



Vestcor and the Clients it Supports:

New Brunswick Economic and Social
Value Contribution
2025





VESTCOR



CANADIAN CENTRE FOR
ECONOMIC ANALYSIS

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ISBN: 978-1-4605-4643-7

Citation: Vestcor and the Members it Supports: New Brunswick Economic Contribution 2025. Canadian Centre for Economic Analysis. November 2025.

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RESULTS AT A GLANCE

INTRODUCTION

Vestcor administers public sector pension plans and manages investment assets totalling \$24 billion in assets under management (AUM) (as at December 31, 2025) on behalf of its clients in New Brunswick. These assets, 60% of which are invested in Canada, are managed through a diversified portfolio that includes public equities, fixed income, and alternative assets. Plan members¹ include active and retired public sector employees across Canada and internationally. Vestcor manages contributions from members and participating employers to provide members with a stable and secure source of retirement income. Through its investment activities and retirees' pension-supported spending, Vestcor contributes to economic activity across New Brunswick and generates social value through the well-being gains associated with secure, predictable pensions. Communities throughout the province benefit from this activity through the employment supported by Vestcor-related economic activity and the broader impacts associated with Vestcor's investments.

OBJECTIVES AND APPROACH

This study describes and quantifies Vestcor's economic and social contributions to New Brunswick in 2025. These contributions include the economic activity and social value generated through the following sources:

1. Plan members spending their retirement benefit payments in New Brunswick.
2. Vestcor operations and investments in New Brunswick, including salaries and wages paid to employees residing in New Brunswick.

These activities generate demand for labour and follow-on spending which ripple through the economy. Throughout the report, economic contributions are grouped by the source of Vestcor-driven economic activity. "Contributions from pension spending" include all economic activity supported by plan members when they spend their retirement benefit payments. "Contributions from operations and investments" include economic activity driven by Vestcor operations and investments in New Brunswick, adjusted for Vestcor's ownership share.

In addition to the economic contribution analysis, this study estimates the social value generated by Vestcor-supported pensions using a well-being valuation approach. Social value is calculated by estimating the life satisfaction benefit associated with secure, predictable retirement income and converting that benefit into a monetary equivalent using the observed relationship between income and life satisfaction. In practice, the analysis compares otherwise similar individuals (matched on characteristics such as age, gender, region, and income), where one has the "treatment" of pension income security and the other does not. It measures the difference in reported life satisfaction and then estimates how much additional income the individual without the pension would require to achieve the same life satisfaction level. That required income increase is interpreted as the annual social value of pension income security for that individual; total social value is obtained by summing these individual-level equivalents across the affected population. This approach is used because many of the most important outcomes of pension security—reduced stress, improved health, and higher overall well-being—are not fully captured in GDP, jobs, or wages, yet they represent meaningful benefits to retirees, communities, and public systems.

¹Vestcor invests assets on behalf of its clients and administers the pensions of several pension plans. Reference in this report to Vestcor members, retirees, and pensions relate to the members, retirees, and pensions of Vestcor's pension clients.

NEW BRUNSWICK ECONOMIC ACTIVITY SUPPORTED BY VESTCOR

MEMBERS

At the end of 2025, Vestcor supported 117,000 total members on behalf of clients, of whom 111,600 were in New Brunswick. This includes 74,400 active members (72,100 in New Brunswick) and 42,100 retirees (39,500 in New Brunswick). Total annual pension payments amount to \$1.08 billion, representing approximately 37% of New Brunswick's total private retirement income. These payments have important direct, indirect, and induced contributions to the economy.

TOTAL ECONOMIC CONTRIBUTION AND ITS SOURCES

In 2025, Vestcor supported over \$1.5 billion in economic activity in New Brunswick. This supported approximately 17,600 jobs and \$750 million in wages for New Brunswickers.

The impacts of Vestcor activities are widespread across New Brunswick. Vestcor-supported employment benefits not only workers but also other members of their households because wages contribute to total household income. In total, more than 183,000 New Brunswickers benefited from Vestcor activities in 2025, including those living in households with a person whose wage or retirement income is supported by Vestcor. The industries that received the largest GDP benefits from Vestcor and its clients' activities in New Brunswick in 2025 included manufacturing, retail trade, and finance and insurance.

Vestcor-supported retirement benefits were an important source of retirement income in New Brunswick in 2025, accounting for 37% of all private retirement income in the province. Retired pension plan members live throughout New Brunswick and spend a large share of their retirement benefit payments in their local communities and surrounding areas. Through this pension spending alone, these retired members supported over 17,200 jobs across the province (98% of Vestcor's total employment contribution) and contributed approximately \$1.45 billion to New Brunswick's GDP—an average of \$14.04 in GDP for every \$10 in retirement benefit payments received in 2025. In addition to pension-supported spending, Vestcor's own operations and local investment activity directly supported approximately 400 jobs in New Brunswick. Vestcor also has a significant investment presence in the province, including partial or full ownership of about 2 million sq. ft. of commercial real estate across office, retail, and industrial assets, along with stakes in public infrastructure such as the Moncton Courthouse. Overall, this activity generated approximately \$453 million in government tax revenue, including \$226 million federally and \$227 million provincially.

SOCIAL VALUE

In parallel with its economic contributions, a provincial pension plan generates substantial social value by improving the well-being of retirees and strengthening communities. Using a well-being valuation approach, Vestcor-supported pensions in New Brunswick are estimated to generate approximately \$494 million annually in social value, reflecting higher life satisfaction among retirees with secure, predictable retirement income. These benefits are driven primarily by improved financial security, lower stress, and better health outcomes, with improved health supported by stable income and continued access to group benefit plans that can reduce barriers to health services and additional support. The increase in life satisfaction is largest for those who have recently retired, reflecting a longer expected period over which secure pension income supports well-being. The largest relative gains are observed among lower-income households and women in their 60s. Beyond individual retirees, these well-being improvements reduce reliance on income-tested government programs, support healthier aging, and complement local economic activity sustained through pension spending. Taken together, the social value of a provincial pension plan represents a significant additional return to the province—one that is not captured by GDP or employment measures alone but materially enhances overall societal well-being.

Credit: Fredericton Capital Region Tourism
Downtown Fredericton / Centre-ville de Fredericton



1.0 INTRODUCTION

1.1 BACKGROUND

Vestcor is a New Brunswick-based organization that provides integrated investment management and plan administration services for public-sector pension and employee benefit arrangements. Established through provincial legislation in 2016 and operating as an independent not-for-profit corporation, Vestcor serves clients across the province from its Fredericton headquarters.

Vestcor supports plan sponsors and their members by administering pensions and benefit programs and by managing the contributions that fund future obligations. In 2025, it administered 11 pension plans and five employee benefit programs, covering roughly 117,000 members and 42,100 retirees in Canada.

On the investment side, Vestcor manages pooled investment vehicles totalling \$24.4 billion in AUM (as at December 31, 2025) on behalf of client plans, implementing each client's strategic asset mix and risk parameters. Portfolios typically combine public equities and fixed income with alternative strategies such as private equity, real estate, infrastructure, and absolute return approaches. Vestcor invests approximately 60% of its portfolio (\$14 billion) across various Canadian investments, from equities to real estate. The Canadian investment portfolio is split between fixed income (60%) and equities and alternative asset classes (40%).

Through retirement income and benefits administration, organizational operations, and investment activity, Vestcor's work also supports broader economic activity and community well-being in New Brunswick. This report describes those pathways by examining how pension payments, Vestcor operations, and invested assets contribute to economic benefits and social value in the province.

1.2 OBJECTIVE AND APPROACH

The objective of this study is to quantify and describe the economic contribution and social value generated by Vestcor in New Brunswick, including at the regional level, in 2025. Economic contribution is estimated relative to a 2025 baseline based on the economy's long-term growth trend. It encompasses economic activity that occurs through income generated by Vestcor and its clients and the subsequent spending and investments made in New Brunswick's economy. These contributions are quantified using economic metrics, including GDP, jobs, and supported federal and provincial government revenue.

When the report refers to the number of people and households sharing in economic contributions, it is important to keep in mind that these are statistical estimates of person and household equivalents. This means that a contribution that is partially split over many people or households will be aggregated to form one person or household equivalent. For example, if Vestcor supports 10% of the incomes of 10 individual households, this equals one household equivalent.

