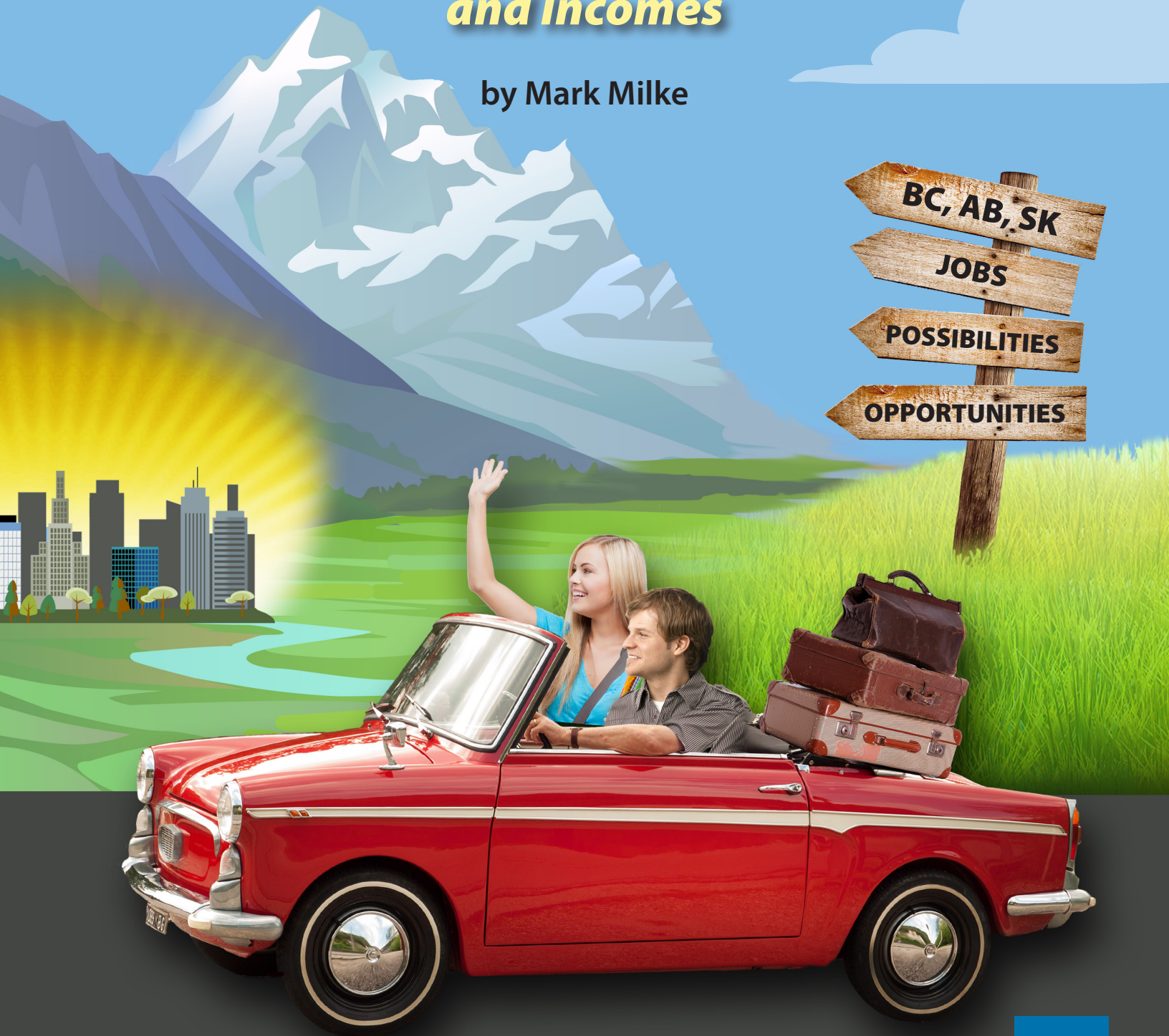


November 2014

Go West, Young Adults

***The 10-year Western Boom
in Investment, Jobs,
and Incomes***

by Mark Milke



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Contents

Executive summary / iii

Introduction / 1

The foundation of opportunity: Investment / 3

Opportunity in the job market / 6

Opportunity to earn income / 21

Moving to opportunity: Points West / 29

Conclusion / 38

Addendum: Is it all about luck? / 39

References / 41

About the author / 44

Acknowledgments / 44

Publishing information / 45

Supporting the Fraser Institute / 46

Purpose, funding, & independence / 46

About the Fraser Institute / 47

Editorial Advisory Board / 48

Executive summary

This report answers a simple question: If a young Canadian seeks economic opportunity—defined as employment and the chance to achieve at least a middle class income—which provinces can best provide those opportunities?

This question is answered with provincial comparisons of private sector investment, employment and unemployment rates, income and wages, tax filings, interprovincial migration, and population patterns.

The West has the economic opportunities; Ontario and Quebec now mimic Atlantic Canada

Western Canada is the land of opportunity for young adults, especially Alberta and Saskatchewan, and to a lesser degree British Columbia. In contrast, Ontario and Quebec now mimic the traditional Atlantic Canada “mal-aise.” Central Canada now has much more in common with Atlantic Canada than with the more dynamic, opportunity-rich economies in the West. Ontario and Quebec are not providing opportunities for young adults and have experienced a net out-migration of career-age young adults as a result.

While Ontario and Quebec mimic Atlantic Canada’s poor economic prospects, Newfoundland and Labrador has turned the corner on some measurements—private sector investment, per-capita income, and weekly wage rates, for example—which may herald better opportunities for young adults in the future.

Over one decade, and as an indicator of where young adults think the opportunity is, Alberta, British Columbia, and Saskatchewan saw net migration gains for career-age young adults (aged 25–34). Between 2003 and 2012, Alberta was in a league of its own and saw a net gain of 60,855 career-age young adults. British Columbia and Saskatchewan recorded a net migration gain of 10,643 and 581 people in the 25–34 cohort, respectively. Of note, however, B.C.’s young adult migration numbers turned negative after the last recession while Saskatchewan’s are positive.

Every other province lost a large number of young adults, including, perhaps surprisingly, Canada’s two most populous provinces. Between 2003 and 2012, Quebec lost 24,355 people in the 25–34 year old cohort; Ontario lost 27,451 career-age young adults. If there is a surprise in the data, it is how

consistently Ontario and Quebec mimic the scarce opportunities in Atlantic Canada instead of the bright economic opportunities in the West.

Private sector investment in the West and Newfoundland and Labrador is soaring

Private sector investment is a fundamental precursor to employment growth and other opportunities. In 2012, the latest year for which statistics are available, private sector investment in Alberta was \$60.5 billion. Private sector investment in Alberta thus approached the combined total of the investment in Ontario (\$43.1 billion) and Quebec (\$25.7 billion)—Canada's two most populous provinces.

In Atlantic Canada, private sector investment in Newfoundland and Labrador in 2012 was \$5.9 billion—just a fraction less than the combined private sector investment made in the three other Atlantic provinces at \$6.0 billion.

The difference in private sector investment among the provinces is stark on a per-person basis, and reveals a Western dominance. In 2012, private sector investment amounted to \$15,554 per person in Alberta, followed by Newfoundland and Labrador (\$11,151), Saskatchewan (\$11,098), British Columbia (\$4,677) and Manitoba (\$4,490).

Private sector investment per person in Ontario (\$3,216) or Quebec (\$3,180) is in the same low range as Atlantic Canada (with the exception of Newfoundland and Labrador). There, per-person investment in 2012 ranged from \$2,487 (Prince Edward Island) to \$3,384 (New Brunswick).

Lowest unemployment rates, shortest durations in Western Canada

Among 25–34 year olds, the ten-year annual average unemployment rate was significantly lower in the Prairies (Alberta, 4.2 percent; Saskatchewan, 4.8 percent; Manitoba, 4.9 percent) compared with Quebec (7.3 percent) and Ontario (7.1 percent).

Relative to the rest of the country, a greater proportion of young adults (aged 25–34) unemployed in much of central and eastern Canada will stay that way for 27 weeks or longer. The percentage of those unemployed for more than 27 weeks is smallest in Alberta (11.5 percent) but highest in Ontario (23.5 percent).

On unemployment, every education level fares better in Alberta

A young adult between the ages of 25 and 34 with something less than a high school education can hope to find a future in Alberta. Alberta is the only province where those without a high school diploma face an unemployment rate in the single digits (9.6 percent, based on a ten-year average). Ontario (17.0 percent) and Quebec (17.2 percent) are almost double the Alberta rate;

Newfoundland and Labrador shows the highest rate of unemployment for those without a high school diploma, at 32.5 percent.

Among high school graduates aged 25–34, the prairie unemployment rates (which range from 5.5 percent in Alberta to 6.5 percent in Saskatchewan) are almost half those in Ontario (9.5 percent) and Quebec (10.0 percent). Those with a post-secondary certificate see unemployment rates on the prairies which are roughly one-third to one-half the rates observed in central and eastern Canada. For young adults aged 25–34 with a university degree, the prairie unemployment rates for university graduates are almost half those observed in Ontario, Quebec, and Newfoundland and Labrador.

Per-capita personal income: Alberta dramatically higher

In 2012, Alberta's per-capita personal income averaged \$52,207, significantly higher than any other province. Saskatchewan and British Columbia were second and third at \$42,249 and \$41,239 respectively. Ontario was fourth with per-capita personal income of \$40,838.

Taxfilers under \$30,000:

Alberta and Saskatchewan have the smallest proportion

In 2011, just over half of all taxfilers in Canada reported total income of less than \$30,000. The proportion of low-income taxfilers was lowest in Alberta (42.2 percent) and Saskatchewan (47.4 percent).

In every other province, at least half of filers reported taxable incomes below \$30,000. Newfoundland and Labrador had the highest proportion of income earners under \$30,000 at 55.2 percent.

Taxfilers between \$30,000 and \$99,999:

Middle class largest in Alberta and Saskatchewan

If the \$30,000 to \$99,999 cohort is used as a proxy for “middle class” income earners, the middle class as a proportion of taxfilers is larger in Alberta (45.5 percent in 2011) and Saskatchewan (45.2 percent) than in any other province.

Manitoba (43.8 percent) and Prince Edward Island (43.1 percent) were also above the national proportion (42.9 percent).

Ontario was at the national proportion (42.9 percent). The province with the smallest proportion of taxfilers in this range was Newfoundland and Labrador (39.7 percent).

Over \$100,000 in taxable earnings:

Alberta first, Saskatchewan second, Ontario third

Alberta is also creating a plethora of wealthy Canadians in contrast to other provinces. In 2011, 6.6 percent of Canadians reported a taxable income above \$100,000. The provinces above that proportion were Alberta (12.2 percent), Saskatchewan (7.4 percent) and Ontario (7.0 percent).

Alberta's proportion of above-\$100,000 tax filers was almost double British Columbia's (6.3 percent), almost triple Quebec's (4.5 percent), and almost four times the proportion in Prince Edward Island (3.1 percent).

Population: 25–34 cohort growing in Alberta and Saskatchewan

As a percentage of the population, the size of Alberta's 25–34 age cohort grew to 16.8 percent by 2013, up from 15.0 percent in 2004. In Saskatchewan, that cohort amounted to 14.6 percent in 2013, up from 12.2 percent in 2004. Unlike Alberta, while Saskatchewan did not attract many more people on a net basis, it is retaining its young adults—evidence of growing opportunity in Saskatchewan. In contrast, as a share of its total population, Ontario saw the 25–34 age cohort shrink to 13.4 percent in 2013, down from 13.8 percent in 2004. The Atlantic provinces experienced a similar decline. Quebec, British Columbia, and Manitoba saw only marginal gains during this period.

Summary

The opportunities for young adults are evident in Western Canada. They are most consistently positive in Alberta and Saskatchewan. British Columbia shows uneven strength across the indicators. Where Manitoba has positive indicators (e.g., low unemployment) they are countered by weak employment growth and net out-migration for young adults. In Atlantic Canada, Newfoundland and Labrador has turned the corner on critical opportunity indicators: private sector investment, per-capita income, and weekly wage rates are all up significantly from a decade ago. (All figures in this report are adjusted for inflation.) The other Atlantic provinces and Quebec are negative on most opportunity indicators. That includes private sector investment, employment growth, unemployment rates and duration, and below-average growth in income and weekly wage rates. Ontario stands out as a province also in decline. Increasingly, young adults no longer see it as a province of opportunity.

Overall, Ontario, Quebec, and Atlantic Canada are all losing significant young talent, mostly to Alberta.

What is clear from the data is that provinces with substantial private sector investment inflows also reap employment opportunities and concurrent opportunities that generate a middle-class lifestyle. In general, if one seeks opportunity—money, jobs, and employment security—the opportunities are in Western Canada, especially in Alberta and Saskatchewan.

Introduction

This report is designed to answer one question related to the pursuit of economic opportunity in Canada: If a young Canadian seeks opportunity—employment, a growing choice of jobs, a middle class or higher income, periods of unemployment that are brief if they happen—then which provinces provide the best chance to prosper?

To answer that question, the report analyzes data on economic indicators that reveal much about the bounty evident in some provinces: private sector investment; employment rates; employment growth; unemployment rates and unemployment duration (including by age and education levels); income; wages; the reported incomes of taxfilers; interprovincial migration; and, lastly, an analysis of population trends among the provinces.

The data is obviously interrelated and it is thus organized in a cause-and-effect direction. It starts with private sector investment. If a province attracts substantial private sector investment, that is positively correlated with subsequent higher employment rates, lower unemployment, shorter durations of unemployment, and higher incomes. In response, people move to where such opportunities exist. That is reflected in the migration and population data.

Taken together, the data offers a picture of where employment and wider economic opportunities exist.

Notes on data sources and presentation

This report uses data from Statistics Canada and the Canada Revenue Agency, and focuses mainly though not exclusively on two cohorts: those aged 15–24 and 25–34. In a perfect world, Statistics Canada would separate the data for those Canadians in high school (i.e., ages 15 to 17) and offer a cohort from ages 18 to 24, which in conjunction with the 25–34 cohort would paint a clear statistical picture of post-high school young adults in (or about enter) the workforce. Unfortunately, the available data does not allow us to parse the 15 to 24 cohort in this way. Nonetheless, the two available cohorts do offer a glimpse of some significant trends. As the reader will see, this is especially evident for those aged 25–34. In select cases, where information was not available (or was available only in the 15–24 cohort), the entire population is analyzed. That

includes an analysis of tax data by income level, per-capita income, weekly wage rates, and duration of unemployment by educational cohort.

The panoply of data is comprehensive and should be considered together. If a province has a low unemployment rate but a high out-migration rate, the low unemployment rate is explained in part by that combination. If a province has substantial in-migration *and* a low unemployment rate (Alberta, as one example), it signifies a province with ongoing employment opportunities. No one piece of data reveals all, but taken together the information presented here provides a clear picture of opportunities for young adults in Canada.

