

Volume 6 Number 4

November 1997 (Product number 75-002-XPB)

WAVE 2 ON CD-ROM

\$\$\$ The Survey of Labour and Income Dynamics Public Use Microdata (Product No. 75M0001XCB) for wave 2 is a collection of six files on CD-ROM intended for hands-on analysis. These files are the following:

- Cross-sectional PERSON file for 1993
- < Cross-sectional JOB file for 1993
- Cross-sectional PERSON file for 1994
- < Cross-sectional JOB file for 1994
- < Longitudinal PERSON file (1993-1994)
- < Longitudinal JOB file (1993-1994)

The PERSON data files contain information on every sample member aged 16 and over, and the JOB data files contain a separate record for each job held by all person represented on the PERSON file. For example, a sample person without a job during the reference year would be represented with one record on the PERSON file but no record on the JOB file. On the other hand, a

Editor's Note

Good news for SLID data users! A new version of the public-use microdata files, containing data for waves 1 and 2, are now available on CD-ROM. This CD-ROM contains updated wave 1 data files which replace the files released last year, so users should no longer use these older files. To accompany this release, an updated version of the User's Guide is also available. To allow greater accessibility, much of the SLID documentation can now be viewed and downloaded from the Statistics Canada web site.

Articles in this issue of *Dynamics* provide more details.

Long-term readers of *Dynamics* are familiar with the annual resubscription process. Please return the form which has been included here to continue your subscription to *Dynamics* for 1998. For more information on SLID, contact 951-7355 or toll-free at 1-888-297-7355. Alternatively, e-mail us at dynamics@statcan.ca.

Nathalie Noreau







sample member with three jobs during the reference year would be represented with one record on the PERSON file and three records on the JOB file. A special article explaning the wave 2 microdata files structure has been published in the May 1997 issue of *Dynamics* (vol.6 no.2). Please refer to it for more information.

Background information, including marital history, ethnocultural traits, fertility, schooling and work history, was collected in January 1993. In January 1994 and 1995, the survey returned to the same people for their labour market activities and family changes over the previous year. It returned again in May 1994 and 1995 for income information. All this information is part of the 1993 and 1994 reference years or "Wave 2" data.

Although certain detail has been suppressed so as not to reveal the identity of any respondent, a great deal of information can be drawn from the public use files. Furthermore, your cost in ordering custom data retrievals can be reduced. (See the next article below.)

The cost of this CD-ROM is \$1,000 for those who purshased the Wave 1 files and \$2,700 for those who did not.

SLID Microdata User's Guide

(Product No. 75M0001GPE or 75M0001GPF)

This is a comprehensive description of the survey objectives, design, methods and content. One copy (English or French) is included with the public use microdata files, but the guide can also be purchased separately, for \$25 a copy. The *Microdata User's Guide* should also be of interest to anyone wishing to order custom retrievals. For example, it contains a fairly detailed description of the SLID content by theme, a useful first step before delving into the SLID data dictionary and record layouts (also contained in the guide). The guide is also available through the Internet (see article below).

SLID Electronic Data Dictionary (SEDD)

The SEDD is a useful research tool for identifying survey variables of interest. It is included in the contents of the CD-ROM or can also be accessed through the Internet on Statistics Canada's web site.

CUSTOM DATA TABLES

SSS At this time, the primary data product is the public-use microdata file. This is due to the basic necessity of microdata to provide any other product as well as to meet the basic survey objective: supporting primary analysis on changes Canadians experience through time in labour market activities and economic well-being.

However, some users are interested only in a few data tables. Other users are interested in tables using variables which are not included on the public-use microdata file for reasons of confidentiality protection. To meet these data needs, SLID offers two approaches:

- , custom tabulations, and more generally, custom data retrievals
- , "do-it-yourself" custom retrievals

Custom tabulations

This is the simplest approach, but can also be the most costly. In consultation with a survey analyst, the data user specifies the required tables. A survey officer produces the tables using the internal survey database. Suppression of the values in certain cells is performed for reasons of confidentiality and/or data quality. The output is then delivered to the client. The charge to the client is based on Statistics Canada's costs related to the request; i.e., cost recovery.

The other requests are priced the same way, but involve less costs to Statistics Canada so are less costly to the user.

"Do-it-yourself" custom retrievals (remote access)

A data user may write a program to be sent to Statistics Canada in electronic form and run against the internal database. The output is reviewed by survey staff to ensure that no risk to confidentiality exists. If this validation approves the program results, they are delivered to the client. Record layouts for the internal files are available in the SLID User's Guide.



For more information on how to submit a program, please contact us.

SLID ON THE INTERNET!

