Median household income doesn't cover costs

Disconnected from the region's demographic and business realities, the Regional Growth Strategy will only make things worse

BY JOCK FINLAYSON, VANCOUVER SUN MAY 21, 2011

The Vancouver Sun has recently published stories and editorial commentary on Metro Vancouver's Regional Growth Strategy. Overall, The Sun's coverage offered an unflattering portrait of the RGS and the process used to develop it, focusing in particular on the absence of a solid economic foundation. Within the region's business community there is little support for the RGS in its present form. This isn't surprising, as suggestions from business and employer organizations appear to have had almost no influence in shaping its content.

As drafted, the Regional Growth Strategy is more of a "preservationist" document than a flexible framework for managing and governing a complex region with extensive and growing economic, business and cultural ties to wider North American and global markets.

One key shortcoming is the lack of attention given to the region's industrial base. Although there is passing reference to "a long-term commitment to economic prosperity . and environmental integrity," the RGS has almost nothing to say about the region's industrial structure, job patterns and prospects, or household incomes.

Nor does it contain insights, data or indeed any useful information at all on the changing global economy and how this is likely to affect the region in the decades ahead.

The RGS is essentially a land use plan, dressed up as a strategy for managing growth.

As for the industry sectors that comprise the region's economy, the RGS is preoccupied with agriculture and gives short shrift to the other industries that support the 1.25 million jobs that generate most of the income received by Metro residents. Barely a word is devoted to manufacturing -which provides close to 100,000 jobs -nor to tourism, advanced technology, transportation, construction, the film and digital media sectors, or the economically important post-secondary education sector. Greater Vancouver's role as Canada's biggest port and as a leading North American gateway to the dynamic Asia-Pacific region is overlooked.

These lacunae are odd considering Metro Vancouver's less-than-stellar economic record. In this connection, it is instructive to examine how this region compares with other Canadian urban communities on family income.

Last fall, Statistics Canada published data on "median" total income for "census families" for 28 metropolitan areas. "Census families" are households consisting of two or more related individuals. "Median income" defines the halfway point of the income distribution (half of families are above, and the other half are below, the median).

The picture that emerges is sobering. At $68,670, Greater Vancouver ranks 20th out of 28 metropolitan areas on this core standard of living indicator, despite having the most expensive housing in the country. Not only does Metro Vancouver trail Calgary ($91,570), Ottawa ($90,990) and Edmonton ($88,190) in median family income - we also lag behind Regina, Saskatoon, London, Winnipeg, Hamilton, Sudbury, Quebec City, St. John's, Halifax and even Windsor.

The good news is that there has been reasonable growth in incomes since the mid-2000s, but not on a scale sufficient to alter Greater Vancouver's status as a relatively low-income Canadian urban region. The factors behind this status include a limited base of high-paying jobs, a large local population of disadvantaged individuals, and high rates of immigration -coupled with the difficulties many new Canadians face in finding employment.

Of interest, the Toronto and Montreal census metropolitan areas -which also attract large numbers of immigrants -also suffer from low median incomes. Contrary to common perceptions, most immigrants arriving in Canada are not particularly affluent and many struggle to make their way in the job market.

One would think those charged with formulating Metro's Regional Growth Strategy would be seized with the issues of job quality, integrating immigrants into the workforce, and advancing the economic well-being of residents.

The RGS does emphasize the desirability of preserving some industrial land to protect employment, although it fails to address Port Metro Vancouver's need for suitably zoned lands in Richmond and Delta to support the port's future growth. The plan sets no goals to improve household incomes, to encourage the development of high-value tradable industry clusters, or to reinforce the region's role as a gateway for international trade and tourism.

A well-balanced regional growth plan would include commitments to build an economic climate that attracts and retains jobs, to smart and efficient regulation, to value-formoney in services and taxation, and to coordinated, region-wide efforts to bolster the Lower Mainland's competitive position in a North American context.

The RGS is silent on all of these fronts -it is essentially disconnected from the region's economic, demographic and business realities.

Greater Vancouver's population is projected to climb by more than one million by 2030, driven by immigration. Housing and fostering decent employment opportunities for this expanding population will pose significant challenges for regional policy-makers. Unfortunately, the RGS will be of little use in tackling these challenges.

Jock Finlayson is executive vice-president of policy at the Business Council of British Columbia.