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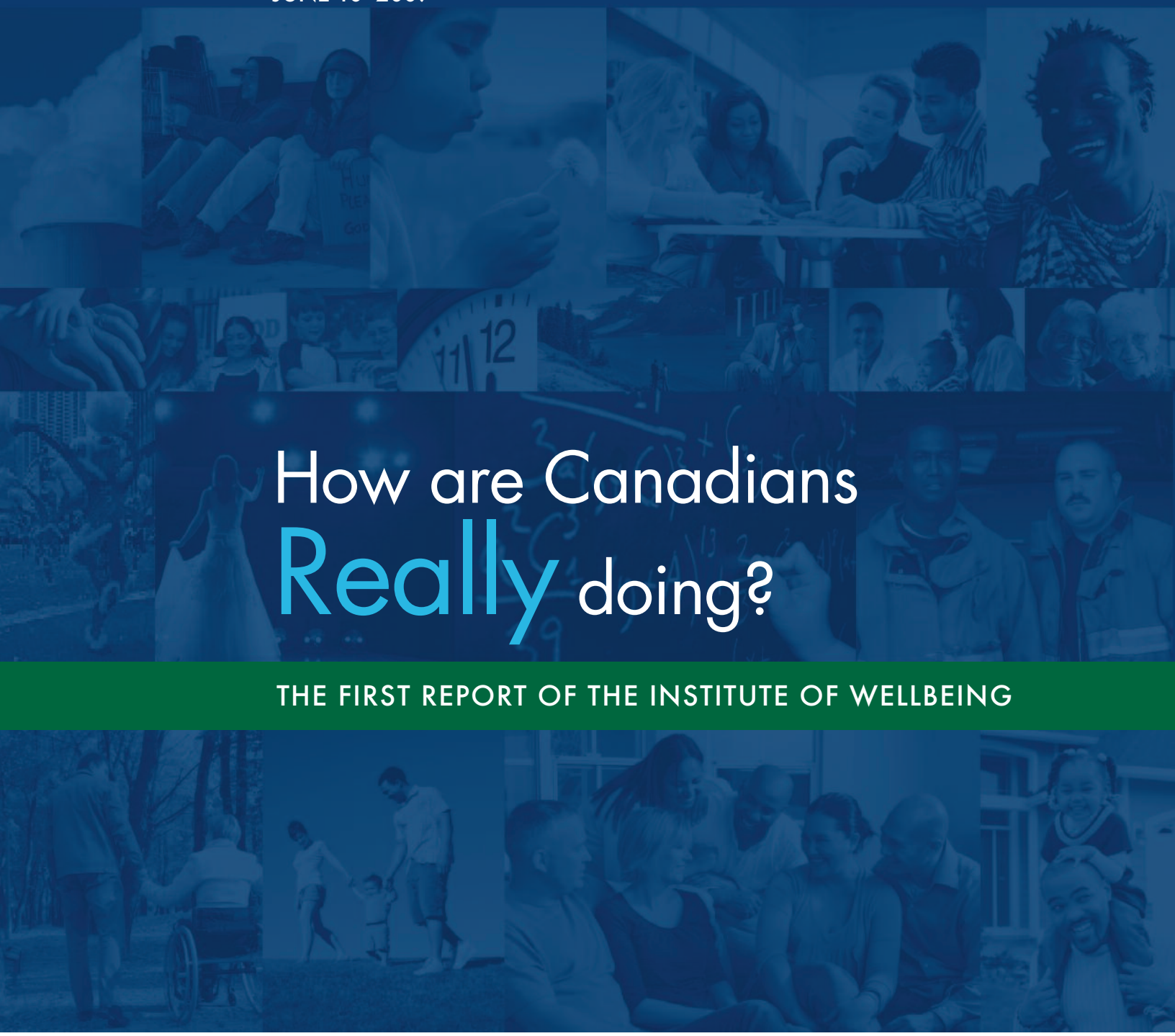


How are Canadians Really doing?

THE FIRST REPORT OF THE INSTITUTE OF WELLBEING

Institute OF WELLBEING

Measuring what matters

A Message from the Honourable Roy J. Romanow

It is my great pleasure to introduce you to the new Institute of Wellbeing and our signature product, the Canadian Index of Wellbeing (CIW).

The Institute is independent, non-partisan, with a newly forming affiliation with the University of Waterloo, and operates under the leadership of an advisory board of accomplished Canadians and international experts. It brings together a pan-Canadian group of national leaders, researchers, organizations, and grass roots Canadians. Its mission is to report on the quality of life of Canadians, and promote a dialogue on how to improve it through evidence-based policies that are responsive to the needs and values of Canadians.

The Institute is at the forefront of a global movement. Around the world, a consensus is growing about the need for a more holistic and transparent way to measure societal progress – one that accounts for more than just economic indicators such as the Gross Domestic Product and takes into account the full range of social, health, environmental and economic concerns of citizens.

The CIW will track Canada's progress and provide a set of indicators in eight interconnected reports that will enable us to see whether we are better or worse off than we used to be, whether we will leave the world a better or worse place for the generations that follow, and what we need to change to achieve a better outcome.

While part of a global movement, the CIW is very much rooted in Canadian values. I see it reflecting the very Canadian cornerstone principle of shared destiny. At a time when there are increased pressures for a more decentralized Canada, it will play a very important role in providing timely information about the things that matter to Canadians, regardless of their geographical point of reference. In this regard, the CIW is a promising nation building initiative.

Since the CIW emerged as a concept, an impressive international and pan-Canadian team of experts and champions has assembled to see this project through. They have shown an incredible good will to collaborate, with the aim of breaking down silos, looking beyond short-term bottom lines, working from what binds us together rather than what drives us apart, and building a new way to shine the spotlight on what matters to Canadians.

The Honourable Roy J. Romanow, P.C., O.C., S.O.M., Q.C.
Chair, Institute of Wellbeing Advisory Board

What is "Wellbeing"?

There are many definitions of Wellbeing. The Institute of Wellbeing has adopted the following as its working definition:

The presence of the highest possible quality of life in its full breadth of expression, focused on but not necessarily exclusive to: good living standards, robust health, a sustainable environment, vital communities, an educated populace, balanced time use, high levels of civic participation, and access to and participation in dynamic arts, culture & recreation.

Contents

1. Introducing the Institute of Wellbeing and the Canadian Index of Wellbeing

1.1 A New Approach to Measuring Societal Progress

This is the first report released by the new Institute of Wellbeing – an independent, non-partisan Canadian and international network. It presents the results of three research studies carried out under the auspices of the Canadian Index of Wellbeing (CIW), the Institute's signature product.

The CIW is a new way of measuring wellbeing. It will provide unique insights into the quality of life of Canadians – overall, and in specific areas that matter: our standard of living, our health, the quality of our environment, our education and skill levels, the way we use our time, the vitality of our communities, our participation in the democratic process, and the state of our arts, culture and recreation. In short, the CIW is the only national index that measures wellbeing in Canada across a wide spectrum of domains.

The CIW goes beyond conventional silos and shines a spotlight on the interconnections among these important areas: for example, how changes in income and education are linked to changes in health.

The CIW is a robust information tool – one that policy shapers, decision makers, media, community organizations and the person on the street will be able to use to get the latest trend information in an easily understandable format. All CIW research is available free online at www.ciw.ca. The CIW currently provides:

- **Three detailed research reports** on different, but interconnected, categories of wellbeing: Living Standards, Healthy Populations, and Community Vitality.
- This **first report**, *How are Canadians Really doing?*, that connects the dots in the first three research reports including highlights and summaries.

Going forward, the CIW will provide:

- **Special reports** connecting the main CIW findings to other current reports and research.
- **Detailed research reports** on findings on the remaining categories of wellbeing.
- **Periodic reports** on the wellbeing of specific population sub-groups, e.g. women, children.
- And, once the CIW framework has been fully developed, it will also include a **composite index** – with a single number that moves up or down like the TSX or Dow Jones Industrial, giving a quick snapshot of whether the overall quality of life of Canadians is getting better or worse.

1.2 Why Canada Needs New National Indicators

The CIW will fill a large gap in the Canadian dialogue about public policy making.

Today, our country lacks a single, national instrument that shows whether our quality of life, in all of its dimensions, is getting better or worse. Over the years, the very high profile and oft-cited Gross Domestic Product (GDP) has emerged as a surrogate for wellbeing. When Canada's GDP is growing rapidly, we are said to be "doing well". When it is going down, we are said to be "doing poorly". That's a problem.

The GDP was never intended or designed to be used for that purpose. It is simply a measure of national income. Even its inventor, Simon Kusnetz, said that *"The welfare of a nation can scarcely be inferred from a measurement of national income as defined by the GDP."* Its objective is, by definition, to measure the value of all goods and services produced in a country in a given year. For this reason, it misses out on capturing many things that really matter to the quality of life of Canadians.

As a measurement of consumption, the GDP is based on a paradigm that says "more is better". Spending on tobacco, natural and human-made disasters, crime and accidents, all make GDP go up. But these are hardly signs that Canadians are better off. Nor are considerations made for activities that heat up our planet, pollute our air and waterways, or destroy farmlands, wetlands and old-growth forests. The notion of sustainability – ensuring that precious resources are preserved for future generations – doesn't enter the equation.

The CIW adopts a completely different paradigm. It distinguishes between activities that are beneficial and those that are harmful to our overall wellbeing. It treats beneficial activities as assets and harmful ones as deficits – providing a more accurate accounting of the wellbeing of Canadians. Under the CIW paradigm, "less is often (though not always) better" – less crime, less pollution, less tobacco, and living longer and better all drive the CIW upwards.

Imagine an Index that….

- distinguishes between good things like health and clean air, and bad things like sickness and pollution;
- promotes volunteer work and unpaid care-giving as social goods, and overwork and stress as social deficits;
- puts a value on educational achievement, early childhood learning, economic and personal security, a clean environment, and social and health equity; and,
- values a better balance between investment in health promotion and spending on illness treatment.

The CIW has been created through the leadership of the Atkinson Charitable Foundation and the combined efforts of national leaders and organizations, community groups, research experts, indicator users, and the Canadian public. Through three rounds of public consultations, Canadians across the country have candidly expressed what really matters to their wellbeing. Meanwhile, teams of nationally and internationally renowned experts have and will continue to devise the best ways of measuring and reporting on these elements.

This "virtuous cycle" of public engagement, consultation and refinement is one of the key characteristics of the CIW. It ensures that the CIW is rooted in Canadian values, grounded in community experience, and shaped by technical expertise. The CIW is not a static measuring tool, carved in stone for all time. It will grow and change as more becomes known about how to measure changes in our quality of life, and more sources of data become available.

Producing statistics and reports on quality of life – as insightful and valuable as they may be – will not, in and of itself, have a transformational effect on Canadian society. It will not ensure that our leaders make policy decisions that reflect the values of Canadians about what is important.

