

Household actual final consumption, 2021

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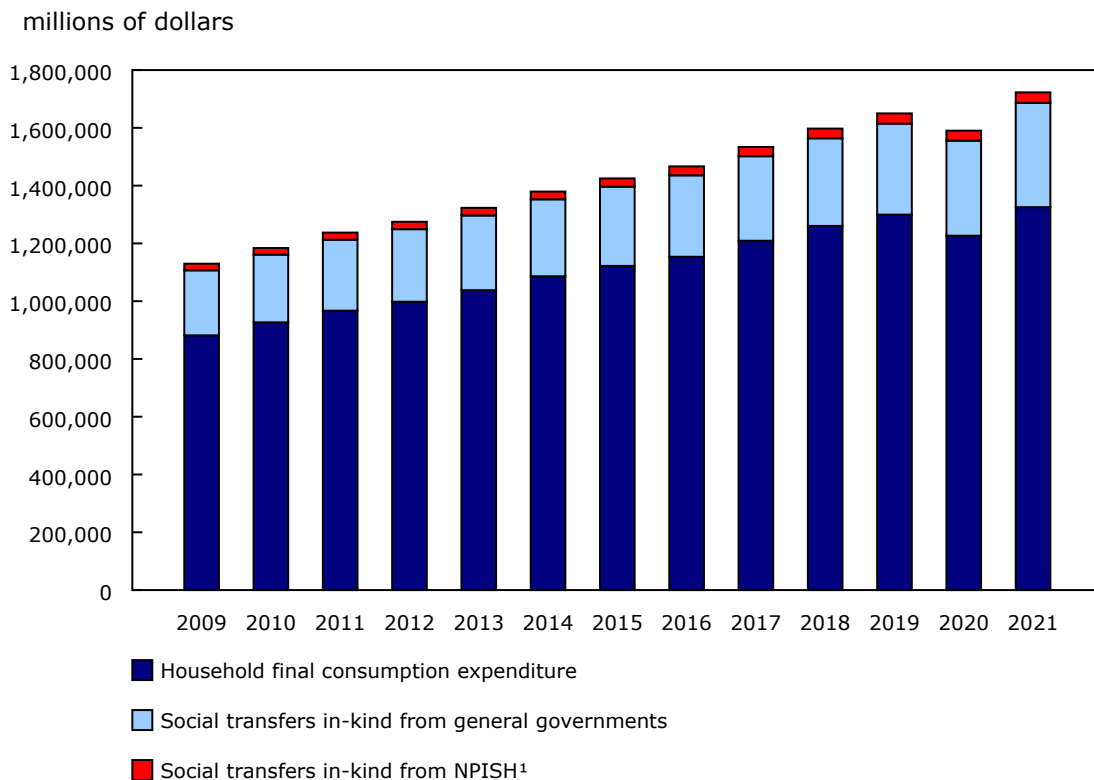
Household actual final consumption (HAFC) increased by 8.3% (+\$132.6 billion) in 2021. This is the largest-ever annual increase observed for these estimates, which date back to 2008. The increase was driven by growth in household final consumption expenditure (HFCE), as activities resumed following earlier closures related to the COVID-19 pandemic.

HFCE measures the spending of resident households. HAFC expands on the traditional measures of HFCE by including the value of social transfers in kind (STiK). This measures the value of in-kind goods and services provided to households by governments and non-profit institutions serving households (NPISH). In addition to having a significant impact on the lives of Canadians, the COVID-19 pandemic has had a profound influence on the in-kind goods and services that governments and NPISH provide to households.

Increase in HAFC driven by growth in HFCE

HAFC surpassed its pre-pandemic level in 2021, reaching a total value of \$1.7 trillion, mainly due to an 8.1% increase in HFCE. While STiK grew at an even faster rate of 9.3%, it represented a smaller contribution to the overall HAFC. Household consumption expanded in 2021, following a contraction in 2020, as pandemic-related restrictions began to lift and as the reopening of the economy provided opportunities for households to spend. Increases in HAFC were also influenced by STiK, reaching \$397.4 billion in 2021. The value of STiK as a share of HAFC has increased throughout the pandemic, reaching 23.1% in 2021 (+0.2 percentage points).

Chart 1
Components of household actual final consumption, Canada



1. Non-profit institutions serving households (NPISH).

Source(s): Table 36-10-0609-01.



