



Business Council of  
British Columbia  
Est. 1966

# 2024 B.C. PROSPERITY INDEX





# 2024 B.C. PROSPERITY INDEX SPONSORS

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# PRESIDENT'S MESSAGE

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Dear Reader,

We are pleased to present the second edition of the ***B.C. Prosperity Index***. Our first edition was published in 2019, with the objective of providing comparative data on how British Columbia has been performing on a wide range of indicators assessing our economic, business, social and environmental well-being. We plan to update the index every few years.

The ***Index***, developed in partnership with the Ottawa-based Centre for the Study of Living Standards, provides a comprehensive overview of our performance. It highlights our strengths and identifies areas for improvement across 12 indicators, benchmarking us against 21 states, provinces, and countries.

We hope the information we are making available will be of value to elected representatives, public servants, community and business leaders, and the broader public as we all work towards a more prosperous province.

We thank our Prosperity Partners for making this work possible.

Sincerely,



Laura Jones  
President and CEO  
Business Council of British Columbia







# EXECUTIVE SUMMARY

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The Business Council of British Columbia (BCBC) has renewed its partnership with the Ottawa-based Centre for the Study of Livings Standards (CSLS) to produce the **2024 B.C. Prosperity Index** (the “**Index**”). The purpose and methodology are broadly unchanged from the previous version of the **Index** released in 2019.

The purpose of the **Index** is to benchmark British Columbia’s performance compared to peer jurisdictions on business and economic performance, as well as social and environmental factors, that together help shape people’s quality of life. The Index is intended to serve as a resource for elected officials, civil servants, business and community leaders, the media, and the public. We hope that it provides a common fact base and platform through which to convene debate and collaboration about long-term policy solutions that can improve B.C.’s prosperity at both the kitchen table and the boardroom table.

The **Index** incorporates a suite of 12 equally-weighted indicators that capture aspects of people’s personal and societal prosperity. The indicators are organized into three groups known as “domains”:

**Business Well-Being.** This includes four indicators that reflect the state of the competitive environment for businesses: labour productivity; investment; innovation; and educational attainment.

**Economic Well-Being.** This includes four indicators that reflect people’s economic security and well-being: economy-wide income; household income; unemployment; and housing affordability.

**Societal Well-Being.** This consists of four indicators that capture other dimensions affecting people’s quality of life: life expectancy; poverty; income inequality; and the natural environment.<sup>1</sup>

The **Index** uses the most recent year for which data is available in a jurisdiction as of May 2024. In most cases, the most recent available year is 2022.<sup>2</sup> Where necessary, the CSLS has adjusted national data for consistency with Organisation for Economic Cooperation and Development (OECD) data.

There are 21 advanced national and sub-national economies included as peer jurisdictions. The countries are Australia, Canada, France, Germany, Japan, New Zealand, the United Kingdom, and the United States. The sub-national jurisdictions are the ten Canadian provinces and the three Pacific U.S. states of Washington, Oregon and California.





# 2024 B.C. PROSPERITY INDEX

With a ranking of 11th among the 21 comparator jurisdictions, B.C. is an average performer in overall prosperity. B.C. ranks third among the ten Canadian provinces, sixth among the peer countries included in the Index (including Canada and the U.S.), and behind the three Pacific U.S. states of Washington, Oregon, and California.

## BUSINESS WELL-BEING



RANKING **11** OF 21  
OR AVERAGE

## ECONOMIC WELL-BEING



RANKING **15** OF 21  
OR BELOW AVERAGE

## SOCIETAL WELL-BEING



RANKING **7** OF 21  
OR ABOVE AVERAGE

## LABOUR PRODUCTIVITY



RANKING  
**12** OF 21

Real gross domestic product (GDP) per hour worked - the average value of economic output created for each hour of work in a jurisdiction.

## ECONOMY-WIDE INCOME



RANKING  
**10** OF 21

Real GDP per capita is the total value of economic output in a jurisdiction divided by its population. It is a widely used metric to track and compare living standards.

## LIFE EXPECTANCY



RANKING  
**7** OF 21

The average number of years a person expects to live, measured at birth - a commonly used indicator of quality of life.

## INVESTMENT



RANKING  
**9** OF 18

Capital placed by the public and private sectors in machinery, equipment, technology, and infrastructure, excluding residential investment, as a share of GDP.

## HOUSEHOLD INCOME



RANKING  
**7** OF 21

The net income of households, after taxes and transfers from the government, measured on a per person basis.

## POVERTY RATE



RANKING  
**4** OF 21

The share of the population living in low income. Thresholds are adjusted to international standards to ensure consistency across jurisdictions.

## INNOVATION



RANKING  
**13** OF 21

This is captured by the amount of spending on research and development (R&D), measured as a proportion of a jurisdiction's economy.

## UNEMPLOYMENT



RANKING  
**11** OF 21

The percentage of unemployed persons in a jurisdiction measured as a share of the active labour force.

## INCOME INEQUALITY



RANKING  
**13** OF 21

Measured using the Gini coefficient, which gauges the concentration of household disposable income in a jurisdiction.

## EDUCATION



RANKING  
**8** OF 21

The share of each jurisdiction's population aged 25 to 64 years with a post-secondary credential (degree, diploma, certificate, or skilled trade qualification).

## HOUSING AFFORDABILITY



RANKING  
**18** OF 18

Captured by the share of a household's disposable income that is spent on housing.

## ENVIRONMENT



### AIR QUALITY RANKING

**5** OF 21

### CO<sub>2</sub> RANKING

**12** OF 21

Two measures are combined: air pollution, which is the level of small particulate matter in the air, and greenhouse gases emissions per person.



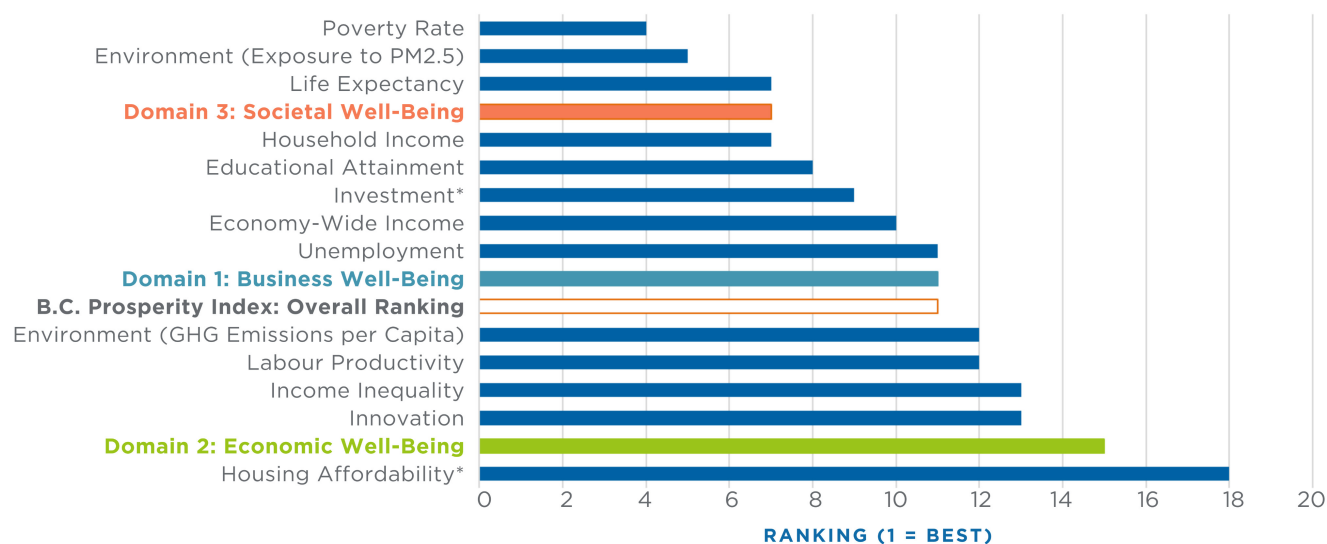
# EXECUTIVE SUMMARY

B.C. ranks 11th for overall prosperity and thus lies in the middle of the 21 peer jurisdictions. This ranking is unchanged from the previous version of the *Index* produced in 2019. Across the three domains, B.C. scores average for **Business Well-Being**, below average for **Economic Well-Being**, and above average for **Societal Well-Being**.

B.C.'s economic performance in recent years, particularly in respect of business investment and gross domestic product (GDP) per capita, has been boosted by four “mega” capital projects: Trans Mountain, Site C, LNG Canada and Coastal Gas Link. Without the engineering construction activity associated with these mega projects, B.C.'s economic performance likely would have been less impressive and like the rest of Canada. The imminent completion and winding down of these projects raise the question as to what will drive provincial prosperity in future years.

Among the 21 peer jurisdictions, like other Canadian provinces, B.C. tends to *outperform* international jurisdictions on social and environmental indicators. However, on business and economic well-being indicators, B.C. tends to *underperform* peer international jurisdictions.

