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## Manitoba sees strong increase in real wage rates

**WINNIPEG** – Manitoba paycheques got bigger and the province was the runaway leader in real wage growth in 2007, recording a 2.3 per cent increase that was more than twice the growth seen nationally, according to the *MB Check-Up*, an annual economic analysis of the province as a place to live, work and invest by the Chartered Accountants of Manitoba.

“This very strong wage growth came from a combination of solid pay increases, which averaged 4.4 per cent, and low provincial inflation which allowed Manitobans to keep more than half of this increase,” said Gary Hannaford, CEO of the Institute of Chartered Accountants of Manitoba. “However, the province still has the lowest real average hourly wages among the provinces we compared.”

Real average hourly wages were \$20.67 in Manitoba in 2007.

“Manitoba has historically had low real wages compared to the rest of Canada, however, the trend over the past five years is a narrowing of the wage gap between Manitoba and the national average,” Hannaford said.

The national average was 10.5 per cent higher than Manitoba’s real average hourly wage in 2002 and 7.8 per cent higher in 2007.

In 2007, industries such as mining, agriculture, and professional, scientific and technical services industries witnessed wage increases ranging from 10 per cent to 16 per cent while many sectors with large numbers of workers such as healthcare, education, retail/wholesale trade and construction saw more modest increases ranging from 3.1 per cent to 4.0 per cent.

Looking at the construction sector where competition for workers is high, Manitoba is paying significantly less and wage increases are lagging far behind the western provinces.

“It’s interesting to see how this impacts the educational attainment profile of the province,” Hannaford said. “While Manitoba workers with university degrees have increased at rates two to four times the national average, the number of workers with diplomas and certificates has fallen over the last two years.”

Manitoba’s inter-provincial population loss last year (1,390 persons) set a ten year low. However, the decline was due to workers with post-secondary diplomas and certificates (the educational group that includes trades workers) leaving the province in 2007 as well as the entry of 3,800 workers into the labour force with no post-secondary certifications at all.

Despite the loss of 1,390 people to other provinces, international in-migration to Manitoba hit a 10 year high and net migration to the province was just over 9,000 new residents last year.

“The population gain was a result of record high international immigration and a decline in the outflow of Manitobans to other parts of Canada,” Hannaford said.

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The Work section of *MB Check-Up* also shows that Manitoba continued to lead the pack in pay equality (0.881) and the unemployment rate rose slightly to 4.4 per cent last year but remains well below the national average of 6.0 per cent. The province added 9,500 jobs to its economy but this was not enough growth to deal with the shortage of skilled labour.

Manitoba continues to struggle with the educational attainment indicator as the proportion of workers with post-secondary credentials decreased and the province continues to have the lowest (55.6 per cent) levels among the comparison jurisdictions.

*MB Check-Up* is published annually by the Chartered Accountants of Manitoba and provides an independent factual comparison of the four Western provinces, together with Ontario and the Canadian average using 15 key indicators to create a profile of each as a place to live, a place to work and a place to invest.

– 30 –

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