Special Report

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TD Economics
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ASSESSING THE FINANCIAL VULNERABILITY OF HOUSEHOLDS ACROSS CANADIAN REGIONS

HIGHLIGHTS

- **The focus nationally on household debt has raised questions about which regions of the country face the most significant challenge.**
- **As such, TD Economics has constructed an index of financial vulnerability, which takes into account six key metrics of household financial position.**
- **The index is not a predictor but is aimed at capturing which regions are more vulnerable in the event of an unexpected adverse economic shock, such as a housing market downturn, a rise in the unemployment rate, or a spike in interest rates.**
- **We find that households in British Columbia, Alberta, Ontario and Saskatchewan are the most vulnerable, followed by the Quebec and the Atlantic Region. Meanwhile, Manitoba is the least vulnerable.**
- **Despite growing vulnerability across regions, we do not think that a household debt crisis is in the making in any region.**

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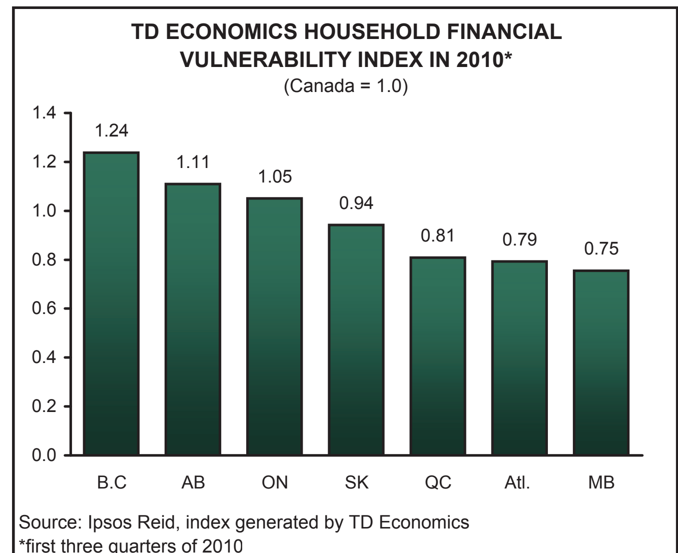
In this report, we unveil an index aimed at gauging the relative financial vulnerability of households across Canada's regions. Our interest in designing such an index has been motivated by the growing worries about excessive debt levels and the overall state of Canadian household balance sheets (see TD Economics' October 2010 report, *Canadian Household Debt a Cause for Concern*). Naturally, the focus nationally on household debt has raised questions about which regions of the country face the most significant challenge. Based on our analysis, we find that households in British Columbia, Alberta, Ontario and Saskatchewan are the most vulnerable. Following next are the Atlantic region and Quebec, while Manitoba is the least vulnerable. That being said, risks related to household finances have been rising broadly across all regions over the past few years, as households have responded to extremely favourable borrowing conditions. With higher interest rates on the horizon set to boost the cost of servicing debt, this upward trend in vulnerability is almost certain to continue over the next 1-2 years.



Source: Ipsos Reid, index generated by TD Economics
*first three quarters of 2010

We stress that TD Economics' regional household vulnerability index is not a predictor of the future. Rather, its objective is to flag in which parts of Canada households are the most prone in the event of an economic surprise, such as a substantial correction in housing prices, a major disruption in incomes or a unexpected large increase in borrowing rates. The probability of one, or more, of these events occurring over the next few years appears relatively low, as moderate economic recoveries likely stay on track, housing market conditions remain quite stable and interest rates rise only gradually. At the same time, however, the odds of these disruptions occuring are not insignificant either. Moreover, to the extent that households don't begin to throttle down with respect to the rate at which they accumulate credit, the risks of a difficult consumer-led adjustment down the road will only intensify.

