

ECONOMIC WELL-BEING



***Presentation by
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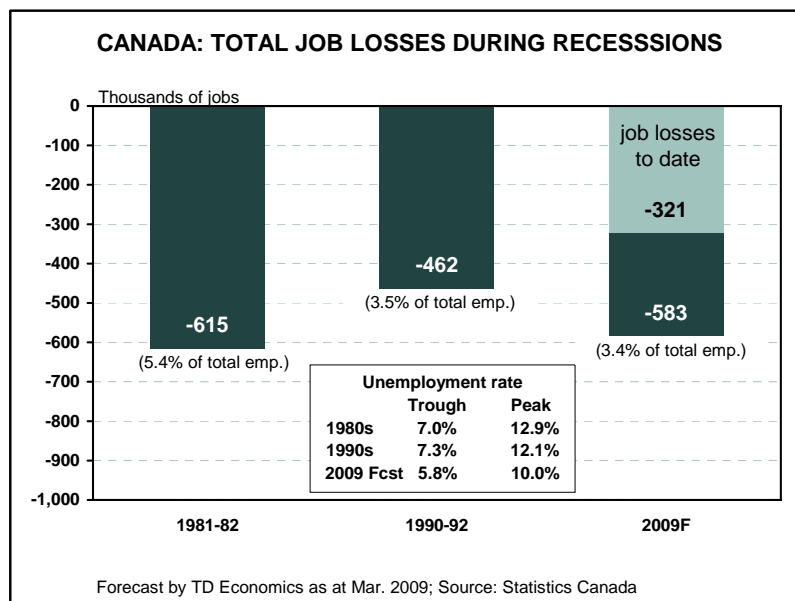
TD Economics provides analysis of economic performance and the implications for investors. The analysis covers the globe, with emphasis on Canada, the United States, Europe and Asia.

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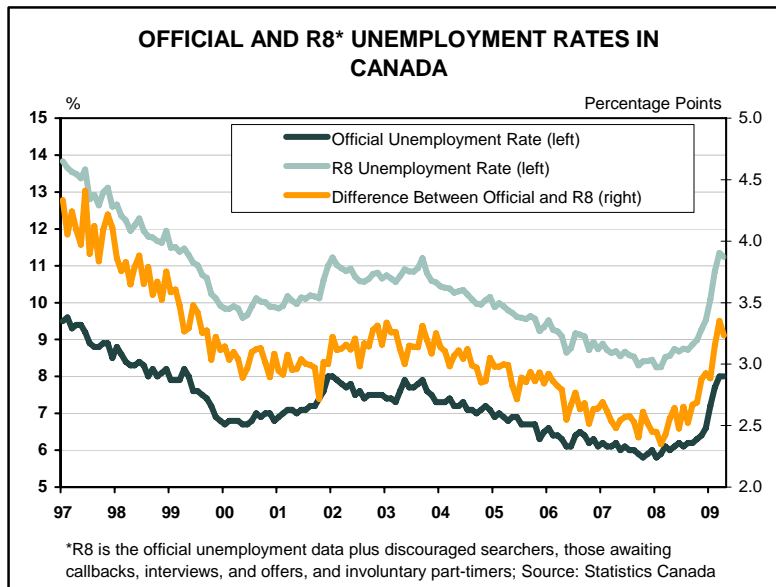
DETERMINANTS OF “ECONOMIC WELL-BEING”

- Job satisfaction
- Material wealth and income, on a relative basis for the most part
- Relationships with family and friends
- Life aspirations
- Marriage and children
- Physical health
- Community involvement
- Social capital

