



# The Canadian Index of Wellbeing: *An Overview of Evolvemement, Structure and Objectives*

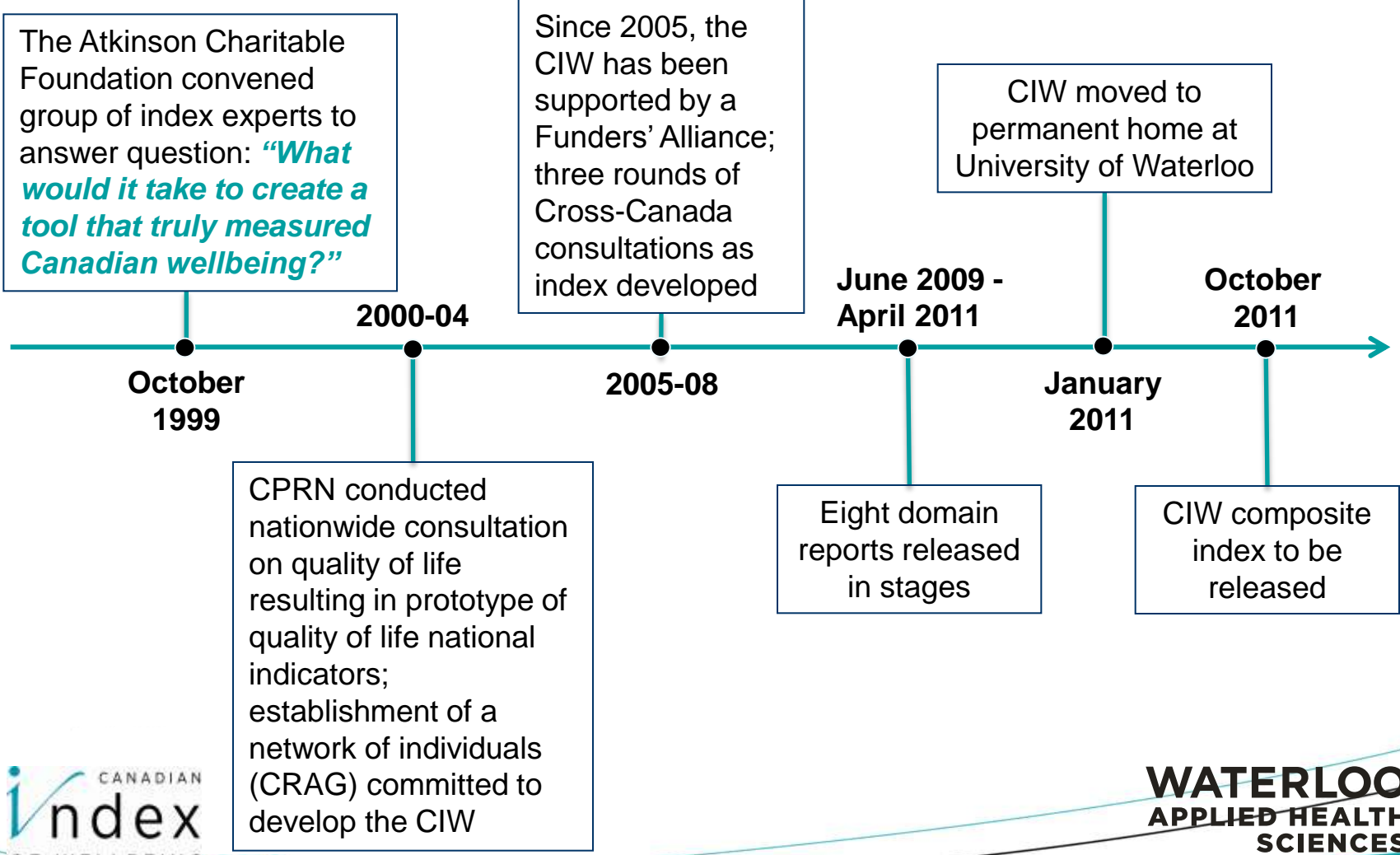
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Canadian Economic Association

Ottawa, Ontario

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# Evolution of the CIW



# Evolution of Wellbeing Indicators

- ✓ Primary focus since WWI has been on measuring the performance of the economy, which led to the development of GDP
- ✓ Simon Kuznets never conceived that the GDP could or should serve as an all encompassing measure of economic or social welfare
- ✓ A number of initiatives in Canada have developed measures that go beyond GDP
- ✓ Composite measures of wellbeing are a relatively recent development
- ✓ The CIW is an innovative attempt in pulling together elements associated with economic, health, social, and environmental domains into a single aggregate measure.
- ✓ There is a substantial body of literature devoted to the question of whether an array of diversely related individual indicators of wellbeing is more useful than a single composite index.