That is why the Institute of Wellbeing's work at the national level links up with the work of the many organizations and institutions that are striving to improve quality of life at the neighbourhood, community, municipal, provincial and regional levels. This collective action can indeed generate a powerful force – refocusing the public discourse in Canada, helping to reshape the way we talk about wellbeing and public policy that will genuinely improve the quality of life of Canadians.

1.3 Our Vision and Goals

The Institute of Wellbeing's vision is:

To enable ***all*** Canadians to share in the highest wellbeing status by identifying, developing and publicizing statistical measures that offer clear, valid and regular reporting on progress toward wellbeing goals and outcomes Canadians seek as a nation.

The Institute's goals are to:

1. Oversee the development and implementation of the CIW that is reflective of Canadian society and in which regional and cultural differences are reflected, nurtured and integrated into the fabric of the work.

2. Ensure the ongoing and regular reporting of the CIW through a communication and public engagement strategy.

3. Ensure leading edge and ongoing research and development of the CIW including further refinement of common standards, pilot testing of sub-indices, and collection and compilation of data for health, social, economic, and environmental variables.

4. Promote better data collection by identifying gaps in knowledge relevant to measuring wellbeing.

5. Increase and expand the CIW network with influential leaders and policy makers so that the CIW has an ongoing impact on policy decisions.

6. Contribute to societal understanding (statistical literacy) and use of indicators (citizen literacy and engagement).

7. Contribute to a measuring wellbeing movement that will be of benefit to international partners and initiatives.

1.4 Our Objectives

The Institute's objectives are to:

- promote a shared vision of what really constitutes sustainable wellbeing and the elements that contribute to or detract from it;
- measure national progress toward, or movement away from, achieving that vision;
- understand and promote awareness of why society is moving in the direction it is moving;
- stimulate discussion about the types of policies, programs, and activities that would move us closer and faster toward achieving wellbeing;
- give Canadians tools to promote wellbeing with policy shapers and decision makers so as to account for why things are getting better or worse; and
- empower Canadians to compare their wellbeing both with others within Canada and those around the world.

1.5 Rooted in Canadian Values

Values are critical. They provide guideposts for how Canada can move forward as a society, how we can orient ourselves during challenging times, how we can inspire our citizens and how we can be confident that the policies and programs we recommend and the path we choose will reflect the vision of our citizens.

The CIW is rooted in Canadian values.

It begins with the belief that our cornerstone value as Canadians is the principle of "shared destiny" – that our society is often best shaped through collective action; that there is a limit to how much can be achieved by individuals acting alone; that the sum of a good society and what it can achieve is greater than the remarkably diverse parts which constitute it.

From this cornerstone principle of shared destiny and collective action, and from extensive public consultations with Canadians, a number of core consensus values informed the development of the CIW: fairness, diversity, equity, inclusion, health, safety, economic security, democracy, and sustainability.

A key challenge has been to ensure that the indicators that the CIW uses to measure wellbeing, reflect these values. Indicators are literally just that – they are designed to indicate or point toward fundamental social objectives. They are also an explicit tool that can be used to stimulate discussion about the types of policies, programs, and activities that will move Canada closer and faster toward achieving a higher state of wellbeing, and give Canadians tools to promote wellbeing with policy shapers and decision makers.

From the very beginning, via a national dialogue led by the Canadian Policy Research Networks (CPRN), we asked Canadians questions about what mattered to them and their families; about their aspirations for their communities; and about the types of information they felt would help them understand whether things were getting better or worse, and who to hold to account for this.

Canadians said quite clearly that their top priorities for quality of life were: primary and secondary education, health care access, a healthy environment, clean air and water, social programs, responsible taxation, public safety and security, job security, employment opportunities, a living wage, balanced time use, and civic participation. These common themes cut across regions, social backgrounds and various demographic characteristics. Most importantly for the CIW, Canadians told us that quality of life should be monitored more systematically, uniformly and comprehensively.

The feedback provided by Canadians was distilled by the Institute's Canadian Research Advisory Group (CRAG) into a framework with seven, and then later, eight domains. The framework, which is outlined in the next section, was later presented and discussed at two rounds of pan-Canadian stakeholder consultations and a national conference of Canadian leaders. These consultations confirmed that the CIW had faithfully transformed core values into thematic domains, and that the domains were indeed rooted in consensus Canadian values about what really matters.

1.6 The CIW Framework

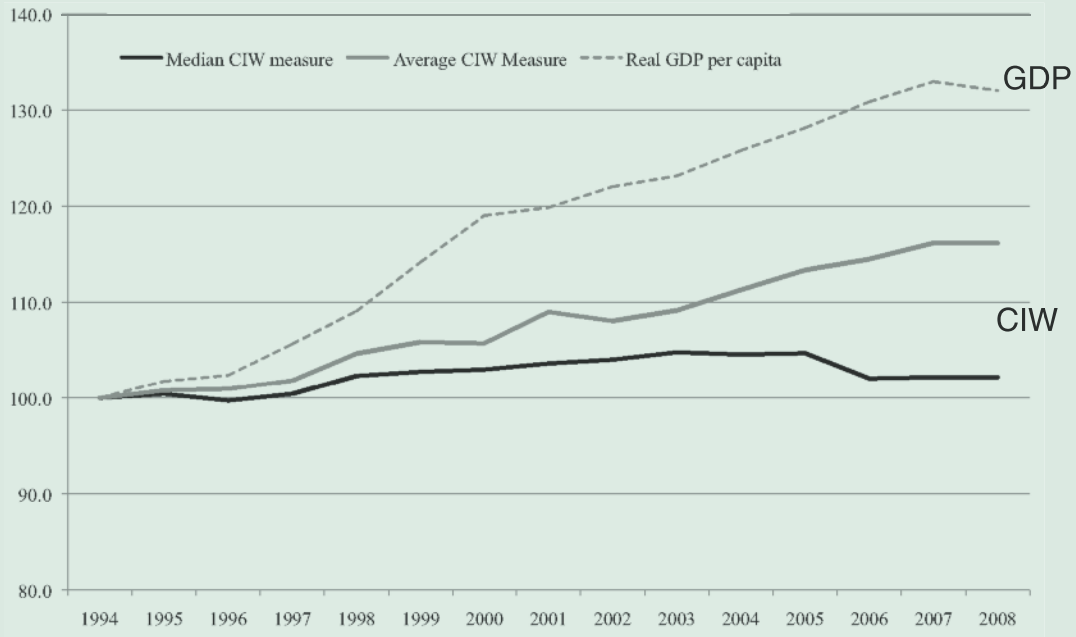
The CIW will measure change over a period of time. When fully developed, it will track eight quality of life categories or "domains". The current report provides information on three domains, Living Standards, Healthy Populations and Community Vitality. The remaining domain reports are in development and will be reported and released over the next year.

Once completed, the CIW will bundle the eight categories or domains into a single composite number using eight headline indicators from each domain or category. By blending the domains into a composite index, the CIW will give a quick snapshot of whether Canadians' quality of life is getting better or worse.

For the purposes of calculating and testing the composite index, the plan is to track each domain from the same 'baseline year' which is1994. 1994 is assigned a value of 100. Movement upward from 100 in later years signals improvement in quality of life, while movement downward indicates decline. The baseline year that has been chosen for the CIW is 1994, the first year of the National Population Health Survey.

The composite is scheduled for release in 2010.

An illustration of trends in the CIW with two domins (Living Standards and Healthy Populations) compared with the GDP, 1994-2008.



NOTES:

- Once the numbers in each domain are all converted into a common denominator, a single number (either an average or median) can be plotted
- Not necessarily comparing one number against another, but comparing one trend against another
- The CIW median and average lines have increased at a much slower pace than the GDP over the same period

This illustration uses two of the CIW domains to show what is possible in a trend line. The results will look different once all eight domains are included.

Domains

The following is an overview of the domains:

- **Arts, Culture and Recreation** measures activity in the very broad area of culture, which covers all forms of human expression, the much more focused area of arts, which includes performing arts, visual arts, media arts and art facilities and institutes, and recreation activities.

- **Civic Engagement** measures the participation of citizens in public life and in governance; the functioning of Canadian governments with respect to openness, transparency, effectiveness, fairness, equity and accessibility; and the role Canadians and their institutions play as global citizens.

- **Community Vitality** measures the strength, activity and inclusiveness of relationships among residents, private sector, public sector and voluntary organizations.

- **Education** measures the literacy and skill levels of the population, including the ability to function in various societal contexts and plan for and adapt to future situations.

- **Environment** measures the state of wellbeing and integrity of the natural environment, including the sustainability of ecosystems, watersheds and natural resources.

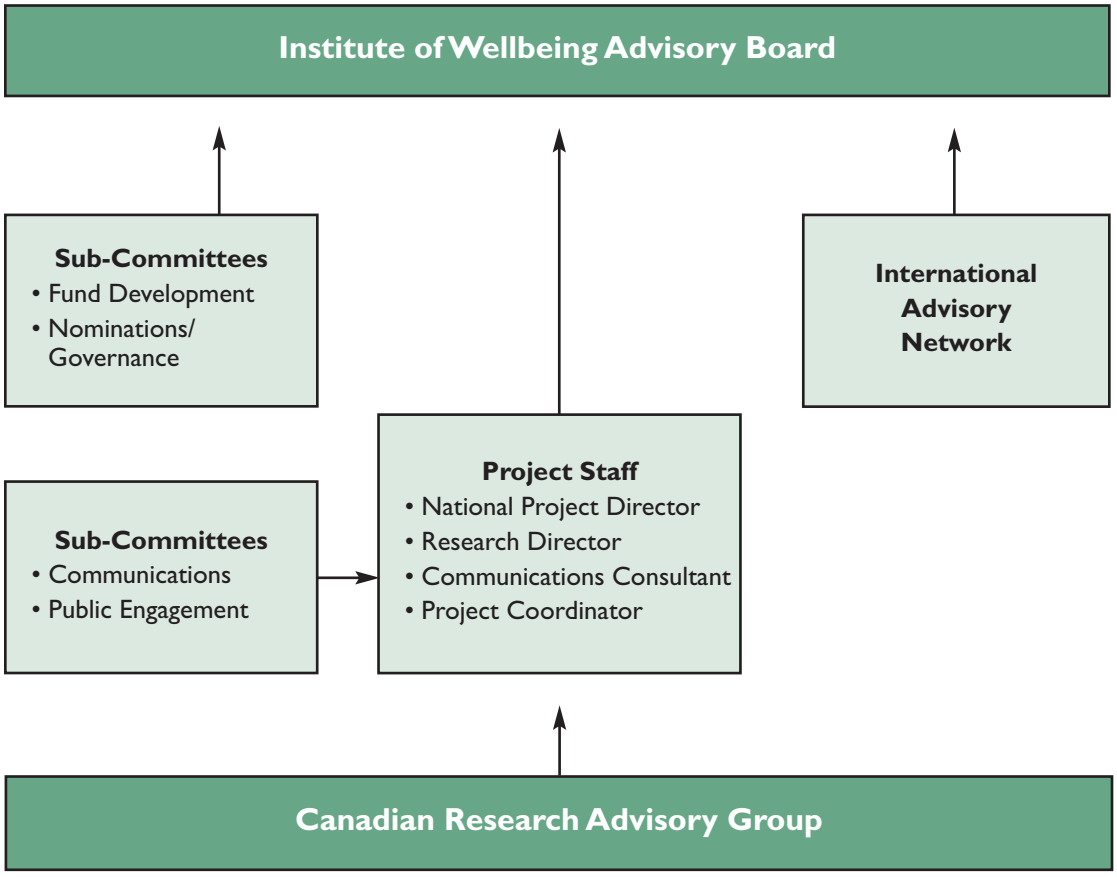
- **Healthy Populations** measures the physical and mental wellbeing of the population, life expectancy, behaviours and life circumstances that influence health, health care quality and access, and public health services.