## B.C.'S RANKING ACROSS INDICATORS



\*Ranking among 18 jurisdictions. Data not available for Pacific U.S. states

Source: Business Council of British Columbia and Canadian Centre for the Study of Living Standards

# EXECUTIVE SUMMARY

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Across the individual indicators, B.C.'s best rankings are for poverty (4th lowest), air quality (5th best), life expectancy (7th longest), household income (7th highest), and educational attainment (8th highest).



B.C.'s lowest rankings are for housing affordability (least affordable), innovation (13th highest), income inequality (13th lowest), labour productivity (12th highest), and greenhouse gas emissions per capita (12th highest).



We hope the *Index* provides an objective basis for benchmarking B.C.'s performance on many of the indicators that influence prosperity and population well-being. We believe the province can benefit by examining the experiences, policies and practices of other jurisdictions that are top performers in areas where B.C. aspires to do better.





# INTRODUCTION

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The Business Council of British Columbia (BCBC) has renewed its partnership with the Ottawa-based Centre for the Study of Livings Standards (CSLS) to produce the **2024 B.C. Prosperity Index** (the “**Index**”). The purpose of the **Index** is to benchmark British Columbia’s performance compared to peer jurisdictions on economic performance, as well as social and environmental factors, that together help shape people’s quality of life.

BCBC first developed and released the **Index** in 2019, in partnership with the CSLS, in order to track a suite of metrics that reflect provincial living standards. Updates of the **Index** were paused for several years due to the COVID-19 pandemic. We hope the updated **Index** provides useful information for elected representatives, civil servants, community and business leaders, the media, and the wider B.C. population.

The CSLS is internationally-recognized for its expertise in analyzing and documenting trends in economic and social well-being in Canada and other countries. We are grateful to the CSLS for their work on the **Index**. A [technical backgrounder](#) is available on our website explaining how we developed the methodology in 2019, which is broadly unchanged. The commentary that follows is provided by BCBC.



# WHAT IS BEING MEASURED?

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The **2024 B.C. Prosperity Index** incorporates a suite of indicators that capture different elements of prosperity and people's well-being. As in the *2019 B.C. Prosperity Index*, twelve indicators are included and grouped into three broad domains. The individual indicators are described later in this paper.

The three prosperity domains, and the indicators within each domain, are:

**Business Well-Being.** This includes four indicators that reflect the state of the competitive environment for businesses: labour productivity; investment; innovation; and educational attainment.

**Economic Well-Being.** This includes four indicators that reflect people's economic security and well-being: economy-wide income; household income; unemployment; and housing affordability.

**Societal Well-Being.** This consists of four indicators that capture other dimensions affecting people's quality of life: life expectancy; poverty; income inequality; and the environment.

The **2024 B.C. Prosperity Index** uses the most recent year for which data is available in a jurisdiction as of May 2024. For most indicators and jurisdictions, the most recent available year is 2022.<sup>3</sup> This approach reflects the reality of data lags in cross-jurisdiction research.

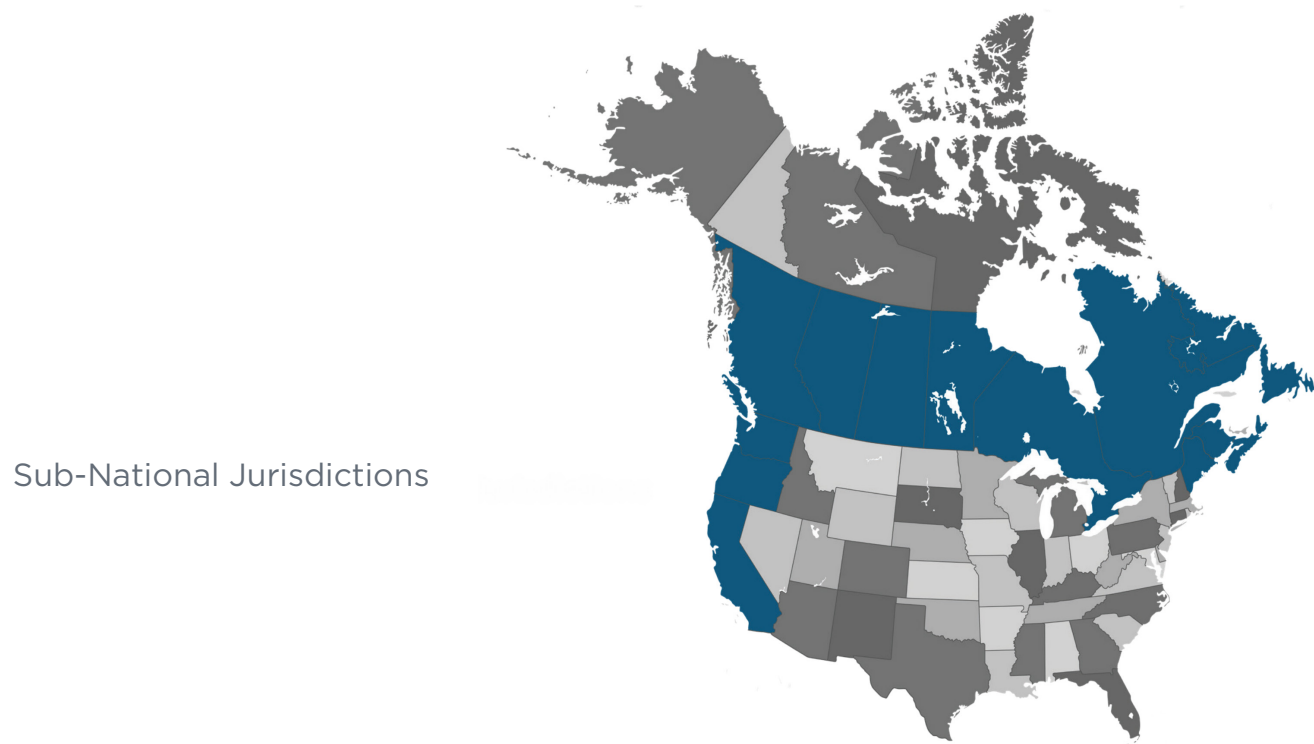
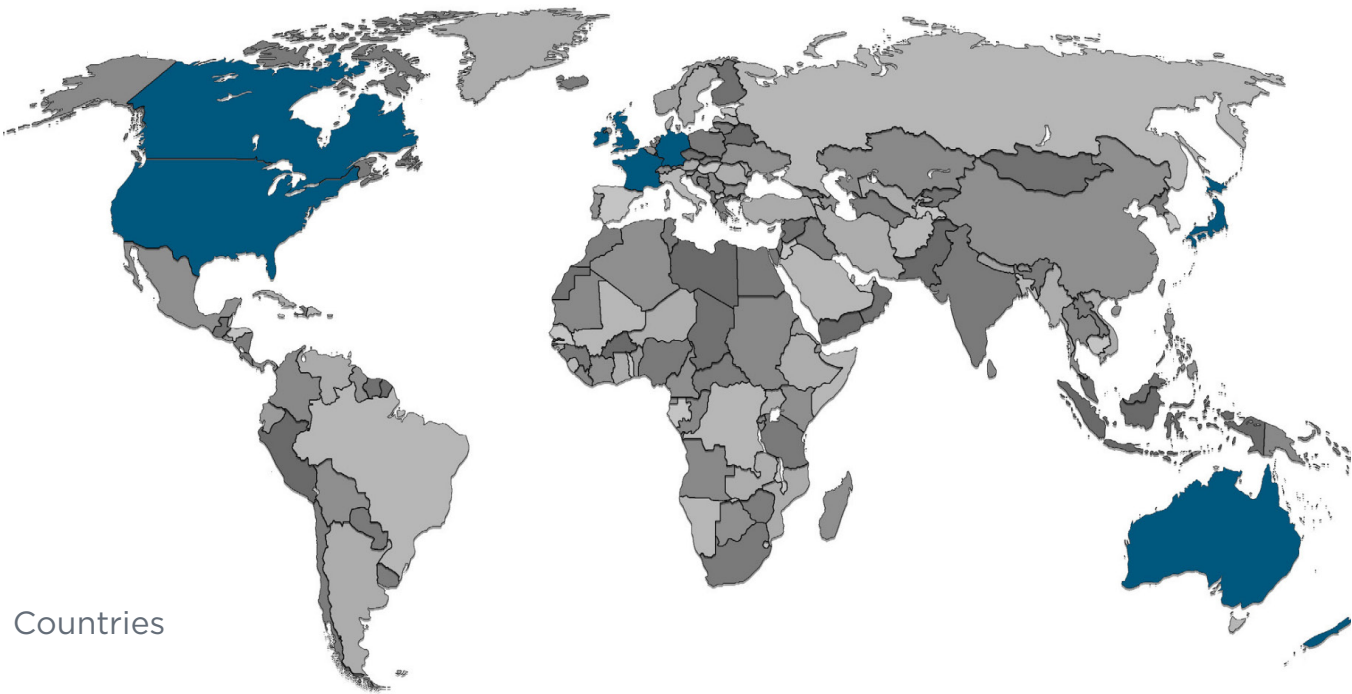
While the **Index** is not a fully up-to-date snapshot, measures of relative economic, social and environmental performance tend to be fairly stable across brief time spans of 1-2 years. In addition, for some indicators the CSLS has adjusted national source data for consistency with OECD data. Overall, we believe the results offer a comparison of business, economic, social and environmental performance across jurisdictions based on the available data.

