to find it.