



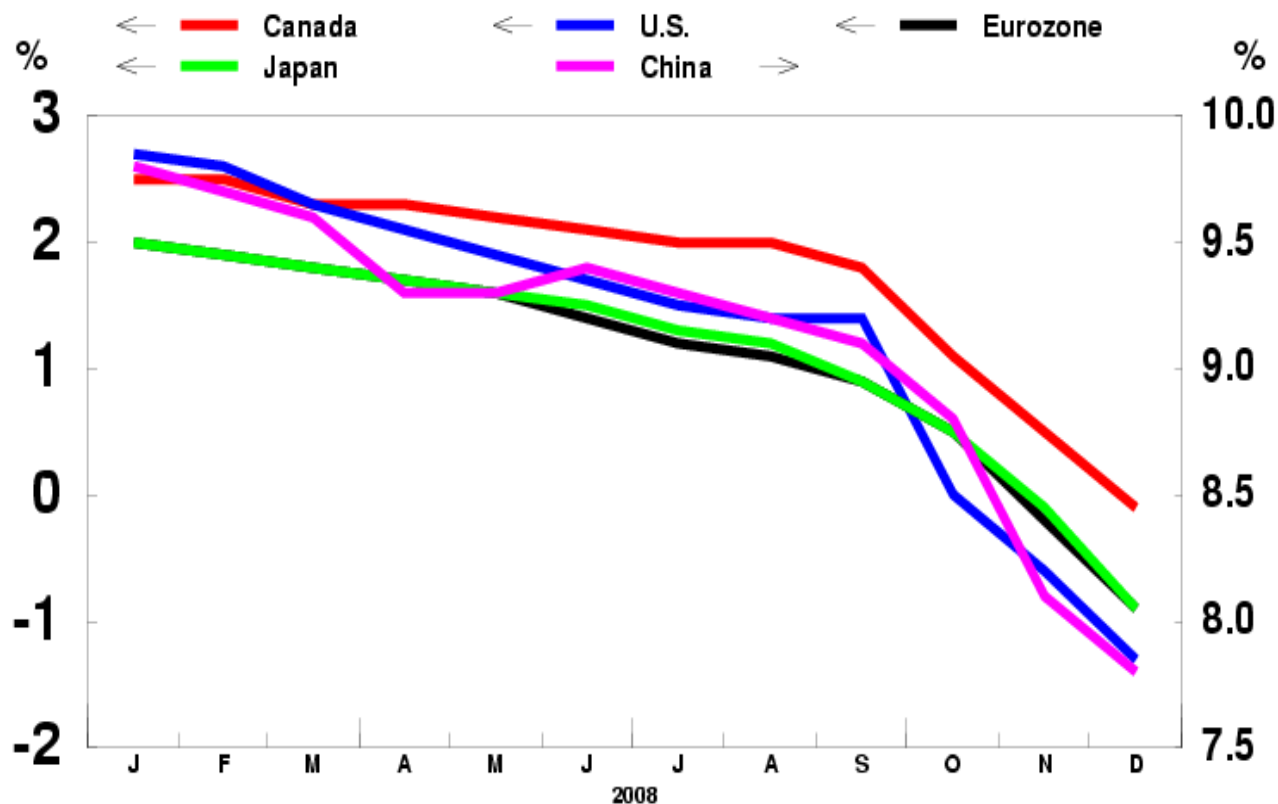
Working Through the Economic Crisis: The Future for Canada's Nonprofit and Voluntary Sector

