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How are Canadians *Really* doing?

THE 2012 CIW REPORT

 CANADIAN
Index
OF WELLBEING
Measuring what matters



A Message from the CIW Advisory Board Co-Chairs

Dear Fellow Canadians,

Canadians share a legacy of coming together during hard times and building a stronger foundation for a vibrant future. As we continue to struggle from the 2008 recession we believe that same legacy holds the key to our collective recovery and growth.

From quarterly updates of Canada's Gross Domestic Product (GDP) we know our economy is slowly beginning to improve, but what does this mean for everyday Canadians? How are we *really* doing?

Asking these questions highlights the weakness in relying solely on GDP to measure how our country is faring. As useful a tool as it is, GDP only tells us about our economic productivity, assuming that all growth is good when in fact, spending on crime or natural disasters contributes to productivity. Further, GDP tells us nothing about our people, our environment, our democracy, or other aspects of life that matter to Canadians.

Last year we launched the first report of the Canadian Index of Wellbeing. With that report we discovered that between 1994 and 2008, Canada showed robust economic growth, but increases in the wellbeing of Canadians were not nearly comparable. A year later we are now able to track the significant impact the 2008 recession has had on the quality of life of everyday Canadians.

As the gap between those at the top and those at the bottom continues to grow in Canada, it is important to recognise that societies with greater inequality are shown to have worse health and wellbeing outcomes. The evidence shows negative impacts are not just felt by those at the bottom of the socio-economic ladder, even the wealthiest suffer decreased health and wellbeing in societies that are unbalanced.

Canada, like most countries, is facing difficult challenges ahead. In these uncertain times, we are fortunate to live in a country where we have choices about how we want the future to look. The CIW provides a broader depth of understanding that, when partnered with GDP, gives us the evidence needed to help steer Canada forward and build a society that responds to the call for greater fairness.

The choices we make as a society will determine whether we face a distressed future or a better quality of life.

The Honourable Roy J. Romanow
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What is **WELLBEING?**

**There are many definitions of Wellbeing.
The CIW 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 democratic participation, and access to and participation in leisure and culture.

Measuring what matters



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Executive Summary

The Canadian Index of Wellbeing (CIW): Measuring what matters

When we ask our friends, “How are you doing?” we certainly do not expect the answer, “My economic outputs are up.” We want to know if our friends are doing well, if they are healthy, how their families are doing, if they have jobs that cover the bills, if they have seen a good movie recently, or have been out with friends.

Similarly, when we ask how the country is doing, we want to know how Canadians are faring, not just whether the country’s economic productivity is up or down.

This report shines a spotlight on the changes in the wellbeing of Canadians – for better and for worse – that took place in the 17-year period from 1994 to 2010. It focuses particularly on how those changes compare to changes in Canada’s economic productivity, as measured by Gross Domestic Product (GDP) per capita. Further, it reveals the continuing impact of the recession of 2008 on our overall wellbeing.

The 2008-2009 global recession and the years of economic and social turmoil that have ensued bring into sharp relief the limitations of GDP as a measure of wellbeing. GDP, with its focus on economic outputs, only shows us part of the picture. We can see how the economy is changing, but GDP sheds no light on the health of our population, on the vibrancy of our democracy and our communities, on the growing inequality within our country, on the sustainability of our environment, or on other aspects of the quality of life of Canadians.

The Canadian Index of Wellbeing (CIW) provides a measure of our quality of life that assesses those things that matter to Canadians beyond the economy. It draws on a deep well of data, primarily from Statistics Canada, and tracks 64 separate headline indicators within eight interconnected quality of life categories (or *domains*) central to the lives of Canadians: *Community Vitality, Democratic Engagement, Education, Environment, Healthy Populations, Leisure and Culture, Living Standards, and Time Use*. The CIW then combines measures on these domains into a composite index – a single number that goes up and down, much like the Dow Jones or TSX, and provides a snapshot of how our wellbeing is changing.

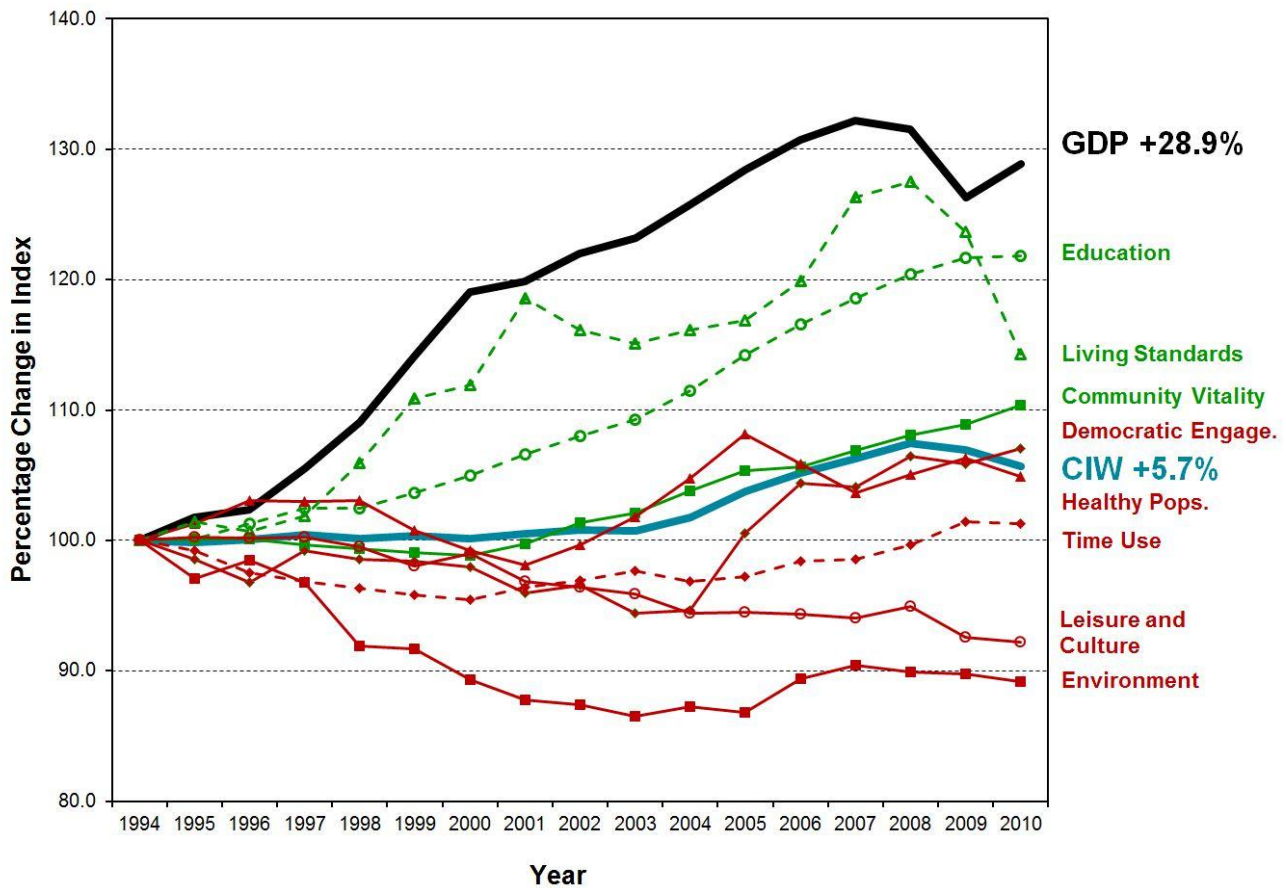
The findings uncover some troubling truths about the connection between our wellbeing and the economy, and beg the question: *Are our governments truly responding to the needs and values of everyday Canadians?*

From 1994 to 2010, while Canada’s GDP grew by a robust 28.9%, improvements in Canadians’ wellbeing grew by a considerably smaller 5.7%. Despite years of prosperity, our economic growth has not translated into similarly significant gains in our overall quality of life. Even more concerning is the considerable backslide Canadians have experienced since 2008.

Following the recession of 2008, Canada's GDP dropped by 8.3%, but shows signs of slow recovery in 2010. In contrast, the impact of the recession on the CIW was a stunning **24% decline** and shows no such sign of recovery to even the modest gains made up to 2008.

This year's report provides further evidence that Canadians are not reaping many of the potential benefits of improved economic productivity. The figure that follows illustrates the growth in Canada's GDP from 1994 to 2010, and contrasts it with the gains made in the CIW and each of its eight domains.

Trends in the Canadian Index of Wellbeing with Eight Domains and Compared with GDP, 1994-2010



Overall, only two domains, Education and Living Standards, have come close to growing at the same rate as GDP, and since 2008, are either stalling or dropping dramatically. Other domains, such as Healthy Populations, Time Use, and especially the Environment and Leisure and Culture, have shown little growth since 1994 and since 2008, are showing signs of even greater decline.

All told, the CIW story is troublesome. The gap between our economic productivity, as measured by GDP, and our wellbeing, as measured by the CIW, is unacceptably large.



Looking more closely at each domain, changes should not be taken to mean that in those domains that went up everything was fine, while in the domains that went down everything was bad. In reality, in the domains that went down, we did make progress in some of the headline indicators. Similarly, in the domains that went up, we still fell back in some of the headline indicators. Indeed, this is the value of the CIW as a comprehensive, composite measure – it provides an integrated and more balanced understanding of our wellbeing and provides the evidence we need to make better decisions about the future that we, as Canadians, want.

In the following sections, highlights from the eight domains provide a more detailed understanding about how well we are living.

Community Vitality

Overall percentage change 1994 to 2010: ↑ 10.3
Change since recession 2008 to 2010: ↑ 2.2

This domain brings to life our everyday reality from a community perspective. It tells us what is happening in our neighbourhoods, how safe we feel, and whether we are engaged as citizens or whether we are becoming socially isolated.

Canadians can take pride in the fact that Community Vitality has improved every year since 2002. One area that stands out is crime and safety: property crime is at an all-time low since the baseline year of 1994, violent crime has dropped every year since 2001 and is also at its lowest level since 1994, and the percentage of people who feel safe walking alone at night is at its highest level. We can also see that more than 80% of Canadians are volunteering to help others and they continue to feel a strong sense of belonging to their community.

In a political era where Canadians are being asked to build more prisons, measures within this domain can help decision-makers reflect more carefully on whether the presumed need for more prisons is based on political agendas or on real evidence.

These measures can help governments understand whether there is growing “moral decay” or “social malaise” in their jurisdictions, or whether their communities are alive with the vibrancy of volunteers, engaged citizens, and people who feel safe in their own neighbourhoods.

Democratic Engagement

Overall percentage change 1994 to 2010: ↑ 7.0
Change since recession 2008 to 2010: ↑ 0.6

This domain helps gauge whether a democracy is strong and healthy or in decline. By examining the indicators that make up this domain, we can see some improvements since 1994: fewer Canadians say they are not interested in politics at all, more

Canadians feel it is every citizen's duty to vote in federal elections, and more Canadians are satisfied with the way democracy works in Canada with an increase of 18.5% since 1994.

Yet, the confidence that Canadians feel in our federal Parliament and voter turnout for federal elections are at their lowest levels over the same time period. Even though 83.1% of Canadians reported in 2008 that they considered it their duty to vote, only 59.1% actually turned out to vote in the federal election that year. Other troubling trends are reflected in indicators such as the decline in the development aid that Canada provides internationally, which is well down – by 20.9% – from 1994, despite slight increases recently.

Democracies do not run on autopilot – they are only as vibrant as the level of participation by our citizens. Once again, the CIW does what GDP was never designed to do: it gives us warnings about aspects of our democracy that could be in peril and points decision-makers to solutions. In this case, considering better mechanisms to get more Canadians excited about voting in their own democracy and restoring some confidence in our federal parliamentary system, along with improving Canada's commitment to international development aid, are clear paths to follow in order to further improve the results within this domain.

Education

Overall percentage change 1994 to 2010: ↑ 21.8
Change since recession 2008 to 2010: ↑ 1.2

One of the crowning achievements of modern Canadian society has been its ability to become one of the more educated countries on the face of the planet.

The CIW shows that Education is the domain in which Canada has made the most progress since 1994. The good news in this domain is that high school completion rates continue to rise, university graduation rates are up by well over a half, and scores on the Program for International Student Assessment (PISA) based on socio-economic background are up by more than a quarter. Nationally, student-teacher ratios continue to improve.

Canadians value education, from early childhood on up, and the CIW shows us just how committed we are to the pursuit of higher knowledge. While we have made impressive gains in most areas, the indicators tell us more work is needed to improve social and emotional competencies and basic knowledge and skills for our tweens and teens. Similarly of concern is that even though our students' basic education scores may still be above the international average, they are declining in each of the areas tested: literacy, math, and science.

The ratio of childcare spaces per-child has improved since 1994, but we still have a long way to go. By 2010, there still was only one regulated daycare space for every five preschool children. The lack of regulated daycare spaces can leave families at the mercy of unregulated childcare, which might lead to poor outcomes for child



development and to added stress for parents. A coordinated national early childhood education programme with regulated daycare spaces is needed to address this critical gap in quality education.

We should celebrate the substantial growth in the number of university graduates, but we must set this increase against the growing rate of longer term under-employment and even unemployment faced by young Canadians, as well as the soaring student debts they face upon leaving post-secondary institutions. We need a more comprehensive education strategy that ensures our young people receive the education they need to create a better Canada, without being indebted financially for years to come.

In a nation as prosperous as ours, the indicators concerning education help us to understand the need to invest more – not less – in the education of Canadians at every stage of their lifespan.

The Environment

Overall percentage change 1994 to 2010: ↓ 10.8
Change since recession 2008 to 2010: ↓ 0.8

The Environment domain speaks volumes about the tension between the relentless pursuit of economic growth and the finite reality of a planet experiencing massive climate change and dwindling natural resources. GDP was never designed to measure the impact of economic growth on our environment, but the CIW has been designed to shed light on practices that are socially and environmentally unsustainable. Shifting our focus here is even more urgent as a struggling global economy places even greater pressures on us to exploit of our natural resources.

The Environment is the domain that has deteriorated the most since 1994. Even though Canada's primary energy production increased up to 2007 and has slowed since, our viable metal reserves have dropped and are at or near their lowest levels for virtually all metals. The energy and mining sectors combined account for about 6% of the Canadian economy, and if we fail to manage our resources in a sustainable way, the result will have a profound effect on our wellbeing, as well as our economy.

Since 1994, greenhouse gas (GHG) emissions have soared and ground level ozone levels have risen. Even though there has been some overall improvement since 2008 in the total amount of GHG emissions, over 60% of the contribution comes from transportation, fossil fuel industries, and electricity production and it continues to grow. In contrast, only 6% of all emissions came from Canadian households in 2010 and despite an increased population, total household emissions are actually in decline. Everyday Canadians are stepping up and doing their part to improve the health of our environment.

Given that respiratory diseases related to air pollutants such as ground-level ozone account for a significant number of all hospital visits, which strains our already overburdened health care system, and given that climate change is expected to have a

serious detrimental impact on global GDP and transform how and where we live our lives, governments and industry must also step up and act to protect the environment on which our wellbeing depends.

Looking at all of the data, we see that Canada is creating one of the biggest Ecological Footprints per person in the world – a Footprint that has increased considerably in size since 1994, up by 17.2% and putting demand on nature that exceed its supply – raising the question: *Is this the Canada we aspire to leave to our children and grandchildren?*

The CIW's environment domain provides evidence-based insights to Canadians and our governments about the need to balance economic growth with greater awareness of the consequences of resource depletion on the environment. Through the implementation of programmes and policies sensitive to all aspects of the environment, governments will not only improve the lives of Canadians by cleaning up our toxin exposure and helping sustain the natural resources we cherish, but they also will become leaders in creating a healthier planet.

Healthy Populations

Overall percentage change 1994 to 2010: ↑ 4.9
Change since recession 2008 to 2010: ↓ 0.2

This domain looks at the health of the Canadian population and assesses whether different aspects of our health are improving or deteriorating. It shows that Canadians' health has improved very little since 1994, and since 2008, our health has begun to decline. We are, on average, living longer, but not necessarily *healthier* lives. We can see a number of troubling trends policy makers could well address. For example, self-reported diabetes incidence has risen in every year since 1994, including another 7.7% between 2008 and 2010. Diabetes is particularly of concern among Aboriginal Canadians on reserves where rates are triple that of the rest of the population. Canadians are reporting an increase in depression since 2009 and the numbers of Canadians getting flu shots has continued to drop steadily from 2005 to 2010.

On the other hand, we also have seen improvements in other aspects of the health of our population over time. The great success story has been a large reduction in percentage of teenagers who smoke, down to just 11% in 2010. The percentage of Canadians rating Canada's public health services as excellent or good has risen every year since 2005, and in 2010, is at its highest level since 1994. By acting as a guide over time, these indicators can help health services decision-makers improve Canadians' health and to address major health care issues as they emerge.

Nevertheless, judging by the comparatively low overall percentage increase in the domain since 1994 – 4.9% – as well as the decline from 2008 to 2010, there is clearly room for improvement.

Given the ongoing struggle to contain the costs associated with health care, the Community Health Centres (CHCs) model is a compelling example of cost-effective



service delivery that provides Canadians with necessary and timely treatment while also providing health promotion and community development services that reduce the burden on the health care system. In an era dominated by debates concerning the sustainability of our health care system, a national strategy for expanding access to CHCs would represent a significant step forward.

Improving the health of Canadians will require action in many fields outside of health care. Health is directly related to income and education levels as well as where we live. 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 because of the greater opportunities it creates for making healthy choices. If our living standards continue to deteriorate, the likelihood of all Canadians having these opportunities also deteriorates. The formula is straightforward: more income equals better health, less income equals worse health. This is true in all age groups and for both women and men.

Leisure and Culture

Overall percentage change 1994 to 2010: ↓ 7.8
Change since recession 2008 to 2010: ↓ 3.0

This domain is the perfect example of the shortcomings of GDP – it might tell us that the economy is growing, but it cannot tell us that families are giving up valued leisure time and cultural activities, and that among those activities they are keeping, they are costing more.

