



The Daily

Statistics Canada

Monday, November 22, 1999

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MAJOR RELEASES

- **Registered retirement savings plan contributions, 1998**

For the first time in seven years, fewer Canadians contributed to a registered retirement savings plan, and the value of their contributions declined as well. Almost 6,122,000 taxfilers contributed \$26.6 billion to their RRSP during the 1998 tax year.

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 - **Employer-sponsored pension plans, 1997**

Employer-sponsored registered pension plans (RPPs) remained an essential part of the retirement savings system for Canadians in 1997. However, registered retirement savings plans (RRSPs) continued to outstrip them in terms of both contributors and contributions. In 1997, almost 5.1 million Canadians participated in an RPP, almost 1 million fewer than were putting money into RRSPs.

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MAJOR RELEASES

Registered retirement savings plan contributions

1998

Released today are two reports on pensions. The first, below, is the most current information from tax files on the number of contributors and the amount of contributions to registered retirement savings plans (RRSPs). These data show that in 1998, both contributors and contributions declined for the first time since 1991.

The second report, which is the focus of today's second major release, provides a comprehensive, long-term picture of retirement savings. It is based on analysis in the publication *Pension plans in Canada*, which is now available. It compares historic trends from 1987 to 1997 in savings through both RRSPs and registered pension plans (RPPs), which are employer-sponsored plans. The data indicate that between 1991 and 1997, the number of people participating in RPPs declined slowly. Up to 1997, the growth in RRSP contributors more than made up for this decline.

RRSPs: First decline in contributors and contributions in seven years

For the first time in seven years, fewer Canadians contributed to a registered retirement savings plan, and the amount of their contributions declined as well.

About 6,122,000 taxfilers contributed to an RRSP during the 1998 tax year, down a slight 0.6% from the previous year. They contributed \$26.6 billion, down 3.8% from the record \$27.7 billion total in 1997 (after adjusting for inflation as measured by the Consumer Price Index).

These declines occurred despite a 4.6% increase in employment income in 1997, as well as a 2.4% increase in recipients of employment income. In order to contribute to an RRSP, a taxfiler must have qualifying income, generally employment income, or must have unused RRSP room from previous years.

Between 1991 and 1997, RRSP contributions increased at an average annual rate of 5.7%. However, in 1997, the pace of growth in both contributions and the number of contributors slowed considerably from previous years. Comparisons are made back to 1991 as that was the year the *Income Tax Act* was amended to make RRSP contributions more equitable between those who contribute to registered pension plans and those who do not.

In 1998, Canadians contributed only 11.0% of their total allowable limit, also known as RRSP room (\$242.1 billion). This total room is the sum of unused RRSP room carried forward from previous years plus new room which had accrued for 1998. (Room data applicable to the 1999 tax year are also available.)

Contributions fell in every province and territory

RRSP contributions dropped in every province and territory in 1998, while the number of contributors fell in every province except three — Ontario, Manitoba and Alberta. The increase in contributors in each of those provinces was less than 1%.

Among the provinces, the largest percentage declines in contributions in 1998 occurred in Prince Edward Island, where they fell 16.7% to \$80.8 million, and in New Brunswick, where they dropped 11.1% to \$394.1 million.

Saskatchewan reported the largest decline in contributors (-4.4%), followed by New Brunswick (-3.4%).

In 1998, only 29% of taxfilers contributed to an RRSP, slightly lower than in previous years. The highest proportion occurred in Alberta where 33% of taxfilers made a contribution, followed by 31% of taxfilers in Ontario.

Taxfilers aged 45 to 54 had highest RRSP participation rates

In 1998, the average RRSP contributor was 42 years old. As in past years, middle-aged taxfilers had the highest rate of participation. In 1998, 44% of taxfilers in the group aged 45 to 54 contributed to an RRSP, the highest proportion of any age group. Average contributions increased progressively by age group, and in 1998, the highest contributions on average were made by those aged 65 or older (\$6,706). This was partly due to rollovers which are transfers permitted into an RRSP at the time of retirement and are over and above the normal deduction limits. However, the value of these rollovers is declining since only retiring allowances and severance pay relative to years of employment prior to 1996 are now eligible for transfer into an RRSP.

Income is also an important factor in RRSP participation. In 1998, those with a total income of \$80,000 or more made the highest contributions on average (\$13,298), followed by those with total income

between \$60,000 and \$79,999 who made an average contribution of \$6,356.

Databanks for RRSP contributors (17C0006), RRSP contribution limit (17C0011) and Canadian taxfilers (17C0010) are available for Canada, the provinces and territories, cities, towns, census metropolitan areas, census divisions, as well as areas

as small as forward sortation areas (the first three characters of the postal code) and letter carrier routes.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (613-951-9720; fax: 613-951-4745; saadinfo@statcan.ca), Small Area and Administrative Data Division.