- **Living Standards** measures the level and distribution of income and wealth, poverty rates, income volatility, and economic security, including the security of jobs, food, housing and the social safety net.

- **Time Use** measures the use of time, how people experience time, what controls its use, and how it affects wellbeing.

1.7 Who is Behind the Institute of Wellbeing

The Institute's work is guided by an Advisory Board of accomplished Canadian and international experts. The Honourable Roy J. Romanow is Chair, and The Honourable Monique Bégin is Deputy Chair. The chart below presents an overview of the organizational structure.



1.8 For More Information

The following sections present easy to read summaries and highlights from the three CIW domain research studies conducted to date, as well as an analysis of some of the key links among the domains. To read the full research reports please visit our website at www.ciw.ca.

To find out more about the Institute of Wellbeing or any aspect of the CIW, please contact info@ciw.ca.

2. Connecting the Dots

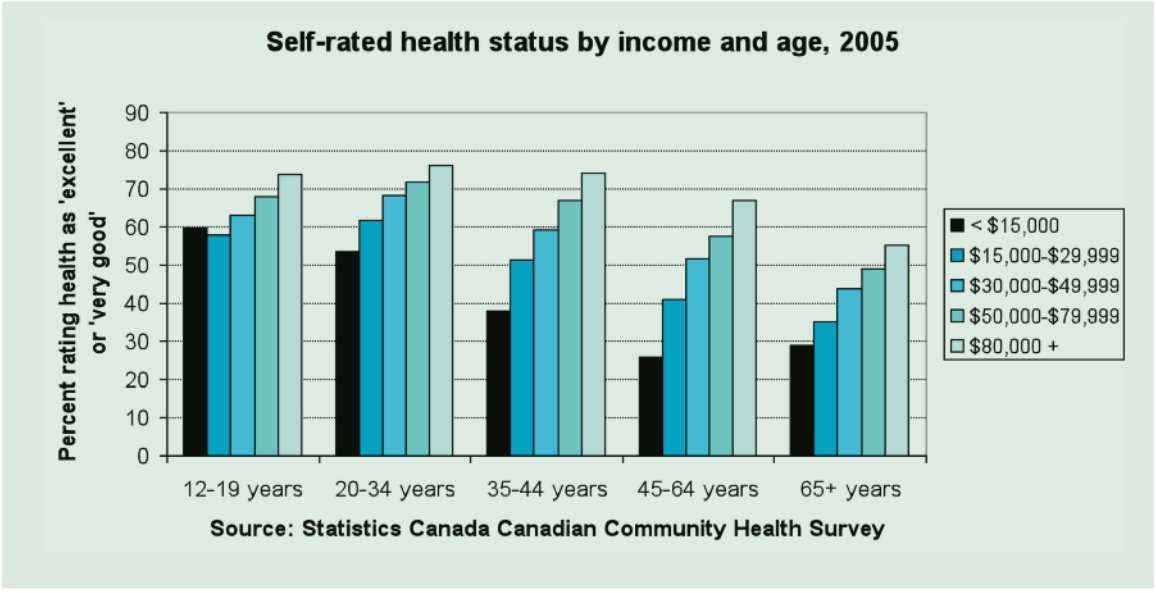
One of the key goals of the CIW is to connect the dots among the many factors that influence wellbeing. The intention is to go beyond the traditional "silo approach" that has too often shaped public policy decisions, toward more comprehensive solutions. It is only by understanding how a variety of factors combine and interact that policy shapers and decision makers can bring forward policies and programs that meet the challenges of the 21st century.

With the release of this report, the CIW now consists of three domains. While it will be more valid and meaningful to track the dynamic interactions among wellbeing indicators when the full eight domain framework has been completed, some clear patterns have emerged.

Money and Education Interconnect with Health and Community Vitality

The health of Canadians is still very much related to their income and education levels. People with higher incomes and education tend to live longer, are less likely to have diabetes and other chronic conditions, and are consistently more likely to report excellent or very good health.

The stark reality is that household income continues to be the best predictor of future health status. This is true in all age groups and for both women and men.



The effect of income and education on reported health status is especially marked among women. Women in the lowest income category report poorer health than men with similar incomes, but the gender gap reverses among households with over $30,000 in earnings. In the highest earning households, the share of women reporting excellent or very good health is almost two percentage points greater than for men.

Income and education also highly correlate to a number of characteristics of vital communities. People with higher levels of education and family incomes are more likely to be involved in at least one organization. Higher income and older individuals tend to be more deeply engaged in volunteer activities. They are also more likely to report that "people can be trusted".

Similarly, levels of compassion appear to increase with levels of educational attainment. In 2003, when presented with the statement "These days I feel hard pressed to take care of my own needs, that I worry less about the needs of others", 49% of those with a university degree disagreed while only 35% of those with a high school degree or less disagreed. The disagreement rate was highest among the most affluent – 54% of those earning more than $100,000 compared to roughly 40% of those with incomes below this level.

Some are More Likely to be Poor in Wealth and Health than Others

Opportunities to improve one's destiny are a core value of western societies. But an individual's power to make life better, and improve their family lot is not a given. The study of the dynamics of low income reveals that some have a harder time moving out of low income than others. This is an important factor for wellbeing because not only are the long-term poor excluded from sharing the nation's wealth, they are less likely to share in its health.

Research consistently shows that there are five groups affected by persistent poverty: lone parents, unattached individuals aged 45-64, recent immigrants (since 2000, three-quarters of newcomers have been visible minorities), persons with work-limiting disabilities, and Aboriginal peoples living off-reserve. A 2003 HRDC study found that these groups represented one-quarter of the population yet accounted for 62% of people in persistent low-income. The remaining three-quarters of the Canadian population accounted for just 37% of people in persistent low-income.

There is Reason to Worry about Today's Youth

There is ample evidence that teenagers are experiencing a reduction in both their levels of income and in their health.

In 1980, the proportion of workers aged 14-24 who worked in low-paid jobs, was 31.2%. By 2000, the percentage jumped to 45%. This compares poorly to the overall population, which saw just a slight increase from 15.4% to 16.3% in the same time period.

The growing incidence of low paid jobs among the young can come as a surprise when compared to the steady increase in education attainment, productivity and GDP that occurred in Canada between 1980 and 2004. When the large debts with which many students graduate is taken into account, the high incidence of low paid jobs is particularly troubling as it delays their chance for economic security, financial independence and family formation.

Given the high correlation between wealth and health, it is not surprising that teenagers have reported a marked drop in health – both physical and emotional – and a steady rise in problems with everyday functions.

Good Public Policies Can Improve Wellbeing, Bad Ones Can Harm It

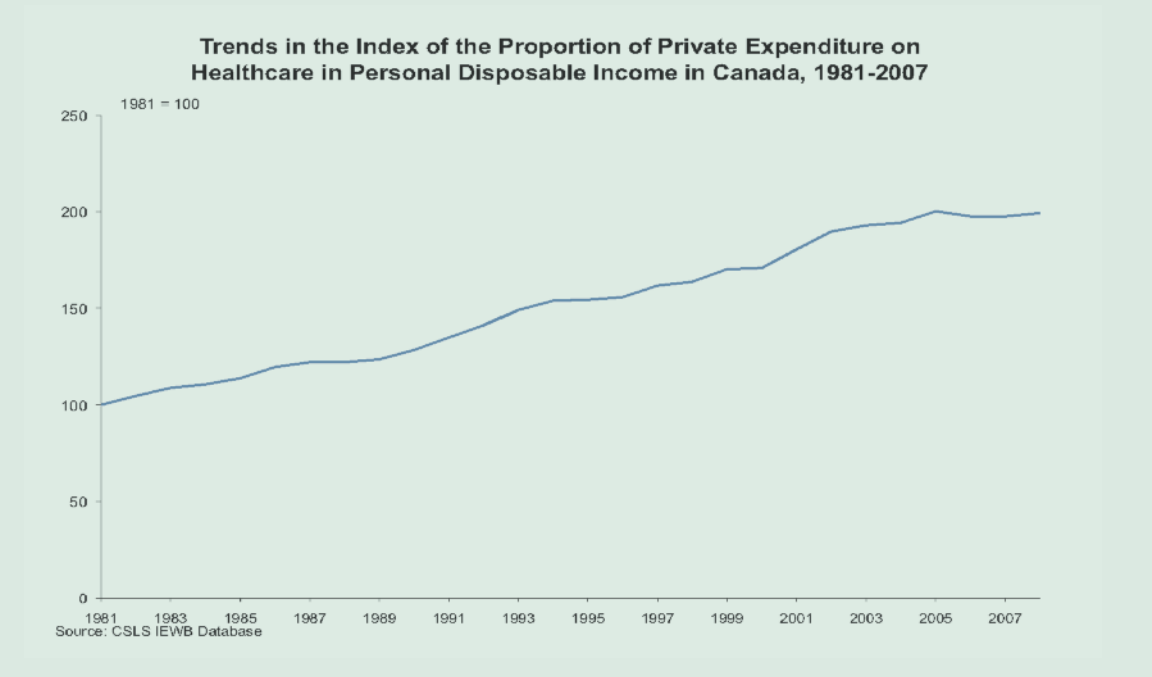
Good policy making is complex and requires attention to a full array of factors to ensure approaches that will reap long term benefits.

In addition to creating a dialogue about the types of policies and programs that will improve the quality of life of Canadians in the future, the CIW puts the spotlight on past practices that have had a significant impact on wellbeing – for better or for worse. At this early stage, with reporting on the first three CIW reports, we note a few such practices.

In Canada, significant resources have been spent on social programs in recent years e.g. the expansion of child benefits through the Canada Child Tax Benefit (CCTB) and the National Child Tax Supplement (NCBS). Investment in these programs has made some progress in reducing the incidence and depth of poverty.

Conversely, changes in Employment Insurance have made this program less generous in terms of required qualification period, coverage, and duration of benefits. These changes have increased financial risks to economic wellbeing. In 2007, the proportion of unemployed Canadians receiving EI benefits was 44.4%, down from 66.6% in 1981 and 83.8% in 1989.

Financial risks have also increased due, for example, to the delisting of medical services such as vision care and physiotherapy in Ontario. The growth in private out of pocket expenditure on health care rose from $2.3 billion current dollars in 1981 to $16.5 billion in 2007. This represented nearly a doubling of private out of pocket health spending as a share of disposable income. Increased private health expenditure imposed by poor health represents a growing financial burden for low-income Canadians.



