#### MANITOBA

#### **ECONOMIC REVIEW, OVERVIEW, & OUTLOOK**

Michael Apata, Senior Economist, Manitoba Bureau of Statistics October 25, 2023









**ECONOMIC OVERVIEW** 



**ECONOMIC OUTLOOK** 



**RISKS TO OUTLOOK** 



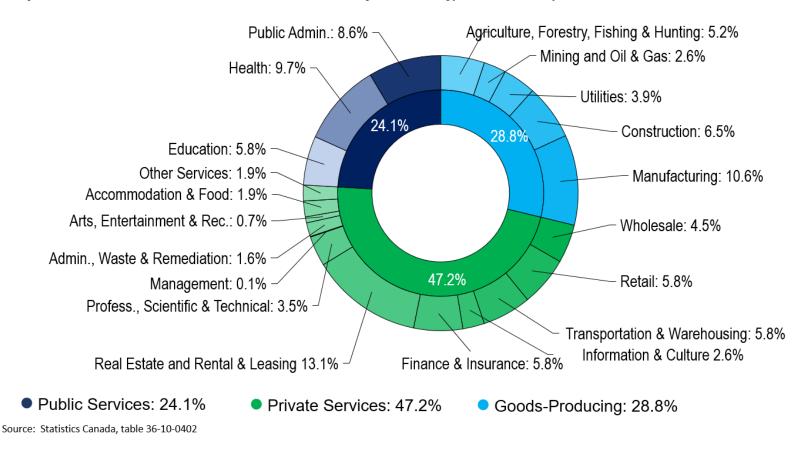
**OPPORTUNITIES AHEAD** 



#### Composition of Gross Domestic Product by Industry, Manitoba, 2022

### Manitoba's economic diversity.

- Goods-producing sector contributes 29% to total provincial GDP, while services sectors represent 71%.
- Ten industries contribute 5% or more to total provincial GDP.

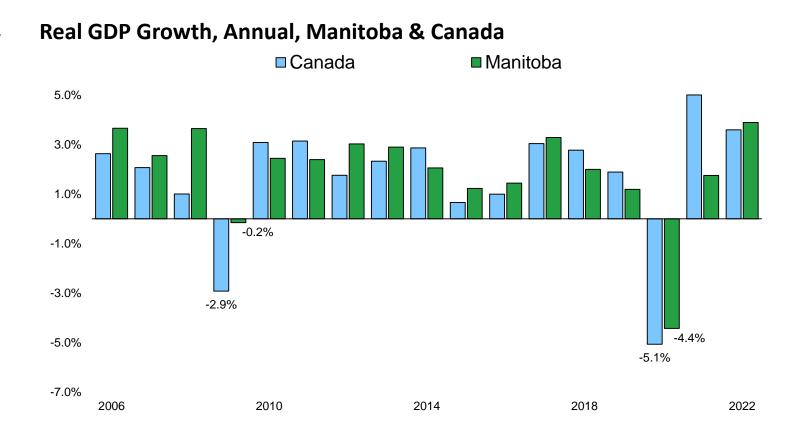




#### STABLE ECONOMY

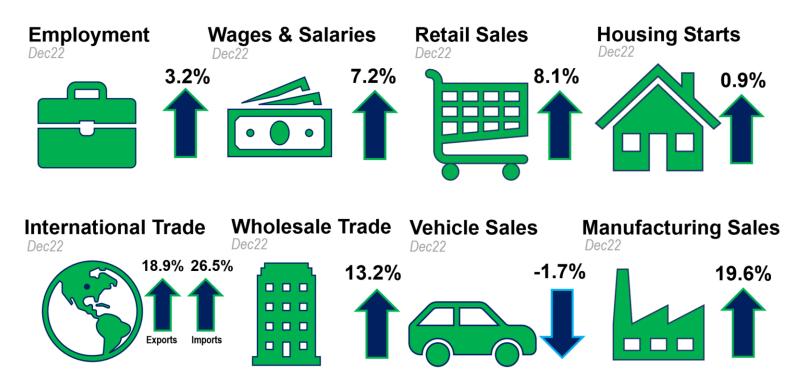
## Manitoba's economy fares better under global economic downturns

- During the Great Financial Crisis in 2009, Manitoba's economy contracted by 0.2% compared to 2.9% nationally
- During the 2020 pandemic, Manitoba's economy contracted by 4.4% compared to 5.1% nationally.





Most economic indicators were up in 2022, several reached record highs.

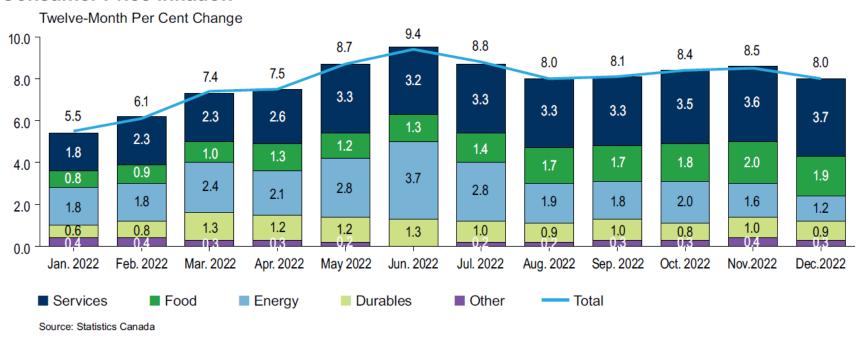


Source: Statistics Canada & Manitoba Bureau of Statistics

- Total manufacturing sales, foreign exports, retail sales, wholesale trade, wages & salaries, residential
  construction, employment, and farm cash receipts achieved all-time highs.
- Several indicators began to feel the impact of escalating interest rates. For example, housing starts showed modest growth and vehicle sales declined.

Prices for energy declined, while food and services accelerated.

#### **Consumer Price Inflation**



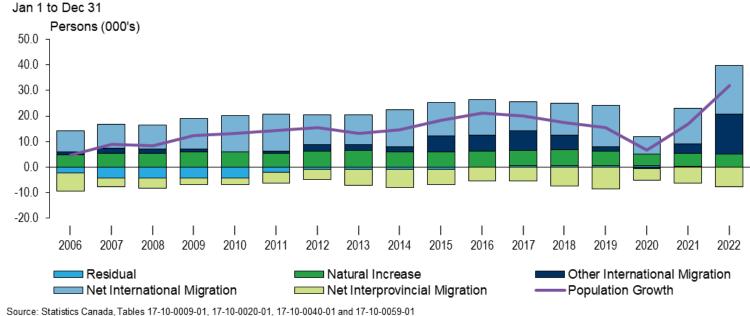
- In June 2022, energy accounted for 39.4 per cent of total consumer price inflation.
- In December 2022, energy's share of total CPI dropped to 15.0 per cent.
  - Continues to decline in the months ahead because of the higher base.
- Annual Manitoba CPI in 2022 was 7.8% the highest annual rate in 40 years.



#### **Immigration boosts** population growth in 2022.

In 2022, Manitoba's immigration level increased 30.7 per cent compared to the previous twelve months, and was the highest level since at least 1946.

#### 12-Month Population Growth, Components, Manitoba



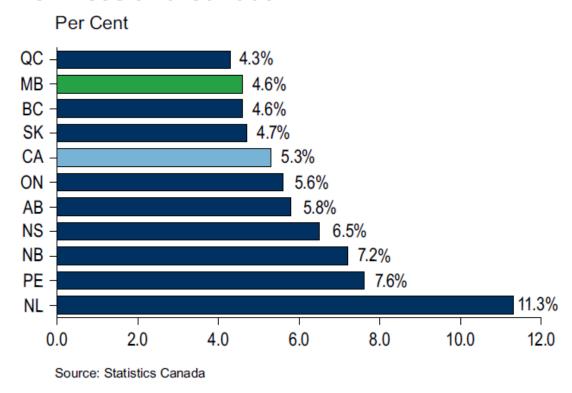
- Labour shortages have been identified in Manitoba across sectors and within businesses of all sizes and Immigration is an economic driver that is helping fill labour market needs that otherwise cannot be filled domestically
- In 2022, Manitoba welcomed 21,670 permanent residents across all immigration categories, including a record 13,940 through the Provincial Nominee Program (PNP)



## Employment grew by 3.2 per cent in 2022, the 2<sup>nd</sup> largest expansion in Manitoba history.

- Strength in job growth contributed to the 2<sup>nd</sup> lowest unemployment rate in Canada at 4.6%.
- Labour markets remain tight with several industries reporting labour shortages. In 2022Q3, job vacancies in Manitoba exceeded 32,000 – up 102% above the same quarter in 2019.

#### Annual Unemployment Rate, 2022, Provinces and Canada

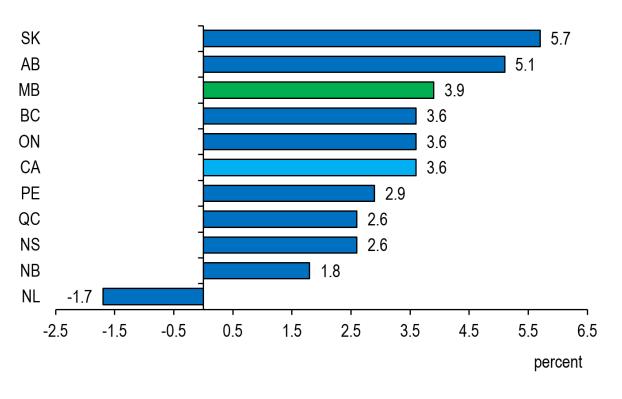




## Manitoba real GDP growth ranks 3<sup>rd</sup> best in Canada in 2022, and highest among non-resource based provinces.

- Manitoba's economic growth in 2022 was led by a strong recovery in the agriculture sector following a severe drought year that precipitated a sharp decline in crop yields.
- Lifting of COVID-19 restrictions also helped to stimulate robust consumer demand, especially for services.

#### Annual Growth in Real Gross Domestic Product at basic prices, 2022



Data Source: Statistics Canada



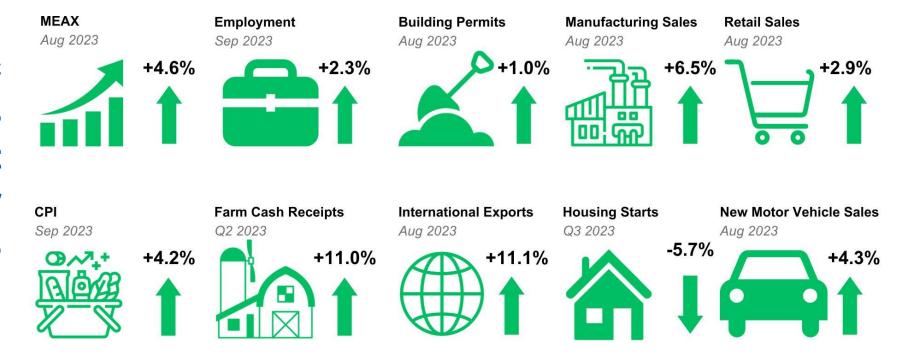
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What is our greatest strength in Manitoba?

#### **ECONOMIC OVERVIEW**

Several Economic Indicators Show Modest Growth So Far in 2023

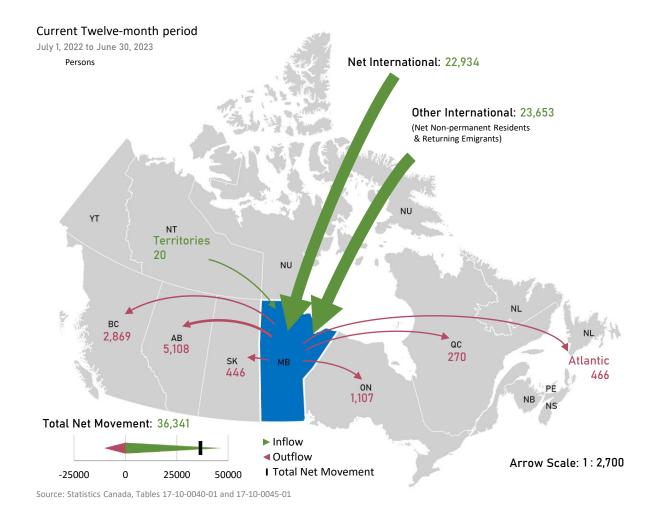


Manitoba Economic Indicators, Year-to-date Growth, 2023



#### **ECONOMIC OVERVIEW**

Manitoba's
Population of
1,454,902
persons is up
41,493 (2.94%)
persons from
July 2022





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What are the factors responsible for most of the growth in the indicators?