- The Economic Context -

Sheila Niven
30 January 2009

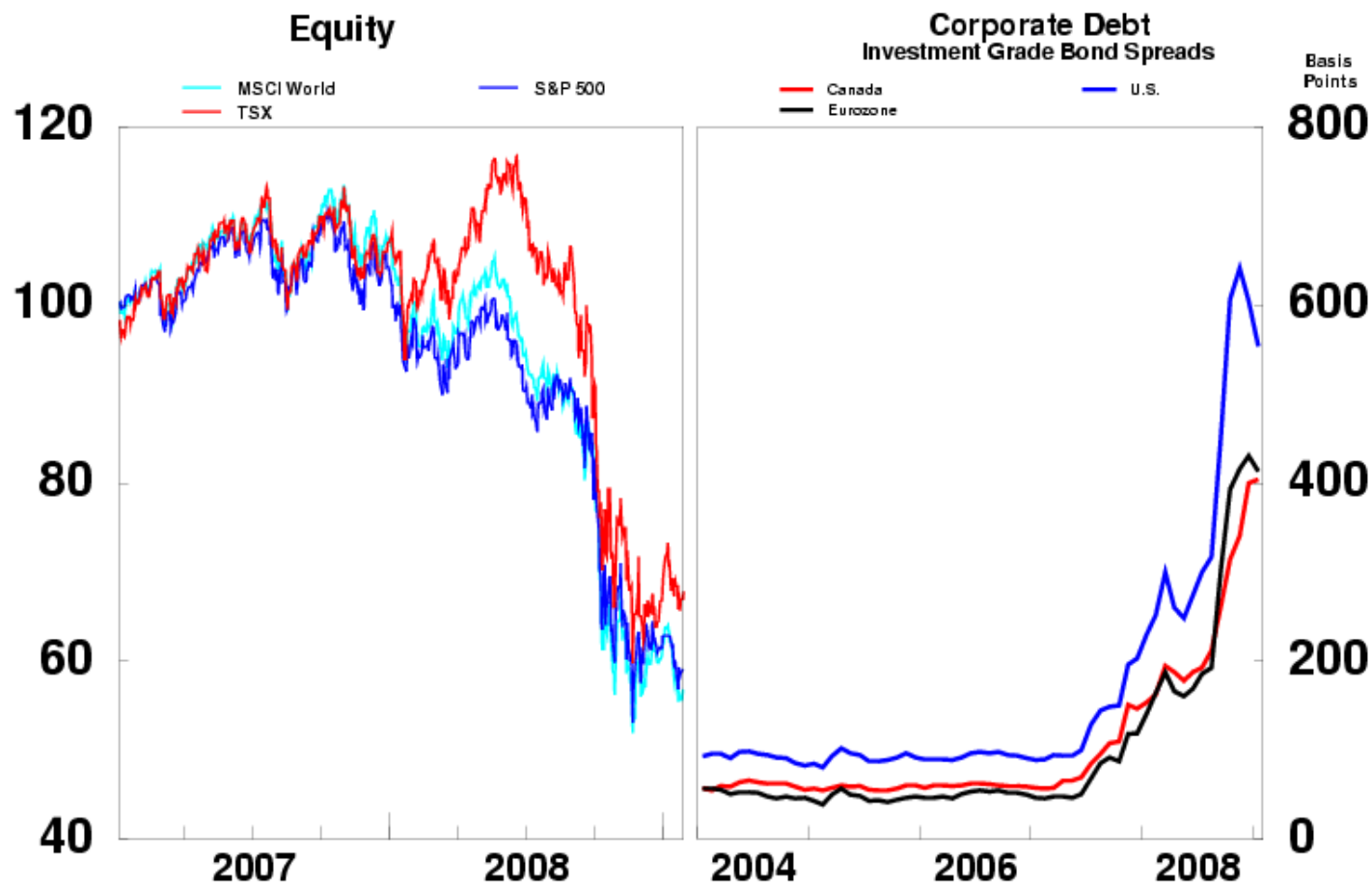
Sudden, Synchronized Global Recession

Consensus Growth Forecasts for 2009