One note about the varying time periods: Where available, in most analyses, the data stretches back ten years. However, the data on private sector investment (non-residential) is profiled over a two-decade period. Investment is a precursor to employment and income growth and so the two-decade look reveals significant changes in investment flows to the provinces; thus, no one should be surprised at the job and income growth that later occurs in some provinces and not others. Another anomaly in the presentation of data concerns interprovincial migration. In this case, the pre-recession, recession, and post-recession periods were separated out to observe trends outside of extraordinary events such as the Great Recession. Lastly, for some data sets, the ten-year availability ends in 2012 and thus begins in 2003; others end in 2013 and thus begin in 2004. With Canada Revenue Agency data, the most recent data available (as of writing) was tax filings for 2011. All figures are adjusted for inflation.

The foundation of opportunity: Investment

Finding #1

Private sector investment in Alberta has topped Ontario since 2004

Private sector investment is a fundamental precursor to employment growth and other opportunities. Over the 1993–2012 period, private sector investment soared in Alberta relative to Ontario and Quebec (**figure 1a**).¹ Investment in Alberta surpassed Ontario as of 2004.

In 2012, the latest year for which statistics are available, private sector investment in Alberta was \$60.5 billion. Private sector investment in Alberta thus approached the combined total of the investment in Ontario (\$43.1 billion) and Quebec (\$25.7 billion)—Canada’s two most populous provinces.

Notably, in 2012, Saskatchewan attracted \$12.1 billion in private sector investment in non-residential structures, machinery, and equipment. That was almost half of what Quebec obtained, even though Saskatchewan’s population was just one-eighth of that of Quebec in that year.

In Atlantic Canada, private sector investment in Newfoundland and Labrador in 2012 was \$5.9 billion—just a fraction less than the combined private sector investment made in the three other Atlantic provinces at \$6.0 billion (**figure 1b**).

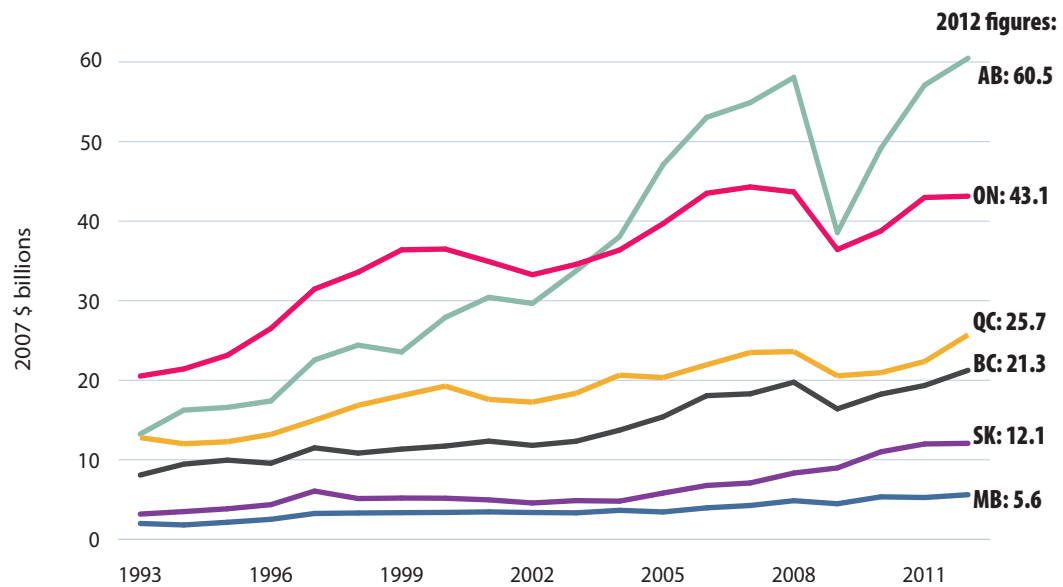
The difference in private sector investment is even more evident when calculated on a per-person basis (**figures 1c, 1d**). It reveals a clear and mostly Western dominance. In 2012, private sector investment amounted to \$15,554 per person in Alberta, followed by Newfoundland and Labrador (\$11,151), Saskatchewan (\$11,098), British Columbia (\$4,677), and Manitoba (\$4,490).

1. The reference here is to private sector investment in non-residential machinery, structures, and equipment—it excludes residential construction. This metric is an important indicator, as business investment is related to the attractiveness of a jurisdiction for capital whereas investment in housing can result from many factors. For instance, there might be a large in-flow of investment to residential construction because a province or state has a pleasant climate. That is not necessarily an indicator of a desirable destination for new factories, mines, oil wells, or other business investment.

Private sector investment per person in Ontario (\$3,216) or Quebec (\$3,180) is scraping the bottom among the provinces, and in the same low range as Atlantic Canada (with the exception of Newfoundland and Labrador). There, per-person investment in 2012 ranged from \$2,487 (Prince Edward Island) to \$3,384 (New Brunswick).

Figure 1a

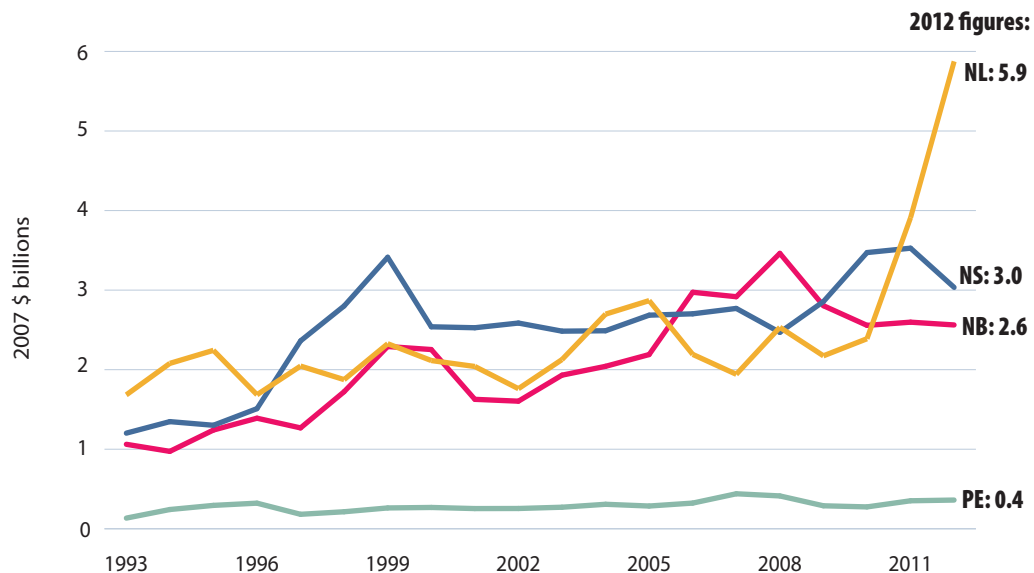
Private sector investment: Western provinces, Ontario and Quebec, 1993–2012



Source: Statistics Canada, 2014a.

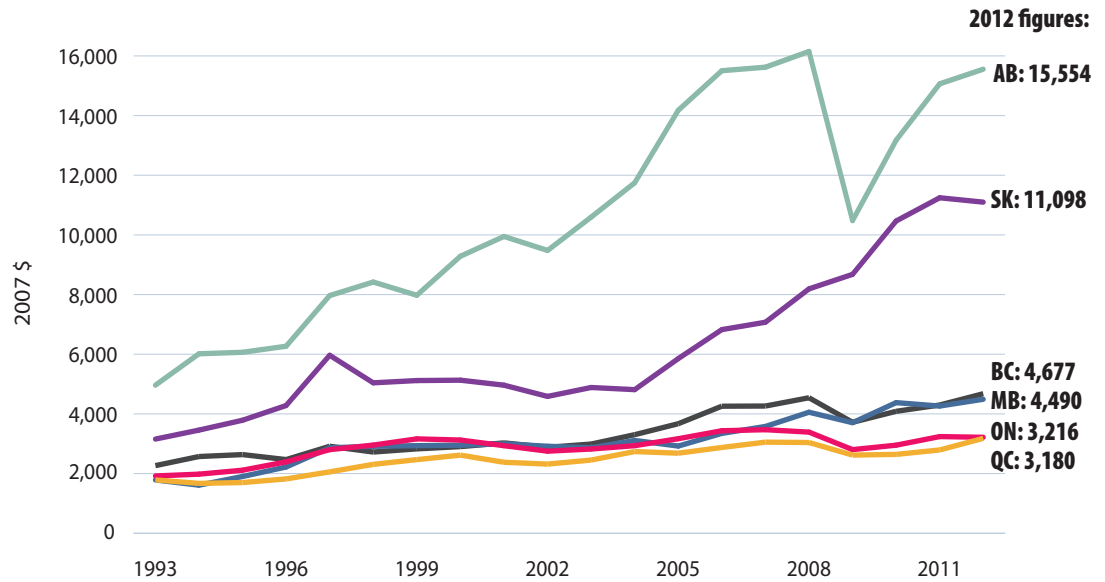
Figure 1b

Private sector investment: Atlantic provinces, 1993–2012



Source: Statistics Canada, 2014a.

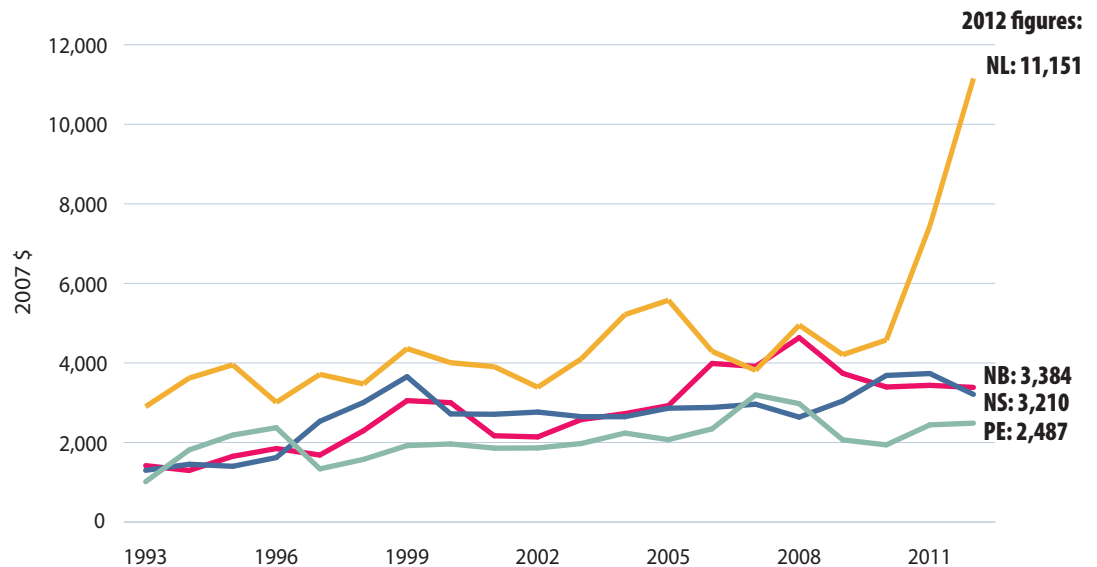
Figure 1c
Per-capita private sector investment:
Western provinces, Ontario and Quebec, 1993–2012



Note: Refers to investment in non-residential structures, machinery & equipment.

Sources: Statistics Canada, 2014a, 2014j.

Figure 1d
Per-capita private sector investment: Atlantic provinces, 1993–2012



Note: Refers to investment in non-residential structures, machinery & equipment.

Sources: Statistics Canada, 2014a, 2014j.

Opportunity in the job market

Given the shift in investment flows among the provinces, the opportunity for employment has also shifted. Most young adults, as with other people of working age, require employment. In this next data set, full-time employment rates by province—defined as the percentage of the relevant population that is employed—are first compared. Then, the *growth* rate in full-time employment (those who work 30 hours a week or more) is measured. This is helpful to understand, since if a province has low unemployment rates but meagre employment growth, opportunities are still sparse, at least where a growing population exists.

Third, unemployment rates by age are analyzed.² Fourth, the duration of unemployment by age is profiled. One measure of opportunity is where, in the event of a layoff, one is more or less likely to find employment again, and how soon.

Fifth, unemployment rates are again profiled but with a focus on education level (from some high school only through to university graduates). This section then finishes with a brief review of unemployment duration by education level.

Finding #2

Young adult full-time employment above average in Saskatchewan and Alberta

For those between the ages of 15 and 24 ([table 1a](#)), the highest employment rates over the 2004–2013 period were consistently observed in Saskatchewan and Alberta; Manitoba was often the next highest.³

2. Statistics Canada defines as unemployed those persons who: were without work but had looked for work in the past four weeks ending with the reference period and were available for work; were on temporary layoff due to business conditions and were available for work; or were without work, had a job to start within four weeks of the reference period and were available for work (Statistics Canada, undated).

3. Caution should be taken in interpreting the results without reference to other data in this report. As the interprovincial migration figures will show (Statistics Canada, 2014g), Manitoba experienced a net outflow of people in the 15–24 and 25–34 age group between 2003 and 2012. Thus, a high employment rate for such cohorts here is due in part to people leaving Manitoba. This was wholly unlike Alberta and, to a lesser degree, Saskatchewan.

Table 1b reports data for those between the ages of 25 and 34, which allows for a more precise look at full-time employment. Unlike the 15–24 cohort, which includes high school-age children, the 25–34 year old data is for young adults, most of whom have likely completed part or all of their post-secondary education. Most in this age group who do not pursue higher education would also have been seeking employment already.

Table 1a**Full-time employment rate, 15 to 24 years old (%)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Canada	31.9	31.9	32.6	32.8	32.9	29.5	28.6	29.1	28.7	28.8
NL	25.5	24.2	24.2	25.8	25.9	25.9	26.7	26.3	29.4	28.8
PE	34.4	33.3	36.6	34.4	35.2	33.3	33.8	34.8	30.5	31.3
NS	32.0	31.1	30.9	31.3	31.7	30.8	29.8	28.5	26.4	28.6
NB	34.4	33.5	34.3	34.0	33.5	33.7	31.9	30.9	31.1	28.8
QC	31.7	31.0	30.6	30.3	30.8	28.0	28.7	27.9	28.2	27.9
ON	29.8	28.7	29.0	28.8	28.6	25.4	24.5	25.6	24.3	24.5
MB	36.1	34.9	35.7	36.3	37.4	36.6	34.1	35.4	35.5	35.0
SK	36.4	36.3	38.4	40.1	42.2	39.9	38.9	38.4	40.2	40.7
AB	40.8	42.0	44.7	45.5	45.6	39.7	38.3	39.9	40.7	40.4
BC	28.9	32.8	35.0	36.1	35.3	30.1	27.5	28.5	27.9	29.0

Source: Statistics Canada, 2014b.