#### **ECONOMIC OUTLOOK**

Manitoba economy expected to slow in years ahead but avoid recession.

	2023F	2024F	2025F
<b>Gross Domestic Product</b>			
Real	1.5	0.9	1.8
Nominal	3.2	3.2	3.5
Consumer Price Index	3.9	2.5	2.0
Employment	2.2	0.7	1.2
Unemployment Rate (%)	4.8	5.4	5.1
Population	3.1	2.2	1.8

per cent change unless otherwise noted.

Source: Manitoba Finance Survey of Economic Forecasts

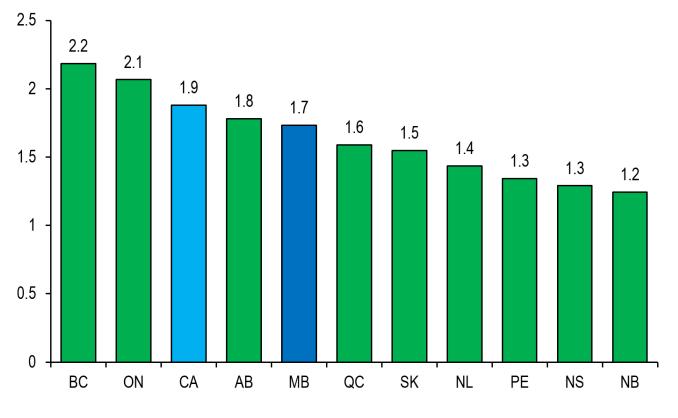
- Manitoba less vulnerable to high interest rates due to lower household debt-to-income ratios
- CPI expected to return to 1% 3% target range in 2024.
- Economic slowdown not expected to result in massive job losses due to existing labour shortages and high job vacancies.

#### **ECONOMIC OUTLOOK**

Household Debt to Disposable Income, Q2 2023

Manitoba households are less exposed to higher interest rates.

For every dollar of disposable income, Manitoba households hold \$1.7 in debt. This compares to \$1.9 nationally.



Source: Statistics Canada

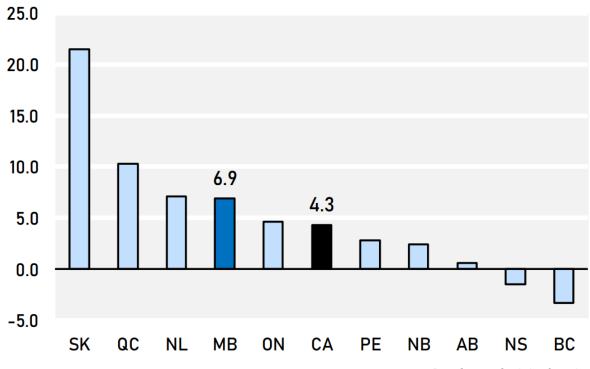


#### INVESTMENT OUTLOOK

## Manitoba expected to see healthy growth in non-residential CAPEX in 2023.

- Capital spending on non-residential tangible assets in Manitoba is expected to increase by 6.9% to \$8.70 billion in 2023.
- The Health care and social assistance and the Manufacturing sectors have the top two largest annual growth in capital spending, growing by 74.2% and 15.0%, respectively.

#### Non-residential Capital Expenditures, Intentions, 2023, Annual change (%)



Data Source: Statistics Canada

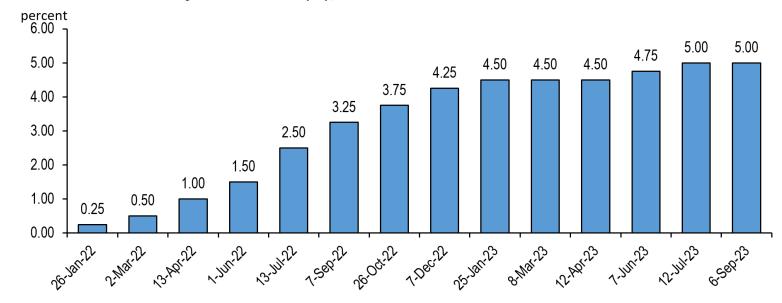


#### RISKS TO OUTLOOK

#### **Monetary Policy**

- Since March 2022, the Bank of Canada (BoC) has increased the policy interest rate by 475 basis points to 5.00% – the highest rate since 2001.
- On September 6th, 2023, The Bank of Canada maintained its target for the overnight rate at 5.00%.
- The next Bank of Canada interest rate announcement is today, October 25<sup>th</sup>.

#### Bank of Canada Policy Interest Rate (%), 2022 - 2023



Source: Bank of Canada

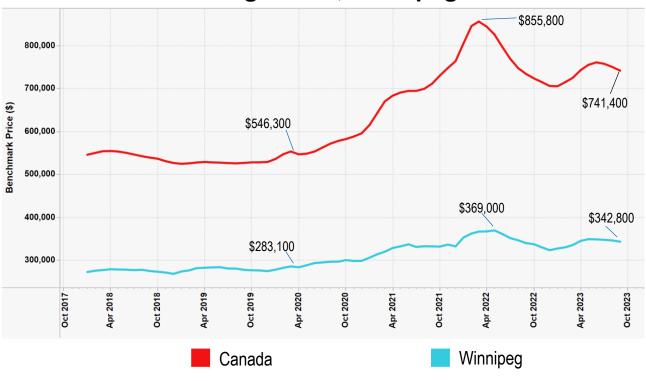


#### **HOUSING MARKET**

### Housing market first to feel impact of higher interest rates.

- Winnipeg housing prices increased from \$283.1K in Apr 2020 to \$369.0K in May 2022 (+30.3%)
- Since the peak, Winnipeg housing prices have declined by 7.1%
- Canada housing prices increased from \$546.3K in Apr 2020 to \$855.8K in Mar 2022 (+56.7%)
- Since the peak, Canada housing prices have dropped by 13.4%

#### **Benchmark Housing Prices, Winnipeg & Canada**



Source: Canadian Real Estate Association

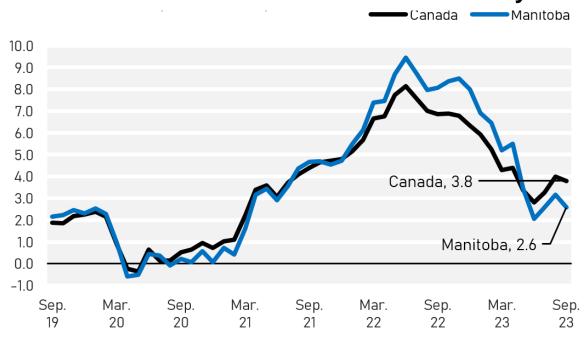


#### RISKS TO OUTLOOK

#### **Inflation**

- Consumer inflation peaked in Manitoba at 9.4% year-over-year in June 2022.
- Since then, inflation has gradually decelerated and is currently sitting at 2.6% (year-over-year) and 4.2% (year-to-date) in September 2023.
  - Led by a sharp decline in energy prices
- Mortgage interest costs, food purchased from restaurants, rent, homeowners' home and mortgage insurance, and passenger vehicles, maintenance, and repairs are the major contributing factors to inflationary pressure in Manitoba

#### Manitoba and Canada Consumer Inflation, Year-over-year





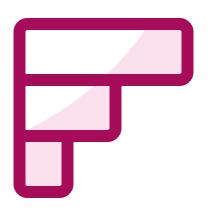
#### RISKS TO OUTLOOK

#### Other Risks:

- Supply chain disruptions
- Geopolitical tensions
- Environmental events



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### What is the biggest risk to the Manitoba economy in 2023?

#### **OPPORTUNITIES AHEAD**



LOW CARBON ECONOMY



**MINING** 



**HYDROGEN** 



## THANK YOU MERCI







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## Embedding Ethics and Inclusion into our every day

FMI Manitoba Chapter: Ethics Plus More and Annual General Meeting (AGM)

Oriana Vaccarino October 25, 2023



#### **Here With You Today!**

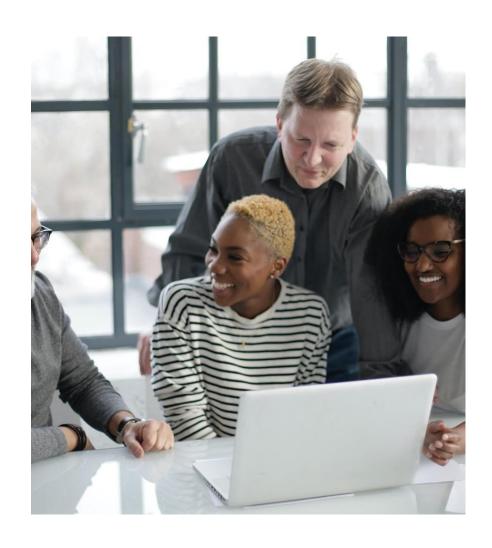


Oriana Vaccarino, Ph.D Senior Manager, People and Change

Oriana is a Social Psychologist and Methodology Lead for KPMG's Equity & Inclusion Group and a Senior Manager in the People and Change Advisory Practice. She has over 12 years of experience focused on diversity, equity and inclusion (DEI), accessibility, psychological safety and belonging, inclusive leadership, remote communication, mental health and wellbeing, capability building, stakeholder engagement, culture shifting, and impact measurement.

As a social psychologist and through her consulting work, she is trained in various stakeholder engagement approaches, to mobilize groups, build consensus, and help people unpack and understand their own and others' perspectives. She has used these approaches to engage diverse communities in the co-creation and evolution of our Equity and Inclusion methodology and related tools in KPMG Canada and globally across KPMG, with the aim of incorporating representative community voices into our work and reflecting today's realities.





#### **Contents**

**01** Introduction and Welcome

**02** The 'S' in ESG

**03** Equity and Inclusion in Professional Ethics

**Q4** Embedding these Principles

**05** Interactive Q&A





#### Introduction

This session will take us through the S in ESG, how equity and inclusion contribute to our professional ethics, and how we can embed them in our every day actions and across our roles.



You are welcome and encouraged to record notes throughout the session.



Learning about equity and inclusion requires us to learn and unlearn. Keep an open mind and challenge yourself to question your assumptions.



Questions are encouraged! Please feel free to ask questions throughout the session.





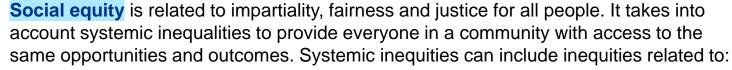


#### There is a Rising Importance for the "S" in ESG

Diversity, equity, and inclusion (DEI) is one of the most recognized area of focus under the "S" in ESG. Other key areas for businesses to consider include a broader scope of social equity and social impact.

Environmental, Social, Governance (ESG) frameworks are used by organizations to **strategize**, **measure and track** their sustainable development practices.

Diversity, equity, and inclusion focuses on **community impact**, **employee opportunity and social progress**. This greatly aligns to the Social aspect of ESG.



- Systems, structures and institutions
- Generations (intergenerational inequity)
- Education
- Health
- Socio-economic background

#### Diversity, Equity, and Inclusion

DEI is likely a primary area of focus under the Social area, as demands from various stakeholders rise to improve workforce participation of underrepresented groups.

 Organizations such as BlackRock have already set guidelines in which the company has pushed US-based companies to disclose the racial, ethnic, and gender makeup of their employees



#### There is a Rising Importance for the "S" in ESG

The role of business in society is changing. While climate change has risen to the top of the corporate agenda over recent years, the Social area within ESG is increasingly gaining traction.

#### Growing Rising de

Declining trust in governments, increasing social unrest, increase in hate speech targeting vulnerable groups.

**Geopolitical Risks** 

#### Stakeholder Expectations

Rising demand from investors to demonstrate social value, citizens taking action, consumer activism and demand for sustainable brands.

#### **Brand Reputation**

Negative breaches severely impacting brand reputation. Increasing emphasis on authentic ethical practices to attract and retain talent and consumers.

#### **Regulatory Compliance**

Increasing regulatory and disclosure requirements around diversity, supply chain transparency and other social areas of business.



#### The United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are guideposts to enable local organizations to contribute to tackling global issues.