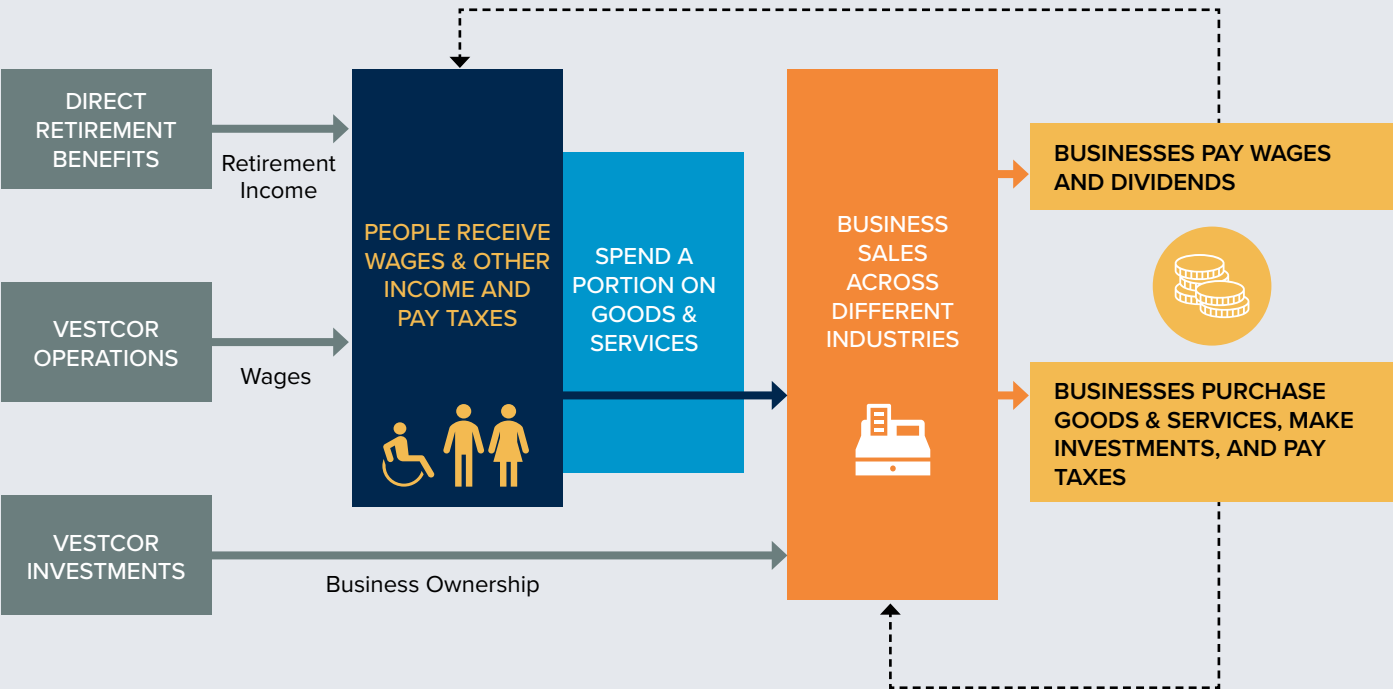
1.2.1 ECONOMIC CONTRIBUTION EXPLAINED

The economic contribution of a company’s activities is its economic footprint in the region. It includes the economic activity directly generated by operations and investment activities (“direct effects”) as well as the economic activity generated indirectly through business-to-business transactions with other companies that provide goods and services to the first company (“indirect effects”). Finally, it includes the contribution that people whose incomes are supported by these economic activities make to the regional economy through spending their wages (“induced effects”). More detailed information about the economics underpinning the methodology of this study can be found in the appendices.

The interactions between people and businesses that enable economic activity to spread throughout the economy are presented in Figure 1. In general terms, the economy can be described as consisting of people, businesses, and governments that interact with one another through financial transactions.

- People – receive wages from the organizations for which they work. They spend these wages at businesses on goods and services and pay part of their wages to governments as taxes.
- Businesses – pay wages and dividends to people, purchase goods and services from other businesses, make investments, and pay taxes to the government.
- Governments – collect revenue through income, corporate, and consumption taxes.

Figure 1
Interactions Between People and Businesses in an Economy and the Sources of Vestcor Economic Activity



1.2.1.1 SOURCES OF VESTCOR ECONOMIC CONTRIBUTION

Also shown in Figure 1 is how the sources of Vestcor economic activity enter into the calculation of economic contribution. The primary sources of the total economic contribution of Vestcor to New Brunswick are the following:



Vestcor-supported retirement benefits paid to its clients' members, which are spent by New Brunswick households in their local communities and within the province.



Vestcor operations including salaries and wages to Vestcor employees residing in New Brunswick.



Private investments made by Vestcor in companies, utilities, properties, etc. in New Brunswick that generate economic activity, which can take the form of investments, wages, goods and services purchased, and intellectual property. Investment-driven contributions are adjusted for percentage ownership by Vestcor.

Of all Vestcor-supported pension payments, this study focuses on the retirement benefits paid to pension plan members and follows the conservative approach of excluding death benefits, transfers to other plans, and lump sum payments. These are excluded because they are likely subject to a significant degree of reinvestment rather than being spent in the economy like regular retirement benefit payments. Retirement benefit payments are part of the individual income that people allocate to goods, services, and taxes, as are the wages of Vestcor employees. Vestcor investments enter into the calculation as business investments.

*Credit: Fredericton Capital Region Tourism
Bill Thorpe Walking Bridge / Pont piétonnier Bill Thorpe, Fredericton*



In the following sections, the economic contribution of Vestcor is reported and broken down as follows:

- **Total Economic Contribution** – All the economic activity in New Brunswick attributed to Vestcor activities.
- **Contribution from Pension Spending** – The share of the total economic contribution that is attributed to retired members spending their pension benefit payments.
- **Contribution from Operations and Investments** – The share of the total economic contribution that is attributed to the operations of Vestcor and its investment activities. This can be further broken down to show how much is contributed by each type of investment, i.e., by sector.

Breaking down results in this way highlights the different sources of Vestcor economic contribution in each region and enables comparisons.

1.2.1.2 ECONOMIC CAPACITY PROVIDED BY VESTCOR INVESTMENTS

Vestcor investments in New Brunswick provide economic capacity to the provincial economy in the form of infrastructure and commercial real estate, including space for firms and employees. The use of these investments supports the regional economy by providing essential infrastructure and services to households and businesses.

The use of these assets does not enter into the economic contribution calculations for Vestcor because any contribution to the economy originates from the businesses and households that use these assets. The capacity provided by Vestcor investments in 2025 is highlighted in qualitative terms throughout the report.

1.2.2 SOCIAL VALUE EXPLAINED

Social value is a nascent concept that continues to evolve. It refers to the positive (or negative) effects that a policy, program, or institution has on people's well-being and on communities—beyond what is captured in traditional financial metrics. Unlike economic value, which is typically measured in dollars through market transactions, social value reflects how individuals experience outcomes such as financial security, stress, health, time use, and sense of belonging. Because these outcomes are not always priced in markets, social value is often measured using well-being indicators that capture what matters to people in their day-to-day lives.

Measuring social value helps organizations and policymakers understand the full contribution of an activity—not only its financial performance, but also its impacts on members, communities, and public systems. For pension funds in particular, a social value lens helps quantify how retirement income security influences health and well-being, how it affects reliance on income-tested government programs, and how it supports community resilience through predictable spending and engagement. Social value measurement can also strengthen accountability and transparency, support better decision making and prioritization, and complement ESG reporting by focusing on outcomes (real-world effects) rather than only commitments, policies, or processes.

In this report, social value is estimated using the well-being valuation approach, which converts subjective social outcomes (such as life satisfaction) into a financial equivalent by leveraging the observed relationship between income and reported life satisfaction. The idea is to compare two otherwise similar individuals—matched on factors such as age, gender, region, and income—where one has the policy “treatment” (e.g., pension plan membership) and the other does not, and measure the difference in their life satisfaction. Then, using that individual's satisfaction–income relationship (which can vary by circumstances), the analysis calculates how much additional income the person without the pension would need to reach the same life satisfaction level as the person with the pension. That required income increase is interpreted as the monetary value of the policy's social benefit for that individual. This is done at the individual level (often using agent-based modelling to capture heterogeneity), and the total social valuation is obtained by summing these person-level monetary equivalents across all affected individuals, making the result comparable and additive within traditional cost-benefit analyses. Pension plans are designed to provide income in retirement, but their influence extends well beyond income replacement. Evidence consistently shows that individuals with secure, predictable pensions experience higher life satisfaction, driven primarily by improved financial security, lower stress, and better physical and mental health.

Defined benefit pension plans, target benefit pension plans, and shared risk pension plans provide protection against longevity risk and market volatility. This certainty allows retirees to plan consumption, manage health needs, and remain engaged in their communities. Social value research demonstrates that these benefits are especially pronounced for:

- Individuals with lower or moderate household incomes.
- Women, who tend to live longer and face greater retirement income risk.
- Those in earlier years of retirement, when uncertainty about future income is greatest.

Beyond retirees, pension plans generate broader social value by supporting local employment through pension spending, reducing reliance on income-tested government programs, and enabling higher levels of volunteering and community participation. As a result, pension systems contribute to community resilience and reduce long-term fiscal pressures on governments.