Measuring vulnerability across the provinces

The largest impediment that has stood in the way of deeper analysis into the

SNAPSHOT OF CANADIAN HOUSEHOLD DEBT INDICATORS BY REGION level as of 2010-to-date*						
	Debt-to-Income Ratio (%)	Debt Service Ratio (%)	% of households with a debt-service ratio above 40%	Debt-to-Asset Ratio (%)	Home Price to Income Ratio	Personal Savings Rate (%) Est.
Can.	127.0	18.6	6.5	28.7	5.9	3.9
Atl.	96.7	17.3	6.3	29.8	3.7	0.7
QC	99.5	16.9	5.6	29.3	5.2	4.2
ON	135.2	18.9	6.9	28.6	5.3	2.9
MB	100.1	14.3	1.9	25.5	4.1	3.1
SK	116.8	18.1	8.8	25.7	4.4	4.7
AB	143.2	19.2	8.4	30.2	4.8	15.0
B.C	160.5	22.0	5.9	27.2	8.8	-4.2

Source: Ipsos Reid Canadian Financial Monitor, Statistics Canada, Haver Analytics
Note: Note micro-data data differs from national aggregates due to methodological differences
*Includes first three-quarters of 2010, for households who hold debt

health of household balance sheets at a regional level relates to data. In particular, figures on credit, assets and debt-service costs – all of which we have argued are critical in the overall assessment – are not readily available. While most figures commonly bandied about on the topic of Canadian household balance sheets are attributed to Statistics Canada – including the oft-cited average household debt-to-income ratio of 148% – the agency does not break down the metrics on a provincial basis. Equifax Canada has a useful database on consumer credit across the provinces, but it does not include residential mortgages, or loans by the entire universe of non-bank financial institutions.

The most detailed regional household financial snapshot comes from the Ipsos Reid Financial Monitor, which is based on a comprehensive quarterly survey of 12,000 households from coast to coast. This survey has its limitations. For one, the quality of this data is reliant on the accuracy of the responses. There might be, for example, a tendency for households to over/under estimate the value of their homes. In addition, for smaller jurisdictions in the Atlantic, the reliability of the survey is reduced by the relatively small sample sizes, thus necessitating the need to aggregate the data across smaller regions. Despite these limitations, the Financial Monitor is a highly credible source. In fact, it is used extensively by the Bank of Canada in its assessment of financial stress among households. As such, several indicators within the survey form the backbone of our regional household vulnerability index.

The index is composed of six sub-components which we believe capture the financial vulnerability of households:

- The debt-to-income ratio – combined total of residential mortgages, lines of credit and other consumer loans as a % of personal disposable income. This captures the extent of the run-up in debt, relative to the income available to service the financial obligations.
- The debt-to-assets ratio – total household debt as a per cent of total assets. This gauges the deterioration or improvement in the household balance sheet.
- The ratio of existing home prices to income – average resale prices from Multiple Listing Service (MLS) as a per cent of disposable income. This captures relative overvaluation in the housing market as well as the susceptibility of household balance sheets to a housing price correction.
- The debt service ratio – interest and principal payments as a per cent of income. This captures household's ability to cope with their monthly debt obligations.
- The share of financially vulnerable households – proportion of households with a debt service ratio of 40% or above. This threshold is used because Bank of Canada research shows that the probability of defaulting on one's loans increases significantly once the debt-service ratio reaches that mark.
- The personal savings rate – the share of each dollar of disposable income that is not spent. Funds stashed away could be drawn on in the event of a financial surprise, providing some measure of protection.

In order to generate the overall indices by region, weights were assigned to these six sub-components based on what we believe to be their relative importance. For instance, the measure of debt serviceability and the share of financially-vulnerable households, combined, have been allocated 40% of the overall index weighting (20% each) given the strong link between a household's cash-flow situation and the risk of financial problems. In contrast, the debt-to-income, debt-to-assets, personal savings rate and home prices-to-income ratios each comprise 15%. We recognize that there is considerable judgement involved in choosing the components and their weights. Nonetheless, we feel our index provides a solid basis for ranking regions by degree of household financial risk.

Also keep in mind that the actual index levels looked at in isolation carry little meaning due to the statistical methodology applied to derive the index. Rather, what is meaningful is how a region's level stacks up against others and the degree to which the index changes over time. While the spotlight naturally falls on the vulnerability level, relative changes are equally critical to take into account. This

is because major swings can leave households unprepared in the event of a sudden shock. Over time, adjustments can be made to spending patterns and/or lifestyles that can ultimately mitigate risks.