8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE























13 CLIMATE











For example, Gore Mutual focuses on the following SDGs:

#### 1. Be Good (SDGs: 10 & 13)

Committed to doing business the right way, holding ourselves and our partners to a higher business standard

#### 2. Do Good (SDGs: 10 & 13)

Strive to provide customers with more value and service – especially when they need it most

#### 3. Spread Good (SDGs: 1, 10 & 13)

Continue to partner with organizations across Canada that create measurable impact and a better tomorrow





#### KPMG's Philosophy on Diversity, Equity, and Inclusion

The 'Spectrum of Belonging' strives to create a shared understanding of what diversity, equity, and inclusion means, and the terms that define each step of the spectrum.

**Anti-Racism/ Diversity Equity** Term **Inclusion Anti-Oppression** Actively opposing Respect, support and racism and oppression Fair treatment, access The ways in which A feeling of security, What it removal of barriers to by challenging and and opportunity for all support and acceptance individuals differ means contribution changing systems and people structures



- Individuals differ in what they can access and how
- It is key to remove barriers to improve accessibility for all
- Building equitable access and opportunity for everyone is key to fostering a sense of belonging for all



#### What is the Difference Between Equity and Equality?

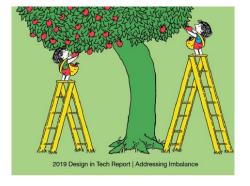
While interrelated, equity and equality result in different outcomes for individuals. Ultimately, organizations should work towards removing systemic barriers in order to achieve equitable outcomes for stakeholders.

What is equality? Equality means each individual or group of people is given the same resources or opportunities. What is equity? Equity recognizes that each person has different circumstances and allocates resources and opportunities needed to reach an equal outcome.

# What can equality and equity look like?

#### Inequality

Both individuals do not have equal access to the fruits.



#### **Equity**

Both individuals are given the resources they specifically need to access the fruits.



#### **Equality**

Both individuals are given the exact same resources to access the fruits.



#### **Justice**

The system is adapted in order to remove systemic barriers and open access to the fruits.



#### **Benefits of DEI**

We know that the future successes of an organization is enhanced with strong Diversity, Equity and Inclusion practices. Research has shown a strong connection between DEI advancement and organizational performance.





## **Professional Ethics**

**Professional ethics** refers to a set of ethical principles and standards designed to govern the behavior and decisions of professionals in their specific organization. Equity and professional ethics are interconnected concepts that play a crucial role in promoting fairness, integrity, and justice within organizations. Understanding their relationship is essential for professionals to uphold ethical standards and create an equitable environment.

Fair treatment and non-discrimination

Accountability and transparency

Social responsibility and justice

Advocacy of ethical standards

Equal opportunity and access

Ethical decision making and impartiality

Promotion of inclusion and well-being





# Incorporating an Equity Lens Can Benefit Everyone

What is an equity lens? An equity lens is a process for analyzing or diagnosing the impact of the design and implementation of policies and processes on equity deserving groups. Applying an equity lens can help build a respectful workplace, and benefit stakeholders at all levels.

### **Internal Stakeholders**

#### Leaders

- Greater collaboration and productivity among Leaders
- Equip Leaders to support their employees equitably
- Support equitable decision-making practices for promotions
- Provide resources to Leaders for upskilling and training

### **Employees**

- Work in an environment that is mentally and physically safe
- Greater collaboration and sense of belonging among teams
- Supported in feeling a sense of belonging
- Increased employee experience, satisfaction and creativity

### **External Stakeholders**

### **Clients**

- Access several options of products and services
- Receive positive client experience
- Supported in feeling a sense of belonging

### **Community**

- Access opportunities, such as employment and training
- Contribute to conversations and have a voice at the table
- Experience positive interactions



# Professional Ethics in an Equity Lens

**Equity** is important to apply and foster, both internally and externally, to help demonstrate professional ethics.

### **Empowering People to Bring Their Whole Selves to Work**

- · Build internal culture of equity
- Prioritize positive employee engagement and experience to attract and retain talent
- Promote equitable decision-making practices for clients

#### Continuously Working to Meet the Needs of Clients

- Build honesty and integrity between stores and consumers
- Introduce new products and services that meet the diverse needs of clients
- Help clients feel seen and understood through product and service portfolios



#### Adapting Processes to be Effective and Impactful

- Update legacy processes that may not reflect the complete realities of people in Canada today
- Embed an equity lens into key client processes
- Offer flexible policies and arrangements for employees



# Promoting Equity in the Workplace: Safe Spaces

An important step to promoting equity within your workplaces is to <u>foster safe spaces</u> for open, honest and brave conversations. **Safe spaces** are places intended to be free of bias, conflict, criticism, or potentially threatening actions, ideas, or conversations.

01

Share your personal stories, learning experiences and reflections to foster openness

02

Actively combat bias or systems that can contribute to inequity 03

When seeking opinions, ask employees to contribute first (as a leader) in order to promote authentic responses and increase a sense of comfort

04

Provide
employees with
the option for
participating in
confidential
listening
sessions

05

Create shared learning opportunities for yourself and others



# Leadership Initiatives for an Equitable Environment

Leaders can promote a sense of psychological safety by exhibiting characteristics of inclusive leadership and a sound understanding of intersectionality.

01

#### **Keep Your Audience in Mind**

- Consider who you are speaking with, and what language would resonate with them
- When seeking opinions, ask employees to contribute first in order to promote authentic responses

02

#### **Open Seats to Join the Table**

- Involve all relevant and impacted stakeholders in the conversation and decision-making processes
- Acknowledge and encourage the contribution of lived experiences and voices of the community



#### Be an Active Bias Challenger

- Openly challenge conversations which disadvantage specific groups over others
- Be comfortable discussing your zero-tolerance policy on non-equitable behaviours within the workplace



#### **Empower Employees to Contribute**

- Foster a collective mindset amongst the team where everyone is encouraged to participate in decision-making
- Be curious to learn about others, actively listen without judgment, and empathize with their perspectives



#### **Keep an Open Mind**

- Encourage perspectives and innovative ideas which challenge the status quo
- Create a shared sense of ownership of outcomes and action items coming out of meetings



#### **Commit to Continuous Learning**

- Determine areas you want to learn more about and engage in learnings related to those topics
- Share your personal stories, learning experiences and reflections to foster openness and a safe space



# Takeaway: Opportunities to Influence Change

In any role, change can be influenced at the individual, team and organizational level.



#### Start on an individual level

- Are you checking your own biases? (Cultivate Self-Awareness)
- Are you learning from someone else's experiences? (Develop Cultural Competencies)
- Are you challenging yourself to reach out to and understand others?
- Are you actively making inclusion a choice?

#### Take a look at your team

- What are you doing with your team to foster learning about DEI issues?
- How are you encouraging your teammates to challenge their own views?
- What do you do to encourage others to seek out and change legacy and problematic policies and systems?





## Exert your influence at an organizational level

- What can you specifically influence in your organization?
- What committees can you serve on outside your immediate role?
- How can you create opportunities for those who are overlooked on your team and make sure their voices are heard?









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City of Winnipeg
Demographic, Economic, and Fiscal Outlook
2023 Update

## Presentation Outline

### **Demographic Outlook**



- Population Growth
- Spatial Distribution of Population
- Changing Demographics
- Income and Education
- Housing

### **Economic Outlook**



- Labour Force
- GDP by Sector
- Inflation

### **Municipal Fiscal Outlook**



- Municipal Budget
- Revenue
- Property Taxes
- Expenditure



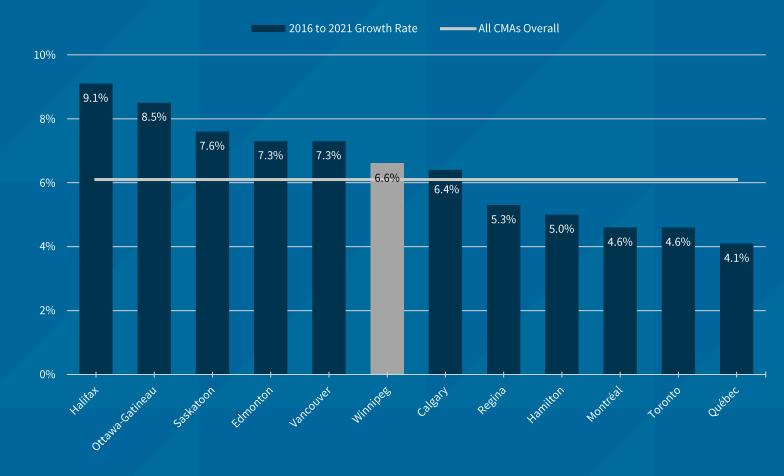
# Winnipeg Demographic Outlook

The City of Winnipeg's enumerated population in the 2021 Census was 749,607, representing an increase of 44,363 residents or 6.6% compared to the 2016 census.

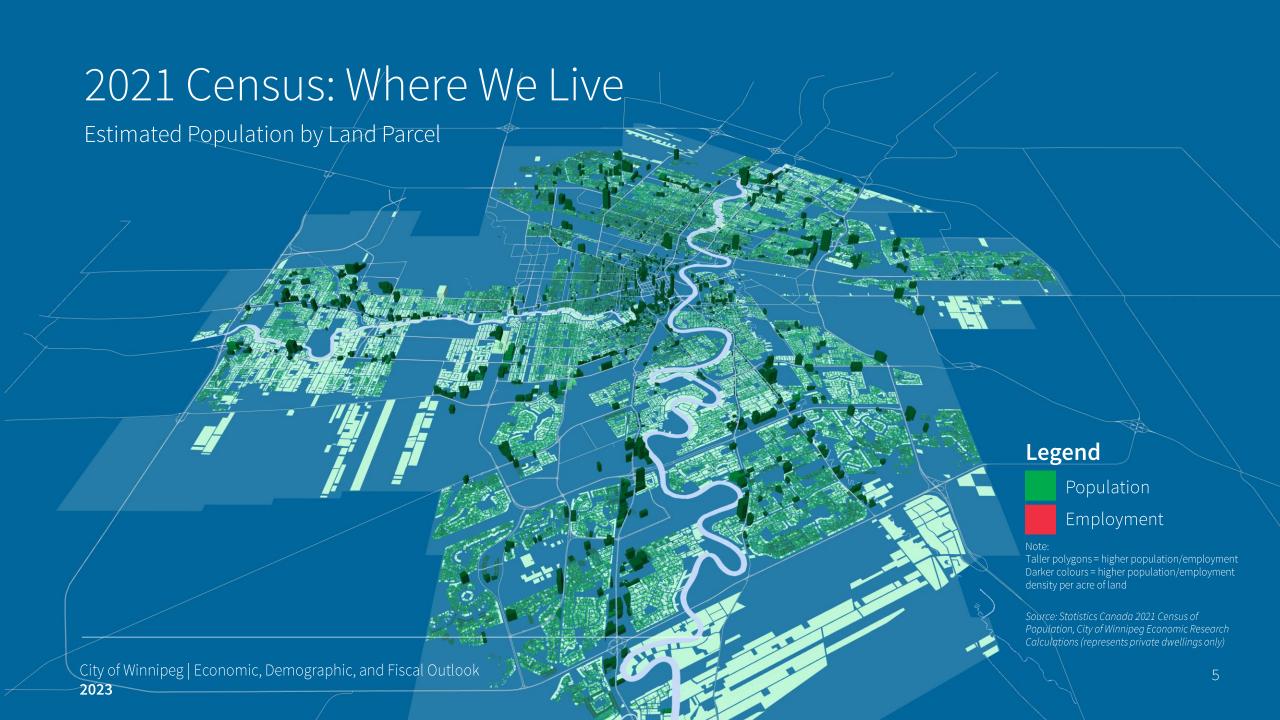
For the same year, the city's total estimated population was **772,900** – a figure that also includes the estimated number of people not counted in the census for a variety of reasons.

Over the last two decades in particular, international migration has been a strong source of population growth. At the same time, the natural increase in population (births minus deaths) has decreased due to falling birth rates.

It is anticipated that international migration will be a continued source of population growth as the existing population ages and retires out of the labour force.