2.0 FINDINGS OF THE CONTRIBUTION ANALYSIS

2.1 PROVINCIAL OVERVIEW

2.1.1 VESTCOR-SUPPORTED MEMBERS IN NEW BRUNSWICK



In 2025, approximately 111,600 members served by Vestcor, on behalf of its clients, lived in New Brunswick. Of these, 72,100 were active members and 39,500 were retirees receiving benefits; this is equivalent to 1.83 active members for each retiree.

In New Brunswick, Vestcor-supported retirement benefits represent an important source of retirement income. In 2025, they accounted for 37% of residents' private retirement income, which comprises formal retirement savings vehicles used by New Brunswick residents, including defined benefit pension plans, target benefit pension plans, shared risk pension plans, defined contribution pension plans, Tax-Free Savings Accounts, and Registered Retirement Savings Plans. Vestcor-supported retirement benefits also accounted for 17% of total retirement income, which includes public supports such as the Canada Pension Plan, Old Age Security, and the Guaranteed Income Supplement as well as all private retirement income.



The importance of these retirement benefits as a source of retirement income is spread across the province, with approximately 70% of its economic benefits concentrated in York, Westmorland, Kings, Saint John, and Gloucester Counties. While many active members are concentrated in larger centres such as York and Westmorland Counties—which include the cities of Fredericton and Moncton—retirees play an important role in supporting smaller regions.

This stable, predictable income provides a cushion against volatility in employment income in smaller communities and rural regions. Recipients of Vestcor-supported retirement benefits living in New Brunswick spend this income in their local communities and surrounding areas, which supports employment, GDP, and federal and provincial government revenue.

2.1.2 INVESTMENTS

To provide members with stable and secure retirement income, the Vestcor portfolio of global investments is diversified by geography and asset class. In addition to providing stable returns, investments in New Brunswick support jobs and build economic capacity in the province.

Vestcor invests heavily in Canada, with \$14 billion or 60% of Vestcor's assets under management (AUM) spread across equity, fixed income, private equity, infrastructure, and real estate. Locally, Vestcor is a key provider of private capital, with private equity investments in local businesses and startups. Vestcor also has a diversified real estate investment portfolio, providing commercial capacity in the cities where these assets are located. Together, Vestcor's New Brunswick commercial real estate portfolio includes investments in buildings providing approximately 2 million sq. ft. of office, retail, and industrial space (and 0.5 million sq. ft. in Nova Scotia).

Each of these investments, whether properties or locally held investments, had an economic impact on their communities. In addition to providing capacity, they generated local employment and economic activity through their demand for labour, goods, and services. In total, Vestcor's operations and local investments directly supported over 400 jobs in New Brunswick in 2025.

2.2 VESTCOR CONTRIBUTION TO NEW BRUNSWICK EMPLOYMENT

Vestcor's contribution to employment in New Brunswick occurs through members spending their retirement benefit payments in New Brunswick and through the economic activity generated by Vestcor operations and local investments. This section reports the aggregate economic contributions of Vestcor to employment in New Brunswick. These effects are further broken down to understand which demographic groups, regions, and industries in New Brunswick are the main beneficiaries of the employment contribution. All results are reported for the year 2025.

2.2.1 TOTAL EMPLOYMENT CONTRIBUTION

Vestcor activities supported approximately 17,600 jobs in New Brunswick, with an associated \$750 million in wages. In total, this contribution affected over 147,000 people in New Brunswick, including each person living in a household with someone whose wage was supported by Vestcor and each person who received Vestcor-supported retirement benefit payments. The number of people affected represents almost 17% of the population.

The jobs supported by Vestcor were held by individuals across a range of ages and household compositions. Of the people whose employment was supported, over 2,800 jobs were held by individuals under the age of 25, representing approximately 16% of the total jobs supported. Additionally, employment supported by Vestcor contributed to the wages of approximately 6,900 households with children, reflecting the broader household impacts of Vestcor-supported employment, as shown in Figures 2 to 4.

Figure 2

Employment Supported by Vestcor, 2025

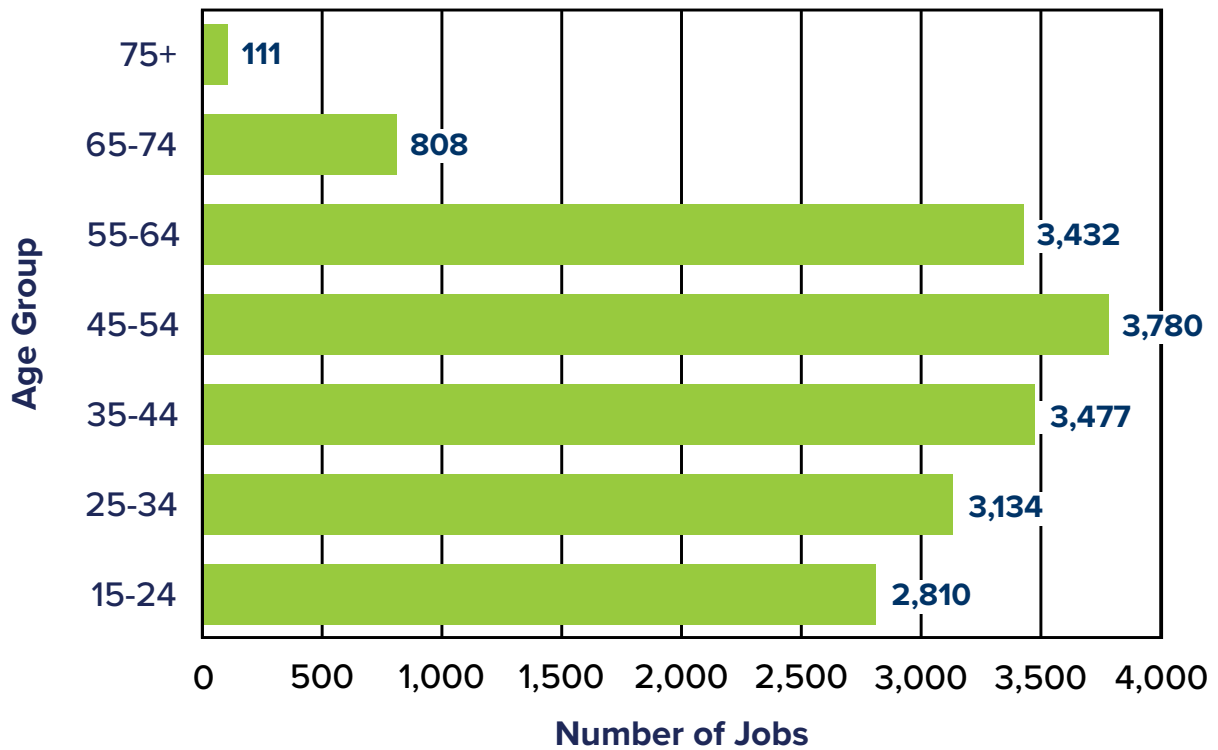


Figure 3

Households With Wage Income Supported by Vestcor by Type, 2025

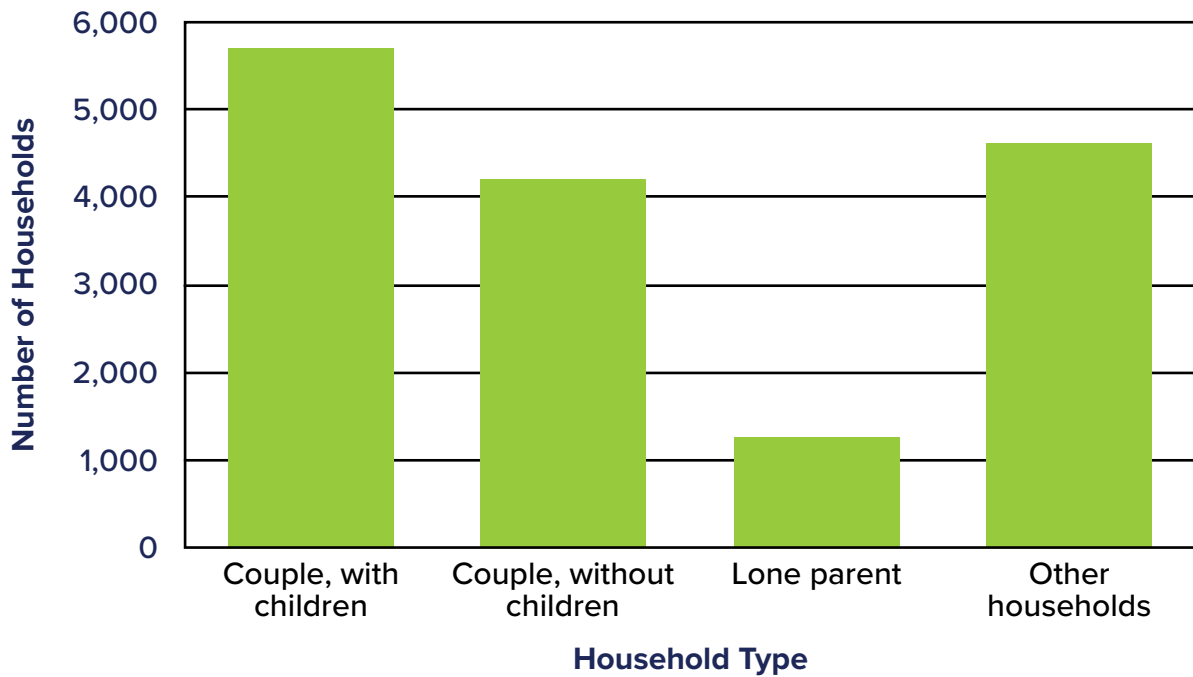


Figure 4

Households Affected by Vestcor Contributions Through Wage Income, 2025



The total employment contribution of Vestcor in 2025 was distributed across all industries in New Brunswick. The industries that saw the largest benefit—and together accounted for half the total jobs—were:

9,570 jobs
of top four industries
(55% of total)



Vestcor activities supported employment in municipalities across New Brunswick. The number of jobs supported in each region is shown in Table 1. Supported employment tends to correlate with the size of the local population, meaning that more jobs are supported in places where there are more residents and employed people overall.

Table 1*Number of Jobs Supported by Vestcor Across New Brunswick Counties, 2025*

York	3,639
Westmorland	2,849
Kings	2,010
Saint John	1,794
Gloucester	1,512
Northumberland	954
Sunbury	895
Carleton	816
Kent	585
Restigouche	544
Albert	503
Victoria	433
Madawaska	386
Charlotte	383
Queens	251
New Brunswick	17,554

The main source of Vestcor's total employment contribution was pension spending, which supported 98% of the total jobs contributed by Vestcor in New Brunswick in 2025. The remainder came from Vestcor's direct operations and investments. When Vestcor-supported members receive retirement benefit payments, they generally spend a large share on goods and services in their local communities. In turn, this demand supports regional business activity and drives employment impacts.

Many of the supported industries are labour-intensive and provide the goods and services on which retirees spend a substantial portion of their incomes. For example, when a plan member shops in their local community, retirement benefit payments spent on New Brunswick-made goods in local shops help support the wages of shopkeepers (retail trade) and factory workers (manufacturing). Dining out supports the wages of servers and other restaurant staff (accommodation and food services) as well as the incomes of local producers (such as agriculture and manufacturing) who supplied the ingredients.

2.3 VESTCOR CONTRIBUTION TO NEW BRUNSWICK GDP

This section reports Vestcor’s economic contribution to the New Brunswick GDP as well as to federal and provincial tax revenue. These effects are further broken down to identify which regions and industries are the main beneficiaries of this GDP contribution. All results are reported for the year 2025.

2.3.1 TOTAL GDP CONTRIBUTION

Through its clients’ members and investments, Vestcor contributed over \$1.5 billion to New Brunswick’s GDP in 2025.

Figure 5

GDP Supported by Vestcor by Industry (\$m), 2025

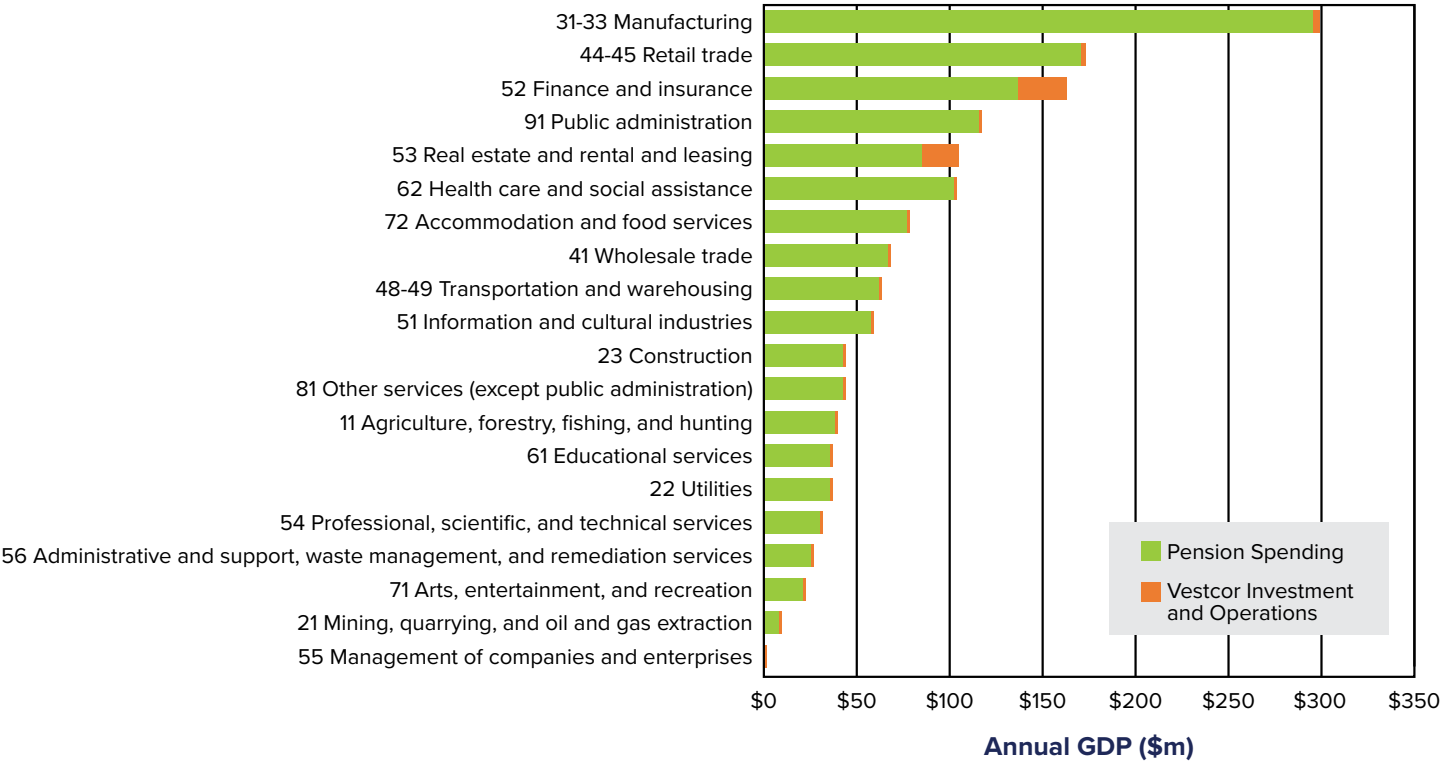


Figure 5 presents the GDP contributions of Vestcor activities by industry. Approximately \$473 million of the GDP supported by Vestcor was in the manufacturing and retail trade industries combined, followed by finance and insurance, public administration, and real estate. As with employment, the majority of the benefit came from pension payments to plan members (96% of the total GDP contribution). For every \$10 in Vestcor-supported pension benefit payments to plan members, more than \$14 in GDP was generated in New Brunswick.

The remaining benefits came from Vestcor's operations and investments as well as additional value added by other businesses through business-to-business transactions with Vestcor and its investments in 2025. These industries provide essential services for doing business in New Brunswick (financial services and commercial space, in particular) and correspond to the sectors in which Vestcor has made significant investments (finance and insurance, and real estate).

Regionally, Vestcor's contributions were seen throughout the province in both rural and urban communities, with York and Westmorland Counties having the largest contributions. However, on a per-capita basis, differences between regions are much smaller, highlighting the importance of Vestcor-supported pensions to smaller municipalities. While many current employees are concentrated in larger centres, retirees help support smaller regions.

Table 2

Total GDP and GDP Per Capita Supported by Vestcor, by County, 2025

County	Total (\$m)	Per Capita
York	\$319.0	\$2,683
Westmorland	\$250.9	\$1,287
Kings	\$180.5	\$2,398
Saint John	\$150.0	\$1,756
Gloucester	\$125.4	\$1,534
Northumberland	\$79.5	\$1,656
Sunbury	\$74.2	\$2,527
Carleton	\$73.0	\$2,603
Kent	\$52.6	\$1,522
Albert	\$43.9	\$1,326
Restigouche	\$43.5	\$1,371
Victoria	\$37.2	\$1,972
Charlotte	\$33.5	\$1,218
Madawaska	\$32.3	\$916
Queens	\$21.9	\$1,865

2.3.2 VESTCOR CONTRIBUTION TO GOVERNMENT REVENUE

The economic activity supported by Vestcor generated federal and provincial government revenue through personal, corporate, and consumption taxes. Income tax is collected on retirement benefit payments and the wages of people whose employment is supported by Vestcor activities, while Vestcor and its investments contribute to corporate tax revenue. Both the spending of Vestcor retirement benefits and the income earned through Vestcor-supported employment contribute to government revenues through consumption taxes.

