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  Up to 169,000 jobs might have been created in November 1995 had it been possible to convert all the paid overtime accumulated that month into full-time jobs. However, if overtime had been cut only for those workers who agreed to such a measure, the potential for job creation would have been less than 10,000.

- **Economic performance and low income among families,** 1973 to 1995 5
  Economic growth is effective in reducing low income among all types of families, a new study shows. However, the extent of this effectiveness depends on how the gains from expansion are distributed among family groups.

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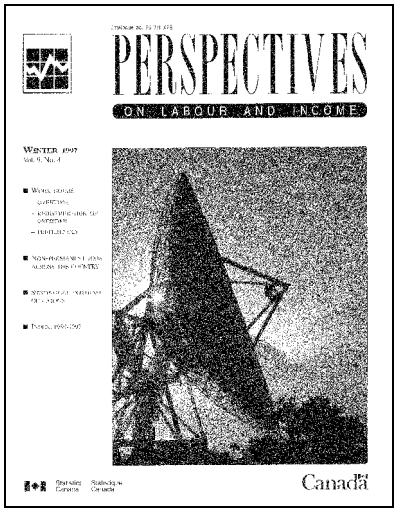

Perspectives on labour and income
Winter 1997

The Winter 1997 issue of *Perspectives on labour and income* features five articles, three of which deal with the hours people work. The first article sheds light on the characteristics of people who work either paid or unpaid overtime. The second looks at the possibility of reducing unemployment by redistributing overtime hours. The third examines employees' work hour preferences.

A regional analysis of seasonal, temporary and occasional jobs also appears in this issue. The final article traces union membership over the last 30 years and highlights current demographic and labour market characteristics of union members. The "Key labour and income facts" section provides charts and analysis on the earnings of the self-employed and growth in self-employment.

The Winter 1997 issue of *Perspectives on labour and income* (75-001-XPE, $18/$58) is now available. See *How to order publications*.

For further information on this release, contact Jeannine Usalcas (613-951-4628), Labour and Household Surveys Analysis Division.

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MAJOR RELEASES

The redistribution of overtime hours

Up to 169,000 jobs might have been created in November 1995 had it been possible to convert all the paid overtime accumulated that month into full-time jobs. However, if overtime had been cut only for those workers who agreed to such a measure, the potential for job creation would have been less than 10,000.

Results based on the Survey of Work Arrangements show that in November 1995 paid workers regularly worked an average 6.8 million hours of paid overtime weekly. Assuming this overtime could be converted into jobs of 40.5 hours a week, which is the average number of weekly hours reported by full-time workers, the total hours could have been converted into 169,000 new jobs. It would have resulted in a 13.2% reduction in the number of unemployed workers, and the unemployment rate in November 1995 would have dropped from 8.7% to 7.5%.

Potential for reducing the number of unemployed before matching by province

	Number of unemployed	Potential job creation[1]	Unemployment rate	
			Before job creation	After job creation[1]
	'000		%	
Canada	**1,284**	**169**	**8.7**	**7.5**
Newfoundland	37	1	16.3	15.7
Prince Edward Island	7	1	10.8	9.9
Nova Scotia	45	4	10.5	9.6
New Brunswick	30	3	8.7	7.7
Quebec	375	40	10.5	9.4
Ontario	423	76	7.4	6.1
Manitoba	47	5	8.6	7.7
Saskatchewan	33	4	6.7	5.8
Alberta	118	20	7.9	6.6
British Columbia	169	16	8.8	8.0

[1] *These calculations are hypothetical and are not actual estimates.*

The creation of these 169,000 hypothetical jobs rests on several assumptions. For example, a perfect match would be necessary between the qualifications of the unemployed and those required in the newly created jobs, as would full mobility of the unemployed between provinces.

Many of these new hypothetical jobs call for a well-qualified, often highly educated labour force. Depending on the region, managerial, administrative and professional positions represent nearly a quarter of the overall potential, and those in construction, a tenth. One-third of potential new jobs would also come from processing, machining and product fabricating occupations, which may also require fairly specialized workers.