Source: Statistics Canada 2021 Census of Population



### 2021 Census: Where We Work **Seven Oaks Hospital** City of Winnipeg Location Estimates **MasterBrand Cabinets** Winnipeg Int'l Airport Downtown **Canada Revenue Agency Grace Hospital** Kildonan Place Mall Polo Park Mall Maple Leaf Foods St. Boniface Hospital Assiniboine Park Legend **Tuxedo Business Park** St. Vital Mall Population Employment Taller polygons = higher population/employment **University of Manitoba** Darker colours = higher population/employment density per acre of land City of Winnipeg | Economic, Demographic, and Fiscal Outlook 2023

# 2021 Census: Where We Live and Work City of Winnipeg Location Estimates Legend Population Employment Taller polygons = higher population/employment Darker colours = higher population/employment density per acre of land City of Winnipeg | Economic, Demographic, and Fiscal Outlook

# Population

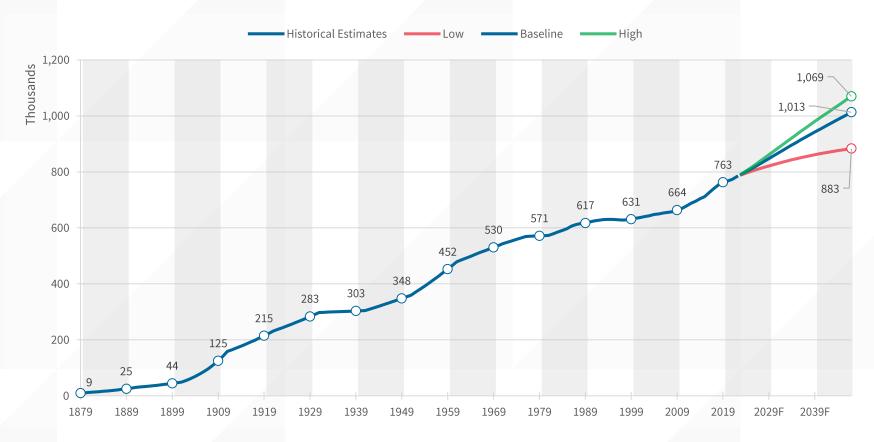
# Winnipeg's population is currently anticipated to reach 1 million residents over the next 25 years.

Winnipeg has seen periods of significant population growth, and periods where growth was slow or even absent such as the 1990s.

Winnipeg saw significant growth during the two decades that followed the second world war (1949 to 1969), where population grew by an estimated **182 thousand** people. Winnipeg also saw significant growth from 2009 to 2019, with the City growing by **nearly 100,000** people during this decade, a strong contrast to the nearly non-existent population growth observed in the 1990s.

Looking forward, a variety of scenarios have been produced to project where population may be 25 years from now, with international migration being a continued source of growth.

### City of Winnipeg Historical Population Estimates and 2023 Projections



Source: City of Winnipeg 2023 25-Year Population Projections by Scenario

# Manitoba Population: Record Growth Past Few Quarters

### Manitoba's population has grown at a record pace over the last year, by over 41,000 people.

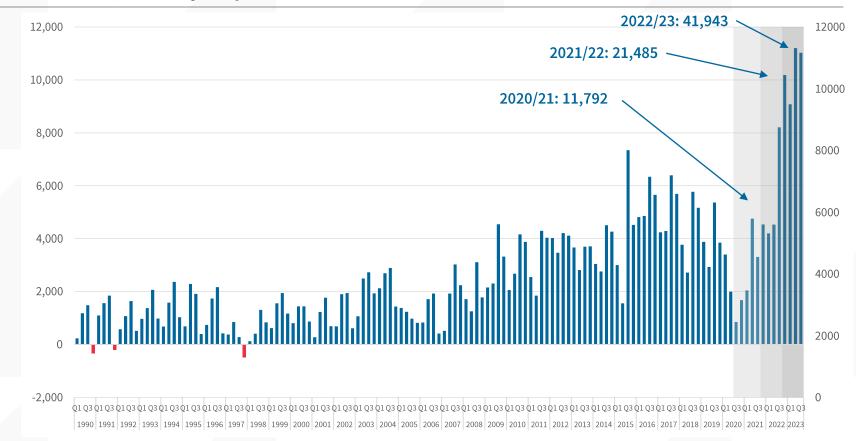
This is one of the largest periods of growth on record.

The significant growth in population is being entirely driven by international migration and non-permanent residents, particularly in the work permit holder's category.

In Q2 2023, there was an estimated 60,000 non-permanent residents in Manitoba, which is an increase of 56% compared to one year earlier.

54% of non-permanent residents are here on work permits only, 30% are on study permits only, and 16% are here with other permit types.

### Manitoba Quarterly Population Growth - 1990 to Current

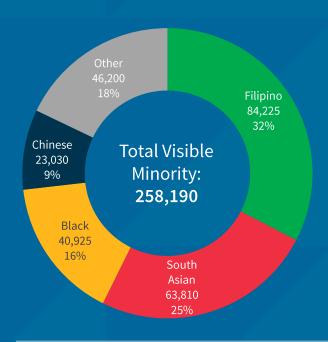


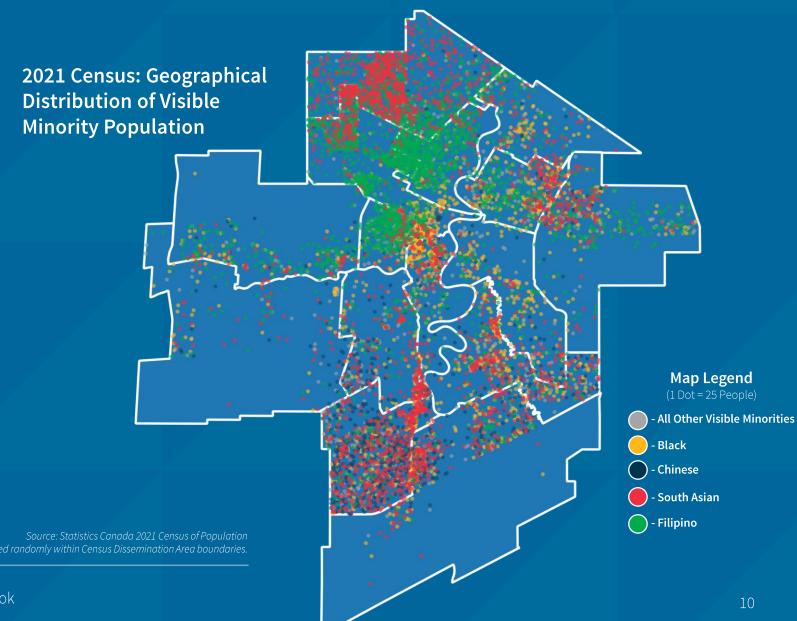
Source: Statistics Canada, Table 17-10-0009-01, Population Estimates, quarterly; Statistics Canada, Table 17-10-0121-01 Estimates of the number of non-permanent residents by type, quarterly

### Visible Minorities

In 2021, visible minorities made up 31.5% of Winnipeg's total population, up from 12.5% in 2001.

As international migration remains a significant source of population growth, it is anticipated the share of population that are visible minorities will continue to increase.

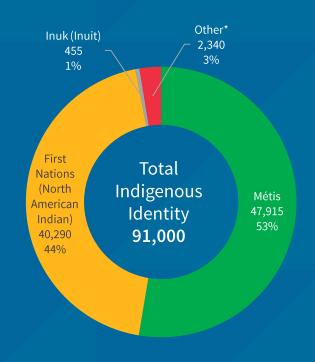


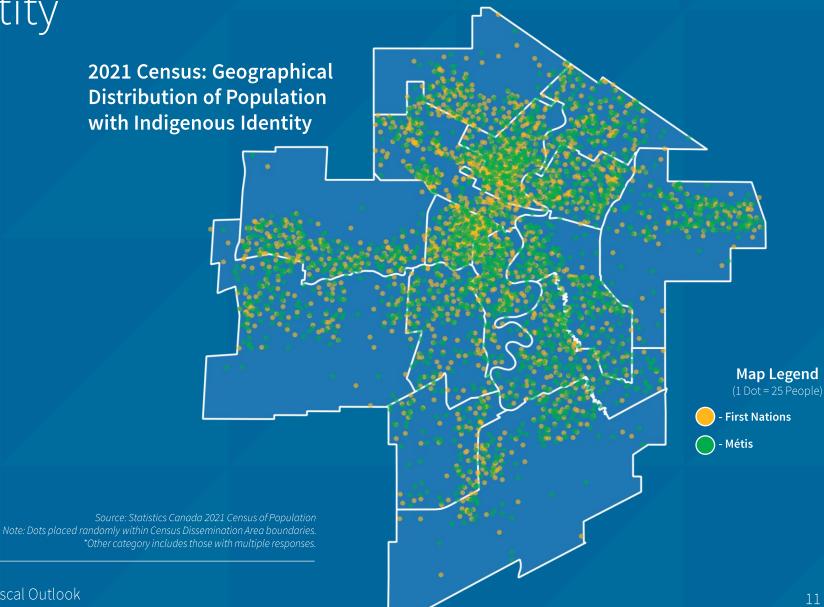


# Indigenous Identity

In 2021, 12.4% of the population in Winnipeg had Indigenous identity, representing 91,000 people.

The largest group was Métis, representing **53%** of those with Indigenous identity, followed by First Nations which represented **44%**.



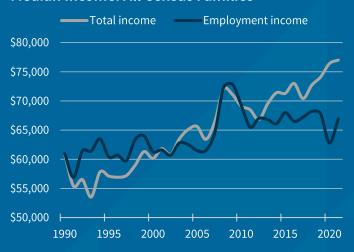


### Household Income

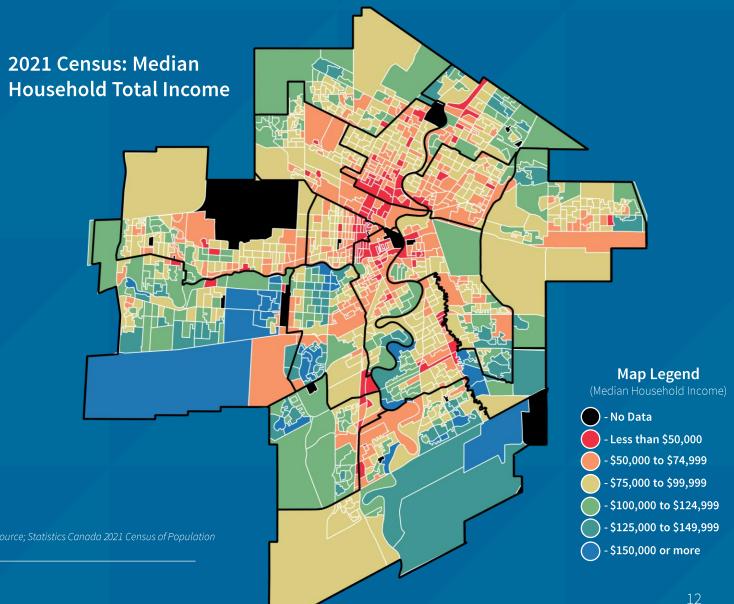
In 2021, the median household income for all census family types in the Winnipeg CMA was \$77,000.

Real median employment income has increased from **\$61,000** in 1990 to **\$66,900** in 2021, representing an increase in real income of 9.7% over 31 years.

#### Median Income: All Census Families



Note: Data displayed by Census Dissemination Area boundaries

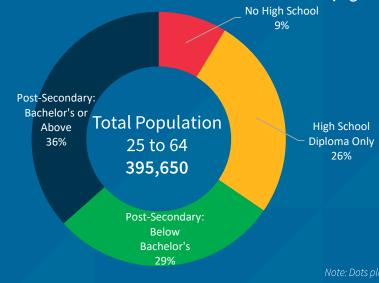


## Education

In 2021, 65% of people in Winnipeg aged 25 to 64 had some form of post-secondary education, compared to 67% total for Canada.

Winnipeg (and Canada) has become a lot more educated over the last 20 years. In 2001, 25% of people in Winnipeg didn't even have a high school diploma but by 2021, this had fallen to 9%. Currently 36% have a Bachelor's degree or above, but in 2001 this figure was 22%.

#### **Distribution of Educational Attainment in Winnipeg**



2021 Census: % Population (aged 25 to 64) with Bachelor's Degree or Higher Map Legend (% with Bachelor's Degree+) No Data - 0% to 14% - 15% to 29% - 30% to 44% - 45% to 59% Source: Statistics Canada 2021 Census of Population - 60% to 75% Note: Dots placed randomly within Census Dissemination Area boundaries. 13

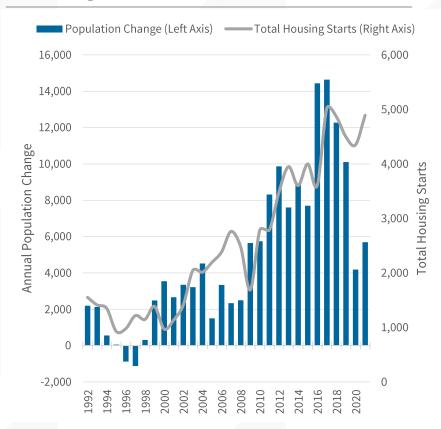
# Housing

Winnipeg's housing market remains one of the most affordable in the country, with the price of an average single detached home being \$406,200 in the resale market and \$619,400 for brand new units in July 2023.