Table 1b**Full-time employment rate, 25 to 34 years old (%)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Canada	71.0	71.3	71.9	72.6	72.1	69.2	69.5	69.6	70.2	70.1
NL	58.4	61.7	62.0	64.6	64.2	63.6	64.1	66.8	68.2	69.0
PE	72.3	73.8	72.0	72.3	73.2	68.6	67.9	71.2	71.8	68.4
NS	68.2	69.6	70.5	70.1	70.2	69.0	68.9	67.9	66.9	68.0
NB	70.1	70.6	71.6	73.2	71.9	73.6	71.9	70.3	70.1	68.1
QC	69.7	69.8	70.7	71.8	71.5	70.1	69.9	70.5	70.9	71.2
ON	72.3	72.4	72.8	72.7	72.1	68.0	69.4	69.2	69.3	68.7
MB	71.6	71.2	72.2	73.6	72.3	71.1	71.8	71.0	70.9	70.2
SK	70.4	71.2	73.7	73.3	74.8	74.0	72.8	72.7	72.7	72.4
AB	73.5	74.9	75.7	76.6	75.5	72.1	71.8	73.1	74.6	74.8
BC	68.9	68.9	68.7	70.6	70.3	66.9	65.7	65.4	66.8	68.0

Source: Statistics Canada, 2014b.

For those aged 25 to 34, between 2004 and 2013, Saskatchewan, Alberta, and Manitoba had full-time employment rates above the national average in every single year. Other provinces, such as Newfoundland and Labrador, Nova Scotia, and British Columbia were consistently below the national average. Ontario's record was mixed. Ontario was above the national average in its employment rate before the 2008–2009 recession but below it ever since. Quebec's employment rate was below the national average before the recession and higher than it after the recession.

Finding #3

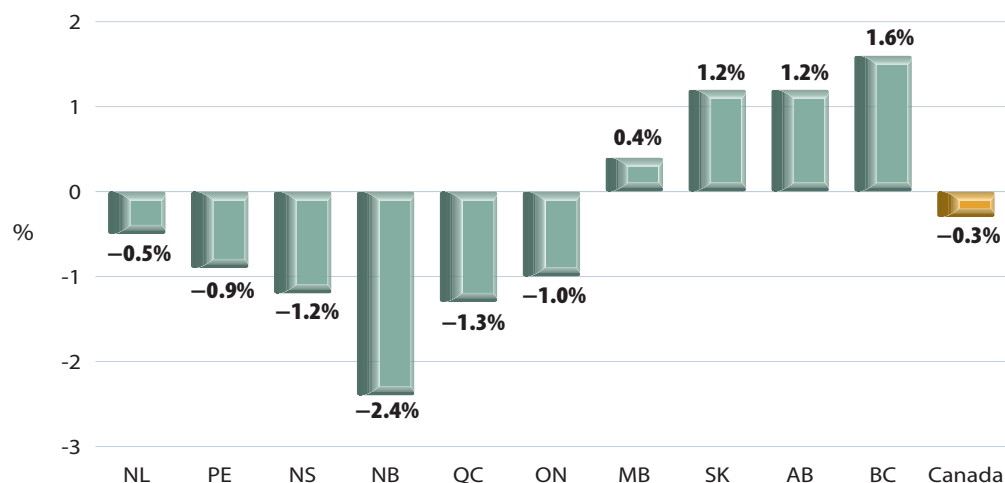
Growth rates in full-time employment for young adults—highest on Prairies

Full-time employment *growth* among the youngest cohort (15–24 years of age) was mixed on the ten-year average (2004–2013), with net growth observed only in Western Canada (**figure 2a**). Every other province experienced a decline. This partly reflects the fact that high school completion rates have risen and more young adults are pursuing post-secondary education and training after completing high school.

On the ten-year average for the 25–34 year-old cohort (**figure 2b**), full-time employment *growth* was strongest in Alberta (3.5 percent), Saskatchewan (3.2 percent), and B.C. (2.0 percent). Annual average growth in full-time employment in Quebec (1.3 percent) was about one-third of that observed in Alberta. Every Atlantic province save Newfoundland and Labrador (0.2 percent) recorded a decline in full-time employment for the 25–34 age group.

Figure 2a

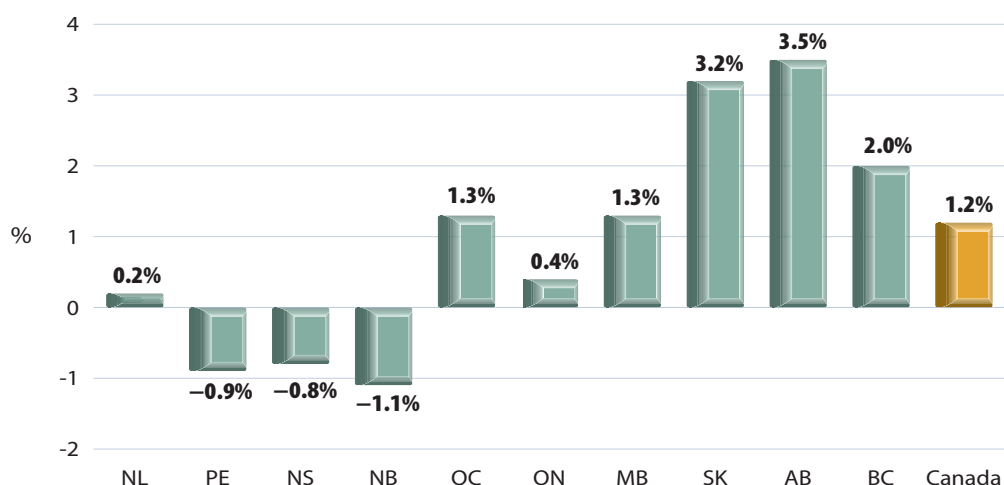
Full-time employment growth rate, 15–24 year olds,
10-year annual average, 2004–2013



Source: Statistics Canada, 2014b.

Figure 2b

Full-time employment growth rate, 25–34 year olds,
10-year annual average, 2004–2013



Source: Statistics Canada, 2014b.

For those aged 25–34, Canada's most populous province was no hotbed of opportunity. Ontario's annual average growth rate for employment between 2004 and 2013 was just 0.4 percent. That was barely more than one-tenth of the growth observed in Alberta and one-fifth of the rate in BC (figure 2b).

Finding #4

Lowest young adult unemployment rate on the Prairies

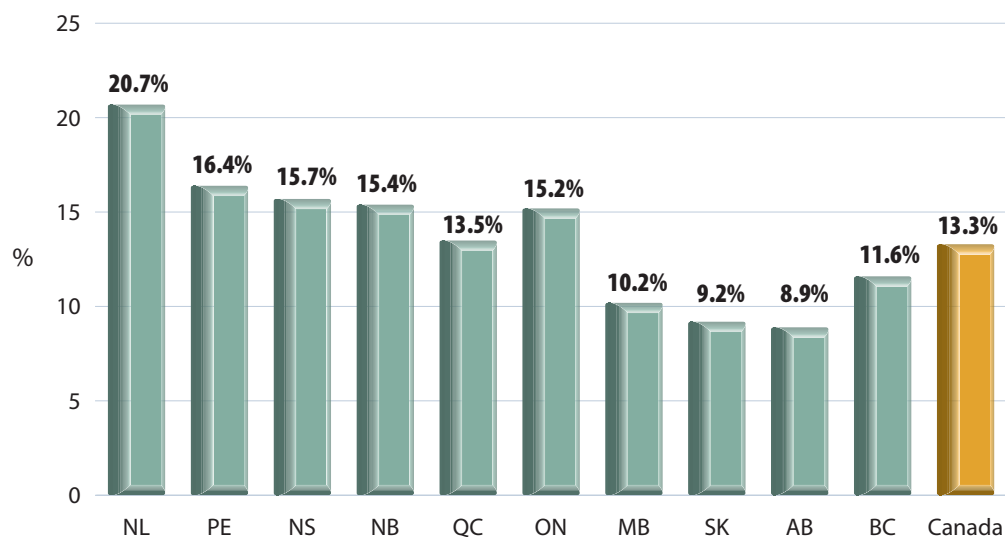
Whether in the 15–24 or 25–34 age groups, unemployment rates were significantly lower in the Prairies compared with the national average (**figures 3a, 3b**).⁴ British Columbia's youth and young adult unemployment rates are somewhat lower than the national average. The highest rates were found in Atlantic Canada.

The difference between Western Canada and Ontario and Quebec is dramatic. For unemployment rates among 25–34 year olds (figure 3b), the ten-year average between 2004 and 2013 shows an annual unemployment rate of 7.3 percent in Quebec and 7.1 percent in Ontario. Both figures are significantly higher than the range observed on the Prairies during the same years (Alberta, 4.2 percent; Saskatchewan, 4.8 percent; Manitoba, 4.9 percent). Atlantic Canada has consistently reported above-national unemployment rates whether measured for the 15–24 or 25–34 cohorts of young adults.

4. Employment Insurance policy has a role in higher unemployment rates as well. See Riddell et al. (2006) for a comparison of New Brunswick and Maine and the effect two very different national policies had on unemployment rates in the two jurisdictions.

Figure 3a

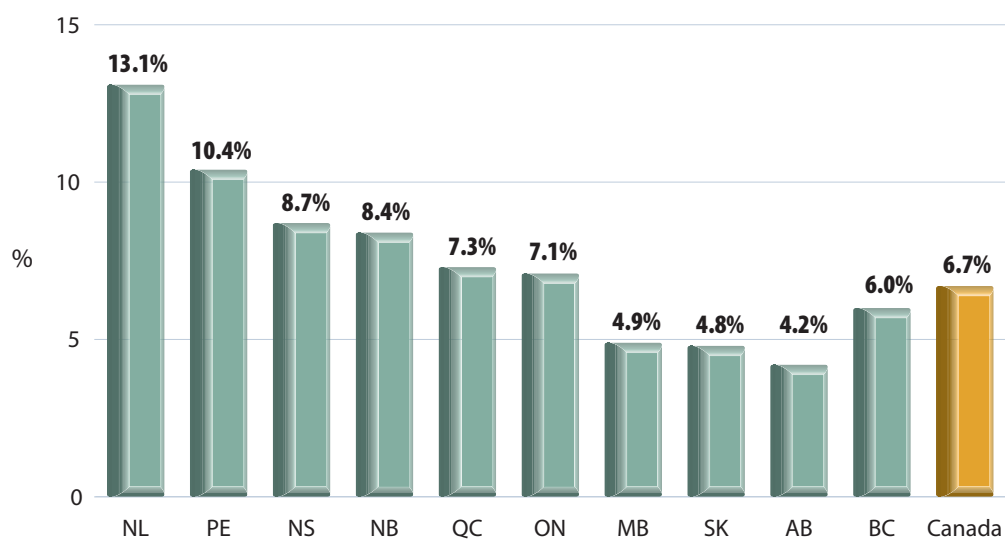
Unemployment rate by age cohort, 15–24 year olds,
10-year annual average, 2004–2013



Source: Statistics Canada, 2014b.

Figure 3b

Unemployment rate by age cohort, 25–34 year olds,
10-year annual average, 2004–2013



Source: Statistics Canada, 2014b.

Finding #5

Unemployment is shorter in duration in the West

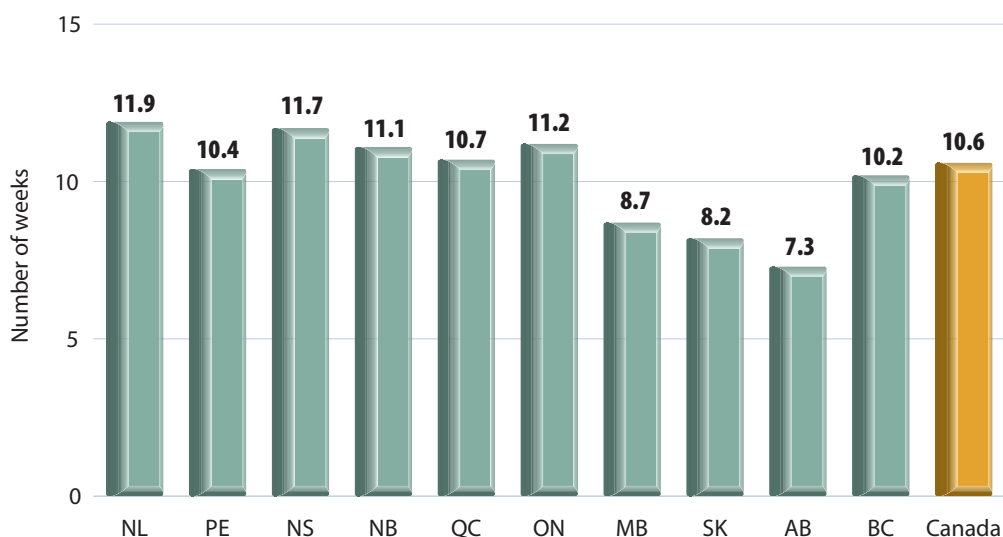
Another indicator of opportunity is how long unemployment lasts. For the 15–24 cohort (**figure 4a**), the shortest unemployment duration is in Alberta (7.3 weeks). Saskatchewan and Manitoba also show relatively short durations of unemployment. The average number of weeks a young adult is unemployed is highest in Newfoundland and Labrador (11.9 weeks).

For the 25–34 cohort (**figure 4b**), young adults face the shortest unemployment duration in Alberta (11.8 weeks). The average number of weeks a young adult is unemployed is highest in Newfoundland (19.5 weeks).

The exception to the Western pattern of relatively brief unemployment spells is British Columbia. There, lengthy waits to be re-employed (16.3 weeks for the 25–34 cohort) were similar to the waits in Atlantic Canada.

Figure 4a

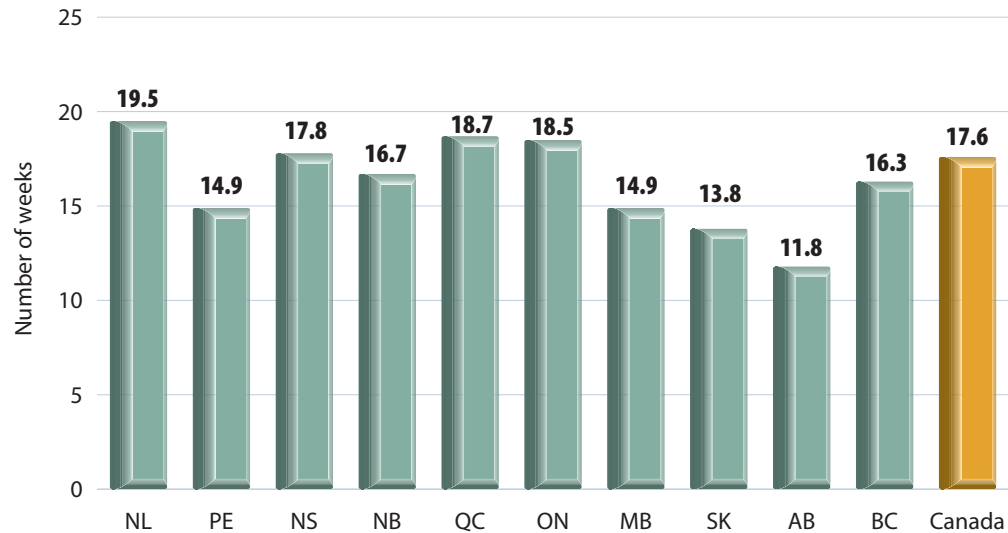
Unemployment duration (weeks), 15–24 year olds,
10-year annual average, 2004–2013



Source: Statistics Canada, 2014c.

