

Compensation by Sector

Annual Meeting of Trade Union Researchers

December 8, 2000

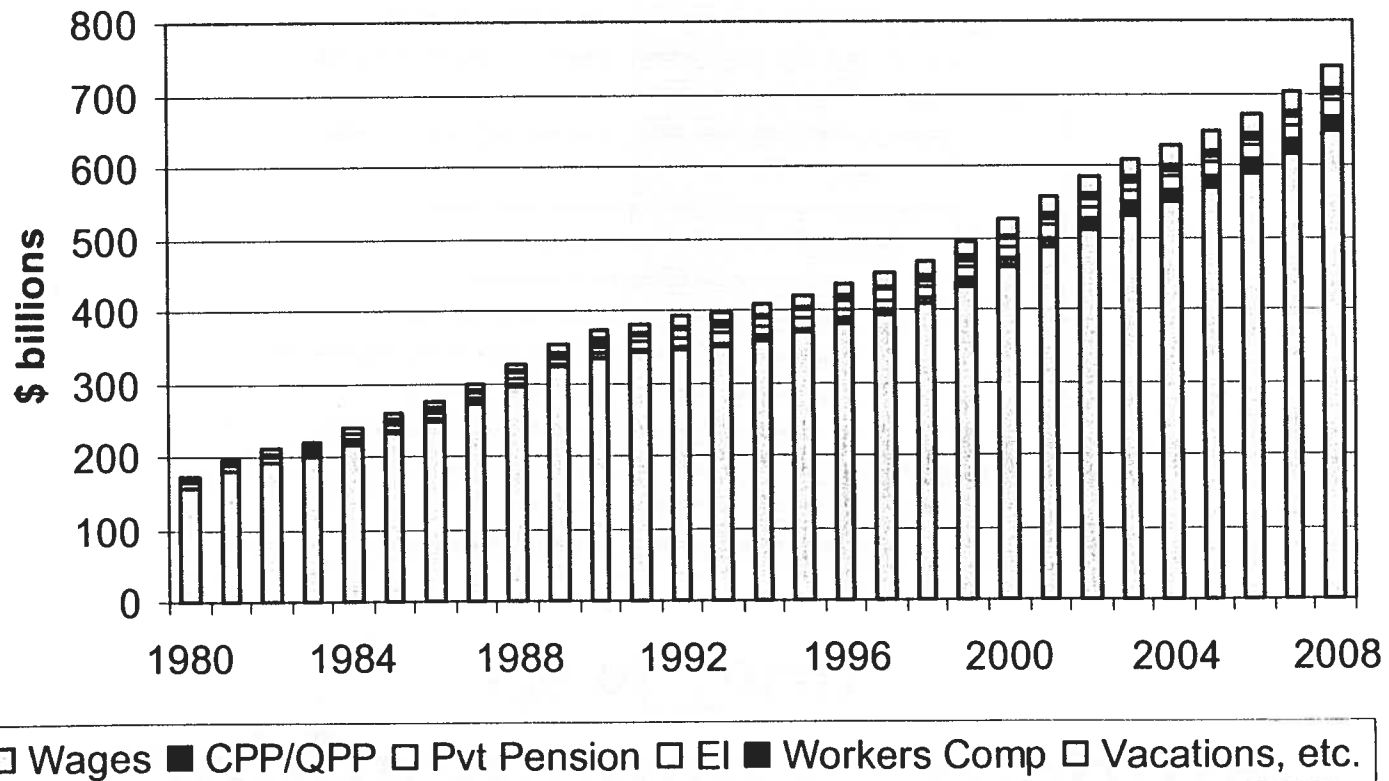
Ottawa



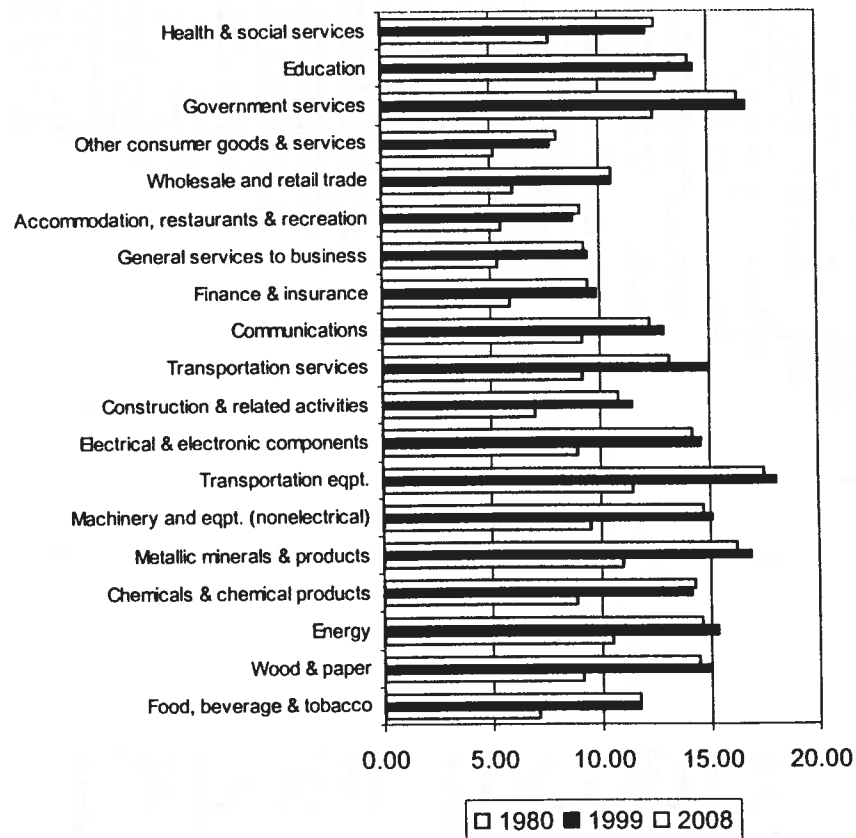
Informetrica
Limited

29-A

Labour Income

