Economic and Social Reports, April 2024

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There are six new articles available in today's release of *Economic and Social Reports*.

Immigrant women have about the same number of close friends as Canadian-born women

Many immigrants develop social connections upon arrival in Canada. However, little is known about the differences among immigrant women's social networks. The study "The social networks of immigrant women" examines the number of close friends, acquaintances, and friends from other ethnic groups by immigrant women's sociodemographic, immigration, and residential characteristics in comparison with Canadian-born women. It found that most groups of immigrant and Canadian-born women had about four close friends in the area where they lived.

While immigrant women overall had about three fewer acquaintances than Canadian-born women (16 acquaintances) in the area where they lived, they had more social connections from ethnic groups that were visibly different from their own. Still, many of the social networks of immigrant women were largely composed of people from the same ethnic group except for immigrant women from the Black population group, where 49.6% had half or more friends from visibly different ethnic backgrounds.

Women-owned businesses have benefited more from exporting from innovation activities, education and management experience, compared with men-owned businesses

In 2017, 15.6% of all small and medium enterprises (SMEs) and 14.8% of all SME exporters were owned by women, compared with 84.4% of all SMEs and 85.2% of all SME exporters that were owned by men, suggesting that women-owned SMEs are as likely to export as men-owned ones, although women-owned SMEs were smaller and concentrated in sectors that are less likely to export.

The article "Women-owned small and medium-sized enterprises in Canada: Exporting story," co-authored with Global Affairs Canada, found that women-owned SMEs benefit more from the adoption of online payment systems, organizational innovation, and selling strategies for entering export markets than men-owned SMEs. For instance, the predicted probability of exporting for women-owned SMEs that had adopted an online payment system was 18 to 20 percentage points higher than for male-owned SMEs. When it comes to increasing export intensity, women-owned SMEs also benefit more than their peers from more education and years of management experience of primary decision makers.

Findings in the article imply that policies that promote digital technology and education, and give opportunities for women to gain management experience could help women-owned SMEs overcome export barriers and contribute to trade.

Factors affecting Canada's gross domestic product per capita

Since 1981, real gross domestic product (GDP) per capita has grown at an average annual rate of 1.1%, increasing from about $36,900 per person to $58,100 per person in inflation-adjusted dollars at the end of 2023. The COVID-19 pandemic shock coupled with falling per capita output in recent quarters has left real GDP per capita 7% below its long-term trend, equating to a decline of about $4,200 per person.

The article "Canada's gross domestic product per capita: Perspectives on the return to trend" provides perspective on the extent to which recent declines in GDP per capita represent a departure from the long-term trend in per capita growth, while highlighting factors that may effectively bolster per capita growth through improvements in business productivity. Drawing on recent research at Statistics Canada that examines the link between investment, competition, and productivity, this article provides a guide to understanding how Canada fell behind, and what is involved in getting back to trend.

Heightened investment in intangible assets such as software and data in recent years may prove to be important sources of productivity growth in the near term. Industries that relied heavily on digital technologies were much more resilient during the pandemic, with higher digital intensity in finance and wholesale trade industries contributing to productivity gains during the recovery period.

This article is the fourth in a series focusing on challenges and opportunities currently shaping Canada's economic landscape. For the other articles in the series, see "Risks to Canada's corporate sector as interest rates rise," "The improvement in the labour market outcomes of recent immigrants since the mid-2010s," and "Housing, wealth and debt: How are young Canadians adapting to current financial and housing pressures?."

A look at recent developments in the Canadian economy

The article "Recent developments in the Canadian economy: Spring 2024" provides an integrated summary of recent changes in output, consumer prices, employment, and household finances. It highlights changes in the economic data during the second half of 2023 and into the winter months. The article also examines how economic conditions have changed as borrowing costs have risen.

In 2022, more seniors worked by choice rather than necessity

In 2022, 9% of seniors aged 65 to 74 worked by necessity while 12% worked by choice. The article "Employment by choice and necessity among Canadian-born and immigrant seniors" found that immigrants, women with no spouse and men living in rented dwellings, were more likely than other seniors to work by necessity.

The degree to which immigrant seniors worked by necessity varied across population groups. About 20% of Black, Filipino or South Asian immigrant men reported working by necessity in 2022, compared with 8% of Chinese immigrant men and 12% of White immigrant men. Meanwhile, Black immigrant women (12%) and Filipino immigrant women (13%) were also more likely than Chinese immigrant women (6%) to report working by necessity.

Compared with seniors who worked by choice, seniors who worked by necessity earned less money and were more likely to hold jobs that required relatively little training, education and experience. These findings suggest that seniors who work by necessity are more economically vulnerable than those who work by choice. In addition, these findings may help employers and policy makers understand the factors that influence retirement decisions.

The employment decisions of some seniors, as measured in 2022, may have been partly influenced by the COVID-19 pandemic. Whether the percentages of seniors working by choice or necessity were the same before the pandemic remains an open question.

Provincial and territorial differences in the retention and recruitment of young skilled workers

A young skilled labour force can make important contributions to the economic, health, cultural, and civic vitality of any community. The study "Retention and recruitment of young skilled workers: Results by province and territory" looks at the number of young postsecondary graduates who either moved away from (skill loss) or moved into (skill gain) a province or territory as a share of all young postsecondary graduates educated in that province or territory. The differences in these two shares are termed "net skill losses" or "net skill gains".

Net skill gains were highest by far in Nunavut (+184%), followed by the Northwest Territories (+45%) and Yukon (+39%). Among provinces, two were net skill gainers (Alberta, +22%; and British Columbia, +7%). Net skill losses were particularly large in Prince Edward Island (-25%), New Brunswick (-17%), and Newfoundland and Labrador (-17%), while smaller losses were registered in Nova Scotia (-10%), Manitoba (-8%) and Saskatchewan (-7%). Quebec (-2%) and Ontario (-2%) registered very small net skill losses.

These findings provide a starting point for discussions by provinces and territories around the issue of skill retention and recruitment among their youth populations.

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The April 2024 issue of *Economic and Social Reports*, Vol. 4, no. 04 (**36280001**), is now available. This issue contains the articles "Canada's gross domestic product per capita: Perspectives on the return to trend," "Employment by choice and necessity among Canadian-born and immigrant seniors," "Retention and recruitment of young skilled workers: Results by province and territory," "Recent developments in the Canadian economy: Spring 2024" "Women-owned small and medium-sized enterprises in Canada: Exporting story" and "The social networks of immigrant women."

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