Figure 4b

Unemployment duration (weeks), 25–34 year olds, 10-year annual average, 2004–2013



Source: Statistics Canada, 2014c.

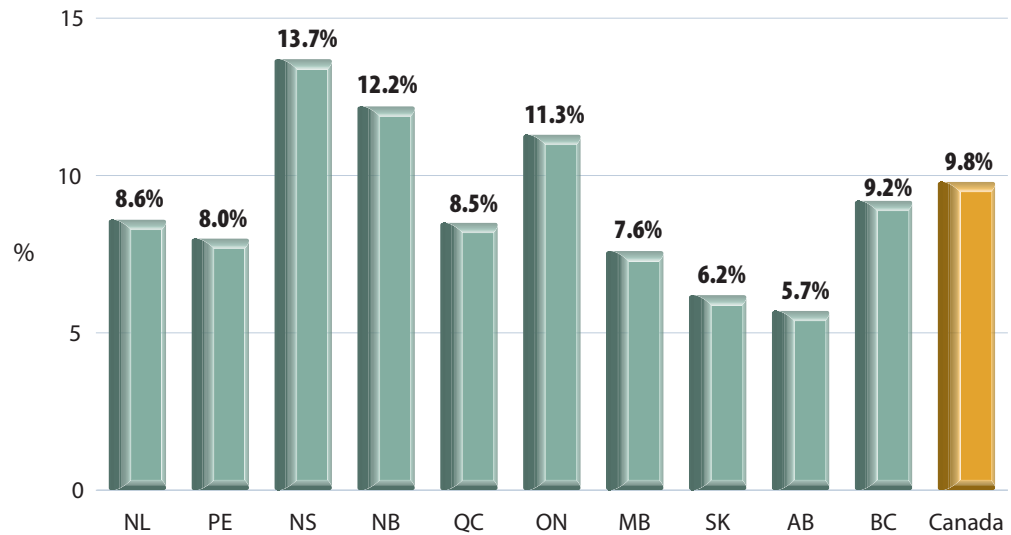
Finding #6

Chronic unemployment for young adults: deepest in Ontario

Relative to the rest of the country, a greater proportion of unemployed young adults in much of central and eastern Canada will stay that way for 27 weeks or longer (**figures 5a, 5b**). In contrast, the proportion of unemployed young adults without a job for 27 weeks or longer is smallest in Alberta, Saskatchewan, and Manitoba.

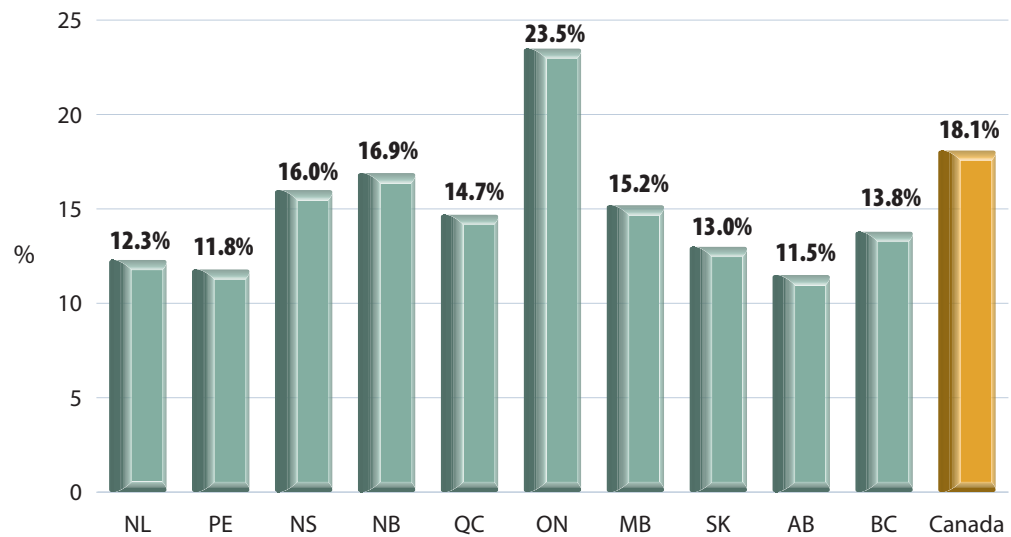
Specifically, among 15–24 year-olds, the percentage of the unemployed who stay that way for more than 27 weeks is smallest in Alberta (5.7 percent) and highest in Nova Scotia (13.7 percent).

The picture is especially troubling in Ontario when the 25–34 age cohort is examined. The percentage of unemployed people in this age group jobless for more than 27 weeks was smallest in Alberta (11.5 percent) and highest in Ontario (23.5 percent).

Figure 5a**Unemployed for 27 weeks or more as a share of unemployed, 15–24 year olds, 2013**

Note: Figure for Newfoundland and Labrador is 2012 data.

Source: Statistics Canada, 2014c.

Figure 5b**Unemployed for 27 weeks or more as a share of unemployed, 25–34 year olds, 2013**

Note: Figure for Newfoundland and Labrador is 2012 data.

Source: Statistics Canada, 2014c.

Unemployment and duration of unemployment by educational cohort

The next set of figures analyzes the 25–34 cohort by educational attainment: some high school, high school, a post-secondary certificate, or a university degree. Each level of educational achievement is analyzed by unemployment rate and then for the percentage of those unemployed beyond 27 weeks. Alberta is again the province of opportunity on every measurement.

Finding #7

Young adults with less than high school have the brightest employment opportunities in Alberta; Highest chronic unemployment rates in Ontario and Newfoundland

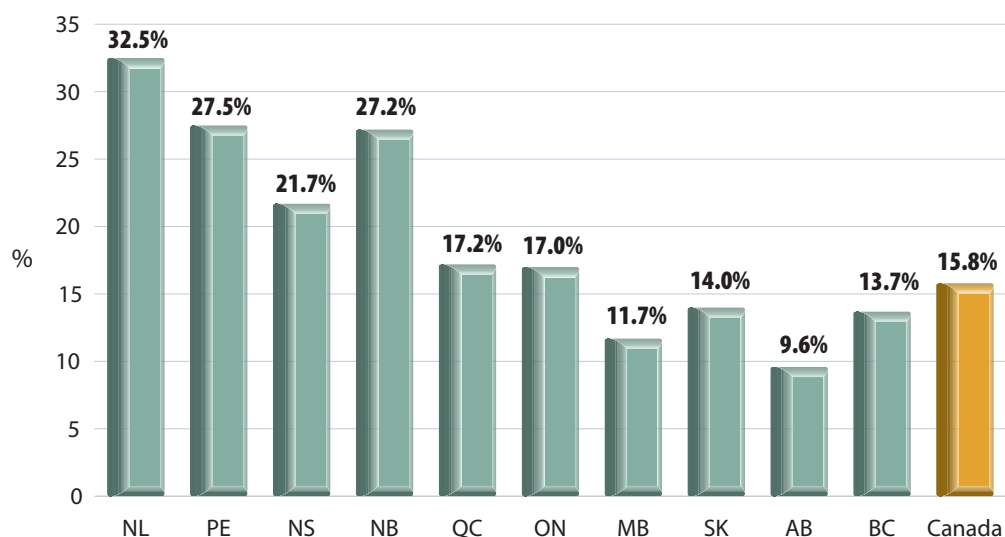
A young adult between the ages of 25 and 34 with only a partial high school education will have the best chance of finding a job in Alberta.⁵ Alberta is the only province where those without a high school diploma experience unemployment rates in the single digits (9.6 percent based on a ten-year average) (**figure 6a**). Even Saskatchewan and Manitoba have double-digit unemployment rates for those with less than high school. Ontario (17.0 percent) and Quebec (17.2 percent) are almost double the Alberta rate (9.6 percent). In Atlantic Canada, the unemployment rates are dramatically higher. There, young adults with only some high school face unemployment rates of between 21.7 percent (Nova Scotia) and 32.5 percent (Newfoundland and Labrador).

For chronic unemployment, a 25–34 breakdown is not available, but statistics for ages 15 and over for unemployment duration beyond 27 weeks (**figure 6b**) show Saskatchewan with the smallest proportion of those with only a partial high school education who remain jobless (9.0 percent). The highest incidences of long-term unemployment are found in Ontario (18.9 percent) and Newfoundland and Labrador (20.0 percent).

5. Data for 15–24 year olds is incomplete and thus of little value. It is not reproduced here for an obvious reason: many in that cohort are still in high school.

Figure 6a

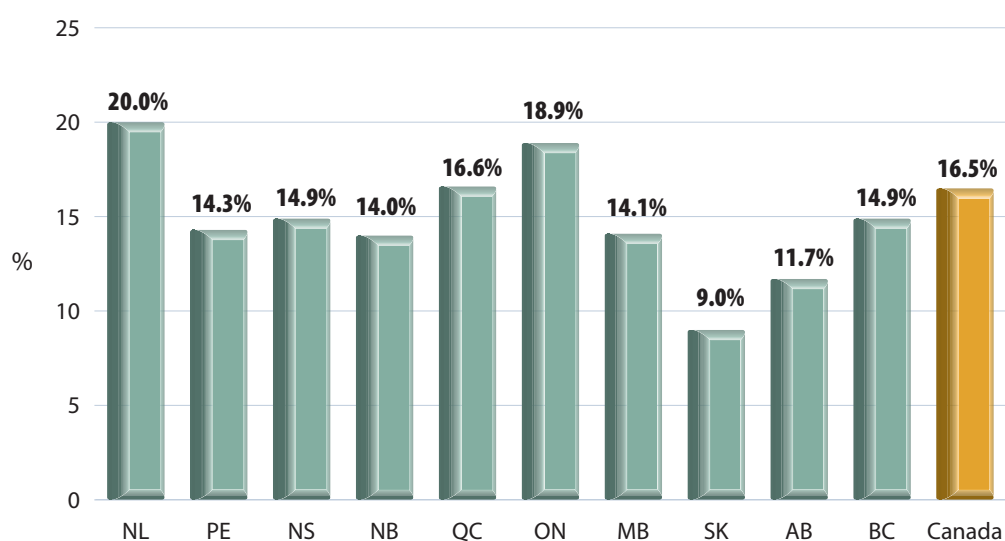
Unemployment rate by education level, 25–34 year olds with some high school,
10-year annual average, 2004–2013



Source: Statistics Canada, 2014d.

Figure 6b

Unemployed for 27 weeks+ as a share of unemployed education cohort,
ages 15+ with some high school, 2013



Source: Statistics Canada, 2014d.

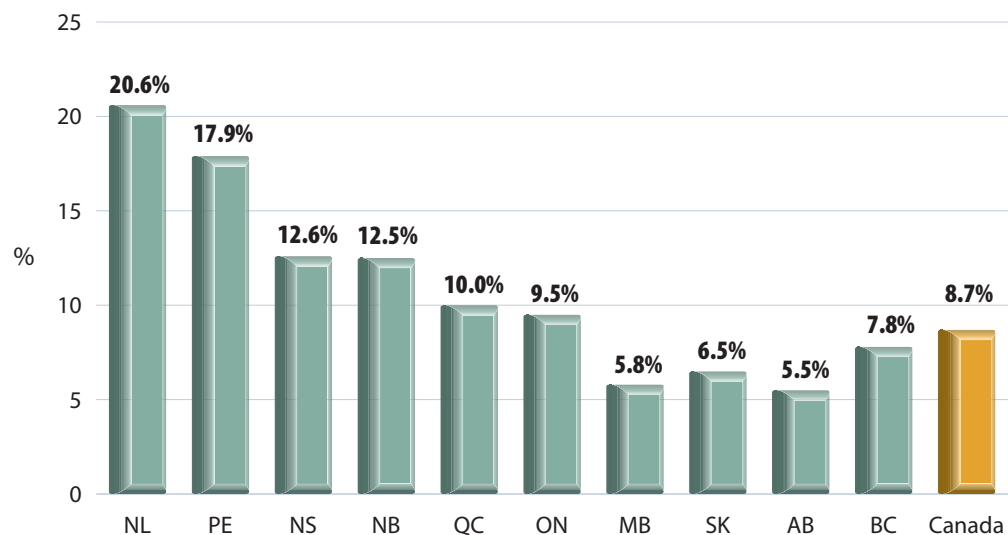
Finding #8**Young adults with high school diplomas have greater employment prospects in the West; the highest chronic unemployment rates are in Ontario**

The same pattern is found higher up the education ladder. The opportunity to avoid unemployment is most positive on the Prairies and to a lesser degree in British Columbia. Among high school graduates aged 25–34 (**figure 7a**), the Alberta unemployment rate (5.5 percent) is nearly half that observed in Ontario (9.5 percent) and Quebec (10.0 percent). The prairie rates are roughly one-third to one-quarter of those observed in Prince Edward Island (17.9 percent) and Newfoundland and Labrador (20.6 percent).

For unemployment duration beyond 27 weeks (**figure 7b**), Saskatchewan shows the smallest proportion of those aged 15 and over with a high school education who remain jobless (11.4 percent). Prince Edward Island (12.0 percent) and Alberta (12.1 percent) also have small proportions of reported long-term unemployment. The highest proportion is in Ontario (23.8 percent).

Figure 7a

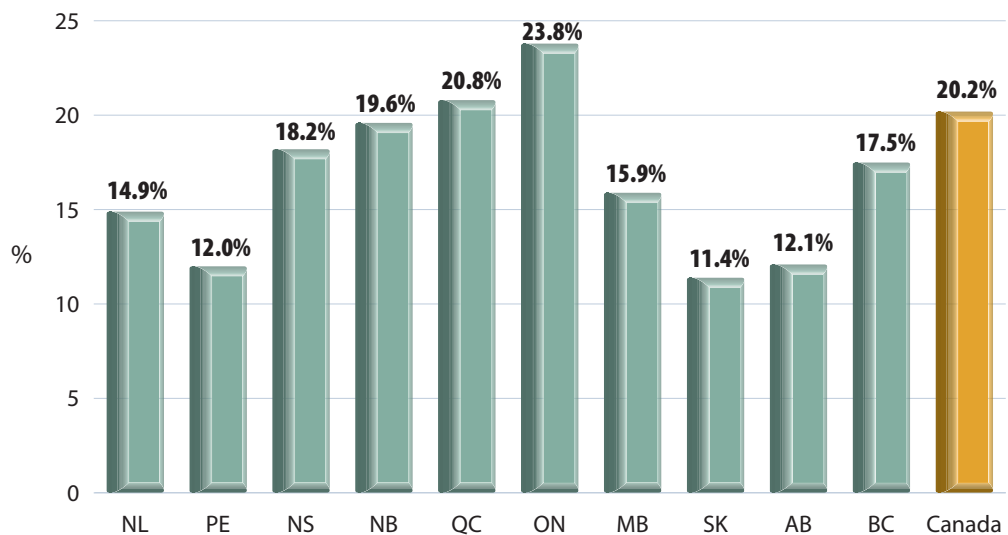
Unemployment rate by education level, 25–34 year old high school graduates, 10-year annual average, 2004–2013



Source: Statistics Canada, 2014d.

