

Vancouver Economy Report

Sewing opportunity in
**Performance
Apparel and
Fashion**

Plus
Artificial Intelligence
flexing Vancouver's
bench strength

Beyond GDP Metrics
Minimum (and Living) Wage
Measuring Happiness

Spring 2022

“A strong economy and a healthy society go hand in hand,”

declares the Government of British Columbia’s new economic plan **StrongerBC**.

“British Columbia’s gross domestic product could outpace the world, but if people aren’t feeling the benefits of the economy in their lives and in their communities, then the economy may be growing, but it’s not working.”

It’s clear that leaders in BC’s government and economic development ecosystem broadly agree on a shared goal of a healthy society, in which there is prosperity for all beyond GDP.

Many policymakers and business leaders advocate and strive for inclusive and sustainable growth; diversity and equality in gender, race, ethnicity, religion; easy access to education, transportation, affordable child and elder care; and freedom from poverty or economic hardship. Where we vary is in prioritization and action.

“**Many policymakers and business leaders advocate and strive for inclusive and sustainable growth**”

StrongerBC reinforces the provincial government’s commitments to clean and inclusive economic growth with six action areas ranging from supporting families to doubling down on BC’s climate commitments. Vancouver’s incubators and accelerators, like Foresight Canada, work to assist startups and help them grow into globally leading companies. Business improvement associations work to support local retailers and storefront businesses. Invest Vancouver aims to catalyze prosperity through regional strategic investment attraction services.

Vancouver Economic Commission, meanwhile, serves City of Vancouver priorities through an industry-agnostic approach, and by developing new projects and programs to advance its four pledges: local focus, local support; prioritizing climate action; meaningful reconciliation; and prosperity for all.

VEC sees systemic economic transformation as the mechanism for creating a shared, inclusive, resilient and zero-carbon future for Vancouver. This means long-lasting step changes are necessary to meet the demands of the future economy. We are committed to continue working with the City of Vancouver and other partners to define a multi-year, shared-purpose strategy and tangible actions and tactics that provide a framework for continued issues-based economic change in Vancouver.

Tell us what you think

Thank you for downloading the Vancouver Economic Commission's latest economy report. As you read it, please note we are always open to feedback to improve this publication. We invite you to complete our brief survey on its value to you.

Provide Feedback

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VEC respectfully acknowledges that it is located on the unceded ancestral territories of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and səliłwətaʔ / səliłwítulh (Tsleil-Waututh) Nations.



Performance Apparel and Fashion
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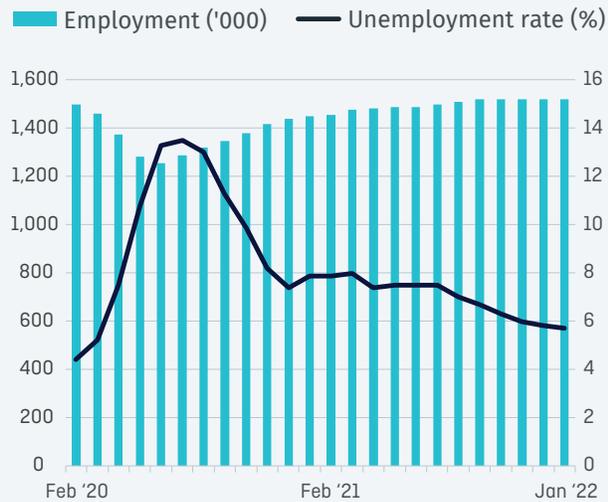


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Metro Vancouver Employment



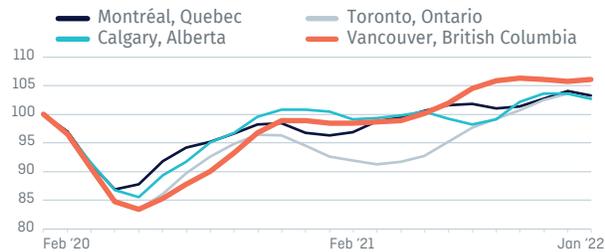
Source(s): Labour Force Survey, [Statistics Canada](#)

Metro Vancouver employment: fully recovered in absolute terms

Total employment increased steadily from June 2020 through to the end of 2021, with a small decline at the beginning of 2022 (down 2,400; -0.2%). This dip is attributable to the severe floods in the region and continued global supply chain challenges. Among Canada's four largest cities, Vancouver held the lowest unemployment rate for most of the last year.

Employment Indexes

Females, 15 years and over, February 2020 = 100



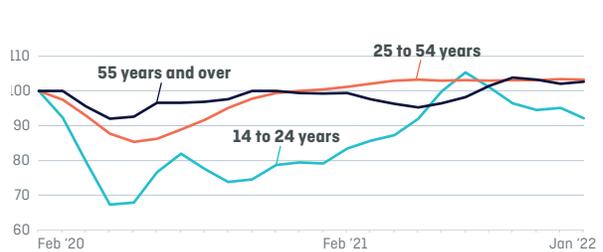
Female employment: recovered faster than other CMAs

Female employment in Metro Vancouver had fully recovered as of June 2021 and has now exceeded pre-COVID-19 levels of employment. This is despite the decline of 3,300 part-time jobs for females 25–54 years from February 2020 to January 2022. Full-time jobs were up 29,900 for females 25–54 years and up 3,100 by those 15–24 years during the same period. The “She-Cession” many cities experienced in the last two years has been largely overcome in Vancouver – at least in terms of absolute jobs and employment.