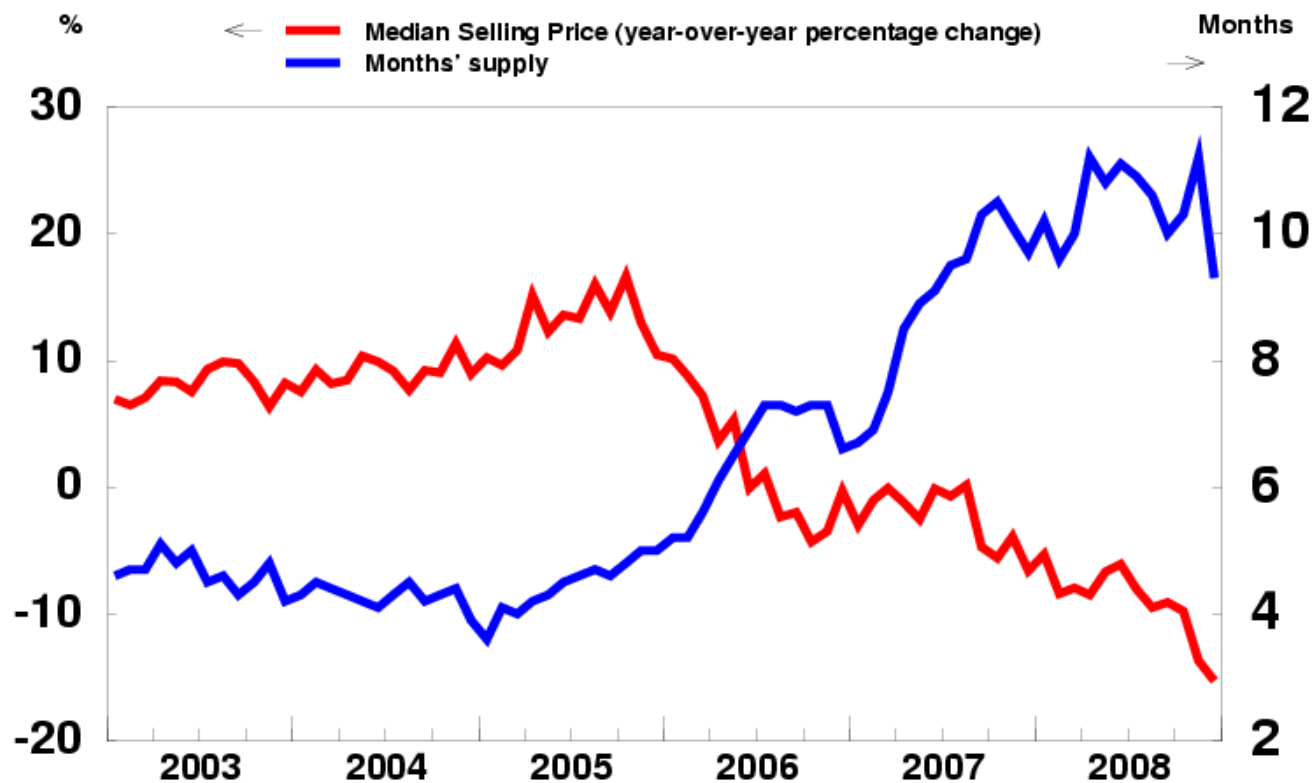
Source: Consensus Economics

Dramatic Re-pricing of Risk



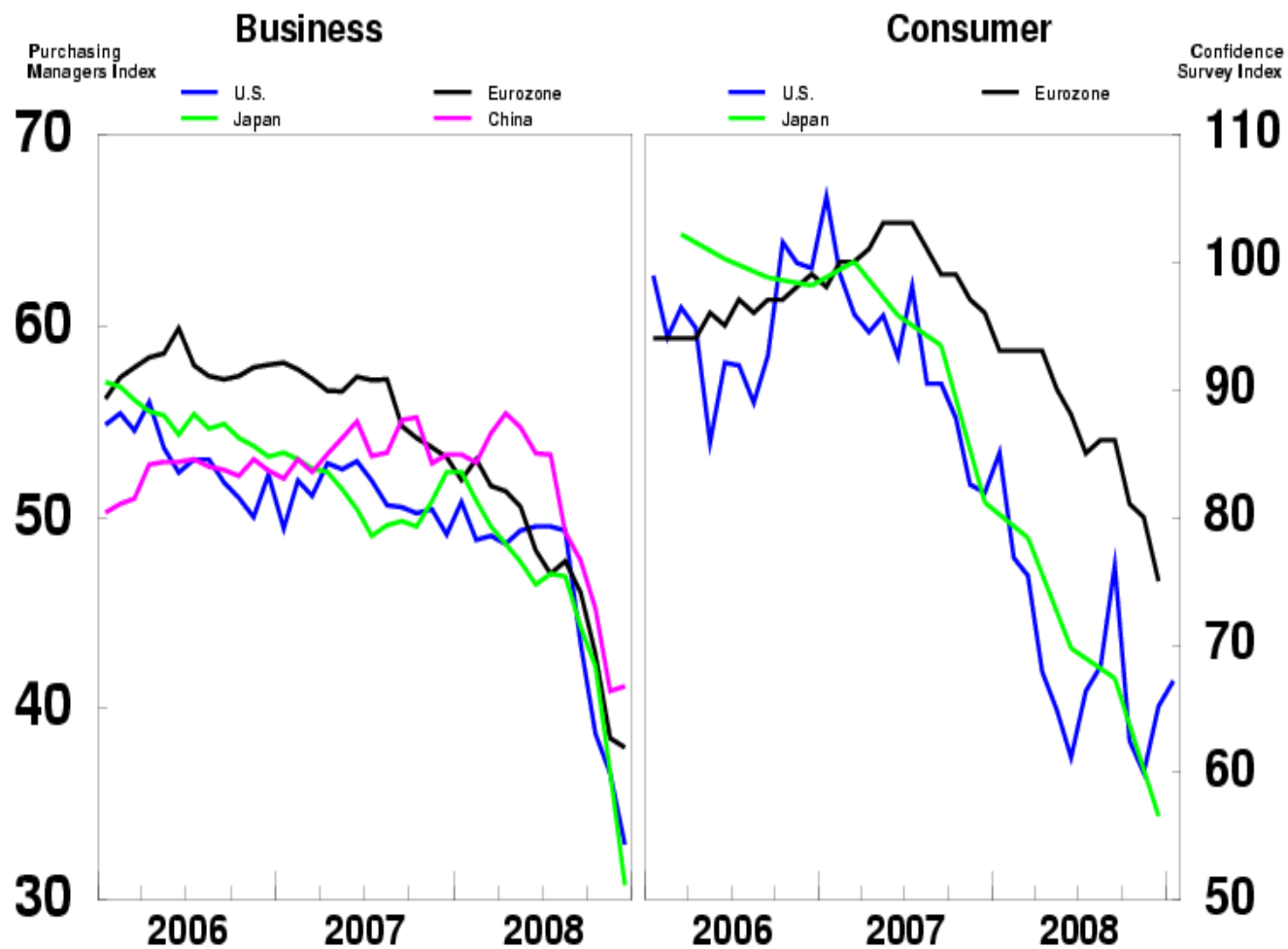
