



Statistics Canada  
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# Real Income Measurement

## The Canadian Experience

07 November 2008



# Real Income Measures



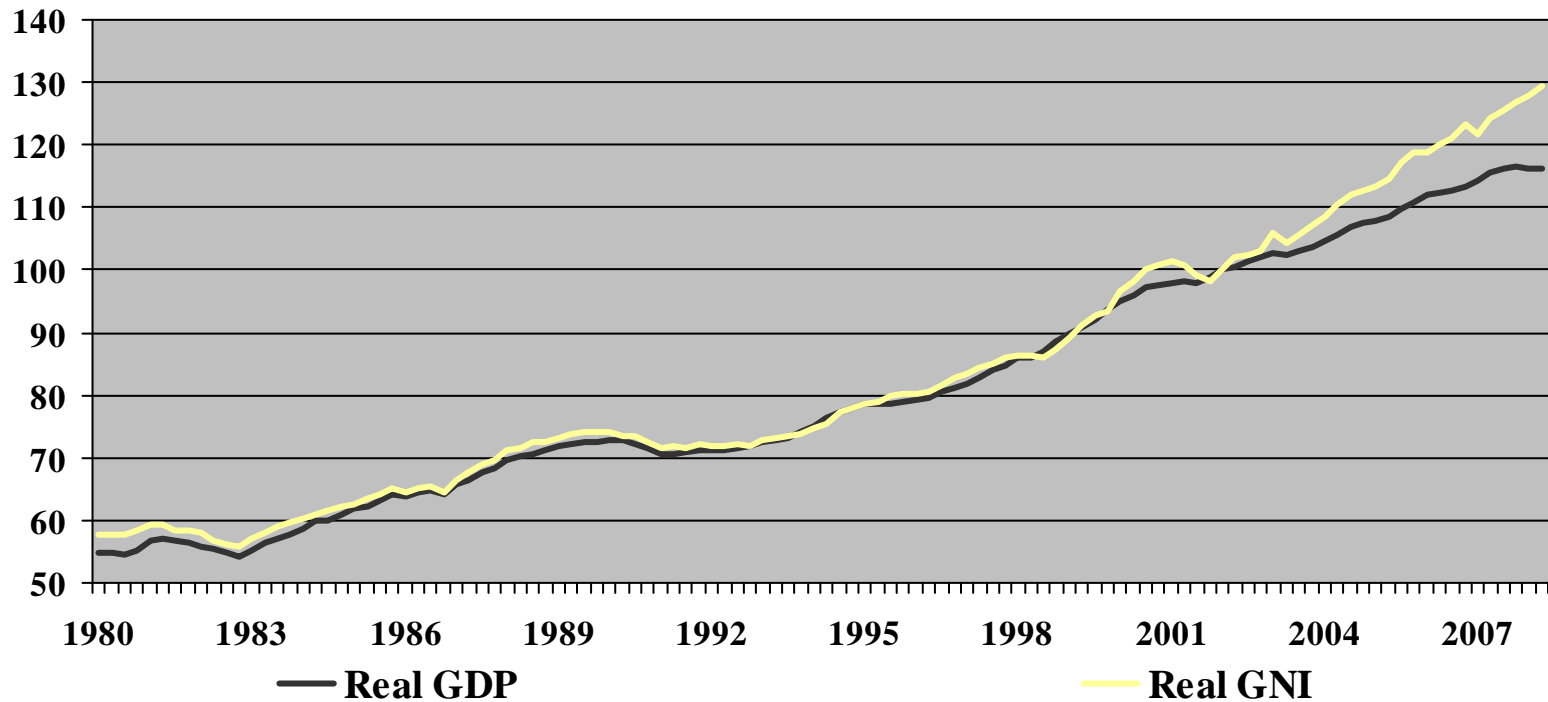
- Real Gross Domestic Product (GDP)
  - A measure of real income associated with production. Real GDP measures the volume of income in terms of the goods and services produced by the economy.
- Real Gross Domestic Income (GDI)
  - A measure of real income associated with domestic absorption. Real GDI measures the volume of that income comes from domestic sources in terms of the goods and services available for activities like consumption or investment.
- Real Gross National Income (GNI)
  - A measure of real income associated with domestic absorption. Real GNI measures the volume income *that accrues to domestic agents* in terms of the goods and services available for activities like consumption or investment.