Lastly, there is one glaring omission in the index calculation – that being that indices are generated based on prevailing borrowing rates at any given point in time. Yet much of the concern on this issue surrounds the impact on household finances once interest rates rise back to more "normal" levels over the medium term. For this reason, we've provided an "adjusted" index reading that builds in the impact of an increase in the Bank of Canada's overnight rate from its current level of 1% to 3%, which is where TD Economics forecasts it to be by the end of 2012. The regions that are most affected by this adjustment are those that have the highest share of individuals at, or near, a position of financial stress (i.e., 40% debt service ratio).

All regions increasingly vulnerable

The results of this exercise are provided in the accompanying table . Before we turn our attention to how the regions vary in terms of relative financial vulnerability of their households, we first highlight some of the common trends:

Vulnerability has been increasing from coast to coast over the past two years – prior to 2009, trends in the vulnerability index were mixed across the country, with some regions experiencing sharp increases while others registered declines. However, over the past two years, vulnerability has headed higher right across the board, and for the majority of regions, increases in the index began to accelerate in 2007.

The rising household debt-to-income and home price-to-income ratios have been the major catalysts driving up vulnerability – the debt-to-income ratio has followed an upward track in all regions since the mid-part of the 2000s,

Household Financial Vulnerability Index by Region

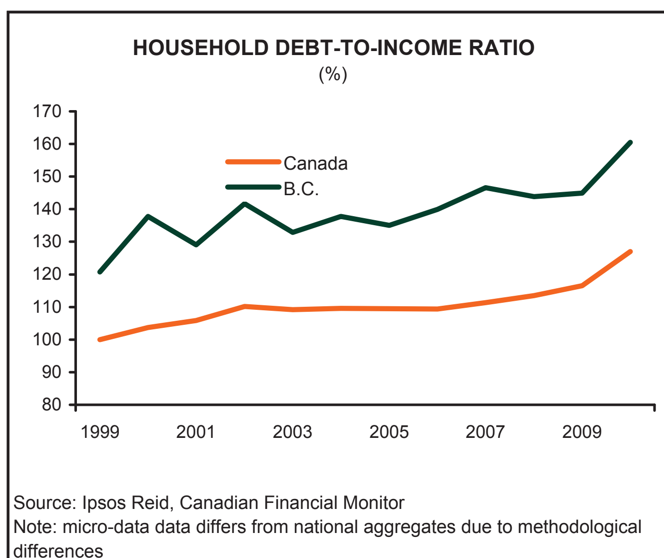
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010-to-date*	Adjusted **
Relative Index Level, Canada=1.0													
Atl.	0.90	0.90	0.98	0.89	0.82	0.86	0.95	0.83	0.85	0.82	0.83	0.79	0.78
QC	0.87	0.87	0.83	0.83	0.89	0.78	0.81	0.86	0.82	0.82	0.83	0.81	0.80
ON	1.04	1.02	1.05	1.02	1.03	1.05	1.03	1.04	1.06	1.04	1.06	1.05	1.06
MB	0.90	0.75	0.82	0.83	0.86	0.89	0.80	0.84	0.81	0.85	0.77	0.75	0.76
SK	0.82	0.88	0.81	0.84	0.84	0.89	0.91	0.87	0.74	0.87	0.91	0.94	0.93
AB	1.02	1.04	1.09	1.11	1.09	1.10	1.08	1.00	1.02	1.10	1.06	1.11	1.11
B.C	1.20	1.28	1.16	1.25	1.16	1.23	1.22	1.24	1.29	1.26	1.21	1.24	1.25
Actual Index Level													
Atl.	8.4	8.8	9.6	8.9	8.7	8.6	8.8	8.0	8.3	8.1	8.0	8.3	8.8
QC	8.5	8.6	8.6	8.7	9.4	8.0	8.1	8.5	7.8	8.1	8.2	8.3	8.9
ON	8.7	9.0	9.4	9.2	8.9	9.0	8.6	8.7	8.8	8.8	9.0	9.2	10.2
MB	8.3	7.5	8.0	7.9	8.3	8.4	7.3	7.9	7.5	7.7	7.3	7.0	7.6
SK	7.4	8.3	7.8	8.1	7.9	8.1	8.0	7.9	6.6	8.1	8.3	8.6	9.3
AB	8.5	9.2	9.3	9.4	9.5	9.6	9.1	8.2	8.1	8.7	8.8	9.5	10.5
B.C	9.8	10.3	9.6	10.4	9.6	10.1	9.8	9.6	9.8	10.1	9.6	10.4	11.6
Actual Index Annual % Change													% change vs. 2006
Atl.		5.2	8.1	-7.1	-2.4	-0.5	2.2	-9.6	4.8	-2.6	-2.0	3.5	10.2
QC		1.9	-0.4	1.0	8.7	-15.4	1.1	4.8	-8.0	3.8	1.1	1.8	5.3
ON		2.5	5.2	-2.5	-2.6	0.4	-3.9	1.2	0.5	0.6	1.2	2.7	16.9
MB		-9.6	6.5	-0.6	5.2	0.3	-13.2	9.4	-5.8	3.5	-5.7	-4.4	-4.3
SK		12.6	-5.9	3.6	-2.6	2.1	-1.0	-1.2	-15.9	21.1	3.6	3.5	18.0
AB		7.6	1.2	0.8	1.4	0.6	-5.1	-9.3	-2.0	8.2	0.4	8.7	27.9
B.C		5.3	-6.9	8.9	-8.1	5.5	-2.9	-2.1	2.0	3.1	-4.8	7.6	20.2