Welfare benefits, expressed in constant dollars, have also dropped significantly for all four types of welfare recipients. One way of looking at the adequacy of welfare benefits is to examine how benefits compare to Statistics Canada's Low Income Cut-off (LICO, before tax – a commonly used standard for measuring poverty). From 1986 to 2006, single employable individuals saw their welfare benefits fall from 36% of the LICO to 32%. Single parents with one child, saw a drop from 61% of the LICO to 60% - a far cry from the 1994 peak of 69%. The trend was similar for couples with two children, who saw the proportion of their welfare benefits fall 9 percentage points between 1994 and 2006, from 62 % to 53%. Persons with a disability also experienced a fall from 58% in1989 to 51% in 2006. These developments likely contributed to the increase in income inequality.

While the general wellbeing of young Canadians is of considerable concern, there is one area that gives cause for hope. Between 1994 and 2007, teen smoking rates declined by 42%, and the gender gap closed after several years where more female than male teenagers smoked. This dramatic improvement in this unhealthy behaviour is due to concerted efforts by governments and civil society groups across the country, ranging from tax and smoking restriction policies to health promotion and public health advocacy.

At the other end of the age spectrum, poverty among elderly Canadians has fallen considerably. It dropped by15.6 percentage points from 21.0 % in 1981 to only 5.4% in 2006. This development reflected the increased government transfers to seniors in the form of Canada Pension Plan/Quebec Pension Plan, Old Age Security, and Guaranteed Income Supplement payments. CPP payments, for example, grew nearly ten-fold in nominal terms, from $2.3 billion in 1981 to $24.2 billion in 2005.

Connecting the Dots to Better Policies

As is already evident from the first three domain reports, many wellbeing factors dynamically interact to shape the quality of life of Canadians. Understanding when and how they interact is vital to improving the wellbeing of Canadians in all of its various dimensions.

It is clear, for example, that despite the availability of universal health care services, with which a large majority of Canadians are satisfied, persistent health gaps continue to exist among different social groups. This suggests that while improvements in the various provincial health care systems may be highly desirable and badly needed, they alone will not eliminate or significantly reduce these disparities.

Many socio-economic conditions greatly influence health. These conditions have been shaped by both private economic practices ('the market') and public policies (regulation, taxes and transfers). Delivering better health outcomes for Canadians will require activity in each of these areas. The effects of these conditions on health can be further mitigated by government programs and services, and by belonging to a cohesive and inclusive community.

There is, in short, a need for both public policy interventions tailored to socially excluded groups, as well as initiatives outside the traditional health field, including poverty reduction measures such as a living wage, affordable housing, food security, early learning initiatives, and more available, affordable childcare. The challenge to Canadian policy shapers and decision makers is to take this knowledge and use it to produce more comprehensive policies that will improve the lives of all Canadians.

3. First Results: Summaries and Highlights

3.1 Living Standards (Summary and Highlights)

The Living Standards Domain Report measures the level and distribution of income and wealth, poverty rates, income volatility and disparity, and economic security, including the security of jobs, food, housing, and the social safety net. The Living Standards Domain measures 9 indicators.

Living Standards Model

Trends

An examination of data covering 1981-2008 revealed the following trends regarding the evolution of living standards in Canada:

- Canadians were on average better off in terms of income and wealth.
- But, income and wealth inequality increased.
- Labour productivity growth exceeded real wage growth.
- Little progress was made in reducing poverty.
- There was an overall improvement in labour market conditions.
- The social safety net continued to fray, providing less support for the disadvantaged.

Overall, Canada became a much richer country, but it was the top 20% that received the lion's share of rising income and wealth.

Report Highlights

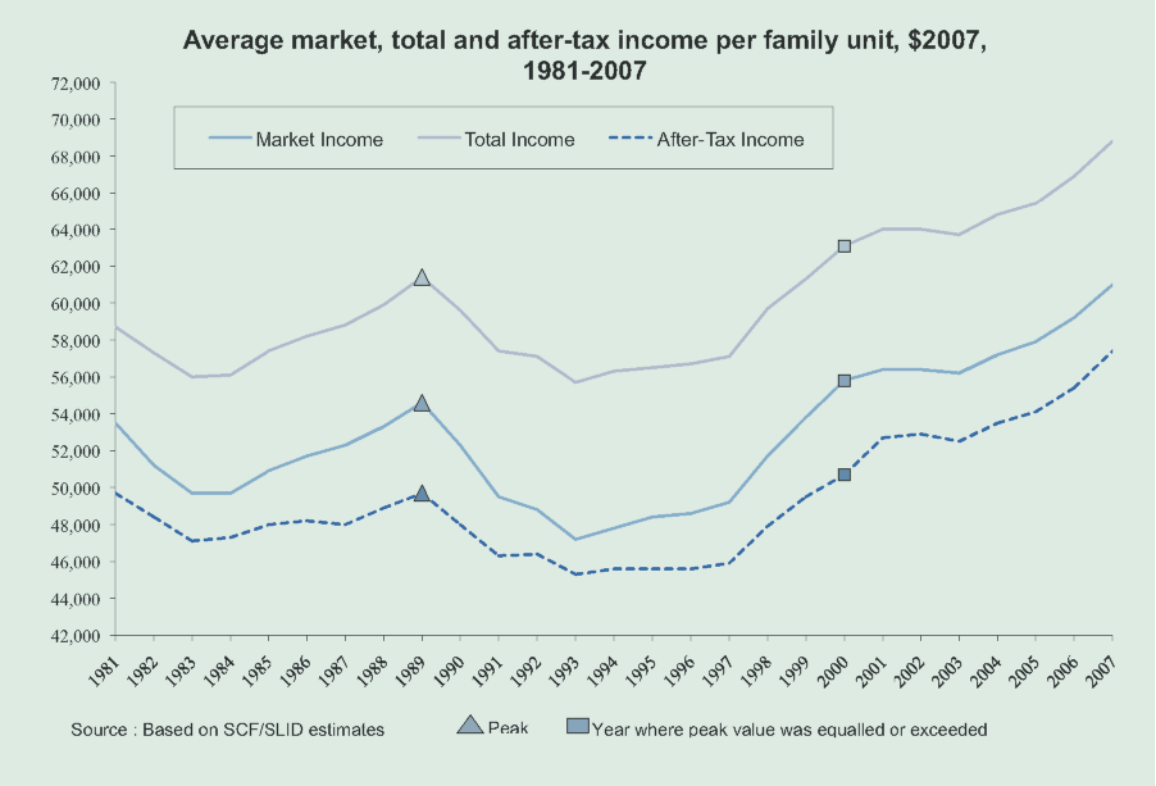
The following are the key highlights of the report:

Not all Growth was Equal

- Between 1981 and 2008 real GDP per capita grew by a total of 52.6%. Personal Income per capita grew by only 36.5% and personal disposable income per capita grew by 28.8%.
- Labour productivity increased at an average annual rate of 1.3% between 1981 and 2008, but real hourly wages grew much more slowly at an average rate of only 0.8% per year.
- In 1981, profits represented 11.3% of GDP. By 2008, the share had risen to 14.5%.

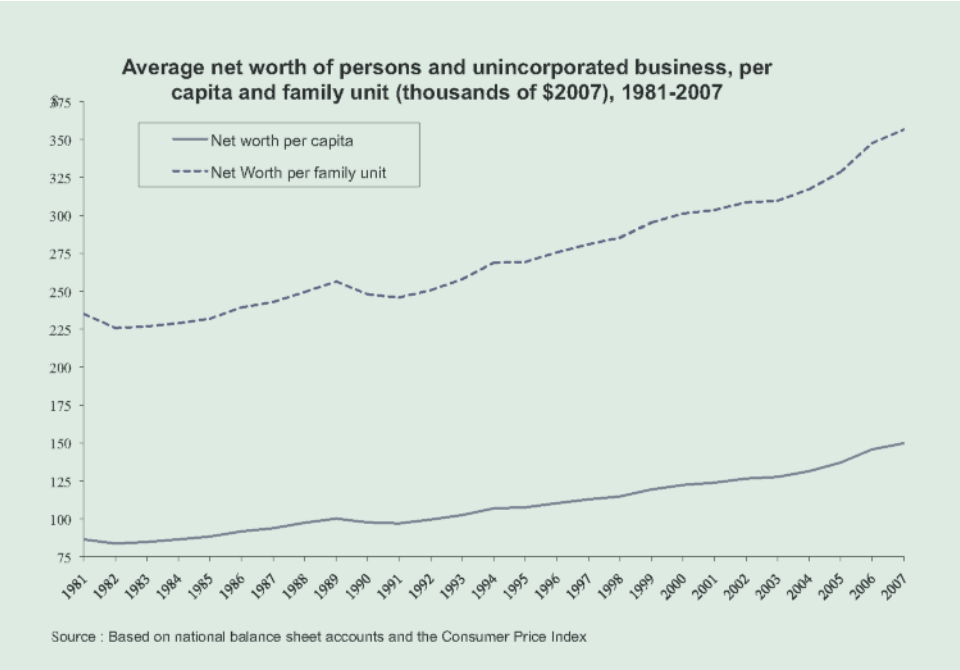
Many of us Made More Money – in Part because we Worked Longer Hours

- Between 1981 and 2008, real pre-tax personal income per capita rose 36.5%, and after-tax per capita income rose 28.8%.
- Real pre-tax income per household increased 14.1% and after-tax real income per household rose 11.7% per cent.
- Part of the increase in real income was the result of an increase in hours worked, with the average annual hours worked per person of working age rose 2.9% over the same period.
- The proportion of workers working 50 hours or more increased 0.8 of a percentage point, from 12.1% in 1981 to 12.9% in 2008. The biggest increase was for workers aged 55 to 64, from 10.5% in 1981 to 11.8% in 2008.



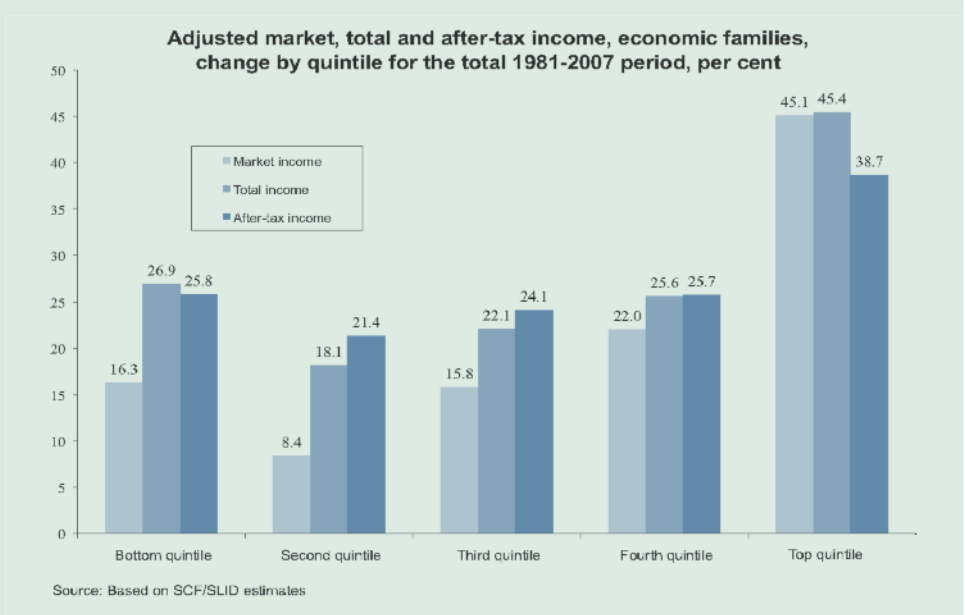
We were Wealthier on Average

Average real net worth in 2007 was up 73.3% on a per capita basis and 51.7% on a household basis from 1981.