# Real GNI vs. Real GDP

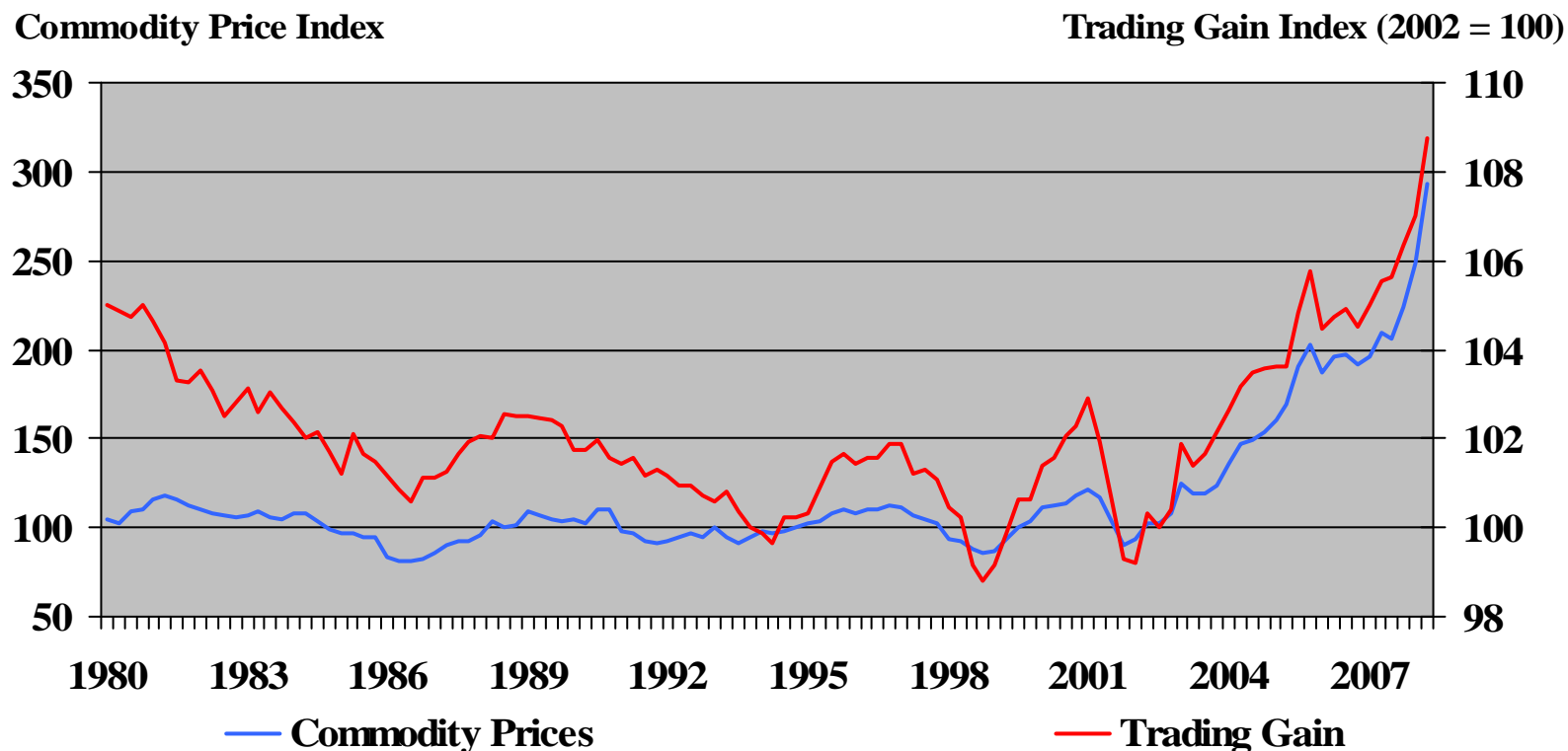


Index (2002Q1 = 100)