Finally, note that each of the 12 individual indicators is given an equal weight in computing the results for the three domains as well as the overall results for the **Index**.<sup>4</sup>



# JURISDICTIONS IN THE B.C. PROSPERITY INDEX

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# WHICH JURISDICTIONS IS B.C. JUDGED AGAINST?

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In designing the ***Index***, an important consideration was deciding which economies to include as peers for comparison with B.C. A couple of factors affected our decision.

First, because B.C. is a mature and advanced economy by global standards, we chose to compare the province to jurisdictions at a similar stage of economic development. This ruled out emerging and developing economies like China, India, Mexico, the Philippines, or Brazil, where average incomes are less than half of the level in B.C. Instead, only comparatively high-income national jurisdictions are found in the ***Index***, namely: Australia, Canada, France, Germany, Japan, New Zealand, the United Kingdom, and the United States.

A second consideration is that B.C. is a province rather than a country. Because of this, we wanted to include some other sub-national jurisdictions. Unfortunately, it is difficult to find comparable data on economic and social performance at the sub-national level for many countries. In the end, we decided to focus on the other nine Canadian provinces, along with the three Pacific U.S. states of Washington, Oregon and California.

Thus, the total number of jurisdictions—countries together with provinces and states—in the ***Index*** adds up to 21. They are listed in the table to the right.

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## Jurisdictions in the B.C. Prosperity Index

### Countries

- Australia
- Canada
- France
- Germany
- Japan
- New Zealand
- United Kingdom
- United States

### Sub-National Jurisdictions

- Alberta
  - British Columbia
  - California
  - Manitoba
  - New Brunswick
  - Newfoundland and Labrador
  - Nova Scotia
  - Ontario
  - Oregon
  - Prince Edward Island
  - Quebec
  - Saskatchewan
  - Washington
- 

"Because B.C. is a mature and advanced economy by global standards, we chose to compare the province to jurisdictions at a similar stage of economic development."

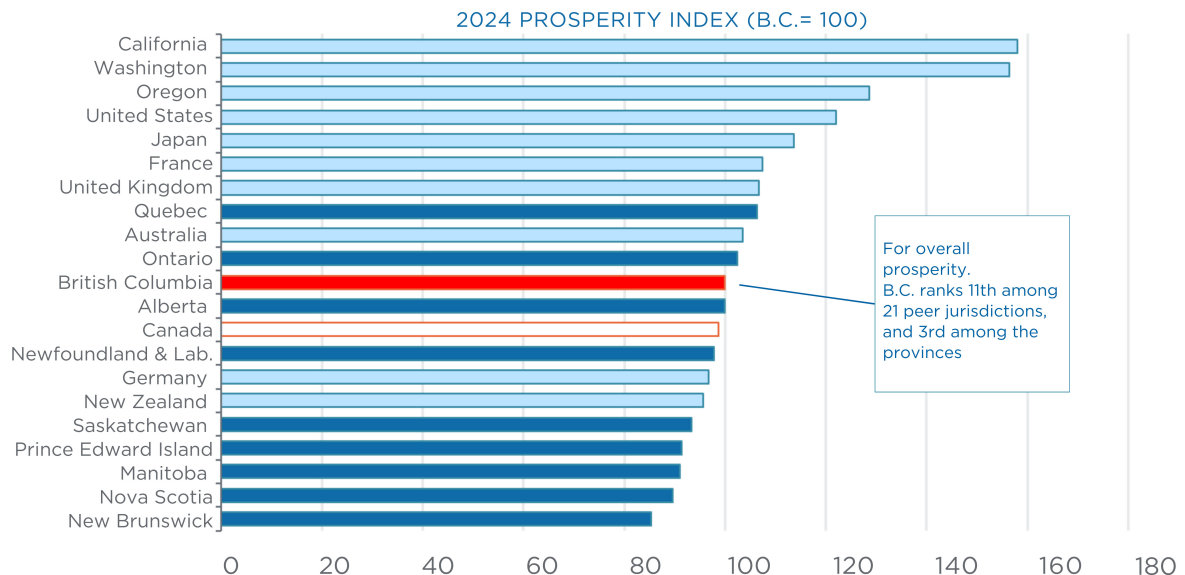
# 2024 B.C. PROSPERITY INDEX



# OVERALL RESULTS

B.C. sits in the middle of the pack at 11th in terms of overall prosperity among the 21 peer jurisdictions. B.C. is an above average performer within Canada, but a below average performer compared to international jurisdictions. B.C. ranks 3rd among the ten Canadian provinces in overall prosperity, 6th among the peer countries included in the **Index** (including Canada and the U.S.), and behind the three Pacific U.S. states of Washington, Oregon and California.

## B.C. RANKS 11TH IN OVERALL PROSPERITY



Note: All jurisdiction benchmarked against B.C. set to 100. Index values for the three Pacific US states are based on 10 indicators due to lack of subnational U.S. data for business investment and housing affordability indicators

Source: Business Council of B.C. and Canadian Centre for the Study of Living Standards

- With a ranking of 11th among the 21 comparator jurisdictions, B.C. is a middling performer in terms of the aggregate **Index** result.
- Within Canada, Quebec and Ontario rank ahead of B.C. on overall prosperity.
- Alberta and B.C. are closely matched on overall prosperity.
- B.C.'s overall result reflects having an average ranking for **Business Well-Being**, a below average ranking for **Economic Well-Being**, and an above-average ranking on **Societal Well-Being**.

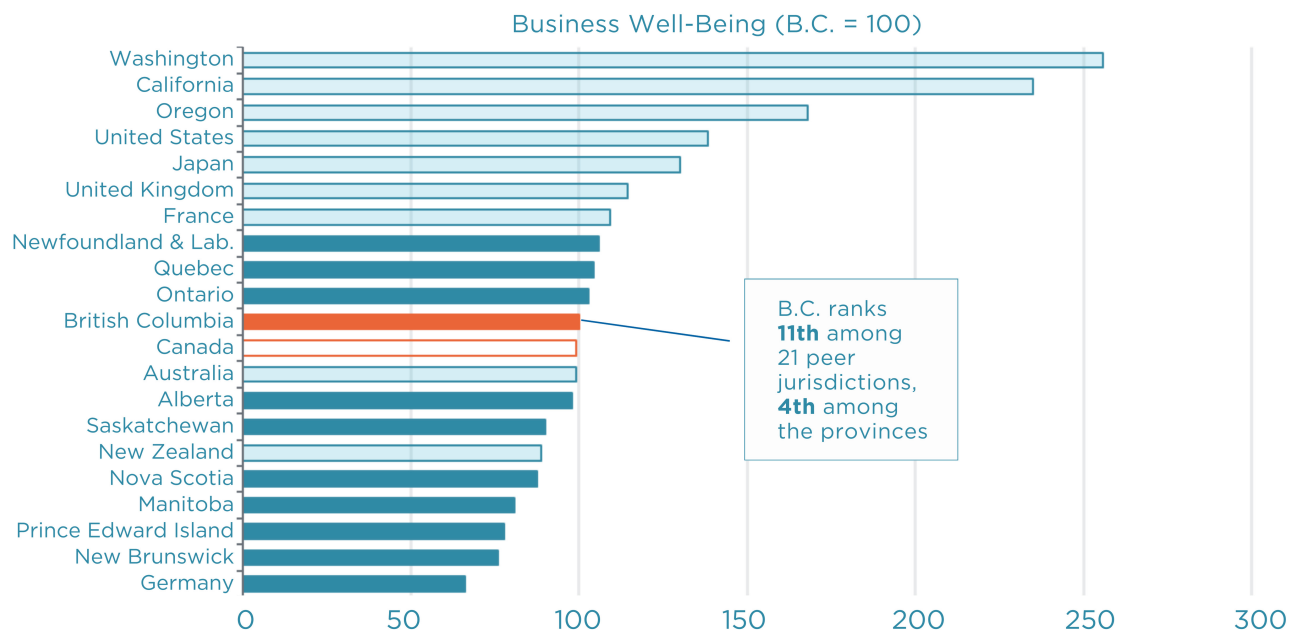


# BUSINESS WELL-BEING



RANKING **11** OF 21  
OR AVERAGE

## B.C.'S RANKS 11TH FOR BUSINESS WELL-BEING



Note: All jurisdictions benchmarked against B.C. set to 100. Index values for the three Pacific US states are based on 3 of 4 indicators due to lack of subnational U.S. data for investment indicator.

