Regina Prosperity Matrix (RPM)

June 2025

The composite indicator is a statistical measure of the overall health of the regional economy. It is calculated by combining five equally weighted indicators to create a composite indicator. As each individual indicator approaches its maximum value, the composite indicator trends toward a maximum score of 100.

Q2 2025

Employment
52 Up 5 from Q1

Manufacturing
10 Down 17 from Q1

Housing
68 Down 1 from Q1

Retail/Consumer
89 Up 6 from Q1

Household Affordability
63 Up 12 from Q1

Insight:

Regina's Prosperity Matrix inched up to 56 in Q2 2025 from 55 earlier in the year, signaling cautious economic momentum. The Household Affordability and Retail/Consumer Indices led the way, highlighting resilient consumer activity despite ongoing inflation and trade pressures.

Still, the economy remains in fragile recovery. Rising U.S. tariffs and supply chain risks could stall progress, making it crucial for policymakers to support trade diversification, job creation, and targeted stimulus. Manufacturing vulnerabilities persist, and businesses must stay responsive to shifting consumer and employment trends to sustain growth.

*See back page for full calibration details

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Q2 2025 RPM DEEP DIVE

May 2, 2025

52

EMPLOYMENT INDEX: UP FROM 47 LAST QUARTER

The current employment index stands at 52, up from 47 in Q1 2025, signalling a modest improvement in labor market conditions with the employment rate nudging up to 64.3 and the average offered hourly wage rising to $25.90 – the highest in the past year. Labour market participation was stable, while the job vacancy rate slipped slightly.

BOTTOM LINE: As in Q1 2025, the ongoing U.S. trade war is yet to significantly impact the overall job market, but as tariffs persist and supply chains adjust, manufacturing and trade-driven sectors may see job losses and slower wage growth, dampening current momentum.

10

MANUFACTURING INDEX: DOWN FROM 27 LAST QUARTER

Regina's manufacturing index is struggling, tumbling from 27 to 10 in Q2 2025 and indicating a significant slowdown in the sector. Manufacturing sales have dropped sharply (-26% in the past year), reflecting weak domestic and global demand as firms grapple with uncertain trade environments. The recent U.S. tariffs on Canadian goods are compounding this struggle, disrupting supply chains, and dampening investor confidence.

Manufacturing employment levels have remained flat, which suggests firms are reluctant to hire amid falling output. Meanwhile, wage growth in the sector, though steady, has been immaterial to offset the broader decline. The combination of international buyers' uncertainty due to ongoing tariff tensions and businesses facing higher input costs, expansion, hiring and major project plans are on hold. Furthermore, the sharp dip signals broader risks to industrial output and economic momentum.

BOTTOM LINE: While rising interest rates of late dampened demand and investment in manufacturing, as inflation stabilises, optimism is growing for a rebound, supported by the potential for further interest rate cuts by the Bank of Canada.

68

HOUSING INDEX: DOWN FROM 69 LAST QUARTER

Regina's housing index remained flat, reducing from 69 to 68 in Q2 2025, indicating a minor slowdown in market activity. The decline comes despite falling interest rates that typically encourage home buying. Although falling interest rates should ideally stimulate housing purchases, broader economic uncertainties, in particular U.S. tariffs on Canadian goods, are impacting confidence and could be causing a temporary cooling of the housing market. Benchmark prices remain stable, but unabsorbed inventory is gradually rising, indicating slower market uptake. Rental prices have also shown signs of easing, and a dip in building permit values suggests developers are scaling back. While Canada's immigration policies have been rolled back, new Canadians continue to drive long-term housing demand, especially in more affordable markets like Regina.

BOTTOM LINE: While the immediate outlook is being shaped by trade tensions and economic caution, it could influence more long-term effects and restrain the market in the future despite demand being consistently high.