Inequality Increased – the Rich Got Richer

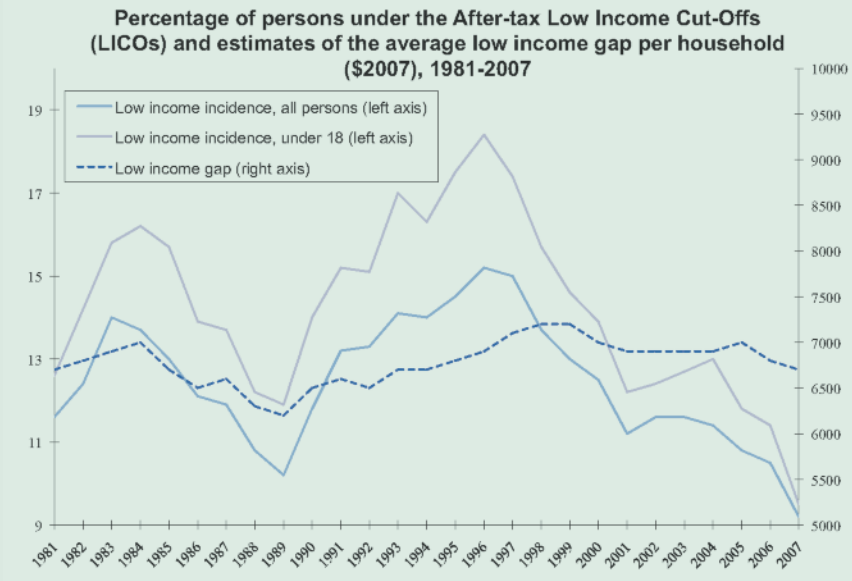
The after-tax income of the top 20% of households rose 38.7%, from 1981 to 2007 while the increases for all other income groups were between 21% and 26%.



The Poor Stayed Poor

- There was little progress in the fight on poverty. The poverty rate for all persons was 9.2% in 2007, down from 11.6% in 1981.

- The poverty gap – the amount of money by which the average poor family fell short of the poverty line – was the same in 2007 ($6,700) as it was in 1981.



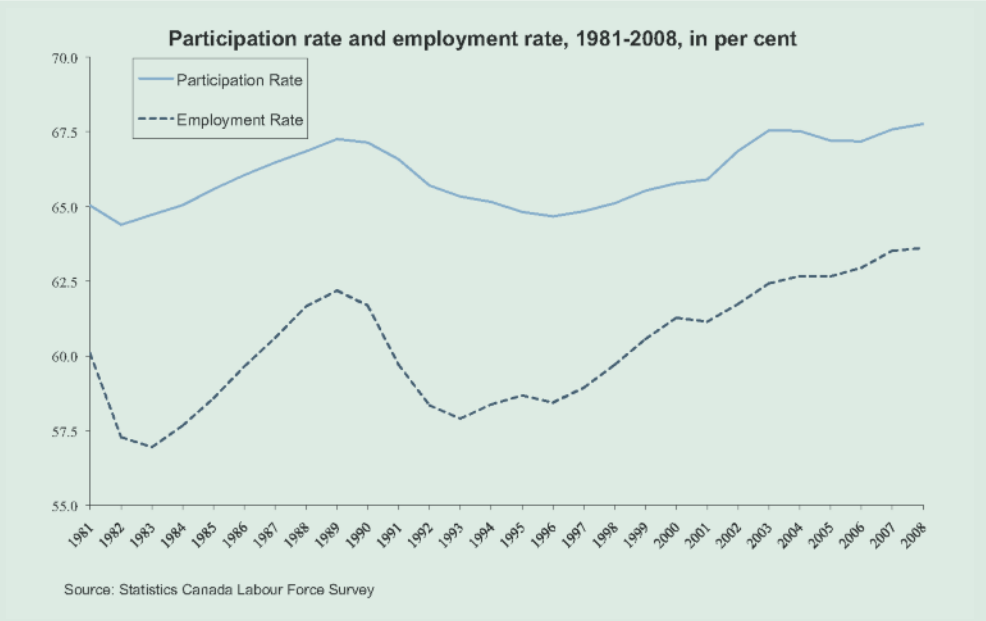
Source: Based on SCF/SLID estimates

Labour Market Conditions Improved – But the Proportion of Long-term Unemployed was up and Job Quality was down

- The unemployment rate was lower in 2008 (6.1%) than in 1981(7.6%) but the proportion of long-term unemployed – those unemployed more than 52 weeks – was higher in 2008 (6.7%) than in 1981(5.7%).

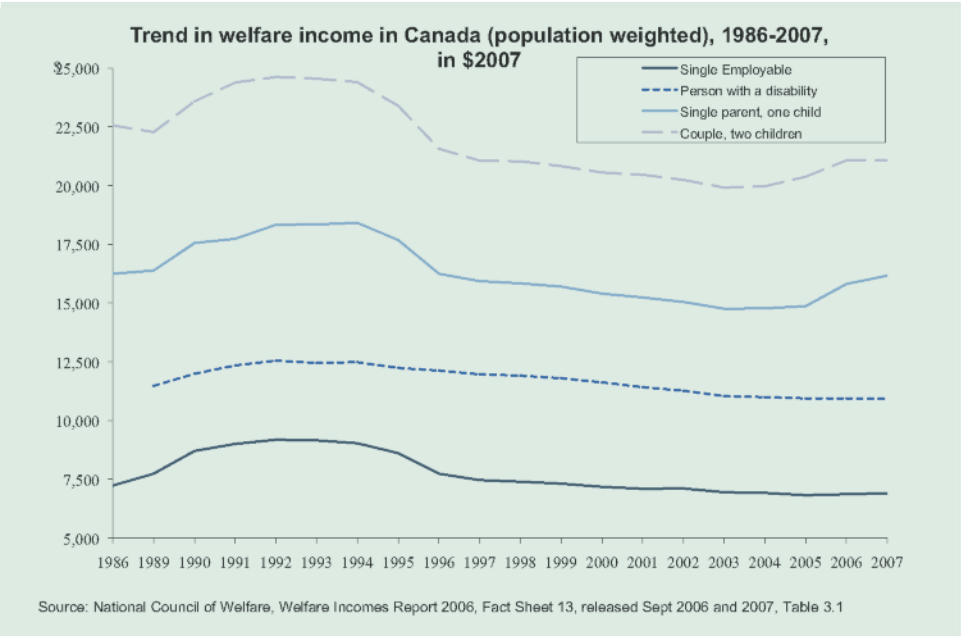
- Job quality, as measured by the CIBC Job Quality Index, was on a more or less steady downward course, falling 11.3% from 1988 to 2008.

- The most important development was the increased employment rate, that is, the ratio of the employed to the working age population. This rate reached 63.6% in 2008, up from 60.1% in 1981 due to the increased participation of women in the labour force.



Key Social Programs Provided Less Support for Working-Age People

- Welfare benefits in real terms were significantly lower for all four types of welfare recipients in 2007 than in 1986.



Source: National Council of Welfare, Welfare Incomes Report 2006, Fact Sheet 13, released Sept 2006 and 2007, Table 3.1

- Employment Insurance in 2008 was less generous in terms of required qualification period, coverage, and duration of benefits, than in 1981.

- These developments likely contributed to the increase in income inequality.

- On the other hand, the introduction of the child tax credit and the National Child Benefits Supplement in the mid-1990s, the only major new social program established since the 1970s, provided additional income to poor working families and lowered the poverty rate for this group somewhat.

- Equally, the national minimum wage in 2008 represented 42% of the average industrial wage, up from 35% in 1983 although all of the increase took place before 1995.

Impact of the Recession

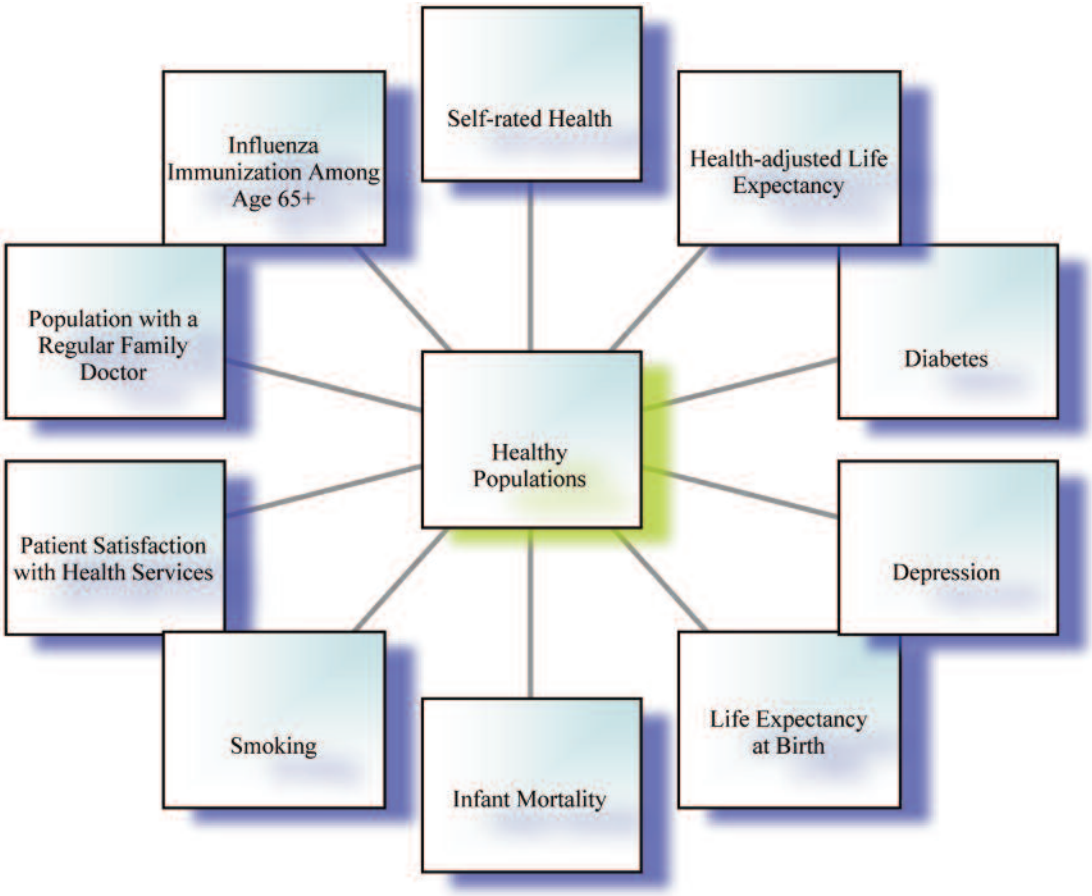
As with all CIW domains, the Living Standards domain tracks changes over a period of time, in this case 1981-2008. Unlike the other domains, however, the situation changed very quickly and very dramatically in the second half of 2008 and first quarter of 2009. To report on this, the Institute commissioned a special study examining the initial impact of the recession on the living standards of Canadians.