Source(s): VEC Analysis; Labour Force Survey, [Statistics Canada](#)

Metro Vancouver Employment Indexes

By age group, February 2020 = 100



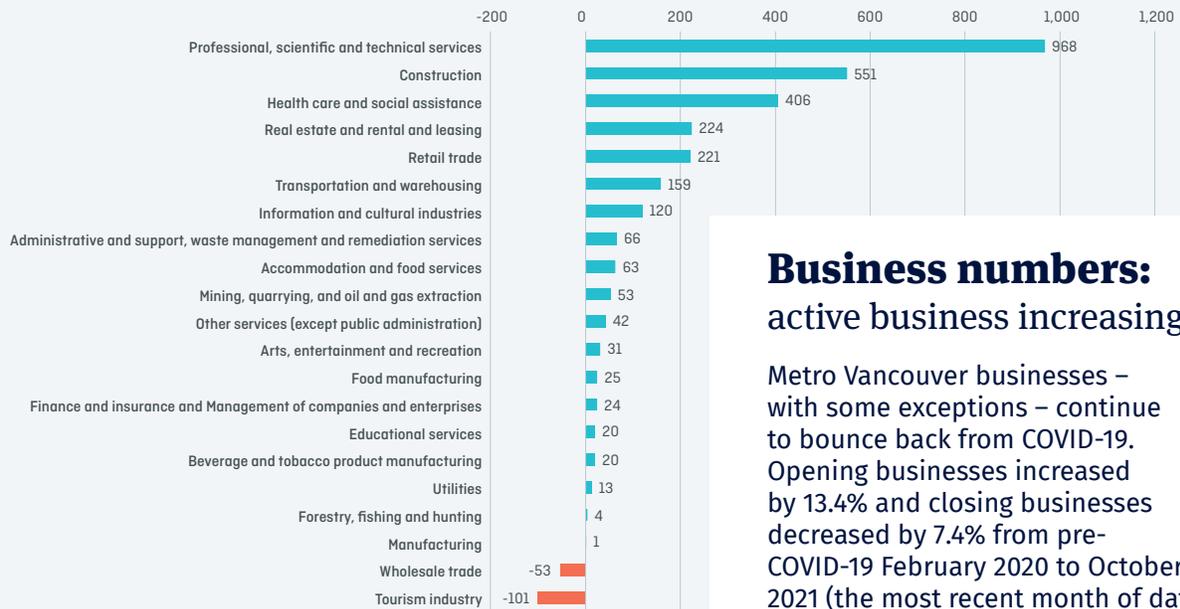
Jobs by age: youth employment hardest hit

Youth (aged 15–24 years old) suffered the most from COVID-19, particularly over Summer 2020 (an index decline of 33), but recovered to surpass pre-COVID-19 levels as of September 2021. However, this age group was hit again last fall and stood at an index of 92 in January 2022. Those aged 55 years and over also experienced an employment dip last spring (an index of 95 in June 2021) but recovered well by September 2021.

Source(s): VEC Analysis; Labour Force Survey, [Statistics Canada](#)

Metro Vancouver Business Numbers

Experimental estimates, Active Businesses, February 2020 to October 2021



Business numbers: active business increasing

Metro Vancouver businesses – with some exceptions – continue to bounce back from COVID-19. Opening businesses increased by 13.4% and closing businesses decreased by 7.4% from pre-COVID-19 February 2020 to October 2021 (the most recent month of data available).¹

Active businesses increased by 3,587 in the same period.²

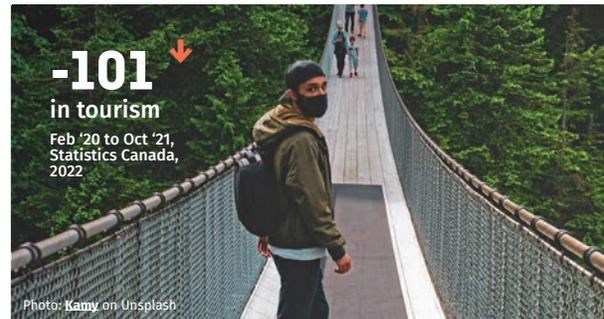
Source(s): [Statistics Canada](#)

Biggest increase



The most significant change in business numbers is to the professional, scientific, and technical services industry (+968, 8.3% increase from Feb 20 to Oct 21), where many tech jobs are categorized. While it is no secret that the tech industry in Vancouver experienced incredible growth in recent years, the success of other professional industries such as finance, management consultancy and life sciences has been instrumental in driving business growth.

Hardest hit

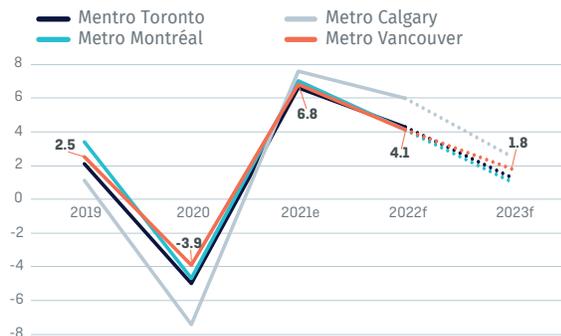


The tourism industry has been hardest hit by the pandemic, declining by 1,364 businesses to a low of 5,406 in May 2020. While the number of active businesses in the tourism industry has begun a slow recovery in summer 2020, the industry is still more than a hundred businesses – and many jobs – from the pre-pandemic baseline. Recently relaxed travel restrictions should provide a needed boost for this industry.

¹ defined as businesses that transition from having no employees in the previous month to having at least one employee in the current month

² those businesses that reported having one or more employees in a given month

Real GDP* Growth Rate Forecast



*: Chained (2012) dollars, (%) | e: estimate | f: forecast

Source(s): Mayor City Insights, [The Conference Board of Canada](#)

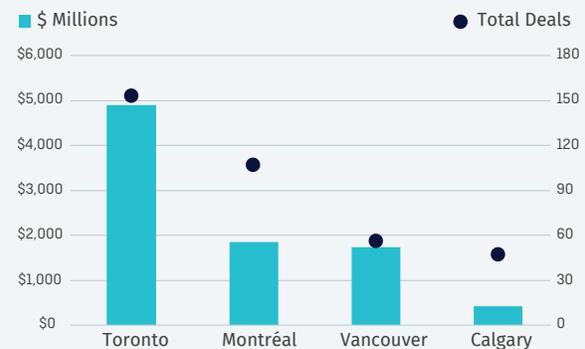
Regional productivity: rebounding strongly despite natural disasters

Despite significant economic impacts from a series of natural disasters in BC last year, Metro Vancouver’s real GDP was estimated to rebound by 6.8% in 2021 and forecast to hit 4.1% in 2022. As the city’s tourism industry recovers and BC experiences inflows of interprovincial travel, economists predict labour shortages will remain a central focus for Vancouver employers.