Housing Market Stress

United States: House Price and Inventories of Existing Homes



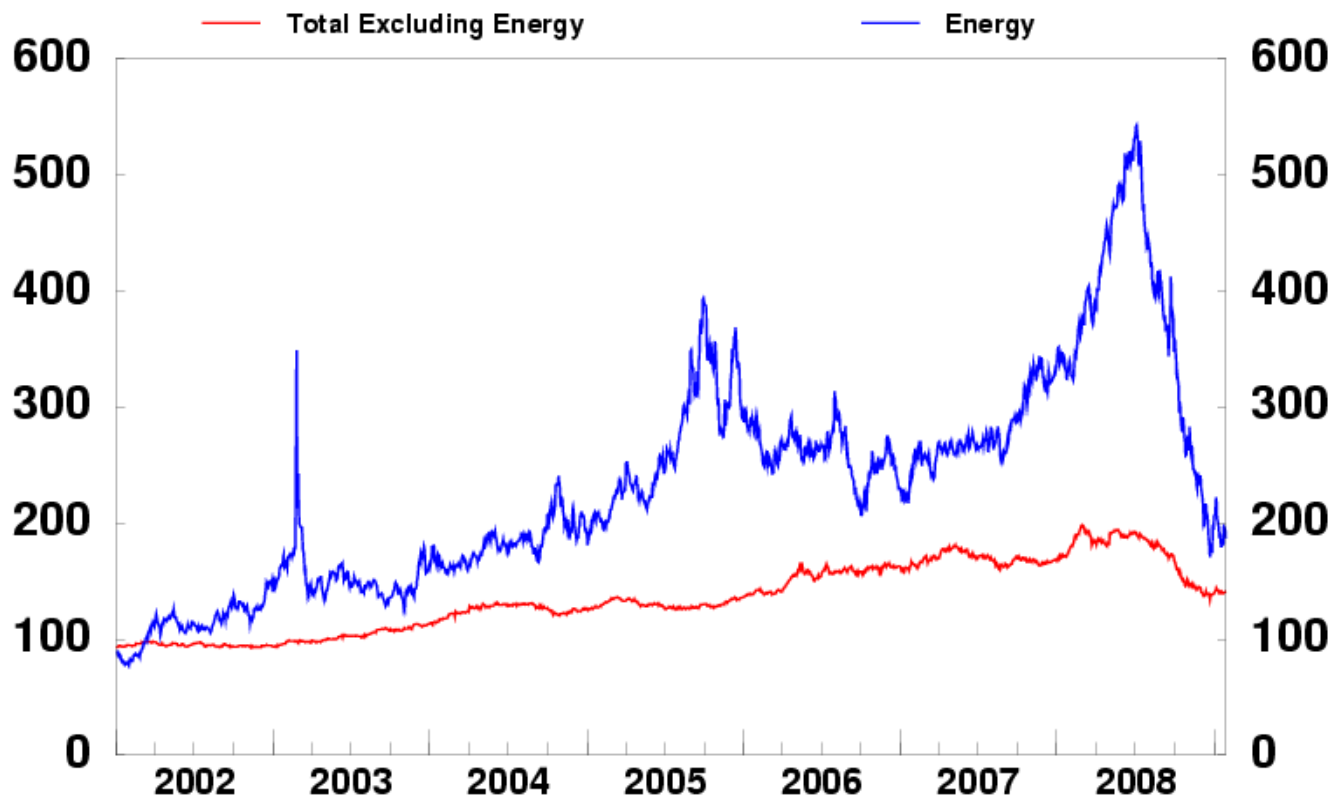
Source: National Association of Realtors