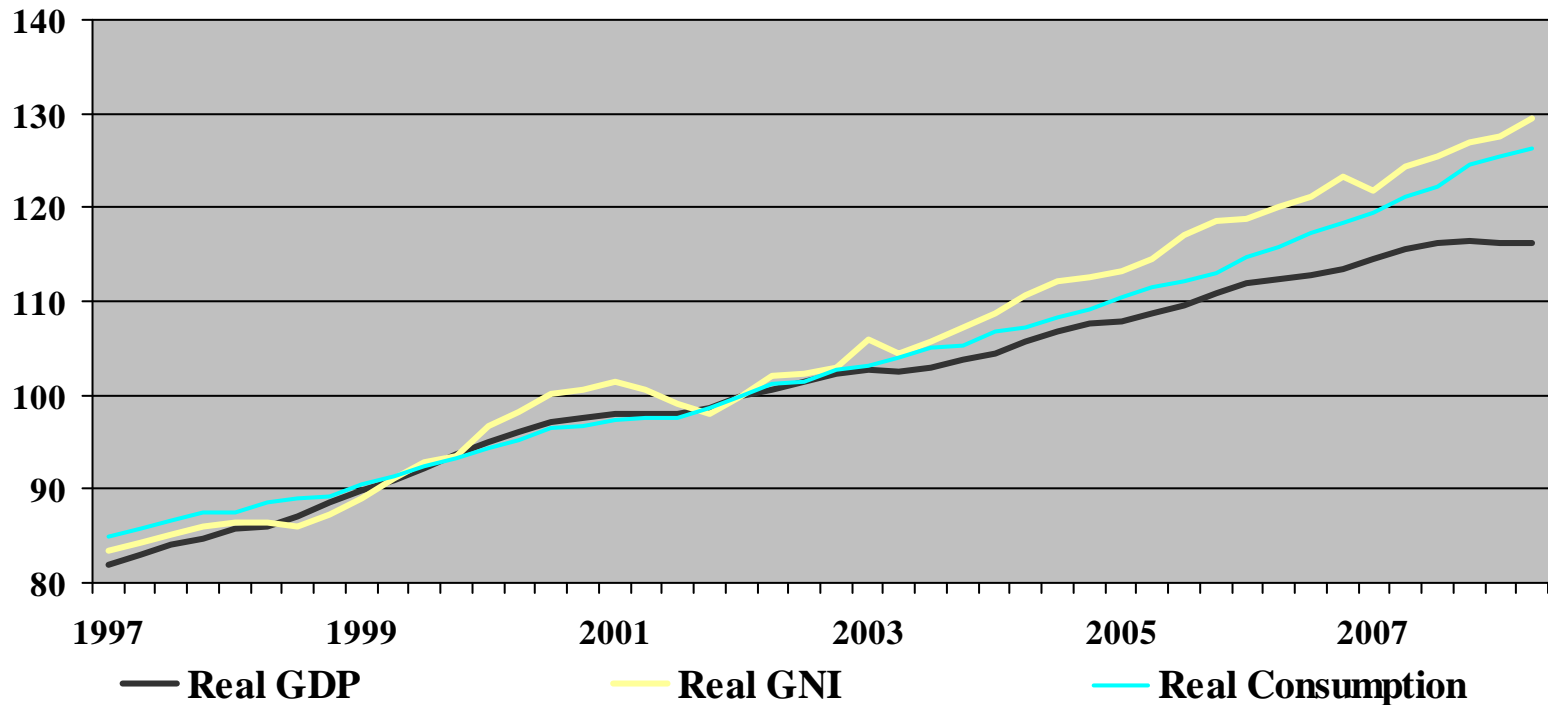
# Canada's Trading Gain and Commodity Prices, 1980Q1 - 2008Q2