MANY CANADIANS LOSING THEIR JOBS



IN FACT, THERE ARE MORE THAN MEETS THE EYE

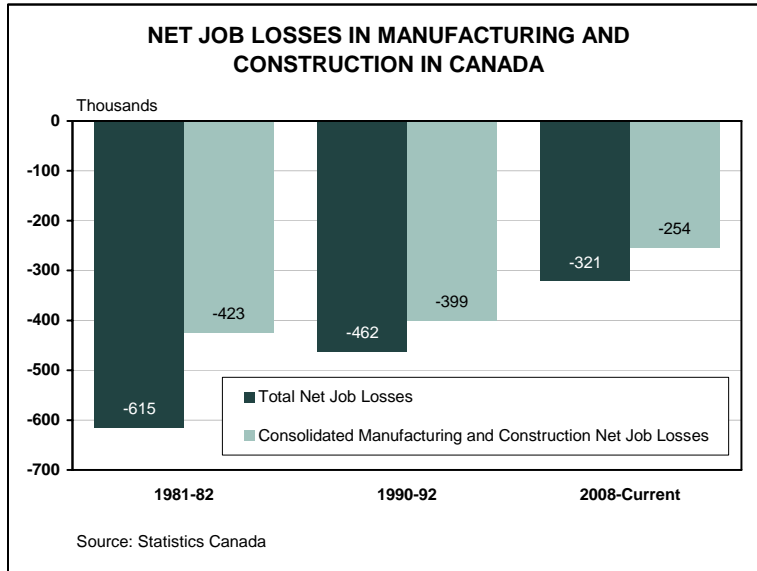


EI ISN'T HELPING AS MUCH AS IT SHOULD

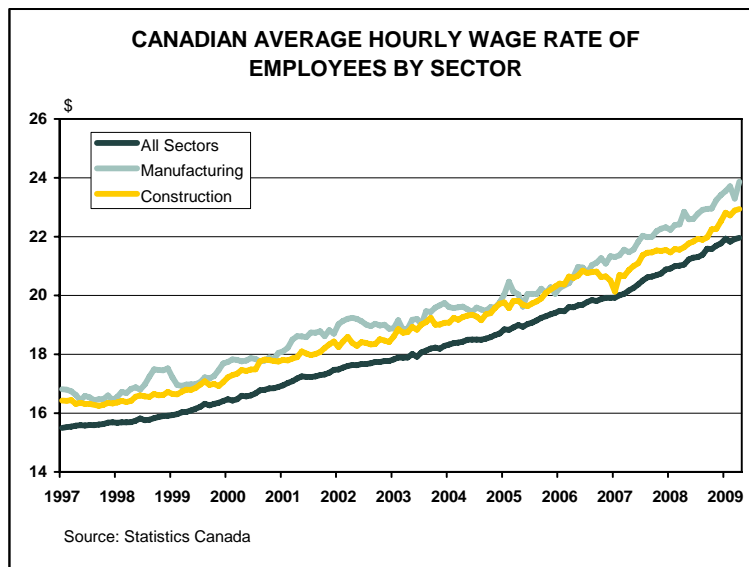
EMPLOYMENT INSURANCE COVERAGE Of Unemployed Workers			
	2003	2005	2007
Unemployed (Thousands)	1,224	1,123	1,030
% of Unemployed			
EI Contributors	70.9%	68.6%	70.0%
EI Beneficiaries	44.8%	43.3%	41.0%
Eligible but did not collect	3.2%	2.7%	3.7%
Below VER	9.1%	9.2%	9.6%
Invalid job loss	13.9%	13.4%	15.7%
Non-Contributors	29.1%	31.4%	30.0%
No insurable employment	5.1%	5.4%	5.2%
Unemployed for >12 months	23.9%	26.0%	24.8%

Source: Statistics Canada / HRSDC (EI Coverage Survey)

CONSTRUCTION AND MANUFACTURING TYPICALLY TAKE THE BRUNT OF IT



WHICH MEANS CANADA GENERALLY LOSES HIGHER-PAYING JOBS DURING RECESSIONS



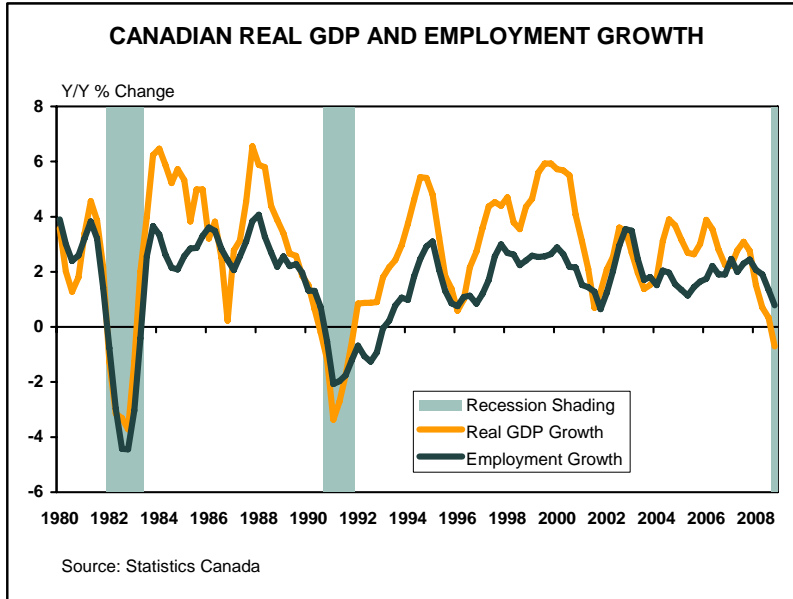
A LOOK AT THE U.S.