Global Confidence has Plummeted



Commodities React

Commodity Price Index 1982-90 = 100, U.S. dollar terms



Source: Bank of Canada

Global Growth Projection*

	Share of real global GDP (per cent)	Expected growth (per cent)			
			Projection		
		2007	2008	2009	2010
United States	22	2.0	1.2	-1.7	2.6
European Union	20	2.7	0.9	-1.0	2.1
Japan	7	2.4	0.0	-1.7	2.0
China and Asian NIEs	14	10.2	7.5	5.6	6.9
Others	37	6.6	5.0	2.7	4.3
World	100	5.0	3.4	1.1	3.7

* Source: See Bank of Canada January 2009 *Monetary Policy Report Update* for details.

Canada – Confidence has Fallen

Business - Investment in Machinery and Equipment

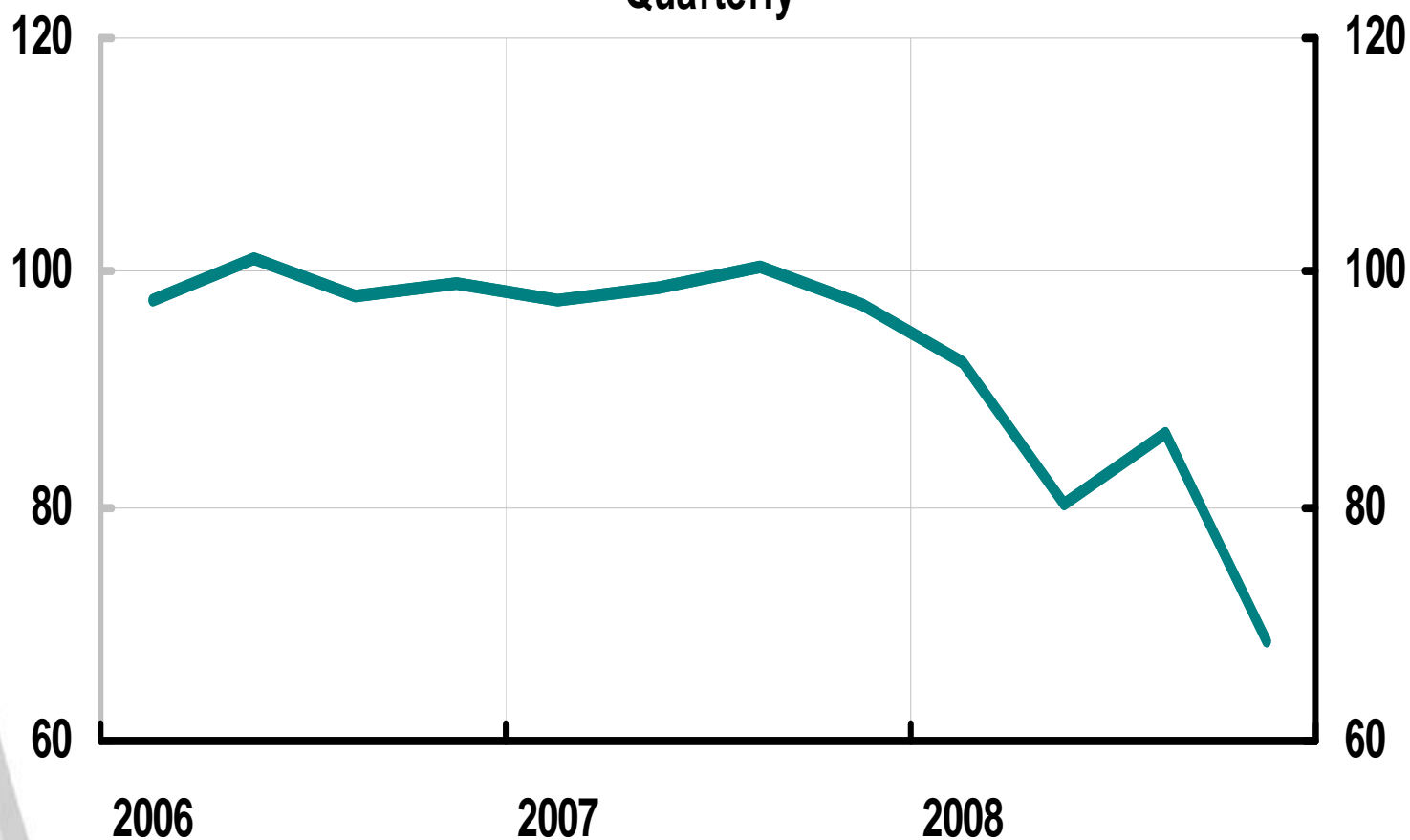
Balance of opinion:

Expectations for coming 12 months vs. past 12 months



* Source: See Bank of Canada January 2009 *Business Outlook Survey* for details.