\$\$\$ These products are now available free of charge on the Internet at the following addresses. Alternatively, one can use the menu structure, starting with the Statistics Canada web site "www.statcan.ca".

Dynamics

http://www.statcan.ca:80/english/freepub/75-002-XIB/free.htm

SLID microdata user's guide http://www.statcan.ca:80/english/freepub/75M0001GIE/free.htm

SLID electronic data dictionary (SEDD) http://www.statcan.ca/english/SLID/diction.htm

SLID Working paper series and Indexes http://www.statcan.ca/english/Vlib/Research/abtlab.htm

Note: you must take the capital letters and special characters into account in the addresses to access these documents.

RENEW YOUR SUBSCRIPTION TO DYNAMICS

ON POVERTY AND LOW INCOME

Since 1992, the *Dynamics* newsletter has been distributed at no cost to keep you up-to-date with survey developments. However, we want to distribute it only to those who want it only. This is why we ask you to renew your subscription each year. To continue to get our newsletter in 1998, you **must** return the attached renewal form or let us know in some other way that you would like to renew. Mailing information is on the form.

\$\$\$ For many years, Statistics Canada has produced "low-income cut-offs" to allow analysis of persons who could be considered to be in straitened circumstances. Although these cut-offs are not poverty lines, many people treat them as such. With the aim of clarifying the distinction between low-income cut-offs and poverty lines, Dr. Ivan Fellegi, Chief Statistician of Canada, has prepared the following article which has been printed in several Canadian newspapers.

Recently there has been extensive and recurring media coverage of Statistics Canada's Low Income Cut-Offs and their relationship to the measurement of poverty. At the heart of the debate is the use of the Low Income Cut-Offs as poverty lines even though Statistics Canada has clearly stated, since their publication began over 25 years ago, that they are not. The high profile recently given this issue has presented Statistics Canada with a welcome opportunity to restate its position on these issues, views which seem to have become lost in the debate.

There is an understandable desire by many people and organizations -- in Canada and abroad -- to know how many persons and families live in "poverty" and how these numbers are changing. Reflecting this need, different groups have at different times developed various measures which purported to divide the population into those who were poor and those who were not.

In spite of these efforts, there is still no internationally accepted definition of poverty -- unlike measures such as employment, unemployment, gross domestic product, consumer prices, international trade and so on. This is perhaps not surprising given the absence of even the beginning of a consensus on the fundamentals of how to approach the measurement of poverty. Such consensus preceded the development of all other international standards.

The lack of an internationally accepted definition also reflects indecision as to whether an international standard definition should allow comparisons of well-being across countries compared to some international norm, or whether poverty lines should be established by reference to the norms within each country.

The proposed poverty lines have included, among others, relative measures (you're poor if your means are small compared to those of others in your population) and absolute measures (you're poor if you lack the means to buy a specified basket of goods and services designated as essential). Both the relative income and the absolute income approaches involve judgemental and hence ultimately arbitrary choices. In the case of the relative approach, the fundamental decision is what fraction of the overall average or



median income constitutes poverty. Is it one half, one third, or some other proportion? In the case of the absolute approach, the number of individual judgements required to arrive at a poverty line is far larger. Calculating the minimum income that is needed to purchase the "necessities" of life first requires deciding on what constitutes a "necessity" in food, in clothing, in shelter and in a multitude of other purchases from transportation to reading material.

The underlying difficulty is due to the fact that poverty is intrinsically a question of social consensus, at a point in time and in the context of a given country. Someone acceptably well off in terms of third world country standards might well be considered in Canada as being desperately poor. And even within the same country, the outlook changes over time. A standard of living considered as acceptable in the previous century might well be viewed with abhorrence today.

It is through the political process that democratic societies achieve social consensus in domains that are intrinsically judgmental. The exercise of such value judgements is certainly not the proper role of Canada's national statistical agency which prides itself on its objectivity, and whose credibility depends on the exercise of that objectivity. In Canada the political powers have not expressed their views as yet: neither the provincial nor the federal governments have set official poverty lines. Even provincial welfare rates (which vary considerably) have never been designated as placing the recipients on one side or the other of poverty.

Should governments establish a definition, Statistics Canada will endeavour to estimate the number of people who are poor according to that definition. That is a task that is certainly in line with its mandate and its objective approach. In the meantime, Statistics Canada does not and cannot measure the level of "poverty" in Canada.

