

# Household actual final consumption, 2022

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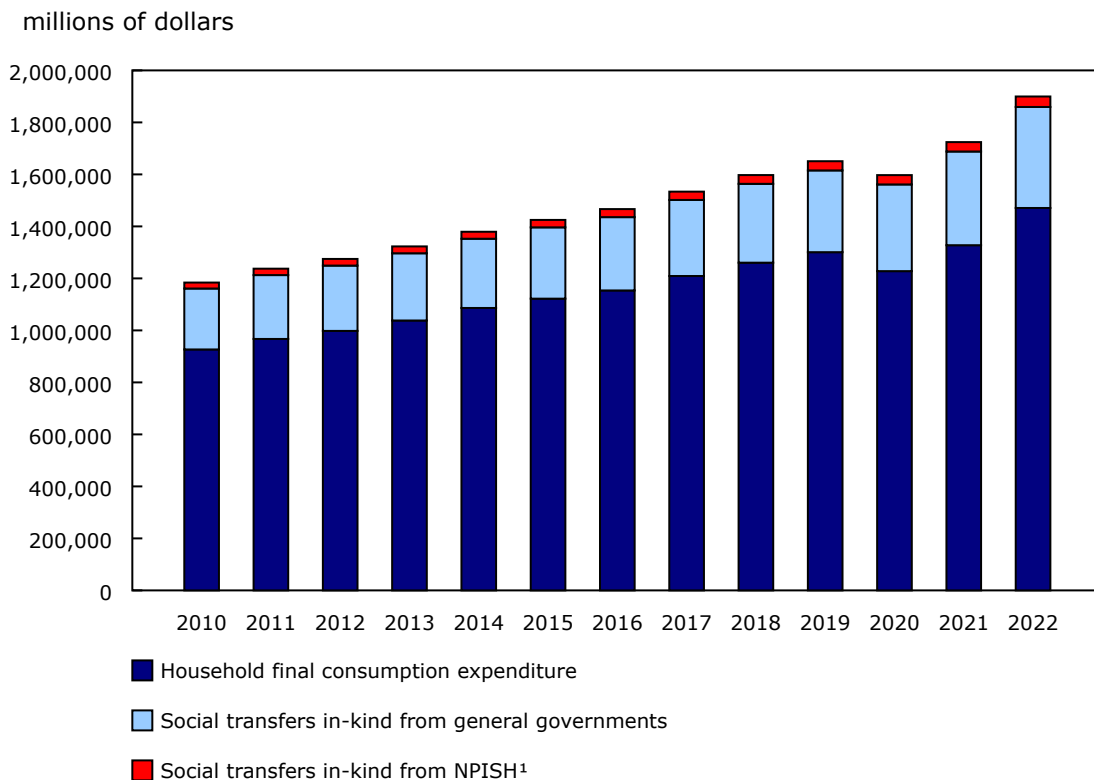
Household actual final consumption (HAFC) increased by 10.2% (+\$175.4 billion) in 2022—the largest increase observed for these estimates, which date back to 2008. Growth in HAFC has been strong in 2021 and 2022, as household final consumption expenditure (HFCE) accelerated alongside inflationary pressures and increasing economic activity due to the easing of COVID-19 pandemic-related restrictions. At the same time, social transfers in-kind (STiK) grew strongly in 2022 (+8.1%), led by growth in health, education as well as social protection and housing-related support.

HAFC expands on the traditional measure of household consumption by including STiK, which measures the value of in-kind goods and services provided to households by governments and non-profit institutions serving households (NPISH), such as through in-hospital care to patients, education for children, and social housing.

## Growth in household final consumption outpaces social transfers in-kind in 2022

In 2022, HAFC reached \$1.9 trillion, building on the increases observed in 2021 and exceeding pre-pandemic levels. Growth in HAFC was due mainly to a 10.8% increase in HFCE. At the same time, STiK reached \$428.8 billion (+8.1%) in 2022. Although growth in the value of STiK has been strong throughout the pandemic, it did not keep pace with HFCE as its share of HAFC decreased to 22.6% in 2022 (-0.4 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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## Growth in health-related social transfers in-kind slows relative to start of pandemic

Health-related STiK reached a total of \$227.5 billion in 2022, up \$17.3 billion (+8.2%) relative to 2021. While the annual increase in health-related STiK remained above pre-pandemic rates, it slowed relative to 2021 (+13.3%) as the need for health services eased along with COVID-19 pandemic conditions. Health-related STiK represented 53.0% of overall STiK in 2022, unchanged from a year earlier.