Variables include : debt-to-income*0.25+debt-to-assets*0.15+(home prices/pdi)*0.15+debt-service ratio*0.25+share of households with debt service ratio over 40%*0.20 *assuming all else remains constant. Data is adjusted to smooth out cyclical volatility, and put all six indicators on a common scale to make them comparable. This helps ensure that indicators that tend to be larger in magnitude do not weigh on the index more heavily than other indicators simply because of their size. To do this we use a process called normalization. The formula for this process is as follows: given indicator at a point in time – average across regions – all divided by the standard deviation(also known as the degree of volatility) of each indicator across regions. In order to assess country performance across years, the average across regions and the standard deviation across regions are calculated for a reference year, in this case we used 1999.

*Includes first three quarters of 2010

**2010 Index is adjusted with the assumption of an overnight rate at 3.0%

Source: Ipsos Reid, Statistics Canada, Calculated by TD Economics



reflecting in large part the strength of housing markets and the significant easing in mortgage insurance rules in late 2006. These home price increases supported the asset side of the ledger and mitigated the upward trend in the debt-to-asset ratios over the past half decade.

Debt-service ratios have been falling and remain in a comfortable range – despite rising indebtedness, the falling cost of borrowing has been pulling down the share of income households have been shelling out to service obligations. Low interest rates have also helped to keep a lid on the share of vulnerable households in recent years.

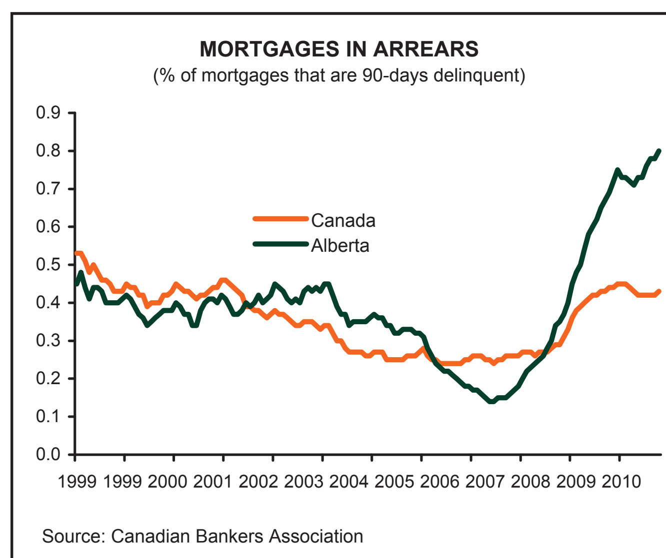
All regions will experience a substantial increase in vulnerability over the next few years – our adjusted index shows that even assuming that the debt-to-income ratio holds constant at current levels, which would seem unlikely, vulnerability is set to rise across the board in lockstep with short-term interest rates.