Source: Business Council of British Columbia and Canadian Centre for the Study of Living Standards

# BUSINESS WELL-BEING RESULTS



The **Business Well-Being** domain focuses on metrics that reflect the state of the competitive environment for business. The indicators selected for this domain include measures of labour productivity, business investment, innovation, and the quality of human capital and workforce skills.

Jurisdictions with high levels of labour productivity (output per hour worked), and non-residential capital investment relative to the size of the economy, tend to be more competitive and better places to operate and grow businesses. Innovative jurisdictions also tend to be open to new ideas, business practices, products and services. Innovation is difficult to measure directly so the **Index** uses the amount of research and development (R&D) spending relative to the size of the economy.

Finally, businesses tend to be more successful when they can hire skilled workers. The proportion of the population aged 25-64 years with post-secondary education credentials (a degree, diploma or skilled trade certificate) is used to capture this aspect of business well-being.

- Among the 21 jurisdictions, B.C. ranks 11th for **Business Well-Being**.
- Across the ten Canadian provinces, B.C. ranks 4th behind Newfoundland and Labrador, Quebec and Ontario.
- B.C. ranks 5th among the peer countries behind the United States, Japan, the United Kingdom and France.
- All three Pacific U.S. states rank ahead of B.C.

"Jurisdictions with high levels of labour productivity and non-residential capital investment relative to the size of the economy, tend to be more competitive and better places to operate and grow businesses."



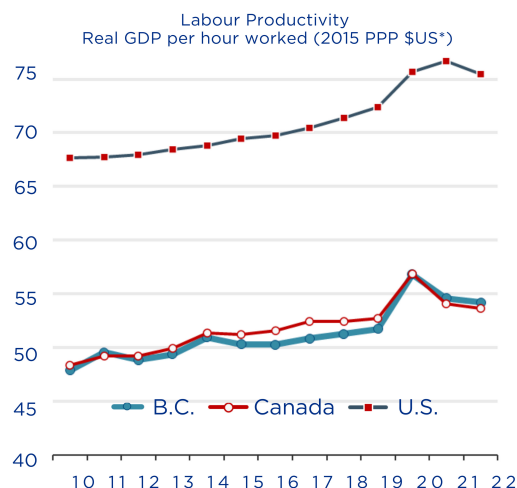
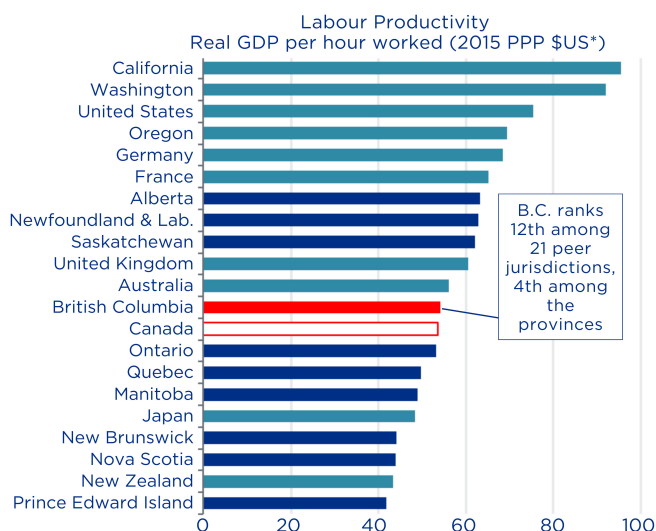
## LABOUR PRODUCTIVITY

Labour productivity is real gross domestic product (GDP, also known as output, income or value-added) per hour worked, across the total economy. Labour productivity is the amount of income an economy can produce given its supply of labour (the labour supply is measured as total hours worked). As shown in the figure below, B.C. ranks in the middle of the 21 jurisdictions on labour productivity.

- B.C. ranks 12th among the 21 peer jurisdictions for the level of labour productivity in the total economy.
- B.C. has the fourth-highest level of labour productivity among Canadian provinces, ranking behind Alberta, Newfoundland and Labrador, and Saskatchewan. It surpasses the two largest provinces, Ontario and Quebec, as well as the rest of the Maritime provinces.
- The United States, Germany, France, the United Kingdom and Australia have higher levels of labour productivity than B.C. and Canada.
- California, Washington and Oregon have significantly higher levels of labour productivity than B.C. and Canada.

"B.C. ranks 12th among the 21 peer jurisdictions for the level of labour productivity in the total economy. "

### LABOUR PRODUCTIVITY



\* Converted to US dollars using 2015 purchasing power parity (PPP) exchange rates. Adjusted for consistency with OECD data.

Source: Business Council of British Columbia and Canadian Centre for the Study of Living Standards

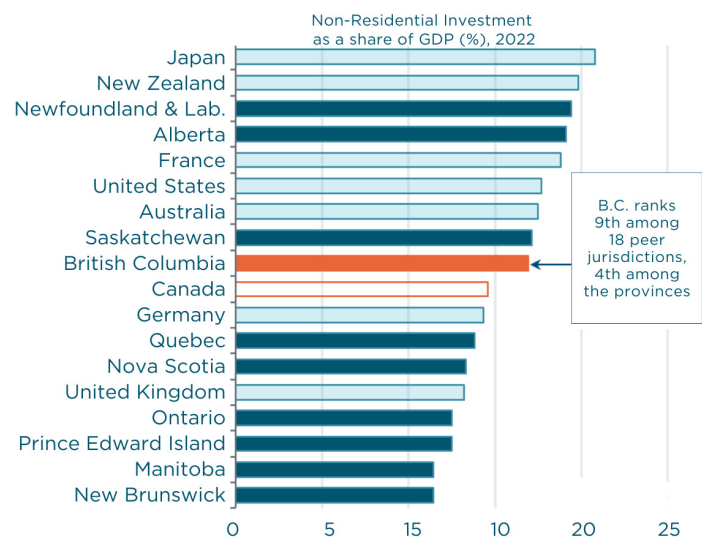


## INVESTMENT

The second indicator in the **Business Well-Being** domain is investment. Specifically, we look at non-residential capital investment in both the public and private sectors, measured as a share of the economy.<sup>6</sup>

Unfortunately, for this indicator the U.S. Bureau of Economic Statistics does not produce estimates of non-residential investment at the state level. As a result, there are only 18 comparator jurisdictions for this indicator.

### INVESTMENT



Source: Business Council of British Columbia and Canadian Centre for the Study of Living Standards

"Without these huge engineering construction projects, B.C.'s business investment performance would likely have been similar to the rest of Canada."

- Among the 18 jurisdictions, B.C. ranks 9th overall and 4th among the Canadian provinces.
- B.C. and Canada have lower levels of business investment relative to the size of their economies than all peer countries except the United Kingdom.
- B.C.'s ranking is an improvement on the **2019 Index**, when it ranked 11th among 18 peer jurisdictions. The improvement partly reflects the impact of four mega projects – Trans Mountain, Site C, LNG Canada and Coastal Gas Link – that have significantly boosted capital investment in B.C. in recent years.
- Without these huge engineering construction projects, B.C.'s business investment performance would likely have been similar to the rest of Canada (outside Newfoundland and Labrador and Alberta).<sup>7</sup>
- B.C.'s mega capital projects are completed or winding down. This raises the question as to what will drive business investment in future years.





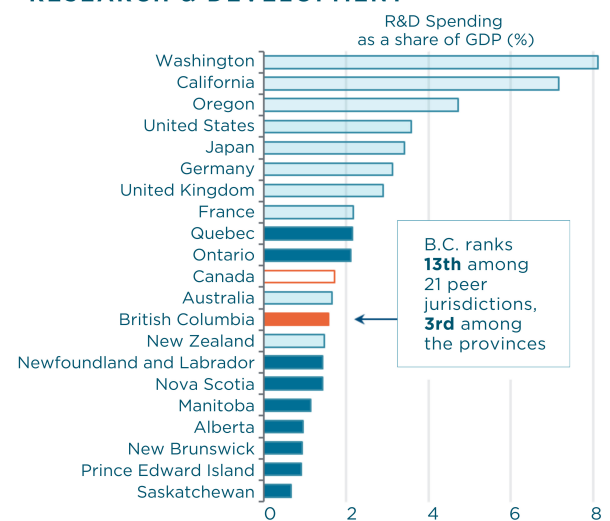
## INNOVATION

Innovation in the **Index** is proxied by research and development (R&D) intensity, which is measured as the amount of R&D investment as a share of nominal GDP. Within Canada, B.C. ranks favourably. However, we perform poorly compared to jurisdictions outside Canada.