Consumer Confidence Index Quarterly

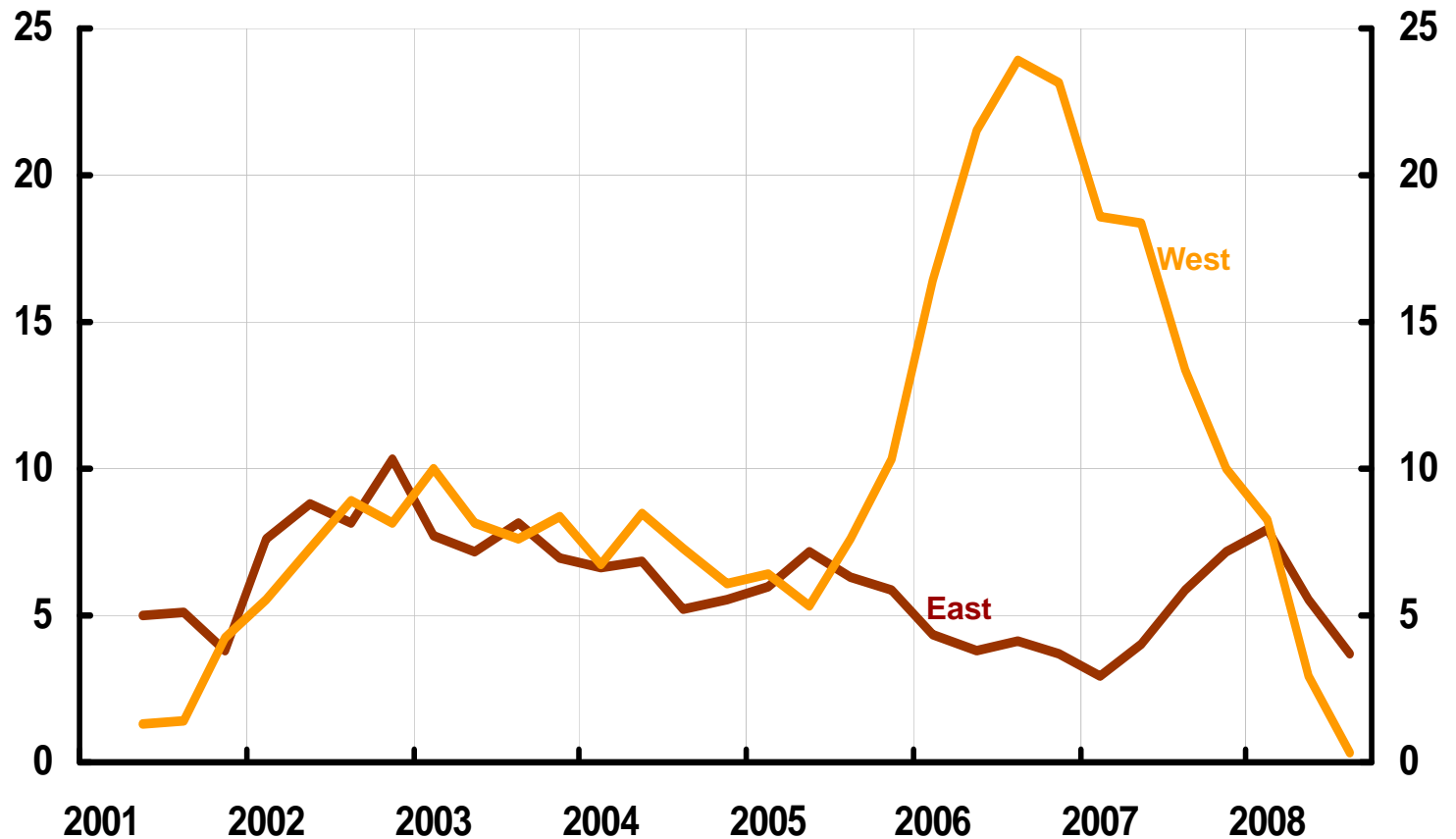


Source: Conference Board