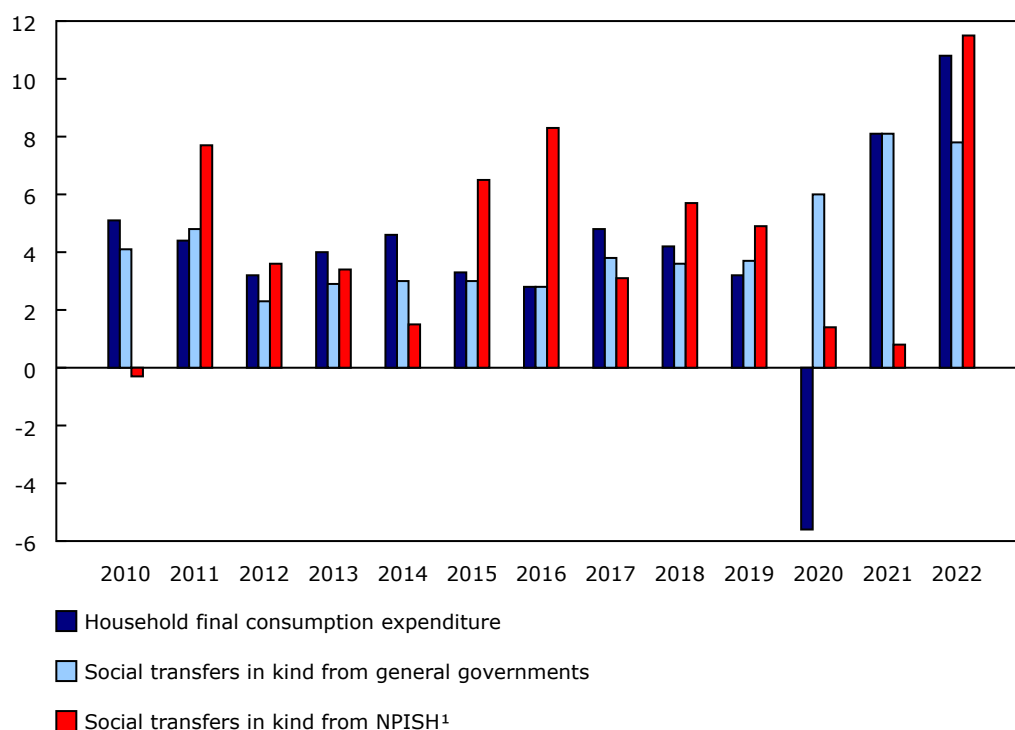
Within the 2022 reference year, decreases in health-related STiK occurred mainly in the second quarter (-11.2%) along with [declining COVID-19 related hospitalizations](#) and as [governments reduced COVID-19 vaccination campaigns](#) across the country. Health-related STiK picked up again in the third and fourth quarters of 2022.

## Support from non-profit institutions serving households grows at fastest pace on record

Although governments accounted for 9 out of every 10 dollars contributed through STiK, NPISH increased its share of overall support at the fastest pace on record, reaching a total of \$40.3 billion in 2022, up 11.5% from a year earlier.

**Chart 2**  
**Change in household actual final consumption components, Canada**

% change



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

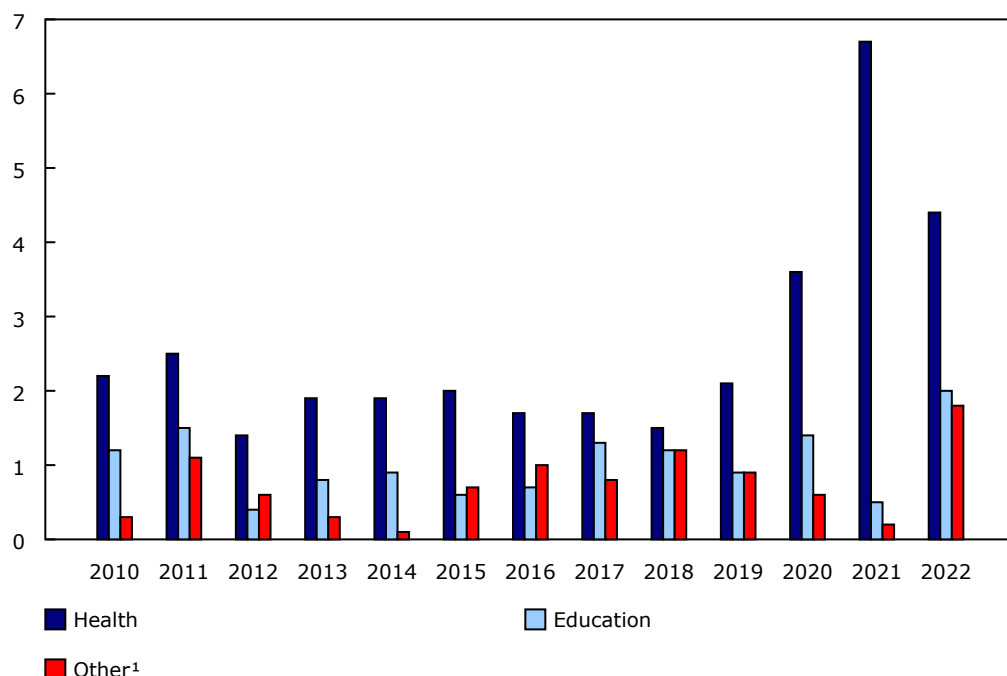
Source(s): Household Actual Final Consumption, special tabulations.