The Leisure and Culture domain is the only domain other than Environment to record an overall drop from 1994 levels, and includes a number of troubling trends that have continued up to 2010. While we are participating more in physical activities and enjoying slightly longer vacation trips, there has been a continuous decline in the amount of time we spend engaged in both social leisure activities and arts and culture activities. We also volunteer less for culture and recreation organisations, and visits to National Parks and National Historic Sites are way down and dropping annually.

After years of relative stability, household expenditures on culture and recreation dropped by almost 10% between 2008 and 2010. This is especially troubling because Canadians have traditionally protected that part of their total household expenditures devoted to culture and recreation regardless of shifting economic times. It appears that, since the recession, Canadians are less able to do so. Coupled with the declines in amount of time engaged in social and arts activities, Canadians appear less able to protect a part of their lives that they most value and by which they are most enriched.

Between 1994 and 2008, we went through one of the most economically prosperous periods in our history, yet it did not lead to our engaging more in the activities we enjoy. Since 2008, this trend has worsened. When we compare the trends between this domain and those on Time Use, we see that many Canadians may simply be too caught up in a time crunch to enjoy leisure and culture activities in the company of

friends and family. The results of this domain raise a very basic question: *Is that progress?*

Living Standards

Overall percentage change: ↑ 14.3
Change since recession 2008 to 2010: ↓ 10.4

The indicators in this domain tell us whether income inequality is getting worse or better; whether family incomes are going up or down; whether more or fewer families are living in poverty in Canada; whether long-term unemployment is on the rise or not; whether housing is becoming more affordable or out of reach. By breaking down the domain, and tracking each indicator's progress over time, we can see whether our wellbeing by these measures is improving or deteriorating.

Between 1994 and 2008, the indicators in the Living Standards domain showed an overall increase of 27.5%, but there were sharp drops in both 2009 and 2010. By 2010, our living standards were only 14.3% above 1994 levels.

In the wake of the recession and a sluggish recovery, Canadians' living standards have deteriorated significantly. The past two to three years has revealed a slight widening of the income gap, reduced levels of economic security (down by 6.4%), a smaller percentage of the labour force employed (down by 3.0%), a reduction in the quality of employment (down by 2.0%), and especially, a dramatic increase in the percentage of the labour force out of work for a long period of time (up by 41.7%). There has been a gain in median income, but it is not evenly distributed among all Canadians, with the lion's share going to the wealthiest. We can see that income inequality, measured here as the gap between the richest 20% and the poorest 20% of Canadian families, continues to be problematic. In fact, according to the Conference Board of Canada, the gap in real after-tax average income between the richest and the poorest grew by over 40% between 1994 and 2009.

Looking at the past two years, the recession and subsequent sluggish recovery have taken a big toll on our standard of living. The deterioration experienced by so many Canadians speaks to the growing unease felt across Canada and must be taken into consideration as our governments make decisions on how to steer us forward, particularly given predictions of an extended period of weak economic growth.

Time Use

Overall percentage change 1994 to 2010: ↑ 1.3
Change since recession 2008 to 2010: ↑ 1.7

Despite a slight upturn in the Time Use domain overall, it has had an adverse effect on the wellbeing of Canadians. Some of its headline indicators have improved, but others have deteriorated significantly. The greatest improvement is a sizeable drop in the



percentage of Canadians working over 50 hours per week. Additionally by 2010, a greater percentage of workers have flexible job hours and a higher percentage of older adults are engaged in formal volunteer activities in their communities.

On the negative side, more Canadians are caught in a time crunch. Despite a small decrease in 2010, almost one in five Canadians between 20 and 64 years of age are still feeling high levels of time pressure. Commute times to and from work are at their highest levels, having risen by 19.9% between 1994 and 2010. This increase of almost 11 minutes per day spent commuting translates into approximately 45 hours per year; in other words, working Canadians have lost about a week's worth of free time to commuting. The consequences of all these trends can lead to less contact with one's family and friends, worsened health, higher levels of stress and depression, and lower life satisfaction.

Despite greater access to free time, older Canadians are spending less time engaged in daily active leisure pursuits – by 2010, the percentage had dropped by almost 13% since 1994. Engaging in physical activity is directly and strongly linked to wellbeing, especially in later life, so spending less time in these pursuits is a troubling trend that could have implications for the health of an ageing population of Canadians.

This domain sends us a warning about where we are headed as a society and reveals starkly the limitations of GDP on this front. Certainly economic growth is laudable. *But what does it mean to a society if it comes at the expense of less free time, fewer social connections, lower personal satisfaction, and a more stressful life?*

Overall Findings

Up until now, Canada, like other countries, has largely gauged its success by GDP alone, presuming economic growth equals better quality of life. More and more nations are challenging the validity of this assumption and considering alternative ways to measure how our citizenry is actually faring in comparison to the economy. As a world leader in this movement, the CIW delivers a measure that provides a broader depth of understanding that, when partnered with GDP, gives citizens and decision-makers a more comprehensive package of information they need to assess our progress as a society and make decisions based on evidence for a fair and sustainable future.

Tabulating all eight domains and their 64 indicators gives us a more complete picture of Canadians and their wellbeing. The trends tell us whether we are moving more closely or further away from our vision as a country.

Using 1994 as a starting point for measurement, the CIW was assigned a baseline score of 100. By 2010, the combination of the domains shows us that our wellbeing improved on many counts, primarily in Education and Community Vitality, but declined on others such as in the Environment and in Leisure and Culture. Pulling together all eight domains, we see the CIW composite index increases to a score of 105.7 – just a **5.7% improvement** in quality of life over the 17-year period.

During that time period, Canada has managed to recover from a difficult recession in the early-1990s, get out of its long-term federal deficit, and post a budgetary surplus as early as 1997-1998, entering one of the most unprecedented periods of economic growth in our history. Given that, we would expect a corresponding improvement in our wellbeing.

When you compare the robust 28.9% in Canada's GDP to the small 5.7% growth in our wellbeing over the same time period, we have cause for deep concern. Looking more closely at the impact of the recession of 2008, it resulted in an 8.3% decline in GDP up to 2010. However, the recession resulted in a stunning **24% decline in Canadians' wellbeing** from the modest gains made up to 2008.

The trends in the CIW tell us when the economy improves, Canadians reap comparatively little benefit, but when the economy stumbles, Canadians take the fall. Even though the economy as measured by GDP is in slow recovery, the wellbeing of Canadians continues to decline. This incongruity between our wellbeing and the economy needs to be addressed. We must ask: *Are our governments truly responding to the needs and values of everyday Canadians?*

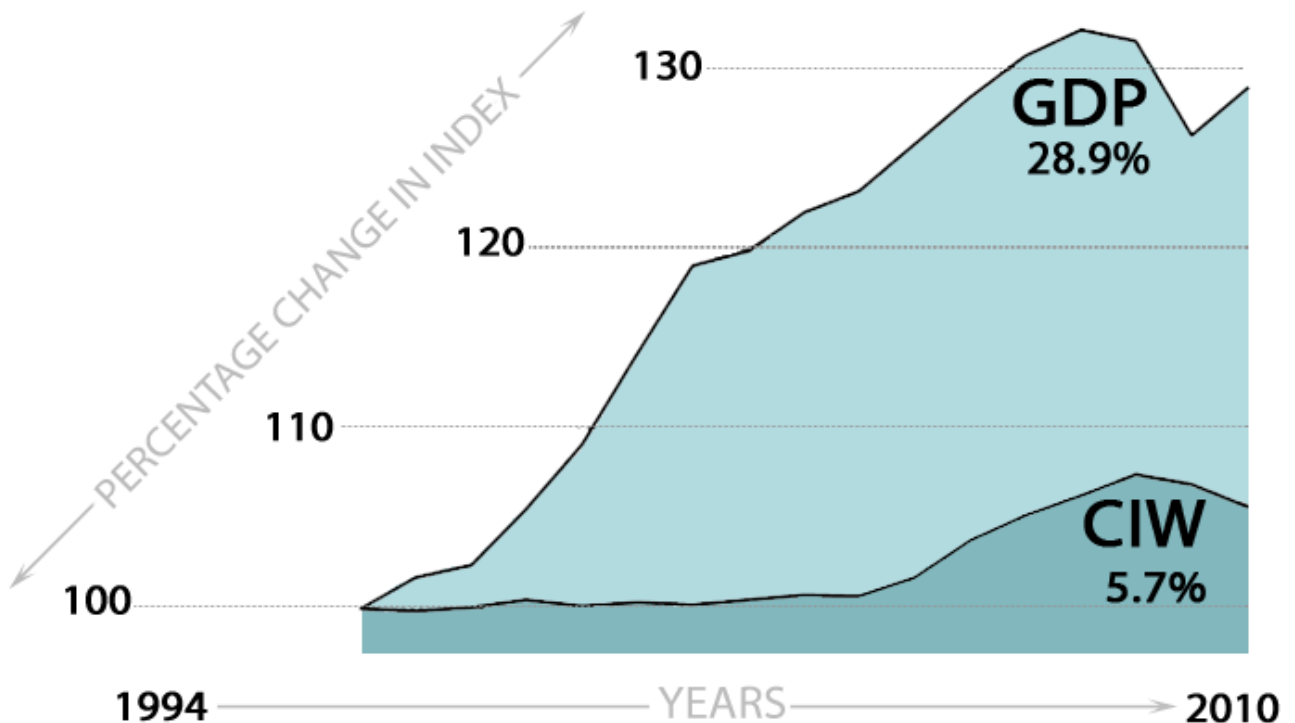
In these uncertain times, we are fortunate to live in a country where we still have choices about how we want the future to look. Each of us has the power to voice – or not – our choices about what kind of society in which we want to live. The CIW provides a depth of understanding that can help steer Canada forward and build a society that responds to the global call for greater fairness.

1.0 Why Canada Needs the CIW

In 1930, in an essay entitled *Economic possibilities for our grandchildren*, the economist John Maynard Keynes predicted that in a century's time, Gross Domestic Product (GDP) would be four to eight times greater and by 2010 the average work-week would be 15 hours.¹ The great challenge would be to fill up people's leisure time with meaningful activities.

While the first half of Keynes's prediction has come true, the corresponding quality of life improvement has never come close. As the figure below clearly indicates, GDP per capita in Canada has been rising much faster than wellbeing as measured by the CIW. In the 17-year period from 1994 to 2010, GDP grew by an ample 28.9% while the CIW rose by a much smaller 5.7% (see Figure 1). The gap between these measures reveals a deeper issue: GDP, alone, cannot measure how well our population is faring as a whole.²

Figure 1: Trends in Canadian Wellbeing Compared to GDP (per capita) from 1994 to 2010



The CIW represents an innovation about how things could be better. Not just a little better for some Canadians, but a lot better for *all* Canadians.

¹ Keynes, J.M. (1930/1963). *Economic possibilities for our grandchildren*. In J.M. Keynes, *Essays in persuasion* (pp. 358-374) London: Macmillan.

² For a description of GDP, as well as some of the myths surrounding it, see Appendix A.

Evidence suggests that societies where there is greater inequality have worse health and wellbeing outcomes.³ This is obvious for those at the bottom of the socio-economic ladder, but what may surprise many is that those worse outcomes extend all the way to the top of the ladder. Even the wealthiest in an unbalanced society suffer worse health and wellbeing. The stories of people who are most affected by this inequality bring this into sharp focus, but we must remind ourselves that focusing on wellbeing means more than just helping the 9% of Canadians that were living in poverty in 2010 (as defined by the low income cut-off). We must create the conditions that lead to greater wellbeing for everyone.

1.1 The CIW Framework and Methodology

Throughout the development of the CIW, the process has been designed to ensure everyday Canadians hear their own voices and see themselves reflected in the CIW.

The CIW was created through the combined efforts of national leaders and organisations, community groups, research experts, indicator users, and importantly, the Canadian public. Through three rounds of public consultations, everyday Canadians across the country candidly expressed what really matters to their wellbeing. The process culminated in the identification of eight domains of life, all of which contribute to and affect the wellbeing of Canadians: *Community Vitality*, *Democratic Engagement*, *Education*, *Environment*, *Healthy Populations*, *Leisure and Culture*, *Living Standards*, and *Time Use*. The CIW framework shifts the focus solely from the economy to include other critical domains of people's lives identified by Canadians.

- ✓ **Community Vitality** measures the strength, activity and inclusiveness of relationships between residents, private sector, public sector and civil society organisations that fosters individual and collective wellbeing.
- ✓ **Democratic Engagement** measures the participation of citizens in public life and in governance and the functioning of Canadian governments and the role Canadians and their institutions play as global citizens.
- ✓ **Education** measures the literacy and skill levels of the population, including the ability of both children and adults to function in various contexts and plan for and adapt to future situations.
- ✓ **Environment** measures the wise use of our natural environment that involves prevention of waste and damage while revitalising the quality and sustainability of all our resources.
- ✓ **Healthy Populations** measures the physical, mental, and social wellbeing of the population, life expectancy and circumstances that influence health, health care quality, access, and public health services.

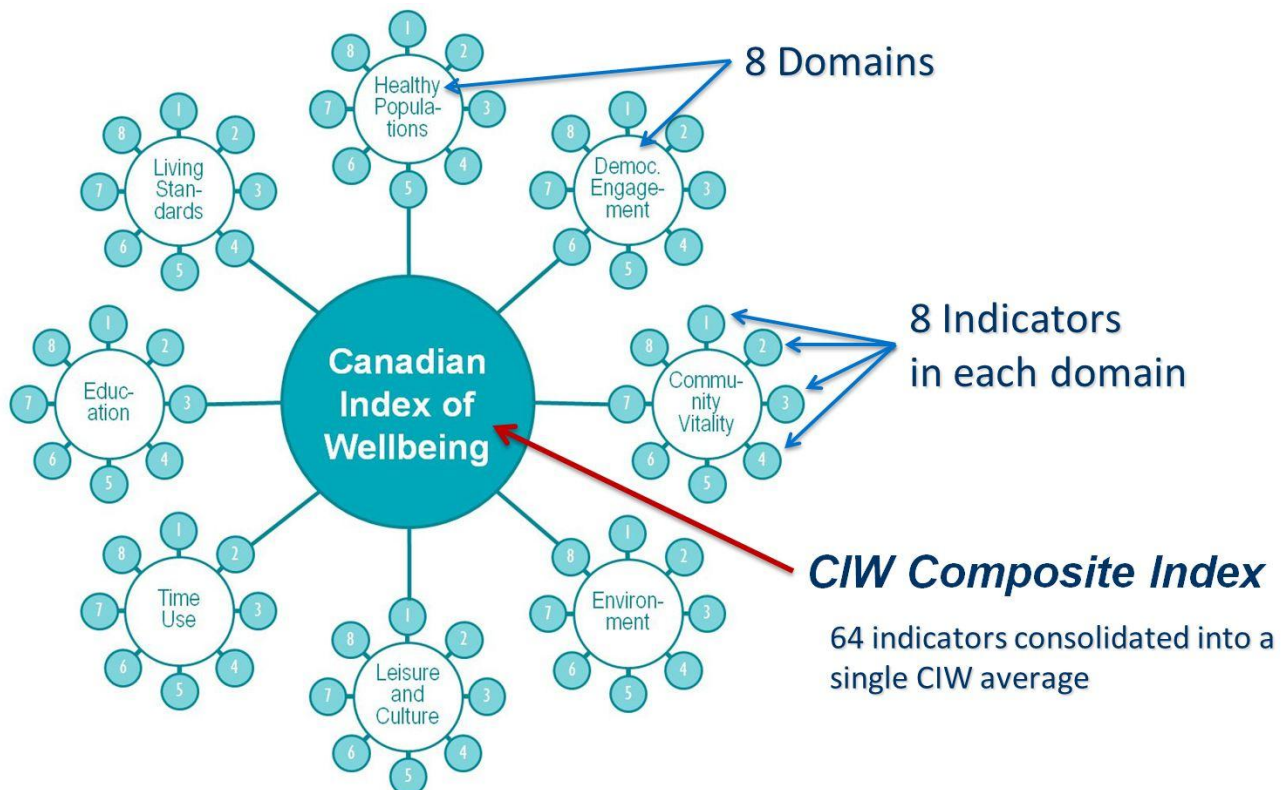
³ Wilkinson, R., & Pickett, K. (2009). *The spirit level: Why more equal societies almost always do better*. London: Penguin.



- ✓ **Leisure and Culture** measures activity in the very broad area of leisure and culture that involves all forms of human expression, in particular in more focused areas of the arts and leisure and recreational activities.
- ✓ **Living Standards** measure the level and distribution of income and wealth. Poverty rates, income volatility, and economic security are captured by income levels and distribution and the sustainability of current income levels.
- ✓ **Time Use** measures how people experience time and how time use affects wellbeing. A life stage approach for understanding the relationship between time use and wellbeing is utilised to identify the unique time use patterns of each stage of life.

Together, these eight domains provide a complete picture of wellbeing, incorporating a comprehensive set of the key social, health, economic, and environmental factors contributing to overall quality of life. In this way, the CIW framework goes beyond purely economic measures like GDP (see Appendix A) and provides the only national framework that captures the essence of wellbeing across a wide spectrum of domains. These definitions helped teams of nationally and internationally renowned experts to identify eight key indicators within each domain that are directly related to wellbeing. The 64 indicators in total are then drawn together into a single measure determining the CIW composite index (see Figure 2).

Figure 2: The Canadian Index of Wellbeing Framework





Moving forward, an ongoing 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, shaped by technical expertise, and responsive to emerging knowledge. Hence, the CIW is not a static measuring tool, carved in stone for all time. It grows and changes as more becomes known about those factors that affect our wellbeing, how to measure changes in our quality of life, and when more sources of quality data become available. This year, for example, we are introducing five new headline indicators in four different domains to replace five from last year's model for which data are no longer being gathered or the new indicators provided more stable, valid measures. The introduction of these indicators strengthens our measure of wellbeing even more – and hence, the CIW – without veering from the values on which the CIW is grounded.