Venture capital: strongest on record for annual investment

The \$11.8B total investment across Canada in the first three quarters in 2021 made it the highest annual investment on records. Of this, British Columbia received 20% (\$2.3B) of total Canadian VC dollars. Vancouver alone saw 55 deals representing \$1,731 million in investment. The largest deal in Q3 was by local blockchain company [Dapper Labs](#) (\$319 million).

Top Venture Capital Deals YTD Q3 2021



Source(s): [YTD Q3 2021 Venture Capital Canadian Market Overview](#)

Top recent deals

Below are the deals by Vancouver-based companies among top 10 disclosed Canadian Venture Capital deals YTD Q3 2021



Total Raised: \$476 million

[Trulioo](#) is a regulation tech company that provides electronic identity and address verification of both individuals and businesses.



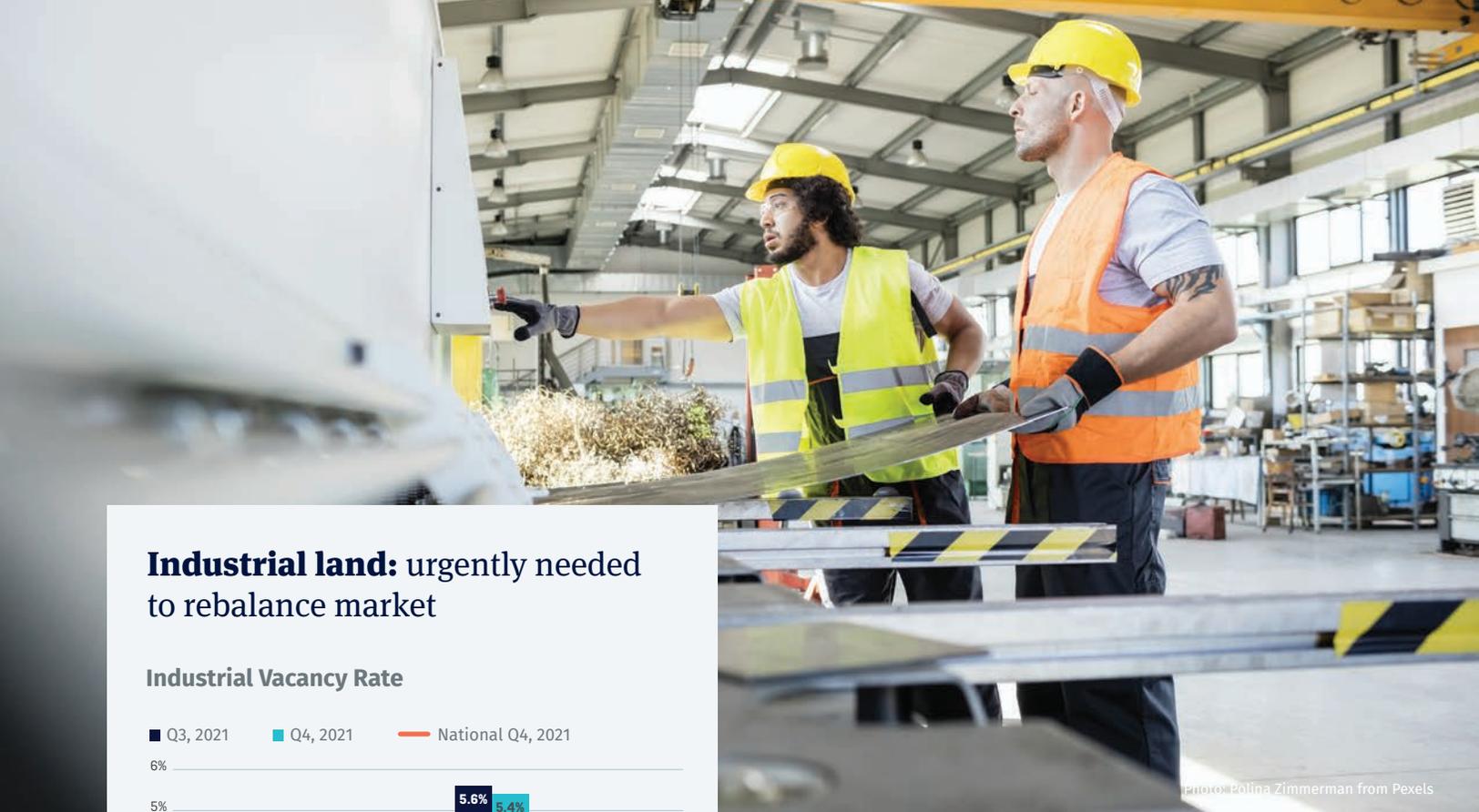
Total Raised: \$319 million

[Dapper Labs](#) is a consumer-focused Flow blockchain product made for fun and games, supporting digital collectibles.



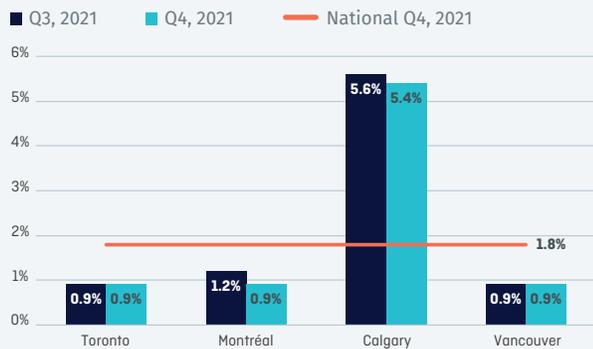
Total Raised: \$289 million

[Fraction](#) provides fintech solutions that enable homeowners to access the equity in their home with no monthly payments.



Industrial land: urgently needed to rebalance market

Industrial Vacancy Rate



Source(s): VEC Analysis; Canada Industry Figures, [CBRE](#)

Industrial availability in Metro Vancouver remains at a record low of 0.9% in Q4, 2021 while the average asking lease rate has jumped to another high of \$16.33 per square foot (the highest in Canada). Despite 1.2 million square feet of space becoming available in Q4, 2021 – due in part to progressive actions taken by local government (such as encouraging multi-storey industrial spaces) – strong levels of preleasing keep Vancouver’s industrial market among the tightest in North America.