In 2025, the combined federal and provincial government revenue generated by Vestcor activities amounted to over \$450 million². Of this total, over \$220 million was federal government revenue (52% of which came from income taxes), and \$230 million was provincial government revenue (40% from income taxes).

² This analysis estimates government revenue from income, corporate, and consumption taxes which were collected by the provincial and federal governments. It does not include municipal government revenue.

2.4 SOCIAL VALUE

2.4.1 ANALYSIS OF SOCIAL VALUE RESULTS FOR NEW BRUNSWICK

Applying a well-being valuation framework to Vestcor-supported pensions in New Brunswick shows that the social value generated is both substantial and complementary to the economic contribution. These benefits accrue more directly to retired members and their households, with larger relative gains among lower-income households and women.

In 2025, Vestcor-supported pensions supported an estimated \$494 million in annual social value for New Brunswick residents, reflecting improvements in retiree well-being that are not fully captured by GDP or employment metrics. This social value arises primarily from higher life satisfaction among retirees with secure pension income compared to otherwise similar individuals without pension coverage.

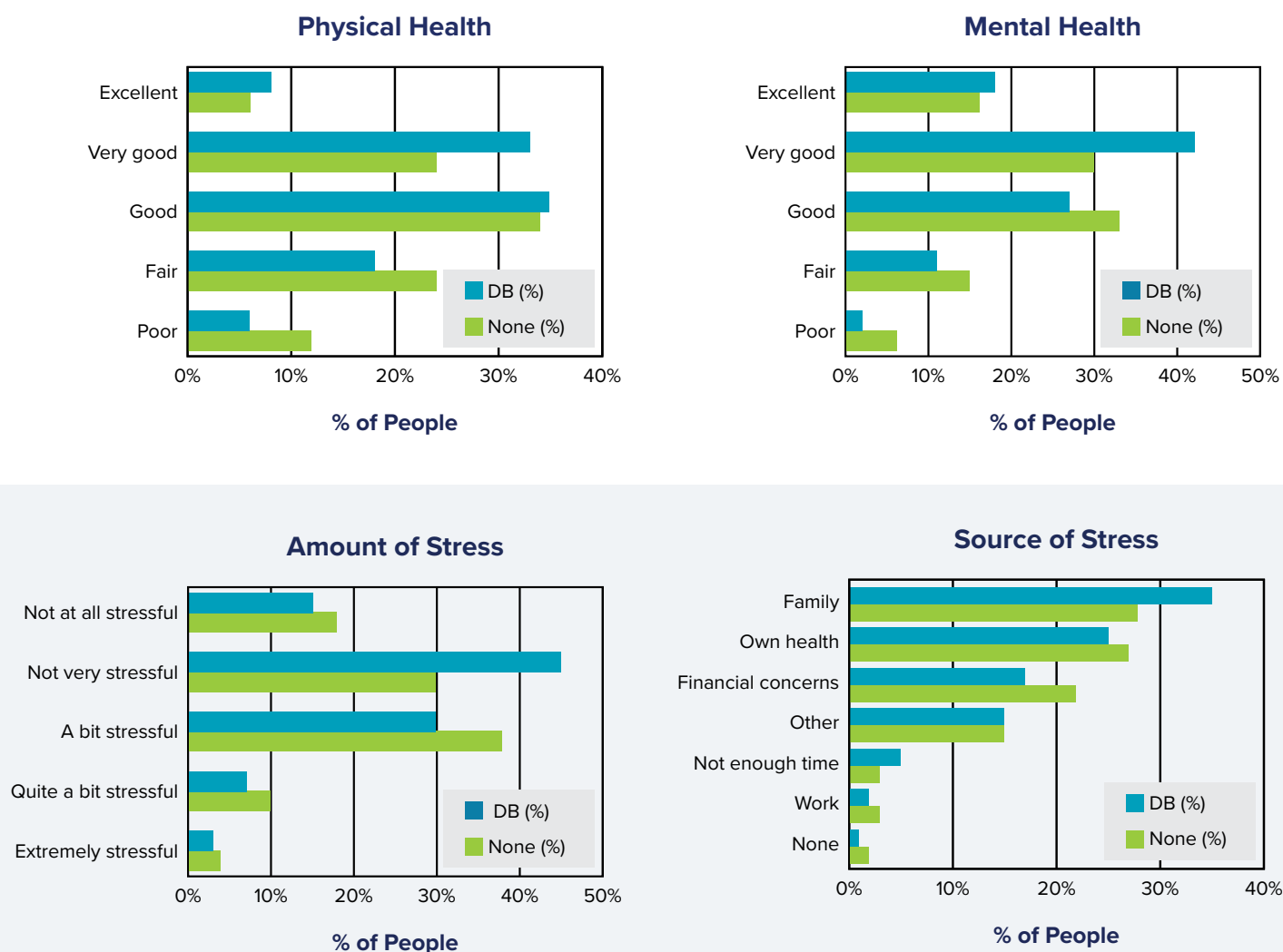
The dominant driver of this social value is financial security, which accounts for the largest share of observed well-being gains. Retirees with defined benefit pension plans, target benefit pension plans, and shared risk pension plans report lower financial stress, greater confidence in meeting ongoing expenses, and increased resilience to unexpected costs. These effects are closely linked to improved self-reported health outcomes and lower overall stress levels, reinforcing the interconnected nature of well-being outcomes. In addition to reducing financial worry, these plans can support better physical and mental health by improving access to group benefit plans and by providing the income stability needed to access health services and supports. Figure 6 shows that while financial security is the largest contributing factor, improved health, lower stress, and stronger community engagement also contribute to the overall well-being gains.

Importantly, the social value of pensions is not evenly distributed across the population. Results indicate that lower-income households experience the largest relative gains in well-being, implying that pension coverage plays a meaningful role in reducing inequality in retirement outcomes. Women in their 60s represent the cohort with the largest aggregate social value benefit, reflecting both demographic composition and the importance of income certainty for this group.

Credit: Fredericton Capital Region Tourism Fredericton Junction

Figure 6

Life Satisfaction by Income Group for Those With No Private Pension Plan (None) and Those With a Defined Benefit (or Similar) Pension Plan (DB), 2025



At the community level, these well-being benefits interact with economic effects. Pension-supported spending sustains employment in local service industries, while improved retiree health and financial stability reduce reliance on public income supports and, over time, pressure on health and social services. Together, these effects strengthen the case that a pension plan delivers value not only to its members but also to the province as a whole. These benefits can also support higher levels of community engagement, including volunteering and participation in local activities.

3.0 CONCLUSIONS

Across New Brunswick, through the combined effects of Vestcor-supported pensions, Vestcor operations, and Vestcor investments, Vestcor supported approximately 17,600 jobs, over \$1.5 billion in provincial GDP, and \$494 million in social value in 2025. A substantial share of this contribution was driven by retired members spending their retirement benefits in their local communities. Through pension spending alone, pension plan members supported over 17,200 jobs across the province and contributed approximately \$1.45 billion to New Brunswick's GDP, reflecting the broad reach of pension income as it circulates through local businesses and supply chains.

Vestcor also contributed to provincial economic activity through its operations and local investments, which directly supported approximately 400 jobs and contributed about \$50 million to the GDP in New Brunswick in 2025. Together, these channels demonstrate how Vestcor's role extends beyond pension administration and investment management to include measurable contributions to employment, wages, and value-added activity across New Brunswick.

The economic activity supported by Vestcor also generated revenue for provincial and federal governments through personal, corporate, and consumption taxes, contributing to the funding of public services in New Brunswick. In 2025, the combined federal and provincial government revenue generated by Vestcor activities amounted to over \$450 million, reflecting the fiscal significance of Vestcor-supported employment, investment activity, and retiree spending.

The industries most supported by Vestcor pension and investment activities included manufacturing and retail trade, followed by finance and insurance; health care and social assistance; public administration; and real estate and rental and leasing. While the mix of industries supported by Vestcor varies by region based on local economic structure, the results consistently show that pension spending supports a wide range of industries that underpin day-to-day economic activity, including retail trade; accommodation and food services; manufacturing; and health care and social assistance.

At the regional level, GDP and employment contributions generally corresponded to the size of local populations, with the largest total contributions concentrated in more populous areas (including York and Westmorland Counties). However, on a per-capita basis, differences between regions are smaller, highlighting the importance of Vestcor-supported pensions to smaller municipalities and rural communities. This reflects the geographic distribution of retired members and the stabilizing role of predictable retirement income, which supports local businesses and employment even in communities facing greater exposure to employment and income volatility.