Consequently, the development and evolution of the CIW has been and probably will remain pragmatic and attuned to the concerns of Canadians. Practically speaking, that means that we proceed patiently, transparently, and flexibly, testing any ideas presented both with the evidence yielded by empirical research and based on the common sense of the experts comprising the CIW's Canadian Research Advisory Group (CRAG) and a broad network of partners concerned with Canada's wellbeing.

To date, the CIW has gone through an extensive and lengthy process of validation and legitimisation. The model was presented to and feedback sought from international experts at gatherings such as the 2005 workshop led by composite index experts from the Joint Research Centre of the European Commission, at a November 2006 workshop with NGO leaders and government officials, and at the OECD Second World Forum on Measuring and Fostering the Progress of Societies in Istanbul in 2007. More recently, the CIW framework and initial findings were shared in May 2012 in an open online global discussion on Wikiprogress and in October 2012 at a Global Progress Research Network Workshop at the 4th OECD World Forum in New Delhi, India.

As the world changes, new issues become salient, and new knowledge, data, and technology become available, some of the things that matter most to people today may be supplanted by other things in the future. Validating and continually improving the CIW is an ongoing process.

How the CIW Works

Many of our indicators were drawn from various cycles of the National Population Health Survey, which began in 1994, so this was selected as our base year. This year, we report on trends up to 2010, which was selected because it represented the most recent year for which the latest full set of data across all eight domains was available. To create comparable index values from the many sources of raw data, the baseline values of each of the 64 headline indicators has been set at 100. Positive percentage changes for each one indicate some improvement in wellbeing while negative percentage changes indicate some deterioration. This approach applies to all 64 indicators as well as the eight domains, and ultimately, the CIW composite index.

There are many reasons for regarding one or another indicator as more important in some way or other, but what is missing is a good reason for assigning any particular indicator a particular numerical value greater or less than that of some or all other indicators. The absence of such a reason justifies the equal treatment of all indicators at the current time. With the greater understanding of the relationships among all indicators that is bound to come as development of the CIW proceeds, sufficient reasons for diverse weights may appear.

In the section that follows, trends for the eight domains are presented and specific indicators highlighted to reflect how Canadians' wellbeing has changed – for better and for worse – over the 17-year period from 1994 to 2010. In this year's report, almost 80% of the indicators have been updated as several national data sets, especially from Statistics Canada, became available. Along with tracking changes in wellbeing, we are able to see where the impact of the 2008 recession was felt most.

A more detailed description of the methodology can be found in the full technical paper, *The Canadian Index of Wellbeing*, available at www.ciw.ca.

2.0 Trends and Statistical Highlights

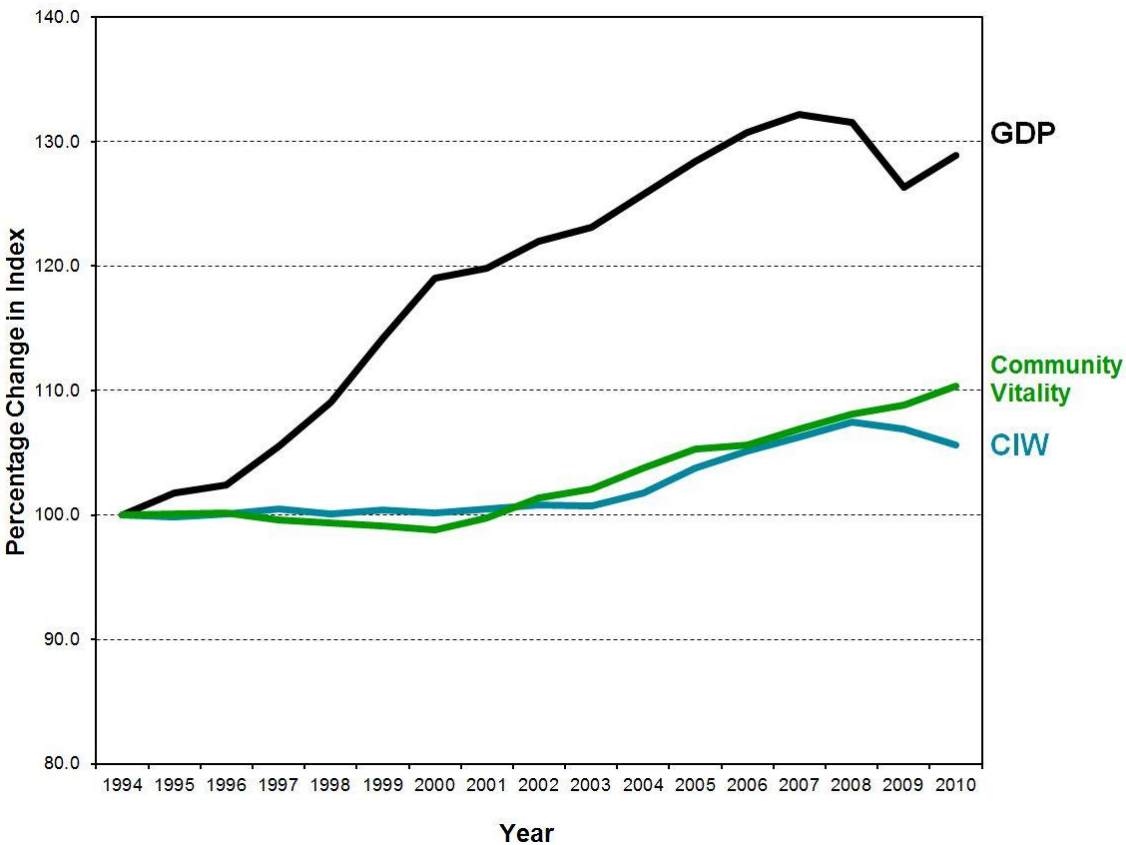


Community Vitality

Vital communities are those that have strong, active and inclusive relationships among residents, the private and public sectors, and civil society organisations – 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.

CIW research on Community Vitality 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.

Trends in *Community Vitality*, CIW, and GDP (per capita) from 1994 to 2010



Overall Percentage Change in Community Vitality Domain 1994 to 2010:

10.3% ↑



COMMUNITY VITALITY

10.3%

GOOD CHANGE

BAD CHANGE



48.0%

Property crime rate per 100,000 population

20.2%

Percentage with six (6) or more close friends



Percentage reporting participation in organized activities

27.3%



13.7%

Percentage who feel that most or many people can be trusted



Percentage who provide unpaid help to others on their own

13.3%

Percentage reporting very or somewhat strong sense of belonging to community

13.0%



Percentage who feel safe walking alone after dark

10.3%

4.9%

Violent crime rate per 100,000 population





Canadians can take pride in the fact that Community Vitality has improved every year since 2000. The headline indicators reveal that Canadians, by and large, are strongly connected to and engaged in their communities. The following specific trends can be seen:

- ✓ The rate of membership in voluntary groups and organisations is relatively high and four out of five Canadians are engaged in volunteering.
- ✓ The size of Canadians' social networks of friends remains lower than 1994 levels, but has been steadily rising since its lowest point in 2003.
- ✓ Canadians report high levels of giving social support, extending assistance to family, friends, and neighbours.
- ✓ Levels of crime are substantially down and feelings of safety have increased, an indicator of enhanced community relationships.
- ✓ Canadians report a strong sense of belonging to their local communities.
- ✓ Despite a gain in feelings of safety and lower crime rates, our sense of trust in others has declined.

Participation in organised activities is strong

- ✓ 64.9% of Canadians were members or participants in voluntary groups or community organisations in 2008, rising steadily from 51.0% in the mid-1990s for an overall increase of 27.3%.

We provide more help to others

- ✓ 82.7% of Canadians reported that they extended unpaid care and assistance to family, friends, and neighbours in 2008, an increase from 73% in 1994 for an overall increase of 13.3%.

Crime is going down

- ✓ Between 1994 and 2010, the rate of property crime dropped from 5,692 incidents per 100,000 Canadians to 3,846, a decrease of 48% and the lowest levels since 1998.
- ✓ The 2010 rate of 1,282 violent offences per 100,000 Canadians was 4.9% lower than the rate recorded in 1994 of 1,345 crimes per 100,000 Canadians. Violent crime has dropped every year since 2001 and also is at its lowest levels since 1998.



Feelings of safety are up, despite a decreased sense of trust in others

- ✓ Canadians report their highest levels of personal safety – the proportion feeling safe walking alone after dark grew from 71.9% in 1994 to 79.3% in 2009, for an overall increase of 10.3%.
- ✓ Fewer than half of Canadians (47.7%) felt that most or many people could be trusted in 2008 compared to 55.3% in the early 2000s. This represents an overall decrease of 13.7%.

We feel we belong

- ✓ 65.4% of Canadians expressed strong attachment to their local community in 2010, up from 57.9% in 1994, for an overall increase of 13.0% during the 17-year period.

Conclusion

The way we associate with each other, and on what terms, has enormous implications for our wellbeing.

On balance, the positive trend of most of the indicators in the Community Vitality Domain is heartening, suggesting that the wellbeing of Canadians, as measured by the quality of their relationships, is improving over time. Even during periods of economic recession and sluggish growth, Canadians have pulled together to strengthen their communities – suggesting a strong commitment to the core Canadian value of a “shared destiny”.

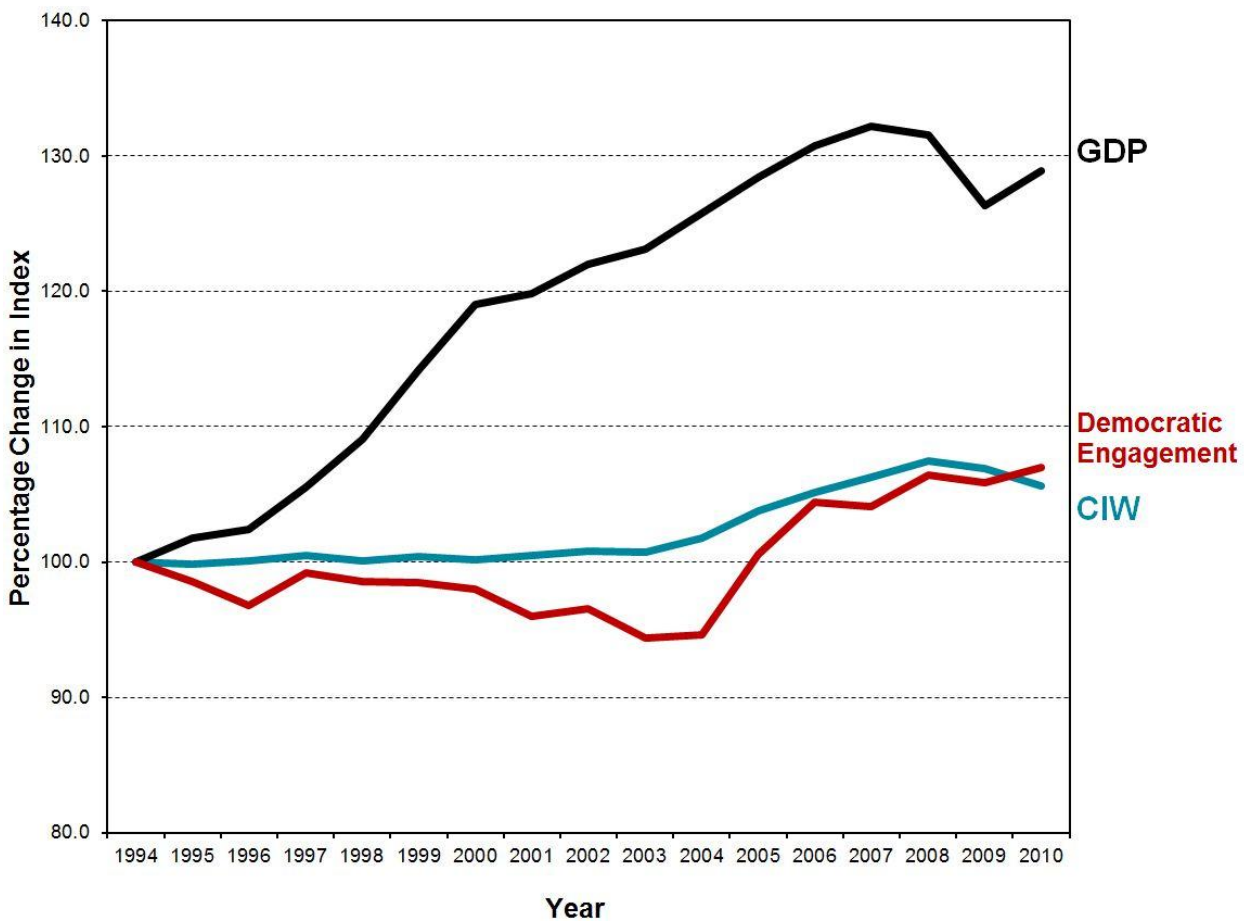


Democratic Engagement

Democratic Engagement is the state of being involved in advancing democracy through political institutions, organisations, and activities. A society that enjoys a high degree of democratic engagement is one where citizens participate in political activities, express political views, and foster political knowledge; governments build relationships, trust, shared responsibility, and participation opportunities with citizens; and democratic values are sustained by citizens, government, and civil society at a local, national, and global level.

A healthy democracy requires more than participation in elections. A healthy democracy requires ongoing democratic engagement both during and between elections.

Trends in Democratic Engagement, CIW, and GDP (per capita) from 1994 to 2010



Overall Percentage Change in Democratic Engagement Domain 1994 to 2010:

7.0% ↑





The following specific trends since 1994 can be seen:

- ✓ Over two-thirds of Canadians are satisfied with the state of their democracy.
- ✓ Less than half of Canadians feel a great deal or quite a lot of confidence in their federal Parliament.
- ✓ More Canadians are expressing an interest in politics, but this growing interest does not appear to be translating into higher voter turnout.
- ✓ Fewer Canadians are voting in elections for all levels of government.
- ✓ The percentage of women in Parliament has increased very slightly, and still remains relatively low.
- ✓ Canada's contribution to global development aid has been poor, down by more than 20% since 1994.

Many of us feel satisfied with Canadian democracy...

- ✓ The percentage of Canadians who were very satisfied or fairly satisfied with how democracy works in Canada varied from a low of 54.2% in 2004 to 67.8% in 2010. Even though almost a third of Canadians are still not satisfied, since 1994, there has been an overall increase of 18.5%.

... but we feel less confident in federal Parliament

- ✓ Less than one-half of Canadians feel a great deal or quite a lot of confidence in federal Parliament, ranging from 49.2% in 2003 to 47.9% in 2010. Although the percentage has remained relatively stable, it continues to reflect very low confidence in Parliament. This suggests a strong disconnect between the activities of the Parliament of Canada and how confident Canadians feel about the policies and priorities of their federal Parliament.

Greater voter interest not resulting in higher voter turnout

- ✓ The percentage of Canadians who say they are “not interested in politics” went from 9.7% in the mid-1990s down to 7.4% in 2010, for an overall improvement of 31.1% during this period. However, the increase in voter interest does not appear to be resulting in higher voter turnout. In fact, in 2000, even though voter interest increased from the previous election, voter turnout actually decreased.



Overall, fewer of us are voting

- ✓ From a high of 67.0% in the 1994 federal election, voter turnout fell to its lowest level since then with only 59.1% of Canadians voting in the 2008 federal election (although there was a slight uptick to 61.1% in the 2011 election), for an overall decrease of 11.8%. This trend is troubling because federal elections generally have higher levels of voter turnout than both provincial and municipal elections.
- ✓ Even though 83.1% of Canadians reported in the 2008 Canadian Election study that they considered it their duty to vote, only 59.1% actually turned out to vote in the federal election that year.

Women are significantly under-represented in Parliament

- ✓ Women make up more than half of the Canadian population and yet are under-represented in our democracy. While the percentage of women Members of Parliament has increased from 18% in 1994 to 22.4% in 2010 – a 24.4% increase over the 17-year period – it remains very low. In the World Economic Forum's *Global Gender Gap Report 2010*, Canada's rank dropped to 20th in gender equality on the Global Gender Gap Index and 36th on the political empowerment sub-index.⁴

Canada's global engagement is poor

- ✓ The Government of Canada's commitment to global development is measured by the percentage of Gross National Income (GNI) devoted to Official Development Assistance (ODA). The proportion of Canadian GNI devoted to ODA fell from a high of 0.43% in 1994 to 0.34% in 2010, for an overall decrease of 20.9% over the 17-year period.
- ✓ This commitment to ODA fell short on two fronts. First, there is a long-standing United Nations target for developed countries to devote 0.7% of their GNI to ODA – more than twice the current level of Canadian assistance. Second, in 2010, Canada ranked poorly in terms of GNI devoted to ODA – 16th out of 22 Organization for Economic Co-operation and Development (OECD) member countries. Further, Canada's commitment to ODA fell another 5.3% in 2011.⁵

⁴ Hausmann, R., Tyson, L.D., & Zahidi, S. (2010). *The Global Gender Gap Report 2010*. Geneva, Switzerland: World Economic Forum. Retrieved from <http://www.weforum.org/reports/global-gender-gap-report-2010>

⁵ OECD. (2012). *Development: Aid to developing countries falls because of global recession*. Aid Statistics, OECD. Retrieved from <http://www.oecd.org/dac/aidstatistics/developmentaidtodevelopingcountriesfallsbecauseofglobalrecession.htm>



Conclusion

The research undertaken in this report clearly demonstrates that efforts have amassed at the individual, governmental, and global level to respond to changing values, decreased satisfaction, and increased expectations of democracy among Canadians. Yet, the results of these efforts have not translated into substantially stronger democratic engagement.