The results of the special study are not reflected in this report, but will be available online at www.ciw.ca.

3.2 Healthy Populations (Summary and Highlights)

The Healthy Populations Domain Report measures the physical and mental wellbeing of the population, life expectancy, and behaviours and life circumstances that influence health, health care quality and access, and public health services. The Report focuses on a set of key indicators that illustrate the overall health of the population (health status) and factors that influence health (health determinants). The Healthy Populations Domain measures 10 indicators.

Healthy Populations Model



Trends

The relatively high standard of living enjoyed by Canadians is matched by life expectancy rates that are among the best in the world. But a closer look at additional health indicators reveals a more mixed picture:

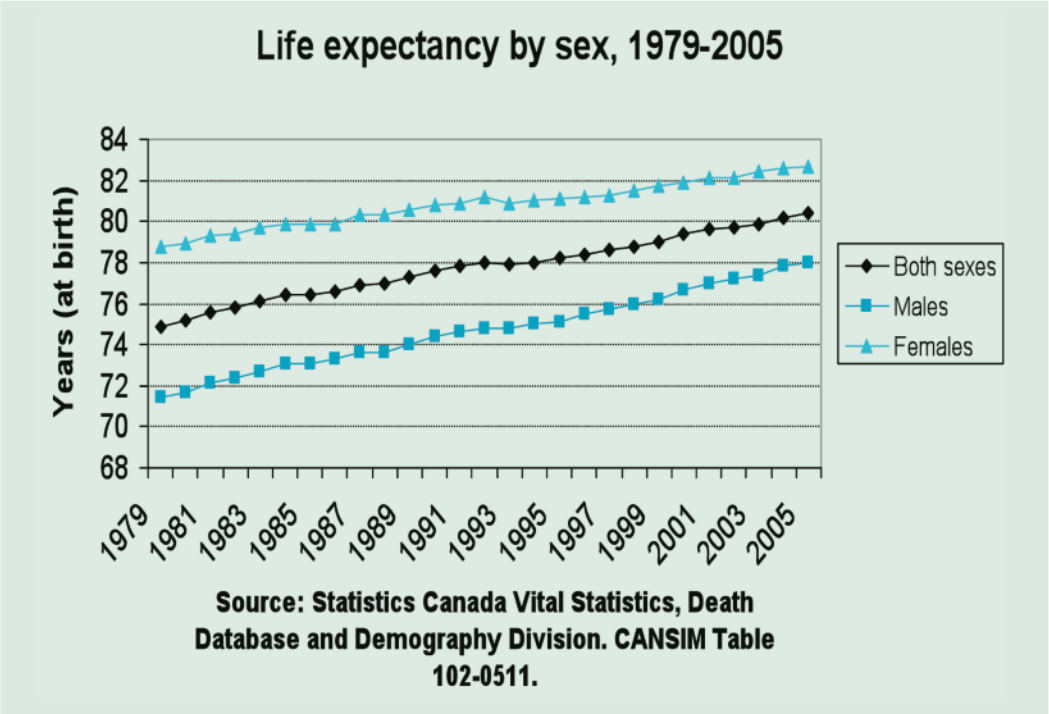
- While Canadians generally have high levels of health, there are discrepancies in health according to social groupings – despite the availability of universal health services.
- People with higher incomes and education live longer, are less likely to have diabetes and other chronic conditions, are more likely to be physically active, and report better levels of health overall.
- Canadians rating of their health status has declined in recent years. This decline runs across the population.
- The decline is most marked among teenagers, which is a worrisome trend, given that this age group is generally considered healthier than most.
- The majority of Canadians rate the quality of their health care system as high and most are satisfied with their health care services.

Report Highlights

The following are the key highlights from the Healthy Populations domain research study:

We're Living Longer

- Canada's life expectancy rates are among the best in the world. We have made consistent gains over the past decades. On average, a Canadian born in 2005 could expect to live to 80.4 years, up from 74.9 years in 1979.
- Women continue to live longer than men – 82.7 years compared to 78 years in 2005. But men are catching up – life expectancy for men has increased by 6.6 years since 1979, compared to 3.9 years for women.



- Life expectancies are substantially shorter in all three northern territories – shockingly shorter in Nunavut where a child born in 2004 could expect to live only 70.4 years – more than 10 years less than the national average. This mirrors the poor health status and life expectancy of Aboriginal peoples, who make up 85% of Nunavut's population.

But We're Not Living Better

- Taking into account the limitations brought on by disease and disability, the number of years lived in full health for Canadian women is not substantially different in 2005 than it was in 1991. Canadian men, however, made slight gains during this period.

- Gains in health-adjusted life expectancy for Canadian women and men peaked in 1996 (59.7 and 55.7 years of expected good health respectively) and have since started to drop. Canadians are increasingly likely to develop a chronic disease or mental illness during their lifetime.

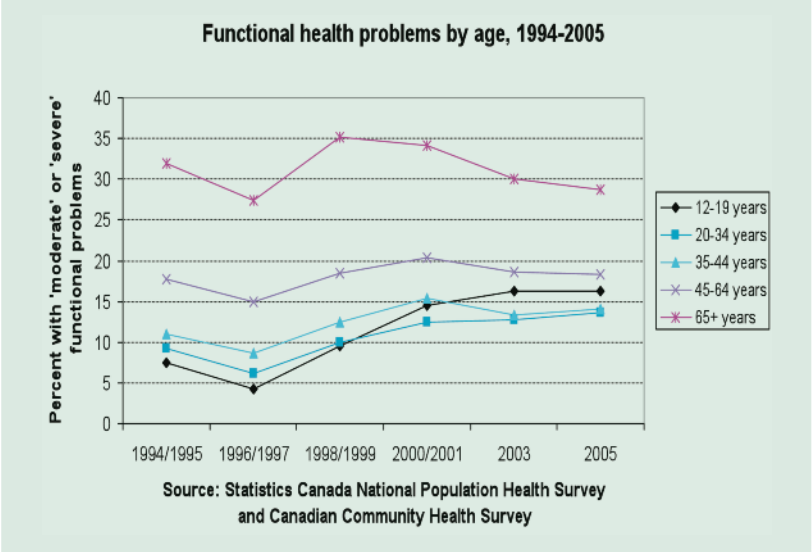
We Don't Feel as Healthy as we Used To

- The proportion of Canadians who considered themselves as having very good or excellent health peaked in 1998 at 65.2% and decreased dramatically in 2003 to 58.4%. Self-rated health rebounded slightly in 2005, but is still considerably lower than it was 10 years earlier.

More Teenagers are Reporting Health Problems

The decline in the share of the population that considers itself in excellent or very good health is most marked among Canadian teenagers. Whereas over 80% of 12–19 year olds reported excellent or very good health in 1998, only 67% did so in 2005.

This is matched by a steadily increasing share of teenagers who report problems with everyday functions (memory, thinking and mental wellbeing), an increase of 6.4 percentage points.



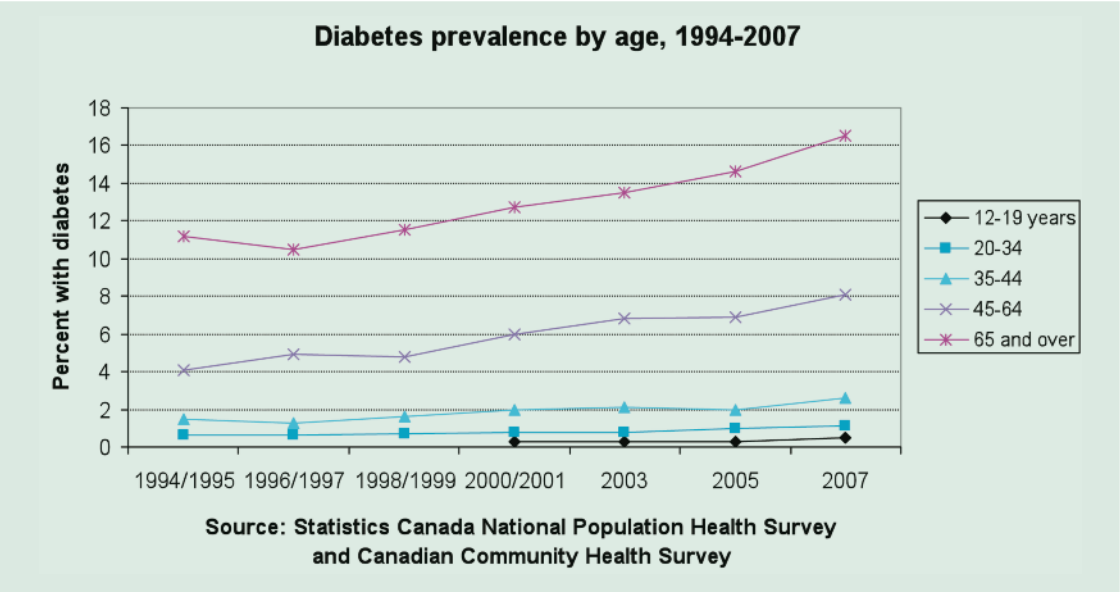
Money and Education Matter

Higher incomes and higher levels of education are associated with longer life expectancy and better self-reported health. The positive impact of income and education is most marked among women. At higher levels of income they are equally likely as men to consider themselves in very good or excellent health. Notably, income increases in the lower income brackets have the greatest impact in reducing the prevalence of diabetes and depression.

We're Putting on Weight – and it's Making us Sick

The number of Canadians who are obese grew from 12.7% in 1994 to 16% in 2007. Obesity is linked to a number of chronic health conditions, including diabetes, high blood pressure, asthma, heart disease and cancer.

Excess weight is the single most important cause of diabetes. Diabetes rates have almost doubled over the past 10 years with the greatest rise in the 35 and over age groups.



Diabetes rates are especially high among Aboriginal Canadians. In 2001, 11% of adults on selected reserves reported diabetes – more than three times the level of the general population. Among First Nations people living off-reserve, diabetes rates were over 8%.