Overall, the magnitude of these GDP, employment, and government revenue contributions highlights the significant and unique impact that Vestcor activities have in New Brunswick. While Vestcor operations and investments play an important role in supporting economic activity where they are located, the largest contribution is driven by members' retirement benefits, which circulate through communities across the province. Having spent their careers supporting New Brunswick's public services and institutions, pension plan members continue to support their communities through their pensions in retirement, generating sustained economic benefits and, in parallel, substantial well-being gains estimated at approximately \$494 million annually in social value.

APPENDICES

A. METHODOLOGY

A.1. ECONOMIC CONTRIBUTION ANALYSIS

Economic contributions arise from three main effects by economic convention:

DIRECT EFFECTS Include all economic activity directly attributable to the operations of Vestcor and its investments as well as the expenditures of Vestcor-supported retirement benefits by members. These include the direct spending of retirement benefits and Vestcor employees’ wages as well as the value-added output of Vestcor investments in New Brunswick.
INDIRECT EFFECTS Include all the economic activity supported by business-to-business interactions within the supply chain. They include spending on the goods and services required to conduct business by Vestcor and its investments and the business-to-business transactions in local communities where plan members supported by Vestcor spend their retirement benefits. The latter would include additional wages paid to salespeople working in shops where families spend their retirement benefits and the inputs required to produce and supply the additional goods bought by these families.
INDUCED EFFECTS Include all economic activity supported by the spending of wages earned by workers whose employment is supported by Vestcor activity, for example, employees of Vestcor suppliers and employees of local businesses where retirement benefits are spent. Induced effects also include expenditures on increased capacity or the replacement of depreciating capital stock that result from reinvesting business profits. These purchases or activities can lead to further hiring, resulting in income and tax revenues.

The infographic in Figure 1 shows how the sources of Vestcor economic activity enter into the calculation of economic contribution by the type of economic effect.

A.2. COMPUTATIONAL APPROACH

Data provided by Vestcor on pension payments, operations, and assets were used as inputs for this analysis. Where data was not available, e.g., the number of employees hired by certain Vestcor assets, CANCEA generated estimates using New Brunswick-specific industry averages.

This analysis was conducted through an agent-based model developed by CANCEA and housed in its statistical analysis platform. This model simulates New Brunswick's economy by tracking how representative individuals, firms, and governments interact with one another, given a set of characteristics and behavioural rules. Individuals are organized into households and work for firms. Individuals conduct financial transactions with firms, firms pay wages to individuals, and firms transact with one another. The government collects taxes from households and firms. The model is calibrated and regularly updated using primarily Statistics Canada data and other relevant publicly available data.

For this analysis, Vestcor data were used to give certain individuals and firms in the model the characteristics of pension plan members who receive retirement benefits (e.g., location and income) and firms with Vestcor's characteristics and investments (e.g., location, industry, number of employees). The economic activity generated by these "agents" is then tracked to see how it affects employment and economic activity in the system as a whole, i.e., the whole of New Brunswick's economy. This activity generates direct, indirect, and induced effects in the system, which are added up to obtain the total effect.

To calculate **direct effects**, the economic value of the direct output of Vestcor-owned assets is estimated using the number of employees by industry and standard industry multipliers provided by Statistics Canada. Household expenditures by industry are estimated based on household spending patterns (see Figure 7) and total income, whether from Vestcor retirement benefits payments or the wages of Vestcor employees.

Indirect effects are the economic activity generated by Vestcor, its clients' retired members and its investments in other industries through business-to-business interactions. The inputs used by Vestcor and Vestcor-owned assets and those required to supply the goods and services purchased by retired Vestcor-supported members (including the labour required to supply these inputs) are calculated using Statistics Canada symmetric input/output and multiplier tables. Jobs, i.e., labour, are filled in geographical proximity to the source of the original expenditure (Figure 8) based on the geographical distribution of jobs by industry (Figure 9).

Wages, which generate additional economic activity called **induced effects**, are calculated using industry averages (Figure 10). The resulting government revenue from income, consumption, and corporate taxes are then estimated using current tax rates.

Figure 7

Household Spending by Industry (Basic Prices)