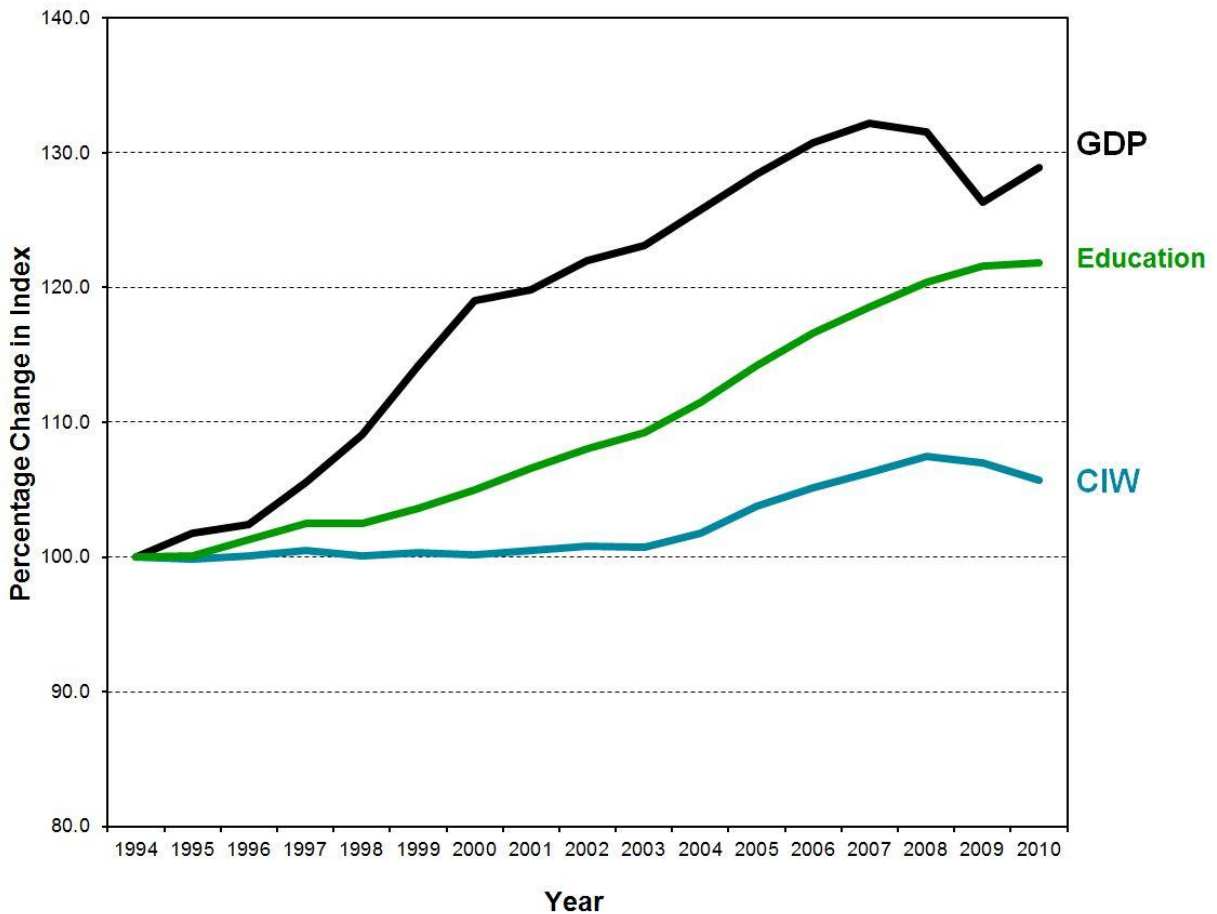
Over the past 17 years, voter participation reached an all-time low in the 2008 federal election. The participation of women in Parliament is far below the 51% of the population women comprise. There is a strong disconnect between the public's belief that it is their duty to vote and their actual turnout to vote. Some suggest that low participation is a sign of public content, yet satisfaction with democracy in Canada is modest and less than half of Canadians express confidence in federal Parliament.



Education

Education is the systematic instruction, schooling, or training given to the young in preparation for the work of life, and by extension, similar instruction or training obtained in adult age. Education should not be equated with schooling. It is a process that begins before school age and extends beyond high school, university, and apprenticeships. Before the start of formal schooling in kindergarten, education is reflected in pre-school arrangements such as childcare and early childhood education. Beyond high school, college or university, and professional training through apprenticeships, education takes place in the form of adult learning and lifelong learning.

Trends in *Education*, CIW, and GDP (per capita) from 1994 to 2010



Overall Percentage Change in the Education Domain 1994 to 2010:

21.8% ↑



EDUCATION

21.8%

GOOD CHANGE

BAD CHANGE

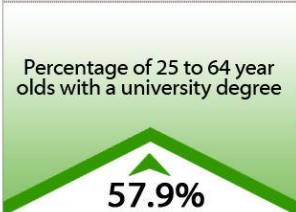


Ratio of childcare spaces to children aged 0 to 5 years of age

69.2%



3.7%
Average of five social and emotional competence scores for 12 to 13 year olds



Percentage of 25 to 64 year olds with a university degree

57.9%



27.9%

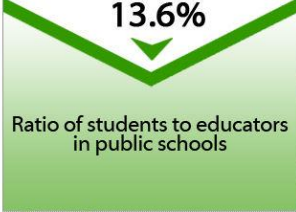


0.5%
Basic knowledge and skills index for 13 to 15 year olds



13.6%

Percentage of Programme for International Student Assessment (PISA) scores explained by socio-economic background

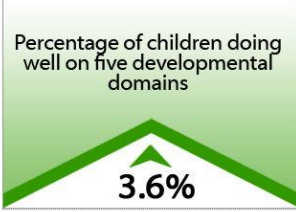


Ratio of students to educators in public schools



Percentage of 20 to 24 year olds in population completing high school

6.5%



Percentage of children doing well on five developmental domains

3.6%



Education is the only domain that was relatively close to matching the growth in GDP. Indeed, the Education domain, overall, has grown every year since 1994, except for 1998 when it matched the previous year. The following specific trends can be seen:

- ✓ The percentage of childcare spaces is increasing, but it varies considerably among the provinces.
- ✓ Slight improvements in developmental health of kindergarten children occurred in the 1990s, but have levelled off in the 2000s.
- ✓ Student-teacher ratios have improved steadily, but only slightly each year since the early 2000s.
- ✓ Social and emotional competencies among children 12 to 13 year olds are declining.
- ✓ Math, science, and reading scores remain above the international average, but the margin is dropping.
- ✓ Parental socio-economic status has become somewhat less important to their children's academic achievement. However, parental education attainment remains comparatively more important to their children's educational attainment.
- ✓ High school completion rates continue to increase slightly each year and university graduation rates continue to rise significantly.

Childcare spaces are up

- ✓ Over the last two decades, the availability of childcare spaces increased. The percentage of children aged 0 to 5 years with a childcare space rose steadily from 12% in 1994 to 20.3% in 2010, for an overall increase of 69.2%.

Developmental health in kindergarten has levelled off

- ✓ The percentage of children in kindergarten who did well on developmental health scores in the National Longitudinal Study of Children and Youth increased consistently from 83% in 1994 to 86% in 2000, but remained at 86% in 2010. This is an overall increase of 3.6% over the 17-year period. The fact that data show a consistently increasing trend over one decade (1990s) and a consistent plateau during the following decade (2000s) raises important questions about the social and political changes that accompanied this pattern.



Student-educator ratio is improving

- ✓ The number of students per educator steadily dropped from 15.9 in the mid-1990s to 14.0 in 2010, for an overall improvement of 13.6%.

Social and emotional competencies are declining in middle childhood

- ✓ Social and emotional competency scores among children 12 to 13 years of age declined slowly, but steadily from 3.25 in 1994 to 3.13 in 2010, for an overall decrease of 3.7% during the 17-year period. The trend was not reflected equally in the five individual components: self-concept and peer belonging stayed at a steadily high level, while bullying (victimisation), friendship intimacy, and empathy went down over time.

Canadian basic education scores are above the international average – but the margin is dropping

- ✓ Canadian adolescents' scores were above the international average of 500 on an index of tests taken between 1995 and 2009. But scores progressively declined from a high of 533 in 1999 to 521 in 2009, the most recent test year. During that period of time, the decline was 2.4%.

Parental socio-economic status is becoming less important to student performance.

- ✓ The amount of variation in PISA Grade 9 literacy/reading test scores that can be attributed to differences in parental socio-economic background dropped from 11% in 2000 to 8.6% in 2009 for Canadian students. As an indicator of educational equality, this represents an overall improvement of 27.9%. Canada is in the mid-range among OECD countries.
- ✓ Students whose parents have completed high school or less are approximately 70% as likely to participate in the post-secondary education process as students whose parents have completed university.

High school completion rates edge upwards

- ✓ The percentage of the Canadian population between 20 and 24 years of age that reported having completed high school grew slowly, but steadily from 85.9% in 1994 to 91.5% in 2010. During the 17-year period from 1994 to 2010, there has been an overall increase of 6.5% in completion rates.

University completion rates continue to grow

- ✓ University graduation rates among 25 to 64 year-olds have gone up steadily from 19% in 1994 to 30% in 2010, for an overall increase of 57.9% during the 17-year period.



Conclusion

Education is one of the core personal resources that each of us needs to manage our personal wellbeing. As life expectancy has significantly increased over the past century, it is equally important that we embrace a lifetime development approach to education.

The early years are developmentally foundational and predictive with regard to later educational outcomes as well as overall health. In Canada, the availability of childcare has increased, but in the absence of a national childcare programme, it varies significantly from province to province. The developmental health of children in the important transitional year of kindergarten consistently improved in the 1990s, but flat-lined in the 2000s, which demands further investigation. By contrast, university completion rates have improved significantly since 1994 – something that bodes well for an economy that requires an increasingly skilled workforce.

Social and emotional competency scores among children 12 to 13 years of age have declined slowly, but steadily. In an increasingly globalised and diverse Canadian society, fostering interpersonal competencies is critical for building trust and social capital across different groups within our society. If the trend shown for children in middle childhood reflects a general societal trend, it will be important to understand and address the underlying processes and causes.

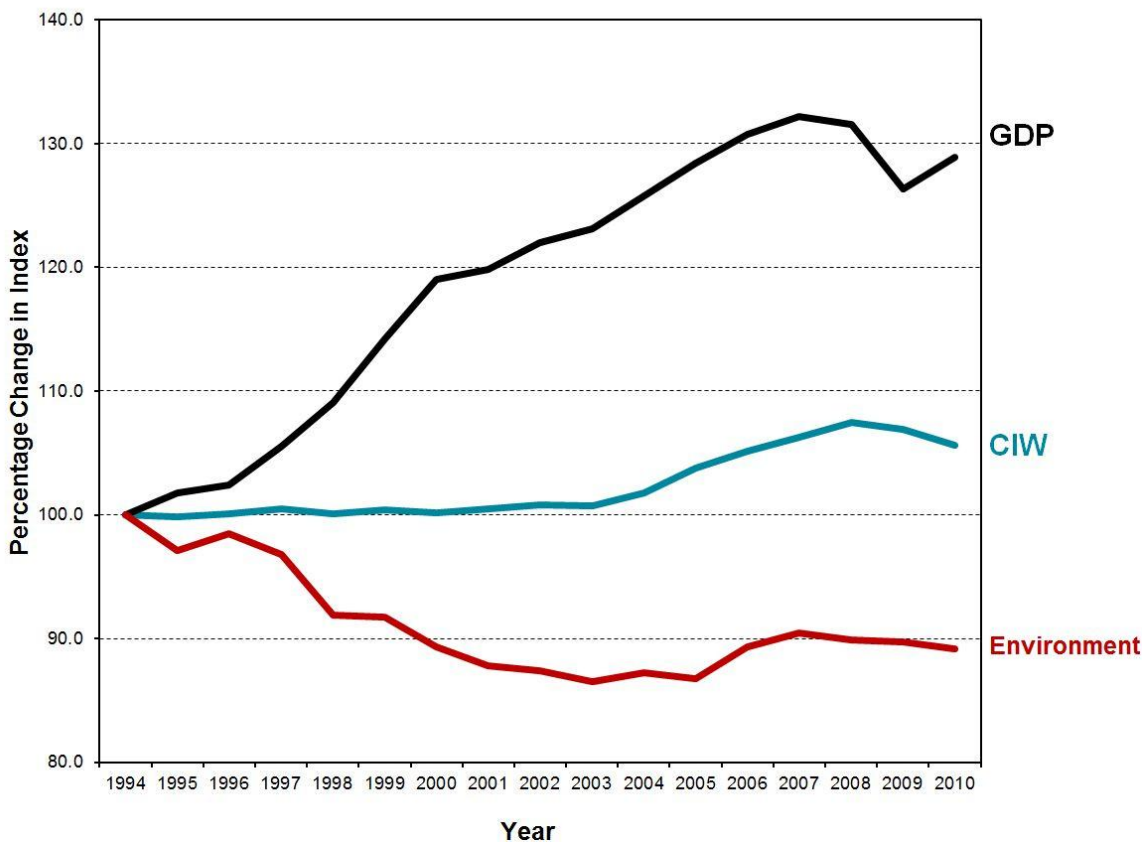


Environment

The environment is the foundation upon which human societies are built. We are a part of the planet, made up of the same materials and energy as the earth, plants, and animals around us. Indeed, the Merriam-Webster dictionary defines the environment as: “the complex of physical, chemical, and biotic factors (as climate, soil, and living things) that act upon an organism or an ecological community and ultimately determine its form and survival.”

Despite its fundamental importance to us as a species, and despite estimates that Canada’s natural resource wealth exceeds one trillion dollars, we often take our environment for granted. We fail to appreciate the various ecosystem services provided by nature that sustain human wellbeing.

Trends in *Environment*, CIW, and GDP (per capita) from 1994 to 2010



Overall Percentage Change in the Environment Domain 1994 to 2010:

-10.8% ↓





The Environment has deteriorated more so than any other domain since 1994. The following trends can be seen:

- ✓ Air quality has fluctuated over the years, but is still problematic and costly to the health of Canadians, particularly in cities congested by heavy traffic.
- ✓ After several years of dramatic increases, greenhouse gas emissions dropped in 2009, but they remain well above the levels of the mid-1990s.
- ✓ Canadians continue to be large consumers and producers of hydro-carbon energy, although its production has decreased considerably since 2007.
- ✓ Water supplies have varied over the years. Since 1994, they have increased in Southern Canada, but have been shrinking in other parts of Canada. Combined with high demand, this raises concerns for the future.
- ✓ Many Canadian species are struggling, especially freshwater fish, grassland birds, reptiles and amphibians.
- ✓ Canada's Ecological Footprint per person continues to be one of the highest in the world.
- ✓ There is not enough environmental monitoring and existing data are largely older and inaccessible – certainly in contrast to economic data.

Ground-level ozone is increasing

- ✓ Ground-level ozone can be directly linked to human health – such as respiratory problems – and ecosystem degradation. It can impose billions of dollars of costs on society, especially in large municipalities with more severe traffic congestion. It rose from 36.01 ppb in 1994 to 38.18 ppb in 2010, for an increase of 5.7% during the 17-year period.

GHG emissions remain high

- ✓ Canada is far from the trajectory it needs to reduce emissions to a rate that avoids dangerous climate change. Overall, absolute GHG emissions increased by 9.8% during 1994 to 2010, despite the decrease in 2009. Even though Canada has abandoned its commitment to the Kyoto protocol, this trend puts us well behind being able to be 6% below 1990 levels by 2012.



- ✓ Canada's Arctic has already experienced a warming of more than 1.7°C and an increase of 4 or 5°C is projected.⁶ Climate change will have very large ramifications for infrastructure, communities, and species throughout the Arctic, causing disruption to cultural, economic, and general wellbeing.
- ✓ By 2010, the main contributors to GHG emissions have been certain industries with more than 60% of the GHG emissions produced by transportation (24.0%), fossil fuel industries (22.3%), and electricity production via utilities (14.3%). Household emissions have remained relatively the same at just 6% of the total over the 17-year period from 1994 to 2010 and unlike other sectors, have, in fact, dropped by 1.4%.⁷

We are large consumers and producers of hydrocarbon energy

- ✓ There has been an overall increase of 11.7% in primary energy production from 1994 to 2010, but virtually all of the growth has come through the exploitation of non-renewable fossil fuels, which make up some 90% of our primary energy production. Electricity generation from wind, solar, and tidal sources represented less than 0.5%.
- ✓ Such voracious energy use is the primary reason for Canada's inability to meet its Kyoto targets and stem the rising tide of GHG emissions.

Our Ecological Footprint is huge

- ✓ Canada's Ecological Footprint per person, which measures human demand on the earth's ecosystems, increased by over 17% between 1994 and 2010. According to the Global Footprint Network, out of almost 150 countries, Canada has the world's eighth largest Ecological Footprint per capita.⁸ If the entire world lived like Canadians do, it would take more than 3.5 Earths to support the demand.

Some species populations are increasing while others are declining

- ✓ While the Living Planet Index – which measures the population levels of select species – was relatively close in 2000 to where it was in 1970, it has been declining on all fronts since the mid-1990s, with reptiles, amphibians and fish

⁶ International Arctic Science Committee. (2010). *Arctic climate change scenarios for the 21st century projected by the ACIA-designated models*. The Encyclopedia of Earth. Retrieved from http://www.eoearth.org/article/Arctic_climate_change_scenarios_for_the_21st_century_projected_by_the_ACIA-designated_models

⁷ Environment Canada. (2010). *A summary of trends: Summary of emissions and economic activity by sector, 1990 and 2008*. Ottawa, ON: Environment Canada. Retrieved from <http://www.ec.gc.ca/ges-ghg/default.asp?lang=En&n=0590640B-1>

⁸ Global Footprint Network. (2012). *Canada: Country factsheet*. Retrieved on July 28, 2012 from <http://www.footprintnetwork.org/en/index.php/GFN/page/trends/canada/>

showing the greatest decreases. The overall decrease for 1994 to 2003, the most recent year for which Canadian figures are reported, was 23.8%.

- i ✓ An estimated 20% of native frogs, toads, and salamanders are at risk of extinction, while 18% of non-marine fishes are listed as endangered or threatened. Birds of grasslands and other open habitats lost 40% of their populations, 35% of shorebirds have experienced recent declines somewhere in their range, and seabirds also show a greater number of populations in decline since the 1980s. Waterfowl and forest birds remain comparatively healthy.
- i ✓ We have been fishing-down the food chain, reducing the population of the larger more desirable species such as swordfish, while turning to smaller, short-lived species such as clams, shrimps, and crabs. The Marine Trophic Index has decreased by 5.3% from 1994 to the most recent report in 2006.
- i ✓ Declining levels of large predatory fish suggest that food chains are becoming shorter, leaving ecosystems less able to cope with natural or human-induced change.