- Better wage data in the U.S.
- Shows that employees in almost all subsectors within the manufacturing and construction industries have higher median and average wages than the economy as a whole
- 2.9 million out of 5.7 million net job losses in the U.S. have been concentrated in the construction and manufacturing sectors

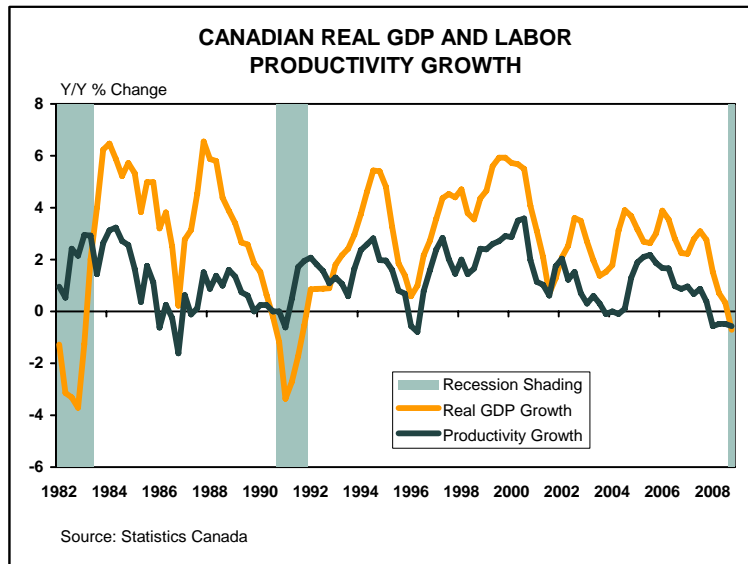
GRADUATING DURING A RECESSION? BAD TIMING

- Lower probability of finding employment, especially in one's field, might force new grads to take temporary employment until the economy recovers
- This results in lower earnings and slower rate of promotion as relevant skill development is impeded
- Lower earnings may persist beyond 18 years after the recession