To examine the effect of these issues, a match was made between the skills required for the new positions and those offered by the unemployed. The province in which unemployed workers lived and the location of the hypothetical jobs were also taken into consideration.

With these constraints taken into account, the potential 169,000 jobs would then drop to 93,000. The unemployment rate would shift from 8.7% to 8.0%, instead of the 7.5% suggested by the most optimistic scenario.

However, the Survey of Work Arrangements also found that only 5% of employees who regularly work overtime would agree to have their hours reduced for less pay. If overtime had been cut only for those workers who agreed to such a measure, fewer than 10,000 full-time jobs would be created, even with no matching by occupation or location. Consequently, the number of unemployed workers would have been reduced by only a fraction of a percent and the unemployment rate would have remained unchanged.

Note to readers

This release is based on two articles in the Winter 1997 issue of Perspectives on labour and income*, available today.*

The first article looks at the possibility of redistributing overtime hours in order to lower unemployment. The study converts regular paid overtime hours into hypothetical full-time jobs, and then distributes them by province, occupation and level of education. It then matches them with the unemployed by province and occupation. These numbers serve to illustrate the potential for job creation and are not actual survey estimates. Moreover, the data reflect the situation in November 1995. If the study had been carried out at another time, the results could have been slightly different.

The Survey of Work Arrangements is used in this analysis as it is the only survey that covers usual overtime hours and work hour preferences. The survey, sponsored by Human Resources Development Canada, was conducted in November 1995 as a supplement to the Labour Force Survey.

The second article sheds light on the characteristics of people working overtime, that is, extra hours beyond standard or scheduled hours. It looks at the types of jobs these people perform and highlights differences between paid and unpaid overtime. This article is based on Labour Force Survey averages for the first nine months of 1997.

Number of jobs created before and after matching by occupation, province and when overtime[1] is reduced voluntarily

	Potential job creation	After matching[2]	On a voluntary basis	
			Before matching[2]	After matching[2]
	'000			
All occupations	**169**	**93**	**9.7**	**5.6**
Managerial and administrative	16	11	1.3	0.8
Professional	22	10	1.7	1.0
Clerical	15	9	0.6	0.3
Sales	5	4	0.4	0.2
Service	12	9	0.1	0.1
Primary	7	5	0.2	–
Processing, machining and product fabricating	52	24	3.5	1.7
Construction	17	9	0.6	0.4
Transport equipment/ Material handling	23	13	1.2	0.9
	%			
Unemployment rate	7.5	8.0	8.7	8.7

[1] *This assumes that workers who are willing to reduce their work time will do so by giving up overtime hours.*
[2] *Matching by occupation and province.*
Note: *These calculations are hypothetical and are not actual estimates.*

Working overtime in today's labour market

Over 1.9 million out of a total 11.4 million paid workers (17%) worked overtime in a typical week from January to September 1997. Over half (53%) were not paid or otherwise compensated for any of their overtime, while 45% were paid for all their extra hours. The average number of overtime hours worked per week was 8.8 for those who were paid and 9.5 for those who were not compensated.

Extra hours are more common in some industries and occupations than others. Overtimers are most prevalent in the communication industries (26% of paid workers), educational services (24%), consumer durables manufacturing (24%) and mining (23%). Among the occupational groups studied, the incidence of overtime was highest in teaching (28%), management and administration (28%) and among professionals in the natural sciences, engineering and mathematics (27%).

Full-time workers exhibit much higher overtime rates than part-timers. In 1997, only 8% of all part-time employees put in excess hours, compared with 19% of their full-time counterparts. Although the average usual weekly hours of part-time workers were much lower than those of full-timers (17 hours versus 40), overtime hours were similar: part-timers averaged 8.7 hours while full-timers logged an average 9.3 hours.