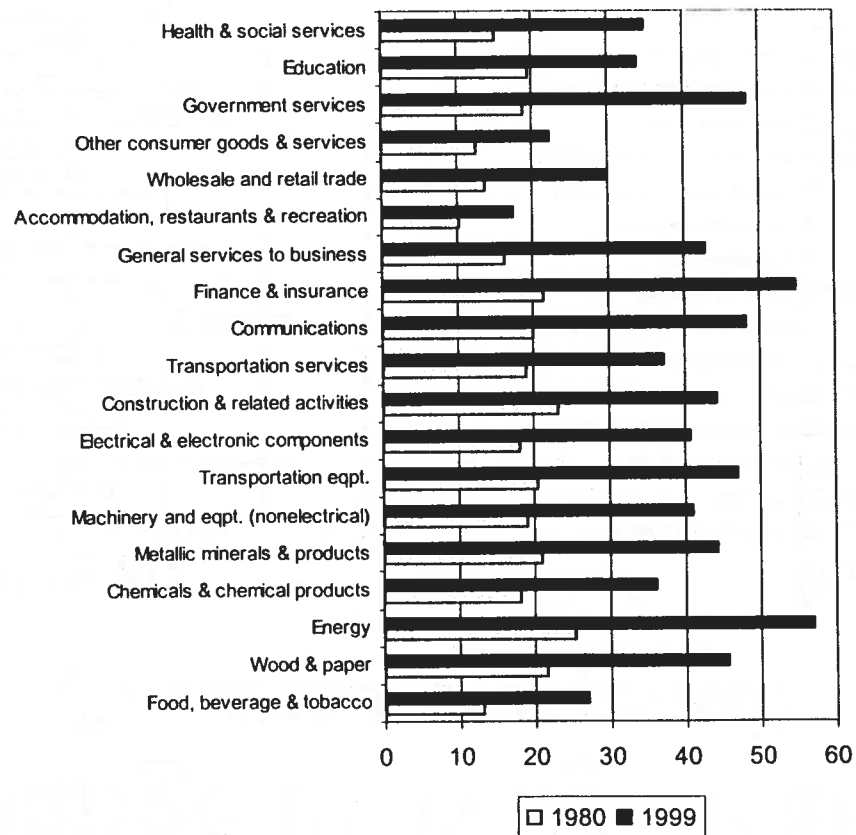


“Supplementary” Income (% of Total)



Wage Rates

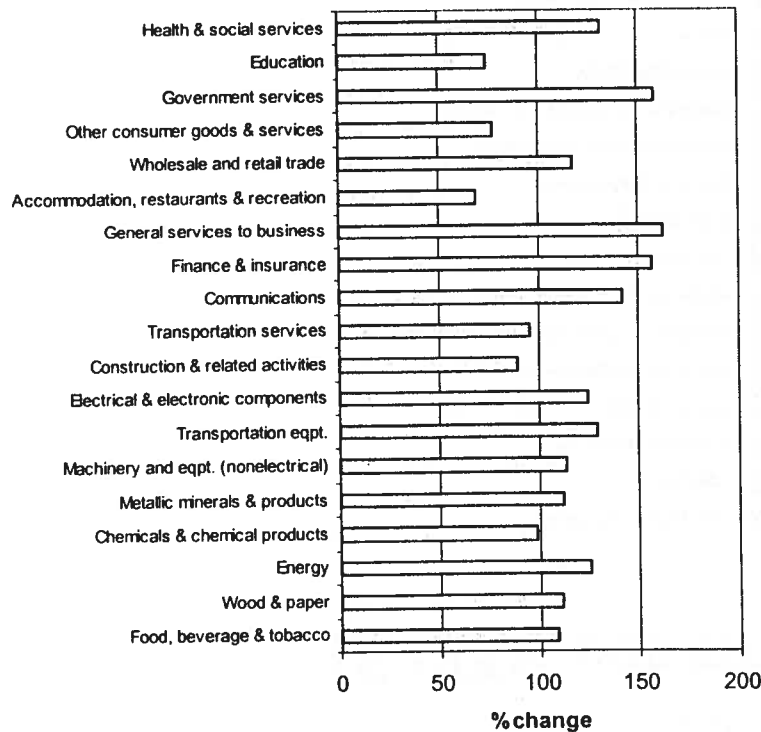
(\$ 000s per employee per year)



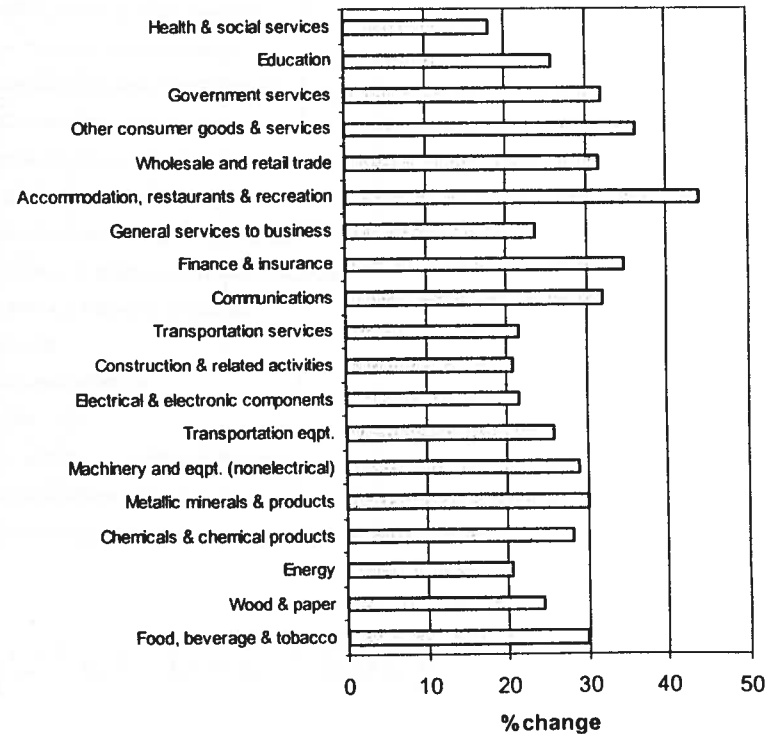
Change in Wage Rates

(% increase over period)