Our freshwater supply is variable

- i ✓ From 1994 to 2010, the supply of water in Southern Canada increased by 3.9%, but there was considerable variability year-to-year, with the greatest variability throughout the prairies where supply went from extreme scarcity (drought) to extreme abundance (flooding). Climate change predictions suggest increasing variability in terms of both temperature and precipitation.

Metal reserves are declining

- i ✓ Metal reserves have declined by 40.3% from 1994 to 2010 and are at or near their lowest levels for virtually all metals. For the time being, the declining reserves in Canada are balanced through international trade with developing countries.

Conclusion

The Environment domain paints a picture of Canada's environment that is largely deteriorating. Some aspects are improving, but most are degrading. The choices we make in terms of protecting, managing, and/or restoring these aspects of the environment will dictate not only the state of our lands and waters, but also will play a significant role in determining our wellbeing as Canadians.

While Canada is not a country in crisis, there are warning signs that not all is well when it comes to the environment and our wellbeing. Given that there is an increasingly large global population with a voracious and growing demand for our natural capital, it is critical that policy makers assess the consequences of how we use the environment to better the wellbeing of all Canadians.

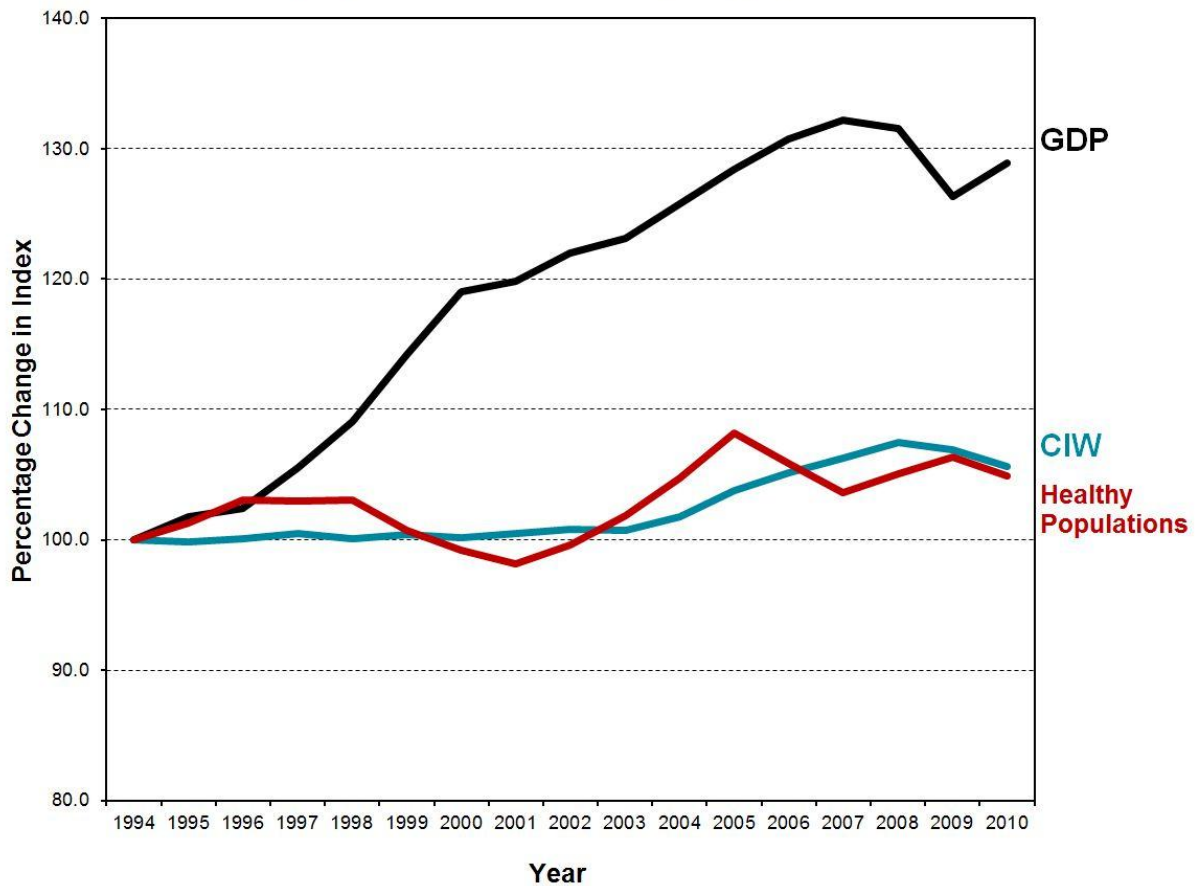


Healthy Populations

The Healthy Populations domain 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. The domain focuses on a set of key indicators that illustrate the overall health of the population (“health status”) and factors that influence health (“health determinants”).

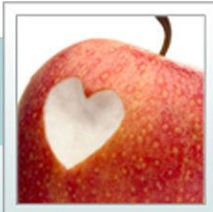
An individual’s lifestyle and behaviour clearly affects his or her health. Good dietary practices, regular physical activity, and refraining from smoking are all linked to better health. However, individual choices and behaviours are constrained and shaped by broader social factors including how food is distributed and priced, how houses are constructed and located, how urban transportation is designed, and how carefully humans interact with the planetary ecosystem.

Trends in Healthy Populations, CIW, and GDP (per capita) from 1994 to 2010



Overall Percentage Change in Healthy Populations 1994 to 2010:

4.9% ↑

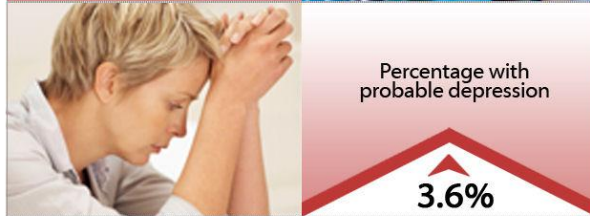


HEALTHY POPULATIONS

4.9%

GOOD CHANGE

BAD CHANGE





The relatively high standard of living enjoyed by Canadians is matched by life expectancy rates that are among the best in the world. However, a closer look at other health indicators reveals a more mixed picture, with an overall population health of Canadians that has barely improved since 1994, increasing only 4.9%.

- ✓ While Canadians have generally high levels of health, there are discrepancies in health based on social groupings and gender, 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 since the late 1990s, but has moved slightly up and down rather sporadically in more recent years. This trend runs across the population.
- ✓ The decline in health status has been 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. The percentage of Canadians who feel this way has increased slightly each year since 2005.

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 2009 could expect to live to 81.1 years of age, up 3.7% from 1994.
- ✓ Women continue to live longer than men – 83.3 years compared to 78.8 years in 2009. But men are catching up – life expectancy for men increased by 7.8 years between 1979 and 2009, compared to 4.5 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.

... but we're not living better

- ✓ Although Canadians are living longer, these additional years are not necessarily spent in the best of health. 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 overall, have dropped 3.9% from 1994 to 2010.

The most dramatic drop has been for women aged 85 and older. Canadians are increasingly likely to develop a chronic disease or mental illness during their lifetime.

We do not feel as healthy as we used to

- ✓ The percentage of Canadians who consider themselves as having very good or excellent health peaked in 1998 at 65.2% and decreased substantially in 2003 to 58.4%. Self-rated health rebounded slightly in 2005 to 60.1% and remains at that level in 2010. Overall, the percentage of Canadians reporting their health is good or excellent is 4.8% lower than in 1994.
- ✓ Diabetes rates have increased 53.1% over the past 17 years – from 3% in 1994 to 6.4% in 2010 – 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%.

More Canadians are likely to be depressed

- ✓ The likelihood of depression has increased by 3.6% among Canadians of all ages from 1994 to 2010. Although still above 1994 levels, there has been considerable variability over the years with lowest levels of depression reported in the late 1990s and highest levels in the early 2000s. From 2006 to 2010, an average of 5.6% of Canadians report depression, an 8% increase since 2005. Throughout this 17-year period, the prevalence of depression has been consistently higher among women than men.

Some of us are adopting healthier lifestyles

- ✓ The percentage of Canadians who use tobacco continues to decline among all age groups, particularly among youth from 12 to 19 years of age, where the rates dropped by 85.0% between 1994 and 2010.

Fewer Canadians are getting flu shots

- ✓ Despite government marketing campaigns, barely half of Canadians (53.2%) got flu shots in 2010, a number that has been dropping steadily since the peak of 64.4% in 2005. Older Canadians are more likely to get a flu shot – over three-quarters of those 65 years of age or older got a flu shot in 2010, including almost 90% of those Canadians over 80 years of age.

We're happy with our health care services

- ✓ 88.3% of Canadians in 2010 said that they rated the quality of health care in their province or territory as excellent or good, up 4.6% since 1994. The rates



were equally high when asked about community-based health care and access to a regular family physician.

Conclusion

Disparities in health status by social groupings point to the need for new policies and programmes that are tailored to closing the gaps. Action is needed on social justice and equity-oriented measures, a point strongly reinforced in the final report of the World Health Organization's Commission on *Social Determinants of Health*.⁹

There is wide consensus that reducing health disparities is a key to improving Canadians' overall health and wellbeing. This suggests both the need for health interventions tailored to socially excluded groups and the potential health benefits of initiatives outside the health field.

⁹ Commission on Social Determinants of Health. (2008). *Closing the gap in a generation: Health equity through action on the social determinants of health*. Final Report of the Commission on Social Determinants of Health. Geneva, Switzerland: World Health Organization.

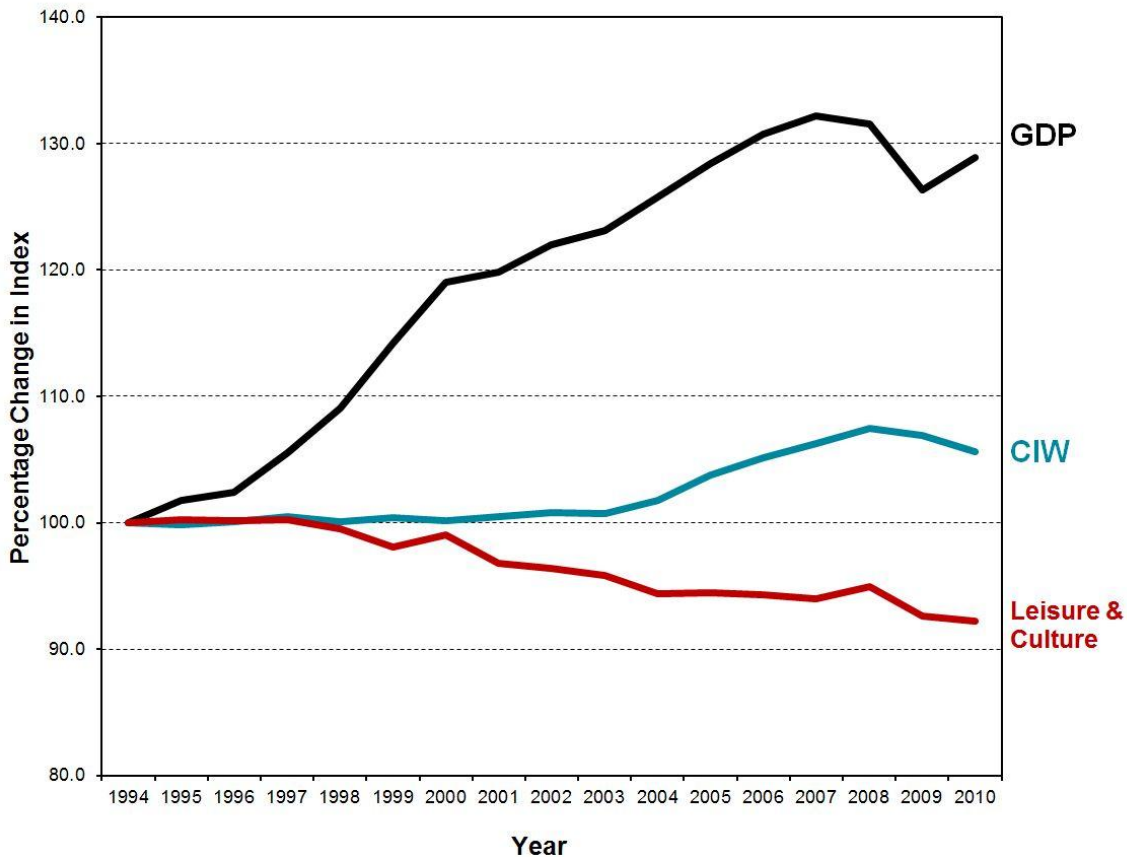


Leisure and Culture

Canadians' participation in leisure and cultural activities, whether arts, culture, or recreation, contributes to their wellbeing as individuals, to their communities, and to society as a whole. The myriad of activities and opportunities that we pursue and enjoy today all benefit our overall life satisfaction and quality of life. They help to fully define our lives, the meaning we derive from them, and ultimately our wellbeing. This is true for all social groups, regardless of age or gender.

Participation in leisure and culture throughout one's lifetime promotes higher levels of life satisfaction and wellbeing into later life. There is also emerging evidence that leisure and culture can play an even greater role in improving the quality of life for marginalised groups, such as lower income groups, children and older adults living with disabilities, and minority populations.

Trends in Leisure and Culture, CIW, and GDP (per capita) from 1994 to 2010



Overall Percentage Change in Leisure and Culture 1994 to 2010:

-7.8% ↓



7.8%

LEISURE & CULTURE

GOOD CHANGE

BAD CHANGE



Average monthly frequency of participation in physical activity over 15 minutes

24.0%

Average number of nights away per trip in the past year on vacations over 80km from home

7.2%



28.7%

Average visitation per site in past year to all national parks and national historic sites



21.9%

Average number of hours in the past year spent volunteering for culture and recreation organisations



19.7%

Average percent of time spent on the previous day in social leisure activities



10.7%

Average attendance per performance in past year at all performing arts



8.5%

Average percent of time spent on the previous day in arts and culture activities



4.1%

Expenditures in past year on culture and recreation as percent of total expenditures



The Leisure and Culture domain is the only domain other than Environment to see an overall decline since 1994. It includes a number of troubling trends as well as a couple of positive ones:

- ✓ Canadians are spending less time than ever engaged both in social leisure activities and in arts and cultural activities.
- ✓ Volunteering for culture and recreation organisations is dropping, especially among those 25 to 34 years of age.
- ✓ Participation in physical activities is increasing fairly significantly and Canadians are taking slightly longer vacations.
- ✓ Visits to National Parks and National Historic Sites are dropping significantly and are not expected to rise to levels seen in the 1990s for some time, if at all.
- ✓ Household spending on culture and recreation declined sharply after 2008 and is now less than it was in 1994.

We are spending less time engaged in social and arts and culture activities

- ✓ The average portion of total time that Canadians spent on the previous day on social leisure activities dropped every year from 14.4% in 1994 to 11.6% in 2010 for an overall decrease of 19.7% during the 17-year period. Time spent engaged in arts and culture activities dropped every year from 1994 to 2005, but has remained comparatively stable since although it represents less than 5% of Canadians' time.
- ✓ Women spent a greater percentage of time than men on both social leisure and arts and culture activities, but the drop in social leisure activities from 1998 to 2010 was greatest among women, from 17.1% to 13.0%.

Attendance at performing arts performances has dropped

- ✓ Average attendance per performance fluctuated in the early 2000s, but has dropped substantially every year since 2006 for an overall decrease of 10.7% from 1994 to 2010. The decline in average attendance since 2006 has been even greater at 12.7%.

We volunteer less for culture and recreation organisations

- ✓ Despite the fact that overall volunteering in Canada has increased, the percentage of volunteering time given specifically to culture and recreation organisations dropped dramatically from 48.0% in 1994 to 37.5% in 2010, for



an overall decrease of 21.9% during the 17-year period. Men reported a much greater percentage of their volunteering time given to culture and recreation organisations than did women, although the numbers for both groups dropped.

Our participation in physical activities has increased

- ✓ Overall participation in physical activity rose steadily from 21 to 26 times per month from 1994 to 2010, for an overall increase of 24.0% during the 17-year period. Participation rates in activities such as walking, bicycling, exercising, various sports, gardening, and social dancing have remained fairly consistent since 2003.
- ✓ Men reported two more episodes of physical activity per month, but the pattern of growth and levelling off was the same for both genders. Older adults participated in physical activity at much lower levels than all other age groups. Consequently, as the population ages, overall levels of physical activity among Canadians might begin to decline.

Visits to National Parks and Historic Sites continue to fall

- ✓ Annual visits to National Parks and National Historic Sites of Canada remained steady throughout the 1990s, but dropped significantly immediately after 2000 and are now at their lowest levels since 1994. There was an overall decrease in annual visits of 28.7% over the 17-year period. Contributing factors to the decline during this period include 9/11, the outbreaks of SARS, West Nile virus, and more recently, the economic slump in the U.S. and new passport requirements.
- ✓ The number of visitors is not expected to rise to levels seen in the 1990s for some time, if at all. Recovery to previous levels would require a huge upswing, which could be hindered by a variety of factors including an increasingly diverse Canadian population, increased fees and charges, and greater restrictions when visiting Parks and Sites. Recent marketing efforts by Parks Canada – especially to new Canadians – might help to reverse the decline.

We're taking slightly longer vacations

- ✓ The total number of nights Canadians spent away from home was relatively stable in the 1990s. It was generally higher from 2000 to 2007 although the average number of nights away per trip declined until 2003, and then increased to the highest level in 2008. In the past two years, the number has declined again. From 1994 to 2010, even though the total number of trips taken by Canadians varies, the trips on average are longer by 7.2%.
- ✓ When women vacationed, they spent more nights away than men. Adults aged 65 years and over – most of whom are in retirement – spent significantly more nights away on average than other age groups.