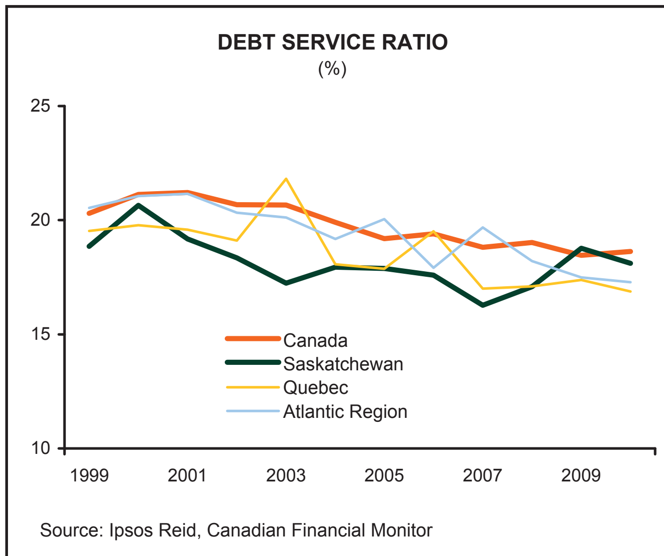
Abstracting from these commonalities, the results show that important differences in terms of regional vulnerability. We now provide some highlights by region.

Most vulnerable

Reflecting the lofty costs of homeownership, households in **British Columbia** record the highest vulnerability. In particular, B.C. residents on average register the highest debt-to-income ratio, debt-service cost, and greatest sensitivity to rising interest rates. What's more, B.C. is the only province where the average savings rate is negative. None of this is new, however, as the province has systematically been the most vulnerable since the start of our data series in 1999. The structural nature of this challenge suggests that there maybe factors at play that are not being captured in the aggregate data. For example, the province's relatively large economic reliance on its service sector and self-employment – two areas that tend to have higher-than-average incidences of non-reported income – might be superficially driving down income and driving up the various sub-index readings. In addition, B.C. households appear to have adopted coping mechanisms, such as renting out basement apartments, which might not be fully factored into the income side. Even if these factors are part of the story, they don't address the fact that British Columbia's index level has recorded the second fastest rate of increase among the provinces over the past half decade. Higher interest rates over the next few years threaten to leave as many as one in ten households in B.C. in a position of financial stress. On the plus side, rapidly-appreciating home prices in the province has left the debt-to-asset ratio – a metric of household leverage – below the Canadian average. Still, with the home price-to-income ratio pointing to some ongoing over-valuation in the housing market, stable B.C. home values are far from assured.

Alberta households rank second in terms of relative vulnerability. While the level of the index is not significantly higher than third place Ontario, its rate of increase since 2007 has been unrivalled across the country, pulling the province closer to first place British Columbia. The increasing signs of household financial strain in Alberta – which is reflected in both higher and more sharply rising 90-day mortgage delinquency rates than in other regions though the absolute level remains quite low – take root in the legacy impacts of the implosion of the commodity and housing bubbles in 2007-08, which left many households exposed. More favourably, the recent correction has brought down the home price-to-income ratio to more normal levels, and





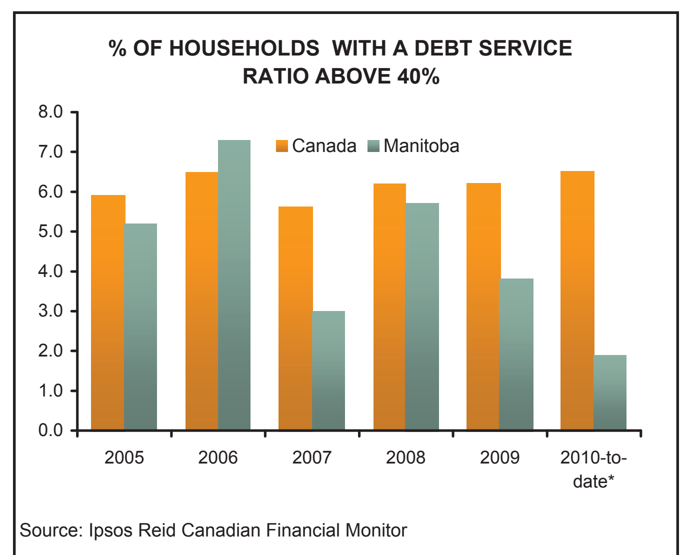
the improving economy will provide leeway to households in strengthening their balance sheets over the next few years even as interest rates come off their lows. The share of vulnerable households has actually declined in recent years, perhaps reflecting some easing in cost pressures that had been a major challenge earlier in the last decade. This trend is likely to be reversed going forward, as higher borrowing costs ultimately push those currently close to the line over the threshold.

