

Personal Expenditures



Noteworthy:

- Personal consumption expenditures in Alberta totaled \$54.6 billion (1998\$) in 2002.
- Real personal consumption expenditures per capita increased by 112% between 1961 and 2002.
- Personal consumption expenditures made up 60% of provincial GDP in 1961.
- In 2002, personal consumption expenditures made up 44% of provincial GDP.
- Personal consumption expenditures on basics like food and clothing have increased little since 1961.
- Personal consumption expenditures on recreation, entertainment, education and cultural services increased 268% from 1961 to 2002—more than any other expenditure category.

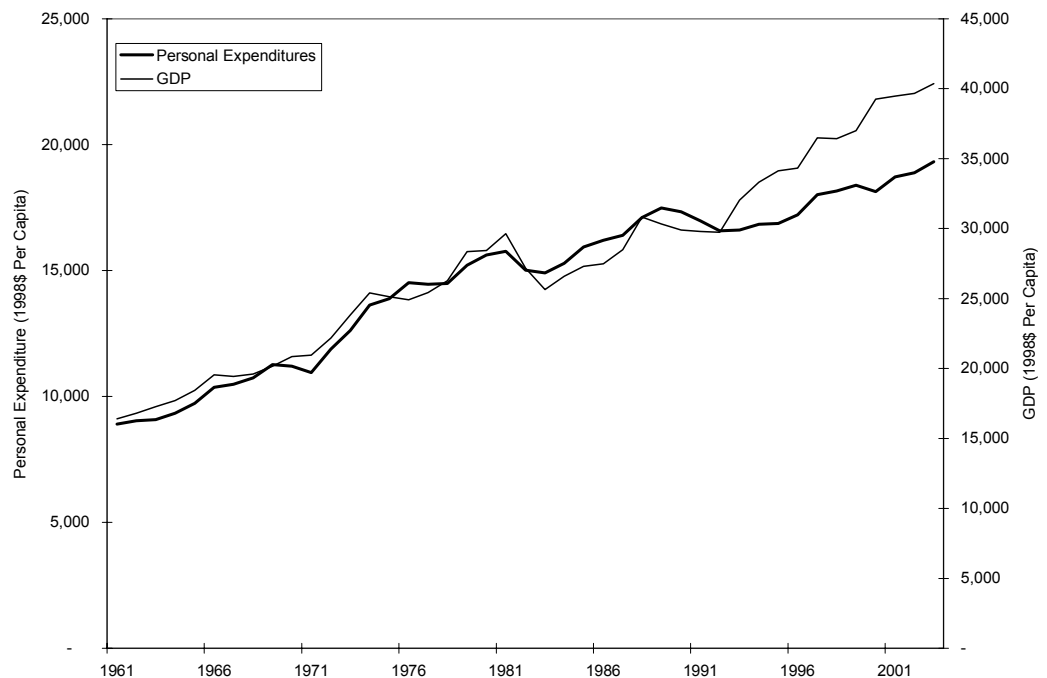
Personal Expenditures in Alberta: How Much?

Alberta's 1,101,490 households, averaging 2.6 persons each, spent \$54.6 billion (1998\$) on personal consumption in 2002; this made up 41% of Alberta's Gross Domestic Product (GDP) in 2002. The graph below shows that real personal consumption spending per capita rose from \$8,899 (1998\$) in 1961 to \$18,890 (1998\$) by 2002—a 112% increase in just 41

years. The graph also shows that while household spending rose steadily through the 1960s and 1970s, the rate of increase has slowed in the late 1980s and 1990s. Personal expenditure per capita increased by only \$1,789 (1998\$) between 1987 and 2002. Today personal consumption expenditures by households in Alberta are less important to provincial GDP than they

were in 1961 when they comprised 60% of GDP. Household spending is less important to Alberta's GDP than it is in the U.S. where personal consumption expenditures make up roughly 65% of GDP. This is partly due to the economic importance of exports of natural resources like oil and gas and agricultural and forest products in Alberta.