The Housing Market

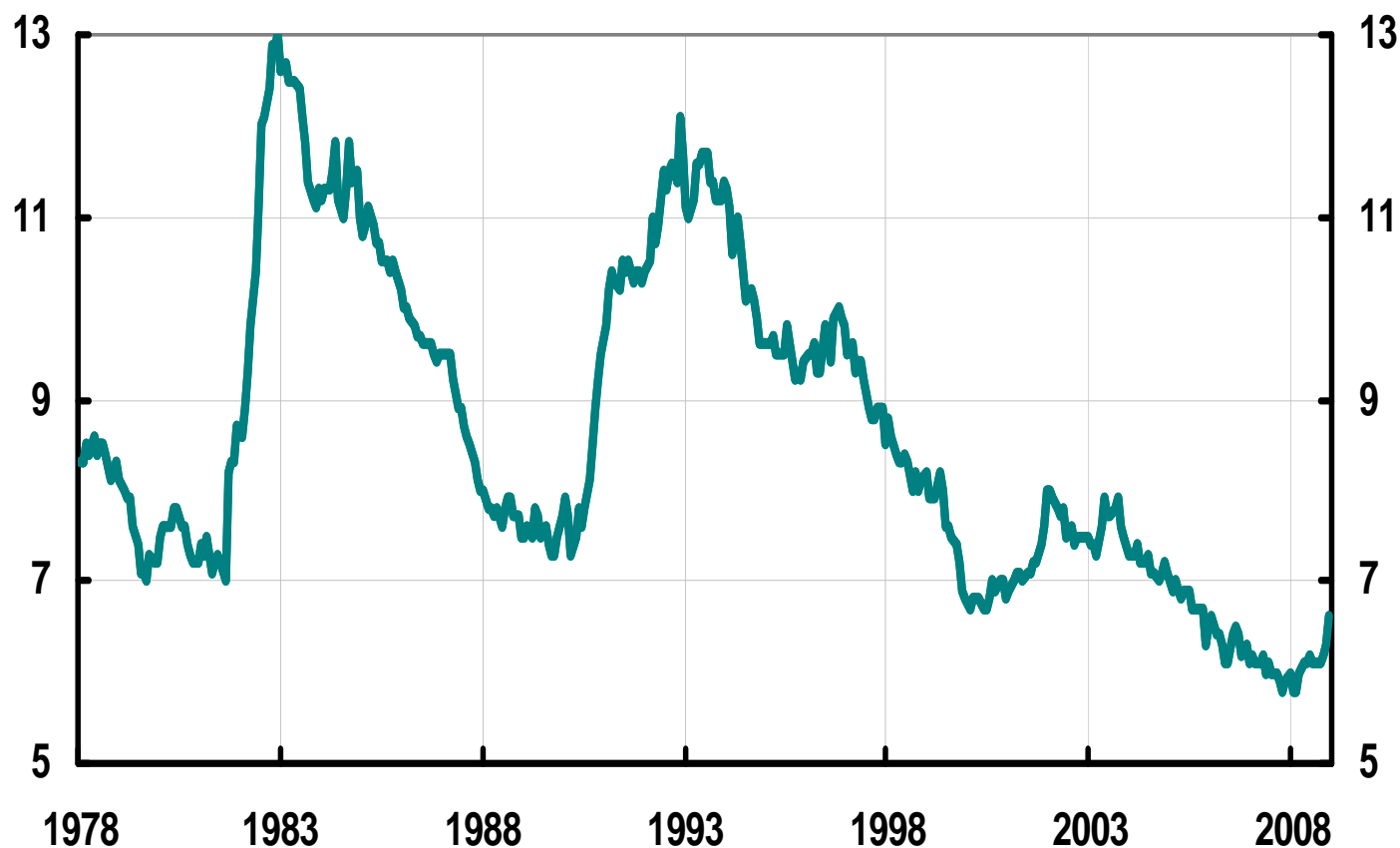
Canadian Resale House Prices Year-over-year percentage change