99 vs 80

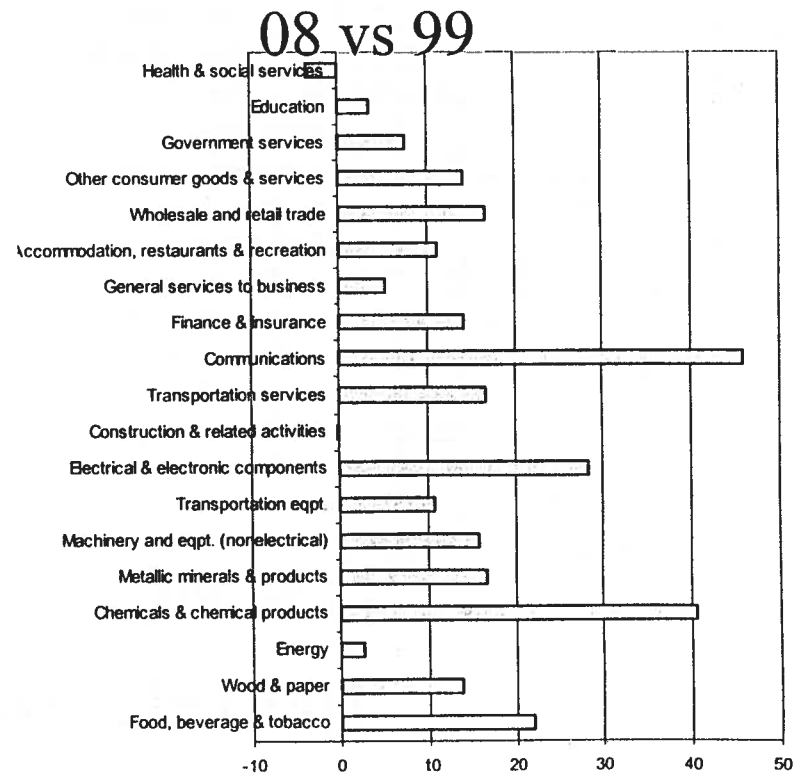
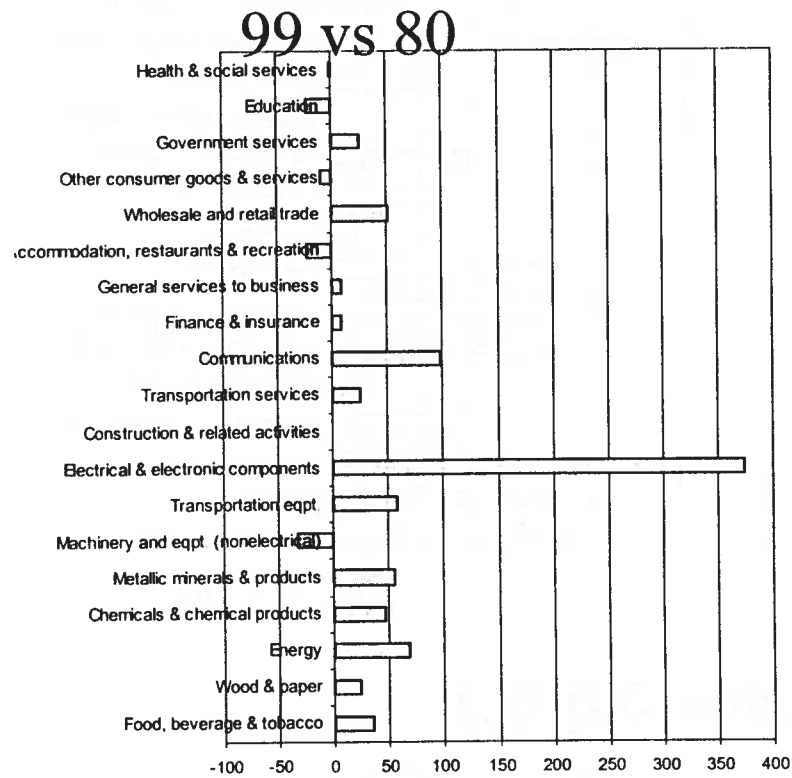


08 vs 99



Change in Labour Productivity

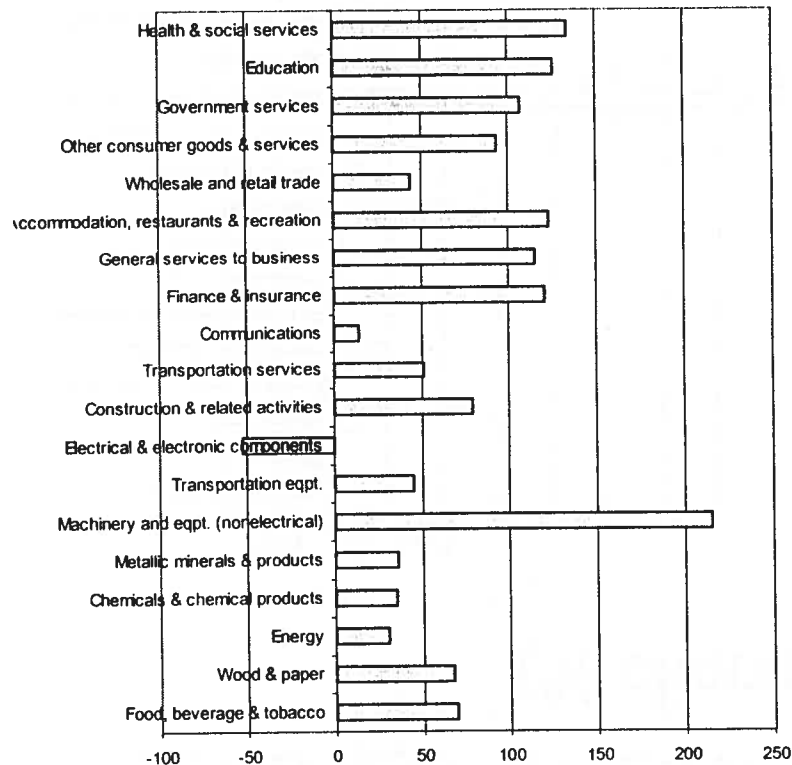
(% change in period)