In **Ontario**, the story is a consistent one. All the sub-components fall in either second or third position in the rankings, while the rate of increase in vulnerability since 2007 ranks third highest after adjusting for the impact of more normal interest rates. Not unlike their counterparts, Ontario households have been accumulating debt over the past decade largely to invest in housing. This trend, combined with rising home prices, has kept the debt-to-asset ratio stable since 2003. However, over the past two years, this ratio has begun to increase significantly. While some of the story appears to lie in a moderate drop in home prices, a more important development appears to be an increasing borrowing share for purposes other than financing home purchases (i.e., home renovations and for consumption). Ontarians also appear more exposed to a housing price correction compared to most other parts of the country, as suggested by a higher-than-average home price-to-income ratio.

Next in line we have **Saskatchewan.** This province registers on the radar screen for the speed at which it has caught up to other provinces in terms of vulnerability. It was only 2006 when Saskatchewan recorded the lowest vulnerability index among the provinces. Since 2007, however, households have been taking advantage of low interest rates and a relatively strong economic backdrop to borrow and build up their asset bases. Debt levels remain relatively low in the province – a reflection in part of the strong income gains that were recorded in lockstep in recent years. In fact, at 116%, the debt-to-income ratio remains some 20-45 percentage points lower than in British Columbia, Alberta and Ontario. While debt levels might not be excessive, other sub-components place household financial positions in Saskatchewan in a less favourable light. In particular, Saskatchewan debt holders shell out almost as much of their monthly income to servicing their debt as those in Ontario and Alberta. Moreover, the share of vulnerable households is currently higher than in all other regions.

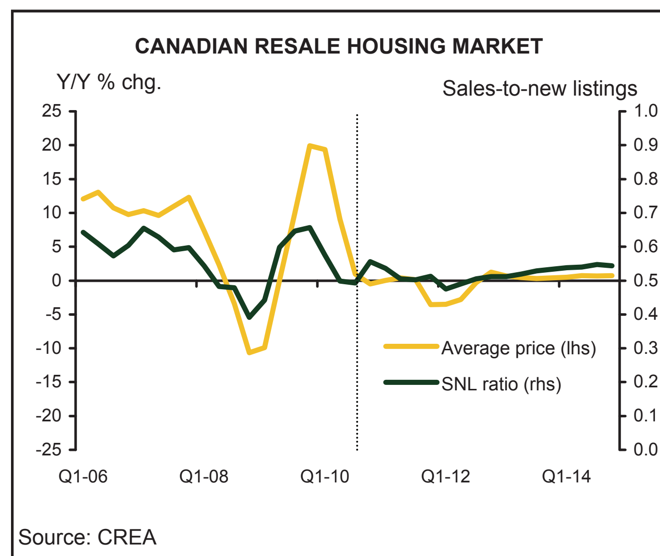
Moderate Vulnerability

In the **Atlantic Region** and **Quebec**, the situation revolving around household debt appears to be sustainable, at least for now. Their respective debt-to-income ratios have grown quite rapidly since 2007, but not enough to lead to a deterioration in the capacity of households to carry that debt (as evidenced by their low and declining debt-service ratios). More broadly, the debt-to-income, debt-service and share of vulnerable households remain low by Canadian standards. And even building in impacts of higher interest rates, the debt-service ratio in these provinces will likely remain below their historical peak. That's not to say that the horizon is free of clouds. Vulnerability has still been increasing since 2007, while the debt-to-asset ratio in both regions remains at the high end of the range. In addition, with home prices a relatively high five times income, Quebec has the added burden of possible housing market weakness.



Relatively low vulnerability

Manitoba not only records the lowest vulnerability of the regions, but it is the sole jurisdiction whose index – adjusted for likely increases in interest rates – is actually lower than in 2006. This result reflects a combination of relatively slow debt accumulation, which has kept a lid on the cost of servicing debt. In fact, based on our estimates, the average Manitoba household will be earmarking roughly 40% less of each after-tax dollar toward debt service payments than a B.C. household. At only 100%, the debt-to-income ratio is in line with Quebec and the Atlantic provinces. Yet, Manitoba households boast a considerably lower debt-to-asset ratio than these regions. The proportion of home prices to income is also at the low end of the spectrum, implying a comparatively well balanced housing market.