*“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 Honourable Roy J. Romanow  
Chair, CIW Advisory Board**

# Constructing the Canadian Index of Wellbeing

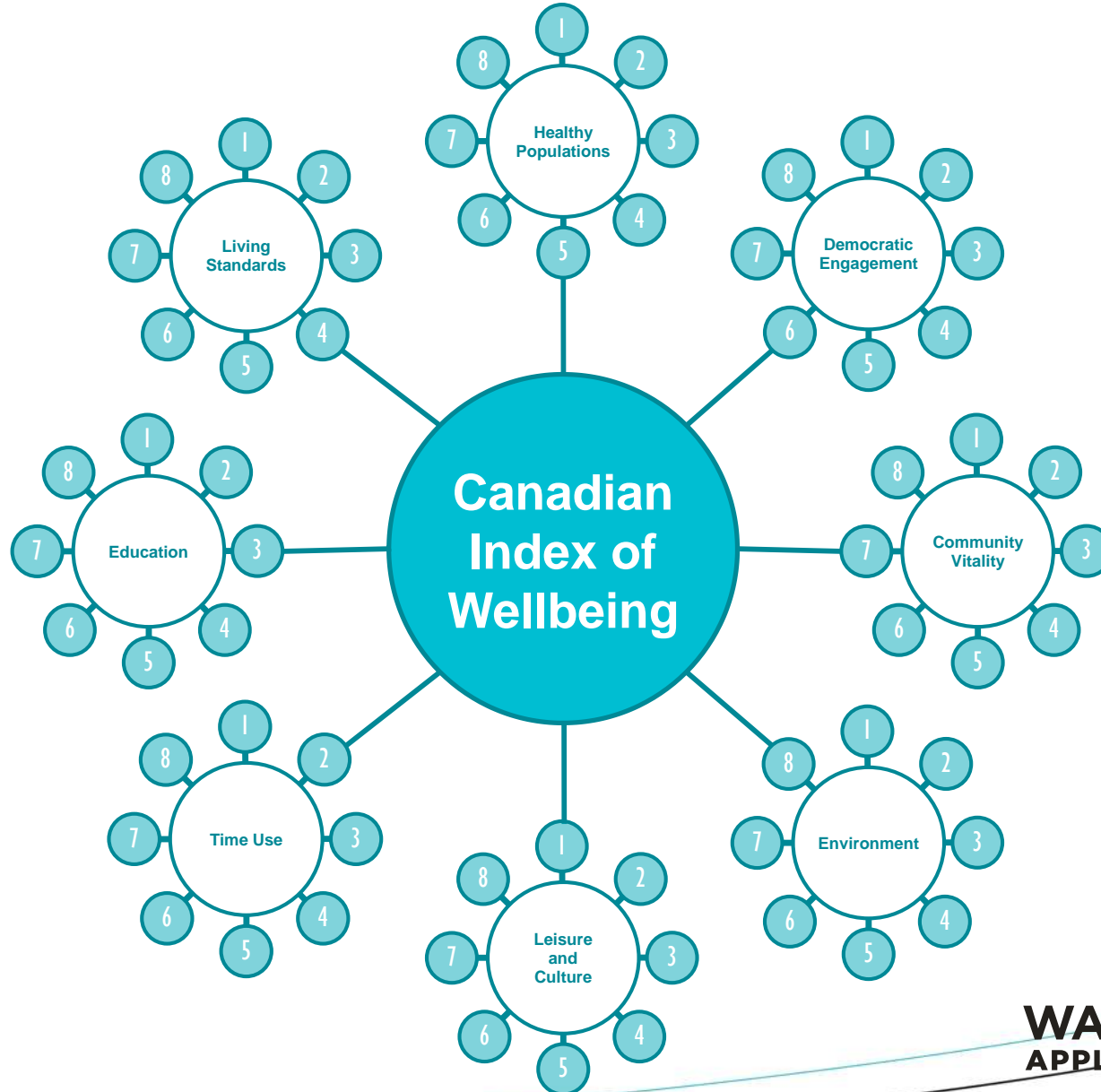
*“It is a task of constructing a unidimensional scale to reasonably represent a multidimensional construct of human wellbeing.”*

An Approach to the Canadian Index of Wellbeing  
Michalos et. al. 2009

# Objectives of the CIW

- ✓ **Promote** a shared vision of what really constitutes sustainable wellbeing and the elements that contribute to or detract from it;
- ✓ **Stimulate discussion** about the types of policies, programs, and activities that would move us closer and faster toward achieving wellbeing;
- ✓ **Inform policy** by helping policy shapers and decision makers to understand the consequences of their actions for Canadian wellbeing; and
- ✓ **Empower Canadians** to promote wellbeing with policy shapers and decision makers so as to account for why things are getting better or worse.