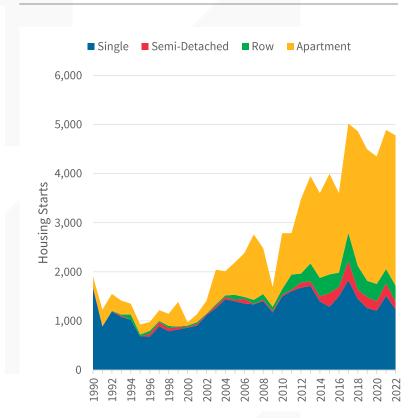
While housing starts have increased with population growth, the type of unit has changed significantly since 1990. Multi-family units comprised only **13%** of housing starts in 1990, but by 2022 they made up **74%** of all housing starts.

Housing starts are expected to moderate over the coming months as the effect of interest rate increases are anticipated to cool demand as borrowing costs increase, but high immigration levels and rising rents may offset some of the effect of increasing mortgage rates.

### **Housing Starts & Population Growth**



### Winnipeg Housing Starts by Type



Source: Winnipeg Regional Real Estate Board, CMHC Starts and Completions Survey, Statistics Canada, Table 17-10-0142-01 Population estimates, July 1, by census subdivision, 2016 boundaries



# Economic Outlook

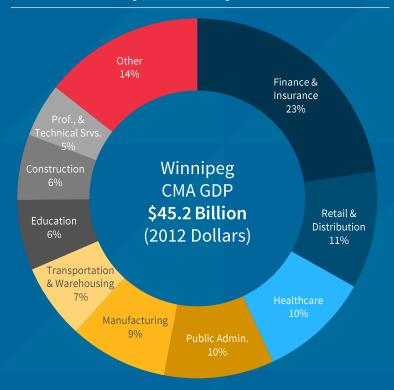
# Winnipeg CMA Economic Outlook

In 2022, the Winnipeg CMA's GDP was \$45.2 billion, making up 64.3% of Manitoba's economy and 2.1% of the national economy.

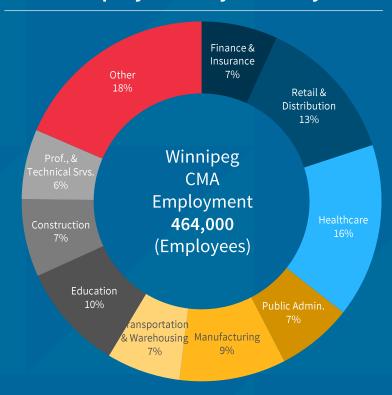
The Winnipeg Census Metropolitan Area's (CMA) economy is well-diversified, with the finance and insurance, retail and distribution, healthcare, public administration, and manufacturing sectors making up over half the regional economy in terms of both economic output and employment.

Looking forward, several global macroeconomic headwinds are anticipated to impact both local and national economic growth. The effects of rising interest rates, high household debt, and tightening financial conditions may lead to an economic slowdown that could reduce both output and employment.

### 2022 GDP by Industry



### 2022 Employment by Industry



Source: Oxford Economics June 2023 National Outlook, Haver Analytics, Statistics Canada

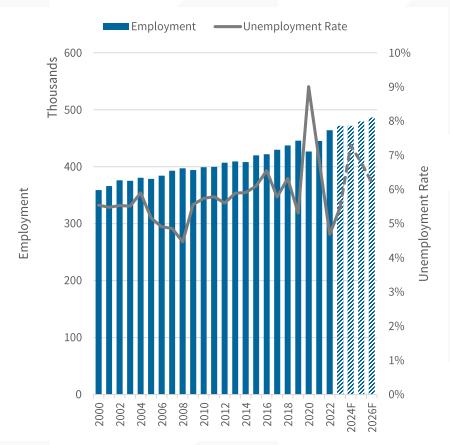
### Labour Force

The local labour market in the Winnipeg CMA has largely rebounded from the effects of the COVID-19 pandemic, with unemployment falling to 4.7% in 2022.

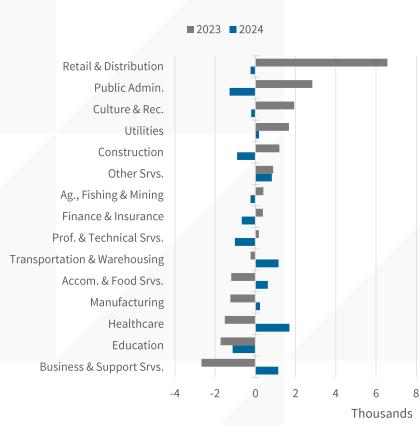
Despite resilient labour markets in Canada, rising debt servicing and borrowing costs from recent interest rate increases are expected to squeeze household budgets and business investment.

These effects could lead to a marginal increase in unemployment to 5.5% in 2023. Business and support services, education, healthcare, and manufacturing are expected to post declines in employment this year, with retail, public administration, utilities, and construction showing gains.

### **Employment Projections**



### **Employment Change by Industry**



Source: Oxford Economics September 2023 National Outlook, Haver Analytics, Statistics Canada

# Gross Domestic Product (GDP)

The Winnipeg CMA economy grew by 2.6% in 2022, up from a 1.9% gain in 2021 and a record 5.5% decline in 2020 from the COVID-19 pandemic.

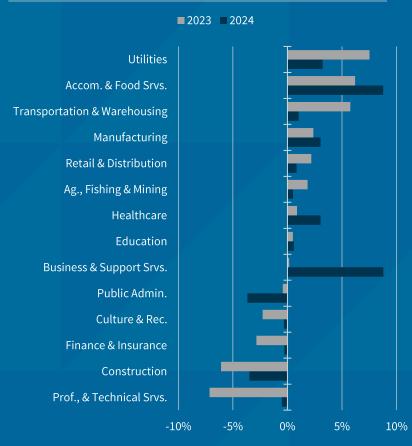
While the resurgence in gross domestic product has brought the local economy back to prepandemic levels, a mild recession in Canada and locally is expected over the next few quarters, with Winnipeg's GDP anticipated to decline by **0.26%** for 2023, followed by **0.75%** growth in 2024.

For this year, sectors such as utilities are expected to do well whereas sectors such as construction may decline as business and household investment in building stock may fall in higher interest rate environment.

### **GDP Growth Rate Projections**



### **GDP Change by Industry Projections**



Source: Oxford Economics September 2023 National Outlook, Haver Analytics, Statistics Canado

# National Gross Domestic Product (GDP) per Capita

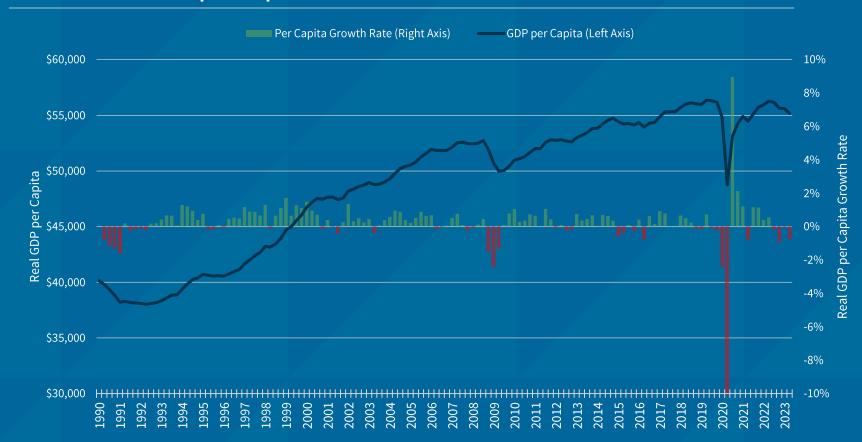
In Canada, growth in GDP has been relatively flat over the last few quarters: +0.6% in Q1 and 0.0% in Q2 of 2023. On a per-capita basis, it is declining.

Both Manitoba and Canada's population has been surging over the last year and a bit, with most provinces posting record numbers for population growth.

However, total real GDP growth has been minimal this year so far, and as a result, GDP per person is on the decline.

This may suggest that productivity and output per worker is slowing despite record increases in population.

### Canada: Real GDP per Capita



Source: Statistics Canada, Table 36-10-0104-01 Gross domestic product, expenditure-based, Canada, quarterly;
Statistics Canada, Table 17-10-0009-01, Population Estimates, quarterly;

## Inflation

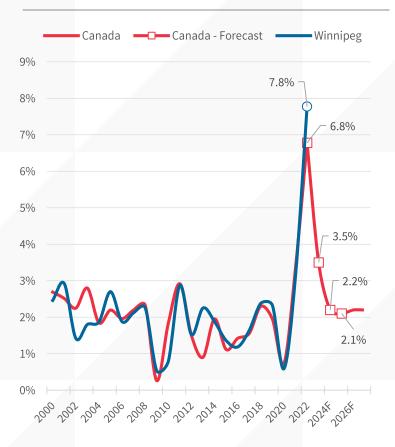
Inflation has been a major concern across the world following the impacts of the COVID-19 pandemic. In Winnipeg, Consumer Price Index (CPI) inflation was 7.8% in 2022.

As a response, the Bank of Canada has raised interest rates **4.80%** between February 2022 and July 2023, representing the second-most aggressive hiking cycle in history.

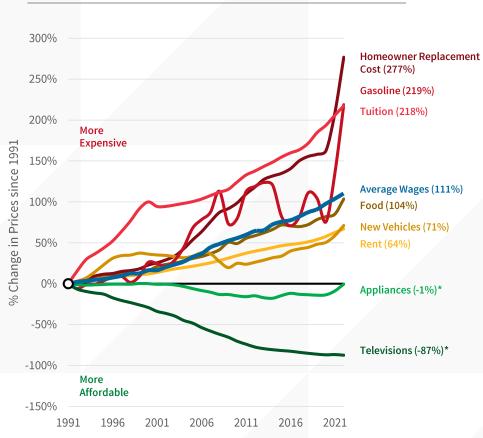
In 2022, consumers have faced significant increases in the prices of food, homes and rent, energy, and other consumer goods.

Recent CPI data suggests price increases may be decelerating, and it is anticipated inflation may fall to **3.5%** at a national level in 2023, and moderate to **2.2%** in the following year.

#### **Annual Inflation Forecast**



### Price Changes in Manitoba Since 1991



Source: Oxford Economics June 2023 National Outlook, Haver Analytics, Statistics Canada
\* National CPI data used in the absence of data available at the provincial level.



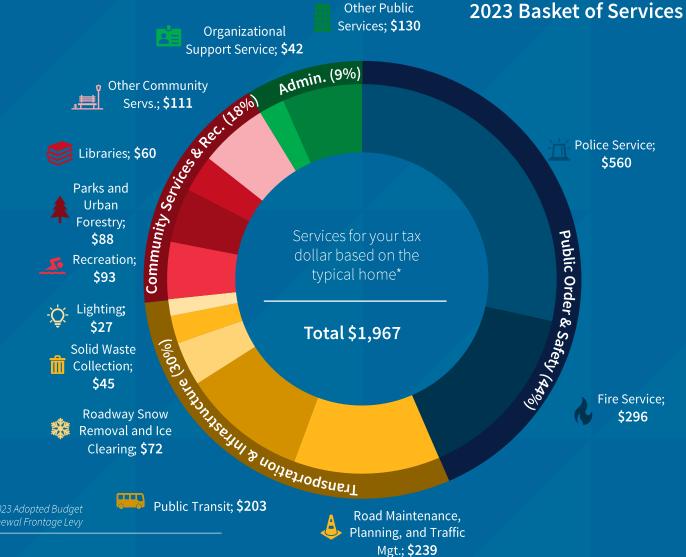
# City of Winnipeg Fiscal Outlook

In 2023, the municipal property tax bill was \$1,967 for the typical homeowner, an increase of \$67 or 3.5%, relative to 2022. The typical frontage levy was \$348, an increase of \$75, or 27.5%, relative to 2022.