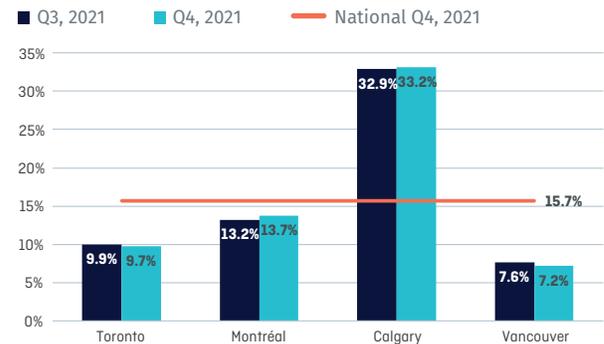
Looking for more data?

Refer to our online **Economic Snapshot** for the latest data sets, rankings and economic metrics.

[Go to Snapshot](#)

Office vacancy: rates improve for first time since the pandemic

Downtown Office Vacancy Rate



Source(s): VEC Analysis; Canada Office Figures, [CBRE](#)

According to CBRE, office availability in downtown and suburban markets declined in Q4 2021 – the first vacancy rate contraction since the pandemic began. Despite positive net absorption for the third consecutive quarter, Vancouver’s downtown office vacancy rate decreased to 7.2% (down from 7.6% in Q3, 2021). With 67.7% of the 2.9 MSF (million square feet) under construction in downtown already pre-leased, Vancouver may maintain its position as the tightest major downtown office market in North America.

beyond GDP Metrics

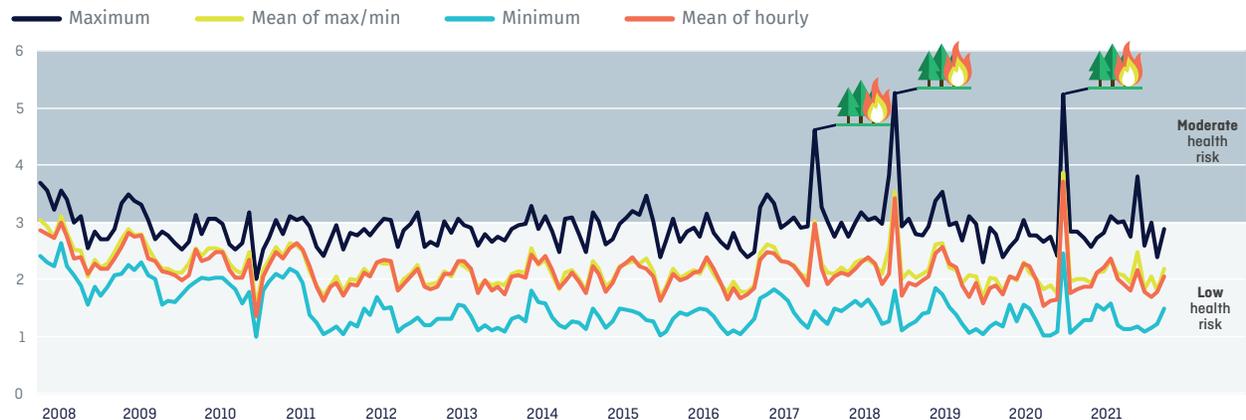
GDP (gross domestic product) is an important economic metric. However, VEC has long been an advocate of de-emphasizing GDP's role in measuring prosperity, feeling that the focus on this single metric comes at the detriment of other indicators of prosperous economies, and this is a position acknowledged and reinforced within the Province's new **Economic Plan**. VEC is therefore proud of its research team's ongoing research into new metrics vital to gauging economic health; moving forward, each issue of the economy report will curate the best of these new prosperity metrics.

Air Quality:

Is anything more important than clean air?

Metro Vancouver Air Quality Health Index*

Monthly, mean of daily index



*AQHI scale: 1-3 = Low health risk, 4-6 = Moderate health risk, 7-10 = High Health risk, above 10 = Very high health risk
Source(s): VEC Analysis; weatherstats.ca based on Environment and Climate Change Canada data

The **Air Quality Health Index** reports the level of air quality and health risks in communities by calculating the mixture of pollutants, which include particulate matter (PM_{2.5}), ground-level ozone (O₃) and nitrogen dioxide (NO₂). According to this index, Metro Vancouver's average hourly AQHI has remained around 2.1 since 2008.

Metro Vancouver saw three notable peaks in AQHI during the past 14 years, all caused by historic wildfires, which prompted the daily maximum AQHI above 11 – a very high health risk. Fine particulates are the main components of wildfire smoke and considered the biggest public health concern from outdoor air pollution in BC.

Cleanest City Air in the World

5,000 cities ranked, IQ Air, 2020

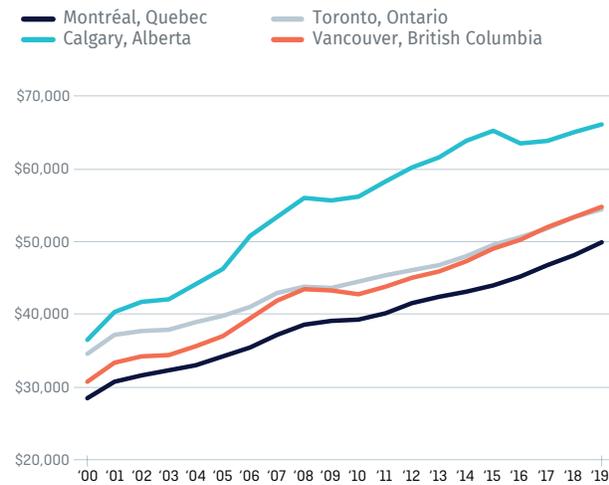
Ranking	Country	City
#1		Waimea, Hawaii
#388		Toronto, Ontario
#1,194		Vancouver, British Columbia
#1,978		London, England
#4,503		Beijing, China

Source(s): [IQ Air](http://IQAir.com), 2020

Median Income:

What is the income most Vancouver households live on?

Median after-tax family income, all family units



Source(s): [Statistics Canada](#)

According to the most recent available data, median after-tax income by all family units rose at the fastest pace in Metro Vancouver (+6.8%, from \$47,280 in 2014 to \$54,830 in 2019), in 2019 constant dollars.