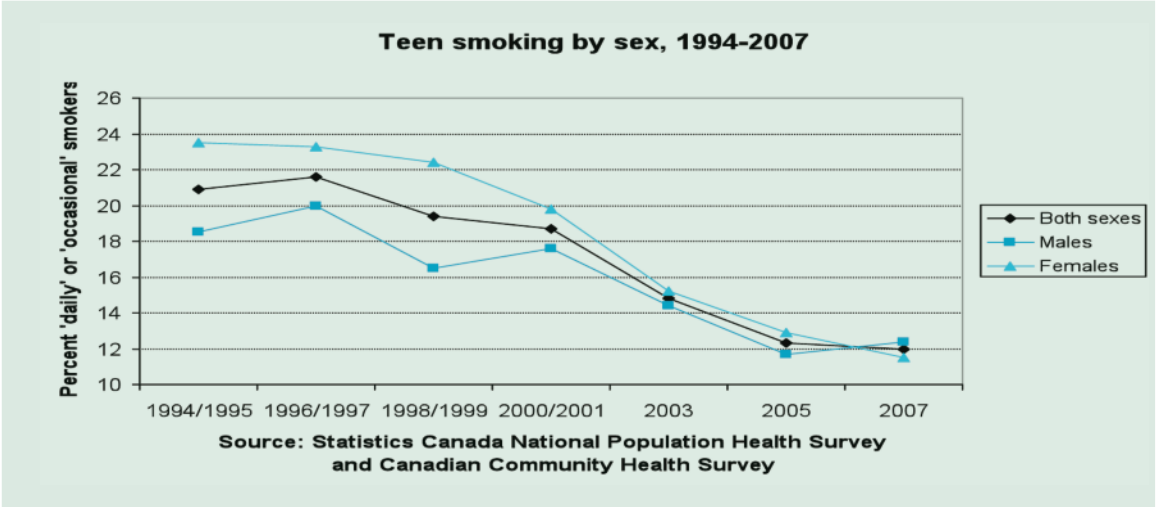
Rates of other chronic diseases are also higher among Aboriginal Canadians. These measures capture just a small portion of the long-known health disparities between Aboriginal and non-Aboriginal Canadians, a health gap that in recent years has narrowed somewhat, but which still remains unacceptably large.

Fewer Canadians are Depressed, but Rates are Still High

The likelihood of depression has decreased among Canadians of all ages in recent years after rates peaked in 2000/2001. The rate increased from 5.2% in 1994 to 7.1% in 2000 before dropping back to 5.2 % in 2005. However, depression rates were still higher in 2005 for Canadians aged 20–64 than they were in 1996/97.

Some of us are Adopting Healthier Lifestyles

The percentage of Canadians who use tobacco continues to decline, particularly among youth, where the rate dropped by 42% between 1994 and 2007. The gender gap (girls used to smoke more than boys) has disappeared. But smoking rates among those 20-34 and 45-65 went up between 2005 and 2007.



- The proportion of Canadians getting physical activity has increased steadily over the past decade. But physical activity rates for all ages and both sexes declined slightly between 2005 and 2007. This may be cause for concern and careful monitoring.

- The fact that obesity rates have gone up despite an increase in physical activity suggests that the physical activity mitigated what would have been an even larger increase in obesity rates. There may be a growing divide between those who are physically active and those who are not.

We're Happy with our Health Care Services

- 87% of Canadians in 2007 said that they rated the quality of health care in their province or territory as excellent or good, up from 84% in 2000-01. The rates were equally high when asked about community-based health care and access to a regular family physician.

There are Interesting Geographic Differences

- On a number of indicators, there were interesting differences between physical and mental health at the provincial and territorial level. Newfoundlanders, for example, have lower life expectancies and generally higher rates of diabetes and other adverse health conditions; however, they have among the lowest levels of depression and are most likely to consider themselves as having excellent or very good health.

- On the other hand, British Columbians and Albertans enjoy the longest life expectancies and lowest levels of obesity and diabetes, but they are also more likely than Newfoundlanders to report high levels of depression and less likely to say they are satisfied with the quality of their health services. The reasons for these geographic differences are not known and should be the subject of further inquiry.

3.3 Community Vitality (Summary and Highlights)

Vital communities are those that have strong, active and inclusive relationships among residents, private sector, public sector and civil society organizations – relationships that promote individual and collective wellbeing. Vital communities are able to cultivate and marshal these relationships in order to create, adapt and thrive in the changing world. They do so in ways that are inclusive and respectful of the needs and aspirations of diverse communities.

The Community Vitality Domain Report focuses on issues of social relationships and networks, and on the conditions that promote these relationships and facilitate community action on behalf of current and future residents. The Community Vitality Domain measures 11 indicators.

Community Vitality Model

Trends

The indicators reveal that Canadians, by and large, have strong social relationships with their families and their communities. On balance, the positive trend of most of these indicators is heartening, suggesting that the wellbeing of Canadians, as measured by the quality of their relationships, is improving over time. The following specific trends can be seen:

- While the size of social networks appears to be declining, the rate of membership in voluntary groups and organizations is relatively high and the proportion of Canadians engaged in volunteering has been edging up.
- Canadians report high levels of social support, extending assistance to family, friends and neighbours. Compassion for others is growing.
- Levels of crime are down, an indicator of enhanced community relationships.
- A majority of Canadians believe that they can trust others, but a sizeable minority do not.
- A relatively small number of Canadians experience discrimination, but the number is significantly higher for visible minorities.
- Canadians report a strong sense of belonging to their local communities across the country, but the feeling is least strong in Quebec.

Report Highlights

The following are the key highlights of the report:

We're Participating More in Organizations and Volunteer Activities

- 61% of Canadians were members of non-profit, voluntary organizations in 2003, up from 51% in the late 1990s.
- 33% of Canadians volunteered with non-profit and charitable organizations in 2003; this was up from 31% in 1997, although the proportion had fallen to 27% in 2000.

Rate of volunteering by province, population aged 15 and older, 1997, 2000, 2003

	1997	2000	2003
Canada	31%	27%	33%
Newfoundland	33%	31%	40%
Prince Edward Island	36%	37%	40%
Nova Scotia	38%	34%	38%
New Brunswick	34%	29%	35%
Quebec	22%	19%	23%
Ontario	32%	25%	35%
Manitoba	40%	36%	39%
Saskatchewan	47%	42%	45%
Alberta	40%	39%	39%
British Columbia	32%	26%	37%

Source: Statistics Canada, 1997 and 2000 NSGVP; 2003 GSS

Our Social Networks are Shrinking

- The number of Canadians reporting six or more close relatives dropped from 37% in 1996 to 34% in 2003, while the number reporting six or more close friends went from 40% down to 30%.

We Provide More Help and Care More about Others

- 83% of Canadians reported that they extend unpaid care and assistance to family, friends and neighbours in 2004, an increase from 73% in 1997.
- 42% of Canadians in 2003 reported being concerned about the needs of others, regardless of the pressures of their own lives, an increase from 27% in 1994.

Percentage of population 16 years and older:
"These days I feel hard pressed to take care of my own needs, that I worry less about the needs of others"

	% who Disagree			
	1994	1997	1998	2003
Canada	27%	41%	41%	42%
Atlantic Region	26%	36%	33%	42%
Quebec	26%	39%	41%	40%
Ontario	24%	42%	40%	43%
Prairie	25%	39%	43%	39%
Alberta	33%	44%	48%	46%
British Columbia	32%	44%	44%	41%

Source: EKOS Rethinking Government, Selected Years

Crime is Going Down

- The national crime rate dropped by 30% between 1991 and 2006.
- Property crime rates dropped by 36%, from 5,571 per 100,000 in 1993 to 3,588 in 2006.
- Violent crime has been trending downward since the early 1990s, with the 2006 rate of 951 per 100,000 down 12% from the 1,081 in 1993. The rate of sexual assaults in 2006 was the lowest in over 20 years.
- Canadians report high levels of personal safety; the proportion feeling safe walking alone after dark increased from 86% in 1993 to 90% in 2004.

Percentage of population 15 years and older who feels safe walking alone after dark, by province, 2004

	2004
Canada	90.0%
Newfoundland	97.0%
Prince Edward Island	96.0%
Nova Scotia	92.0%
New Brunswick	95.0%
Quebec	88.0%
Ontario	90.0%
Manitoba	90.0%
Saskatchewan	93.0%
Alberta	92.0%
British Columbia	88.0%

Source: Statistics Canada, General Social Survey on Victimization, Cycle 18

Trust is Relatively High

55% of Canadians in 2005 believed that, generally speaking, people can be trusted, up slightly from 53% in 2003. But 43% reported that "you can't be too careful in dealing with others".

Percentage of population 15 years and older who feel that 'people can be trusted', by province, 2005

	2005
Canada	54.5%
Newfoundland	53.4%
Prince Edward Island	64.5%
Nova Scotia	56.4%
New Brunswick	51.7%
Quebec	34.2%
Ontario	59.3%
Manitoba	63.6%
Saskatchewan	65.1%
Alberta	63.5%
British Columbia	64.7%

Source: Statistics Canada, General Social Survey on Social Engagement, Cycle 19

There is Good News and Bad News about Social Inclusion (based on data availability)

In 2004, 4.1% of Canadians reported experiencing discrimination because of their ethnicity, race, culture, skin colour, religion or language, a drop from 7.1% in 2002.

While 64% of visible minorities in 2002 reported no discrimination in the previous five years, 20% (1 in 5 Canadians) said that they often or sometimes experienced it. No figures are available for visible minorities in 2004.

Another dimension of race based inequality can be found within the healthy population and living standards research showing that visible minorities, on average, have poorer health, lower incomes and higher rates of poverty.

Population reporting discrimination or unfair treatment in Canada in the past five years because of ethno-cultural characteristics, and visible minority status, 2002

	Total population	Sometimes or often	Rarely	Did not experience discrimination
Total population	22,445,000	7.0%	6.0%	86.0%
Not a visible minority	19,252,000	5.0%	5.0%	90.0%
Visible minority	3,000,000	20.0%	15.0%	64.0%

Source: Statistics Canada, Ethnic Diversity Survey, 2002

We Feel We Belong

- 64% of Canadians expressed strong attachment to their local community in 2005, up from 58% in 2001.
- The percentage was lowest in Quebec at 55%, but this is up from 47% in 2001.