We're spending less on culture and recreation

- i ✓ Regardless of whether household income went up or down over the years, the percentage of that income spent on culture and recreation increased by 4.2% over the 15-year period from 1994 to 2008. In the past two years, however, Canadians have spent substantially less of their incomes on culture and recreation, down 4.1% from 1994 levels, and down almost 10% just in the last year.
- i ✓ Adults 35 to 49 years of age reported spending significantly more on culture and recreation than any other age groups. This may be because they were the ones most likely to have children in the household. Adults 65 years of age and older reported spending significantly less on culture and recreation despite having more free time for such activities. This was largely due to their having less disposable income than other age groups.

Conclusion

Leisure and culture make significant contributions to the wellbeing of Canadians and their communities. They also help shape our national identity and sense of who we are as a people. Thus, the overall decline in the engagement of Canadians in such activities is of considerable concern.

The significant drop in leisure time activity among women is noteworthy and may very well reflect their increased feelings of time crunch. While there is some comfort in knowing that participation in physical activity has increased slightly over recent years, given the challenge of an ageing population, increased chronic diseases such as diabetes, and obesity-related health challenges, it would be more comforting to see a substantial increase in physical activity. Equally worrying is that over the past several years, public agencies and non-profit, voluntary organisations responsible for the provision of leisure and culture programmes, services, facilities, and other opportunities have seen an ongoing shift away from core funding.

These trends bode poorly for the wellbeing of individuals, communities, and society. Should they continue, the benefits associated with having leisure and culture as key components in the lifestyles of Canadians and in our communities will simply not be realised. We must strengthen our capacity to provide meaningful and accessible venues and opportunities for leisure and culture for all Canadians.

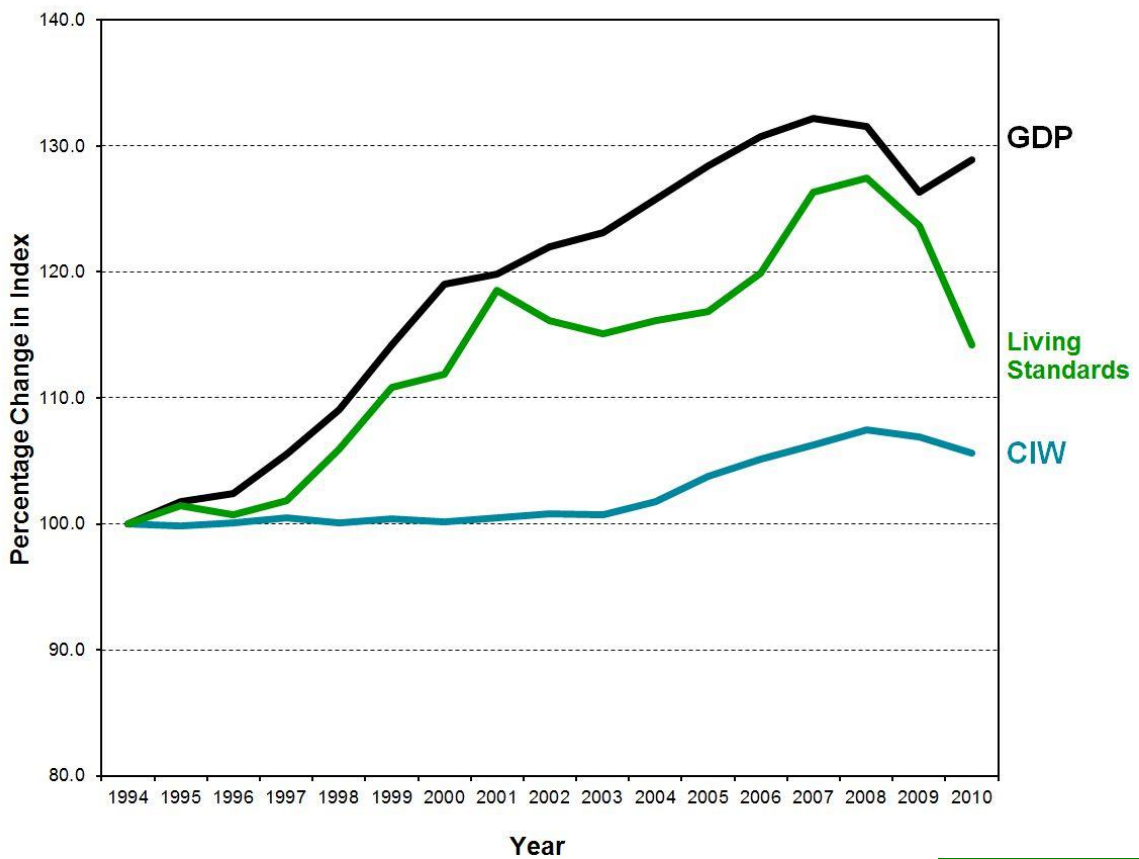


Living Standards

Trends in Living Standards at the national level examine Canadians' average and median income and wealth, distribution of income and wealth including poverty rates, income fluctuations and volatility, and economic security, including labour market security, housing security, and security provided by the social safety net.

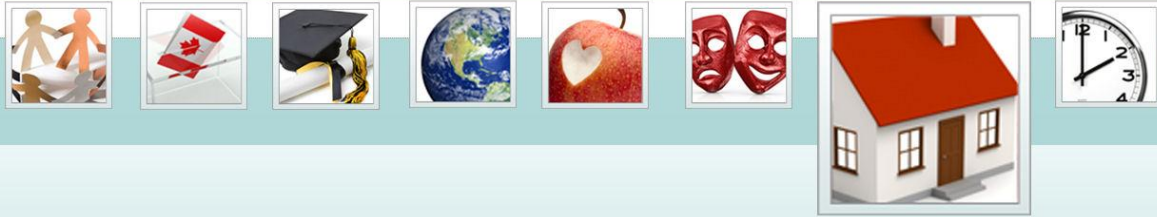
The objective of the Living Standards domain is to track not only the capacity of the Canadian economy to grow, but more importantly, its capacity to transform economic growth into stable current and future income streams for Canadians. Economic growth does not automatically translate into better living standards for all Canadians. A given level of national income, for example, may be obtained at the cost of increased inequality or greater economic insecurity. It may be fuelled by poor quality job creation or fail to achieve basic economic outcomes, such as reducing poverty or providing basic housing to individuals and family.

Trends in *Living Standards*, CIW, and GDP (per capita) from 1994 to 2010



Overall Percentage Change in Living Standards 1994 to 2010:

14.3% ↑



LIVING STANDARDS

14.3%

GOOD CHANGE

BAD CHANGE



55.6%

Percentage of persons in low income



13.9%

Scaled value of Centre for the Study of Living Standards (CSLS) economic security index



51.7%

Percentage of labour force with long-term unemployment



11.4%

Ratio of top to bottom quintile of economic families, after tax

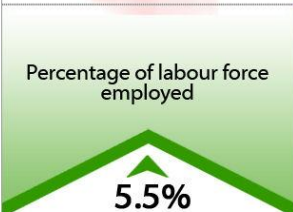


After tax median income of economic families (2010\$)

28.6%



Canadian Imperial Bank of Commerce (CIBC) index of employment quality



5.5%

Percentage of labour force employed



0.8%

Royal Bank of Canada (RBC) housing affordability index



Although our living standards improved considerably between 1994 and 2008, there was a sharp drop in each of 2009 and 2010. The data covering 1994 to 2010 revealed the following mixed trends regarding the evolution of living standards in Canada:

- ✓ Canadians are, on average, better off in terms of income, *but* inequality has increased.
- ✓ While some progress is being made in reducing poverty and long-term unemployment, economic security – that is, the risk imposed by long-term unemployment, illness, single parent poverty, and poverty in old age – is getting worse.
- ✓ Labour market conditions are improving, but job quality is down.

We earned more on average...

- ✓ The after tax median income of economic families increased 28.6% from 1994 to 2010.

... but inequality increased – the rich got richer, but most of the poor stayed poor

- ✓ The ratio of after-tax income of the top 20% of households to the bottom 20% of households rose 11.4% from 1994 to 2010, most of which occurred up to 2000. The top 20% of Canadians have received the lion's share of rising incomes. In fact, according to the Conference Board of Canada, the gap in real after-tax average income between the richest and the poorest grew by over 40% between 1994 and 2009.¹⁰
- ✓ There was some progress in the fight on poverty. The poverty rate for all persons, as measured by the after tax low income cut-off (LICO) rate, was 9.0% in 2010, down from 14.0% in 1994, a 35.7% decrease over the 17-year period.

Most labour market conditions improved, but job quality was down

- ✓ Incidence of long-term unemployment rate fell from 17.4% in 1994 to 6.7% in 2008, but rose to 7.5% in 2009, and then increased sharply to 11.5% in 2010. So even though the percentage of those persons unemployed for more than 52 weeks decreased overall by 51.7% over the period from 1994 to 2010, long-term unemployment has jumped dramatically by 41.7% from 2008 to 2010.

¹⁰ Conference Board of Canada. (2009). *Canadian income inequality. Is Canada becoming more unequal?* Retrieved June 25, 2012 from <http://www.conferenceboard.ca/hcp/hot-topics/caninequality.aspx>

- ✓ The percentage of the working age population that is employed increased overall by 5.5% since 1994. This rate reached 63.5% in 2008, up from 58.4% in 1994, but has dropped to 61.6% in the two years that followed. These changes are due, in part, to the increased participation of women in the labour force and pressures of the recession.
- ✓ Employment quality, as measured by the CIBC Job Quality Index, peaked in 2001 and then has slowly declined, falling 2.8% overall from 1994 to 2010. Since 2008, coincident with lower levels of employment, job quality has fallen by 2% in two years.

Economic security declined

- ✓ The scaled value of the index of economic security decreased by 13.9% from 1994 to 2010. This decline was driven mostly by the fall in financial security from illness, with some decrease coming from rising poverty among the elderly.

Home ownership affordability remains the same

- ✓ Homes in Canada were at their most affordable from the mid-1990s to the mid-2000s, but have become less so since 2005. With the more recent decline, the RBC housing affordability index decreased overall by just 0.8% between 1994 and 2010, indicating that homes are generally as affordable in 2010 as they were 17-years ago.

Conclusion

Many dimensions of the living standards of Canadians did not improve between 1994 and 2010. Indeed, Canadians experienced a widening of income inequalities. Even though there have been notable poverty reductions over the period and increases in the median income of economic families, economic security and the ratio of the top 20% to the bottom 20% of income earners have worsened with time, with most of the decline in the latter coming before 2001. Since 2001, the gap has remained largely the same.

Looking at the past two years, the recession and subsequent sluggish recovery have taken a big toll on the living standards of Canadians. This does not bode well given predictions of an extended period of weak economic growth.

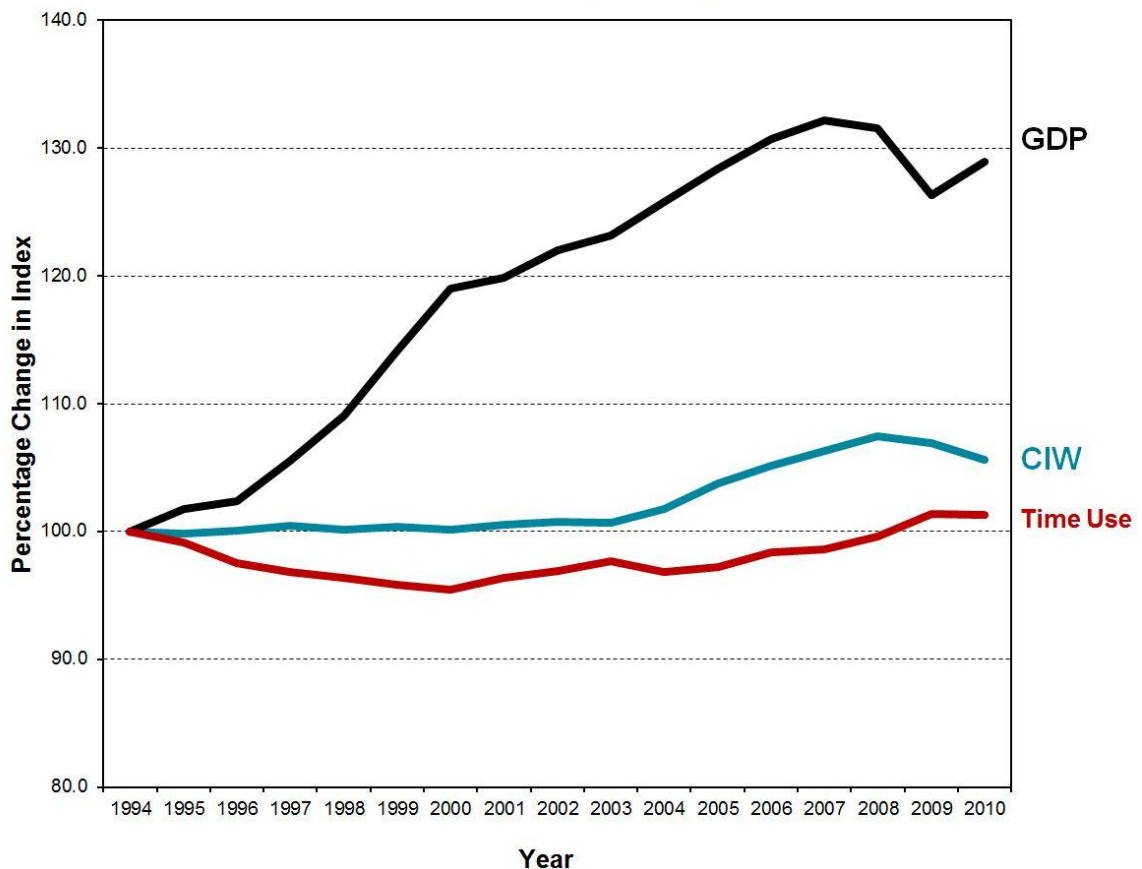


Time Use

The way in which people use and experience time has a significant impact on their wellbeing and that of their community. This includes physical and mental wellbeing, individual and family wellbeing, and present and future wellbeing. The impact may be positive or negative.

The Time Use domain measures the use of time, how people experience it, what controls its use, and how it affects wellbeing. The implicit assumption is the notion of balance. Most activities are beneficial to wellbeing when done in moderation, but are detrimental when done excessively or not at all. Given the finite number of hours in a day, excessive amounts of time directed towards one activity can mean insufficient amounts of time for other activities that also are critical for wellbeing.

Trends in *Time Use*, CIW, and GDP (per capita) from 1994 to 2010



Overall Percentage Change in Time Use 1994 to 2010:

1.3% ↑



TIME USE

1.3%

GOOD CHANGE

BAD CHANGE



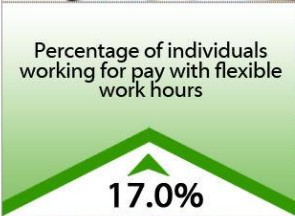
29.6%

Percentage of labour force participants working more than 50 hours per week



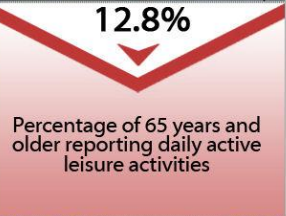
Mean workday commute time for individuals working for pay

19.9%



Percentage of individuals working for pay with flexible work hours

17.0%



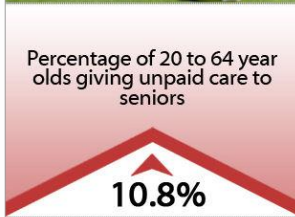
12.8%

Percentage of 65 years and older reporting daily active leisure activities



Percentage of 65 years and older reporting annual formal volunteering activities

15.5%



Percentage of 20 to 64 year olds giving unpaid care to seniors

10.8%



Percentage of 3 to 5 year olds read to daily by parents

1.5%



Percentage of 20 to 64 year olds reporting high levels of time pressure

9.9%



Despite a recent upturn in the Time Use domain, it has had, overall, an adverse effect on the wellbeing of Canadians. Some of its headline indicators have improved, but others have deteriorated significantly. The following specific trends can be seen:

- ✓ Fewer Canadians are working long hours.
- ✓ Even with recent improvements, many Canadians are still feeling caught in a “time crunch”.
- ✓ More Canadians – especially women – are providing unpaid care to seniors.
- ✓ The time Canadians spend commuting back and forth to work has steadily increased and is at its highest levels since 1994.
- ✓ More Canadians have access to flexible work hours.
- ✓ The percentage of parents reading to pre-school children has remained stable.
- ✓ The percentage of retired adults 65 years of age and over engaged in active leisure pursuits continues to steadily decline, but more seniors are volunteering.

Fewer of us are working long hours

- ✓ The proportion of Canadians working more than 50 hours a week declined from a high of 14.3% in 1996 to 10.8% in 2010, for an overall decrease of 29.6% during the 17-year period.
- ✓ Men are much more likely to work long hours than women.

One-in five Canadians are suffering from a “time crunch”

- ✓ 18.2% of Canadians 20 to 64 years of age report experiencing high levels of time pressure in 2010, an increase of 9.9% from 1994.
- ✓ The most time-crunched group was single individuals with young children. The least was singles 65 years of age and over.
- ✓ A higher proportion of females (20.0%) than males (16.5%) reported time pressure in 2010.



More adults – especially women – are providing unpaid care to seniors

- ✓ The proportion of working-age adults providing unpaid care to seniors grew from 17.4% in 1994 to 19.5% in 2006, for an overall increase of 10.8%.
- ✓ A higher proportion of females (22.5%) than males (16.3%) provided unpaid care to seniors and for more hours per week in 2006.
- ✓ About one in four (27.8%) employed Canadians had responsibilities for the care of an older adult and one in five (16.8%) had responsibility for both childcare and eldercare in 2009. A significant portion (25%) of the care to seniors was being provided by fellow seniors.

We spend increasingly more time commuting

- ✓ Between 1994 and 2010, the average daily commute time for Canadians with paid employment increased to 53.2 minutes – its highest level during the 17-year period – from 42.6 minutes in 1994. This represents a 19.9% increase in the amount of time people spend travelling back and forth to work. An increase of almost 11 minutes per day spent commuting translates into approximately 45 hours per year; in other words, working Canadians have lost about a week's worth of free time to commuting.
- ✓ Workers in Toronto, Montreal, and Vancouver had the longest commute times at 66, 62, and 60 minutes respectively.
- ✓ Higher commuting times are linked to poorer health and, when combined with a high volume of traffic congestion, contribute to reduced satisfaction with work-life balance.
- ✓ Traffic congestion has an economic, social, and environmental cost. It increases stress among commuters, it delays deliveries and reduces business productivity. It contributes to urban smog and pollution thereby diminishing environmental quality and jeopardising public health.