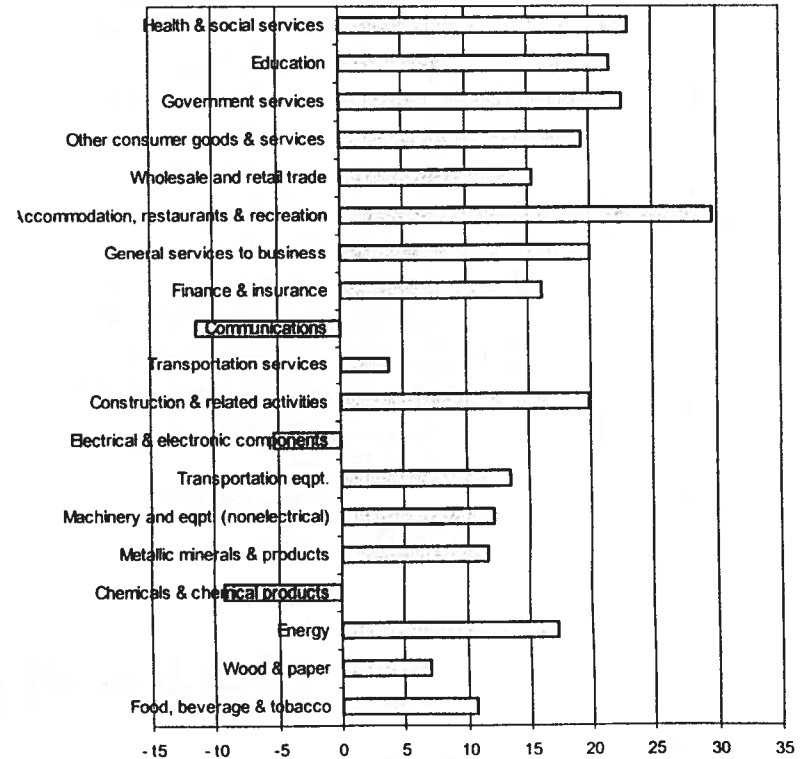
Change in Unit Labour Cost

(% increase over period)