# CIW Domains



# Data Sources and Limitations

- ✓ CIW objective: produce an annual time series at the national level for each of the 8 domains from 1994 to 2008, for which data were available for all 8 domains
- ✓ Data: primarily objective indicators, with some inclusion of subjective measures, where appropriate
- ✓ Statistics Canada regarded as primary and most reliable source of data; other sources of data were used to fill gaps
- ✓ Frequency of data best for economic indicators; for many indicators, regular annual statistics are not available which necessitated interpolations for missing data points to estimate annual indicators



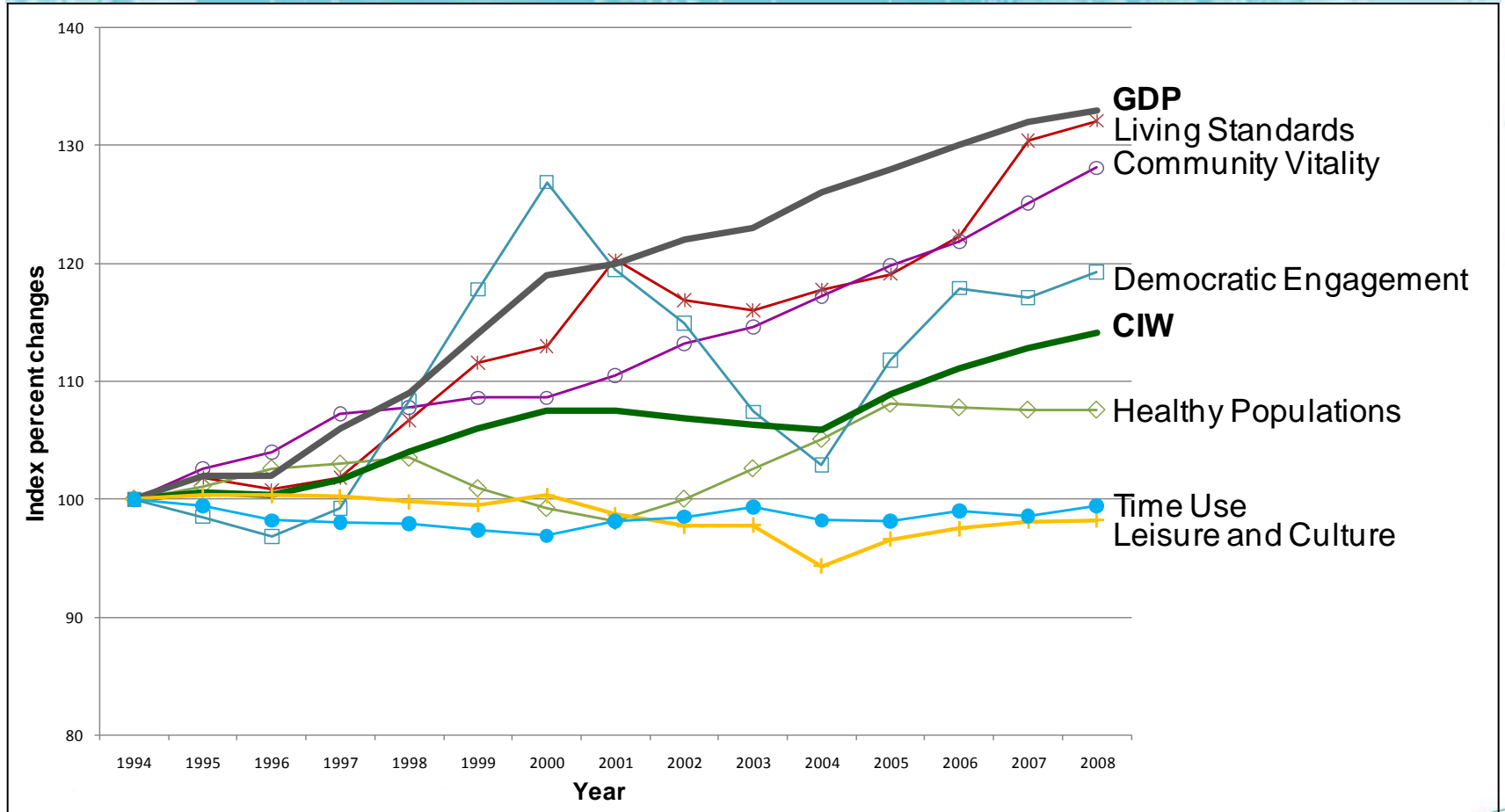
# Concerns for Aggregating the CIW

- ✓ Diversity of units of measure within and across domains make it impossible to derive a denominator that can serve as an accounting unit like GDP
- ✓ As such, weighting of the CIW is judgmental, not unlike other composite indicators
- ✓ Transparency was deemed to be important in sense that users of the CIW can easily understand how aggregates are derived