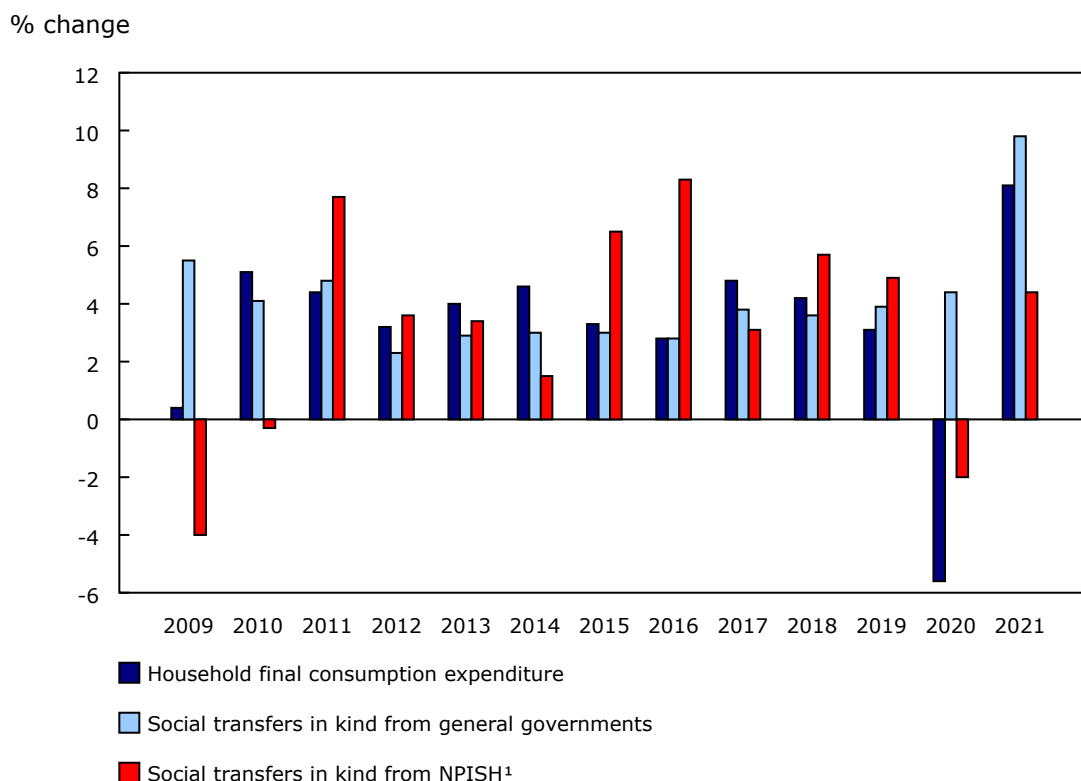
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Government social transfers in-kind grow at fastest pace on record during pandemic

Government-related STiK grew more in 2021 than at any other time on record for these estimates, which date back to 2008. In 2021, government-related STiK reached a total of \$361.2 million, up 9.8% from 2020. As of 2021, government-related STiK reached 90.9% of total STiK, up from 89.9% in 2019. Although STiK provided by non-profit institutions rose 4.4% following a decline in 2020, it grew at a faster annual pace in 2019 (+4.9%).