RRSP contributors and contributions by province and territory

	1997	1998	1997 to 1998	1997	1997	1998	1997 to 1998
	contributors		% change	contributions (\$'000)			% change ¹
				(current \$)	(constant 1998 \$)	(current \$)	
Canada	6,158,730	6,121,750	-0.6	27,445,132	27,692,138	26,631,436	-3.8
Newfoundland	65,880	64,410	-2.2	276,801	279,292	266,112	-4.7
Prince Edward Island	21,410	20,790	-2.9	96,155	97,020	80,837	-16.7
Nova Scotia	145,170	142,350	-1.9	622,085	627,684	578,334	-7.9
New Brunswick	108,540	104,840	-3.4	439,606	443,562	394,138	-11.1
Quebec	1,444,520	1,415,490	-2.0	6,102,861	6,157,787	5,555,276	-9.8
Ontario	2,425,220	2,445,620	0.8	11,393,317	11,495,857	11,423,851	-0.6
Manitoba	230,480	231,050	0.2	873,879	881,744	867,744	-1.6
Saskatchewan	211,640	202,340	-4.4	825,330	832,758	762,322	-8.5
Alberta	654,560	659,120	0.7	2,955,849	2,982,452	2,952,678	-1.0
British Columbia	835,760	820,930	-1.8	3,778,446	3,812,452	3,675,513	-3.6
Yukon	6,090	5,770	-5.3	29,185	29,448	26,423	-10.3
Northwest Territories ²	7,390	7,000	-5.3	39,313	39,667	36,725	-7.4
Nunavut ²	2,070	2,040	-1.4	12,303	12,414	11,485	-7.5

¹ Calculated using 1997 contributions expressed in constant 1998 dollars.

² Data for the Northwest Territories and Nunavut are based on the current boundaries created when Nunavut officially became a new territory in April 1999.

RRSP contributors by age 1998

	Under 25	25-34	35-44	45-54	55-64	65 and over	Total
	%						
Canada	11.6	35.2	39.8	43.7	33.5	4.2	29.3
Newfoundland	4.6	20.1	23.5	27.5	17.1	1.4	17.0
Prince Edward Island	7.7	25.1	29.7	34.2	26.6	3.1	21.7
Nova Scotia	7.1	26.8	31.4	34.1	24.0	2.5	22.2
New Brunswick	6.6	23.6	26.9	31.0	22.7	2.1	19.7
Quebec	10.2	33.2	37.4	40.0	27.9	3.1	27.0
Ontario	11.6	38.1	42.5	46.8	37.1	4.8	31.3
Manitoba	13.2	34.1	40.6	46.5	35.3	4.1	29.2
Saskatchewan	14.3	34.7	41.8	45.6	36.3	5.5	29.4
Alberta	14.5	37.5	44.5	48.7	37.5	5.3	33.2
British Columbia	14.1	36.1	40.0	45.6	37.4	4.6	30.7
Yukon	8.3	31.5	36.0	42.4	33.4	6.4	30.2
Northwest Territories ¹	10.0	30.2	37.4	41.4	31.1	4.5	29.2
Nunavut ¹	4.0	17.0	22.5	26.7	13.7	2.9	16.0

¹ Data for the Northwest Territories and Nunavut are based on the current boundaries created when Nunavut officially became a new territory in April 1999.

Employer-sponsored pension plans 1997

Employer-sponsored registered pension plans (RPPs) remained an essential part of the retirement savings system for Canadians in 1997. However, the popularity of registered retirement savings plans continued to outstrip RPPs in terms of both contributors and contributions.

In 1997, Canadians contributed \$63.0 billion to the three main retirement income programs — registered pension plans, registered retirement savings plans (RRSPs) and the Canada/Quebec Pension Plans (C/QPP). However, the proportions contributed to each program have changed substantially since 1993, the last year in which total contributions to RPPs were higher than for either of the other two programs. That year, RPP contributions represented about 40% of total contributions, slightly more than the proportion directed towards RRSPs (37%). By 1997, RRSP contributions represented 44% of the total while RPP contributions were down to 31%.

The number of members of RPPs declined 2.4% to 5.1 million between 1993 and 1997. However, contributors to RRSPs were up 20.5% to 6.2 million over that same period.

One of the main reasons that RRSP growth has outstripped that of RPPs is the nature of the programs. RRSPs are available to almost all workers in Canada. In contrast, access to a pension plan depends on an individual's employment situation. In addition, RRSP contributions are not only voluntary, they can vary significantly from year to year, especially since 1991 when individuals were allowed to carry over any unused contribution room.