Weekly earnings (excluding overtime earnings) were greater, on average, among overtimers: $734 versus $530 for non-overtime workers. And they were significantly higher among those whose extra hours went unpaid: $840. This disparity likely reflects the fact that unpaid overtime is more common among full-time workers and employees in managerial, administrative and professional occupations, which are associated with higher pay.

Only 12% of those employed on a temporary or casual basis reported overtime, compared with 17% of those in permanent jobs. Workers in non-permanent jobs were somewhat more likely to be paid for extra hours, however (55% versus 44%).

Overtime was somewhat more prevalent in Western Canada than in the East: rates were highest in Alberta (21%) and lowest in Prince Edward Island (13%). Relatively high concentrations of overtimers (both paid and unpaid) were found in the following metropolitan areas: Calgary, Kitchener-Waterloo, Ottawa-Hull, Saskatoon, Edmonton, Windsor, Victoria, Winnipeg and Hamilton, where about one-fifth of employees worked overtime. Paid overtime hours were longest in Windsor, Edmonton and Halifax (ranging from 9.7 to 10.1 hours) and shortest in Victoria (6.3) and Vancouver (7.1).

The Winter 1997 issue of *Perspectives on labour and income* (75-001-XPE, $18/$58) is now available. See *How to order publications*.

For further information on "The redistribution of overtime hours," contact Diane Galarneau (613-951-4626), and on "Working overtime in today's labour market," contact Doreen Duchesne (613-951-6379), Labour and Household Surveys Analysis Division. ■

Economic performance and low income among families

1973 to 1995

Economic growth is effective in reducing low income among all types of families, a new study shows. However, the extent of this effectiveness depends on how the gains from expansion are distributed among family groups. Since the early 1980s, the impact of economic growth on reducing low income has weakened among all family groups.

Between 1973 and 1995, single-parent families experienced the highest low-income rate at the annual average of 56.5%. Couples without children had the lowest at 9.6%.

Low-income rate highest among single-parent families

	Unattached individuals	Couples without children	Couples with children	Single parents
1973	40.3	10.6	15.8	59.9
1981	32.8	7.3	10.2	48.4
1995	37.2	10.1	12.8	53.0
Average:				
1973 to 1995	37.9	9.6	13.0	56.5

Economic growth reduces low-income rates

For the purposes of this study, economic growth is represented by changes in the employment rate. When the employment rate goes up, low-income rates decline, and vice versa. For example, the employment rate climbed from 57.1% in 1983 to 62.4% in 1989 and the overall low-income rate declined from 21.1% to 17.0% during the same period.

An improving economy helps reduce the proportion of low-income families in the population, primarily by raising their labour market earnings. In addition, the unemployed may have a better chance of finding employment; workers may have a better chance of finding better paying jobs; and people not in the labour force may decide to look for and, in fact, find a job.

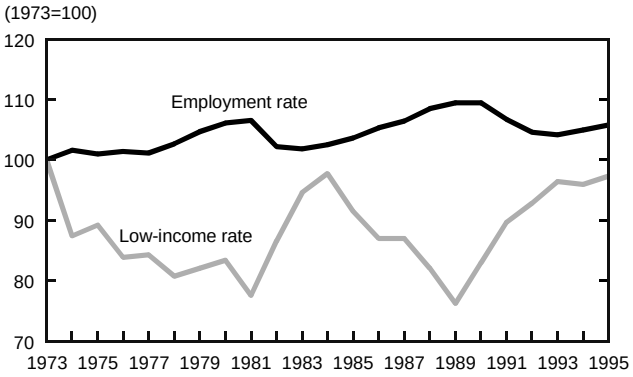
Note to readers

This release is based on the research study Trickling down or fizzling out? Economic performance, transfers, inequality and low income*, which is now available. Data came from the Survey of Consumer Finances from 1973 to 1995.*

This study applies only to families where the head of the family was under the age of 65. Low-income rates are calculated using Statistics Canada's (1992 based) pre-tax low income cut offs (LICOs), updated annually for changes in the Consumer Price Index. For this study, a family was considered to have low-income if total pre-tax income (labour market earnings plus investment income plus all transfers from government) was less than the low-income cutoff.