## Housing support increasing along with tight housing market conditions

In 2022, other-related STiK (which includes services related to housing, recreation and culture, social protection, and other services) was up \$7.0 billion (+9.8%) from 2021. This was eight times the growth rate in 2021, and more than twice the rate observed in 2019.

**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): Household Actual Final Consumption, special tabulations.

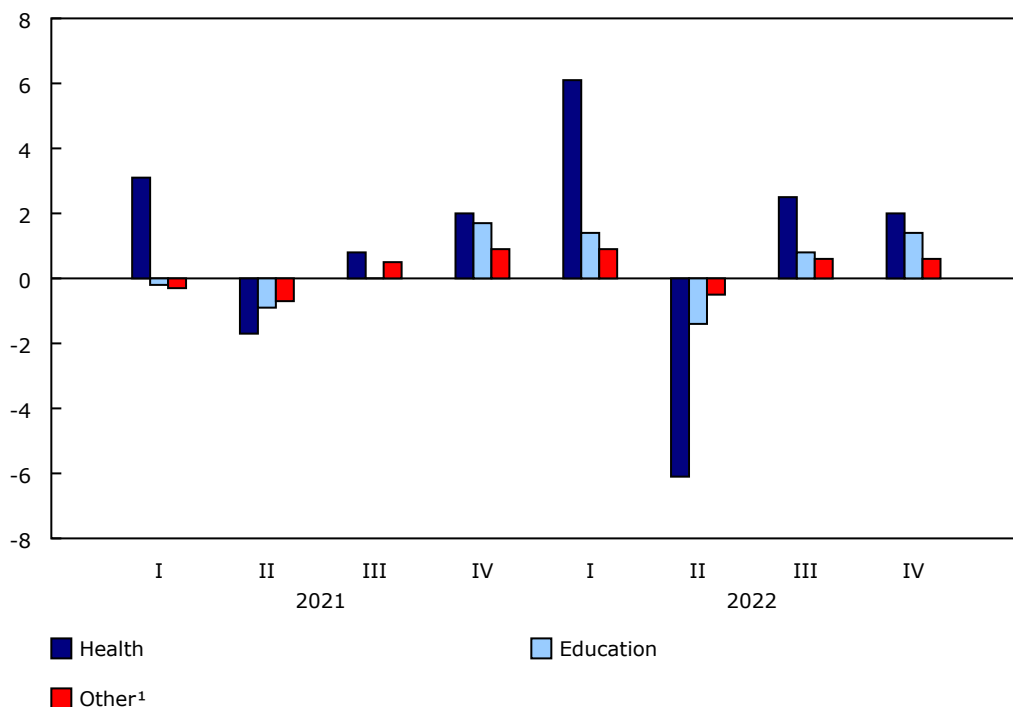
Housing-related STiK reached \$9.1 billion in 2022, up 24.8% from the previous year, which was the highest increase ever observed for these estimates. Although, historically, housing-related STiK has represented a small contribution to the percentage change in overall STiK, its influence has increased over the last several years as many increased their dependence on social housing alongside on-going [housing shortages, coupled with higher rents and issues with affordability](#).

Housing-related STiK includes benefits to support low-cost or social housing as well as programs that support the transition of people experiencing homelessness into permanent housing. The latter is provided through programs such as housing allowances and rent-geared-to-income units and does not include investments in new housing units. Social protection, which also contributed to the growth in STiK, includes various in-kind support measures for vulnerable groups, such as for low-income earners, seniors and the unemployed.

**Chart 4**

**Contributions to percentage change in social transfers in kind, Canada, first quarter 2021 to fourth quarter 2022**

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):** Household Actual Final Consumption, special tabulations.

## Social transfers in kind as a share of adjusted disposable income reaches highest rate on record

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), which reached \$1.9 trillion in 2022. While HDI increased at an average annual rate of 5.2% in 2022, AHDi increased at an even faster pace (+5.8%) as it was boosted by an 8.1% increase in STiK. As a share of AHDi, STiK reached 22.0% in 2022 (+0.5 percentage points), the highest share recorded since the beginning of the series in 2008.