Percentage of population 12 years and older reporting a "very strong" sense of community belonging, by province, 2001-2005

	2001	2003	2005
Canada	57.9%	63.9%	64.4%
Newfoundland	77.7%	79.9%	79.2%
Prince Edward Island	70.4%	73.7%	75.1%
Nova Scotia	66.1%	70.9%	72.6%
New Brunswick	62.0%	72.3%	73.2%
Quebec	46.9%	55.5%	54.7%
Ontario	59.9%	64.4%	65.5%
Manitoba	63.1%	69.4%	68.5%
Saskatchewan	68.1%	72.6%	72.2%
Alberta	56.6%	64.5%	64.8%
British Columbia	63.3%	67.7%	69.6%
NWT	80.3%	76.9%	74.6%

Source: Calculations by CCSD using Canadian Community Health Survey, selected years

APPENDICES

APPENDIX I – Institute of Wellbeing Advisory Board

Chair

The Honourable Roy Romanow, P.C., O.C., S.O.M., Q.C.; former Premier of Saskatchewan; Commissioner on the Future of Health Care in Canada; Senior Fellow, Political Studies, University of Saskatchewan; Atkinson Economic Justice Fellow

Deputy Chair

The Honourable Monique Bégin, P.C., FRSC, O.C.; Canadian Commissioner on WHO Commission on Social Determinants of Health; Professor Emeritus, Faculty of Health Sciences, and Visiting Professor, Health Administration, Telfer School of Management, University of Ottawa

Members

Dr. Judith Bartlett, MD, MSc, CCFP, FCFP; Associate Professor, Department of Community Health Sciences, Faculty of Medicine, University of Manitoba; Director, Health and Wellness Department at the Manitoba Metis Federation; part-time clinical practice at the Aboriginal Health and Wellness Centre of Winnipeg

Charles (Charlie) S. Coffey, O.C.; former Executive Vice President, Government Affairs and Business Development for RBC; tireless supporter of community leadership focusing on young people, entrepreneurs and Aboriginal peoples, as well as a local, national and international "children first" agenda

Enrico Giovannini, Director of Statistics and Chief Statistician of OECD, and a professor of economic statistics at the Rome University "Tor Vergata"

Allan Gregg, Leading Pollster, Political Analyst, and Social Commentator, Chairman of Harris/Decima, regular participant on CBC's "At Issue" panel on Thursday nights, host of TVO talk show 'Allan Gregg In Conversation With'

Thomas (Tad) Homer-Dixon, Ph.D., CIGI Chair of Global Systems at the Balsillie School of International Affairs and Professor of Political Science, University of Waterloo

Hugh Mackenzie, Member of the Atkinson Charitable Foundation Board of Directors, Principal in an economic consulting business, Hugh Mackenzie and Associates, Research Associate of the Canadian Centre for Policy Alternatives and of the Centre for Urban Studies at the University of Toronto

Dr. Robert (Bob) McMurtry, Professor Emeritus, Surgery, University of Western Ontario; Orthopedic Consultant at the Hand and Upper Limb Centre, London, Ontario; and former member of the Health Council of Canada

Charles Ungerleider, Ph.D., Director of Research and Knowledge Mobilization at the Canadian Council on Learning and a Professor of the sociology of education, Department of Educational Studies, University of British Columbia

M**arilyn Waring,** Ph.D., Professor, Institute of Public Policy, Auckland University of Technology; Time Use expert; author; women's rights activist; Companion of the New Zealand Order of Merit

APPENDIX II – Canadian Research Advisory Group (CRAG)

A team of world-class experts are guiding the design of the CIW Members include:

Mark Anielski, Economist, Author, and President of Anielski Management Inc., Edmonton

Denis Auger, Professor, Université du Québec à Trois-Rivières

Ann-Sylvia Brooker, Research Consultant, Toronto

Ronald Colman, Executive Director, GPI Atlantic, Halifax

Agnes Croxford, Manager, National Recreation Database, Lifestyle Information Network

Holly Donohoe, President, Cleer Consulting Inc. and Researcher and Part-time Professor, Department of Geography/School of Human Kinetics, University of Ottawa

Heather Dunning, Holden & Associates, Saskatoon

Anne Gadermann, Ph.D. Candidate, Measurement, Evaluation, and Research Methodology University of British Columbia

Martin Guhn, Postdoctoral Fellow, Human Early Learning Partnership, University of British Columbia

Andrew Harvey, Director Time-Use Research Program, Professor Emeritus, Economics, Saint Mary's University, Halifax

Bill Holden, President, Holden & Associates, Saskatoon

Ilene Hyman, Research Consultant and Assistant Professor, Dalla Lana School of Public Health, University of Toronto

Noel Keough, Assistant Professor of Sustainable Design, Faculty of Environmental Design, University of Calgary

Ronald Labonté, Canada Research Chair, Globalization/Health Equity, Institute of Population Health, University of Ottawa

Marc Lachance, Director, Monitoring and Reporting, Canadian Council on Learning, Ottawa

Simon Langlois, Professor, Department de sociologie (Université Laval) and Coordinator of the International Research Group on Comparative Charting of Social Change

Doug May, Professor of Economics at Memorial University and Director of Concept Development for the System of Community Accounts, Government of Newfoundland and Labrador

Dr. Robert (Bob) McMurtry, Professor Emeritus, Surgery, University of Western Ontario; Orthopedic Consultant, Hand and Upper Limb Centre, St. Joseph's Health Care, London, Ontario

Hans Messinger, Senior Advisor and former Director of Industry Measures & Analysis, Statistics Canada

Alex Michalos, CIW Director of Research; Director, Institute for Social Research and Evaluation, Professor Emeritus, Political Science, and Chancellor, University of Northern British Columbia

Kelley Moore, Prairie Wild Consulting Co., Saskatoon

Nazeem Muhajarine, Professor and Chair, Community Health and Epidemiology, College of Medicine, University of Saskatchewan, Saskatoon

Clem Pelot, Former CEO, Lifestyle Information Network, Ottawa

László Pintér, Director, Measurement and Assessment Program, International Institute for Sustainable Development, Winnipeg

Katherine Scott, Vice President Research, Canadian Council on Social Development, Ottawa

Andrew Sharpe, Executive Director, Centre for the Study of Living Standards, Ottawa

Malcolm Shookner, Manager, Nova Scotia Community Counts, a Division of the Nova Scotia Department of Finance, Halifax

Bryan Smale, Professor, Department of Recreation & Leisure Studies, University of Waterloo

Robert Smith, Director of Environment Accounts and Statistics Division, Statistics Canada

Leroy Stone, Associate Director General, Analytical Studies, National Accounts Field, Statistics Canada

Lenore Swystun, Founder and Principal, Prairie Wild Consulting Co., Saskatoon

Bruno Zumbo, Professor, Measurement, Evaluation, and Research Methodology, University of British Columbia

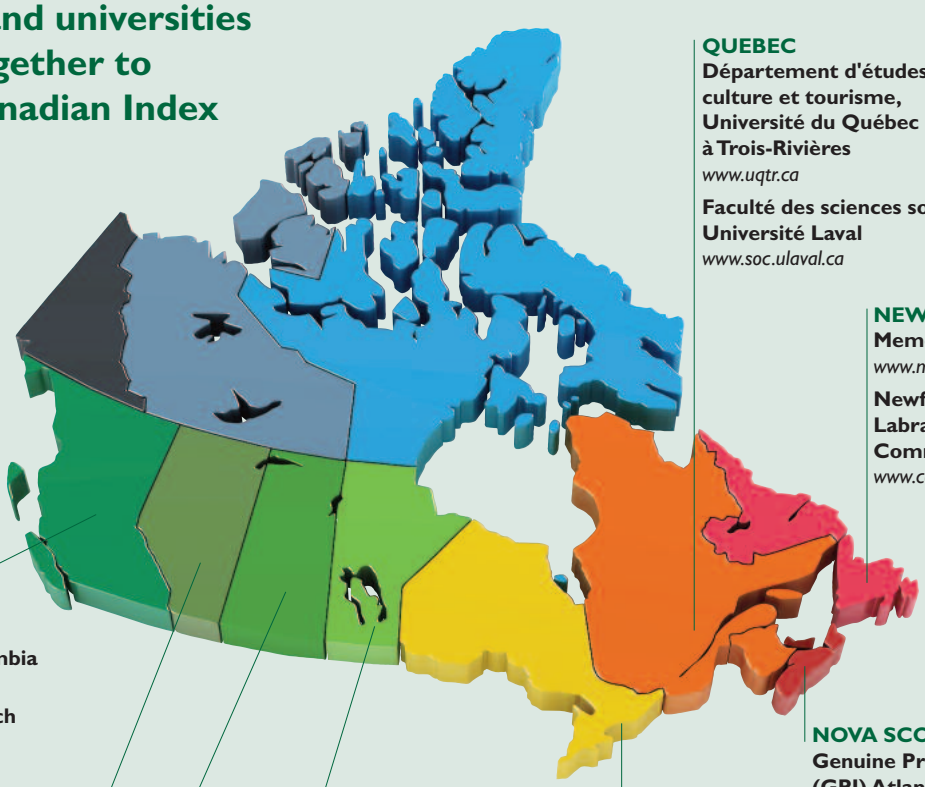
Special thanks to:

Kim Lauzon, Chief of Operations, Systems Support Section and Marketing, Industry Measures and Analysis Division, Statistics Canada

Michael Wolfson, Assistant Chief Statistician, Analysis and Development, Statistics Canada

APPENDIX III – A Pan-Canadian Network

The following government agencies, non-governmental organizations and universities are working together to develop the Canadian Index of Wellbeing.



QUEBEC
Département d'études en loisir, culture et tourisme, Université du Québec à Trois-Rivières
www.uqtr.ca

Faculté des sciences sociales, Université Laval
www.soc.ulaval.ca

NEWFOUNDLAND
Memorial University
www.mun.ca

Newfoundland Labrador Community Accounts
www.communityaccounts.ca

BRITISH COLUMBIA
Faculty of Education, University of British Columbia
http://ecps.educ.ubc.ca

Institute for Social Research and Evaluation, University of Northern British Columbia (Prince George)
http://web.unbc.ca/isre

ALBERTA
Anielski Management Inc. (Edmonton)
www.anielski.com

Sustainable Calgary
www.sustainablecalgary.ca

SASKATCHEWAN
Community University Institute for Social Research, University of Saskatchewan (Saskatoon)
www.usask.ca/cuisr

Prairie Wild Consulting Co. together with Holden & Associates
www.prairiewildconsulting.ca

MANITOBA
International Institute for Sustainable Development
www.iisd.org

NOVA SCOTIA
Genuine Progress Index (GPI) Atlantic
www.gpiatlantic.org

Time Use Research Program, Saint Mary's University
www.smu.ca/partners/turp

ONTARIO

Canadian Council on Learning
www.ccl-cca.ca

Canadian Council on Social Development
www.ccsd.ca

Centre for the Study of Living Standards
www.csls.ca

Institute of Population Health, University of Ottawa
www.iph.uottawa.ca

Institute of Wellbeing (housed at the Atkinson Charitable Foundation)
www.ciw.ca

Lifestyle Information Network
www.lin.ca

Statistics Canada
www.statcan.gc.ca

University of Toronto
www.phs.utoronto.ca

University of Waterloo
www.uwaterloo.ca

The Institute of Wellbeing an is independent, non-partisan network that brings together a pan-Canadian group of national leaders, researchers, organizations, and grass roots Canadians. Its mission is to report on the quality of life of Canadians, and promote a dialogue on how to improve it through evidence-based policies that are responsive to the needs and values of Canadians.

The Institute's signature product is the Canadian Index of Wellbeing (CIW). The CIW tracks Canada's progress and provides a set of indicators in eight interconnected categories. It allows us, as Canadians, to see if we are better or worse off than we used to be – and why, if we will leave the world a better or worse place for the generations that follow, and what we need to change to achieve a better outcome.

The Honourable Roy J. Romanow, Chair,
The Honourable Monique Bégin, Deputy Chair

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