Property taxes are used to pay for a variety of municipal public services, including police, fire, public transit, road maintenance, snow removal, and recreation.

**44%** of property taxes are used to pay for public order and safety, **30%** for transportation and infrastructure, **18%** for community services and recreation, and **9%** for general administration and other corporate functions.

The funds generated from the frontage levy are primarily used to also support investments in transportation and infrastructure, including road renewal and active transportation projects.



# Municipal Revenue

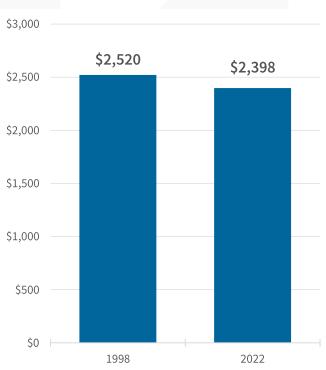
# Real per-capita municipal revenue has fallen by 5% since 1998.

In 1998, total consolidated revenue to the City was \$952.3 million and in 2022, it was \$1,877.8 million, which represents an increase of 97%.

However, over the same time period the City's population has grown by **25%** and the local Consumer Price Index (CPI) has increased by **66%**. The result is that real municipal revenue per-capita has decreased from **\$2,520** in 1998 to **\$2,398** in 2022.

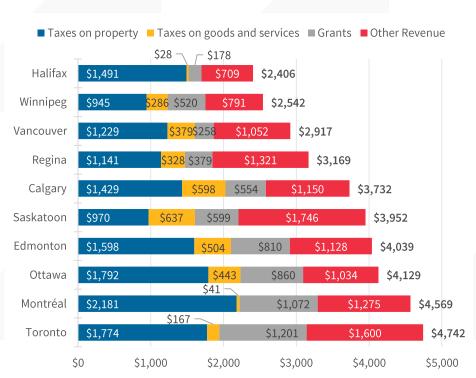
When comparing consolidated revenue across Canadian municipalities, in 2018 Winnipeg had the second lowest per-capita revenue at \$2,542.

### Real Consolidated Revenue Per-Capita, 2022 Dollars



Source: City of Winnipeg 1998 and 2022 Annual Financial Reports; Statistics Canada Table 18-10-0005-01, Consumer Price Index, annual average, not seasonally adjusted for Winnipeg CMA; Statistics Canada, Table 17-10-0142-01, Population Estimates, July 1, by Census Subdivision, 2016 Boundaries

### Consolidated Revenue by Source Across Canadian Cities, 2018



Source: Statistics Canada, Table 10-10-0162-01 Canadian government finance statistics for individual municipalities and other local public administrations; Canada, Table 17-10-0142-01 Population estimates, July 1, by census subdivision, 2016 boundaries

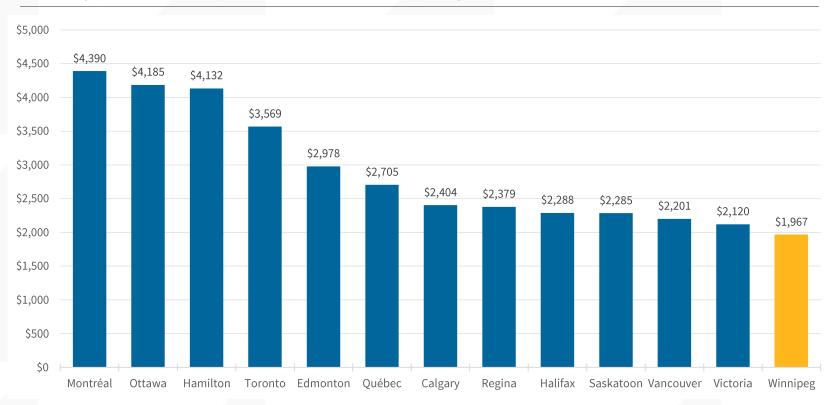
# Property Taxation: Current Year

In 2023, Winnipeg had the lowest municipal property tax bill for the typical homeowner among major cities in Canada.

Winnipeg's property taxes were increased by **3.50%** in 2023, after several years of **2.33%** increases. Property taxes account for **55%** of total operating revenue.



### 2023 Typical Municipal Residential Property Tax Bill Across Canada



Source: Each city's budget documents and/or taxation websites. Note: Chart Excludes other fees and charges on property, such as frontage levies. Property Taxation: Share of Income

In 2021, residents of Winnipeg paid 1.85% of their after-tax income towards residential property tax. This is among the lowest share out of major Canadian cities.

Residents of Winnipeg earned approximately \$24 billion in after-tax income and paid \$448 million in residential property tax in 2021. While 1.85% of income overall earned went to property taxes, this share varies by geography.

#### 2021 Residential Property Tax as % of Total After-Tax Income



2021 Residential Property Tax as Share of After-Tax Income (City-wide average: 1.85%)



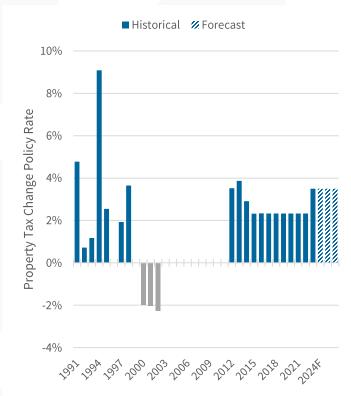
# Property Taxation: History

# Since 1991, property tax increases have averaged 1.9% per year.\*

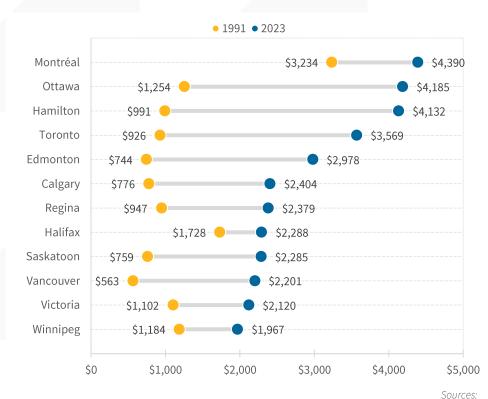
The property tax change policy rate has varied significantly since 1991. Policy rates have been as high as **9%** increase in 1994 and as low as a **2%** decrease in 2002, with several years of property tax freezes in the mid 2000s.

Winnipeg had a relatively high typical property tax bill of \$1,184 in 1991 according to the City of Edmonton property tax survey. It has since kept property tax increases modest, resulting in one of the smallest increases in taxes for the average homeowner over the last three decades, with the typical bill increasing to \$1,967 in 2023.

# Property Tax Change Policy History



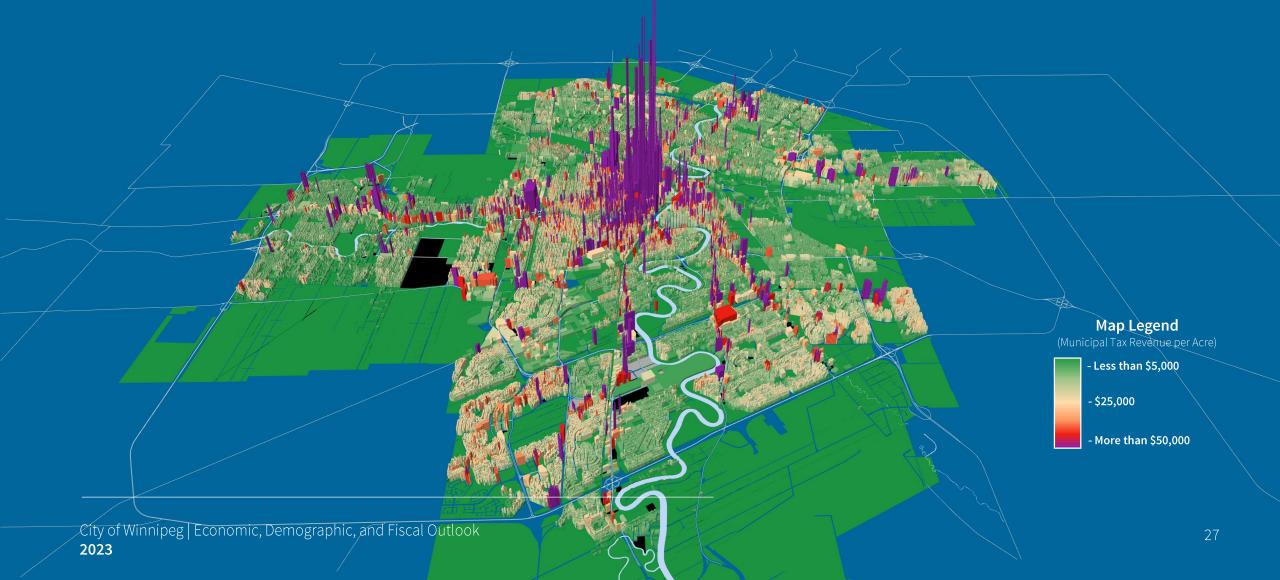
# Typical Property Tax Across Canada, 1991 vs. 2023



1991 data - 1991 City of Edmonton Property Tax Survey 2023 data - Each city's budget documents and/or taxation websites.

<sup>\*</sup> Represents the compound annual growth rate in the average municipal property tax bill since 1991, including years of property tax decreases and freezes.

# Municipal Tax Revenue per Acre



#### Municipal Expenditure

#### Operating expenditures have increased by \$605 million, or 87% since 2004.

Significant increases have been seen in the Contribution to Transit (188%), Police Service (132%), and Fire Paramedic Service (119%) since 2004. The road renewal budget has also been a source of significant budgetary expenditure.



#### Municipal Expenditure History and Projection (2023 Adopted Budget)



Source: 2004 to 2023 City of Winnipeg Adopted Budgets
\*Public Works excludes Road Renewals, which are displayed separately



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## Transforming our Downtown

Kate Fenske CEO, Downtown Winnipeg BIZ FMI 2023 AGM

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### Downtown Winnipeg BIZ

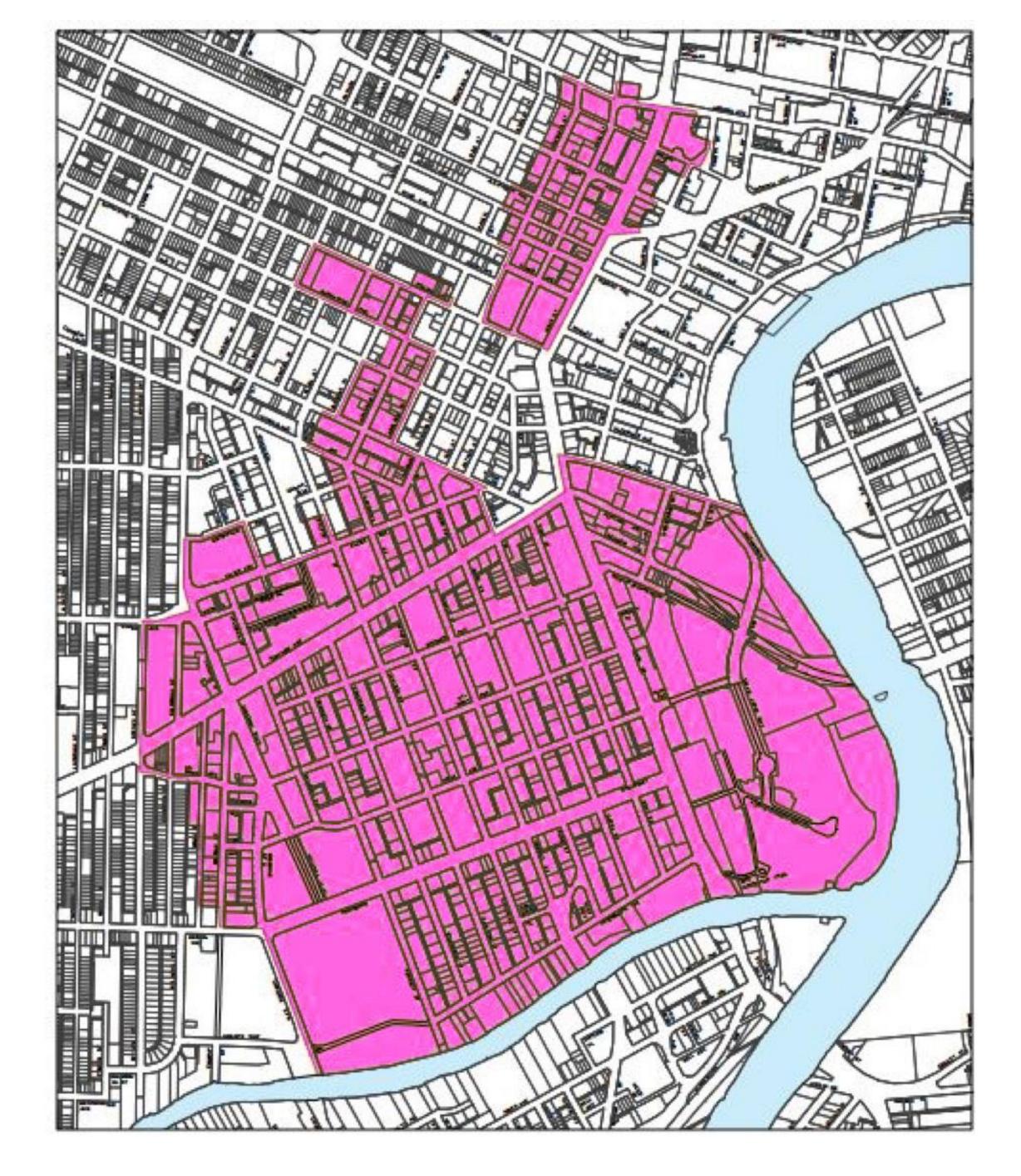
promotes, cares and advocates for a vibrant and inclusive downtown where business thrives and people are drawn to work, live, shop and explore.