Source: Calculations based on Royal LePage data

The Labour Market

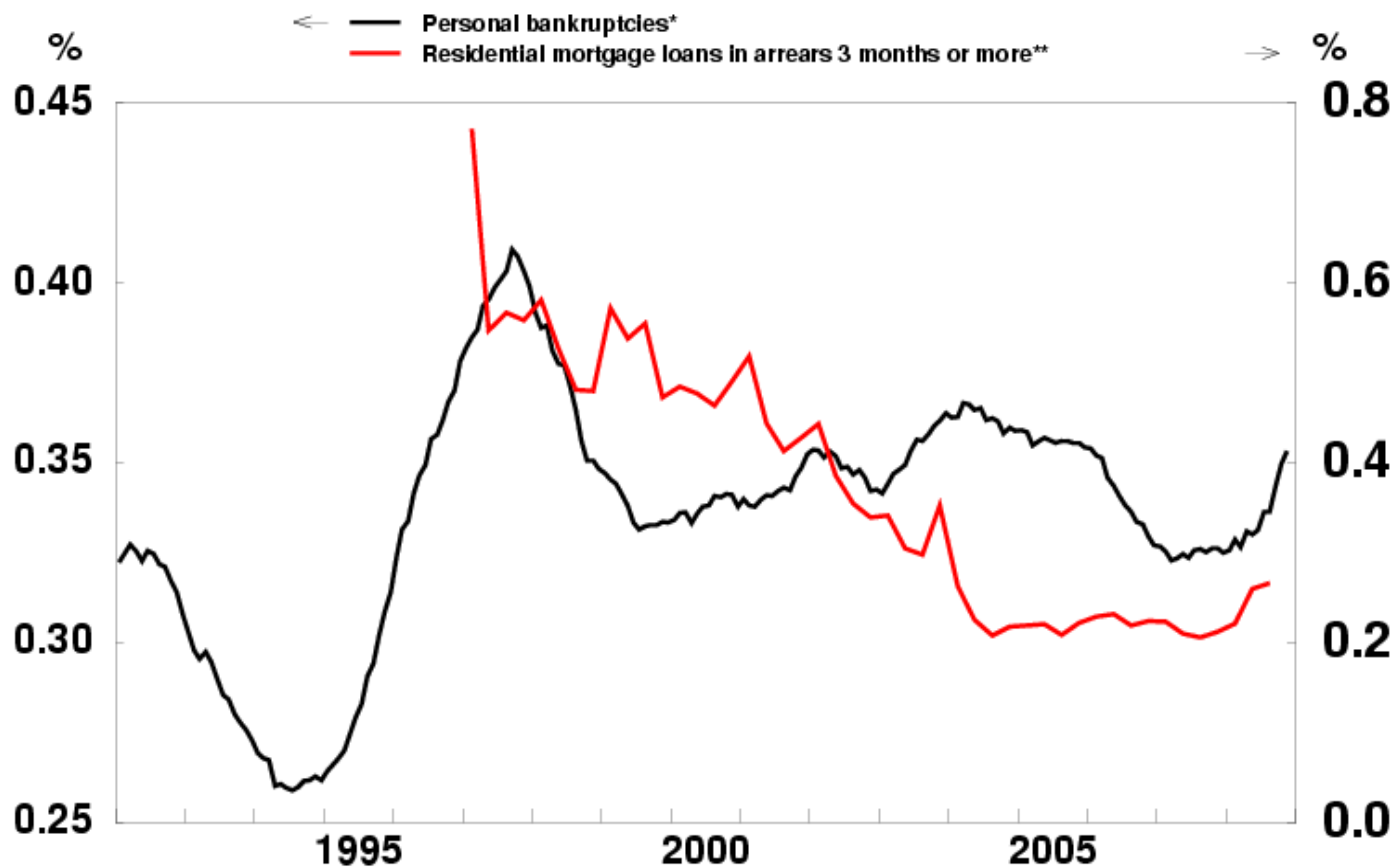
Canadian Unemployment Rate



Source: Statistics Canada

Canada: Household Financial Stress

Household Sector: Financial Stress Indicators



* As a percentage of population aged 20 and over
 ** As a percentage of total residential mortgage loans outstanding.
 Sources: Statistics Canada and OSFI

Personal Bankruptcies: Nov 2008
 Residential mortgage: 4q08

Canada

Summary of the Base-Case Projection

	2008		2009				2010	
	Q3	Q4	Q1	Q2	Q3	Q4	H1	H2
Real GDP (q/qpct)	1.3	-2.3	-4.8	-1.0	2.0	3.5	4.7	4.9
Real GDP (ytypct)	0.5	-0.3	-1.3	-1.7	-1.6	-0.1	3.0	4.6
Core Inflation (ytypct)	1.6	2.2	2.1	1.5	1.2	1.1	1.3	1.8
Total CPI (ytypct)	3.4	2.0	1.2	-0.6	-1.0	1.1	1.6	1.8
Assumption for the price of West Texas Intermediate Crude Oil (US\$ per barrel) *								
WTI (level)	119	58	43	52	56	58	62	64

* Based on average of futures contracts over the two weeks ending 16 January 2009.