Figure 7b

Unemployed for 27 weeks+ as a share of unemployed education cohort, ages 15+ with high school, 2013



Source: Statistics Canada, 2014d.

Finding #9

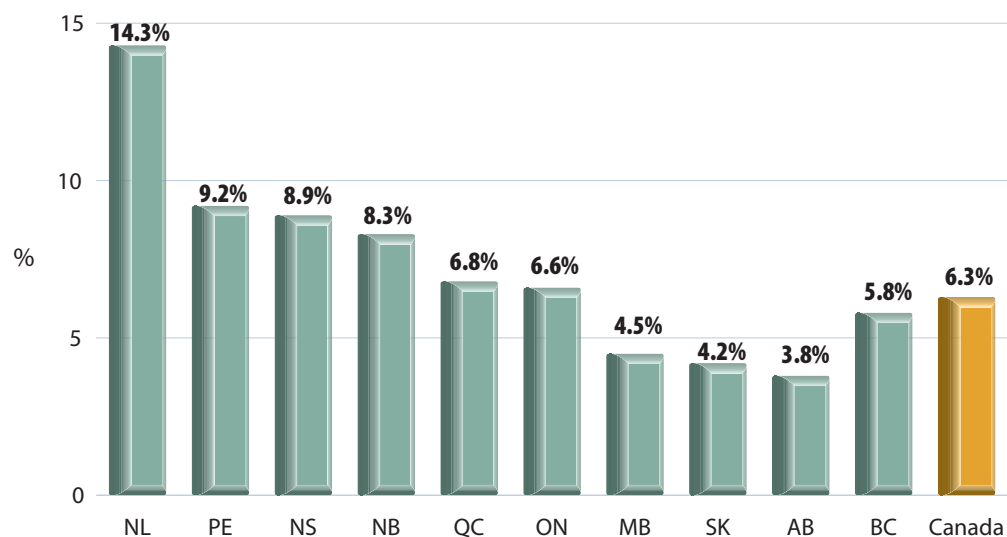
Young adults with a post-secondary certificate have significantly lower unemployment rates in the West; the highest chronic unemployment rates are in Ontario

Among those with a post-secondary certificate (i.e., trades or technical school), the same pattern exists as with other education levels ([figure 8a](#)). The prairie rates (3.8 percent in Alberta to 4.5 percent in Manitoba) are roughly one-third to one-half the rates observed in central and eastern Canada, with the highest unemployment rate again found in Newfoundland and Labrador (14.3 percent).

For those with a post-secondary certificate (ages 15 and over), the percentage unemployed for more than 27 weeks is smallest in Saskatchewan (12.0 percent) ([figure 8b](#)). The highest percentage is in Ontario (25.4 percent).

Figure 8a

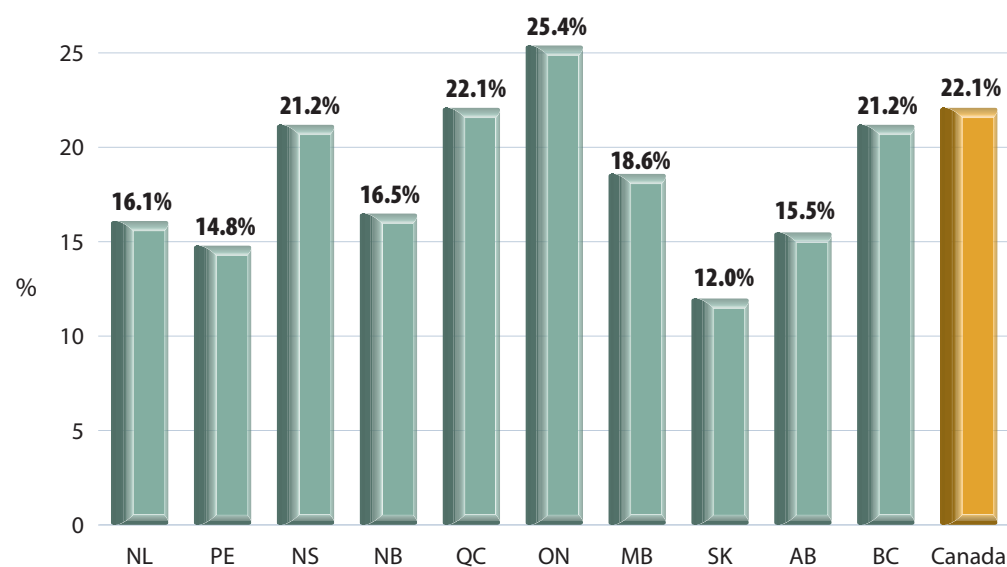
Unemployment rate by education level, 25–34 year olds with post-secondary certificate/diploma, 10-year annual average, 2004–2013



Source: Statistics Canada, 2014d.

Figure 8b

Unemployed for 27 weeks+ as a share of unemployed education cohort, ages 15+ with post-secondary certificate/diploma, 2013



Source: Statistics Canada, 2014d.

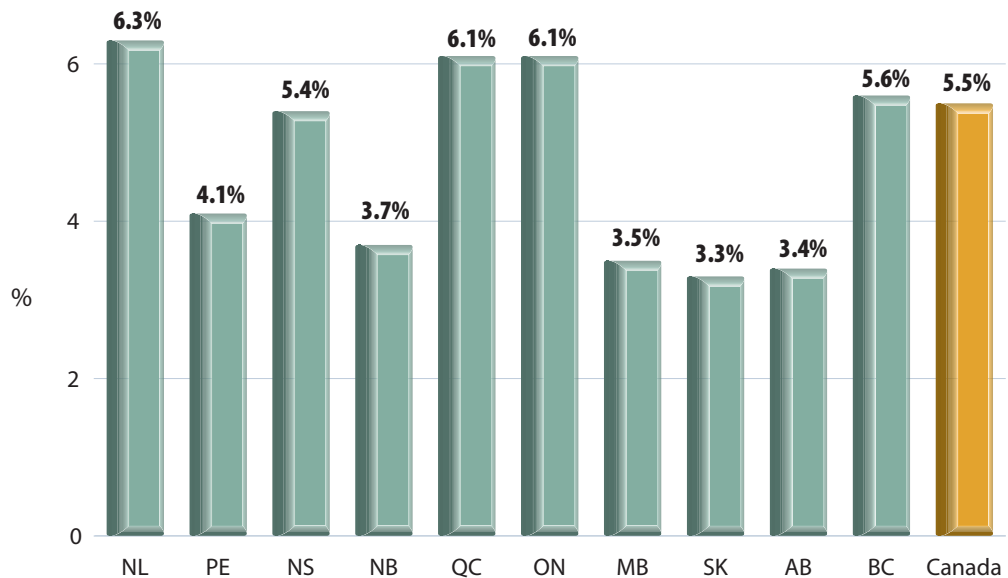
Finding #10**Young adults with university degrees face significantly lower unemployment rates in the West, New Brunswick, PEI; the highest chronic unemployment rates are in Central Canada and Newfoundland**

For young adults aged 25–34 (**figure 9a**), the prairie unemployment rates for university graduates (3.3 percent in Saskatchewan to 3.5 percent in Manitoba) are about half of those observed in Ontario (6.1 percent), Quebec (6.1 percent), or Newfoundland and Labrador (6.3 percent). New Brunswick and Prince Edward Island report unemployment rates of 3.7 percent and 4.1 percent, respectively, which are closer to the unemployment rates for university graduates in Western Canada. As per previous caveats though, and as further data will soon reveal, the low unemployment rates in Atlantic Canada are partly due to significant out-migration of young adults.

As for unemployment duration beyond 27 weeks for those aged 15 and over (**figure 9b**), Alberta shows the smallest proportion of university-degree holders aged 25 to 34 who remain unemployed past that half-year point (15.3 percent), followed by Manitoba (15.7 percent). The highest percentage of long-term unemployed is in Ontario (26.1 percent).

Figure 9a

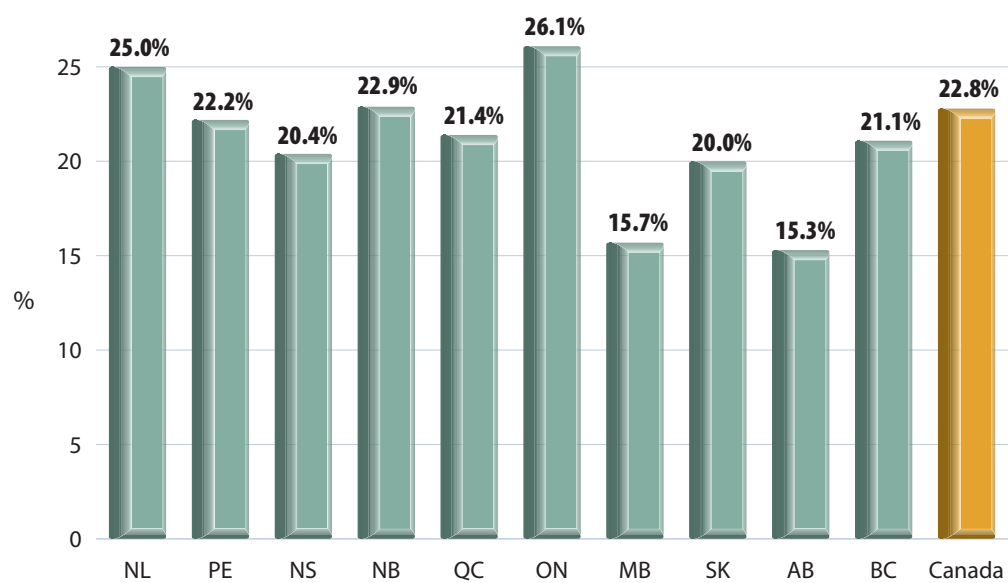
Unemployment rate by education level, 25–34 year olds with university degree, 10-year annual average, 2004–2013



Source: Statistics Canada, 2014d.

Figure 9b

**Unemployed for 27 weeks+ as a share of unemployed education cohort,
ages 15+ with university degree, 2013**



Source: Statistics Canada, 2014d.

Opportunity to earn income

Finding #11

Per-capita income in Alberta has pulled away from the pack

This report assumes that young Canadians will seek economic opportunity in locales where such opportunities exist. Employment is one measure of opportunity. The potential to earn a high income is another. By this measure, Alberta is an attractive option, followed by Saskatchewan, British Columbia, and then Newfoundland and Labrador. All of these provinces have seen above-national average improvements in real per-capita personal income.⁶

National average per-capita income was \$35,301 in 2003, rising to \$40,965 by 2012.⁷ Alberta pulled away from the statistical pack over the decade (**figure 10a**). In 2003, Alberta's per-capita income was \$40,744, the highest in the country; in that year, the second-richest province based on income per person was Ontario (\$37,018).

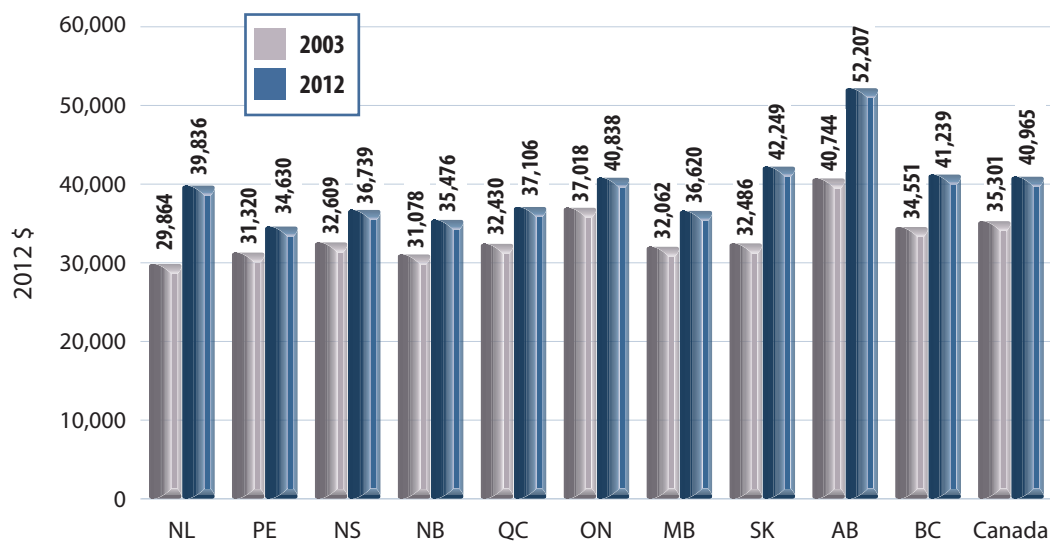
By 2012, Alberta's per-capita income had reached \$52,207, significantly higher than any other province. Of note, in 2012, Saskatchewan and British Columbia were second and third with per-capita incomes of \$42,249 and \$41,239 respectively. Both provinces thus leapfrogged ahead of Ontario, which in 2012 was in fourth place with a per-capita income of \$40,838.

The growth in per-capita income between 2003 and 2012 (**figure 10b**) was greatest in Alberta (+\$11,463), Newfoundland and Labrador (+\$9,972), Saskatchewan (+\$9,764) and British Columbia (+\$6,688). All four provinces were above the national average growth (+\$5,664). The other six provinces saw a rise in per-capita income that was below the national average. Among this group, the increases thus ranged from a \$4,675 gain in Quebec to just a \$3,310 rise in the case of Prince Edward Island. Once again, central Canada has more in common with Atlantic Canada than the more prosperous Western provinces.

6. Per-capita income is used here given that young adults, many of whom have not yet formed a household with a spouse and children, are likely interested in such measurements rather than aggregate levels of household income or gross domestic product. Per-capita income is calculated using total household income divided by total population. This result is used as an estimate for real per-capita personal income. Per-capita calculations by the Fraser Institute.

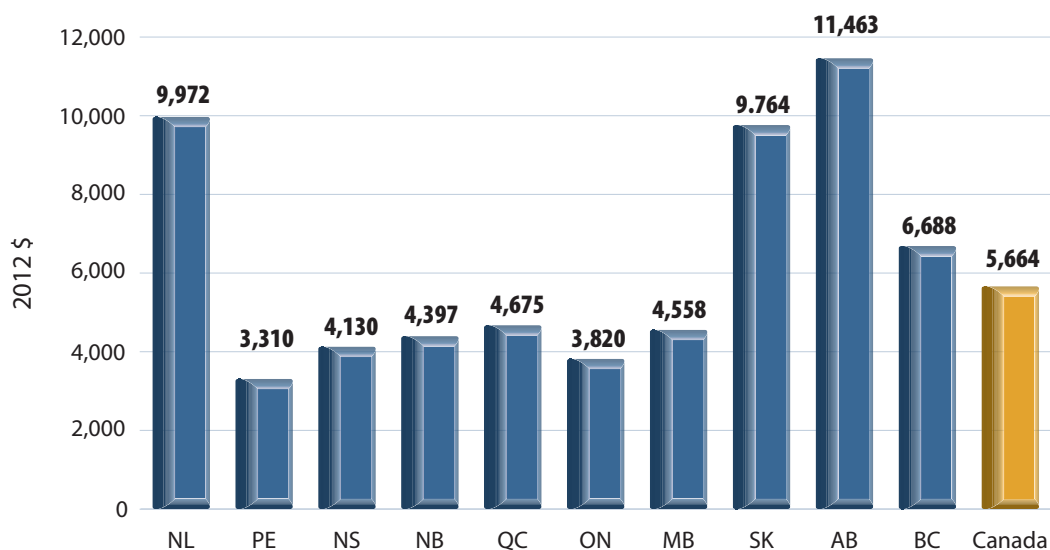
7. All figures adjusted to 2012 dollars.