More people have access to flexible work hours

- ✓ The percentage of Canadians working for pay who have some control over when their workday begins and ends has increased by 17% during the 17-year period. In 1994, just 37.7% reported flexible work hours compared to 44.1% in 2010.
- ✓ The percentage of self-employed Canadians reporting flexible work hours has remained relatively stable throughout this period, so most of the increase in flexible work hours has been felt by employees.



The numbers of seniors engaged in active leisure continues to decline, but more seniors are volunteering

- ✓ The percentage of older adults engaged in active leisure pursuits has declined from 89.7% in 1994 to 78.2% in 2010, for an overall decrease of 12.8% over the 17-year period. This trend is especially troubling for the wellbeing of older adults and is affecting both men and women equally.
- ✓ The percentage of retired seniors participating in formal volunteering activities rose from 31.6% in 1994 to 36.5% in 2010, for an overall increase of 15.5% over the 17-year period. Only minor differences were reported by gender.

No significant increase in parents reading to pre-school children

- ✓ The percentage of parents who reported reading daily to their pre-school children has remained relatively stable at between 60% and 66%. Overall, there has been a slight increase of 1.5% since 1994.

Conclusion

The way in which Canadians spend their time and their perceptions of that time have changed dramatically over the last few decades. While individuals make choices, these choices are often shaped and constrained by their economic, health, social, cultural, and family conditions. These include the social environment in which they live, the workplace environment, the local neighbourhood, and the broader society.

The changing nature of work and the workplace is forcing more Canadians to choose less than desirable working conditions. Increasing commute times and an expansion of the service sector to a 24 hour/7 day cycle – such as banks offering extended hours or grocery stores open 24 hours a day – are big contributors to more people working non-standard hours. Today, there are fewer families who have a parent at home to help manage the household, or provide childcare and eldercare. Meanwhile, Canada's ageing population also has brought with it a larger need for care. These factors have all contributed to feelings of time crunch. The effects of changing time use patterns coupled with the continued decline in active leisure participation among older adults, point to troubling outcomes for Canadians' wellbeing.

A number of positive trends were noted among some populations. The fact that a substantial proportion of parents continue to read daily to their pre-schoolers, despite women's increased labour force participation and reliance on early childhood education and care, is positive. Even though the proportion of people who volunteer their time to charities or other non-profit organisations tends to decline with age, an increasing number of seniors are actively engaged in volunteering activities, and this is especially the case among those aged 65 to 74 years of age.

3.0 From Research to Policy: Mobilising Knowledge for Societal Change

One of the key goals of the CIW is to identify and understand the interconnections 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, and move toward more comprehensive, inclusive solutions. By understanding how a variety of factors combine and interact, policy shapers and decision makers can bring forward policies and programmes that meet the challenges of the 21st century.

The CIW differs from other conventional wellbeing indices because it captures a broad range of indicators from diverse areas that reflect our everyday lives. The index is broad in focus and its domains are interrelated, so we can consider multiple aspects of wellbeing when analysing policy options.

For example, a healthier population will lessen the pressure on resources dedicated to health care treatment, allowing funds to flow to other areas of wellbeing that matter to Canadians, such as education. A more educated workforce increases our innovative capacity, making us more productive and prosperous. A wealthier economy can afford more robust social programmes and cultural activities for all residents whose health outcomes, in turn, benefit from enjoying closer ties to their communities. A more sustainable environment can protect jobs and exports, produce nutritious foods, and offer a myriad of activities for leisure, recreation, and quality family time. An ongoing cycle can begin with improved health and clearly demonstrates the overlap between indicators.

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 badly needed and highly desirable, they alone will not eliminate or significantly reduce the disparities among Canadians, especially those on the margins.

Many socio-economic conditions greatly influence health. These conditions have been shaped both by private economic practices (i.e., “the market”) and by public policies (i.e., regulations, taxes, transfers). Delivering better health outcomes for Canadians requires action by both the private and public sectors. There is, in short, a need for both public policy interventions tailored to socially excluded groups and initiatives extending beyond the health field, such as poverty reduction measures that include a living wage, affordable housing, food security, early learning initiatives, and more available, affordable childcare. The challenge to Canadian decision makers is to take this knowledge and use it to produce more comprehensive policies that will improve the lives of all Canadians.

In the section that follows, we have taken the initiative and started the discussion by offering some *Ideas for Positive Change* that can inform the development of progressive policy.



3.1 Ideas for Positive Change

Reduce inequality

Nobel laureate Joseph Stiglitz has argued that:

We are paying a high price for our large and growing inequality, and because our inequality is likely to continue to grow – unless we do something – the price we pay is likely to grow too. Those in the middle, and especially those at the bottom, will pay the highest price, but ... our society, our democracy also will pay a very high price as a whole (p. 83).¹¹

According to Stiglitz, growing inequality leads to shrinking opportunity, and when there is less opportunity for poor and middle-income families, we squander the most important we have as a country – our people.

The consequences of growing inequality are not confined to the Living Standards domain. Income inequality leads to larger gaps between the rich and the poor on their educational attainment, their health outcomes, and their access to leisure and cultural opportunities. In the long run, a larger divide between income earners at the top and the bottom prompts the very wealthy to question contributions to public programmes on which our communities depend – in essence, to question the public good. Such a response would not only be very destructive to our society and long-term prosperity, but it diminishes our sense of fairness.

Inequality is growing even faster in Canada than in the United States. According to the Broadbent Institute, “... rising national income has disproportionately gone to those with very high incomes, returning us to levels of inequality not seen since the 1920s. Meanwhile, the incomes of ordinary, middle-class workers and families have stagnated, while poverty has remained at unacceptably high levels”.¹² Echoing the concerns raised by Stiglitz, the Institute goes on to argue that inequality undermines our sense of common purpose, marginalises and excludes the poor, reduces equity in the workplace, threatens our democracy, and even reduces life expectancy.

If we are serious about wanting a future where all Canadians enjoy higher living standards, then we must recognise the perils of growing inequality and move towards creating a country that is both wealthier *and* equitable. A number of public policy ideas have emerged for reducing inequality within Canada that can help us get there: reform Canada’s tax and transfer system to be more fair to all income groups and to reduce the burden on low-income Canadians; raise corporate tax rates to levels at least similar to other developed countries; increase minimum wages; consider a guaranteed annual income for those most in need; and develop a “national learning agenda” that would improve access to early learning and childcare.

¹¹ Stiglitz, J.E. (2012). *The price of inequality: How today’s divided society endangers our future*. New York: W.W. Norton.

¹² Broadbent Institute. (2012). *Towards a more equal Canada: A report on Canada’s economic and social inequality*. The Equality Project, The Broadbent Institute. Available online at <http://www.broadbentinstitute.ca/en/issue/towards-more-equal-canada>

Given the growing rate of inequality in Canada, these public-policy solutions merit further consideration.

Develop a national strategy for expanding access to Community Health Centres across the country

We've known, since at least the 1970s, that our wellbeing is shaped by a wide variety of factors, most of which occur outside of our formal health care system. The places and conditions in which we live, learn, work, and play are the most important determinants of our health. Unfortunately, our health care system was not designed to deal with these kinds of conditions. It focuses on a “downstream approach” to restore health once it has been lost, instead of an “upstream approach” that prevents illness and disease before they take hold.

Community Health Centres (CHCs) have demonstrated that the most effective, efficient, and arguably the most affordable means of delivering primary health care is by fully integrating it with a wide range of health promotion and community development services. CHCs invite community member to be actively engaged in making decisions about what health services and programmes best suit local needs. They support residents and communities to achieve optimal health by addressing the socio-economic determinants of health – factors such as income levels, access to shelter/housing, education, language and geographical barriers, and other factors that are known to have a direct impact on health outcomes for individuals, families, and communities.

CHCs partner with other local agencies within the health sector and with other sectors such as education, housing, and justice to address the bigger issues associated with health delivery. They are particularly effective in meeting the health needs of vulnerable populations and in managing complex chronic disease. CHCs currently provide health services and support to over two million Canadians. However, access to CHCs varies greatly by province and territory, by town, and even by neighbourhood. Indeed, only one province – Québec – has a comprehensive system of CHCs, or Centres local de services communautaires (CLSCs) as they are known there. In Ontario, by contrast, the network of CHCs, although expanding, can only serve about 4% of the population.

The long-term health of Canadians would benefit by maximising the potential of the CHC model of care. Increased access could be facilitated through the creation of a comprehensive network of CHCs across the country and direct, targeted funding provided by the federal and provincial governments. The benefits would include a better start for children, fewer avoidable hospital visits, better prevention and management of mental illnesses and complex chronic diseases, and improved opportunities for seniors to age at home. Ultimately, the CHC model would help to reduce health disparities in Canada.



Develop a national transit strategy

Long daily commutes are impeding Canada's economic productivity, hurting the environment, and reducing the quality of life of its people. Canadian municipalities do not have the necessary revenue to design and build adequate modern transit systems as they struggle to provide other essential local services.

The Federation of Canadian Municipalities (FCM) has called on the federal government to set concrete targets to cap rising commute times, to reinvest more of the tax dollars that communities send to Ottawa into new buses, subways, and commuter rail systems; and to work with municipalities, provinces, and territories to fill critical gaps in transportation networks. A national transit strategy is a sensible starting point for developing a solution to what has become a national problem.

Increase democratic engagement among youth through new technology

Democratic engagement includes three distinct dimensions: (1) *political knowledge* – what people learn about public affairs, (2) *political trust* – the public's orientation of support for the political system, and (3) *political participation activities* designed to influence government and the decision-making process.¹³

The internet is transforming the very nature of each of these dimensions. It is expanding civic literacy and putting much more information directly into the hands of individuals, equipping them with the tools to make an impact on public policy. The internet provides for the exchange and mobilisation of information that is citizen driven. Using social networking as an entry point, for example, creates an environment for citizens to engage in debates on issues of the day. The internet also gives citizens a new and more effective means of communication with government and public officials.

At the same time, the internet provides governments with the opportunity to interact directly with the electorate and to bridge the sizeable disconnect between citizens and their elected officials. Most importantly, the internet is particularly useful for engaging and educating younger Canadians, who are more likely to use web-based platforms to research and access political information, and to experiment with new technologies and forms of communication.

Technology offers a possibility for narrowing the gap between the perceived importance of voting and the actual act of voting. Electronic democracy could provide the mechanism to raise awareness and increase youth voter turnout. In short, electronic democracy can help improve democratic participation, reduce civic illiteracy and voter apathy, and become a useful asset for political discussion, education, debate, and participation.¹⁴

¹³ Norris, P. (2001). *Digital divide: Civic engagement, information poverty, and the internet worldwide*. Cambridge: University Press.

¹⁴ Milner, H. (2007). The problem of political drop-outs: Canada in comparative perspective. In A.-G. Gagnon & A.B. Tanguay (Eds.), *Canadian parties in transition* (3rd ed., pp. 437-465). Toronto, ON: University of Toronto Press.

Make leisure and culture opportunities more accessible to diverse groups

To improve our collective quality of life, we must ensure that all citizens, regardless of socio-economic status, have access to opportunities to include leisure and culture in their lives. This is especially critical as governments at all levels face the challenges of fiscal constraints and often consider eliminating what they erroneously regard as “unessential” services and programmes.

Recent declines in that part of household expenditures devoted to recreation and cultural activity suggest Canadians are less able to afford those things that matter most to them and their families. Further, growing inequality, fraying social safety nets, and cuts to social programmes make it increasingly difficult for many citizens, and especially marginalised groups, to take part in leisure and cultural activities. This is a troubling trend that can have detrimental consequences to our individual and community wellbeing.

Community groups can help to facilitate access to leisure by organising locally and partnering with public agencies to better respond to the needs of citizens, especially in increasingly diverse communities where traditional programmes and services are often unfamiliar to new Canadians. Access to leisure opportunities and spaces contributes to the vitality of communities and to the sense of belonging felt by all citizens.

Coordinate National Early Childhood Education (ECE) programming

Canada would benefit from a Federal-Provincial-Territorial programme of early childhood education (ECE). Coordinated programming could lead to medium- and long-term benefits by enhancing school readiness, thereby leading to better academic success, and ultimately to reducing pressures on the health care system.¹⁵ Comprehensive, coordinated early childcare, education, and family support policies are shown to have positive effects on education and health outcomes across the entire socio-economic spectrum.¹⁶

Comprehensive parental leave policies allow parents to care for their children without sacrificing or jeopardising their employment opportunities. Further, ECE programming supports gender equity by offering women more equal opportunities to pursue full-time work, thereby actively building on their human capital and full engagement in the workforce. More comprehensive family policies also help reduce childhood poverty. Indeed, as pointed out in a report supported by the Canadian Council on Social Development,

¹⁵ Evans, R.G., Hertzman, C., & Morgan, S. (2007). Improving health outcomes in Canada. In J. Leonard, C. Ragan, & F. St-Hilaire (Eds.), *A Canadian priorities agenda: Policy choices to improve economic and social well-being* (pp. 291-325). Montréal, QC: Institute for Research on Public Policy.

¹⁶ Heymann, J., Hertzman, C., Barer, M.L., & Evans, R.G. (Eds.). (2006). *Healthier societies: From analysis to action*. New York: Oxford University Press.



Evidence from many countries persuasively and consistently finds that children raised in poverty, even for short periods of time, are more likely to experience significant challenges, ranging from poor health, to learning difficulties, to underachievement at school, to higher levels of low income in their adult years. Certainly, all children raised in low-income households do not experience these outcomes. But, it remains true that, on average, children growing up in poverty are likely to be at “a decided and demonstrable disadvantage” compared to their non-poor peers. (p. 10)¹⁷

Childhood poverty remains a significant challenge in our society and further emphasises the need to confront growing inequality of income and of opportunity. In combination, comprehensive early childcare, education, and family policies will encourage the cultivation of human capital by developing a stronger and more equitable playing field in the formative years of children’s development, better preparing our future workforce, and allowing full workforce participation of both women and men.

Reduce our dependence on non-renewable energy reserves

While GDP measures our overall economic productivity, it does not take into account the costs to our environment resulting from that productivity. In focusing just on production, GDP does not consider the depletion of our natural resources, the increased pollution of our air and water, or the reduced sustainability and health of the environment. In essence, if GDP measures what we take from the environment, it also should measure how that extraction for productivity diminishes our wealth.

Our economy is borrowing heavily from the natural environment without seriously considering the long-term impact of those “loans”. When it comes to consuming energy, for example, Canada is at the top of the food chain. Canadians consume almost six times more energy than the average global per capita energy consumption. Similar to the United States and Mexico, our massive energy consumption is principally based on non-renewable hydrocarbons – over 80% comes from oil, gas, and coal, and if we were to add nuclear energy to this list, over 90% of our consumption comes from non-renewable fuel resources.¹⁸

As a policy matter, we must balance immediate energy needs and economic benefits against our future wellbeing. We need to find ways of maintaining high levels of energy production while decreasing our greenhouse gas emissions. Greater revenues from fossil fuels could be invested in sustainable forms of energy such as wind, solar, and biomass. Shifting energy demand through carbon tax policies or other subsidies helps drive investment that decouples energy production from greenhouse gas emissions.

¹⁷ Scott, K. (2008). *Growing up in North America: The economic wellbeing of children in Canada, United States, and Mexico*. Ottawa, ON: Canadian Council on Social Development, Anne E. Casey Foundation, and Red por los Derechos de la Infancia en México.

¹⁸ Hughes, J.D. (2010). *Hydrocarbons in North America*. The Post Carbon Reader Series: Energy. Santa Rosa, CA: Post Carbon Institute. Available at www.postcarbon.org/Reader/PCReader-Hughes-Energy.pdf

Strengthen institutional capacity – from data to policy enforcement

In many areas of wellbeing research and policy action, there is insufficient capacity because of limited data availability and access. Without adequate data, the capacity of our institutions to obtain a complete picture of our wellbeing and to respond accordingly is seriously hindered. While Canada collects an abundance of economic data, the breadth and comprehensiveness of social and environmental data are much poorer by comparison. We must place greater priority on the regular collection and publication of high-quality data sufficient to inform the development of new policy and to enforce the good policies already in place in many areas.

Moving forward, one of the greatest challenges to ensuring that we can assess our wellbeing effectively is the continued availability of reliable, valid, and timely data. Statistics Canada, Environment Canada, and other federal agencies do provide some excellent data resources, but unfortunately, there are few robust, multi-year, and fully accessible national data sets on a wide array of social and environmental aspects of our lives. Without such data, our efforts to report on changes to Canadians' quality of life are hampered and recent cuts at Statistics Canada will make those efforts even more challenging. Evidence-based decision-making is critical to ensure that policy development and implementation is guided by the most current and relevant indicators of those aspects of our lives that matter most. Having access to meaningful data therefore is paramount.

3.2 Conclusion

The CIW promotes constructive and informative dialogue that can lead to positive societal change. With the CIW, we can choose to stop and question the status quo and consider alternative ways to promote both a higher quality of life for all Canadians and a healthy economy.

Public policy changes can have an enormous impact on wellbeing – for better or for worse. Changes in Employment Insurance (EI) have made this programme more stringent in terms of required qualification period, coverage, and duration of benefits leaving Canadians with increased financial risks to their economic wellbeing. In contrast, significant resources have been spent on social programmes such as the expansion of child benefits through the Canada Child Tax Benefit (CCTB) and the National Child Tax Supplement (NCBS). Investment in these programmes has made some progress in reducing the incidence and depth of childhood poverty.

