

REGINA'S ECONOMIC BRIEFING

KEY NUMBERS

Bright spots & challenges

Not surprisingly, Regina's economy, while impacted by global conditions, continues to fare relatively well. Average year-to-date (YTD) total employment remains ahead of a year ago. Unemployment remains low, and housing starts and residential building permits continue to surge. However, high inflation and rising lending rates will likely act as a drag on future growth.

Source: Praxis Consulting / Economic Development Regina

Employment continues to climb

Average YTD total employment in the Greater Regina Area was up 2.2% or 2,970 positions in September 2022 over the same period in 2021.

Source: Praxis Consulting / StatsCan

Tighter housing inventories

Regina is experiencing below average housing inventories, specifically in homes priced under \$500,000.

Source: Praxis Consulting / StatsCan

Building permits up overall, but varied

September 2022 YTD building permits are up 4.4% over 2021, with year-over-year increases in residential (17.0%) and commercial (31.1%). Industrial (-50.2%), institutional and governmental (-56.0%) posted declines.

Source: Praxis Consulting / StatsCan

Interest Rates continue to climb

On October 26, the Bank of Canada raised its benchmark interest rate by 50 basis points to 3.75%. The benchmark interest rate has increased six times since March in a bid to combat inflation, which sits at 6.9% nationally.

Source: Praxis Consulting / StatsCan

\$100M+

COMBINED ESTIMATED ECONOMIC IMPACT OF REGINA HOSTING THE GREY CUP FESTIVAL AND AGRIBITION IN NOVEMBER 2022

Source: Economic Development Regina

6.1%

REGINA'S 2022 ECONOMIC GROWTH FORECAST

Source: Conference Board of Canada

3,360

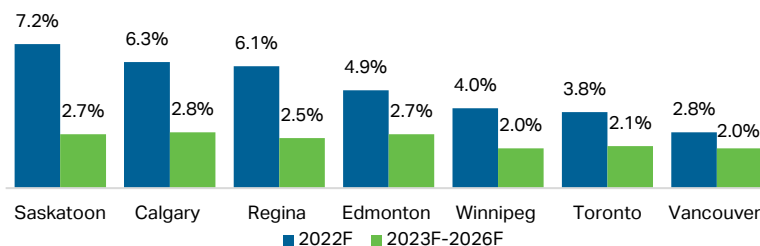
REGINA JOBS POSTED TO SASKJOBS.CA AS OF NOV 22, 2022.

Source: SaskJobs.ca

Solid GDP growth

The Conference Board of Canada expects Regina's real GDP to grow by 6.1% in 2022 and a further 3.3% in 2023.

GDP Growth



Source: Conference Board of Canada

5.1%

YTD UNEMPLOYMENT RATE

Source: Praxis Consulting

7.8%

CONSUMER PRICE INDEX

Source: Praxis Consulting / StatsCan



A DEEPER LOOK...

Affordability Cheque Impact

The Government of Saskatchewan is issuing a \$500 Saskatchewan Affordability Tax Credit (SATC) cheque to residents over the age of 18, including more than 217,000 residents in the Greater Regina Area (GRA). Altering the disposable income of households affects their consumption levels, increasing the output of the economy. The SATC increases government transfers by approximately \$109M.

To calculate the impact of the cheque, the Marginal Propensity to Consume (MPC) and a multiplier need to be determined. MPC is the proportion of an increase in income that gets spent on consumption. For example: if we have an MPC of 0.5, that means for every 1 dollar, 50 cents gets spent on consumption and 50 cents is saved. Regina's MPC is unavailable, so a stress test using a range of different MPCs is used to estimate the range of the economic impact.

Here's what that looks like for Regina:

Marginal Propensity to Consume	Marginal Propensity to Save	Multiplier Effect	Transfer Payment	Economic Impact
0.6	0.4	1.5	\$108,905,500	\$163,358,250
0.5	0.5	1.0	\$108,905,500	\$108,905,500
0.4	0.6	0.7	\$108,905,500	\$72,603,667

The economic impact of the SATC ranges from around \$72M to \$163M, depending on consumer behaviour - whether they save or spend. Due to inflation rates increasing at a rapid pace, a rational assumption would be that the ratio between consumption and savings would be close. For more information on the SATC, visit: <https://www.saskatchewan.ca/residents/taxes-and-investments/tax-credits/saskatchewan-affordability-tax-credit>.

Source: EDR / University of Minnesota / Government of Saskatchewan

Labour force and unemployment

Regina's October 2022 unemployment rate is 5.1%, down from 7.3% a year earlier. In that time, the average number of unemployed decreased by 3,140 to 7,620.

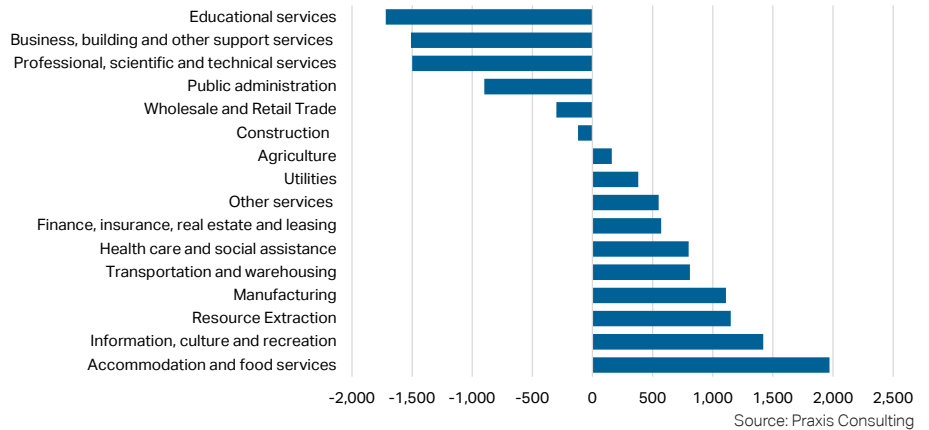
Source: Praxis Consulting / StatsCan

Job gains are expected to slow

The number of those of labour force age but not in the labour force increased by 3,189 over the same time period, as individuals stepped back from the labour market in the midst of slowing employment growth.

Source: Praxis Consulting / StatsCan

Change in employment by sector



News Worth Watching

Federal funding

Ottawa to give out \$800 million to clean fuels companies, with more funds to come. The first tranche of money distributed from the federal government's \$1.5 billion clean fuels fund.

Source: Regina LeaderPost

\$500 affordability cheques

Sask. begins mailing out \$500 affordability tax credit cheques to residents. The Government of Saskatchewan began mailing out \$500 affordability cheques to residents as of the second week of November.

Source: CTV News

Reaching net-zero

Saskatchewan and Ottawa commit to working together on environmental policies. Federal Natural Resources Minister Jonathan Wilkinson said Wednesday the two levels of government need to figure out ways to work together to ensure there's progress toward reaching net-zero greenhouse gas emissions.

Source: Regina Leader-Post

Grey Cup and Agribition impact

No Riders in game, but economic win with Grey Cup and Agribition: 109th Grey Cup game will be played Nov. 20 while the 51st Canadian Western Agribition starts Nov. 28. The economic impact could be millions.

Source: Regina Leader-Post