Membership in employer-sponsored RPPs has been declining, albeit slowly, since it peaked at 5.3 million in 1991. By the end of 1997, about 5.1 million paid workers participated in just over 15,200 RPPs. These plans covered about 41% of all paid workers in Canada in 1997, down from the peak of just over 45% in 1991.

About 2.2 million women, or 40% of all paid female workers, belonged to RPPs in 1997, a proportion that has remained relatively constant throughout the 1990s. The growth in total RPP membership up to 1991 was entirely due to the increase in the participation of women, as growing numbers entered the paid workforce and new legislation extended coverage to part-time workers.

Since 1991, however, the growth in the number of women participating in RPPs has tailed off, and has not been strong enough to offset a slow decline in the membership among male workers. Women

Note to readers

Statistics Canada today releases two reports on pensions. The first is the most current information from tax files on the number of contributors and the amount of contributions to registered retirement savings plans (RRSPs). These data show that, in 1998, both contributors and contributions declined for the first time since 1991.

The second report, which is the focus of this release, provides a comprehensive, long-term picture of retirement savings. It is based on analysis in the publication Pension plans in Canada, available today. It compares historic trends from 1987 to 1997 in savings through both RRSPs and registered pension plans (RPPs), which are employer-sponsored plans. The data indicate that between 1991 and 1997 the number of people participating in RPPs declined slowly. Up to 1997, the growth in RRSP contributors more than made up for this decline.

The Pension Plans in Canada report is based on a census of all registered pension plans in the country. It provides information on the terms and conditions of these plans, membership and contributions made by and on behalf of members.

This report focuses on employer-sponsored pension plans, or registered pension plans (RPPs). These plans are established for employees and can be sponsored by an employer or union. However, they are but one type of program set up to provide workers with a source of income at retirement. Others include RRSPs, both individual and employer-sponsored; public plans (C/QPP and GIS/OAS); and personal savings.

The statistics contained in this report are derived largely from administrative data provided by the 10 pension supervisory authorities (nine provincial, one federal).

comprised 44% of all plan members in 1997, up substantially from 36% a decade earlier.

About 2.8 million men were covered by RPPs in 1997, representing 42% of all male paid workers. Both figures have declined steadily since 1991 when more than 3.1 million men belonged to an RPP, almost half (49%) of all male paid workers.

The number of male RPP members remained relatively unchanged through the late 1980s and early 1990s. Between 1991 and 1993, the decline in male RPP membership was mostly in industries such as manufacturing and construction. Since 1993, most of the drop in membership has been observed in public sector plans. Furthermore, as the membership of men began declining in 1994, their employment picture started to improve, further lowering the coverage rate.

Membership drop due to decline in public sector plans

Even though public sector plans represented a small fraction (8%) of all plans, they covered close to

half (47%) of total membership in 1997. Given changing demographics and federal and provincial downsizing over the latter part of the 1990s, public sector plan membership dropped 3% between 1995 and 1997. Private sector membership rose slightly over the same period. This increase is partially attributable to government privatization initiatives. However, the increase in private sector membership was still much lower than the growth in that sector's paid workforce.

Membership and coverage varies by province

About 53% of paid workers in Newfoundland belonged to RPPs in 1997, the highest proportion among the provinces. Next came Manitoba and Saskatchewan, with coverage rates of 47%, and then Quebec at 44%. Most of these provinces had a higher than average proportion of their paid workforce in the public sector, where coverage is very high. Coverage was also high in Manitoba because it is the only province where membership in an RPP, if offered, is compulsory.

Ontario has the largest number of RPP members, about 1.9 million in 1997, or 38% of total RPP membership. However, Ontario's coverage rate for paid workers (40%) was slightly below the national average of 41%. This is largely because 6 out of every 10 RPP members in Ontario belonged to plans in the private sector where coverage is much lower than in the public sector.

A table with data on the labour force and paid workers covered by an RPP is available in the *Canadian statistics* module on Statistics Canada's Web site (www.statcan.ca).

The publication, *Pension Plans in Canada, January 1, 1998* (74-401-XIB, \$31) is now available. See *How to order publications*.

To obtain statistical tables providing key information, custom tabulations or further information, contact Client Services (613-951-7355 or 1 888 297-7355; fax: 613-951-3012; income@statcan.ca), Income Statistics Division. ■

OTHER RELEASES

Natural gas sales

September 1999 (preliminary)

Natural gas sales totalled 3 603 million cubic metres in September, down 3.0% from September 1998. Increased sales to the residential (+10.1%) and commercial (+12.2%) sectors (due to unusually cold temperatures throughout most of Canada) were offset by lower demand in the industrial sector. Sales to the industrial sector (including direct sales) fell 6.6%. This was due to reduced demand for natural gas by electric utilities.