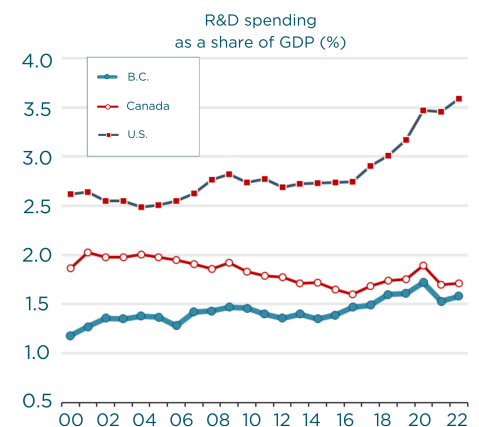
- B.C. ranks 13th out of 21 jurisdictions as it spends only 1.6 per cent of GDP on R&D.
- This is B.C.'s second lowest ranking (the lowest ranking is housing affordability) across the 12 indicators in the **Index**. This performance highlights that innovation is a relative weakness for B.C. and Canada.
- Although B.C. ranks 3rd among the Canadian provinces, it only ranks ahead of New Zealand among peer countries.
- Canada and its provinces, along with New Zealand, Australia, and France, occupy the bottom rankings for this indicator, with all spending around 2 percent or less of their economies on R&D.
- The Pacific U.S. states, as well as the U.S. as a whole, spend several multiples of what B.C. spends on R&D as a share of their economies.

"Overall, B.C. ranks **13th out of 21** jurisdictions as it spends only 1.6 per cent of GDP on R&D."

### RESEARCH & DEVELOPMENT



Source: Business Council of British Columbia and Canadian Centre for the Study of Living Standards



Note: Adjusted for consistency with OECD data





## EDUCATIONAL ATTAINMENT

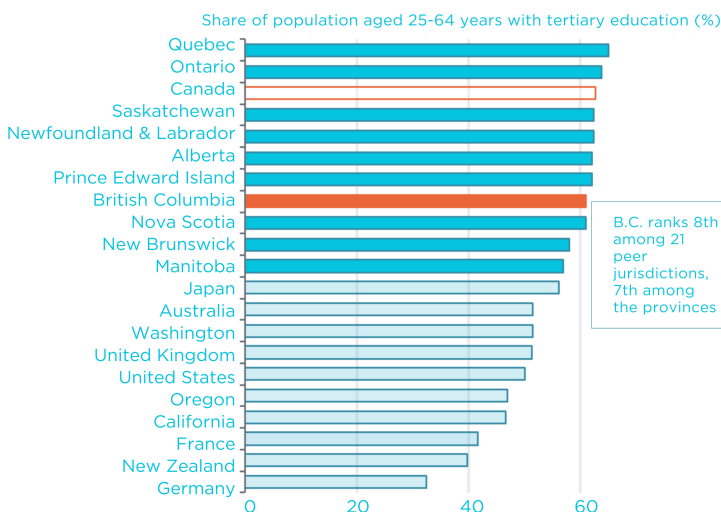
The level of human capital or skills of the workforce is commonly estimated by determining the share of the population aged 25-64 years that possesses a post-secondary education credential. This may include a university degree, diploma, or skilled trade qualification.

While B.C. tends to rank around the middle of the pack on other aspects of the **Business Well-Being** domain, B.C. scores well on educational attainment. This is especially the case when comparing B.C. to international jurisdictions. This suggests that businesses in B.C. benefit from a relatively plentiful supply of workers holding post-secondary education credentials.

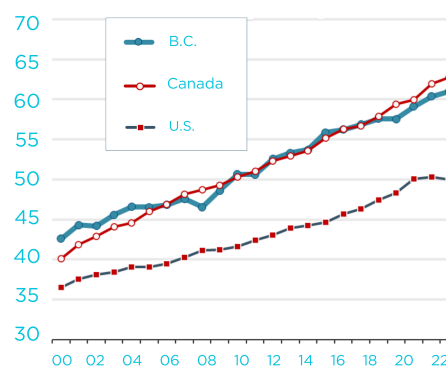
- B.C. ranks 8th among 21 jurisdictions aged 25-64 years for the share of the population with post-secondary education credentials.
- Although B.C. ranks only 7th among the provinces, and is outperformed by Canada as a whole, it ranks ahead of all international jurisdictions.
- This is B.C.'s best performance in the **Business Well-Being** category.

"Businesses in B.C. benefit from a relatively plentiful supply of workers holding post-secondary education credentials."

### EDUCATIONAL ATTAINMENT



Share of population aged 25-64 years with tertiary education (%)



Source: Business Council of British Columbia and Canadian Centre for the Study of Living Standards

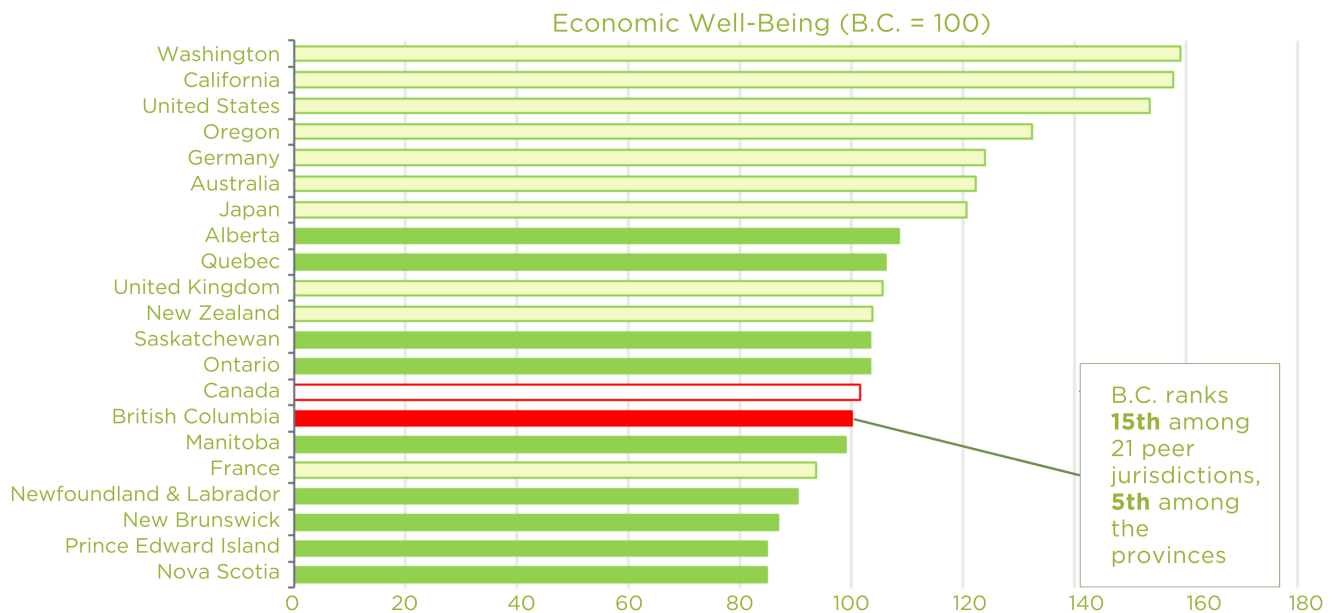


# ECONOMIC WELL-BEING



RANKING **15** OF 21  
OR BELOW AVERAGE

## ECONOMIC WELL-BEING



Source: Business Council of British Columbia and Canadian Centre for the Study of Living Standards

# ECONOMIC WELL-BEING RESULTS



The **Economic Well-Being** domain looks at factors affecting people's economic security: economy-wide income; household income; unemployment; and housing affordability.

- B.C. ranks below average at 15th out of 21 peer jurisdictions on **Economic Well-Being**.
- Although B.C. ranks in the middle of the pack among the provinces, it is outperformed by all other international jurisdictions except France.
- Compared to other Canadian provinces, B.C. has relatively high household incomes and low unemployment, but the least affordable housing.
- B.C. has lower economy-wide income, lower household income, and a higher rate of unemployment than any of the Pacific U.S. states.

"Compared to other Canadian provinces, B.C. has relatively high household incomes and low unemployment, but the least affordable housing. "



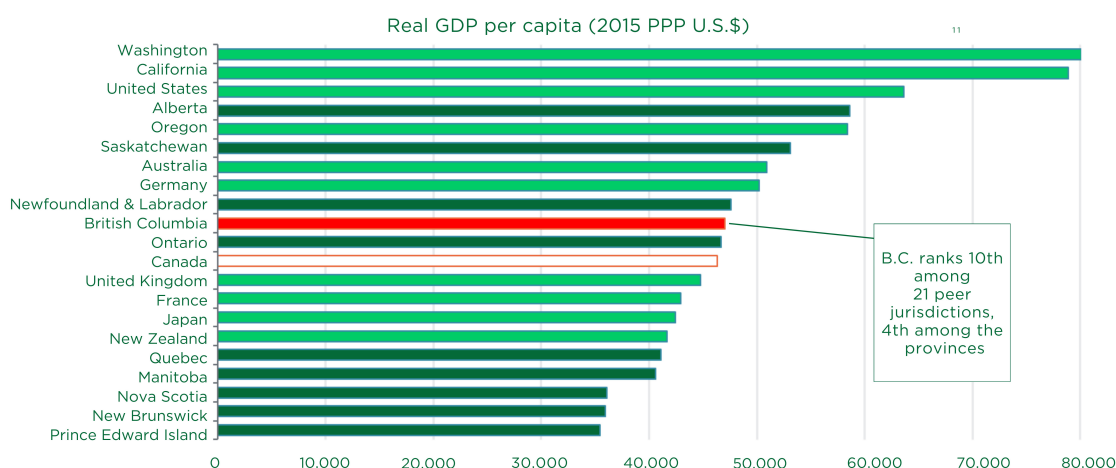


## ECONOMY-WIDE INCOME

Real GDP divided by the size of the population yields a measure known as GDP per capita (also known as GDP per person). It is used by economists and international organizations to compare living standards across jurisdictions. GDP is the total annual income generated by all households and businesses.