For many years, Statistics Canada has published a set of measures called the Low Income Cut-Offs. We regularly and consistently emphasize that these are quite different from measures of poverty. They reflect a consistent and well defined methodology which

identifies those who are substantially worse off than the average. Of course, being significantly worse off than the average does not necessarily mean that one is poor. Nevertheless, and particularly in the absence of an accepted definition of poverty, these statistics have been used by many analysts who wanted to study the characteristics of the relatively worst off families in Canada. These measures have enabled us to report important trends such as the changing composition of this group over time. For example, 20-30 years ago the elderly were by far the largest group within the "low income" category, while more recently single parent families headed by females have grown in significance.

These and other insights facilitated by the analysis of the characteristics of families below our low income lines have been found to be useful by many, both in and out of government. As a result, when some 10 years ago Statistics Canada carried out a wide ranging public consultation, we were almost unanimously urged to continue to publish our low income analyses. Furthermore, in the absence of a generally accepted alternative methodology, the largest number of those who were consulted urged us to continue to use our present definitions.

In the absence of politically sanctioned social consensus on who should be regarded as "poor", some people and groups have been using the Statistics Canada low income lines as a *de facto* definition of poverty. As long as that represents their own considered opinion of how poverty should be defined in Canada, we have no quarrel with them: all of us are free to have our own views. But they certainly do not represent Statistics Canada's views about how poverty should be defined.

Income data is a critical component in the analysis of financial stability; however, the addition of asset and debt data can provide a more comprehensive understanding of an individual's financial position. The most recent national asset and debt data were collected in 1984 as part of the Survey of Consumer Finances (SCF). A field test of asset and debt questions was conducted in 1992, as part of the overall SLID testing. However, more questionnaire development was required to allow the production of high-quality data. Statistics Canada, in partnership with Human

A NEW ASSET AND DEBT SURVEY



Resources Development Canada, will be conducting a new survey to collect Canadian wealth data, the **1998 Asset and Debt Survey.**

Proposed Enhancements

The 1984 SCF included data on family and household characteristics, employment, income and wealth components. The 1998 Asset and Debt Survey will expand upon the wealth data collected in 1984 as follows:

- Valuing pensions: The SLID field test collected some pension data. However, more detail on pension will be included in the 1998 survey. In addition, a valuation of pension holdings will be estimated based on data provided.
- High income sample: Studies have shown that asset and debt survey data drawn from an area sample frame can under-represent the upper end of the wealth distribution. To compensate for this, there will be additional sampling of high income individuals. The 1977 asset and debt survey was the most recent to include a separate sampling of high wealth individuals.
- < Attitudes and Behaviours: In addition to a profile of asset holdings and debt, respondents will be asked about approaches to financing assets and dealing with debt.

Survey Design

It is no longer feasible or desirable to attach the collection of these data to another survey (often with a significant response burden of its own), in spite of common data elements such as income and employment data. Therefore, the sample selected for this survey will participate in the asset and debt survey only. Sampling is anticipated to provide a responding sample of 15,000 families.

In order to reduce the response burden, respondents will be given the option of providing permission to link to income data from tax files.

Unit of Collection

Information will be collected for economic families and unattached individuals (economic families are defined as a group of individuals sharing a common dwelling and related by blood, marriage, common-law union or adoption). Demographic information would be collected for all family members, whereas labour market, pension plan participation and income information would be collected for each member of 15 years of age or more, and asset and debt information would be collected for the family as a whole.

Survey Timing and Results

The proposed content for this survey is being tested at this time through focus groups. Content will then undergo a final revision, based on the results of this testing. The planned collection period is May-June 1998. A public use microdata file will be available in the Spring-Summer of 1999. Analytical articles and publications will be available in the months following the release of the microdata files.

If you would like to be kept informed of the developments of this survey, please contact Christine Arsenault at (613) 951-2541 or Karen Maser at (613) 951-0793.

Content	f the 1998 Asset and Debt Survey	
Demographic Information	age, sex, marital status, family composition aboriginal, immigration and disability status, visible minority, mother tongue education	
Labour Market Characteristics	current employment 1997 employment breaks in employment over period of 10 years	
Registered Pension Plan (RPP) - Accumulated Value	accrued RPP benefits from current and prior employment RPP benefits in pay RPP credits split following divorce/separation	
Income	employment earnings investment income government transfers pension income other income total income other tax form data (income tax paid, pension adjustment, RPP contributions, and RRSP contributions)	
Household Transfers	financial support provided to persons outside the household financial support received from persons outside the househol	d
Behaviours and Attitudes	use of credit payment of debts method of financing purchases bankruptcy, financial assistance	
Assets (Current Value)	savings and investments property, vehicles, household contents equity in business life insurance	
Debts (Amount Owing)	mortgages credit card balances, charge accounts, and lines of credit loans (including student loans)	
Selected Expenses	related to principal residence (rent, condominium fees, property taxes, insurance, home fuels, and electricity) vehicle lease payments	