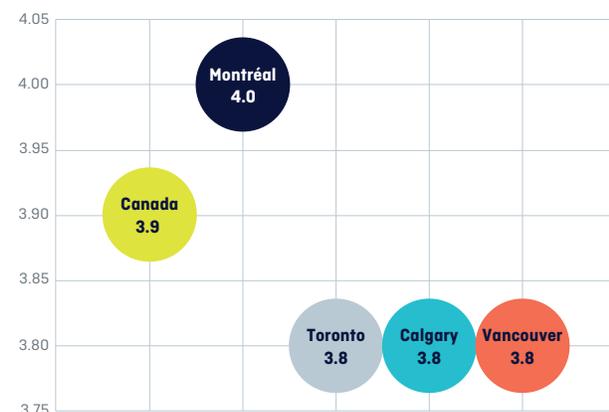
- Median after-tax income grew by 78% from \$30,790 in 2000 to \$54,830 in 2019 (unadjusted, all family units)
- Median after-tax income of lone-parent families doubled between 2000 to 2019
- Lone-parent family median incomes more than doubled from 2000 to 2019 in Metro Vancouver, Metro Montréal, and Canada
- However, both inflation and the rising cost of housing (ownership and rental) make life challenging for many Vancouverites

Social Inclusion:

Are people in Vancouver feeling included in society?

Social inclusion indexes

Mean, by selected geographic strata, 2021



Source(s): [Statistics Canada](#)

Designed and commissioned by CMHC, the Social Inclusion Index (SII) is calculated from five indicators: dwelling satisfaction, neighbourhood satisfaction, satisfaction with feeling part of the community, sense of safety, and economic hardship.

- SII scores were higher in the cities of Québec and Montréal (4.1 and 4.0, respectively), while lower in Vancouver (3.8)
- SII scores were higher in rural areas and smaller population centers, and in owner households and detached dwellings
- Strong general physical or mental health and general life satisfaction also play a role in high SII scores



Performance Apparel and Fashion

A hundred years in the making

Vancouver's high-performance apparel and luxury fashion industry was first catalyzed by its proximity to major global ports, an influx of skilled workers, and a distinct culture of outdoorsmanship and recreation. Despite periodic historic downturns from global recessions – most notably the dotcom and subprime mortgage crises of the '90s and late '00s – the industry persevered.

By the 21st century, four Metro Vancouver apparel firms had established themselves as international household names: [Arc'Teryx](#) (technical apparel), [MEC](#) (survival and recreational gear), [Lululemon](#) (premium athleisure and activewear), and [Aritzia](#) (premium attire). Today, Metro Vancouver is a centre of design for high-performance apparel, wearable technology, technical gear and premium attire.

The region is home to more than 375 gear and apparel firms spanning design, manufacturing, retail, e-commerce, virtual and augmented technology, and even machine learning. Notable Vancouver apparel labels include [Mustang Survival](#), [Herschel Supply](#), [Oak + Fort](#), [Kit and Ace](#), [Indochino](#), [Fluevog](#), [Native Shoes](#), [Aisle](#), [Tentree](#), [Vessi](#) and [FitMyFoot](#).

BC's outlook for future success and innovation in the performance apparel, gear and fashion industry is well-backed by the strengths of its numerous top-tier training institutions, which turn out graduates in the fields of new media and interactive arts, industrial design, engineering, material sciences, biomedical physiology and kinesiology, research, development and commercialization.

“It’s my dream that Vancouver becomes the Silicon Valley of premium apparel and gear. The outcome will be a thriving and sustainable economy that will provide endless opportunities for a key industry.”

Mark Anderson, VP of Engineering and Quality at Mustang Survival, Board Member of BC Gear and Apparel Association

375+
apparel companies
in Metro Vancouver

9,000+
apparel workers
in BC

4th
largest
manufacturing
sector in BC

\$5B+
economic
opportunity
for BC



Sewing Opportunity

As with other manufacturing sectors, the performance apparel industry creates career opportunities in research, development and design, materials engineering, assembly, distribution, points of sale, repair, and education. However, one of the foremost challenges in the industry remains the difficulty in filling these positions. A recent BC Apparel and Gear Association (BCAG) study estimates some 1,200 job vacancies today, and a labour market information report by the BC Alliance for Manufacturing projects that the provincial industry will grow from approximately 7,700 jobs in 2015 to 11,350 jobs by 2025.

These acute hiring needs come from both increased demand and production as well as filling vacancies from turnover and retirement. Highly skilled sewists, executives with leadership and executive backgrounds, fit specialist engineers, and e-commerce professionals with experience in the performance apparel and premium attire industries are in particularly short supply.

The industry is advocating for policies to address the labour shortage. One is an addition to the Global Skills Strategy so that these in-demand skills are fast-tracked through the immigration process. Another is collaboration between Ministries of Education and training institutions to certify programs or diplomas that train sewing and garment assembly technicians that can meet the needs and demand of local producers and factories.

“BC Apparel is at least a \$5 billion opportunity, but only a handful of global brands currently manufacture in BC. Furthermore, additional opportunities exist as we move into the era of smart fabric and wearable tech. Vancouver has been great at cultivating and promoting its tech sector. We risk losing an enormous opportunity by neglecting the advanced manufacturing processes that could leverage our bench strengths towards developing and manufacturing technical apparel, which includes performance and wearable technology.”

Marcus Ewert-Johns,
Executive Director, BC Alliance for Manufacturing

Deeper Dive

Additional Resources

- [BC Apparel Workforce Strategy](#)
- [MVRD Research and Resources](#)
- [MVRD 2020 Waste Composition Study](#)
- [Towards the Circular Economy in Textiles](#)
- [Unravelling the Problem of Apparel Waste in the Greater Vancouver area](#)
- [A Feasibility Study of Textile Recycling in Canada](#)
- [2020 HR Report: The BC apparel industry fights back against a talent shortage](#)



Vancouver Spotlight

Threading Change | threadingchange.org

Threading Change is an ambitious international youth-led organization working to achieve a Feminist, Fossil-Fuel-Free Fashion Future. The organization focuses on education, storytelling, innovation, and consultation to achieve a future where fashion is circular, just, and intersectional—with principles of climate, anti-racism, anti-oppression, gender, and racial equity at the forefront of design and production. Threading Change also provides expertise with the UN’s Sustainable Development Goals to companies aiming to implement sustainable and ethical solutions in the industry.