GDP per capita is a useful summary of all the income an economy has to support its people through the private and public sectors. A higher level of GDP per capita translates to higher worker salaries and profitable businesses, both of which underpin the tax base to fund public services such as health care, income supports, and public infrastructure.<sup>8</sup>

### B.C. RANKS 10TH FOR ECONOMY-WIDE INCOME



Source: Business Council of British Columbia and Canadian Centre for the Study of Living Standards

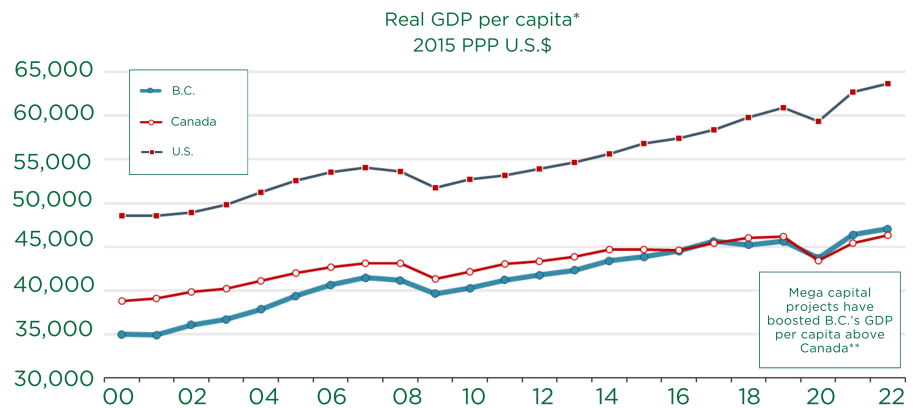


- B.C. ranks 10th among the 21 jurisdictions in GDP per person, slightly ahead of Canada as a whole, but well behind the best performers in the **Index**.
- B.C.'s GDP per capita in recent years has been lifted by four mega capital projects: Trans Mountain, Site C, LNG Canada and Coastal Gas Link.<sup>9</sup>

## GDP PER CAPITA

- There is significant disparity among the Canadian provinces. Alberta and Saskatchewan rank near the top among the 21 jurisdictions, while Quebec, Manitoba, Nova Scotia, New Brunswick, and Prince Edward Island occupy the bottom spots on this indicator.
- The United States, Australia, Germany and the three Pacific U.S. states have a higher GDP per capita than B.C.
- There is a large and growing gap in GDP per capita between the United States compared to B.C. and Canada.

### B.C. RANKS 10TH FOR ECONOMY-WIDE INCOME



\* Converted to US dollars using 2015 purchasing power parity (PPP) exchange rates. Adjusted for consistency with OECD data.

\*\* Recent engineering construction mega capital projects include Trans Mountain, Site C, LNG Canada and Coastal Gas Link

Source: Business Council of British Columbia and Canadian Centre for the Study of Living Standards

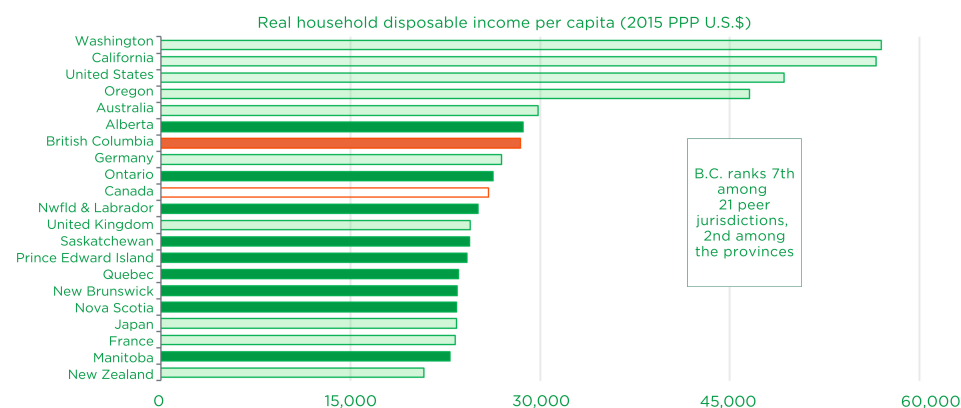




## HOUSEHOLD INCOME

Household disposable income is the total income earned by all the members of a household, net of transfers received from and taxes paid to the government.<sup>10</sup> Household disposable income is closely aligned with prosperity because it represents the net financial resources available to support a household's members. This indicator, like real GDP per capita, is measured on a per capita basis using 2015 US dollars at purchasing power parity exchange rates. B.C. scores quite well on this measure of economic well-being.

### HOUSEHOLD INCOME



Source: Business Council of British Columbia and Canadian Centre for the Study of Living Standards

- Of the 21 jurisdictions, B.C. ranks 7th in household disposable income per capita. This is one of the province's best rankings across the indicators.
- Among the Canadian provinces, B.C. ranks behind only Alberta.
- Among peer countries, B.C. sits third behind only the United States and Australia.
- B.C. ranks behind the three Pacific U.S. states.
- There is a large gap between household disposable incomes per capita in the United States compared to B.C. and Canada.

"B.C. ranks 7th in household disposable income per capita, marking one of the province's best rankings across the indicators."



## UNEMPLOYMENT

The unemployment rate is the number of jobless people aged 15 years and over as a share of the labour force. The labour force is the sum of people who are employed and unemployed. Individuals who are not in the labour force, because they are not employed and not actively looking or available for work, are not counted as part of the official unemployment rate.

### UNEMPLOYMENT RATE



Source: Business Council of British Columbia and Canadian Centre for the Study of Living Standards

When the unemployment rate is lower, people tend to have better prospects for finding a job as there is more competition among employers to hire staff. People who are already employed also have more options to pursue other job opportunities. A lower rate of unemployment is consistent with increased economic security and labour market vitality. Cross-country rankings for this indicator may be affected by the fact that economies reopened and recovered at different speeds from the COVID-19 pandemic. B.C. scores well compared to other provinces but poorly relative to international jurisdictions outside Canada.

- B.C.'s unemployment rate is the 11th lowest among the 21 jurisdictions.<sup>11</sup>
- B.C. has the second lowest unemployment rate in Canada behind Quebec.
- Aside from Quebec, B.C. and the other Canadian provinces occupy the bottom rankings for this indicator.



"B.C. scores well compared to other provinces, but poorly relative to jurisdictions outside Canada."

# ECONOMIC WELL-BEING

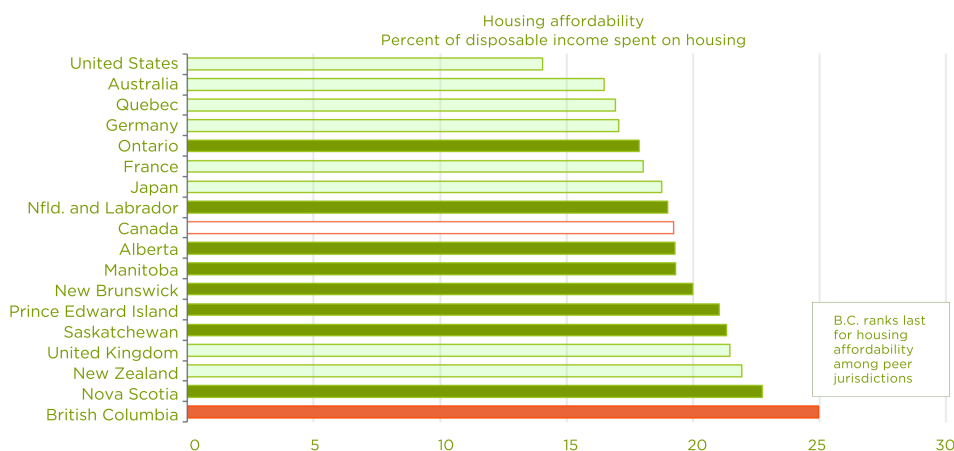


## HOUSING AFFORDABILITY

Housing affordability is measured as the share of household disposable income spent on housing. Shelter is an essential service. We have put it in the **Economic Well-Being** domain because spending a lower share of after-tax income on housing generally means people have more funds available for non-housing consumption. Data is not available for the three Pacific U.S. states, so B.C. is compared to only 18 comparator jurisdictions for this indicator.

