



The Daily

Statistics Canada

Thursday, October 15, 1998

For release at 8:30 a.m.

MAJOR RELEASES

- **The rise in household spending on services, 1996** 3
Canadians allocated a larger proportion of their household spending to services in 1996 than they did a decade earlier. In 1996, 41 cents of every dollar spent by households went towards services rather than goods, up from 36 cents in 1986. The biggest factors were increased spending on communications services and on finance and real estate services.

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Services indicators

Second quarter 1998

Services indicators is a quarterly publication that profiles Canada's services industries. In addition to feature articles, it contains 34 updated tables and nearly 100 charts showing various service industries' output, financial, employment and remuneration figures over the past eight quarters.

This issue of *Services indicators* features the article: "Are jobs less stable in the services sector?", which examines job stability patterns in Canada, particularly in the services sector. It finds that job stability not only varies between the services and non-services sectors, but also within the services sector. For example, jobs are equally as stable in the business services, distributive services and manufacturing industries, but less stable in the consumer services and primary and construction industries. Job stability is highest in public services.

This article also demonstrates that aggregate job stability is now at historically high levels, partly due to drops in permanent layoff rates and quit rates. Since a rising quit rate usually accompanies a robust economy, the increase in job stability arising from lower quit rates is not necessarily a positive development.

The second quarter 1998 issue of *Services indicators* (63-016-XPB, \$35/\$116 or 63-016-XIB, \$26/\$87) is now available. See *How to order publications*. For additional information on the article "Are jobs less stable in the services sector?", contact Andrew Heisz (613-951-3748; heisand@statcan.ca), Business and Labour Market Analysis.



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MAJOR RELEASES

The rise in household spending on services

1996

Canadians allocated a larger proportion of their household spending to services in 1996 than they did a decade earlier. In 1996, 41 cents of every dollar spent by households went towards services rather than goods, up from 36 cents in 1986. The biggest factors were increased spending on communications services and on finance and real estate services.

Overall, on average, \$12,735 per household was spent on services in 1996, up 8.5% in real terms (after adjusting for inflation) from 1986. Meanwhile, average spending on goods declined 13.9% to \$18,292.

One major factor in the overall shift towards services consumption was a 72% real increase in total spending on communications services — particularly on cable television. As well, total household spending on finance and real estate services rose by one-third.

Spending per household rose on finance and real estate services

Households spent larger parts of their budgets on finance and real estate services in 1996. Taking into account growth in the number of households, this spending averaged \$4,799 per household in 1996, up 9% in real terms from 1986.

Nearly half of this average, or \$2,295 per household, went towards paying rent, about the same dollar amount in real terms as 1986. In contrast, mortgage interest expenses per household rose 18% to \$1,716. Even though interest rates fell during the decade, mortgage costs per household were higher in 1996 because households were more likely to be carrying a mortgage and residential real estate prices had risen.

Spending on financial services also rose rapidly, nearly doubling from 1986 to 1996 on a per-household basis. This may have partly been due to changes in the Bank Act that gave Canadians newfound access to mutual funds and investment services through their banks and insurance companies. As well, household demand for mutual funds and other investment vehicles has simultaneously risen as baby boomers increasingly plan ahead for their retirements. The proportion of households investing in Registered Retirement Savings Plans rose from 26% in 1986 to 39% in 1996.

Note to readers

This report is based on a feature article entitled "Can I help you?: the rise in household spending on services" in the second quarter 1998 edition of Services indicators, available today. The article used data collected from the Family Expenditure Survey. Although 1992 data are available, a base year of 1986 was chosen because changes in consumption patterns are more apparent over a 10-year period. All of the dollar amounts cited are adjusted for inflation and presented in 1996 dollars.

Services are broken down into six main categories: finance and real estate services; food and beverage services; communications; amusement and recreation; personal and household services and traveler accommodations.

Lackluster spending on food and beverage services

On average, households spent \$1,513 on food services in 1996, down 10% in real terms from 1986. Canadians may be dining out less than they used to because restaurant food prices have risen more rapidly than the prices of food sold in stores. As well, the availability of more pre-prepared food items at grocery stores has made cooking at home easier now than in the 1980s.

As well, on average in 1996, households spent \$191 on alcoholic beverages served in licensed premises — one-third less than what they spent a decade earlier. There are several possible reasons for this decrease: stronger legislation and educational campaigns against drunk driving; the growing popularity of "brew your own" retail establishments; and an aging population which visits bars, taverns, and nightclubs less frequently. The proportion of households in which someone purchased alcohol served at a licensed premise dropped from 58% in 1986 to 49% in 1996.