Figure 10a
Per-capita income, 2003 versus 2012



Sources: Statistics Canada, 2014de, 2014j.

Figure 10b
Per-capita income growth, 2003–2012



Sources: Statistics Canada, 2014de, 2014j.

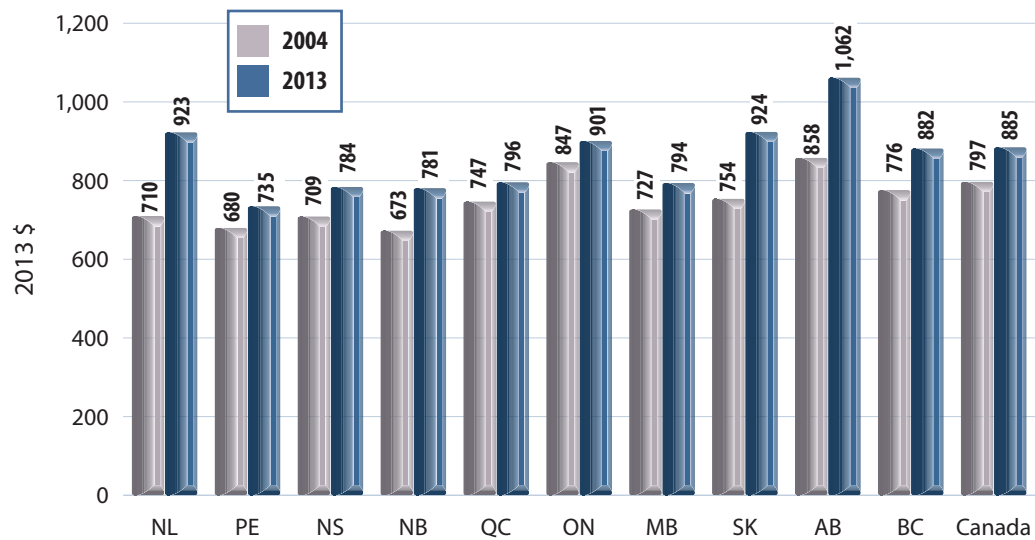
Finding #12**Average weekly wage rates: Alberta and Saskatchewan rise in the rankings**

The average weekly wage rate shows the same general pattern as per-capita income. Since 2004, Alberta's weekly wages have pulled away from the other provinces (**figure 11**).

In 2004, Alberta's weekly wage rate was the highest in Canada, at \$858, but Ontario was close behind, at \$847; British Columbia was third at \$776. By 2013⁸, Alberta's weekly wage rate was the highest in the country at \$1,062, followed by Saskatchewan (\$924), and Newfoundland and Labrador (\$923—up sharply from \$710 in 2004); Ontario was fourth (\$901).

Figure 11

Average weekly wage rate, 2004 versus 2013, 15 years +



Sources: Statistics Canada, 2014f, 2014i.

8. As with all figures in the study, these are adjusted for inflation (to 2013 dollars).

Canada Revenue Agency data

If, as the cliché goes, the best social program is a job, then it follows that the best remedy for poverty is, obviously, more income. The Canada Revenue Agency (CRA) compiles income tax data annually. The CRA's most recent compilation was in 2013, with final statistics for the 2011 year (CRA, 2014). The relevance of the CRA data is that it demonstrates, on an individual basis, "where the money is."⁹

For this report, the CRA data for individuals is grouped into three total-income cohorts:¹⁰ zero to \$29,999; \$30,000 to \$99,999; and over \$100,000.¹¹ A separate analysis is also offered for three age cohorts: 20 to 24 years old, 25 to 29 years old, and 30 to 34 years old. (The second analysis is performed as a percentage of all filers and not by income cohort, as the additional breakdown is not available from the CRA.)¹²

9. Admittedly, this is a stationary measure that does not account for the ability of most individuals to move up the income ladder over time.

10. CRA defines total income as that from employment, pension, investment, self-employment, income from other sources, and non-taxable income (workers' compensation benefits, social assistance payment, allowance, allowance for the survivor, or GIS). Income from other sources comprises universal child care benefits, EI, interest, net rental income, taxable capital gains, support payments, retiring allowance, and scholarships. Total income assessed may differ from the true economic income presented in other publications because it does not include certain non-taxable income (such as the GST/HST credit and the child tax benefit) and it may include grossed-up income such as income from eligible dividends which is the value plus 41 percent. See <<http://www.cra-arc.gc.ca/gncy/stts/gb11/pst/fnl/dsctm-eng.html>>.

11. Two caveats should be added here. First, someone who earns less than \$30,000 may be in a household with a spouse who earns more. This is why household income is often the preferred statistic if one wants to obtain relative measures of how well-off someone might be. However, as per the preference in this report, for young adults not yet in a household of their own, the per-person filing statistic is helpful. It illustrates the provinces in which taxfilers claim they are earning money and at what incomes. The "claim" is the second caveat. It is quite possible that someone of means may choose to reside, officially, in Alberta, for tax purposes, but in fact live much of the year somewhere else. However, there is an expense to doing so; one would have to rent or buy a dwelling to definitively prove residency to the Canada Revenue Agency. This is unlikely to be an option for most taxfilers, especially those who earn less than six figures. Thus, the CRA tax filing statistics are still useful as they reveal where income is likely to be earned (and declared in all but the very highest income cohorts).

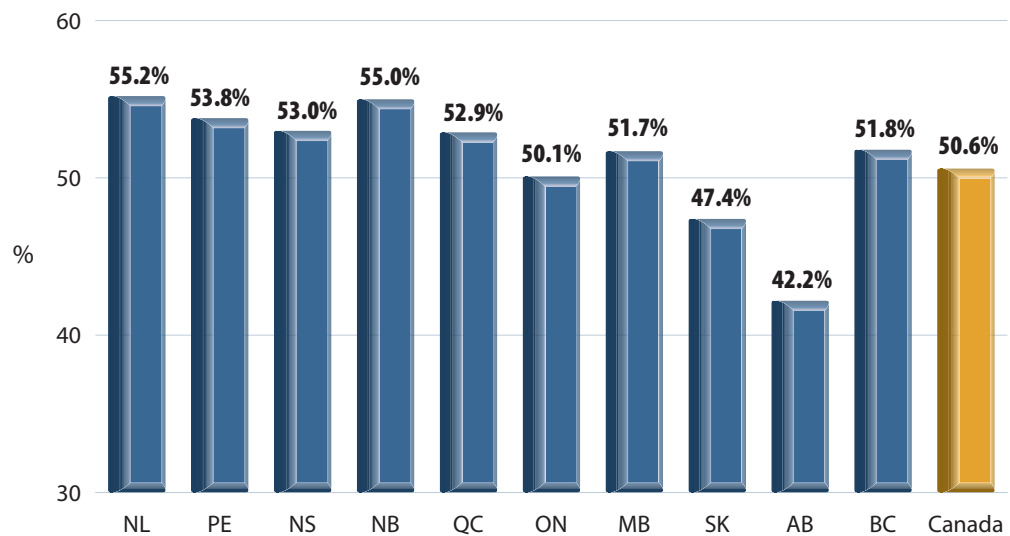
12. The three income cohorts were divided with an eye to per-quintile distribution of total income (all family units, including but not limited to single individuals) in 2011, using Statistics Canada data from the survey of labour income dynamics (Statistics Canada 2014k). On a national basis, and using the distribution of income as a proxy for the various quintiles, the breakdown is as follows: 24.0 percent of the distribution (the first quintile) have incomes below \$30,000; 51.3 per cent of the distribution fall into the \$30,000

Finding #13**Under \$30,000 income cohort smallest in Alberta and Saskatchewan**

Nationally, just over half of all taxfilers (50.6 percent) reported total income below \$30,000 in 2011. The proportion was lowest in Alberta (42.2 percent) and in Saskatchewan (47.4 percent). In every other province, half or more of tax filers reported taxable incomes below \$30,000. Newfoundland and Labrador had the highest proportion of filers with less \$30,000 in taxable income, at 55.2 percent (**figure 12a**).

Figure 12a

Tax filers by province as a share of all filers, 2011 tax year: \$0–\$29,999



Sources: CRA, 2014.

to \$99,999 range (thus a proxy for the three middle quintiles); and 24.7 per cent of the distribution of family income is above \$100,000 (thus a proxy for the fifth quintile). Put as simply as possible, the distribution of income between \$30,000 and \$99,999 closely corresponds with the middle quintiles. Given that this income range is where at least half of Canadian families are positioned, those quintiles serve as a proxy for middle income earners, or in more common parlance, the middle class. The CRA data is then used to compare each province using the zero to \$29,999, \$30,000 to \$99,999, and \$100,000-plus cohorts. Any definition of middle class is subject to debate. However, regardless of how one labels that cohort, the findings below reveal that, once again, Alberta and Saskatchewan have positive indicators.

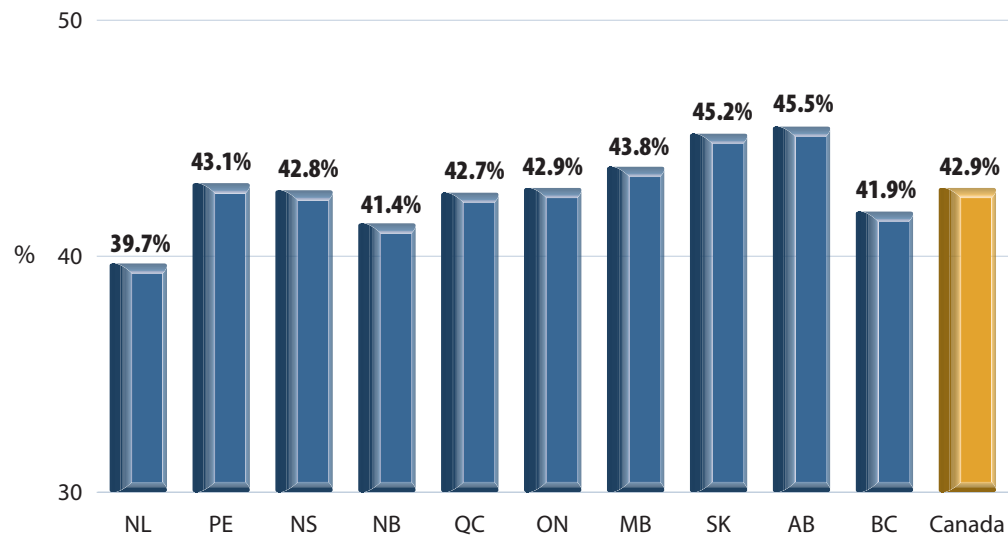
Finding #14**Alberta and Saskatchewan have the largest middle classes**

In 2011, nationally, 42.9 percent of taxfilers reported total income of between \$30,000 and \$99,999. The proportions were highest in Alberta (45.5 percent), Saskatchewan (45.2 percent), Manitoba (43.8 percent), and Prince Edward Island (43.1 percent). Ontario (42.9 percent) was at the national average while all other provinces were below the national average (**figure 12b**).

The smallest proportion of tax filers in the \$30,000 and \$99,999 range is Newfoundland and Labrador (39.7 percent).

Figure 12b

Tax filers by province as a share of all filers, 2011 tax year: \$30,000–\$99,999



Sources: CRA, 2014.

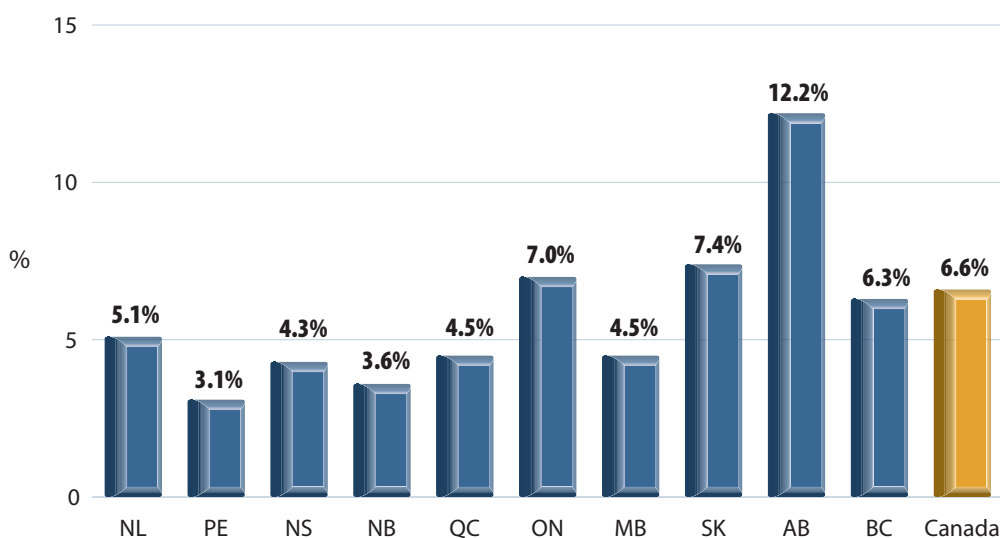
Finding #15**Alberta has almost double the national proportion of people earning \$100,000+**

The remaining (relatively small group of) taxfilers in Canada reported total income of \$100,000 or more in 2011. In that cohort, the national average was 6.6 percent. Alberta (12.2 percent), Saskatchewan (7.4 percent), and Ontario (7.0 percent) were above the national average. Every other province was below the national average (**figure 12c**).

Alberta's proportion of above-\$100,000 taxfilers was almost double the national proportion and the British Columbia figure (6.3 percent), almost triple the Quebec proportion (4.5 percent), and almost four times higher than in PEI (3.1 percent).

Figure 12c

Tax filers by province as a share of all filers, 2011 tax year: \$100,000+



Sources: CRA, 2014.

Finding #16**Young adults make up larger shares of taxfilers in Saskatchewan and Alberta versus the rest of Canada**

As a proportion of total taxfilers in a province, the largest cohort of 20–24 year olds is found in Saskatchewan (9.2 percent). The largest proportion of the 25–29 and 30–34 age groups, relative to total taxfilers, are found in Alberta (10.3 percent and 9.8 percent).

Table 2

Tax filers by age cohort as a share of total provincial filers, 2011 tax year

	20–24	25–29	30–34
Canada	8.0	8.2	8.2
NL	7.1	6.8	7.0
PE	7.9	6.7	6.8
NS	7.7	7.0	6.9
NB	7.3	6.9	7.1
QC	7.4	7.5	8.3
ON	8.2	8.1	7.9
MB	9.0	8.6	8.2
SK	9.2	9.2	8.4
AB	9.0	10.3	9.8
BC	7.8	8.3	7.8

Source: CRA, 2014.