- B.C. ranks last among the 18 jurisdictions for which data is available.
- This means British Columbians spend a higher share of their income on shelter than all other comparison jurisdictions.
- B.C.'s ranking does not come as a surprise. Resale home prices have risen significantly relative to incomes since about 2000 as access to mortgage debt became cheaper and easier.
- Canada has experienced a long boom in mortgage credit, underpinned by low or declining interest rates and generous federal government supports and guarantees for residentially secured lending and borrowing. Canadian households are now the second most indebted in the world, with B.C. households the most indebted in the country.

### HOUSING AFFORDABILITY



"British Columbians spend a higher share of their income on shelter than all other comparator jurisdictions."

Source: Business Council of British Columbia and Canadian Centre for the Study of Living Standards

# SOCIETAL WELL-BEING



RANKING **7** OF 21  
OR ABOVE AVERAGE

## SOCIETAL WELL-BEING



Source: Business Council of British Columbia and Canadian Centre for the Study of Living Standards



# SOCIETAL WELL-BEING RESULTS



The **Societal Well-Being** domain focuses on other metrics that affect people's quality of life. The sub-index consists of four component indicators: life expectancy, poverty, income inequality, and the environment. The environmental indicator is calculated from two equally weighted sub-indicators for air pollution and greenhouse gas emissions.

- B.C. ranks 7th among the 21 peer jurisdictions on societal well-being, which is its best ranking across the three domains.
- Among the Canadian provinces, B.C. ranks behind Prince Edward Island, Quebec and Ontario.
- France, the United Kingdom and Germany rank ahead of B.C. among the peer countries.
- The United States as a whole, and the three Pacific U.S. states, score poorly in terms of societal well-being, occupying the bottom spots of the sub-index.

"B.C. ranks 7th among the 21 jurisdictions on societal well-being, which is its best ranking across the three domains."



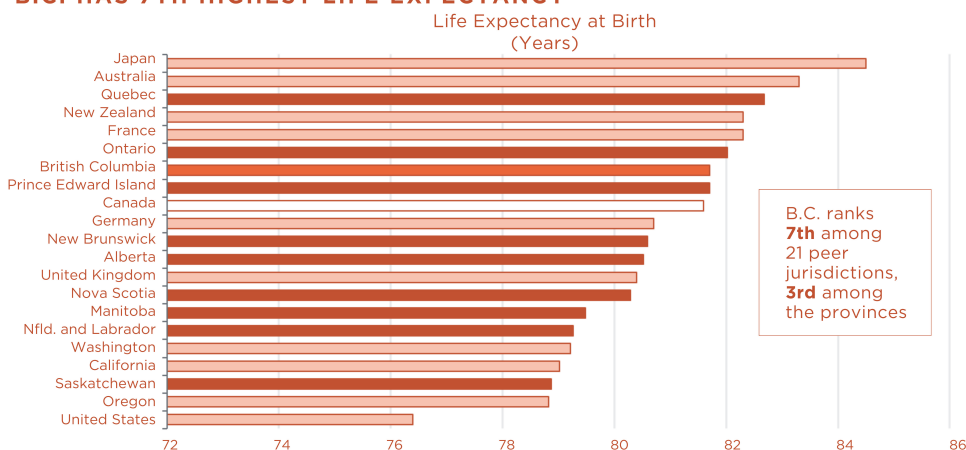


## LIFE EXPECTANCY

Life expectancy at birth is often used to help assess the standard of living across jurisdictions. It is included in the **Societal Well-Being** domain because longevity is correlated with overall quality of life.

- B.C. fares well in longevity, ranking 7th among the 21 jurisdictions.
- In 2022, life expectancy at birth in B.C. was estimated at 81.7 years.
- Among the Canadian provinces, B.C. has the 3rd highest life expectancy behind Quebec and Ontario.
- B.C. ranks in the middle of the pack among peer countries.
- The Pacific U.S. states, and the U.S. as a whole, perform poorly on this indicator. U.S. life expectancy at birth is 76.4 years compared to 81.6 years for Canada.

### B.C. HAS 7TH HIGHEST LIFE EXPECTANCY



Source: Business Council of British Columbia and Canadian Centre for the Study of Living Standards

"Among the Canadian provinces, B.C. has the 3rd highest life expectancy behind Quebec and Ontario."



# SOCIETAL WELL-BEING



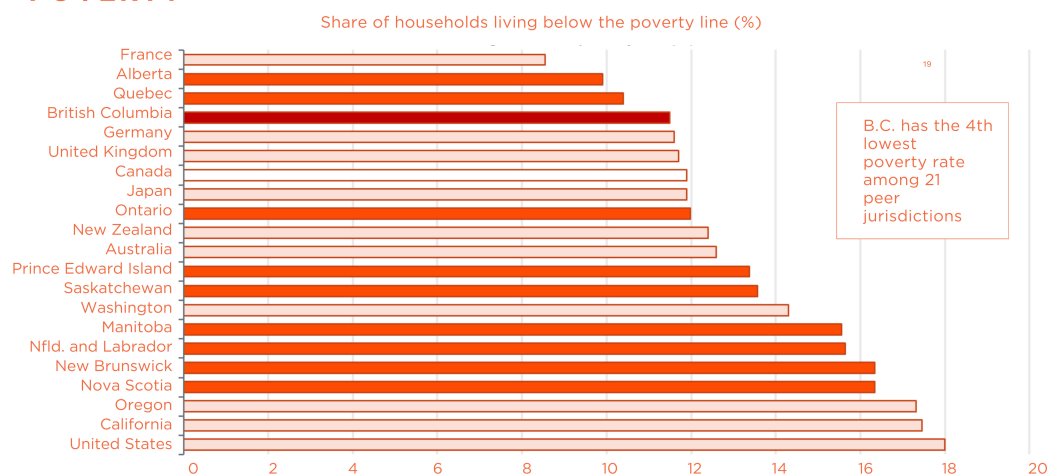
## POVERTY RATE

The poverty rate is defined as the share of population living in low income. The threshold for low-income status differs among countries. The CSLS has adjusted the nationally-reported numbers to align with the cross-national data produced by the OECD. When a considerable proportion of the population is living below the poverty line, this indicates many people are suffering hardship. High rates of poverty can also be expected to detract from community cohesion and well-being.



- B.C. has 4th lowest share of people living in poverty out of 21 peer jurisdictions.
- Only France, Alberta and Quebec have lower rates of poverty.
- This is B.C.'s best overall ranking among the individual indicators included in the *Index*.
- The United States as a whole, and the Pacific U.S. states, have the highest shares of people living in poverty among the 21 peer jurisdictions.

## POVERTY



Source: Business Council of British Columbia and Canadian Centre for the Study of Living Standards

"B.C. has the 4th lowest share of people living in poverty out of 21 peer jurisdictions."

# SOCIETAL WELL-BEING



## INCOME INEQUALITY

Income inequality is another indicator in the **Societal Well-Being** domain of the **Prosperity Index**. It reflects how the economic gains generated by an economy are shared across households. A balanced income distribution enhances the overall well-being of the population, whereas a high concentration of income among only a few households detracts from it.

The Gini coefficient is a widely used metric to evaluate the degree of income inequality. It is expressed as an index ranging from 0 to 1, where 1 represents the highest income concentration possible (a situation where one household earns all the economy's income) and 0 represents the most dispersed (a situation where there is a completely equal distribution of income across households). The income measure is household disposable income.

"B.C ranks around the middle of the pack among peer countries."

### INCOME INEQUALITY



Source: Business Council of British Columbia and Canadian Centre for the Study of Living Standards

- Of the 21 jurisdictions, B.C. ranks just below the middle of the pack with the 13th lowest income inequality. To put it another way, B.C. has the 9th highest income inequality.
- Cross-country rankings for this indicator may be influenced by differing levels of extraordinary income supports across jurisdictions as economies reopened and recovered at different speeds from the COVID-19 pandemic.
- B.C. has a higher level of income inequality than all other Canadian provinces except Ontario. B.C. ranks around the middle of the pack among peer countries.
- The United States as a whole, and the three Pacific U.S. states, occupy the lowest rungs on the inequality ladder – meaning they have the greatest inequality in the distribution of income across households.



# SOCIETAL WELL-BEING



## ENVIRONMENT - AIR QUALITY AND CO<sub>2</sub> EMISSIONS

The final element in the **Societal Well-Being** domain concerns the state of the environment. Here, we use two sub-indicators to judge the performance of B.C. and the other jurisdictions.

The first sub-indicator is the exposure of the local population to air pollution. Air pollution provides useful information on the quality of the local environment. Air pollution is measured using the mean population exposure to fine particles with a diameter of 2.5 micrometres or less (PM2.5 particles).