Chart 2
Change in household actual final consumption components, Canada



1. Non-profit institutions serving households (NPISH).

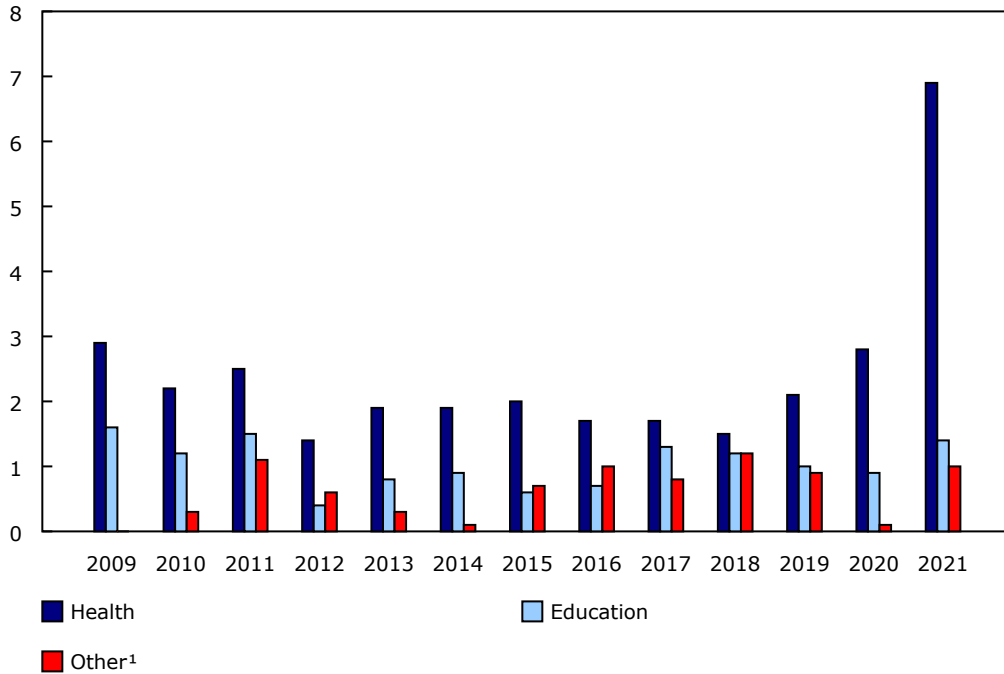
Source(s): National Economic Accounts Division, Household Actual Final Consumption, special tabulations.

Health-related STiK increases by more than triple the pre-pandemic annual rate of growth

In 2021, health-related STiK reached a total of \$208.0 billion, up \$25.1 billion (+13.7%) from the previous year, and triple the rate of annual growth observed in 2019. Health-related STiK contributed 6.9%, or almost three-quarters, of the 9.3% increase to overall STiK in 2021—the highest contribution to growth ever recorded for these estimates. In 2021, governments responded to the pandemic through the introduction of widespread vaccination programs, increasing in-kind goods and services such as public health services and medical products, appliances, and equipment related to healthcare.

Chart 3
Contributions to percentage change in social transfers in kind, Canada

percentage points



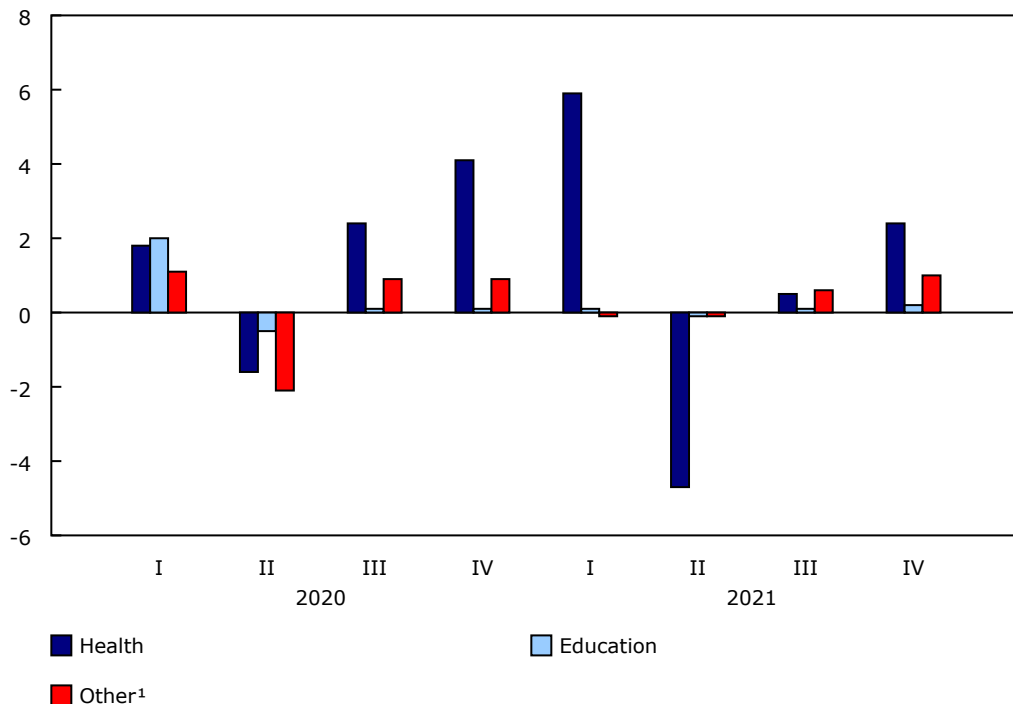
1. Other includes social transfers in kind related to recreation and culture, social protection, housing, and other services related to religion, political parties, labour and professional organizations, environmental protection, as well as other services not classified elsewhere.
Source(s): National Economic Accounts Division, Household Actual Final Consumption, special tabulations.