We are the experts on downtown.





# Downtown Winnipeg BIZ Boundaries







Sustainable, Effective, and Inclusive Organization

Our Finances | Our People | Our Reconciliation Journey









204-947-DCSP

CALL FOR SAFETY, HEALTH AND WELLNESS NEEDS, 24/7

204-958-7233

**CALL FOR A COURTESY WALK** 

#finditdowntown

FOR EMERGENCIES, CALL 911























#### Our Funding

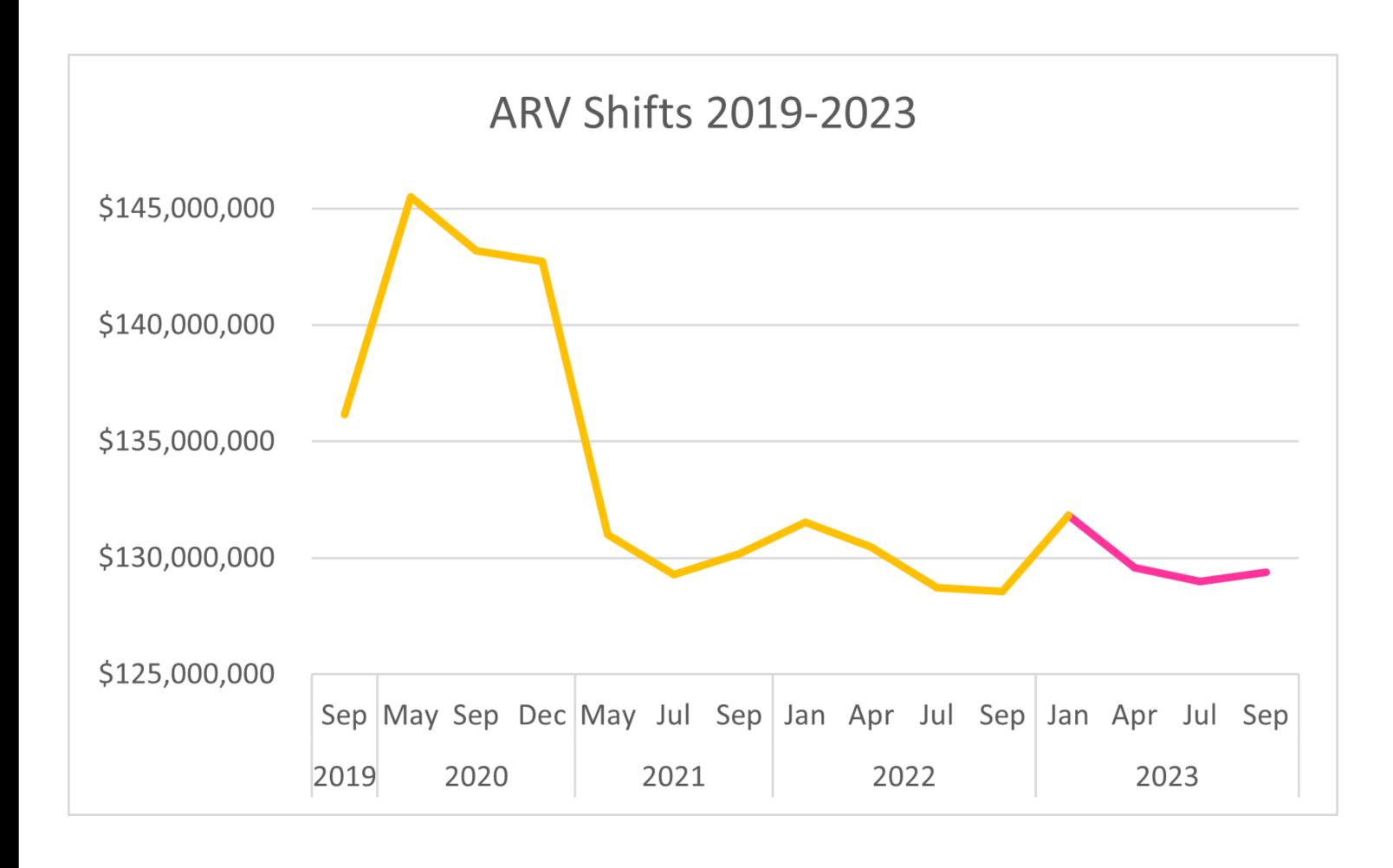
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BIZ Levy = Annual Rental Value (ARV) $129.9M X BIZ membership approved levy rate 2.45%
```

= \$3.18M collected by City of Winnipeg (from businesses) in 2023

Additional funding = Sponsorships, grants and other funding = \$1M combined (approx.)



#### Our Funding



Since 2020:

140+

closures

70+

openings

12%

decreased ARV



#### Our Partners



Government of Canada

Gouvernement du Canada









*Manitoba Public Insurance* 





































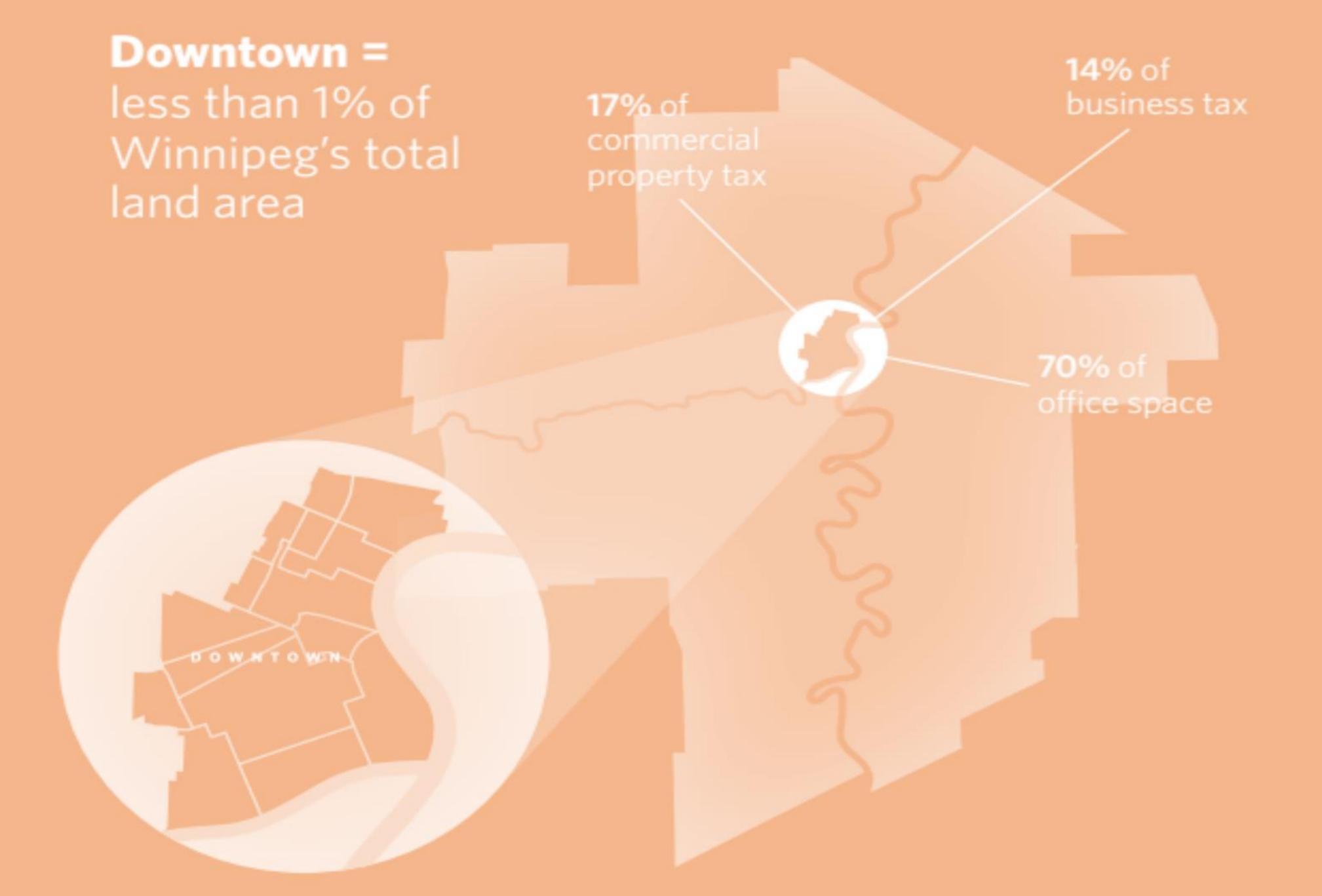




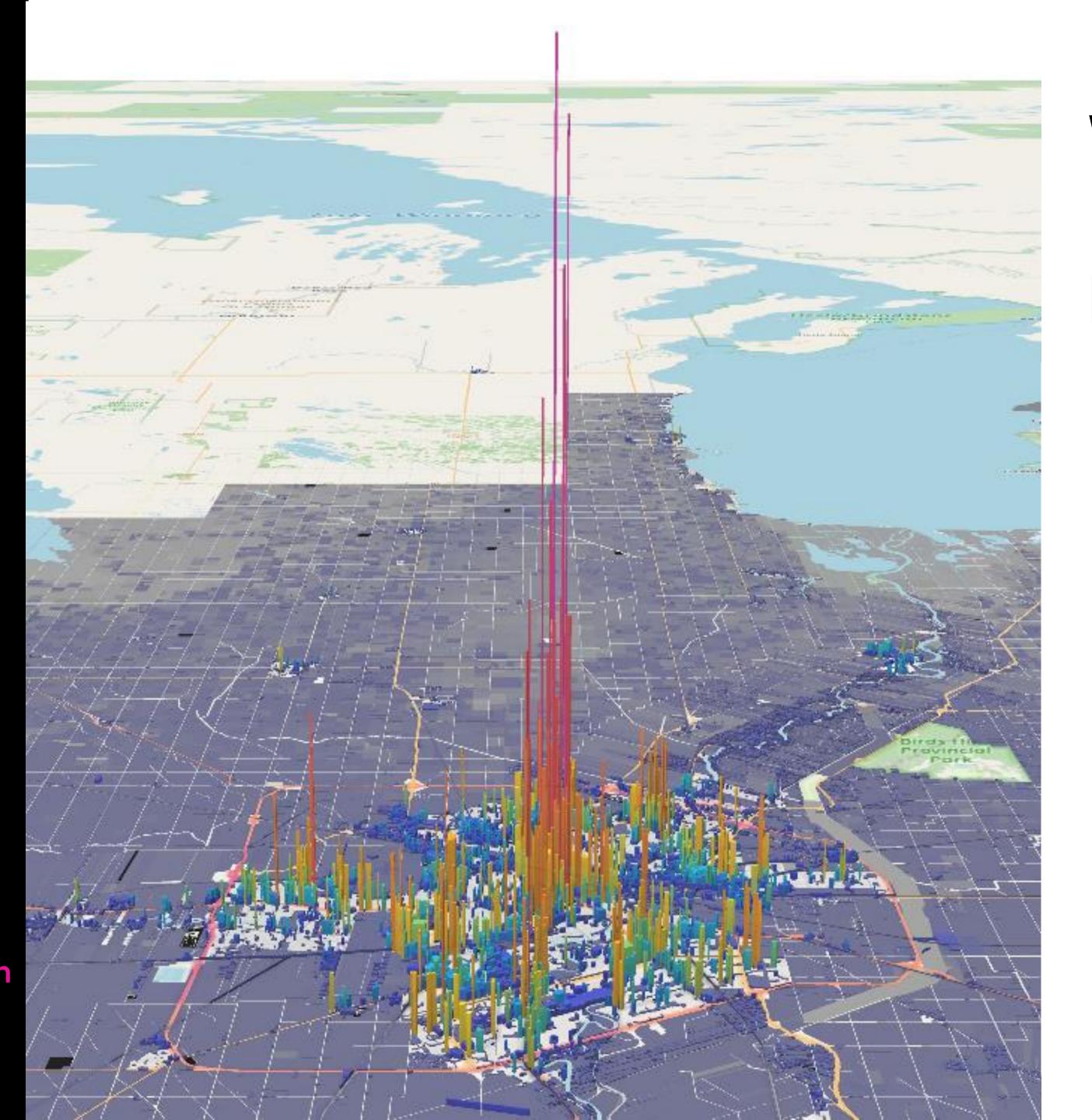












## Winnipeg Property Value per square meter

\$/m2

0-196

196-515

515-805

805-1,409

1,409-2,787

2,787-7,733