The second sub-indicator is the quantity of emissions of greenhouse gases (GHGs) measured on a per person basis. Domestic emissions of GHGs per person capture each jurisdiction's gross contribution to global GHG emissions and the energy-intensity of its economy.

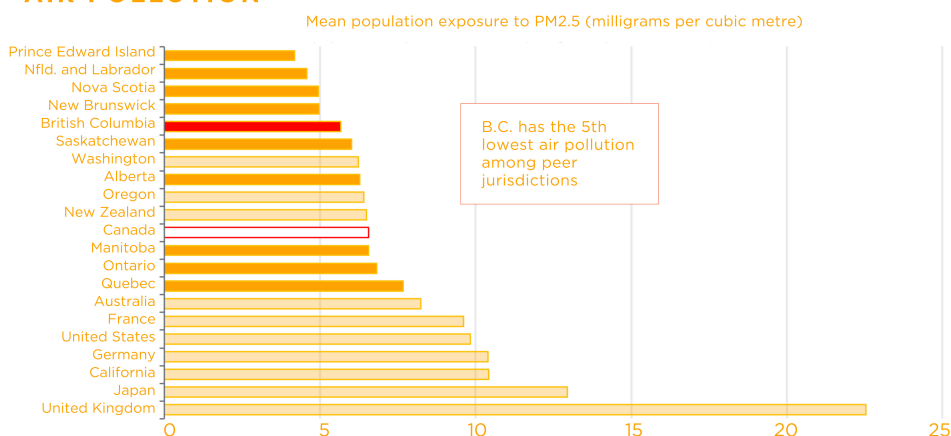
In computing the aggregate results for the **Societal Well-Being** domain, and also for the overall **Index**, the two environmental measures are combined into a single environmental indicator, with an equal weight given to each of two sub-indicators.

- B.C. has the 5th lowest level of air pollution among the 21 peer jurisdictions.

- B.C. has the best air quality among peer countries and the Pacific U.S. states.

- California, the United Kingdom, Japan and Germany have the worst air quality.

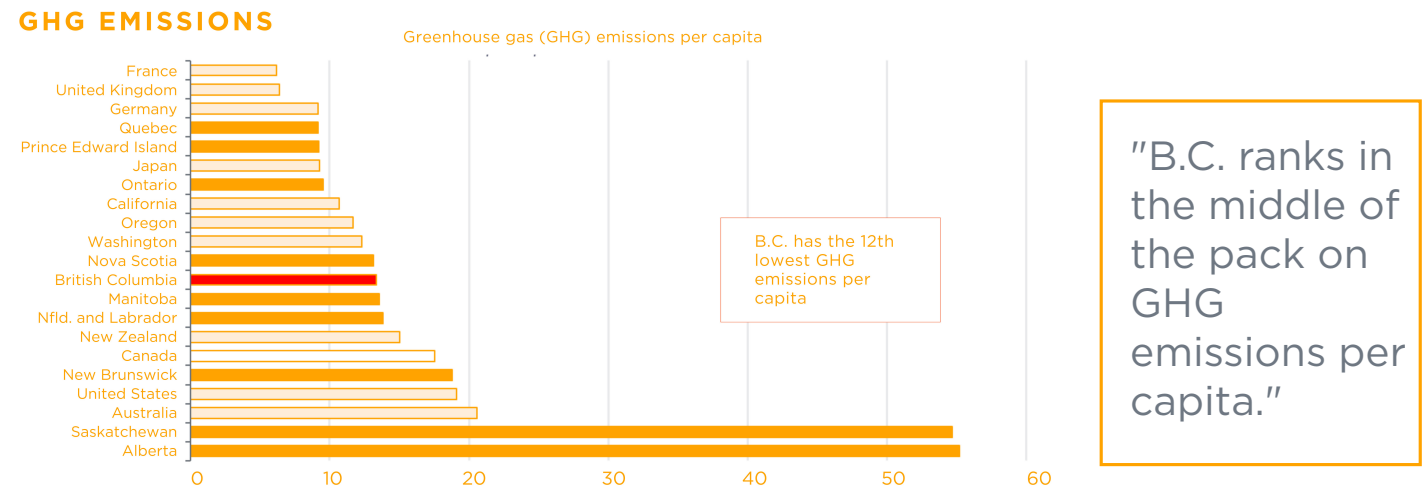
### AIR POLLUTION



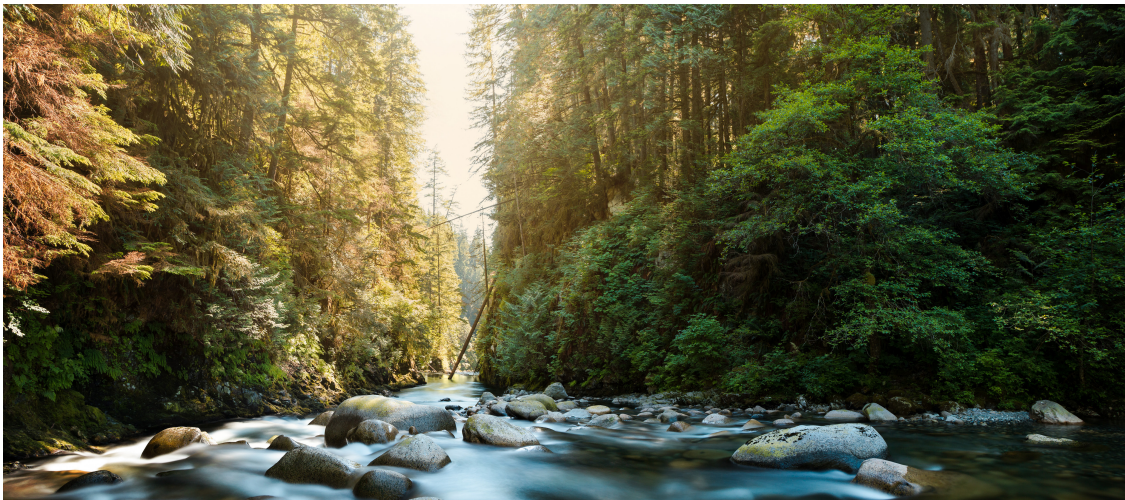


ENVIRONMENT - AIR QUALITY AND CO<sub>2</sub> EMISSIONS

- B.C. ranks in the middle of the pack with the 12th lowest GHG emissions per capita among the 21 jurisdictions.
- While B.C. also ranks in the middle of the pack among the Canadian provinces and peer countries, it has a higher level of GHG emissions per capita than any of the Pacific U.S. states.



Source: Business Council of British Columbia and Canadian Centre for the Study of Living Standards



# CONCLUSION

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The **B.C. Prosperity Index** was developed to help inform a data-driven assessment of British Columbia's economic, social and environmental performance compared to other advanced economies.

Overall, B.C. is an average performer, generally falling in the middle of the 21 peer jurisdictions. B.C. scores about average for the **Business Environment** domain, below average for the **Economic Prosperity** domain, and above average for the **Societal Well-Being** domain.

B.C. has much to be proud of in terms of its performance on social and environmental indicators relative to other jurisdictions. However, there is room for improvement on its business and economic well-being, especially when compared to international jurisdictions.

In addition, B.C.'s economic performance has been boosted in recent years by four mega capital projects that are now completed or winding down. This raises the question as to what will drive improvements in provincial prosperity in future years.

We hope the **Index** provides an objective basis for benchmarking B.C.'s performance and progress on many of the indicators that influence prosperity and population well-being. We believe the province can benefit by examining the experiences, institutions, policies and practices of other jurisdictions that are top performers in areas where B.C. aspires to do better.

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## Endnotes

- 1) There are two equally-weighted sub-indicators for the environmental indicator.
- 2, 3) In the 2019 Index, the most recent available year was in most cases 2017 data.
- 4) The environmental indicator is composed of two equally-weighted sub-indicators.
- 5) Measured in 2015 US dollars using purchasing power parity exchange rates.
- 6) Non-residential investment and GDP are measured in nominal terms.
- 7) It should be noted that the oil, gas and pipeline industries are very capital-intensive, that is, they deploy a larger amount of capital investment per worker and per dollar of production than most other industries. As a result, jurisdictions in which the oil and gas sector is an important part of the economy tend to devote a higher share of GDP to non-residential investment.
- 8) Purchasing power parity (PPP) exchange rates can be thought of as the "fair value" of a currency relative to U.S. dollar, based on the goods and services that can be purchased with the same amount of money across jurisdictions. PPP exchange rates are calculated by the OECD.
- 9) BCBC estimates that the mega capital projects Trans Mountain, Site C, LNG Canada, and Coastal GasLink lifted B.C.'s real GDP per capita by around \$1,500 in 2022.
- 10) Households are usually defined as two or more related individuals living in a single dwelling.
- 11) Based on annual average data for 2022.







# B.C. PROSPERITY INDEX

## AUTHORS

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