Moving to opportunity: Points West

Finding #17

The career class is flocking to Alberta

In this analysis, interprovincial migration was examined over three separate periods: 2003–2007 (before the last recession), 2008 and 2009 (during the recession), and 2010–2012 (post-recession).

Whether measured among those aged 15–24 or 25–34, interprovincial migration flows to Alberta reveal a pattern that is unique across the provinces.

Alberta was the only province to see continual net inflows in every period and in both cohorts. In both age groups, British Columbia saw net in-migration in the 2003–2009 years but not post-recession. Saskatchewan lost young adults in the earliest period (2003–2007), gained some during the recession, and has been the only other province ever since (other than Alberta) to see net gains in the 25–34 cohort, albeit small.

In Atlantic Canada, Newfoundland and Labrador gained some adults back (in the 25–34 cohort) during the recession but otherwise, and with the other three provinces, was bleeding young adults. Quebec and Ontario also hemorrhaged young adults in the ten-year period in every cohort and in every period examined. Once again, the data for Quebec and Ontario looks much more similar to Atlantic Canada than to Western Canada.¹³

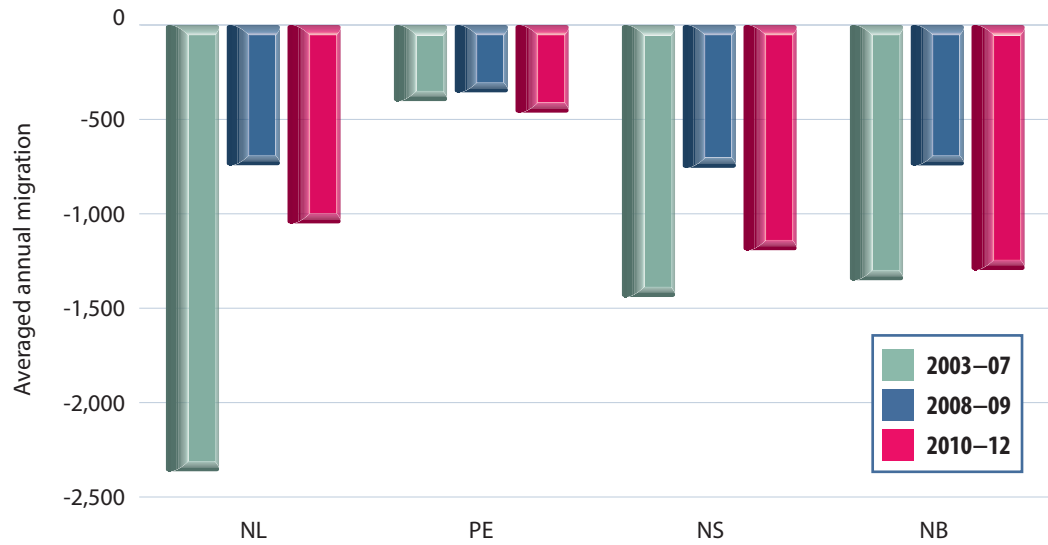
13. It might be objected that while higher weekly wages, per-capita incomes, and tax filings are indicators of increased wealth and opportunities, some provinces (or cities in those provinces) likely have higher a higher cost of living—Fort McMurray and Calgary, Alberta for example, when compared with Halifax, Nova Scotia or Saint John, New Brunswick. Three points are worth noting in response. First, the extra compensation available in the healthier provincial economies may more than compensate for higher living costs; second, tax differences may also ameliorate some of the additional cost of living depending on the province and city one moves from and the destination province and city (Alberta, 2014: 128); third, cost-of-living differences can matter to disposable income and even ultimately to whether one decides to move to another province. However, what is clear from the young adult migration data is that regardless of any real or perceived higher cost of living in selected provinces, young adults have anyway moved to Alberta and British Columbia in net positive numbers, although net migration for young adults turned negative in the 2010–2012 period for that latter province.

The total numbers are stark when total interprovincial net migration is compared: Between 2003 and 2012, among the 25–34 cohort (the people most likely to move for career reasons), the net positive migration figure for Alberta was 60,855; British Columbia experienced net migration as well, of 10,643 for those aged 25–34. Saskatchewan gained just 581 in the 25–34 age cohort.

Every other province lost young adults. Consider 25–34 year olds as the main example. For this group, there was significant out-migration from Canada’s two most populous provinces. Quebec lost 24,355 and Ontario lost 27,451 young adults. Manitoba’s net loss was 9,508 people in this age group and Atlantic Canada lost young adults as well. As per other measurements, the data for central Canada mimics Atlantic Canada.

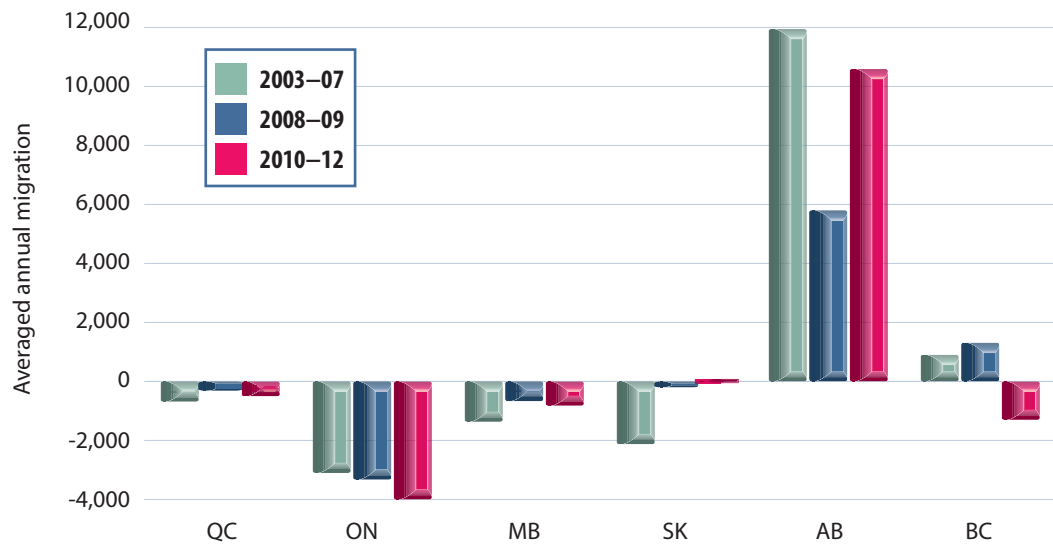
Figures 13a–f illustrate these changes.

Figure 13a
Interprovincial migration, Atlantic provinces, 15–24 years old



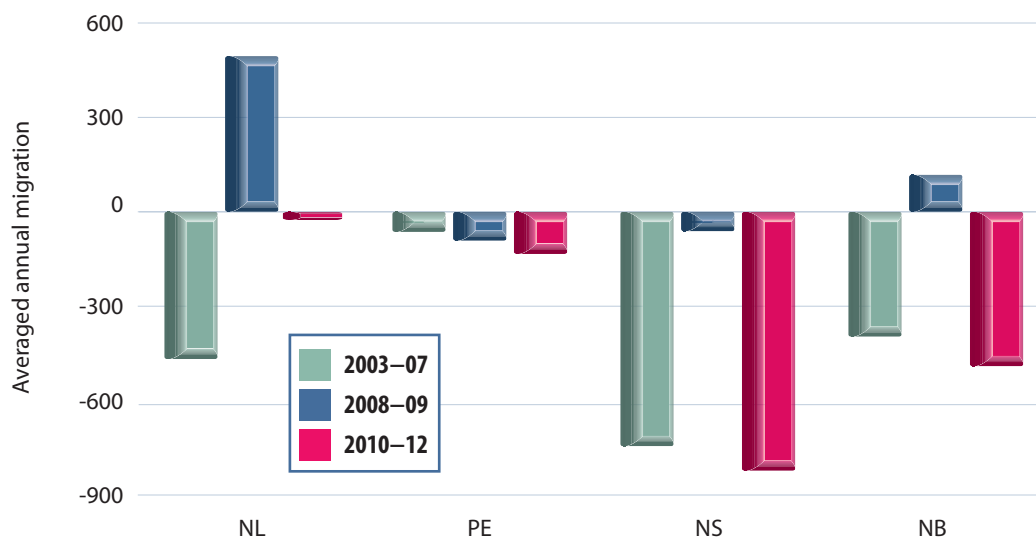
Sources: Statistics Canada, 2014g.

Figure 13b
Interprovincial migration, Quebec, Ontario and Western provinces, 15–24 years old



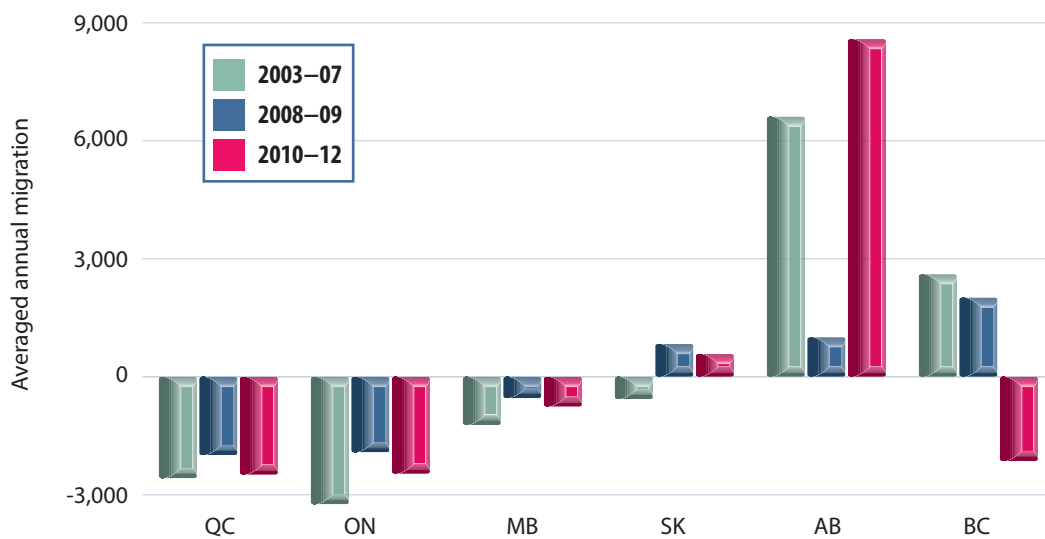
Sources: Statistics Canada, 2014g.

Figure 13c
Interprovincial migration, Atlantic provinces, 25–34 years old

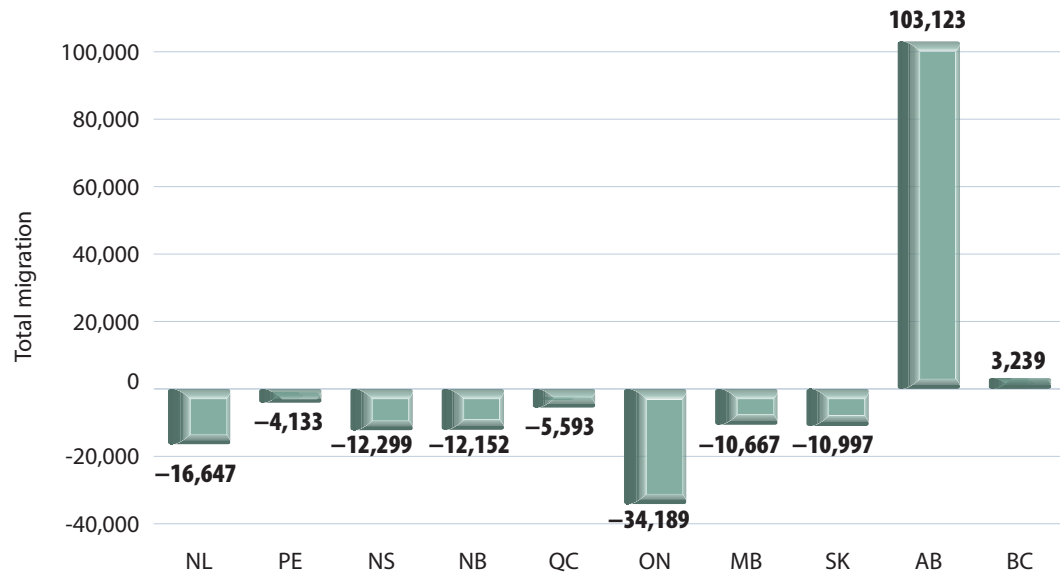


Sources: Statistics Canada, 2014g.

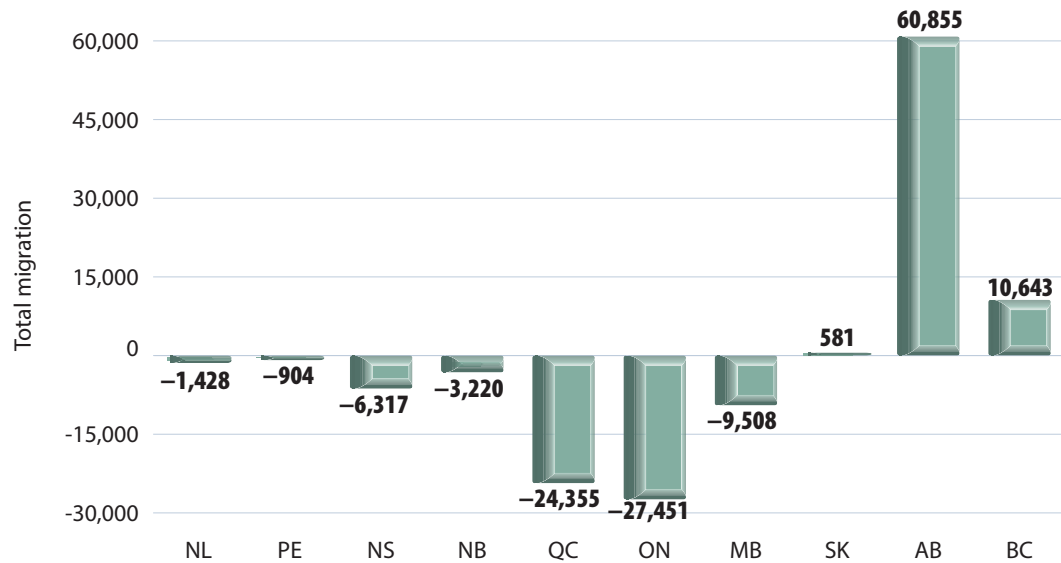
Figure 13d
Interprovincial migration, Quebec, Ontario and Western provinces, 25–34 years old



Sources: Statistics Canada, 2014g.

Figure 13e
Total 10-year interprovincial migration, 15–24 years old, 2003–2012


Sources: Statistics Canada, 2014g.