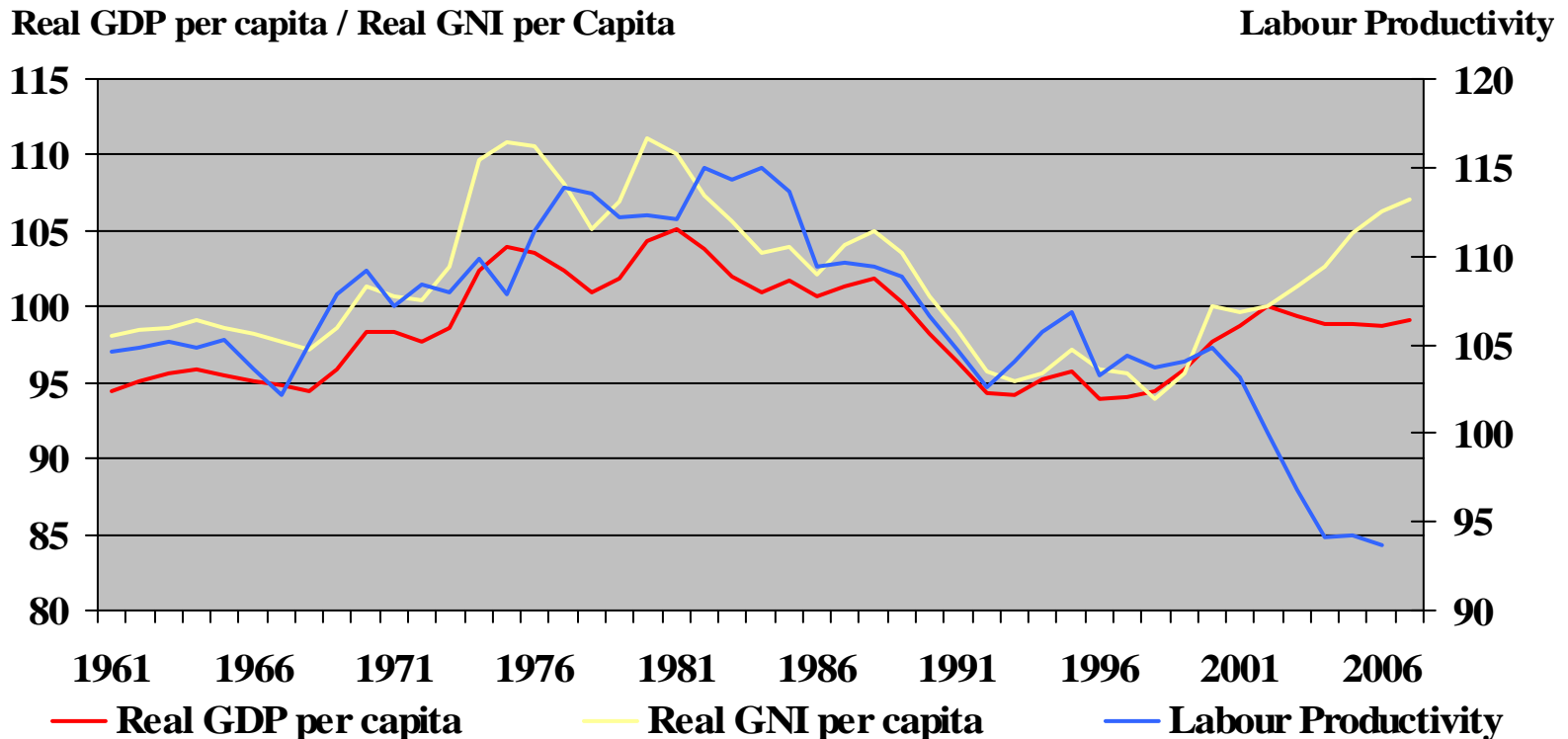
# Real GNI, Real GDP and Real Consumption 1997Q1-2008Q2

Index (2002Q1 = 100)