New technologies spurred spending on communications

On average, households spent \$1,099 on communications services in 1996, up 40% in real terms from 1986. This was partly due to the introduction of new telephone technologies such as automated answering services, call screen services, touch-tone access and so on.

As well, Canadian households on average spent \$80 on communications services associated with the Internet and cellular phones in 1996, technologies that were virtually unknown in 1986. By 1996, 7% of all

households had Internet access at home and 14% of households owned a cellular telephone.

Expenses per household on cablevision services almost doubled from \$141 in 1986 to \$254 in 1996. This was due to the strong demand for, and availability of, new cable, specialty and pay-TV channels. Whereas 57% of households paid to rent cablevision services in 1986, this rose to 68% in 1996. As well, price increases have pushed cable expenditures upwards, with cable television prices rising 23% more rapidly than the all-items Consumer Price Index from 1986 to 1996.

Spending on games of chance was substantially higher than a decade ago

On average, each household spent \$780 on amusement and recreation services, 19% more in real terms than in 1986. These expenditures include those on movies, live events and gambling. Spending on games of chance rose in real terms by 56% to \$344 per household in 1996, as gambling via lottery tickets, bingos, and casinos and slot machines grew increasingly popular.

Also contributing to higher spending on amusement services was a 15% rise in spending to attend live stage performances. This increase was likely prompted by the growing popularity of big-budget theatre productions, and well-attended jazz, dance and comedy festivals, which are more common now than in 1986.

Services indicators is a quarterly publication that profiles Canada's services industries. In addition to feature articles, it contains 34 updated tables and nearly 100 charts showing various service industries' output, financial, employment and remuneration figures over the past eight quarters.

The second quarter 1998 issue of *Services indicators* (63-016-XPB, \$35/\$116 or 63-016-XIB, \$26/\$87) is now available. See *How to order publications*.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Don Little (613-951-6739; littdon@statcan.ca), Services Division. ■

OTHER RELEASES

Industrial monitor on CD-ROM

October 1998

The Industrial Monitor on CD-ROM offers up-to-date data on more than 150 manufacturing industries and 33 other industries covering construction, wholesale trade and retail trade. This information is offered for 24 sectors, and can be purchased by individual sector or as a complete package.

For each industry, up to 50 variables are organized in the Table viewer according to five table types: supply, demand, price, labour/employment, and investment/capital stock. The underlying database is also available via the Series browser for more extensive time series analysis and inter-industry comparisons.

The Industrial Monitor on CD-ROM is linked to the *Standard Industrial Classification manual*, provides pop-up textual descriptions for every series and embodies consistent data conventions — all features designed to make analysis easy and accurate. State-of-the-art functions offer searching, graphing, viewing, exporting and transforming capabilities - providing you the information quickly and easily.

The October 1998 issue of the *Industrial monitor on CD-ROM* is now available. An annual subscription (one CD-ROM per month) to the full package (15F0015XCB)

costs \$995, a savings of more than 80% off the annual subscription price of \$258 per individual sector.

For further information, or to request a free demonstration CD-ROM, contact Kim Lauzon (613-951-9417; fax: 613-951-3688; lauzonk@statcan.ca), Industry Measures and Analysis Division, or contact your nearest Statistics Canada Regional Reference Centre. ■

Dairy statistics

August and September 1998 (preliminary)

Dairy statistics for August and September are now available.

Available on CANSIM: matrices 3428, 5632-5638, 5650-5661, 5664-5667 and 5673.

These data will be included in the third quarter issue of *The dairy review* (23-001QXPB, \$36/\$119) which will be released in November. See *How to order publications*.

For further information, contact Anna Michalowska (1 800 465-1991; fax: 613-951-3868), Agriculture Division. ■

PUBLICATIONS RELEASED

Gross domestic product by industry, July 1998
Catalogue number 15-001-XPB
(Canada: \$15/\$145; outside Canada: US\$15/US\$145).

Services indicators, second quarter 1998
Catalogue number 63-016-XIB
(Canada: \$26/\$87; outside Canada: US\$26/US\$87).

Services indicators, second quarter 1998
Catalogue number 63-016-XPB
(Canada: \$35/\$116; outside Canada: US\$35/US\$116).

Canada's international transactions in securities, July 1998
Catalogue number 67-002-XPB
(Canada: \$18/\$176; outside Canada: US\$18/US\$176).

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Statistics Canada

Thursday, June 5, 1997
For release at 9:30 a.m.

MAJOR RELEASES

- **Urban transit, 1996** 2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, 44.8% of Canadians took an average of about 20 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1996** 4
Growth in productivity among Canadian businesses was notably weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.

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