99 vs 80

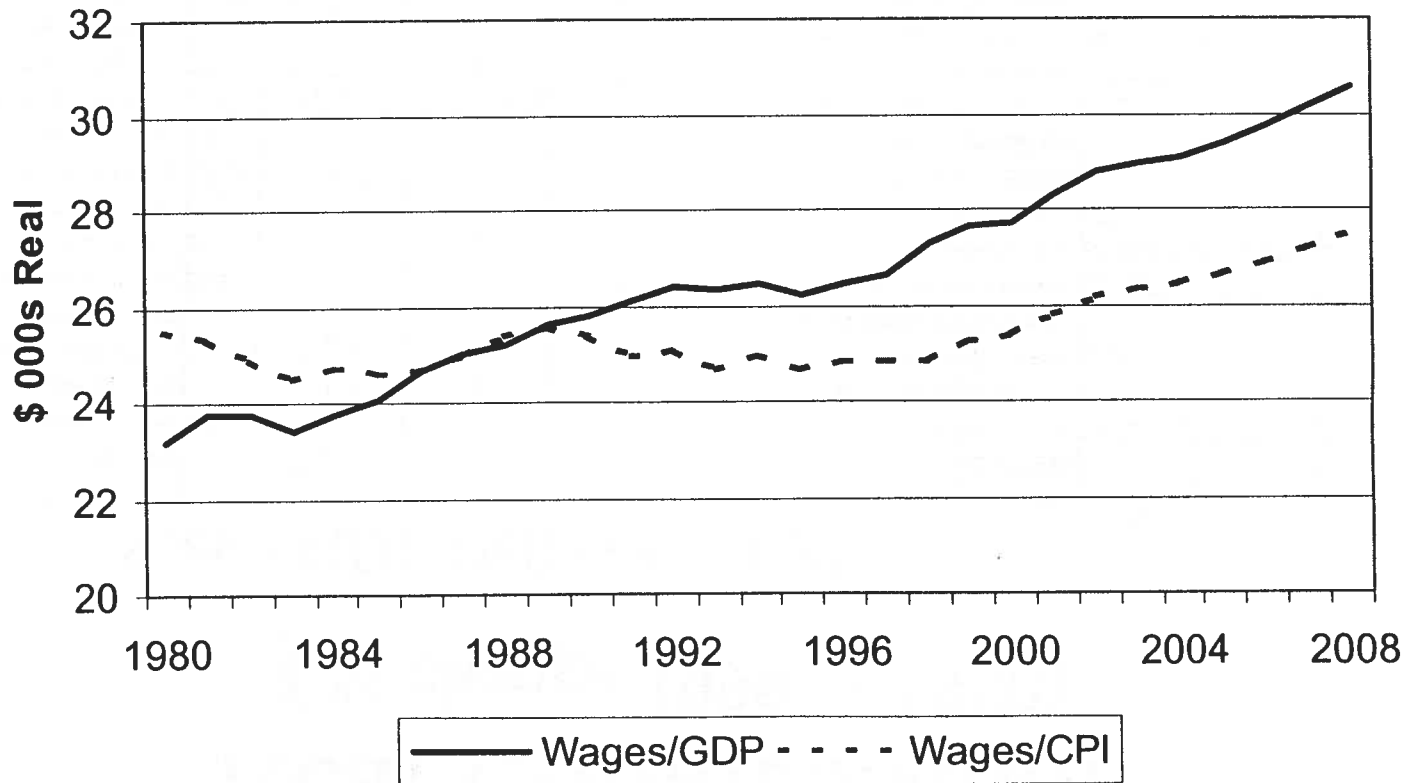


08 vs 99



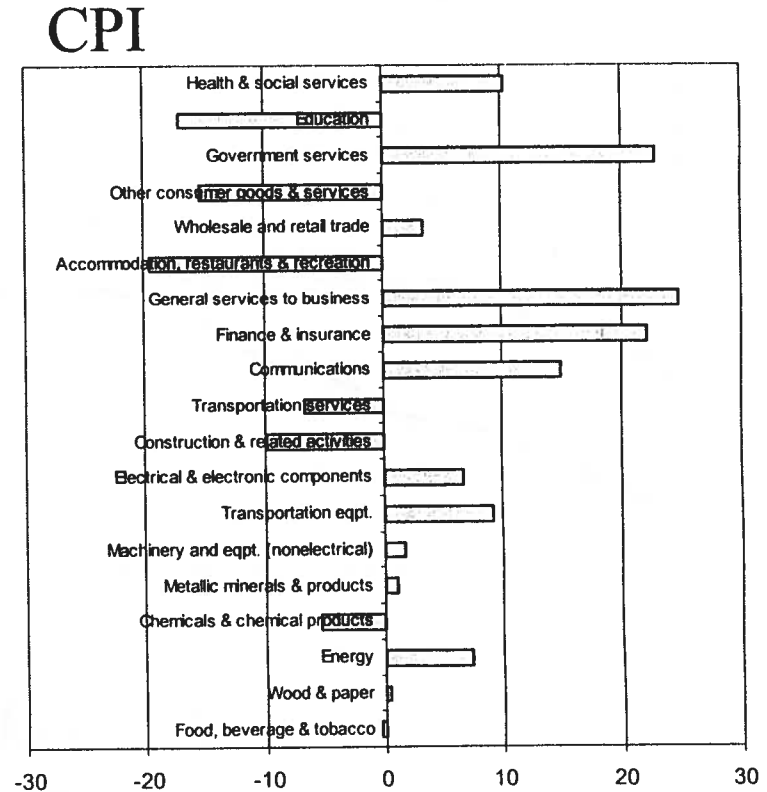
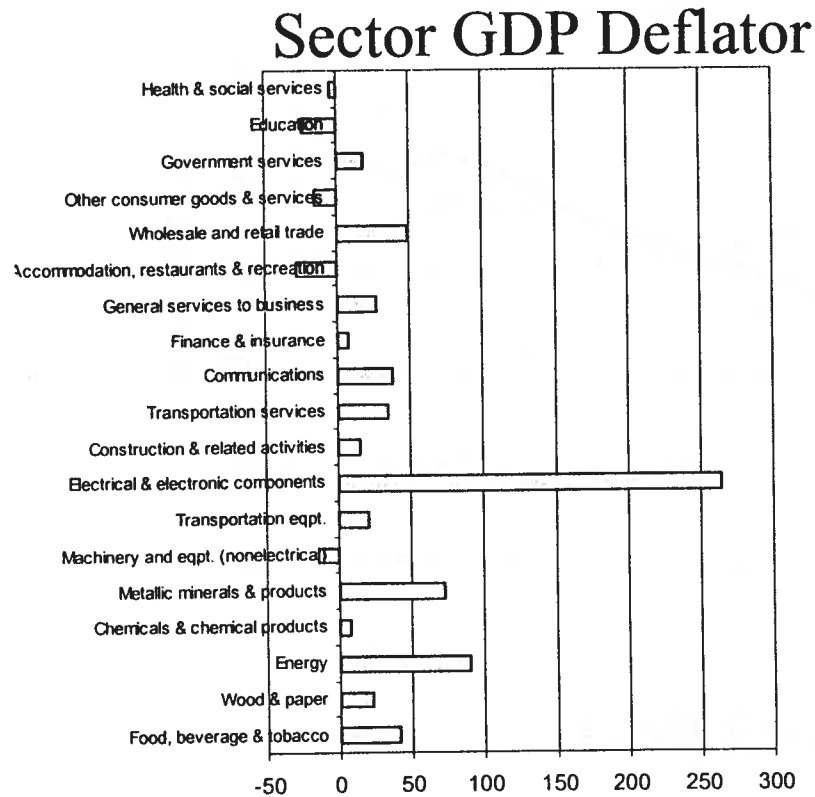
“Real” Compensation