Year-to-date sales to the end of September were up 3.3% over the same period in 1998. Sales to the residential (+4.3%) and commercial (+10.1%) sectors increased largely due to the unseasonably cold weather in the first nine months of 1999. Sales to the industrial sector (including direct sales) increased 1.5% over the same period last year.

Natural gas sales

	September 1999 ^P	September 1998	September 1998 to September 1999
	thousands of cubic metres		% change
Natural gas sales	3,602,841	3,715,886	-3.0
Residential	462,150	419,574	10.1
Commercial	364,566	324,990	12.2
Industrial	1,430,979	1,731,400	-6.6
Direct	1,345,146	1,239,922	
	Year-to-date		
	1999 ^P	1998	1998 to 1999
	thousands of cubic metres		% change
Natural gas sales	47,366 667	45,843,104	3.3
Residential	10,213,734	9,796,343	4.3
Commercial	7,253,864	6,590,536	10.1
Industrial	14,968,842	16,190,825	1.5
Direct	14,930,227	13,265,400	

^P Preliminary figures.

Available on CANSIM: matrices 1052-1055.

The September 1999 issue of *Natural gas transportation and distribution* (55-002-XPB, \$17/\$165) will be available in December. See *How to order publications*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Gary Smalldridge (613-951-3567; smalgar@statcan.ca) or Denis Ouellette (613-951-5452; ouelden@statcan.ca) Energy Section, Manufacturing, Construction and Energy Division. ■

Pulpwood and wood residue

September 1999

Pulpwood receipts totalled 2 824 820 cubic metres in September, up 7.7% from 2 623 283 cubic metres in September 1998. Wood residue receipts totalled 7 245 444 cubic metres, up 6.6% from 6 796 687 cubic metres in September 1998. Consumption of pulpwood and wood residue totalled 9 035 157 cubic metres, up 10.8% from 8 157 678 cubic metres in September 1998.

The closing inventory of pulpwood and wood residue increased 0.3% to 13 059 493 cubic metres, up from 13 021 550 cubic metres in September 1998. Year-to-date consumption of pulpwood and wood residue (84 308 155 cubic metres) increased 9.4% from 77 048 232 cubic metres a year earlier.

Available on CANSIM: matrix 54.

The September 1999 issue of *Pulpwood and wood residue statistics* (25-001-XIB, \$6/\$55) 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 Gilles Simard (613-951-3516; simales@statcan.ca), Manufacturing, Construction and Energy Division. ■

Railway carloadings

Seven-day period ending November 7, 1999

Non-intermodal traffic loaded during the seven-day period ending November 7, 1999 increased 1.8% to 4.7 million tonnes compared with the same period last year. The number of cars loaded increased 7.2%.

Intermodal traffic tonnage totalled 393 000 tonnes, up 2.9% from the same period last year. The year-to-date figures show an increase of 13.4%.

Total traffic increased 1.9% during the period. This brought the year-to-date total to 217.6 million tonnes, down 0.8% from 1998.

All year-to-date figures have been revised.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Robert Larocque (613-951-2486; fax: 613-951-0009, laroque@statcan.ca), Transportation Division. ■

Deliveries of major grains

October 1999

Data on October grain deliveries are now available.

Available on CANSIM: matrix 976-981.

Delivery data are contained in the October issue of *Cereals and oilseeds review* (22-007-XPB, \$15/\$149), which will be available in January 2000. See *How to order publications*.

For more information, or to enquire about the concepts, methods or data quality of this release, Susan Anderson (613-951-3859; sue.anderson@statcan.ca), Grain Marketing Unit, Agriculture Division. ■

PUBLICATIONS RELEASED

Gross domestic product by industry, August 1999
Catalogue number 15-001-XPB
(Canada: \$15/\$145; outside Canada: US\$15/US\$145).

Pulpwood and wood residue statistics,
September 1999
Catalogue number 25-001-XIB
(Canada: \$6/\$55).

Pension plans in Canada, January 1, 1998
Catalogue number 74-401-XIB
(Canada: \$31).

All prices exclude sales tax.

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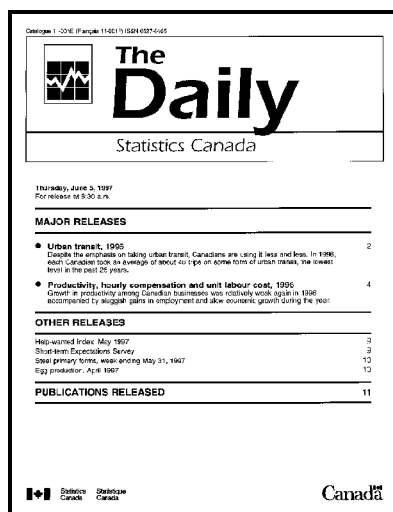
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