Massive ecofootprint for the apparel industry represents a massive opportunity for the circular economy

According to the Metro Vancouver Regional District (MVRD), textiles represent one of the fastest growing waste streams, accounting for **7.7 percent of all solid waste** produced in the region. The 44 million pounds of textiles tossed every year represents a significant contributor to the climate crisis: this is as much due to the raw materials, energy, synthetic chemicals and transportation required to create and sell products as the pollution and waste generated throughout the process and at garments’ end of life.

Thankfully, leaders in Vancouver’s industry are continually rising to the challenge. **Debrand** works with major apparel retailers and brands to reuse, recycle and ultimately recover value from surplus stock or other end-of-life textiles. The City of Vancouver (COV) and MVRD have considered the logistics and impact of banning textile disposal in landfills. In 2015, Vancouver Economic Commission joined COV and MVRD in a multistakeholder industry innovation lab convened on how to solve textile waste in the region, the outcomes of which are summarized in the paper “**Unravelling the Problem of Apparel Waste in the Greater Vancouver area.**” The facilitated lab still lives on as the **Textile Lab for Circularity**, and interested businesses are encouraged to get involved.

One outcome of the 2015 textile and apparel lab is the venture FabCycle, a collection service that works with local apparel manufacturers such

as factories, fashion designers and schools to collect, recycle and reuse bolt ends, scraps and offcuts. **FabCycle** now operates a Textile Waste ReUSE Centre in Vancouver, which provides an open and inclusive physical space for the local community to experiment with second-life textiles.



“Apparel circulating through the circular fashion system is designed so that it becomes a resource (asset) instead of a waste (liability) at the end of its life. In practice, this translates to products that are designed to last; and products that are designed to be recycled or returned to the biological cycle at the end of their useful life.”

Karen Storry and Andrea McKenzie,
“**Unravelling the Problem of Apparel Waste in the Greater Vancouver area**”



ways you can make a difference

1



Repair, reuse and recycle.

Hang on to items for longer by learning simple repair skills and upcycling apparel into different uses around the home.

2



Buy quality & buy secondhand.

Local thrift and consignment clothing stores have many, many options for the wardrobe!

3



Connect with community.

Visit FabCycle's Textile Waste ReUSE Centre or attend a textile repair café run by Frameworq or MetroVan Repair Café to connect with other enthusiasts

4



Start a conversation.

Did you know about the diverse opportunities in the sector? Kwantlen Polytechnic University, Vancouver Community College, Langara College and UBC all offer education in textiles, apparel, and fashion.

5



Explore how policy could bring positive change.

These policies include expedited immigration, the formalization of local training, or even industrial space-use and property zoning.

Artificial Intelligence

Vancouver's pool of tech talent, entrepreneurial spirit and bench strengths in disciplines like computer vision and generative learning have made the city a key node in Canada's robust artificial intelligence industry

British Columbia – and Vancouver in particular – is strong in fundamental artificial intelligence (AI), including artificial general intelligence (AGI), algorithmic game theory, generative models, and visual computing and computer vision. Vancouver is particularly known for applied AI and machine learning (ML). Applications of computer vision and visual computing are evident in the fields of medicine (rapid medical diagnosis), entertainment (visual effects, post-production, video games), virtual and augmented reality, and security (facial or object recognition).

Vancouver-founded companies leveraging AI include [MetaOptima](#), [EarthDaily](#) (formerly Urthecast), [BroadbandTV](#), [Dooly](#), [AbCellera](#), [Variational AI](#), [Quadrant](#), and [Sanctuary AI](#). Global multinationals find their way into the Vancouver AI ecosystem through acquisition: Motorola (via [Avigilon](#)) and Unity (via [Ziva Dynamics](#)) are two examples. Others select Vancouver as a base of operations for developing AI tools and solutions. Among these are Mastercard's Global Intelligence and Cyber Centre and Fujitsu Global's Artificial Intelligence HQ.

Today, BC has the largest cluster of computer vision companies in the world, as well as the second largest concentration of VR/AR startups. Moreover, Vancouver's strength in the green economy, coupled with ambitious climate action policy from all orders of government, has unlocked innumerable opportunities for the AI sector, which excels in improving efficiency and solving logistical challenges. [Numerous startups](#) have taken on leveraging machine learning to develop highly scalable climate solutions including responsive traffic networks, intelligent HVAC, and smart drinking water.

220+

AI and Applied AI companies in British Columbia

170+

AI and Applied AI companies in Greater Vancouver

#1

Computer Vision Hub Worldwide

~5,500

Students and researchers in Vancouver AI labs and institutions

The race for talent

Artificial intelligence is a broad and inclusive descriptor of an industry that leverages various branches of machine learning (ML) and data science, including deep learning, generative models, and reinforcement learning, to solve complex problems or achieve outcomes, and it is a fast-growing segment of the innovation ecosystem.

People will soon speak of artificial intelligence the way we now speak of the internet: as a technology with applications across every vertical.

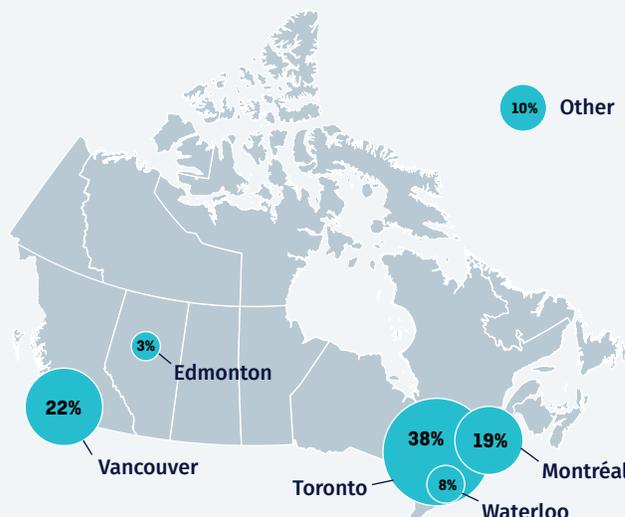
For instance, there are numerous ML companies in Vancouver that consider themselves life sciences ([AbCellera](#), [MetaOptima](#)), SaaS ([Dooly](#)), fintech ([Finn AI](#)), logistics ([Routific](#)), animation ([Ziva Dynamics](#)), and satellite imaging ([EarthDaily](#)) companies.