Employment rates are calculated as the number of employed persons expressed as a percentage of the population 15 years of age and over.

Low-income rate falls with rising employment rate



Between 1973 and 1995, the impact of economic growth was greatest among couples with children, and the least for single parents. On average, an increase of 1 percentage point in the employment rate between 1973 and 1995 was associated with a 5.5% decline in the low-income rate for couples with children. By comparison, it was linked with a 3.4% decline for couples without children, a 1.7% decline for unattached individuals, and a decline of only 1.4% for single parents.

Thus, it appears that families located near the bottom of the income distribution ladder benefited from improved economic performance — economic growth did tend to trickle down during the 23-year period.

Economic growth less effective in reducing low income since the early 1980s

On the other hand, the study found that the effectiveness of economic growth in reducing low income among Canadian families also appeared to be fizzling out.

The impact of economic growth weakened for all types of families since the early 1980s because of increasing inequality. In other words, families located at the bottom of the income distribution shared less in the employment and earnings gains of more recent economic expansions.

The study found the biggest decline in this effectiveness among unattached individuals. For an increase of 1 percentage point in the employment rate, the low-income rate declined 1.01% in 1981, but only 0.74% in 1995. This gap represented a slide of 27%. The decline in effectiveness (by 10%) was the smallest among single parents between 1981 and 1995.

Effectiveness of one percentage point increase in employment rate on low-income rate reduction

	Unattached individuals	Couples without children	Couples with children	Single parents
		%		
1981	1.01	2.82	4.12	0.71
1989	0.91	2.70	3.99	0.68
1995	0.74	2.41	3.68	0.64
% decrease: 1981 to 1995	27	11	12	10

The research paper *Trickling down or fizzling out? Economic performance, transfers, inequality and low income* is now available. To order a copy, contact the Publications Review Committee, Analytical Studies Branch, Statistics Canada (613-951-6325).

For more information on this study, contact Myles Zyblock (613-951-5132) or Zhengxi Lin (613-951-0830), Analytical Studies Branch. ■

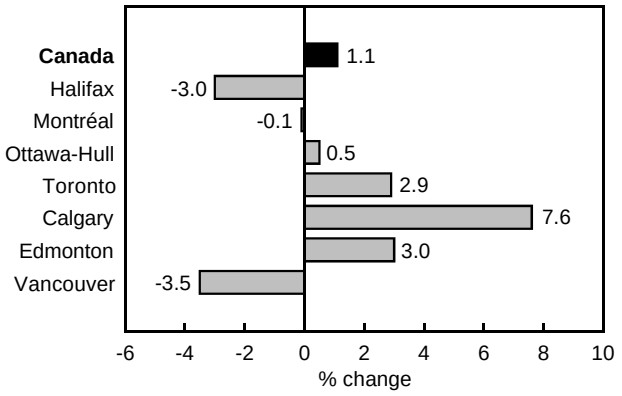
OTHER RELEASES

New Housing Price Index

October 1997

In October, the New Housing Price Index was up 1.1% compared with the same period a year earlier. However, from September to October 1997, this index of contractors' selling prices for new houses edged down 0.1%. This was the first monthly decrease since October 1996.

New housing price indexes
October 1996 to October 1997



The largest monthly increases were in St. Catharines-Niagara (+1.3%), Calgary (+1.0%) and Edmonton (+0.8%) as some builders passed on increases in construction costs to home buyers in these improving markets. Smaller increases were noted in several other Canadian cities as builders reacted to higher consumer confidence and favourable interest rates. However, these increases could not offset significant monthly decreases in Charlottetown (-1.3%) and Vancouver (-1.0%) as well as small decreases in several other cities. Generally, contractors attributed these decreases to very competitive market conditions.