Within the 2021 reference year, increases in health-related STiK occurred mainly in the first quarter (+11.5%), as governments intensified efforts related to the rollout of the COVID-19 vaccine across the country, and in the fourth quarter of 2021 (+4.6%), as efforts began to provide the COVID-19 booster vaccine.

Housing-related STiK increased by 8.1% to a total of \$7.9 billion in 2021, a continuation of the increase seen during the onset of the pandemic in 2020. Although housing continued with a strong increase in 2021, it represented a small contribution to the change (+0.2 percentage points) in total STiK. Housing-related STiK includes benefits for two main social protection schemes: support low-cost or social housing, and housing programs that support the transition of people experiencing homelessness into permanent housing. The latter type of social protection scheme is provided through programs such as housing allowances and rent-geared-to-income units, and does not include investments in new housing units.

Chart 4
Contributions to percentage change in social transfers in kind, Canada, first quarter 2020 to fourth quarter 2021

percentage points



1. Other includes social transfers in kind related to recreation and culture, social protection, housing, and other services related to religion, political parties, labour and professional organizations, environmental protection, as well as other services not elsewhere classified.
Source(s): National Economic Accounts Division, Household Actual Final Consumption, special tabulations.

STiK as a share of adjusted disposable income returns to pre-pandemic rates

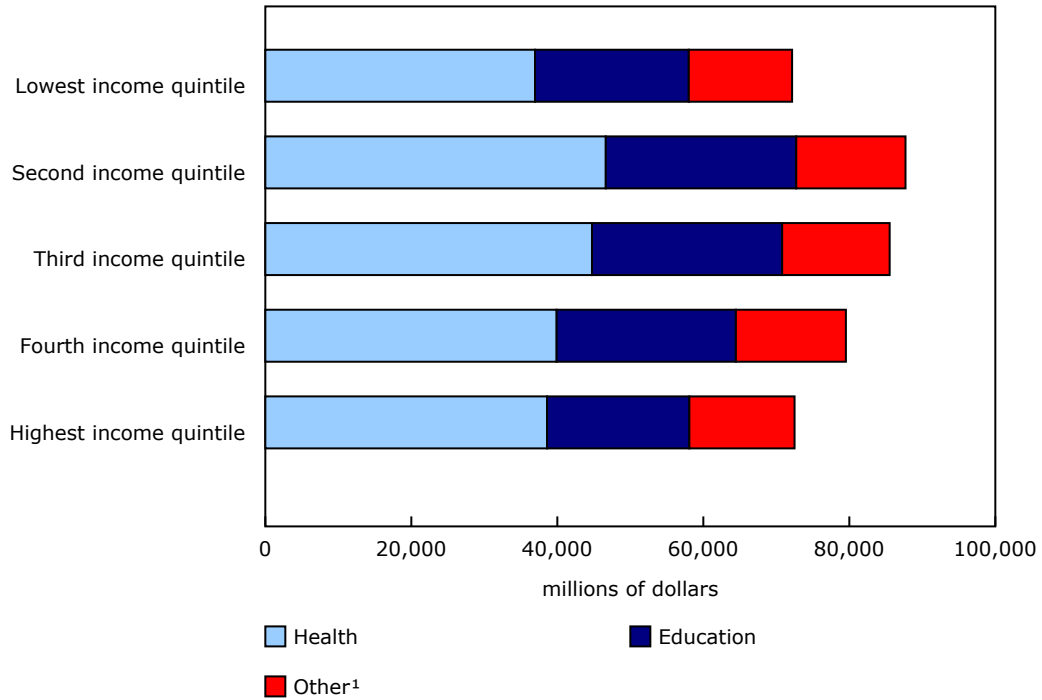
In addition to supplementing household consumption expenditures, STiK can be considered as income in-kind used to finance the cost of goods and services that households consume free of charge. This parallel income concept, which adds STiK to household disposable income (HDI), is known as adjusted household disposable income (AHDI) and it reached \$1.8 trillion in 2021. While HDI increased by 2.9% in 2021, following an 8.9% increase in 2020, AHDI grew by more in 2021 (+4.2%) due to a 9.3% increase in STiK. As a share of AHDI, STiK increased by 1.0 percentage point to 21.6% in 2021, as the increase in STiK outpaced that of HDI.