**Table 1**  
**Social transfers in kind, by component, Canada**

	2021				2022			
	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter
millions of dollars at quarterly rate								
<b>Total</b>	<b>99,826</b>	<b>96,619</b>	<b>97,827</b>	<b>102,281</b>	<b>110,817</b>	<b>101,903</b>	<b>105,903</b>	<b>110,193</b>
Housing	1,881	1,766	1,774	1,858	2,791	2,032	2,114	2,149
Health	52,937	51,280	52,012	53,928	60,120	53,413	55,921	58,008
Recreation and culture	3,565	3,429	3,499	3,655	3,821	3,804	3,977	4,117
Education	28,906	28,023	28,031	29,651	31,039	29,434	30,272	31,805
Social protection	7,699	7,103	7,329	7,825	7,871	7,800	8,128	8,552
Other <sup>1</sup>	4,839	5,018	5,182	5,364	5,175	5,420	5,491	5,563

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):** Household Actual Final Consumption, special tabulations.

## Middle-income households and seniors receive largest share of social transfers in-kind

The distributions of household economic accounts allocates STiK to various household groupings. From 2021 to 2022, households in the lowest two income quintiles increased their share of STiK, while the share for those in the highest two income quintiles decreased. Middle income households continued to receive the largest share of STiK, with the second income quintile consuming the most (22.1%), at \$95.0 billion.

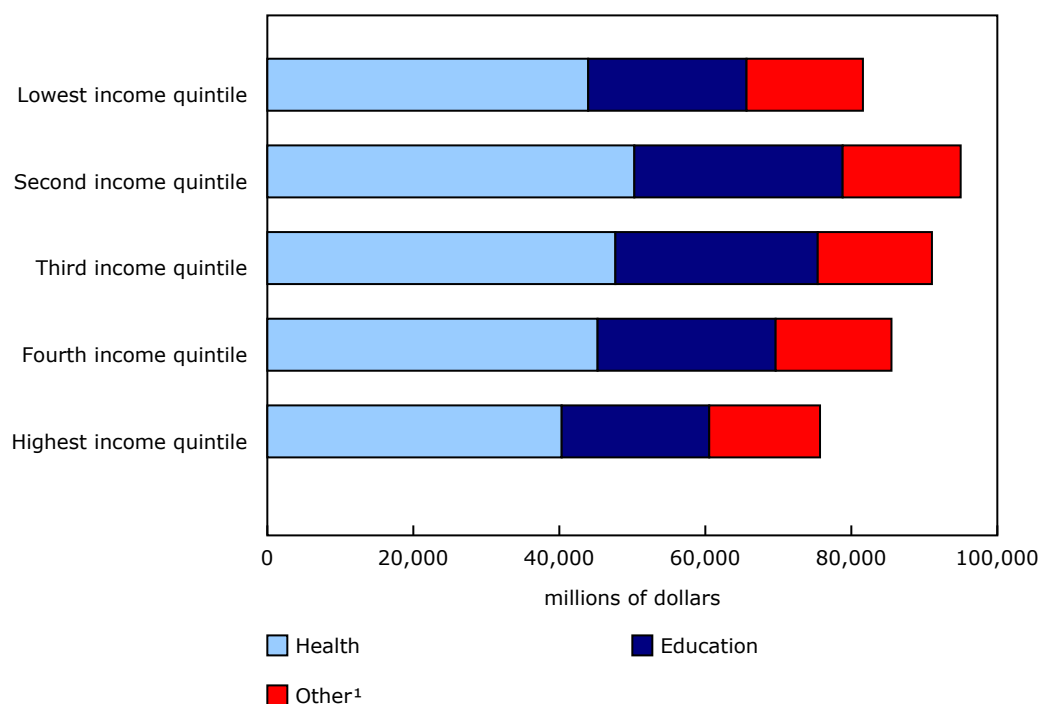
By age group, households with a major income earner aged 65 and older continued to consume the largest share of STiK in 2022 (26.8%), as they generally rely more on healthcare goods and services compared with those in younger age groups.

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**Chart 5**

**Household distributions of social transfers in kind by income quintile, Canada, 2022**

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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):** Household Actual Final Consumption, special tabulations.

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## 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:



### 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 households' expenditures 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; and
3. The value of the expenditures incurred by non-profit institutions serving households on individual consumption of goods or services provided to households as social transfers in kind.

With this release annual data have been revised for 2019 to 2021 to include revisions to the source data and benchmarks from the Income and Expenditure Accounts (IEA). Estimates for 2022 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 2022. All estimates included in this release are reported in current dollars.

The Distributions of Household Economic Accounts provide additional granularity to address questions such as vulnerabilities of specific groups and the resulting implications for economic well-being. The [Distributions of household economic accounts for income, consumption, saving and wealth of Canadian households](#) quarterly release on January 19, 2023, included estimates of social transfers in-kind (STiK) up to the third quarter of 2022. The release today expanded these estimates to include STiK for the fourth quarter and extrapolated the distributions in order to allocate STiK for the entire year.

**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.

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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](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).