New housing price indexes
(1986=100)

	Oct. 1997	Oct. 1996 to Oct. 1997	Sept. 1997 to Oct. 1997
		% change	
Canada total	**132.9**	**1.1**	**-0.1**
House only	123.1	1.7	-0.1
Land only	165.7	0.4	0.1
St.John's	122.8	-2.5	-
Halifax	117.8	-3.0	-0.2
Charlottetown	115.3	-2.0	-1.3
Saint John-Moncton-Fredericton	108.9	-4.2	0.2
Québec	133.5	0.2	0.6
Montréal	137.4	-0.1	0.1
Ottawa-Hull	119.5	0.5	-0.2
Toronto	139.9	2.9	0.1
Hamilton	131.3	4.9	-0.2
St. Catharines-Niagara	129.1	6.2	1.3
Kitchener-Waterloo	124.1	2.5	0.3
London	142.5	0.8	-
Windsor	134.3	4.7	0.1
Sudbury-Thunder Bay	135.4	-1.2	-
Winnipeg	121.0	1.3	-
Regina	140.2	3.7	0.1
Saskatoon	118.4	1.6	-
Calgary	155.4	7.6	1.0
Edmonton	149.3	3.0	0.8
Vancouver	123.0	-3.5	-1.0
Victoria	106.3	-2.8	-0.3

- *Nil or zero.*

Available on CANSIM: matrix 2032.

The fourth quarter 1997 issue of *Construction price statistics* (62-007-XPB,$24/$79) will be available in March 1998. See *How to order publications*.

For further information on this release, contact Elvira Marinelli (613-951-3350; fax: 613-951-2848; Internet: *danipau@statcan.ca*), Client Services Unit, Prices Division. ■

Quarterly estimates of trusteed pension funds

Second quarter 1997

Second quarter estimates of the income, expenditures and investment portfolio (at both book and market value) for all trusteed pension funds are now available from the Pensions Section.

The assets of trusteed pension funds ($449 billion at market value at the end of the second quarter) represent one of the largest pools of capital in Canada, second only to the financial assets of chartered banks. Trusteed pension funds hold close to 90% of the assets of all registered pension plans that are invested in the financial markets.

Available on CANSIM: matrix 5749.

The second quarter 1997 issue of *Quarterly estimates of trusteed pension funds* (74-001-XPB) will be available in January 1998. See *How to order publications*.

For data requests or more detailed information, contact Gabriella Martello (613-951-4012; Internet: *versgab@statcan.ca*) or Thomas Dufour (613-951-2088; fax: 613-951-4087; Internet: *dufotho@statcan.ca*), Pensions Section, Labour Division. ■

Steel pipe and tubing

October 1997

Steel pipe and tubing production for October totalled 250 908 tonnes, up 11.9% from 224 206 tonnes a year earlier.

Year-to-date production totalled 2 009 855 tonnes, up 12.1% from 1 793 203 tonnes during the same period in 1996.

Available on CANSIM: matrix 35.

The October 1997 issue of *Steel pipe and tubing* (41-011-XPB, $7/$62) will be available shortly. See *How to order publications*.

For further information on this release, contact Andy Shinnan (613-951-3515; Internet: *shinand@statcan.ca*), Manufacturing, Construction and Energy Division. ■

PUBLICATIONS RELEASED

Industrial chemicals and synthetic resins, October 1997
Catalogue number 46-002-XPB
(Canada: $7/$62; outside Canada: US$7/US$62).

Road motor vehicles: Fuel sales, 1996
Catalogue number 53-218-XPB
(Canada: $28; outside Canada: US$28).

Energy statistics handbook, November 1997 (electronic version)
Catalogue number 57-601-XDE
(Canada: $284; outside Canada: US$284).

Energy statistics handbook, November 1997 (paper version)
Catalogue number 57-601-UPB
(Canada: $387; outside Canada: US$387).

Perspectives on labour and income, Winter 1997
Catalogue number 75-001-XPE
(Canada: $18/$58; outside Canada: US$18/US$58).

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