Middle income households receive greater shares of STiK

The distribution of household economic accounts allocates STiK to various household groupings. From 2020 to 2021, households in the lowest two income quintiles increased their share of STiK. Meanwhile, households in the highest two income quintiles decreased their share of STiK. Middle income households continued to receive larger shares of STiK, with the second income quintile consuming the most (22.1%) at \$87.7 million. Households with a major income earner aged 65 or older continued to consume the largest share of STiK in 2021 (25.5%), as they rely more on healthcare goods and services compared with those in younger age groups.

Chart 5

Household distributions of social transfers in kind by income quintile, Canada, 2021



1. Other includes social transfers in kind related to recreation and culture, social protection, housing, and other services related to religion, political parties, labour and professional organizations, environmental protection, as well as other services not elsewhere classified.

Source(s): National Economic Accounts Division, Household Actual Final Consumption, special tabulations.

Table 1
Social transfers in kind, by component, Canada

	2020				2021			
	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter
	millions of dollars at quarterly rate							
Total	91,908	86,140	90,026	95,505	101,814	96,450	97,150	101,993
Housing	1,810	1,753	1,835	1,926	1,934	1,991	1,989	2,005
Health	44,867	43,385	45,489	49,146	54,819	49,984	50,441	52,782
Recreation and culture	4,017	3,563	3,686	3,809	3,885	3,825	3,887	4,068
Education	28,865	26,518	27,513	28,496	29,210	28,787	28,492	30,047
Social protection	7,273	6,405	6,628	7,106	7,164	6,881	7,181	7,759
Other ¹	5,077	4,516	4,876	5,021	4,802	4,982	5,159	5,332

1. Other services are services related to religion, political parties, labour and professional organizations, environmental protection, as well as other services not elsewhere classified.

Note(s): Quarterly values may not sum to annual values due to rounding.

Source(s): National Economic Accounts Division, Household Actual Final Consumption, special tabulations.

Note to readers

Household actual final consumption (HAFC) consists of the consumption of goods and services by households. The value of HAFC is given by summing the following three components:

1. The value of expenditures by households on consumption of goods or services, including expenditures on non-market goods or services sold at prices that are not economically significant.
2. The value of the expenditures incurred by government units on individual consumption of goods or services provided to households as social transfers in kind (STiK).
3. The value of the expenditures incurred by non-profit institutions serving households (NPISHs) on individual consumption of goods or services provided to households as STiK.

With this release annual data have been revised for 2018 to 2020 to include revisions to the source data and benchmarks from the Income and Expenditures Accounts (IEA). Estimates for 2021 were compiled on a sub-annual frequency using the quarterly government finance statistics, quarterly wages and salaries, and quarterly benchmarks from the IEA accounts. The quarterly values are summed to estimate the annual value for 2021. All estimates included in this release are reported in current dollars.

The Distributions of Household Economic Accounts (DHEA) provides additional granularity to address topics such as the vulnerabilities of specific groups and the resulting implications for economic wellbeing. The DHEA release on January 28, 2022, [Distributions of household economic accounts, income, consumption and saving, by characteristic, quarterly](#) included estimates of STiK up to the third quarter of 2021. The release today expanded these estimates to include STiK for the fourth quarter and extrapolated the distributions to allocate STiK for the entire year.

Sustainable Development Goals

On January 1, 2016, the world officially began implementation of the [2030 Agenda for Sustainable Development](#)—the United Nations' transformative plan of action that addresses urgent global challenges over the next 15 years. The plan is based on 17 specific sustainable development goals.

Data on household actual final consumption are an example of how Statistics Canada supports reporting on the Global Goals for Sustainable Development. This release will be used in helping to measure the following goal:



Available tables: [36-10-0609-01](#) and [36-10-0612-01](#).

Definitions, data sources and methods: survey numbers [1901](#) and [1902](#).

Details on the sources and methods behind these estimates can be found in the publication *Methodological Guide: Canadian System of Macroeconomic Accounts* ([13-607-X](#)). See the section "[Household Actual Final Consumption](#)" under Satellite Accounts and Special Studies.

The [Economic accounts statistics](#) portal, accessible from the *Subjects* module of our website, features an up-to-date portrait of national and provincial economies and their structure.

The *Latest Developments in the Canadian Economic Accounts* ([13-605-X](#)) is available.

The *User Guide: Canadian System of Macroeconomic Accounts* ([13-606-G](#)) is available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).