Furthermore, as an industry working at the intersection of numerous frontiers in hardware, software and applications, there is a limited amount of talent – and all of it in high demand. As such, opportunities in this high-growth sector are abundant, diverse, and well-paying.

Vancouver is home to numerous top-tier academic and research institutions in artificial intelligence, and the sector has robust support from numerous orders of government and education ministries as one of the country's priority industries. A non-exhaustive list includes the following institutions:

- **University of British Columbia:** [Centre for Artificial Intelligence Decision-Making and Action Lab](#) (CAIDA)
- **Simon Fraser University:** [Natural Language Laboratory](#)
- **Simon Fraser University:** [Big Data Hub](#)
- **Royal Bank of Canada:** [Borealis AI](#)
- **Northeastern University:** [Master of Science degree in Computer Science](#)
- **British Columbia Institute of Technology:** [Diploma in Business Information Technology Management](#) (Artificial Intelligence Management Option)

Distribution of AI Startups in Canada, 2021



Source(s): [AIinBC](#)

Vancouver Specialties

- AI/AGI/Robotics
- Visual computing/computer vision
- Generative models
- Applied AI

Related sectors and specializations:

- Computer vision
- Object recognition
- Generative learning
- Machine learning
- Deep learning
- Robotics
- Natural language processing



Vancouver Spotlight

[Athena Pathways](#) aims to help women navigate pathways into the AI or data science industry by connecting them with courses, workshops, internships, mentorships, and other workplace and career development opportunities. The project originally launched in 2019 with a goal of enrolling 500 more women into AI by 2021. To date, it has surpassed the 400-person mark. Ecosystem partners – including VEC – have worked to expand Athena Pathways’ original mandate to include BIPOC and newcomers, the result of which is [Athena Digital Leaders](#).

Both initiatives are partnerships between academia, government and industry funded by the BC Digital Technology Supercluster.

Support for Artificial Intelligence

Companies and researchers in Vancouver benefit from robust ecosystem support, including government project and program funding streams, expedited immigration pathways for qualified professionals (Global Skills Strategy), tax reliefs for R&D, and increased investments into educational and research institutions.

Business expansion opportunities

Learn more about Vancouver, British Columbia’s assets as a destination for artificial intelligence business expansion.

Resources and insights:

[Province of BC](#)

Industry voices:

[Artificial Intelligence Network of BC](#)

Supportive environment

- **SR&ED** provides internationally competitive federal tax rebates for scientific research and development activities in Canada.
- **BC Digital Technology Supercluster** funding accelerates innovation and programs in BC. The vast majority of funding has been into applied artificial intelligence.
- **InBC** is an early-stage investment fund established by the provincial government to help companies scale.
- **Accelerating talent growth.** The Province of British Columbia has committed to new funding streams that will support an additional 1,000 students graduating from tech programs by 2023.
- **State-of-the-art equipment and laboratories.** The Province of British Columbia has invested more than \$200 million into tech- and science-related capital projects at BC’s post-secondary institutions.

Traditional Economics Explained

Minimum (and Living) Wage

“The reality is that a number of families across BC earn less than a living wage and struggle to make ends meet with the rising cost of living, especially the cost of housing.”

Anastasia French, Living Wage for Families BC Organizer

What is the minimum wage?

The minimum wage – the lowest wage rate that an employer is legally allowed to pay its employees – is dictated by labour laws under each [provincial jurisdiction](#) in Canada and periodically adjusted for inflation.

The relationship between minimum wage and unemployment is an interesting one, with a faction of economists claiming that minimum wages contribute to unemployment (as some employers cannot afford to pay it), and many other economists arguing that society should not reduce unemployment at the risk of employers paying very poor wages.

The minimum wage in BC has increased from \$14.60 per hour in 2020 to \$15.20 as of June 1, 2021 (note that some employees such as liquor servers, live-in home support workers and resident caretakers have different minimum wage rates). The province estimated that the increase to \$15 per hour positively impacted close to 400,000 British Columbians.

In 2017, the Fair Wages Commission was established to advise the BC government on how to raise minimum wages with increases that are regular, measured, and predictable; ensure fair wages for alternate minimum wage earners such as liquor servers; and examine the discrepancy between minimum wage and **living wage**.



The historical definition of minimum wage

According to the [International Labour Organization](#), minimum wages have been defined as the minimum amount of remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract. Historically, the purpose of minimum wages has evolved from a policy tool to be used selectively in a few low-wage sectors to an instrument of much broader coverage.

What are the limitations and drawbacks of the minimum wage?

Critics of minimum wages argue that they increase prices (and thus contribute to inflation), increase operating costs for business (sometimes to the point where they are no longer viable) and could result in job losses (as businesses cannot afford to hire or retain as many people were no minimum wage to exist).

Other critics have argued that although the idea is a good one in theory, minimum wage rates are often set so low that they do little to improve the quality of life for workers, with the result that many minimum-wage workers still **live in poverty**. These critiques form the bedrock of the movement for something better to replace minimum wages.

Minimum and Living Wages* Across Canada

Hourly, 2021



*: Living wages for these four cities are calculated based on family of four (two full-time adults and two children)

Source(s): [Retail Council of Canada](#), [Living Wage for Families BC](#), [Ontario Living Wage Network](#), [Dailyhive](#), [Vibrant Communities Calgary](#)

Living wage

The concept of a living wage is distinct from a minimum wage. Whereas minimum wages are the legislated minimums for individual employees, a living wage is the estimated hourly wage that will cover the basic expenses of a family. Basic expenses include food, clothing, rental housing, childcare, transportation and a savings cushion to account for illness or emergencies. In British Columbia, the living wage calculation is based on a two-parent family with two children – the most common family unit in BC – and each parent working full-time. As of May 1, 2017, the City of Vancouver became a certified living wage employer of salaried and contract staff and is the largest municipal government in Canada to commit to the living wage so far.