Similarly, poverty among elderly Canadians has decreased considerably. In 1981, the poverty rate among older Canadians was 22.0 %, but by 2009, it had fallen to 5.9%.¹⁹ Progress on reducing poverty reflects in part increased government transfers to seniors from the Canada Pension Plan (CPP)/Québec Pension Plan, Old Age Security, and Guaranteed Income Supplement payments. Despite these increases, however, poverty

¹⁹ Conference Board of Canada. (2009). *Elderly poverty*. Retrieved June 25, 2012 from <http://www.conferenceboard.ca/hcp/details/society/elderly-poverty.aspx>



rates are not equal across all groups. For example, poverty tends to be higher for older women, particularly those over age 75, because pensions are largely tied to one's employment history.

Examples like those above illustrate how the CIW can be a valuable tool for informing evidence-based policy change. Continued success will result from our policy shapers and decision makers understanding the complex nature of wellbeing and its relation to our economy. We will not make sustainable improvements to our quality of life if we only aim for economic progress and hope these gains will result in social progress.

The divergence in the CIW and GDP tells us emphatically that we have not been making the right investments in our people and in our communities – and we have not been doing it for a long time. It is time public policy focused more on the quality of our lives. By looking at the CIW findings through a policy lens, we can determine how the various levels of government, the private sector, the community, and non-profit sectors can work together on improving those areas where Canada has lost ground since 1994, while bolstering those areas that have improved during the same period. The interrelated nature of the CIW domains requires this level of cooperation to achieve the best outcomes for all Canadians.

4.0 Understanding the CIW and How to Use It

4.1 Understanding the CIW

The CIW Framework

The CIW framework, organised around the eight key domains defining wellbeing – *Community Vitality, Democratic Engagement, Education, Environment, Healthy Populations, Leisure and Culture, Living Standards, and Time Use* – serves as a platform for a variety of initiatives from the national to the local level (see Figure 2). It uses a quantitative or indicators approach to track changes in Canadian wellbeing over time, and collectively, the indicators provide the basis for the CIW composite index results discussed in this report. The composite index allows for comparisons among domains, assesses the extent to which indicators of wellbeing in one domain are linked to those in another domain, and identifies areas where more can be done to enhance the wellbeing of Canadians.

Through constructive and informative dialogue, the breadth of the CIW framework encourages people to question the status quo and consider alternative ways to promote a higher quality of life for all Canadians as well as a healthy economy. The framework, even without the data, has the potential to change the way Canadians think and act with regard to wellbeing. In practice, then, when we talk about using the CIW framework, we mean using the eight domains to help bring cross-sectoral groups together to think strategically about new ways to solve the complex problems of our times.

The CIW Subjective Wellbeing Survey

Building on the success of the indicators approach to measuring wellbeing, the CIW initiated in 2012 a process for measuring the subjective wellbeing of Canadians. The process draws on the CIW conceptual framework and has resulted in a survey that incorporates all eight domains – an approach unique to most other wellbeing surveys and research programmes.

Adaptable to any population scale, the survey asks residents of a community a range of questions to indicate *how they are really doing* with respect to aspects of each of the domains of the CIW as well as wellbeing overall. The survey allows for comparisons among domains, assesses the extent to which perceptions of wellbeing in one domain are linked to those in another domain, and clearly identifies areas where community residents feel more can be done to enhance wellbeing. A subjective wellbeing survey approach is especially useful in small and rural locations where local indicator data are sparse and in communities that wish to use both objective indicators and subjective perceptions to more fully understand the wellbeing of their community.

Such an approach provides an extraordinary opportunity to learn more about the complexity of wellbeing in people's lives and improve access to services that enable a higher standard of wellbeing for Canadians in the communities where they live.



4.2 Examples of Early Uses of the CIW

The CIW has already begun work with several organisations and communities across Canada that have adopted the CIW framework and/or subjective wellbeing survey and are working towards developing programmes and practices emphasising wellbeing. Many of these initiatives are still in their infancy, but they reflect the growing interest in wellbeing in general and in the CIW in particular. Highlighted below are three examples of how organisations are using the CIW.

The Resilience Collaborative

About an hour's drive north of Toronto, Simcoe County, Ontario, embraces a group of 16 municipalities and two cities with a total population of about 446,000. A key concern for the region is how to manage growth in a way that preserves and improves the values and quality of life in the region and its communities.

The Barrie Community Health Centre (BCHC) created the first local CIW group in Canada. Using the CIW framework, they brought together a number of important organisations, including the county government, the United Way, the local community college, the public health unit, an environment network, and the school board. They call themselves *The Resilience Collaborative*. Their main goal is to reach out and engage large segments of the population that might not otherwise be involved in the decisions that shape their lives.

Whenever the CIW produces a national report on a specific wellbeing domain, the Resilience Collaborative holds a parallel event (e.g., releases a report that makes recommendations for local policy change or holds a celebration event or workshop). For example, when the CIW released the *Environment Domain Report*, the Collaborative released its own regional environment report the next day in front of Simcoe County Council. Several community organisations and local residents, which prompted everyone to ask, “Based on what we have learned, how can progressive policy development make Simcoe County a better place to live?”

Following that day and the release of its report, several presentations were made to local citizen groups by the Chair of the Resilience Collaborative, Gary Machan. According to Machan, “what really matters is not so much the information, as much as it's a case of what you do with it. And it is here that the involvement of the civic sector becomes absolutely imperative. I try to tap into the specific areas that people feel passionate about in our community. In Simcoe, there is a great deal of interest in building more sustainable food systems, hence, we are working with a variety of stakeholders in crafting local food procurement policies both at the municipal and institutional levels.”

The BCHC has developed a questionnaire based on indicators drawn from each of the domains of the CIW to facilitate their process for signing on new clients. They ask people about their income and education levels, access to friends and family, access to nutritious food, and levels of time stress. According to Machan, “not only does this provide us with a far better profile of who it is that uses our services, to which we in

turn can be more responsive, but we are also finding that the very act of asking the questions performs a valuable educational function in terms of helping people connect the dots between their health and the determinants of health.” The BCHC is now taking this a step further and is forming a committee with other Community Health Centres across Ontario, so that the intake questionnaire can be used by all participants. Trends can then be compared, the results used to identify troubling issues, and the Centres can be proactive in taking steps to resolve them.

The City of Guelph Community Wellbeing Initiative

The City of Guelph, just west of Toronto with a population of approximately 140,000 people, commissioned [A Plan for Wellbeing in Guelph](#) that used the CIW as a guiding framework. As part of its broader [Community Wellbeing Initiative](#), the CIW partnered with the City and conducted an online version of its subjective wellbeing survey in June and July 2012 with a representative sample of Guelph residents. The survey is being used with a wide range of community engagement tools and strategies to learn about residents’ perspectives on their own and their community’s wellbeing. The results from the survey, in turn, will help to inform and improve services, policies, advocacy, and community-wide action focused on increasing the wellbeing of residents. The City’s overall goal is to ensure everyone has access to the services and supports they need to lead healthy, active, and happy lives.

Community Foundations of Canada (CFCs)

The CIW domains and the specific indicators comprising each of them are of considerable interest at the community level in Canada. The domains and indicators provide clear indications of the changes that are occurring in specific areas, and as a consequence, also provide clear ways in which programmes and policies might be developed that can address those changes.

Community Foundations are located in approximately 180 communities across Canada and to date, more than 30 communities have participated in their very successful [Vital Signs](#) programme. The CIW and Community Foundations of Canada (CFC) are exploring how to combine the data and research strengths of the CIW with the community engagement and mobilisation strengths of CFC and Vital Signs. Our collaboration will effectively translate wellbeing data into action, building stronger (smart and caring) communities across the country.

4.3 Other Ideas

The possibilities are endless. The CIW was originally designed to collect data at the national level to help refocus dialogue on broader societal issues. The CIW is now exploring ways to disaggregate our data to the provincial, regional, and local levels, as well as to specific subgroups within the population, especially those that might be at greatest risk.



Nevertheless, as the initiatives above demonstrate, not all action is dependent on access to raw data. Our users reveal how individuals and groups can accomplish all sorts of things just by using the CIW framework to bring the right people around the table, to facilitate discussion, and to refocus dialogue on complex issues related to our wellbeing.

Imagine...

Private Sector

- **design** a corporate human resources plan to embrace elements from all eight categories of the CIW: create modules on money management, philanthropy, time management, and civics; start a subsidised onsite daycare; make it a policy to hire full-time employees (i.e., salaries with benefits); have a generous flex-time policy; subsidise public transportation to work (i.e., carpool, bus passes); encourage professional development; and only offer healthy food at work.

Public Sector

- **start** your own local CIW initiative by bringing together a cross-sectoral group of stakeholders and citizens who might not normally collaborate, and tackle a complex issue in your community that will lead to potential solutions for the enhanced wellbeing of residents.

Individuals

- **create** a personal development checklist for yourself or your family: take a course on how to plan for retirement; join your local community centre yoga class for stress release and to meet people; read to your children; eat simple homemade meals as a family; make time for long brisk walks; volunteer your time to a cause you care about; reduce your Ecological Footprint; go to a free concert in a park; turn off your smartphone when you leave the office.

Everyone

- **talk** about the CIW with your local MP, MPP, or Councillor as a tool to inform policy development.
- **chat** about the CIW with your colleagues, friends, and family to improve your workplace or personal life.

Now that the CIW is available online at www.ciw.ca, we challenge you to **Start the Conversation** about what matters most to our wellbeing.

5.0 What's Next for the CIW?

With the second release of the CIW composite index, it is clear that the CIW is needed as a partner to round out the story that GDP only begins to tell. Canadians can now consider how well they are doing in their own lives, both as individuals and as a society. Governments of all levels can use the information provided by the CIW to guide them towards smarter, more perceptive, caring, and time-sensitive decision-making. When partnered with GDP, the CIW gives citizens and decision-makers a comprehensive package of information they need to plan for a better and sustainable future.

With the CIW's position established as the primary statistical index for assessing how Canada is doing, we will continue to update the composite index and, in addition, will expand our efforts in the coming years to include the following initiatives.

Focusing on geographic regions

The initial priority of the CIW was to establish a solid framework and to examine the wellbeing of Canadians at the *national* level. However, the framework and many of the indicators of the national CIW domains lend themselves to be applied in studies of wellbeing at the provincial, regional, and community levels. Many of the datasets that provide data at the national level can be disaggregated to different geographic regions within Canada. This would create opportunities for geographic extensions of the CIW, albeit with some limitations due to sampling reliability and data confidentiality. Sub-national estimates may also be restricted due to less frequent updating.

In-depth research studies

One of the basic starting points for designing the CIW was the recognition that society, the economy, and the environment are interdependent. A number of interconnected indicators were identified in the domain reports, but these connections can be explored more deeply through thematic studies. Targeted research that expands interdisciplinary explorations of the eight CIW domains will serve to gain a more in-depth understanding of the inter-relationships among the various wellbeing measures. In addition, there is opportunity to explore how different sub-populations within Canada, such as youth, older adults, lower income groups, women, racialised groups, and Aboriginal peoples, fare on various indicators of wellbeing relative to the rest of the population.

Knowledge mobilisation

With the release of the second composite index, one of the CIW's top priorities is to ensure that knowledge generated by the CIW is translated and transferred to the public in an accessible fashion; is capable of adoption by civil society, communities, and groups committed to evidence-based change; and contributes to public

engagement and policy development dialogue about wellbeing. Knowledge mobilisation emphasises purpose in meeting the needs of users whereby knowledge sharing, innovation, and change is built as CIW researchers and users explore the relationship between research, policy, and action. Ultimately, *knowledge mobilisation*, stimulated by the release of the CIW and its foundational research, can bring about the evidence-based changes that will enhance the wellbeing of all Canadians. The CIW is actively building partnerships with communities and not-for-profit organisations as a means of putting the CIW framework into practice across Canada.

5.1 A Final Note on Data Limitations

The CIW has an ambitious mandate. However, like many organisations across our country, our work relies upon the frequency and timeliness of data collection by credible public sources, especially Statistics Canada. Data used for the Living Standards domain are regularly gathered, up-to-date, and frequently released. To a lesser extent, principal statistics for health, education, crime, and the environment are available on a regular basis and can be factored into annual estimates. In contrast, the data required to update indicators in other domains are less frequently available. These include the Time Use, Community Vitality, Leisure and Culture, and Democratic Engagement domains. Nevertheless, well-established statistical techniques for data interpolation and extrapolation can be used to fill data gaps as a means of maintaining and updating headline indicators where regular and timely data are not available. Ideally, Canada would commit to gathering social, environmental, health, as well as economic data on a regular basis in order to support and facilitate the exploration of wellbeing in Canada.





Appendix A

GDP: What You Need to Know

In order to understand the differences between GDP and the CIW, it is important to understand how GDP is defined. Put simply, GDP refers to the aggregate production of an economy – meaning the value of all final goods and services – produced in a country in a given period of time. More technically, GDP can be determined in three ways, all of which should, in principle, give the same result. The three approaches to measuring GDP are: (1) the production or value-added approach, (2) the income approach, and (3) the final expenditure approach.²⁰ To illustrate, using the expenditure approach, GDP is:

$$\text{GDP} = \text{private consumption} + \text{gross investment} + \text{government spending} + (\text{exports} - \text{imports})$$

The CIW, on the other hand, tracks eight domains that together form a comprehensive measure of wellbeing. While the CIW measures how well we fare as engaged citizens in our private, public, and voluntary lives, GDP measures the aggregate of how much money we receive, what we buy with it, or how much we pay for it.

The fact that our wellbeing consistently lags behind expenditures and consumption does not just demonstrate that money cannot buy happiness, but reveals that when GDP is used to guide economic and social policies, we are not necessarily better off as a nation. As illustrated earlier in Figure 1, over time, our economic performance outpaces our quality of life. *This is at the very heart of the issue of growing inequality – where some of us do extremely well while many of us fare less well.*

Popular GDP Myths

MYTH #1: GDP SHOWS HOW WELL A COUNTRY IS DOING

REALITY: GDP is not a measurement of a society’s progress or wellbeing. It was never meant to be. As early as 1934, Nobel laureate Simon Kuznets recognised that “The welfare of a nation can scarcely be inferred from a measurement of national income” such as that defined by GDP.²¹

GDP was first introduced in the U.S. during the Great Depression as a way of measuring how much and how quickly the U.S. economy was shrinking. It was later adopted by the rest of the world because it’s very good at doing what it does – adding up the value of all goods and services produced in a country in a given period.

²⁰ Statistics Canada. (2008). *Guide to the income and expenditure accounts*. Catalogue no. 13-017-x. Ottawa, ON: Ministry of Industry.

²¹ Kuznets, S. (1934). *National income, 1929-1932*. 73rd US Congress, 2d Session, Senate Document no. 124, p. 7.

But GDP does not tell us anything about how well or poorly we are doing in a wide variety of other economic, social, health, and environmental determinants that shape our country, our communities, and our everyday lives. In short, GDP tells us nothing about the kind of world we are creating for ourselves and future generations, and whether we are progressing forward or moving back. The CIW does.

MYTH #2: ALL GROWTH IS GOOD

REALITY: GDP rests on the philosophic assumption that all growth is good – a rising tide lifts all boats. But is all growth really good? And are all activities where no money changes hands of no value?

If you're talking about GDP, the answer to both questions is "yes". GDP makes no distinction between economic activities that are good for our wellbeing and those that are harmful. Spending on tobacco, natural and human-made disasters, crime and accidents, all make GDP go up.

Conversely, the value of unpaid housework, childcare, volunteer work, and leisure time are not included in GDP because they take place outside of the formal marketplace. Nor are subtractions 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 – does not enter the equation.

The shortcomings of GDP, and its cousin GNP, were summarised most eloquently by Senator Robert Kennedy in a speech he gave nearly half a century ago:

... Gross National Product counts air pollution and cigarette advertising, and ambulances to clear our highways of carnage. It counts special locks for our doors and jails for the people who break them. It counts the destruction of the redwood and the loss of our natural wonder in chaotic sprawl ... Yet the Gross National Product does not allow for the health of our children, the quality of their education, or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, or the intelligence of our public debate or the integrity of our public officials ... It measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country. It measures everything, in short, except that which makes life worthwhile.²²

²² Kennedy, R.F. (1968, March 18). Remarks of Robert F. Kennedy at the University of Kansas. Lawrence, KS. Retrieved from <http://www.jfklibrary.org/Research/Ready-Reference/RFK-Speeches/Remarks-of-Robert-F-Kennedy-at-the-University-of-Kansas-March-18-1968.aspx>



MYTH #3: CUTTING SPENDING WILL FIRE UP THE ECONOMY AND BOOST GDP

REALITY: There is no doubt that governments spend a lot of money. But what do they spend it on? Mostly on building schools, hospitals, roads, bridges, public transportation, and paying the salaries of teachers, doctors, nurses, police, firefighters, and a host of other valuable public servants. They in turn return the money to the economy by buying food, clothes, housing, movie and hockey tickets, and generally supporting the many small businesses that dot every street.

Government spending makes up a large part of GDP. This means that when significant cuts are made to reduce deficits, pay down debt, or otherwise “get our fiscal house in order,” a lot of money is siphoned out of the economy and GDP can shrink. If government cuts are big enough to reduce overall GDP, they will automatically push Canada into a painful recession. So instead of firing up the economy, massive public spending cuts can actually achieve the opposite.

The reality is we cannot shrink ourselves bigger. To pay off our public debts, we have to grow our economy. Governments must be part of the equation, but they have to spend and invest in those areas that improve our collective quality of life, so that we have a citizenry with the strength to meet both our challenges and obligations. It is really not that different than a family paying for its mortgage and household costs by getting higher value jobs instead of by cutting back on food and prescriptions.

For more information

To find out more about the Canadian Index of Wellbeing, please go to www.ciw.ca or e-mail us at info@ciw.ca.

Based in the Faculty of Applied Health Sciences at the University of Waterloo, the Canadian Index of Wellbeing Network is an independent, non-partisan group of national and international leaders, researchers, organizations, and grassroots Canadians. Its mission is to report on wellbeing at the national level and promote a dialogue on how to improve it through evidence-based policies that are responsive to the needs and values of Canadians.

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

The Honourable Monique Bégin and The Honourable Roy J. Romanow
Co-Chairs, CIW Advisory Board



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