7,733-35,509

#finditdowntown

Source: Winnipeg Metro Region 2023







# Winnipeg's downtown recovery strategy framework

#### STRATEGY STREAMS

High impact strategic investments over 3 years, working in collaboration and complementary to achieve the highest return on investment.



























### \$10 Million

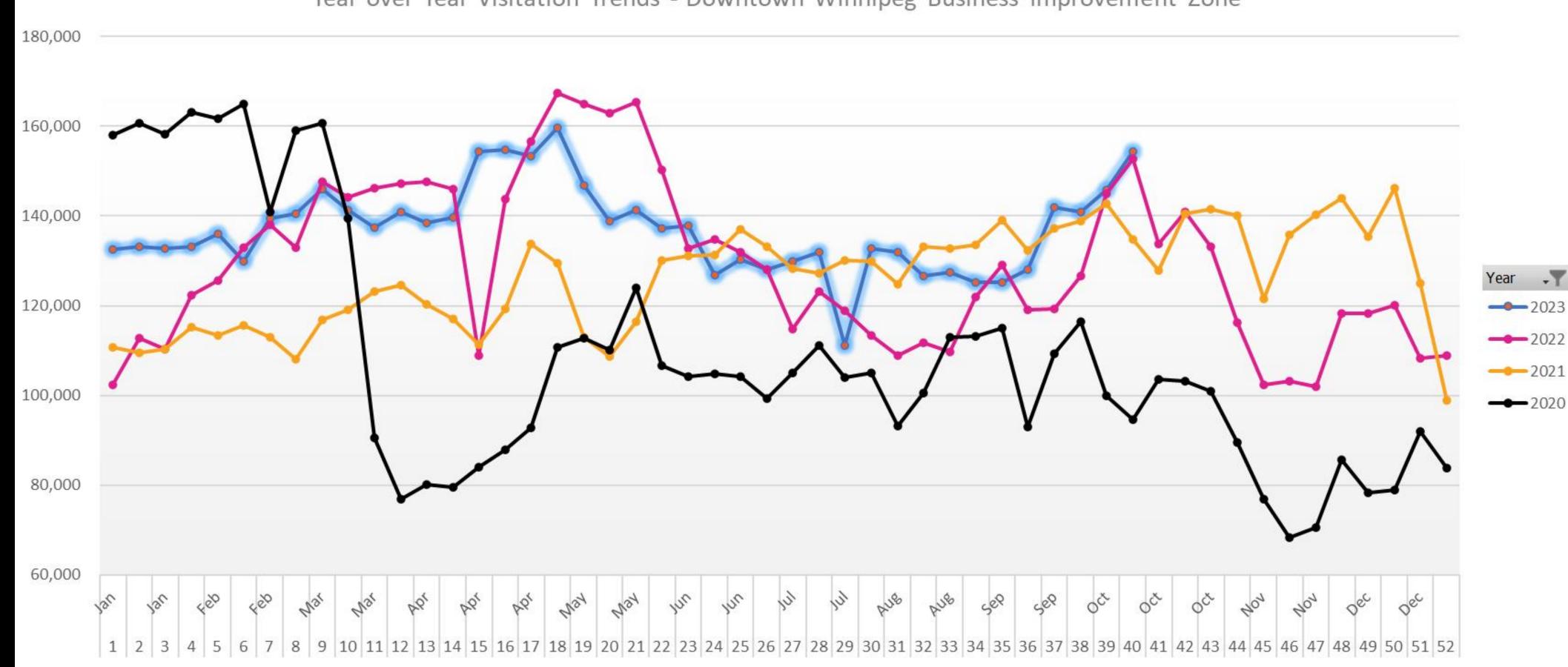
invested in capital infrastructure





#### Downtown Visits

Year over Year Visitation Trends - Downtown Winnipeg Business Improvement Zone





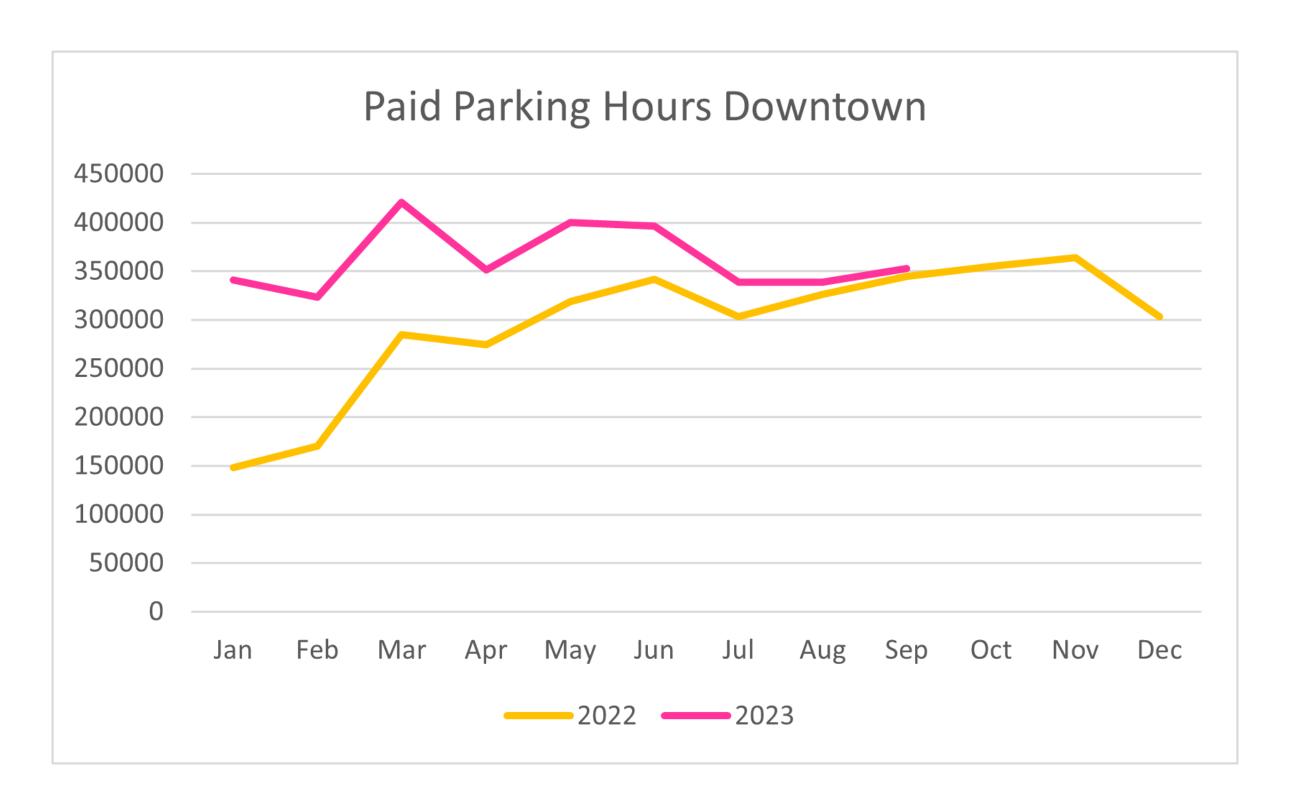


More workers are coming downtown\*

September 2022 | Margin of error: +/- 4%

Approximately
two thirds of
workers are back

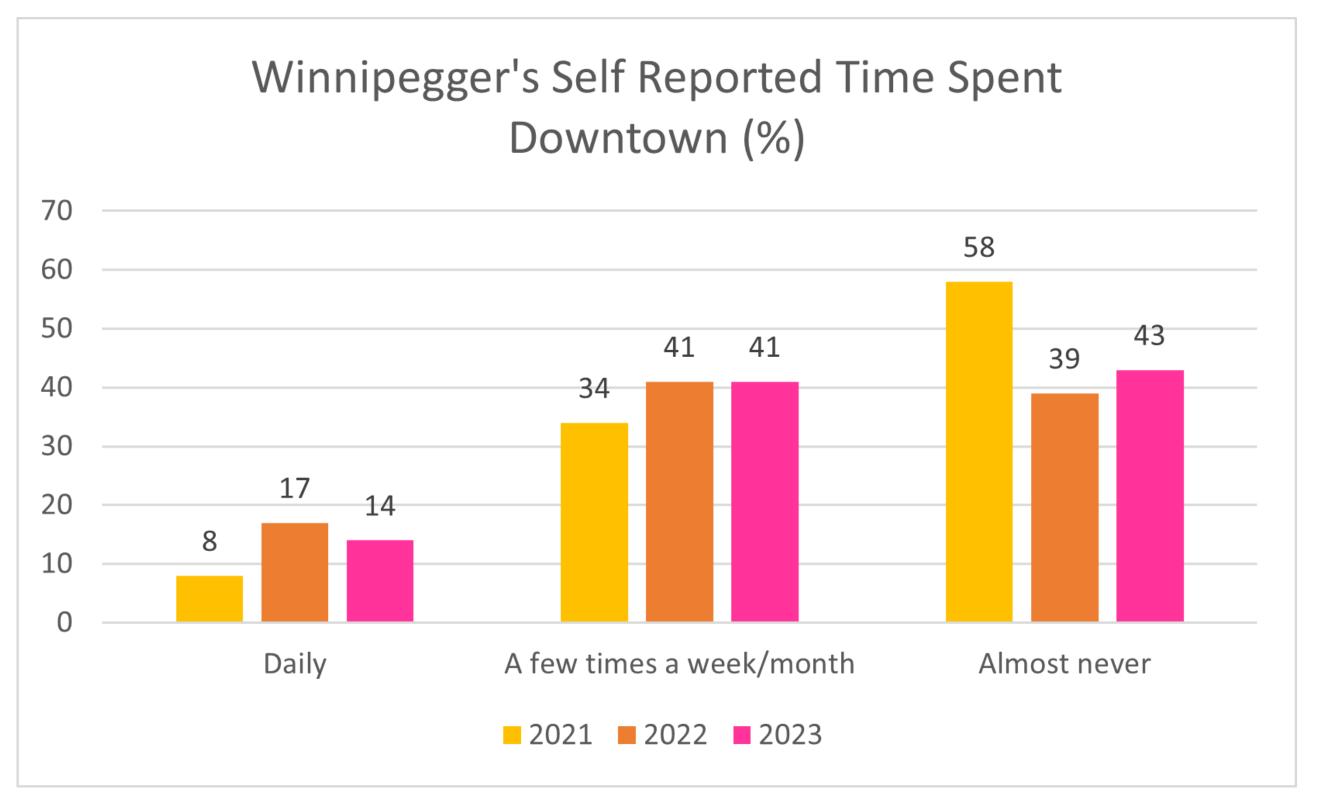
#### On Street Parking



Source: City of Winnipeg and Winnipeg Parking Authority



#### Winnipeggers are spending more time downtown



Source: Probe Research survey of 600 Winnipeggers in June 2023









































Miigwech.
Merci.
Thank you.

https://downtownwinnipegbiz.com/our-downtown-your-say-take-the-survey-shape-the-future-enter-to-win-100-to-spend-downtown/

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