Two Perspectives



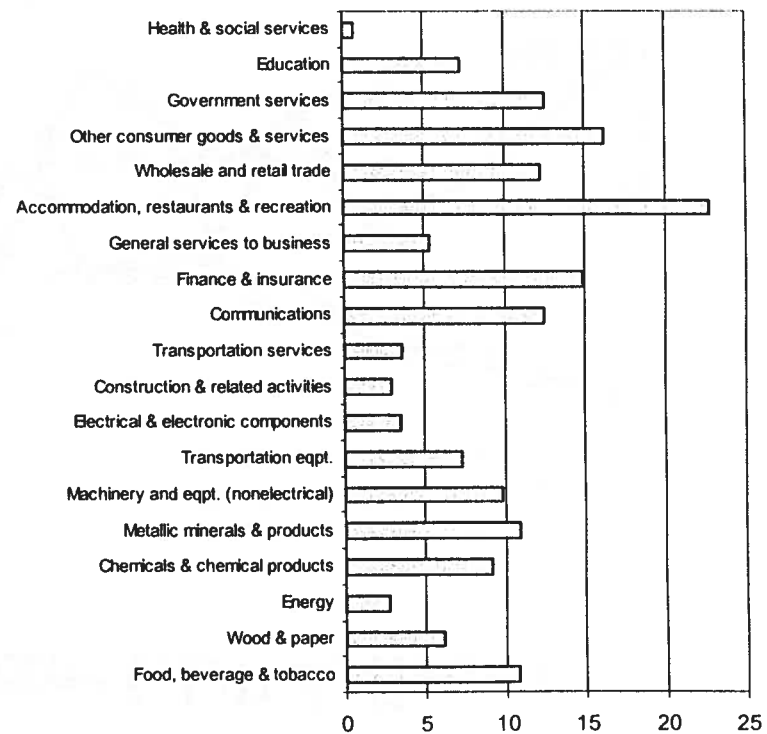
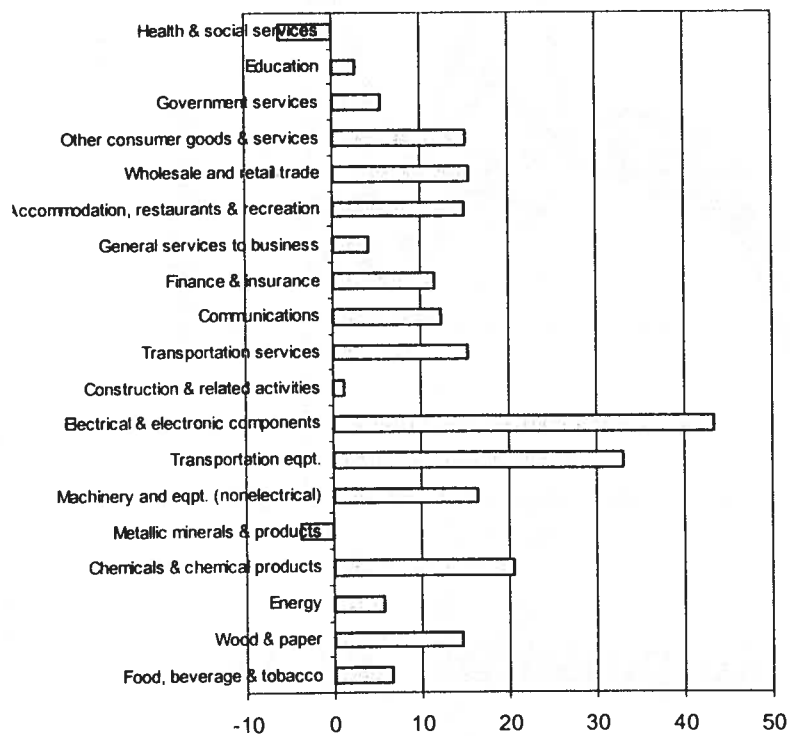
Real Compensation

(% change 1999 vs 1980)



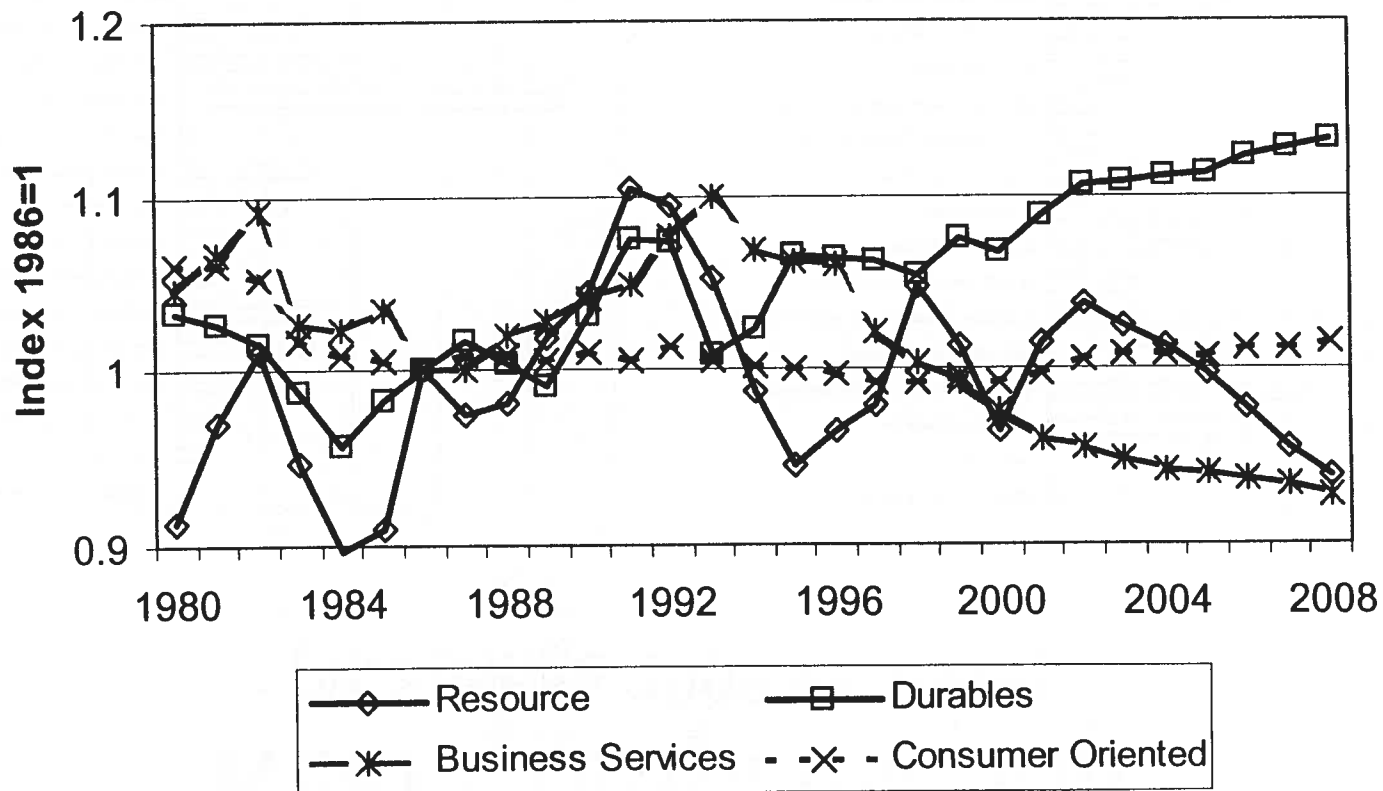
Real Compensation

(% change 2008 vs 1999)