# Canada and the United States

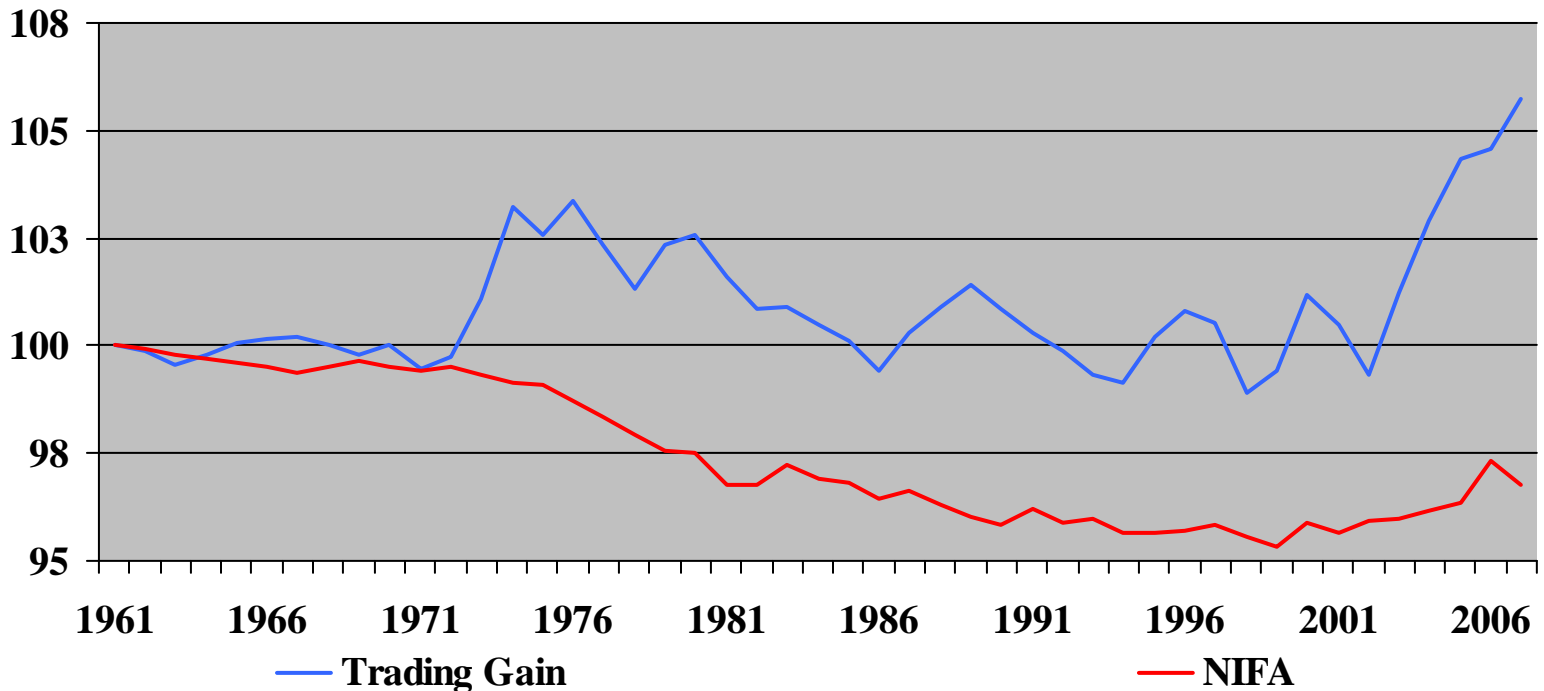






# Trading Gain vs. Net Income From Abroad Cumulative Contributions to Real GNI Growth

Cumulative Trading Gain Ctg vs Cumulative NIFA Ctg



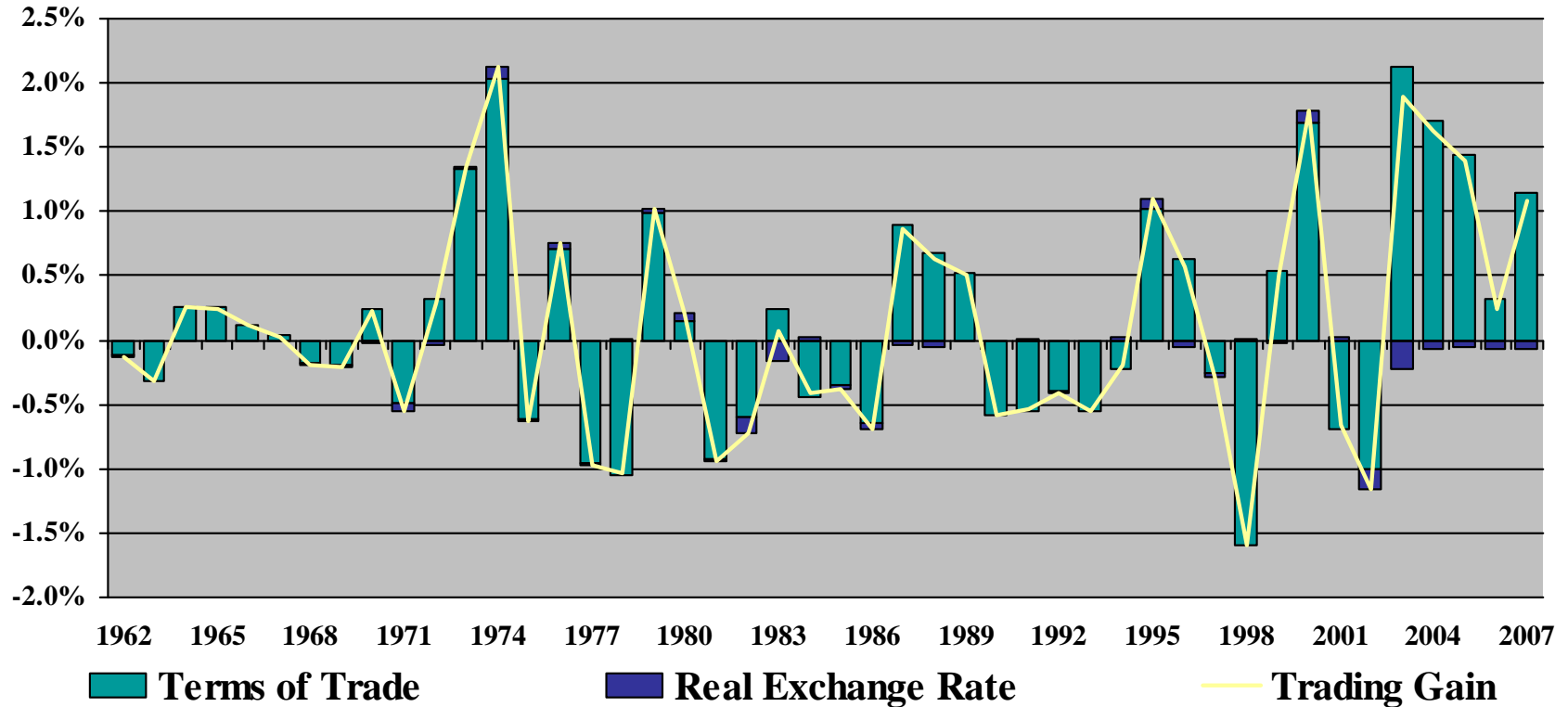




# Terms of Trade Dominate Trading Gains for Canada

## Canada

### Contribution to Real Income Growth

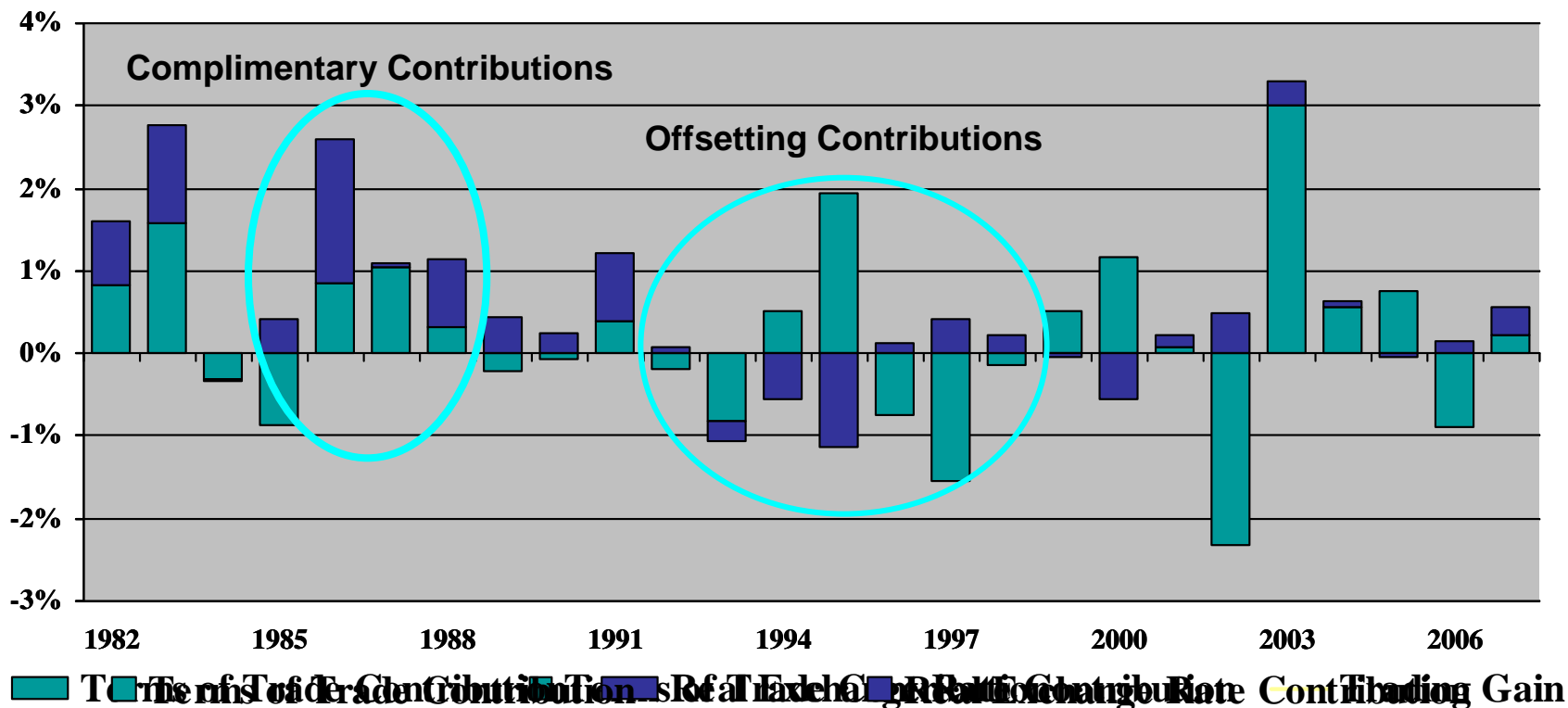




# But for Provincial Trading Gains the Real Exchange Rate can be Important

## Nova Scotia

### Contribution to Real Income Growth



# Sources of Real Income Growth

	2002	2003	2004	2005	2006	2007
<b>Real GDP Index</b>	100	101.88	105.06	108.08	111.44	114.47