Conclusion

According to our financial vulnerability index, the susceptibility of households to unanticipated economic surprises – such as a substantial increase in unemployment, a housing price correction or a spike in interest rates – varies across the country. Households in British Columbia, Alberta, Ontario and Saskatchewan are most vulnerable on average, while those in Manitoba are least vulnerable.

Despite the picture of growing vulnerability from coast to coast over the past few years,we do not believe that there is a household financial crisis in the making *in any region*. In particular, the stage appears to be set for a moderation in the pace of household debt growth. A combination of higher interest rates and recently-announced changes to borrowing rules for CMHC insured mortgages should act to keep housing market conditions in check going forward. Increases in short-term rates are expected to be relatively gradual, affording households some time to adjust. At the same time, household incomes are projected to grow at a decent 3.5-4.0% on average over the next few years – a pace that would be supportive to meeting the rising cost of servicing debt but not fast enough to provoke another spending boom that would take debt burdens to new heights. Still, the cooler trends expected in both borrowing and spending will need to be sustained for at least a few years before the warning lights stop flashing yellow.

CANADIAN HOUSEHOLD DEBT INDICATORS BY REGION

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010-to-date*	Adjusted**
Debt-to-Income Ratio (%)													
Can.	100.0	103.7	105.9	110.2	109.2	109.6	109.5	109.4	111.3	113.5	116.5	127.0	-
Atl.	88.3	88.7	99.7	95.7	86.2	90.2	100.4	89.7	91.0	89.9	93.8	96.7	-
QC	84.4	87.8	85.0	87.3	92.1	82.1	85.6	87.6	87.6	90.5	93.4	99.5	-
ON	105.3	106.0	111.3	113.9	114.1	117.4	114.4	116.7	118.8	118.8	124.5	135.2	-
MB	87.3	78.5	86.0	90.3	90.6	92.1	86.7	86.8	90.3	97.5	91.2	100.1	-
SK	82.6	89.7	84.5	90.8	93.0	98.9	102.1	94.2	82.2	92.7	100.0	116.8	-
AB	105.0	108.7	119.1	127.2	122.8	121.5	121.9	112.0	118.5	131.5	127.3	143.2	-
B.C	120.7	137.7	129.0	141.7	132.8	137.8	135.0	139.9	146.6	143.8	144.9	160.5	-
Debt Service Ratio (%)													
Can.	20.3	21.1	21.2	20.7	20.7	19.9	19.2	19.4	18.8	19.0	18.5	18.6	22.7
Atl.	20.5	21.1	21.1	20.3	20.1	19.2	20.0	17.9	19.7	18.2	17.5	17.3	19.9
QC	19.5	19.8	19.6	19.1	21.8	18.1	17.9	19.5	17.0	17.1	17.4	16.9	19.6
ON	20.2	21.6	22.2	21.4	20.2	20.3	19.1	19.7	19.5	19.6	18.9	18.9	23.0
