

**EMBARGOED until October 19, 2007**

## Manitoba's Youth Not Completing High School

**WINNIPEG** – The *MB Check-Up*, an annual study by the Chartered Accountants of Manitoba, reports that a relatively high proportion of Manitoba's youth do not complete high school when compared to the other western provinces, Ontario and the Canadian average.

In 2006, 12.2 percent of the Manitobans between the age of 19 and 24 had not attained high school accreditation. Only Alberta, with a rate of 12.5 percent, has a higher number of their youth at risk.

“The high rate of our population not receiving a high school education is a concern as these individuals are susceptible to higher unemployment and lower income than those with high school or higher accreditation,” said Gary Hannaford, CEO of the Institute of Chartered Accountants of Manitoba (ICAM). “To have more than 12 percent of youth only employable in very low skilled jobs, when there are fewer and fewer of these kinds of opportunities, could have significant economic and social implications for Manitoba in the future,” he added.

The *MB Check-Up* shows that Manitoba recorded the largest decline in this indicator compared to other jurisdictions included in the study, dropping from 14.1 percent to 12.2 percent from 2005 to 2006. However, compared to 2001, little progress has been made as 2006's proportion of youth at risk was only 0.5 percentage points less than five years prior.

The study points out that in 2006 only 33.7 percent of First Nations Manitoban youth aged 15 to 29 had completed high school, compared with 62.7 percent of the general population.

“Manitoba's already high proportion of youth at risk together with the projected higher growth of First Nations youth presents a challenge and at the same time an opportunity for Manitoba,” Hannaford said. “Tapping this labour pool and improving its ability to contribute positively to the economy is the answer. The key is continuous commitment to addressing the issue, investment in a wide variety of initiatives and monitoring and building on success.”

The study also revealed a number of other modest improvements in Manitoba's quality of life in 2006.

In 2006, Manitobans were in the envious position of having the second lowest personal debt to personal disposable income ratio (0.65) along with Saskatchewan. The 18.2 percent increase in Manitobans debt ratio since 2001 results primarily from rising mortgage debt. However, the total debt ratio remains low because of Manitoba's relatively low house values and the resulting low level of mortgage debt.

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The *MB Check-Up* shows that standard of living received its largest boost in nine years as real per capita disposable income in Manitoba rose 3.1 percent in 2006. Despite last year's growth spurt, Manitoba has made virtually no headway since 2001 in narrowing the gap between its per capita disposable income and the Canadian average. Real disposable income in Manitoba is \$23,518 and is the second lowest of those jurisdictions studied, only slightly ahead of Saskatchewan (\$23,310) and well below the Canadian average (\$25,624).

"Employment growth, a low unemployment rate and a modest rise in the real wage rate translated into Manitoba's largest real pre-tax income per capita growth in five years," Hannaford said. "In addition, Manitoba also had the second-lowest rate of provincial inflation in 2006, which helped preserve these income gains."

"Despite a number of cuts in the personal middle income tax rate since 2001, Manitoba continues to have the highest effective personal tax rates of those jurisdictions included in our study," Hannaford noted. "This, together with the effects of tax bracket creep, eats into Manitoban's pre-tax income gains."

Offsetting the low level of disposable income is Manitoba's low cost of living. The report defines Cost of Living as the percentage of total household expenditures spent on shelter. Manitoba's relatively low housing prices together with lower water, fuel and electricity costs, results in Manitoba having the lowest cost of living in our comparison. In addition, credit for the small decrease in Manitoba's cost of living should, at least in small part, go to Manitoba's reduction and eventual elimination of the residential Education Support Levy, as well as increased property tax credits.

Finally, health care spending per capita remained essentially in line with that of the other western provinces and is higher than both Ontario and the Canadian average.

*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 second instalment of the report which deals with Manitoba as a place to work will be released October 23 and the third section, looking at Manitoba as a place to invest, will be released October 25.

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