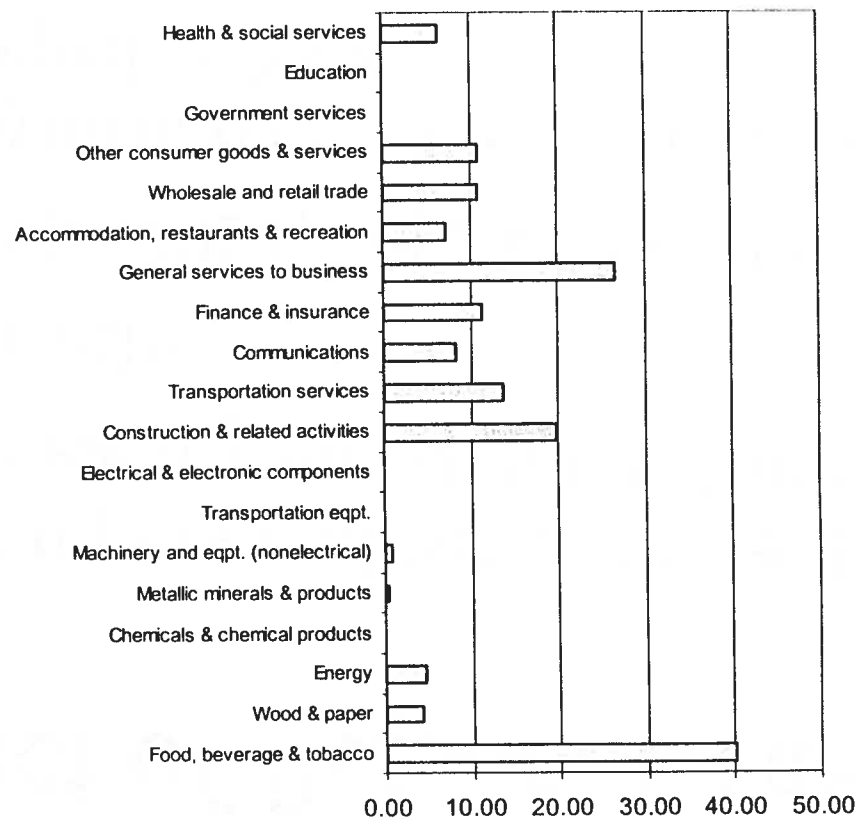
Excess or Squeeze Profits?

(ULC adjusted by sector GDP deflator)



Also “Compensated”

(Self Employed % of Employment, 1999)



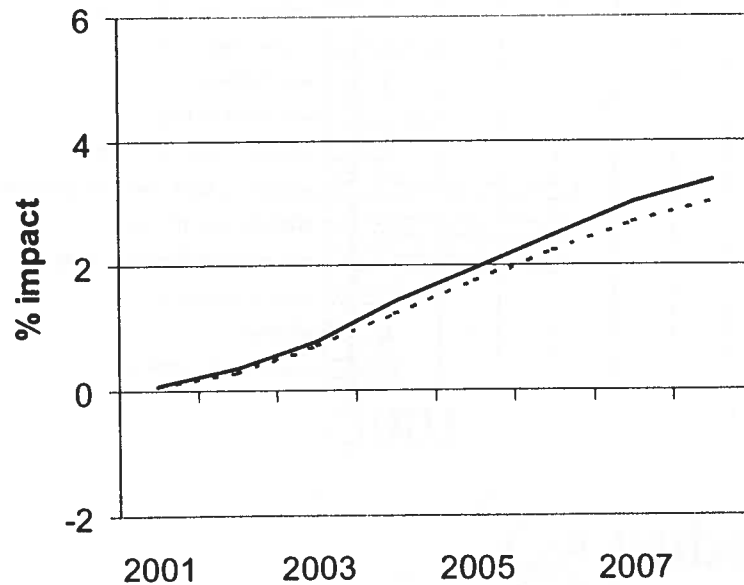
Impact of Personal Tax Cut

- \$10 billion personal tax cut (“real” in 2001 prices) in each year of 2001-2008
- Macro Results
 - GDP: $+0.8\%$ (2003) but back to 0.1% 2008
 - Unemployment rate: -0.7 percentage points (2003) but unchanged in 2008
 - Currency depreciation steadily: 2.2% (2008)
 - Assume no change to nominal interest rates