MB	19.8	18.7	20.0	19.0	19.8	18.7	16.7	19.7	18.0	16.3	15.1	14.3	16.1
SK	18.9	20.7	19.2	18.3	17.2	17.9	17.9	17.6	16.3	17.1	18.8	18.1	21.4
AB	20.2	20.7	21.0	20.0	20.6	20.6	19.4	18.2	18.1	18.8	19.1	19.2	23.4
B.C	22.3	23.4	22.1	22.9	21.6	21.7	21.6	20.4	20.9	22.8	19.7	22.0	26.4
Share of Vulnerable Households (% of households with a debt-service ratio above 40%)													
Can.	7.2	8.4	8.3	6.7	6.9	7.0	5.9	6.5	5.6	6.2	6.2	6.5	
Atl.	6.3	9.1	11.5	6.2	5.4	7.2	7.2	5.3	5.4	5.4	5.7	6.3	6.7
QC	6.7	7.8	7.5	6.8	6.8	4.8	4.8	7.4	5.3	5.5	5.3	5.6	6.4
ON	7.6	8.2	9.1	6.0	7.5	6.8	6.2	6.1	6.4	6.7	6.9	6.9	9.4
MB	7.4	3.3	5.8	4.8	7.5	10.5	5.2	7.3	3.0	5.7	3.8	1.9	4.6
SK	3.4	7.2	6.1	6.8	5.7	6.0	4.6	6.7	2.0	10.2	8.7	8.8	9.5
AB	6.0	9.5	8.9	7.1	7.9	9.8	6.4	6.2	3.8	5.1	5.2	8.4	10.5
B.C	10.0	10.1	6.7	8.6	5.6	9.1	7.4	7.3	7.3	7.4	6.4	5.9	9.8
Debt-to-Asset Ratio (%)													
Can.	28.1	27.8	29.1	31.6	29.8	28.6	27.9	25.4	24.7	25.8	27.0	28.7	-
Atl.	28.3	28.7	33.0	33.3	33.0	31.5	30.2	28.3	28.4	28.8	27.1	29.8	-
QC	30.8	30.2	31.0	33.2	34.7	28.1	28.6	25.6	25.2	27.5	27.7	29.3	-
ON	27.5	25.9	28.2	30.1	27.4	27.3	26.5	25.7	25.6	25.6	27.4	28.6	-
MB	27.8	26.6	25.3	27.6	27.1	25.6	23.2	21.3	24.2	26.5	26.9	25.5	-
SK	24.2	25.9	25.2	28.9	29.8	29.0	28.8	26.5	19.7	22.2	22.6	25.7	-
AB	28.0	30.0	30.0	34.0	33.4	31.5	32.0	23.8	22.2	26.2	27.0	30.2	-
B.C	27.5	28.8	28.2	32.7	28.8	29.5	26.9	24.5	23.4	23.7	26.1	27.2	-
Home Price-to-Income Ratio													
Can.	3.2	3.3	3.4	3.7	4.1	4.4	4.8	5.2	5.6	5.5	5.7	5.9	-
Atl.	2.2	2.3	2.4	2.5	2.7	2.9	3.0	3.0	3.1	3.4	3.6	3.7	-
QC	2.5	2.6	2.6	2.9	3.4	3.8	4.1	4.2	4.5	4.7	4.8	5.0	-
ON	3.1	3.2	3.3	3.7	3.9	4.2	4.4	4.7	5.0	4.9	5.1	5.3	-
MB	1.9	1.9	2.0	2.1	2.2	2.5	2.8	3.1	3.3	3.5	3.7	3.9	-
SK	2.1	2.1	2.1	2.2	2.3	2.4	2.7	2.7	3.4	4.2	4.2	4.2	-
AB	2.6	2.7	2.7	3.0	3.3	3.4	3.6	4.4	5.4	5.1	4.8	4.8	-
B.C	4.5	4.7	4.7	5.0	5.5	5.8	6.6	7.5	8.2	7.9	7.9	8.4	-
Personal Savings Rate (%)													
Can.	4.0	4.7	5.2	3.5	2.6	3.2	2.1	3.5	2.8	3.6	4.6	3.9	-
Atl.	4.1	2.7	3.2	1.1	-0.1	0.3	-0.2	3.4	0.6	-1.0	1.0	0.7	-
QC	3.4	3.8	4.7	4.0	3.9	3.8	2.4	2.7	3.0	3.3	4.6	4.2	-
ON	6.5	7.6	6.8	4.8	3.7	3.9	2.4	3.8	3.1	2.8	3.7	2.9	-
MB	4.8	4.9	4.8	3.1	2.9	3.3	1.1	2.5	1.9	3.5	3.7	3.1	-
SK	0.5	-0.9	-2.6	-4.6	-2.5	1.9	-1.5	-2.2	-1.7	6.4	4.3	4.7	-
AB	3.1	4.5	9.5	7.1	6.3	9.0	9.7	12.2	10.8	14.0	16.0	15.0	-
B.C	-2.0	-1.5	-1.0	-2.9	-4.5	-4.6	-5.4	-4.1	-5.1	-3.7	-4.0	-4.2	-

*Includes first three quarters of 2010
** Assumes an overnight rate of 3.0%
Source: Ipsos Reid, Statistics Canada, Calculated by TD Economics

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