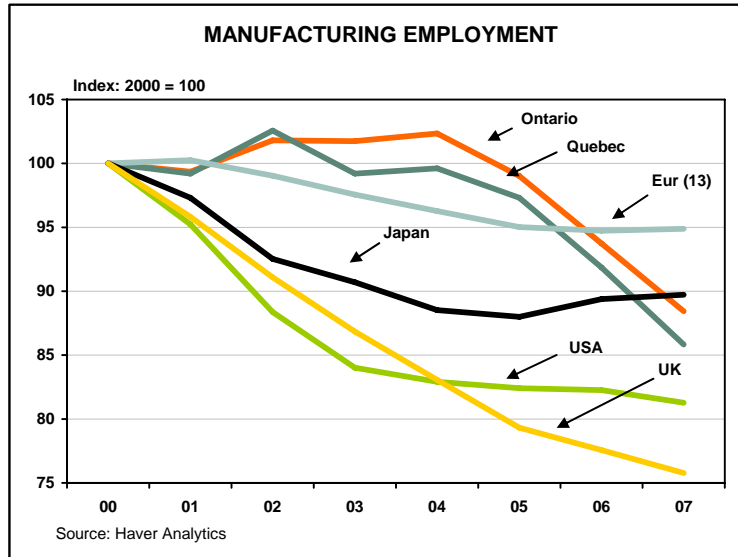
EMPLOYMENT FOLLOWS THE BUSINESS CYCLE



PRODUCTIVITY GROWTH ESSENTIAL TO RAISING STANDARDS OF LIVING



EMPLOYMENT RECOVERY FOR THE MANUFACTURING SECTOR UNLIKELY

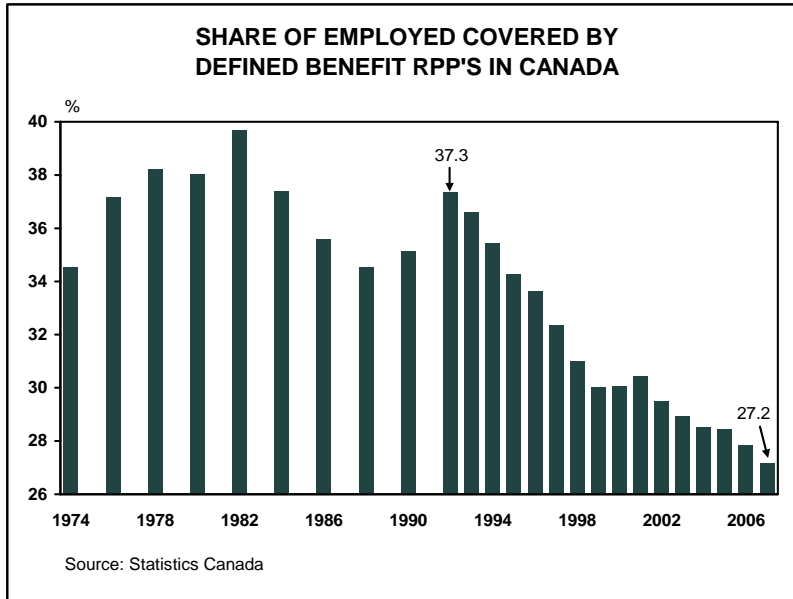


JOBS WITHOUT NON-WAGE BENEFITS OUTPACING GROWTH IN JOBS WITH BENEFITS

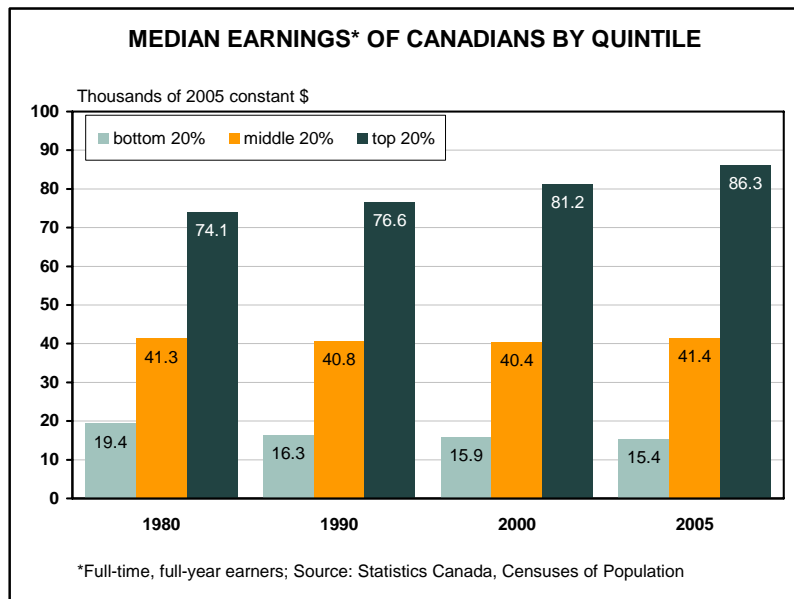
	Job growth* (%)
Jobs with benefits	1.83
Jobs without benefits	4.76

Source: Workplace and Employee Survey
*Annual rate, 1999-2005 Average

PENSION SECURITY HAS BEEN ON THE DECLINE



INCOME GAP HAS BEEN WIDENING



INVESTMENT INCOME: NOW AN EQUALIZER?

- As of 2005, Canadians in the highest net worth quintile held 63% of all assets and 87% of all non-pension financial assets excluding bank deposits

Share of Non-Pension Financial Assets Excl. Bank Deposits by Net Worth Quintile	
Net Worth Quintile	Share (%)
Lowest	0.2%
Second	1.2%
Third	3.5%
Fourth	8.1%
Highest	87.0%

Source: Statistics Canada, Survey of Financial Security 2005

- Percentage change in S&P/TSX Composite between June 18, 2008 to May 25, 2009: **-33.2%**

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