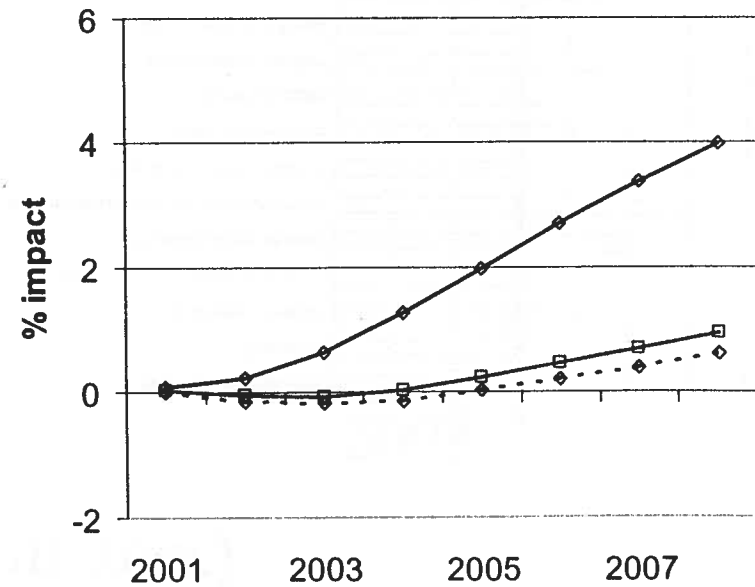
Price/Wage Impacts

Aggregate Price Impacts



— GDP, Factor Cost - - - CPI

Compensation Rate Impacts

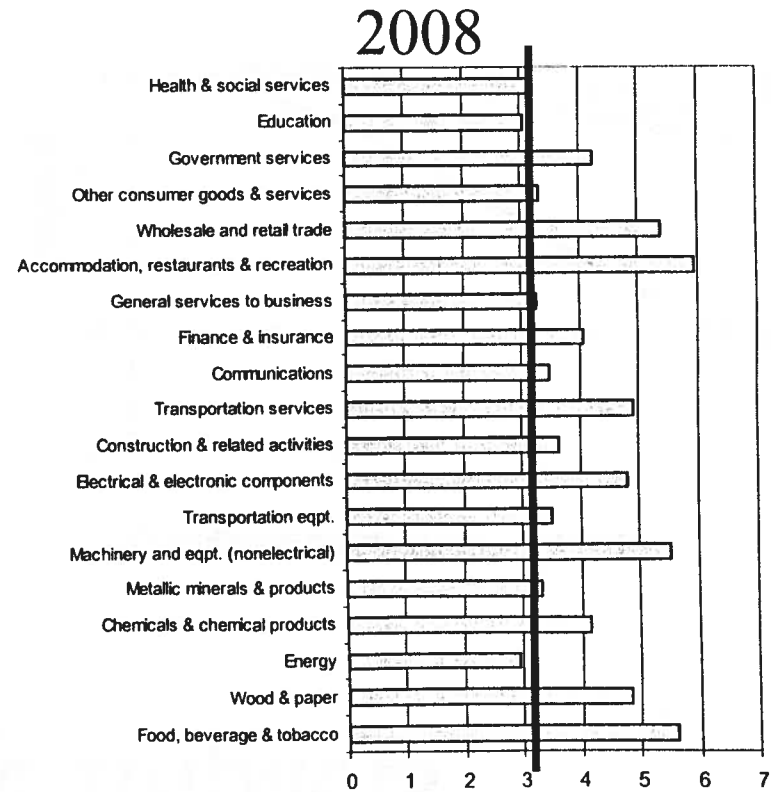
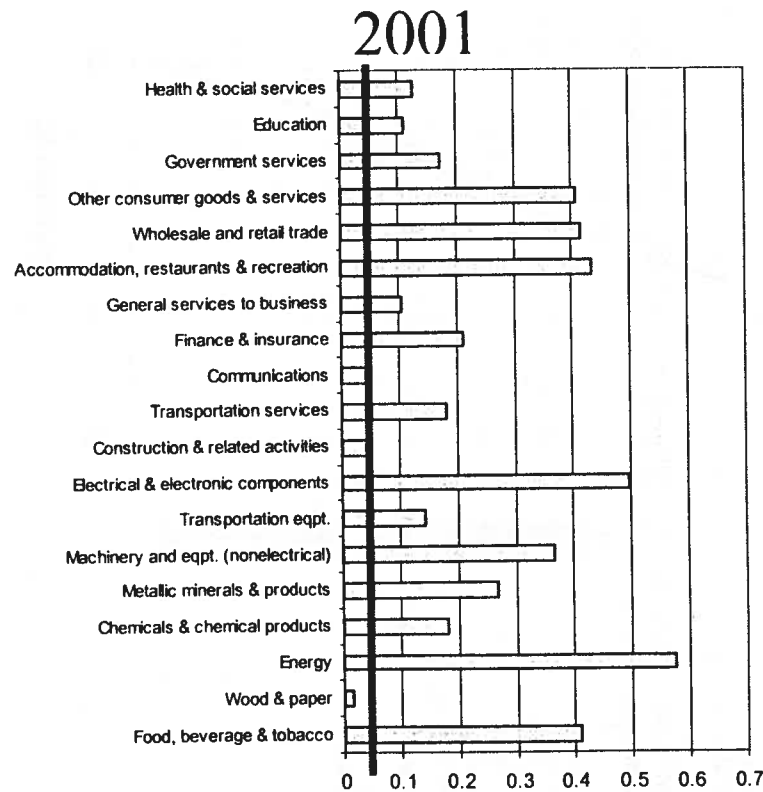


-◇- Income Rate/GDP —□— Income Rate/CPI —◇— Income Rate



Wage Rates, by Sector

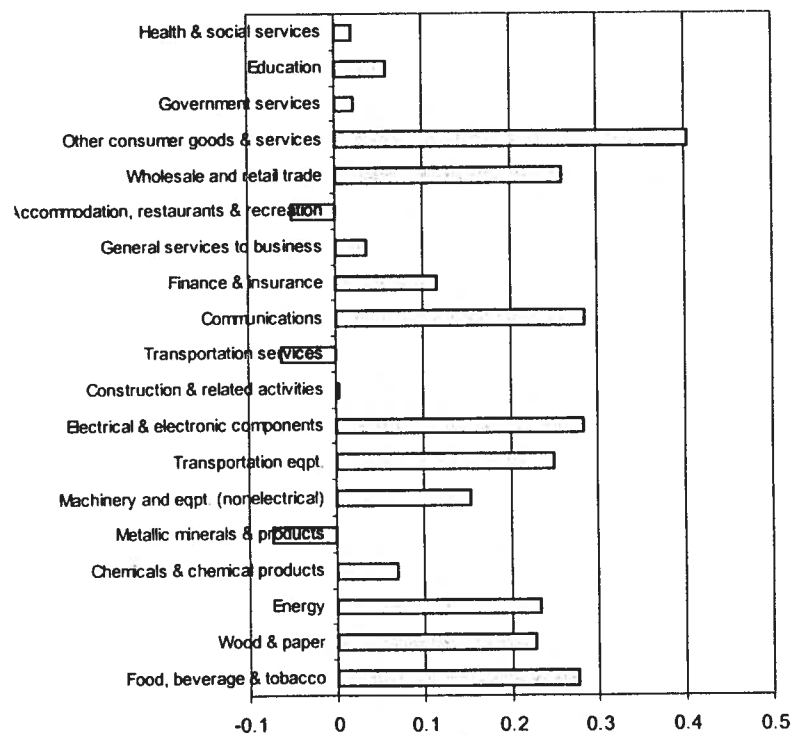
(% impact in year)



Labour Productivity by Sector

(% impact in year)

2001



2008