Personal Expenditures in Alberta, 1961 to 2002



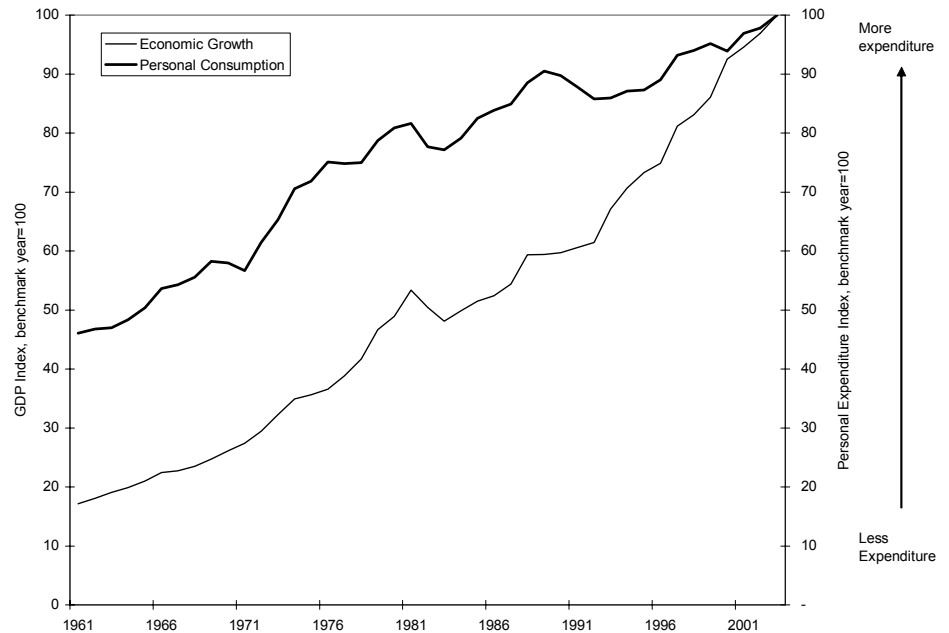
Source: Alberta Economic Accounts up to 2002. 2003 data not available at time of publication.

So What?

The figure to the right shows personal expenditures and Gross Domestic Product in Alberta as indices. Here, 100 is set equal to the highest level of expenditure or the highest level of GDP over the study period, and change from that level is measured as movement towards zero. As the figure indicates, personal expenditure has followed a similar pattern to GDP since 1961.

The table below shows average personal expenditure on various items for 1961 and 2002. What is immediately apparent from this table is that spending on the basics like food and clothing has increased little since 1961, relative to spending in other categories.

Personal Expenditures Index: Where are we today?



Average Personal Expenditures per Albertan, 1961 vs. 2002 (1998\$)

Expenditure	1961 1998\$ per capita	2002 1998\$ per capita	Change 1998\$ per capita	% Change
Food, Beverages and Tobacco	2,211	2,513	302	14%
Clothing and Footwear	786	819	33	4%
Gross Rent, Fuel and Power	1,535	3,850	2,315	151%
Furniture, Furnishings, Household Equipment and Operations	990	1,619	630	64%
Medical Care and Health Services	345	872	527	153%
Transportation and Communications	1,276	3,420	2,144	168%
Recreation, Entertainment, Education and Cultural Services	572	2,106	1,534	268%
Personal Goods and Services	1,149	3,771	2,622	228%
Net Expenditure Abroad	36	(80)	(116)	-320%
Total Personal Consumption Expenditures	8,899	18,890	9,991	112%
Taxes	885	4,297	3,411	385%
Total Expenditures	9,785	23,187	13,402	137%

Source: Alberta Economic Accounts, Alberta Treasury

Personal consumption expenditures in Alberta totaled \$54.6 billion (1998\$) in 2002. That is equal to 44% of 2002 provincial GDP.

As an index, personal consumption expenditures in Alberta in 2002 ranked 100 on a scale of 0 to 100, where 100 is the highest personal consumption expenditure from 1961 to 2002.