Q2 2025 RPM DEEP DIVE

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89

RETAIL/CONSUMER INDEX: UP FROM 83 LAST QUARTER

The consumption index has climbed to 89, up from 83 last quarter, reflecting outstanding consumer activity. Retail sales and household final consumption expenditure both reached record highs, while wholesale and retail employment remained robust. New vehicle sales softened, but contributed positively. The recent decline in interest rates has also likely spurred borrowing and spending, encouraging purchases of durable goods and increasing overall consumption. If rates stay low, consumer momentum may continue, reinforcing broader economic resilience in coming quarters. However, the U.S. trade war poses a looming risk. Tariffs could lead to higher consumer prices and supply chain disruptions, which may dampen spending and confidence. If prolonged, this could slow future consumption growth and weaken the index.

BOTTOM LINE: Projections and assumptions aside, the rising consumption index signals strong consumer confidence and a healthy, growing economy.

63

HOUSEHOLD AFFORDABILITY INDEX: UP FROM 51 LAST QUARTER

Household affordability is key to economic stability – balancing income, mortgage costs, and debt burdens. In contrast, a rising debt service ratio signals financial strain, while stable delinquency rates and falling interest rates suggest continued resilience. Declining mortgage loan values reflect cautious lending and increased government incentives. Similarly, households have adapted to high interest rates by lengthening the amortization periods of loans to keep payments manageable.

BOTTOM LINE: Regina remains affordable and with a healthy cushion between household earnings and expenses.

56

OVERALL ECONOMIC INDEX: UP FROM 55 LAST QUARTER

Regina's composite economic index edged up to 56 in Q2 2025 from 55 at the start of the year, reflecting a cautiously optimistic shift in the city's economic momentum. The standout performer was the Household Affordability Index whose uptick reflects overall resilience in consumer activity and household adaptability to financial pressures, particularly in managing debt and mortgage payments despite persistent inflationary and trade-related risks.

However, the overall index still indicates an economy in fragile recovery. A score of 56 suggests the economy is gaining traction, but not without warning signs. Policymakers should be mindful of external trade pressures, particularly escalating U.S. tariffs, which could undermine progress. These tensions threaten to disrupt supply chains, increase living costs, and reduce investment confidence – challenges that could quickly erode gains.

BOTTOM LINE: Businesses and local stakeholders must remain alert and agile to shifting consumer confidence and employment dynamics. While demand remains steady, underlying vulnerabilities, especially in housing and manufacturing, could weigh on future growth. Strategic support for trade diversification, job creation, and targeted stimulus will be critical to not only buoying, but building out and growing Regina's economy for near-term and future prosperity.

Regina Prosperity Matrix (RPM)

Interpretation

Interpretation of the index will be based on the calibrations in the table. This index can be tracked over time to understand trends in GRA's economy.

	Index Range	Category	Interpretation
	85 - 100	Outstanding	This range indicates that the economy is performing exceptionally well, showing high levels of investment, strong growth (GDP), high employment, and a booming housing market. An economy in this category is resilient to economic shocks and has very low risk levels.
	70 - 84	Very Strong	An economy in this category has strong growth and sound fundamentals, with a high degree of stability and resilience. This economy is still attractive for investment and has a positive outlook, though it might have slightly higher risks compared to the "Outstanding" category.
Q2 2025 56	55 - 69	Strong	Good economic performance with stable growth and manageable risks. While the fundamentals are sound, there may be some vulnerability to external shocks. Growth is solid but not as robust as in higher categories.
	40 - 54	Moderate	This range reflects an economy with mixed indicators – some strengths, but also significant challenges. There is stability, but growth is average, and the economy is more exposed to external risks.
	25 - 39	Weak	Below-average economic performance with considerable vulnerabilities and limited growth potential. The economy is struggling and highly susceptible to downturns, making it less attractive for investment.
	10 - 24	Very Weak	Severe economic problems are present, with low or negative growth, high unemployment, and potential for fiscal crises. There is a high risk of further deterioration, and recovery prospects are uncertain.
	0 - 9	Poor	The economy is in deep distress, showing very poor performance across key indicators, and may be on the brink of economic collapse or recession (inability to sustain basic economic functions).

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