

MEDIA Release



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Manitoba's low disposable income partly offset by low cost of living

WINNIPEG – The *MB Check-Up*, an annual study by the Chartered Accountants of Manitoba, shows that Manitoba has the second lowest real per capita disposable income and the lowest cost of living when compared to the other western provinces, Ontario and the Canadian average.

“In our analysis of the province as a place to live, work, and invest, the live section is where some of Manitoba’s advantages come into play against poor performance in other indicators,” said Gary Hannaford, CEO of the Institute of Chartered Accountants of Manitoba (ICAM).

The *MB Check-Up* shows that while Manitobans’ disposable income increased by 1.1 per cent in 2004, the province continues to have the second lowest real per capita disposable income in the comparison jurisdictions at \$18,634, slightly ahead of last place Saskatchewan at \$18,070 and well behind the Canadian average of \$20,037.

“We have the second lowest disposable income west of Ontario but you do have to balance that against Manitoba having the lowest cost of living,” Hannaford said.

The ICAM spokesperson said that while having the lowest cost of living is a definite selling point, not only does Manitoba have the second lowest disposable income in the comparison jurisdictions, it has had the second lowest increase (3.9 per cent) in disposable income over the last five years.

“Wages and personal tax rates are two factors that affect disposable income,” Hannaford said.

The study shows that direct personal taxes per capita in Manitoba have declined 0.9 per cent since 1999, in sharp contrast with the substantially lowered direct taxes in the other jurisdictions. British Columbia, the largest reducer, decreased direct taxes by 12.5 per cent.

“In addition to continuing to improve the economy and increasing the population and labour force, the province needs to maintain a competitive tax structure to see real improvement in disposable income,” Hannaford said.

The study also shows that Manitoba has consistently had the lowest debt/income ratio (0.61) within the compared jurisdictions. The ratio is low because Manitoba has the second lowest house values (\$104,522 real average 2004 value) and percentage of debt attributable to mortgages (5 per cent), the main factors affecting the debt to personal income ratio.

Hannaford noted however, that house prices are on the rise and that the province has seen a constant rise in this ratio over the past six years.

The Live section of *MB Check-Up* also shows that Manitoba had the second highest percentage of youth without high school diplomas and the third highest crime rate. 22 per cent of Manitoba's total crimes were violent crimes, the second highest proportion in the compared jurisdictions. Manitoba also had the highest homicide and robbery rates as well as the highest rate of motor vehicle thefts in 2004.

MB Check-Up is published annually by ICAM 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. The final instalment of the report, dealing with Manitoba as a place to work will be released next week.

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