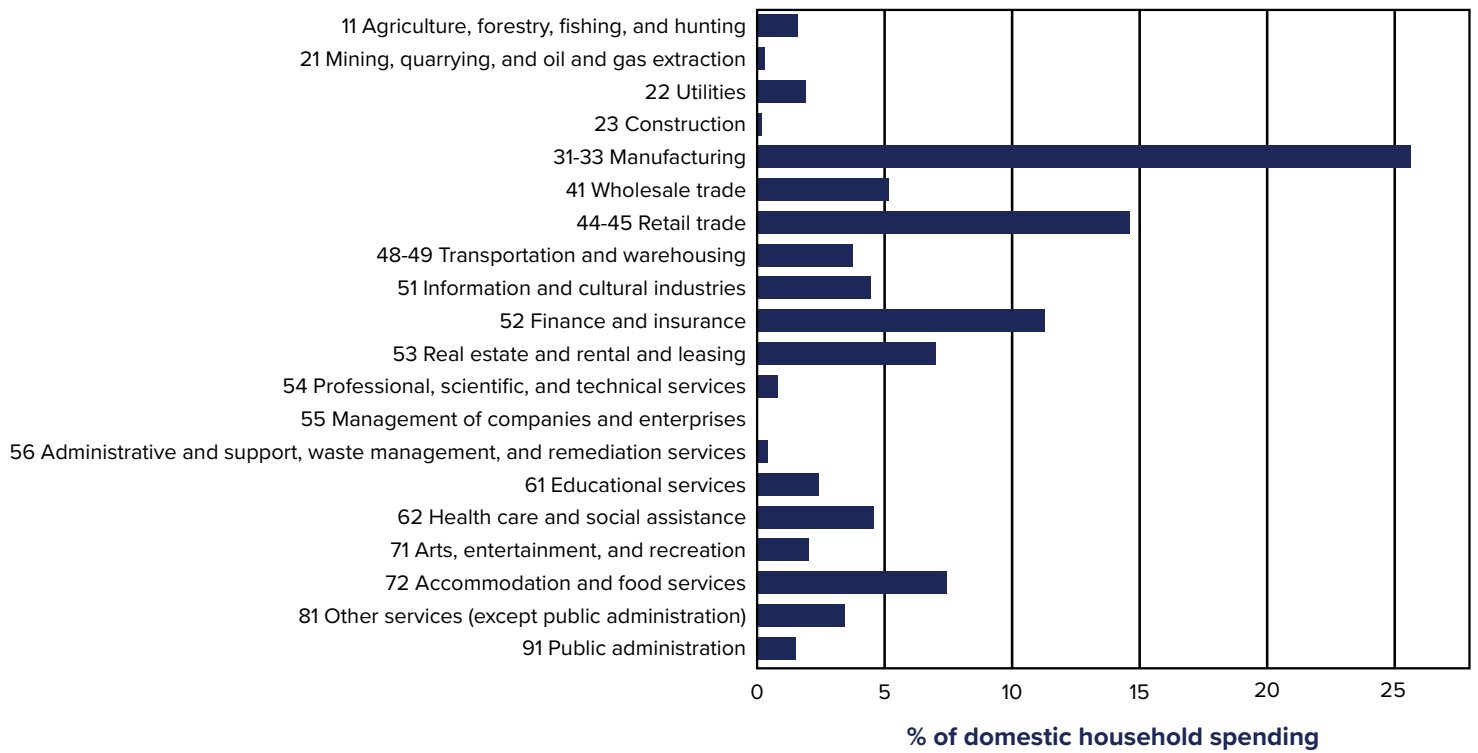


Figure 8

Regional Relative Proximity Matrix

Albert	1.0	0.0	0.0	0.1	0.6	0.4	0.0	0.1	0.3	0.0	0.3	0.1	0.0	0.9	0.0
Carleton	0.0	1.0	0.5	0.0	0.0	0.1	0.3	0.2	0.2	0.5	0.1	0.5	0.8	0.0	0.9
Charlotte	0.0	0.5	1.0	0.0	0.0	0.3	0.0	0.1	0.4	0.1	0.3	0.6	0.2	0.0	0.6
Gloucester	0.2	0.0	0.0	1.0	0.6	0.1	0.0	0.6	0.2	0.1	0.1	0.1	0.0	0.2	0.0
Kent	0.6	0.0	0.0	0.5	1.0	0.3	0.0	0.5	0.3	0.0	0.2	0.1	0.0	0.5	0.0
Kings	0.2	0.0	0.1	0.0	0.2	1.0	0.0	0.3	0.9	0.0	0.9	0.5	0.0	0.1	0.1
Madawaska	0.0	0.6	0.3	0.1	0.1	0.1	1.0	0.2	0.1	0.6	0.1	0.2	0.7	0.0	0.5
Northumberland	0.1	0.0	0.0	0.4	0.4	0.3	0.0	1.0	0.4	0.1	0.2	0.4	0.1	0.0	0.1
Queens	0.1	0.0	0.1	0.0	0.2	0.9	0.0	0.4	1.0	0.0	0.8	0.7	0.0	0.0	0.1
Restigouche	0.0	0.6	0.1	0.2	0.1	0.1	0.4	0.4	0.2	1.0	0.1	0.3	0.9	0.0	0.5
Saint John	0.3	0.0	0.1	0.0	0.2	0.9	0.0	0.2	0.8	0.0	1.0	0.4	0.0	0.1	0.1
Sunbury	0.0	0.2	0.3	0.0	0.1	0.5	0.0	0.4	0.7	0.1	0.4	1.0	0.1	0.0	0.5
Victoria	0.0	0.8	0.2	0.1	0.0	0.1	0.4	0.3	0.2	0.9	0.1	0.4	1.0	0.0	0.7
Westmorland	0.9	0.0	0.0	0.2	0.6	0.2	0.0	0.1	0.2	0.0	0.2	0.0	0.0	1.0	0.0
York	0.0	0.9	0.5	0.0	0.0	0.2	0.1	0.2	0.3	0.3	0.1	0.7	0.6	0.0	1.0
	Albert	Carleton	Charlotte	Gloucester	Kent	Kings	Madawaska	Northumberland	Queens	Restigouche	Saint John	Sunbury	Victoria	Westmorland	York

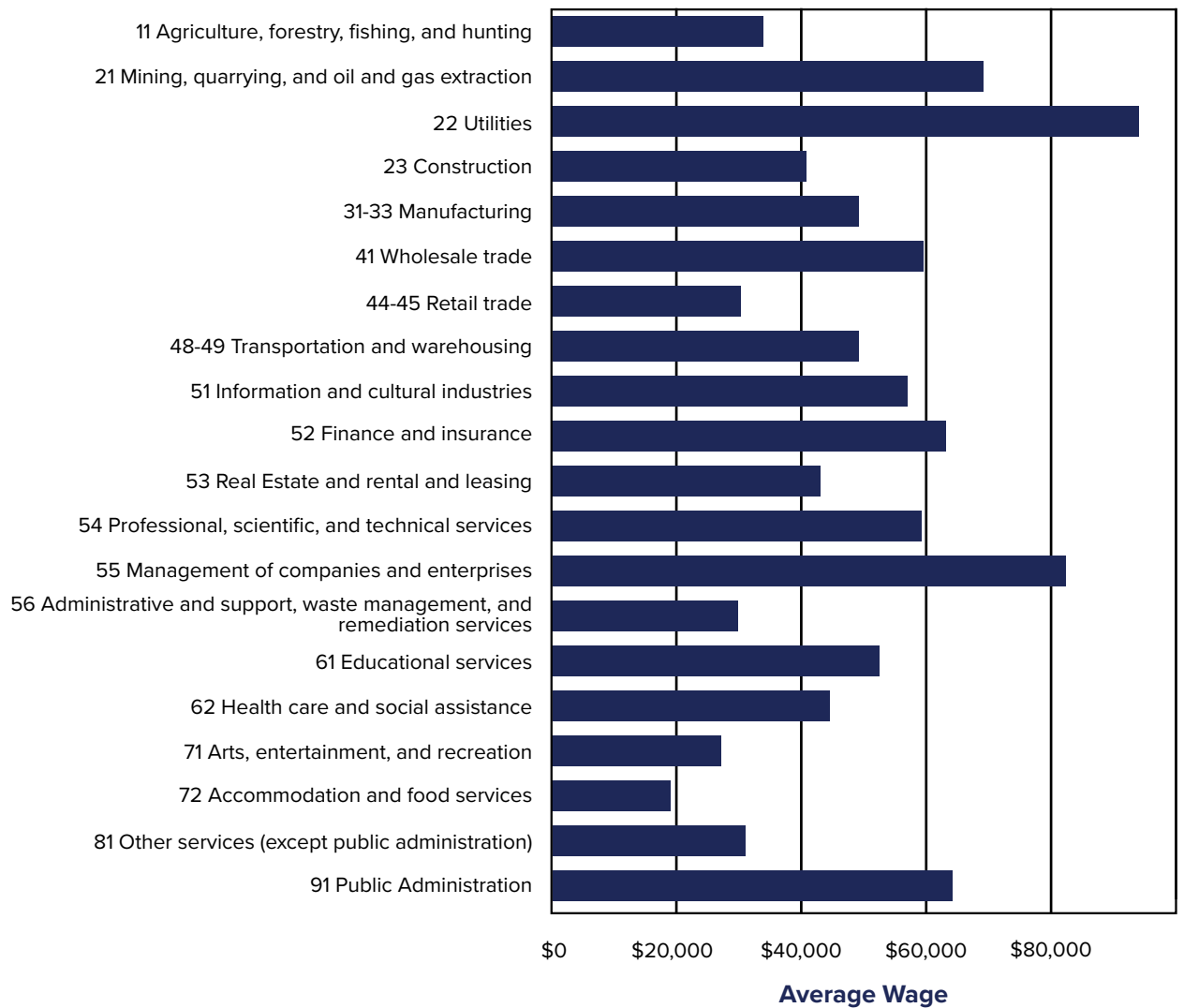
Figure 9

Geographic Distribution of Jobs in New Brunswick by Industry (Thousands)

Albert	0.2	0.1	0.0	1.1	0.9	0.7	2.4	1.2	0.4	1.4	0.3	1.0	0.0	1.1	1.1	1.9	0.4	0.9	0.7	1.0
Carleton	1.2	0.1	0.1	0.8	2.0	0.4	1.6	1.7	0.3	0.3	0.1	0.4	0.0	0.3	0.9	1.9	0.1	0.8	0.7	0.7
Charlotte	1.6	0.0	0.3	0.8	1.6	0.3	1.3	0.6	0.2	0.2	0.2	0.5	0.0	0.4	1.0	1.6	0.2	0.8	0.6	0.7
Gloucester	2.7	1.0	0.3	2.4	3.3	0.6	4.8	1.0	0.4	1.0	0.2	1.0	0.0	0.8	2.6	6.7	0.3	2.2	1.8	3.0
Kent	0.8	0.2	0.0	1.5	2.3	0.3	1.6	0.8	0.2	0.4	0.1	0.5	0.0	0.4	1.3	2.3	0.2	0.6	0.7	1.2
Kings	1.2	0.4	0.9	3.0	3.3	1.3	4.6	1.6	0.7	1.4	0.6	2.4	0.1	1.4	3.0	6.1	0.5	1.8	1.7	2.6
Madawaska	0.8	0.0	0.0	0.9	2.7	0.3	2.0	0.6	0.2	0.4	0.1	0.4	0.0	0.5	1.1	3.4	0.1	0.9	0.7	1.2
Northumberland	1.0	0.4	0.1	1.4	1.6	0.3	2.5	0.7	0.2	0.3	0.1	0.6	0.0	0.6	1.8	3.5	0.3	1.2	0.9	2.9
Queens	0.2	0.0	0.1	0.5	0.5	0.1	0.4	0.2	0.0	0.1	0.0	0.2	0.0	0.3	0.3	0.7	0.1	0.2	0.3	0.4
Restigouche	0.8	0.1	0.2	0.8	1.3	0.2	1.9	0.5	0.2	0.2	0.1	0.3	0.0	0.4	1.1	3.1	0.1	0.8	0.7	1.0
Saint John	0.4	0.2	0.7	2.6	2.5	1.2	5.5	2.0	0.9	1.4	0.5	2.4	0.1	2.7	2.6	6.9	0.5	2.7	1.7	2.2
Sunbury	0.2	0.1	0.1	0.9	0.5	0.2	1.8	0.5	0.2	0.3	0.1	0.5	0.0	0.6	1.1	2.0	0.2	0.8	0.6	5.4
Victoria	0.5	0.0	0.1	0.7	0.9	0.3	1.1	0.6	0.1	0.2	0.1	0.2	0.0	0.3	0.6	1.3	0.1	0.5	0.4	0.7
Westmorland	1.3	0.5	0.3	5.3	6.2	2.9	10.6	5.3	2.0	5.6	1.3	4.9	0.2	5.2	7.0	13.1	1.7	5.7	4.0	8.4
York	0.9	0.2	1.3	3.8	2.2	1.2	7.0	2.0	1.5	1.7	0.7	5.6	0.1	2.1	6.3	8.1	0.8	3.6	2.7	8.0
11 Agriculture, forestry, fishing, and hunting																				
21 Mining, quarrying, and oil and gas extraction																				
22 Utilities																				
23 Construction																				
31-33 Manufacturing																				
41 Wholesale trade																				
44-45 Retail trade																				
48-49 Transportation and warehousing																				
51 Information and cultural industries																				
52 Finance and insurance																				
53 Real Estate and rental and leasing																				
54 Professional, scientific, and technical services																				
55 Management of companies and enterprises																				
56 Administrative and support, waste management, and remediation services																				
61 Educational services																				
62 Health care and social assistance																				
71 Arts, entertainment, and recreation																				
72 Accommodation and food services																				
81 Other services (except public administration)																				
91 Public Administration																				

Figure 10

Average Wage in New Brunswick by Industry



B. LIST OF INDUSTRIES

This report follows the North American Industry Classification System (NAICS). Table 3 below lists all industries by full name and NAICS code.

