

Sujet traité : Le niveau de vie des Canadiens a subi l'une des pires baisses en 40 ans / Canadian living standards have suffered one of the worst declines in 40 years

Source : Wealth Professional Date : 17 mai 2024

Industry news

## Canadian living standards have suffered one of the worst declines in 40 years

New report calls for urgent action from policymakers to address the issue



**Current decline in GDP per person (living standards) is already the second longest over the last 40 years and may not have ended yet**



By [Steve Randall](#)

May 17, 2024

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The last couple of years has been tough for most Canadians with inflation and [interest rates](#) putting household budgets and personal expenses under pressure. But a decline in living standards has been building over a longer period, a new report shows.

From 2019 to the end of 2023, per-person GDP (adjusted for inflation) dropped 3% from \$59,905 to \$58,111, according to an analysis from the Fraser Institute.

This was the third worst decline in this broad measure of living standards in the past 40 years, behind the 5.3% decline between 1989 and 1992 and the 5.2% decline between 2008 and 2009. However, it is the second longest decline (18 fiscal quarters) behind the 1989-1994 period (21 quarters).

Unlike the other periods though, the decline in per-person GDP since the second quarter of 2019 briefly recovered in the second quarter of 2022, but then continued lower and is now below that of the 2019 figure.

Using per-person GDP is often considered to be a more accurate measure of an economy because it takes into consideration fluctuations in population size. Significant increases in population, often driven by immigration, having the potential to negatively impact the stats if per-person incomes do not also increase.

A recent report from Statistics Canada found that [millions of Canadians have a lower quality of life with financial strain among the main reasons.](#)

## Still declining

But there's more bad news highlighted by the authors of the report, titled Changes in Per-Person GDP (Income): 1985 to 2023, because they say that living standards by the metric used has continued to decline beyond their analysis period, which could lead the current period to become the longest and steepest in history.

"Despite claims to the contrary, living standards are declining in Canada," said Grady Munro, policy analyst at the Fraser Institute and co-author of the report.

Jason Clemens, study co-author and executive vice-president at the Fraser Institute, added that the report should be a wake up call for Canadian policymakers "to immediately enact fundamental policy reforms to help spur economic growth and productivity."