Minimum Wage vs. Living Wage

Hourly, 2021



Source(s): [Living Wage for Families BC](#), [Province of BC](#)

The formula for calculating living wage*

$$\text{Annual family expenses} = \text{Income from employment (living wage)} + \text{Income from government transfers} - \text{EI and CPP premiums, federal and provincial taxes}$$

Further Reading

- [Working for a Living Wage 2021](#)
- [The Ups and Downs of Minimum Wage](#)
- [Minimum Wages for Those with Alternate Rates in British Columbia](#)
- [List of Certified Living Wage Employers in BC](#)
- [Fair Wages Commission - Government of BC](#)

How to get involved

Learn more about becoming a living wage employer

[Learn more](#)

*Source: Calculation Guide, [Canadian Centre for Policy Alternatives-BC](#) and [Living Wage for Families BC](#)

Measuring Happiness

What is happiness in economic terms?

The economics of happiness is an approach to assessing wellbeing that combines the techniques typically used by economists with those more commonly used by psychologists and social scientists. It relies on surveys of the reported wellbeing of hundreds of thousands of individuals across countries and continents. While the scientific study of the psychology of happiness is not new, there is a notable increase in the attention being paid to happiness by economists, who have traditionally been more concerned with other economic outcomes, such as growth and productivity.

Attention to this topic has coincided with concern about the limits of Gross Domestic Product (GDP) as a measure of economic performance and social progress. This has resulted in growing global interest in assessing a population's overall wellbeing through objective measures (such as income) and subjective measures (such as happiness). Subjective measures are vital to evaluating happiness; unlike other economic considerations, which can be assessed objectively, only individuals can know how they feel at any given time.



Photo: Pinta Art on Unsplash

“People tend to overestimate the amount of satisfaction they will get from material things and underestimate the satisfaction they derive from human connections.”

John Helliwell,
UBC Professor and world-renowned expert on happiness, 2008

Understanding happiness

Promoting wellbeing as an economic indicator is therefore a multifaceted challenge. Factors such as a person's age, the type of governance where they live, the support of friends and family, and even access to nature can all influence wellbeing and a person's happiness.

Vancouver has been a source of significant contributions toward this emerging discipline, thanks in large part to the efforts of John Helliwell. Helliwell is a globally renowned expert on measuring happiness and its intersection with economics, and spent most of his career at UBC. In 2012 he was commissioned, along with Jeffrey Sachs and Richard Layard, to produce the first comprehensive assessment of the state-of-happiness research, which became the [World Happiness Report](#).



According to the World Happiness Report, there are six key variables that determine happiness – a healthy life expectancy, income, having someone to count on in times of trouble, generosity, freedom and trust, and that there is so much more than wealth that makes people happy. In explaining the wellbeing differences between countries rated high for wellbeing than those rated low, the report showed that the presence of political freedom and strong social networks, and an absence of corruption are – in combination – more important to individual happiness than income.

Furthermore, the report argues that people tend to overestimate the amount of satisfaction they will get from material things and underestimate the satisfaction they derive from human connections.

Commute times, happiness and 15-minute cities

The pandemic has recently catalyzed attention on one interesting component of happiness within Canada: commute times. Pre-COVID-19, census data showed that the average commute time for Canadians in 2016 was 26 minutes, with 74% of people driving for their commute and only 7% of Canadians regularly working from home. At that time in Vancouver, the average commute time was 44 minutes by public transport and 27 minutes by car.

A [2021 study](#) by Angus Reid found that a third of respondents would now prefer a commute time of no more than 15 minutes (a marked change from the pre-pandemic average of 26 minutes). People cited the reasons for preferring a shorter commute being saving money on commute costs, having more time to exercise, and being able to spend more time preparing healthy meals.

Post-pandemic, most surveys on the future of office work show that most workers now prefer a hybrid work arrangement, citing commuting as one of the reasons. Fortunately, the City of Vancouver had previously committed to become a 15-minute city, which means increasing green spaces and cycling infrastructure, and ensuring there are enough essential services like grocery stores, daycares, and schools within each neighbourhood.

Vancouver Spotlight: Beyond GDP

VEC advocates for happiness to be included as a vital consideration and metric for modern economies. To this end, the organization seeks to integrate the work of this emerging discipline into a “Beyond GDP” initiative that will launch in 2022. VEC has initiated a data feasibility study to compile many of the metrics suggested to be important for societal and individual happiness, and to identify the most feasible and impactful subjective measures for VEC to collect and report.



VEC Highlights

EVENT | MARCH 30TH, 2022

Circular Reverse Pitch at GLOBE 2022

Calling all circular innovators! In partnership with GLOBE 2022, VEC will host a Circular Reverse Pitch event at the GLOBE Forum on March 30th, 2022, in a hybrid format at the Vancouver Convention Centre. The event will feature six large companies pitching their challenges to an audience of circular innovators. This event will illuminate the need for diverse circular solutions and help forge connections between companies and solution-providers. A registration link will soon be available on the VEC website.

REPORT

Carbon Markets Report

Carbon markets will play a huge role in building zero emissions economies. However, few know what they are, let alone how they could be new revenue streams for businesses making climate-conscious decisions. Rooted in the BC context and applications, this report aims to unlock these opportunities for local business leaders and policymakers. [Download your copy.](#)

FEATURE

Envision the Future: 23 Black Leaders in Vancouver

A growing body of research suggests that organizations with diverse leadership generally outperform less diverse ones in terms of financial health and risk management. Vancouver companies and organizations looking to hire people from underrepresented groups as consultants, advisors, or executives may want to [follow the work of the people on this list](#). It highlights educators, entrepreneurs, visionaries, artists, planners and activists that are making impact in their respective fields – and beyond – but who may still be less-known in the economic development ecosystem.

Additional Economic Development Reports and Resources

- **The Net Zero Transition: What It Would Cost, What It Could Bring**
[McKinsey](#)
- **VC & PE Canadian Market Overview**
[CVCA](#)
- **Provincial Outlook – December 2021**
[RBC Economics](#)
- **Canadian Market Reports**
[CBRE](#)
- **Follow The Food |** [BBC](#)
- **60+ stories. \$4.1 billion. Top funding news of 2021**
[Vancouver Tech Journal](#)
- **AirMap |** [Metro Vancouver](#)
- **The StrongerBC Economic Plan**
[Province of BC](#)
- **Key Industries in Metro Vancouver**
[Invest Vancouver](#)

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