Table 3

Full Industry Code List

NAICS Code	Industry
11	Agriculture, forestry, fishing and hunting
21	Mining, quarrying, and oil and gas extraction
22	Utilities
23	Construction
31-33	Manufacturing
41	Wholesale trade
44-45	Retail trade
48-49	Transportation and warehousing
51	Information and cultural industries
52	Finance and insurance
53	Real estate and rental and leasing
54	Professional, scientific and technical services
55	Management of companies and enterprises
56	Administrative and support, waste management and remediation services
61	Educational services
62	Health care and social assistance
71	Arts, entertainment and recreation
72	Accommodation and food services
81	Other services (except public administration)
91	Public administration

C. DATA SOURCES

Vestcor provided the data required for this analysis, including:

- Detailed pension payment data by location
- A detailed list of assets including estimated market value and number of employees (where available)
- Average wages and salaries of Vestcor employees and employees of some investments, where available

Note that no identifiable membership data was used in this analysis.

Statistics Canada CANSIM³ tables used in this analysis include:

- **11-10-0012** Distribution of income by census type
- **11-10-0019** Economic dependency profile of census families by family type and source of income
- **11-10-0033** Economic dependency profile by income and sex
- **11-10-0223** Household spending by income quintile
- **11-10-0224** Household spending by household type
- **17-10-0139** Population estimates, July 1, by census division, 2016 boundaries
- **36-10-0001** Symmetric input-output tables, detail level
- **36-10-0013** Input-output multipliers, summary level
- **36-10-0084** Symmetric input-output tables, summary level
- **36-10-0113** Input-output multipliers, provincial and territorial, summary level
- **36-10-0221** Gross domestic product, income-based, provincial and territorial, annual
- **36-10-0222** Gross domestic product, expenditure-based, provincial and territorial, annual
- **36-10-0438** Supply and use tables, summary level, provincial and territorial
- **36-10-0450** Revenue, expenditure and budgetary balance - General governments, provincial and territorial economic account
- **36-10-0478** Supply and use tables, detail level, provincial and territorial (x 1,000)
- **36-10-0587** Distributions of household economic accounts, income, consumption and saving, by characteristic
- **36-10-0595** Input-output multipliers, provincial and territorial, detail level
- **98-400-X2016120** Income Sources and Taxes (34) and Income Statistics (5 A) for the Population Aged 15 Years and Over in Private Households of Canada, Provinces and Territories, Census Divisions and Census Subdivisions, 2016 Census - 25% Sample Data
- **98-400-X2016149** Family MBM Low-income Status (5), Economic Family Structure (9), Family Size of Economic Family (5), Ages of Economic Family Members (18) and Number of Earners in the Economic Family (6) for Economic Families in Private Households of Canada, Provinces and Territories, Census Metropolitan Areas and Census Agglomerations, 2016 Census - 25% Sample Data
- **98-400-X2016227** Age of Primary Household Maintainer (9), Tenure (4), Structural Type of Dwelling (10) and Household Type Including Census Family Structure (9) for Private Households of Canada, Provinces and Territories, Census Divisions and Census Subdivisions, 2016 Census - 25% Sample Data

³ Canadian Socio-economic Information Management System

- **98-400-X2016292** Industry - North American Industry Classification System (NAICS) 2012 (427 A), Class of Worker (7 A), Labour Force Status (3), Age (13 A) and Sex (3) for the Labour Force Aged 15 Years and Over in Private Households of Canada, Provinces and Territories and Census Divisions, 2016 Census - 25% Sample Data
- **98-400-X2016358** Industry - North American Industry Classification System (NAICS) 2012 (425), Employment Income Statistics (3), Highest Certificate, Diploma or Degree (7), Immigrant Status and Period of Immigration (10), Work Activity During the Reference Year (4), Age (5 A) and Sex (3) for the Population Aged 15 Years and Over Who Worked in 2015 and Reported Employment Income in 2015, in Private Households of Canada, Provinces and Territories and Census Metropolitan Areas, 2016 Census - 25% Sample Data
- **98-400-X2016390** Census Family Status and Household Living Arrangements (13), Household Type of Person (9), Age (12) and Sex (3) for the Population in Private Households of Canada, Provinces and Territories, Census Metropolitan Areas and Census Agglomerations, 2016 and 2011 Census - 100% data
- **Census Profile 2016 (Census Divisions)**
- **Census Profile 2021 (Census Divisions)**
- **98-10-0592** Class of worker by industry groups, labour force status, age and gender: Canada, provinces and territories and census divisions
- **98-10-0597** Employment income statistics by industry sectors, highest level of education, immigrant status and period of immigration, work activity during the reference year, age and gender: Canada, provinces and territories, census metropolitan areas and census agglomerations with parts
- **98-10-0070** Income statistics for detailed income sources and taxes: Canada, provinces and territories, census divisions and census subdivisions
- **98-10-0232** Age of primary household maintainer by tenure: Canada, provinces and territories, census divisions and census subdivisions
- **98-10-0077** Economic family total income group by economic family structure: Canada, provinces and territories, census metropolitan areas and census agglomerations with parts

D. HOW SOCIAL VALUE IS CALCULATED

Social value is used here to describe the effect that pension participation and pension administration can have on a person’s quality of life, beyond the direct payment of benefits. In this analysis, the main outcome used to measure social value is satisfaction with life. This is a well-established measure in the research literature because it brings together, in a single indicator, how people experience financial security, stress, health, and confidence about the future.

The evidence base for this work comes from two sources. First, CANCEA uses its own proprietary survey data, collected across at least seven defined benefit pension plans in Canada since 2020. That evidence has been reported throughout CANCEA pension reports produced over the past five years. Second, CANCEA uses Statistics Canada survey data, especially the General Social Survey, to estimate the broader relationship between life satisfaction, income, and socio-economic conditions in Canada.

CORE PRINCIPLE

The calculations are performed at the individual level throughout. No part of the core valuation relies on population-wide averages as substitutes for individual experiences. Any averages shown in reporting are produced only after the individual-level results have been calculated and then aggregated. This matters because the value of pension security is not the same for everyone. A given pension feature may matter differently to a younger worker, an older worker, a retiree, a lower-income household, or a person living in a different social and economic setting.

Total social value = sum of many individual-level social value estimates

COMPARING LIKE WITH LIKE

A simple way to explain the method is that the model compares like with like. Each person is assessed relative to peers who are similar in their observable characteristics and in the environment they experience. That includes age, income, gender, family structure, employment status, and geography, as well as the broader social and economic conditions around them.

In plain language, this is what is meant by heterogeneity: respecting the fact that each person has unique characteristics and a unique lived environment, and that these differences affect how pension security is experienced and valued. The purpose is not to force everyone into one average relationship, but to estimate value in a way that reflects who the individual is and the setting in which that person lives.

For each person, compare them to similar peers with similar circumstances.

HOW THE VALUATION WORKS

The monetary valuation uses a well-being valuation approach. In simple terms, the question is: if pension participation improves a person’s life satisfaction, how much additional income would otherwise be needed to generate the same improvement? That income-equivalent amount is the estimated social value for that person.

Income-equivalent social value = extra income needed to create the same change in life satisfaction

Another way to express the method is that life satisfaction is influenced by income, personal characteristics, pension status, and lived environment. Controlling for other relevant factors, the model estimates how much of the observed difference in life satisfaction is associated with pension-related security and administration and then converts that difference into an income-equivalent value.

FROM INDIVIDUALS TO TOTALS

Once the income-equivalent value has been calculated for each person, the results are added across the relevant population. This produces total social value, average social value per person, and comparisons across pension groups or member profiles. The key point is that the aggregate results are built from the bottom up. They are summaries of individual experiences, not substitutes for them.

Reported averages are outputs of the model, not inputs to it.

WHAT THIS MEANS FOR VESTCOR

For Vestcor, this means the reported social value is built from the bottom up. It draws on CANCEA's proprietary Canadian pension survey evidence, together with Statistics Canada's life-satisfaction data, to estimate how pension and benefit administration affect people's lives. The final figures can therefore be communicated at the plan level while still remaining grounded in the experiences of comparable individuals.

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