# Deriving the CIW Index

- ✓ For each domain there are 8 headline indicators recommended by the authors and endorsed by the CIW Canadian Research Advisory Group (CRAG)
- ✓ Each headline indicator is converted to an index with a base year of 1994=100 and inverted in some cases to measure progress
- ✓ The indexes are then averaged to derive an aggregate indicator for each domain

# Trends for Six CIW Domains (1994-2008)



# Living Standards Example

**Living Standards:** the level and distribution of income and wealth, including trends in poverty; income volatility; and economic security, including the security of jobs, food, housing and the social safety net

## Headline Indicators 2008 Index (1994=100)

Ratio of top to bottom quintile	After tax median income of economic family	Incidence of poverty	Scaled value of economic security	Incidence of long-term unemployment	Employment rate	CIBC index of employment quality (1988=100)	RBC housing affordability index	Living Standards Aggregate
87.4	123.8	148.9	94.3	259.7	108.9	99.3	93.9	127.0

# Healthy Populations Example

**Healthy Populations:** physical, mental, and social wellbeing of the population by looking at different aspects of health status and certain determinants of health

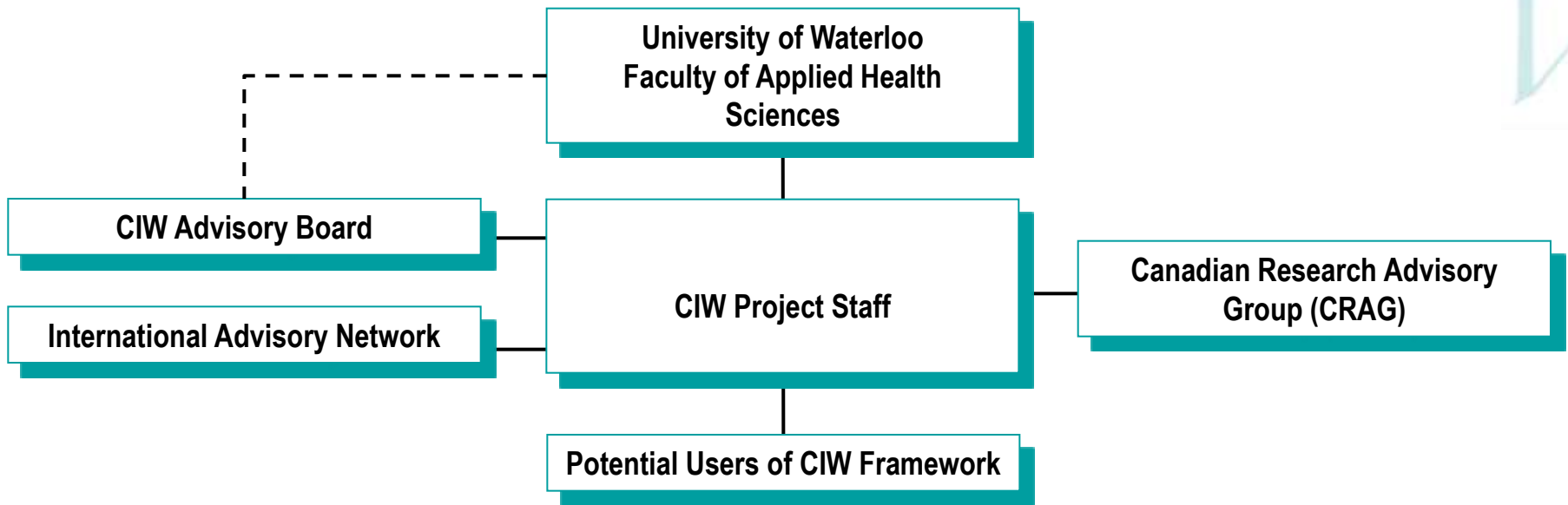
## Headline Indicators 2008 Index (1994=100)

Self-rated health (% excellent or very good)	Diabetes prevalence (% yes)	Life expectancy at birth (years)	Teen smoking rate (aged 12-19, % daily or occasional smokers)	Depression (% with probable depression)	Patient satisfaction with overall health services (% rating services as excellent or good)	Influenza immunization rate (age 65+) (% yes)	Average HALE for 15+ (% of remaining years expected to be lived in good health)	Healthy Populations Aggregate
93.3	50.8	103.3	183.3	88.3	102.8	134.2	96.1	106.6

# CIW Next Steps

- ✓ CIW reports have been released with great success for each of the 8 domains
- ✓ The aggregate CIW is scheduled for release this fall
- ✓ CIW domains will be updated as new data becomes available
- ✓ In-depth research studies
- ✓ Geographic expansion
- ✓ Development of the capital model

# CIW Organization



# CIW Leadership

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