Figure 13f
Total 10-year interprovincial migration, 25–34 years old, 2003–2012


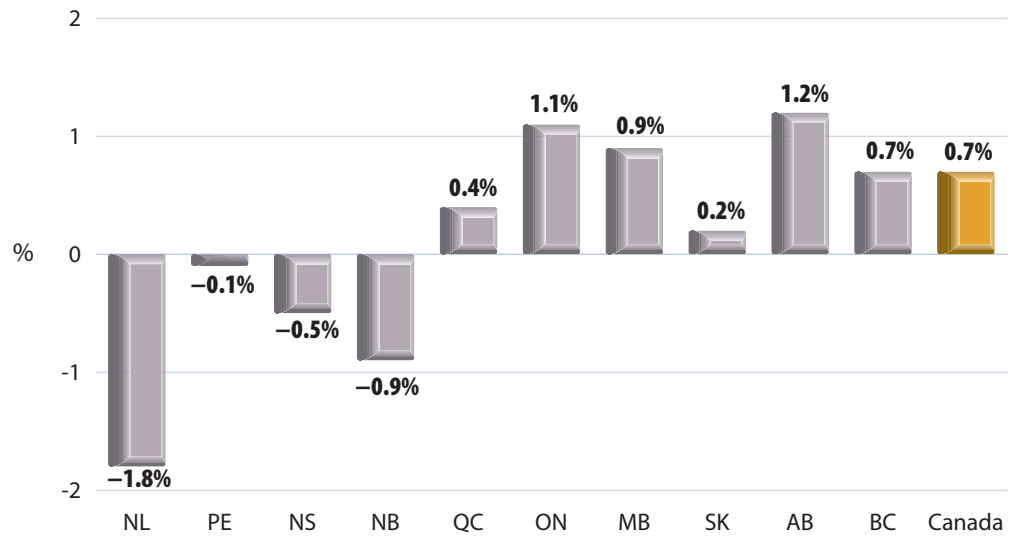
Sources: Statistics Canada, 2014g.

Finding #18**Growth in the number of career-age young adults: Alberta, Saskatchewan, Manitoba above national average**

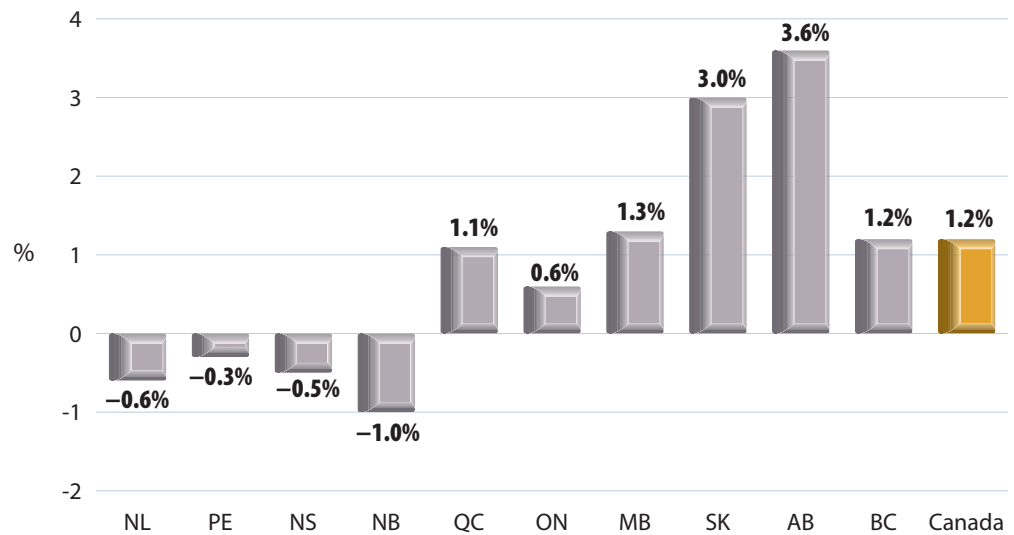
Given that a portion of the 15–24 cohort (**figure 14a**) live with their parents or is in post-secondary education, the 25–34 cohort (**figure 14b**) is more revealing about the career and locational choices of young adults. Here, as a percentage of the population, Alberta shows the strongest growth rates. When measured on a ten-year average, in Alberta the 25–34 cohort has grown at 3.6 percent annually. Saskatchewan is second (3.0 percent annual growth) followed by Manitoba (1.3 percent) and British Columbia (1.2 percent). Quebec (1.1 percent) and Ontario (0.6 percent) are below the national average (1.2 percent), while the Atlantic provinces all saw outright declines in the number of people in this age group.

Finding #19**Career-age young adults a growing proportion in Alberta and Saskatchewan; declining in Atlantic Canada, Ontario**

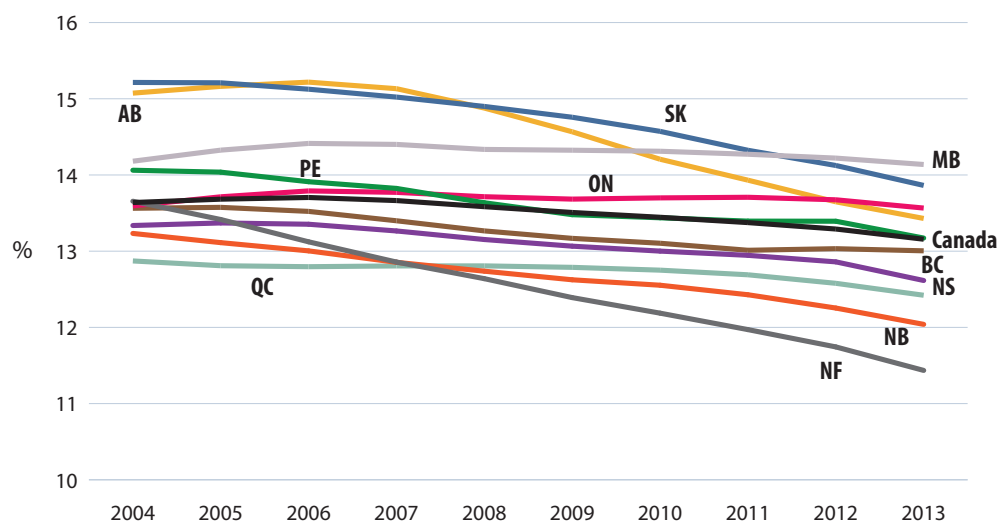
The 15–24 year old cohort is a declining part of Canada's population in every province (**figure 15a**). More relevant to the question of where economic/job opportunities are seen or sought, in Alberta and Saskatchewan, the 25–34 cohort grew most dramatically as a percentage of the overall population (**figure 15c**). In 2004, individuals aged 25 to 34 were 15 percent of Alberta's population; by 2013 the figure had risen to 16.8 percent. In Saskatchewan, 25–34 year olds made up 12.2 percent of the population in 2004 but this climbed to 14.6 percent by 2013. Quebec, British Columbia, and Manitoba experienced only marginal gains in the size of the 25 to 34 age cohort; the Atlantic provinces all recorded declines (**figure 15c**). In Ontario, the 25–34 age cohort shrank from 13.8 percent of the province's population in 2004 to 13.4 percent in 2013.

Figure 14a**Population growth, 15–24 years old, 10-year annual average, 2004–2013**

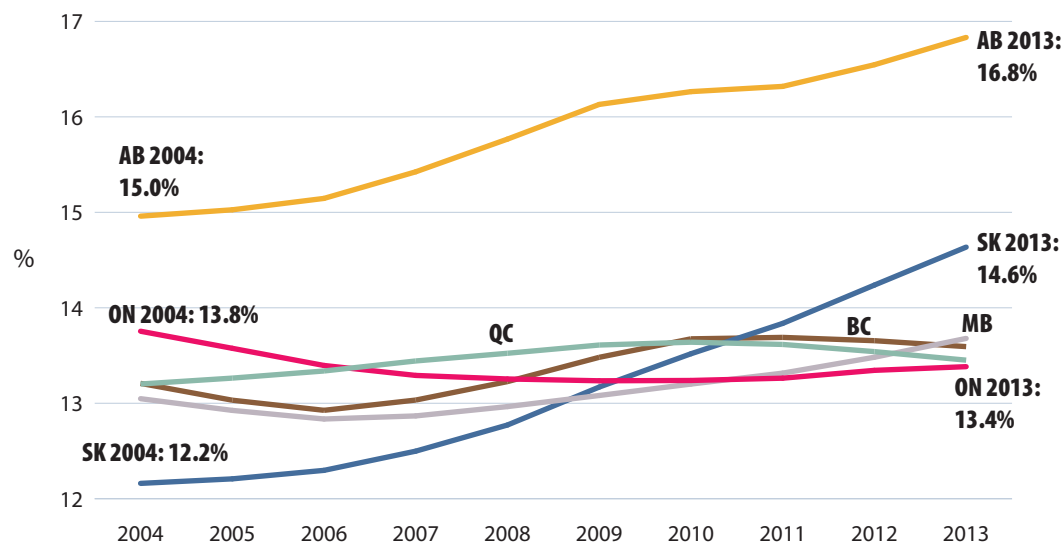
Sources: Statistics Canada, 2014h.

Figure 14b**Population growth, 25–34 years old, 10-year annual average, 2004–2013**

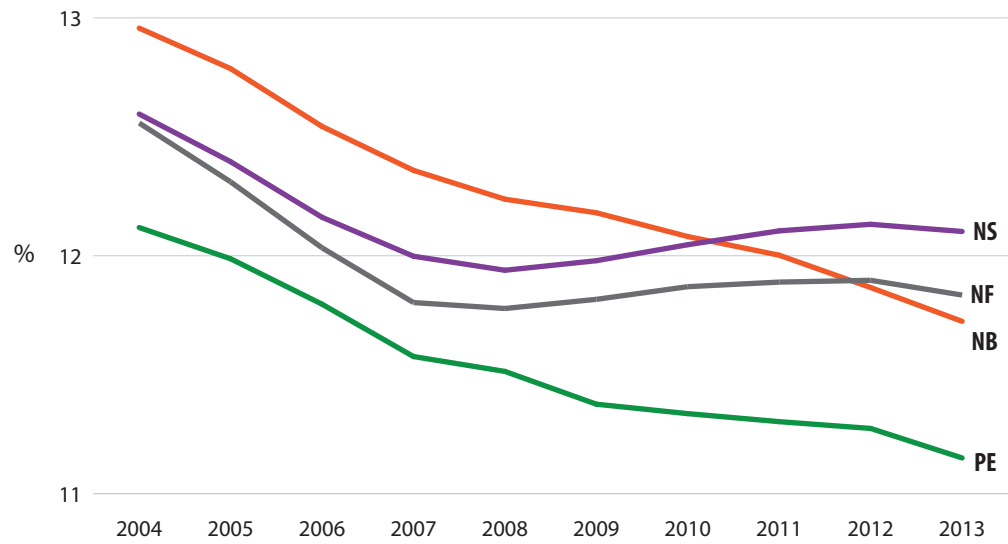
Sources: Statistics Canada, 2014h.

Figure 15a
15–24 year olds, proportion of population, 2004–2013


Sources: Statistics Canada, 2014h.

Figure 15b
25–34 year olds, proportion of population, 2004–2013: Quebec, Ontario, and West


Sources: Statistics Canada, 2014h.

Figure 15c**25–34 year olds, proportion of population, 2004–2013: Atlantic provinces**

Sources: Statistics Canada, 2014h.

Conclusion

If a young Canadian seeks economic opportunity—most often a full-time job and the possibility of a middle-income salary—where is she most likely (or best advised) to locate?

The answer from the data reviewed in this paper is that Alberta and Saskatchewan are the two opportunity-rich provinces. Going west is once again the mantra of a new generation. For young adults, these two provinces have employment levels and employment growth rates that are above the national average; they also have unemployment rates and unemployment durations consistently below the national average. Moreover, Alberta and Saskatchewan boast the highest per-capita incomes in the country. And Alberta and Saskatchewan are home to the largest middle classes as a proportion of all tax filers.

Newfoundland and Labrador has turned the corner on a number of the opportunity indicators: private sector investment, per-capita income, and weekly wage rates. The other Atlantic provinces, Ontario, and Quebec have the least plentiful opportunities, with most of the indicators considered here trending negative in the past decade or so.

If there is a surprise in the data, it is how consistently Ontario and Quebec mimic the poor outcomes in Atlantic Canada instead of the bright economic opportunities available and identified in the West.

The economic/job opportunities or lack thereof are reflected in inter-provincial migration statistics. Here, Alberta stands out.

Overall, what is clear is that provinces with substantial private sector investment flows end up with employment opportunities and better prospects to enjoy a middle-class lifestyle. In general, if one seeks opportunity—money, jobs, and employment security—the opportunities are showing up in Western Canada, especially in Alberta and Saskatchewan.

Addendum: Is it all about luck?

This report identifies economic opportunities for young Canadians; the causes of observed effects are not examined. However, a natural question will arise about the “good fortune” of the West, and more recently, Newfoundland and Labrador: Is it all about “luck”—the presence of natural resources? After all, it might be asserted, the presence of an in-demand product such as oil, natural gas, or potash is likely to lead to economic opportunity.

It is a fallacy that the mere presence of desired commodities will automatically lead to wealth creation. Instead, economic freedom (and the prosperity that follows) results from personal choice, voluntary exchange, freedom to compete, and security of private property. Internationally, such economic freedom is measured with reference to the size of government, the legal system and property rights, sound money, freedom to trade internationally, and regulation (Gwartney et al., 2013: 3–7). In sub-national jurisdictions such as provinces or states, the measurements that matter are: the size of government; takings and discriminatory taxation; regulation; legal system and property rights; freedom to trade internationally (Stansel and McMahon, 2013: 7–13).

If the simple “resources-to-widespread-prosperity” cause-and-effect link were accurate, Hong Kong and Singapore, with virtually no natural resource wealth, would be economically poor while resource-rich jurisdictions would be guaranteed to be wealthy. Instead, as the Economic Freedom of the World Index (2013) found, Hong Kong and Singapore are first and second, respectively in economic freedom among 152 countries measured. In contrast, Nigeria and Venezuela, both countries with substantial oil reserves, are ranked only 124th and 152nd for economic freedom respectively (Gwartney et al., 2013: 8). It is Hong Kong and Singapore where per-person wealth is significant, not Nigeria or Venezuela. This is not a surprise, an accident, or luck. Research has found that economic freedom is positively correlated with higher per-capita incomes and economic growth (and with positive social indicators such as greater life expectancy and lower child mortality, among other desirable outcomes) (Stansel and McMahon, 2013: 4).

Lastly, in Canada, it should be recalled that while not every province has the same type and quantity of natural resources, some provinces do have natural resources but may choose not to exploit them or have difficulty doing

so for political or other reasons. An example of the first exists in Quebec, New Brunswick, and Nova Scotia. All three provinces possess shale gas reserves but all three already have, or promise to have, a moratorium on hydraulic fracturing in the development of such reserves (New Brunswick Liberal Party, 2014: 28; Nova Scotia, 2014; Reuters, 2013). Both Ontario and British Columbia have rich mining deposits, but recently have had some trouble attracting positive investment perceptions because of concerns over native land claims and regulatory hurdles, among other things, and what such hurdles might pose for the development of new mines (Wilson and Cervantes, 2014: 35).

Simply put, wealth in the ground is neither necessary nor sufficient to provide opportunity in and of itself; the right institutions and policy framework must also exist for natural wealth to be converted into economic opportunity.

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