<b>% Change</b>	2.93	1.88	3.12	2.88	3.11	2.71
<b>Contribution to Real GDI Growth</b>						
<b>Real GDP</b>	2.93	1.88	3.12	2.88	3.11	2.71
<b>Real Exchange Rate</b>	-0.15	-0.22	-0.07	-0.04	-0.08	-0.06
<b>Terms of Trade</b>	-1.00	2.18	1.65	1.33	0.22	1.05
<b>Real GDI Index</b>	100	103.84	108.73	113.25	116.93	121.26
<b>%Change</b>	1.79	3.84	4.71	4.16	3.25	3.70
<b>Contribution to Real GNI Growth</b>						
<b>Real GDI</b>	1.83	3.94	4.81	4.24	3.29	3.75
<b>Receipts of Non Residents</b>	-0.37	-0.31	-0.02	0.47	0.51	0.25
<b>Payments to Residents</b>	-0.08	-0.25	0.22	0.66	1.43	-0.33
<b>Real GNI</b>	100	104.00	109.25	114.08	118.90	122.66
<b>%Change</b>	2.13	4.00	5.05	4.43	4.22	3.17
<b>GNI</b>	1124037	1184585	1264600	1348088	1437918	1514478
<b>Real GNI</b>	1124037	1168990	1227995	1282331	1336426	1378767
<b>Personal Disposable Income</b>	694010	720855	760462	793778	849590	898388
<b>%Change</b>	3.71	3.87	5.49	4.38	7.03	5.74
<b>Real Personal Disposable Income</b>	694010	709503	736882	755979	797737	830303
<b>%Change</b>	1.74	2.23	3.86	2.59	5.52	4.08
<b>Terms of Trade Index</b>	100	105.65	110.39	114.40	115.09	118.67
<b>Real Exchange Rate Index</b>	100	94.80	93.23	92.24	89.97	87.48
<b>Domestic Final Expenditure Price</b>	100	101.33	102.98	105.13	107.59	109.84



- Questions / Comments?