

The Daily

Statistics Canada

Wednesday, April 14, 1999
For release at 8:30 a.m.

MAJOR RELEASES

- **Family incomes, 1997** 2
In 1997, average family income before taxes remained virtually unchanged from 1996 at \$57,146, after adjusting for inflation. At the same time, low-income rates declined slightly, improving the low-income picture for children.

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MAJOR RELEASES

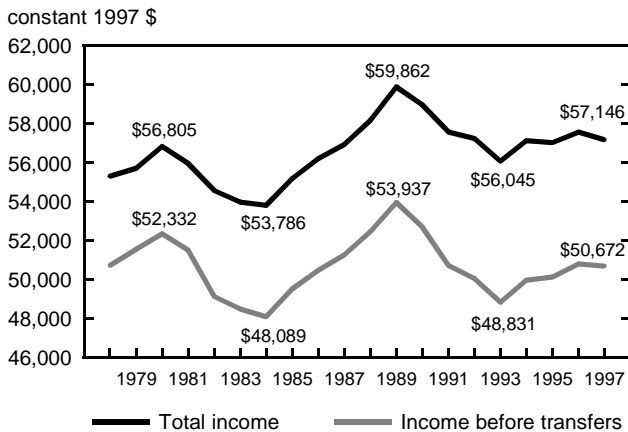
Family incomes

1997

Average family income before taxes was an estimated \$57,146 in 1997, essentially unchanged from 1996 after adjusting for inflation.

This left family income at virtually the same level it was in 1994, the last year there was a significant improvement, and some \$2,700, or 4.5%, below the pre-recession peak of \$59,862 in 1989.

Family income before tax relatively stable since 1994



While family income remained relatively stable, low-income rates declined. In 1997, an estimated 5.2 million people, or 17.5% of the population, were below Statistics Canada's low income cut-offs, compared with 17.9% in 1996 and 14.1% in the peak income year of 1989.

The number of children in low-income situations also declined. In 1997, an estimated 1.4 million young people less than 18 years of age lived in low-income families, a decline of about 100,000 from the previous year. They accounted for 19.8% of all young people in that age group, down from 21.1% in 1996, but still well above the record low of 15.3% in 1989.

In terms of specific family types, two-parent families had an average income of \$64,814 in 1997, virtually unchanged from 1996. However, average income for lone-parent families headed by women increased 4.1% to \$25,445, as higher employment earnings were accompanied by increased Child Tax Benefits.

Note to readers

These estimates came from the Survey of Consumer Finances (SCF), an annual supplement to the April Labour Force Survey. The sample of 35,000 households excludes households in the territories and on Indian reserves. Commencing with 1998 income statistics, the Survey of Labour and Income Dynamics (SLID) will be used to produce these annual cross-sectional income estimates, in addition to producing longitudinal labour and income data. Integration of the cross-sectional and longitudinal income statistics programs will promote consistency among income estimates, lower the cost of the income statistics program and reduce the reporting burden.

Results from SLID and the SCF have been compared in detail to assess the differences and the impact on time-series consistency. Essentially, the two surveys tell the same story with respect to low income and income distribution. An evaluation of results for 1993 to 1996 is available in the document A Comparison of the Results of the Survey of Labour and Income Dynamics (SLID) and the Survey of Consumer Finances (SCF), 1993-1996 (75F002MIE, free).

Estimates of the number of families and persons with low income are derived using Statistics Canada's low income cut-offs (LICOs), 1992 base. These cut-offs were selected on the basis that families with incomes below these limits usually spend more than 54.7% of their income on food, shelter and clothing, and are therefore considered to live in straitened circumstances. See Low income cut-offs (13-551-XIB, free).

Statistics Canada has regularly and consistently emphasized that these LICOs are quite different from measures of poverty and that this Agency does not endorse their use as such. Nevertheless, in the absence of an accepted definition of poverty, these cut-offs have been used by many analysts to study the characteristics of families in Canada who are relatively worse off. See the article "On poverty and low income".

In the past, LICOs have been updated periodically to reflect changes in the average proportion of family income spent on food, shelter and clothing. The last update followed the 1992 Family Expenditure Survey, now known as the Survey of Household Spending, which became an annual survey in 1996. The content has also been streamlined. These changes will entail minor modifications to the methodology underlying the LICOs. A document explaining the changes should be available in June 1999.

Total income refers to money receipts of families and individuals. Cash benefits from government programs or **transfers** are included in the income reported, but not income-tax payments to the government. **Income before transfers** refers to total income, less transfers. A report on the after-tax situation of families and individuals will be released later this spring in Income after tax, distributions by size in Canada, 1997.

Rise in earnings offset decline in transfers

In 1997, employment earnings accounted for 79.7% of family income, while government transfers

accounted for 11.3%, investment income 3.1%, and other income such as retirement pensions accounted for the remaining 5.9%.

Historically, changes in family income have been driven largely by labour market conditions, as employment earnings are by far the largest component of family income. As in past years, the labour market's performance was key in defining average incomes in 1997.

According to the Labour Force Survey, employment grew 1.9% in 1997 while average hours worked per week increased 0.5% to 37.9 hours. As a result, families experienced some improvements in earnings. At the same time, however, lower interest rates led to reduced investment income, while government transfer payments declined. The net effect of these offsetting movements was no real change in average family income in 1997.

Family income before transfers, transfers, and total income

	Average income before transfers	Average transfers	Average total income
	Constant 1997 dollars		
1978	50,707	4,573	55,280
1979	51,542	4,156	55,699
1980	52,332	4,473	56,805
1981	51,490	4,441	55,931
1982	49,118	5,426	54,544
1983	48,482	5,478	53,961
1984	48,089	5,697	53,786
1985	49,510	5,656	55,166
1986	50,469	5,718	56,187
1987	51,251	5,651	56,903
1988	52,447	5,704	58,151
1989	53,937	5,925	59,862
1990	52,679	6,263	58,942
1991	50,707	6,830	57,537
1992	50,043	7,179	57,222
1993	48,831	7,215	56,045
1994	49,953	7,142	57,095
1995	50,123	6,874	56,997
1996	50,796	6,748	57,544
1997	50,672	6,474	57,146

In 1994, the last year of significant growth in family income, the Survey of Employment, Payrolls and Hours reported that average weekly earnings of workers rose an inflation-adjusted 1.7%. Since then, this average has essentially not changed, rising just 0.5% in 1997 following a similar increase in 1996 and a 1.2% decline in 1995.

In 1997, the number of families increased 0.9% to 8.4 million. In a period of stagnant average weekly earnings and increasing numbers of families, employment growth has been the key to maintaining average family income.

The trend of reduced transfer payments continued in 1997, particularly for Employment Insurance (EI) and social assistance. As a result, the proportion of family income from transfers has declined for four consecutive years, from a peak of 12.9% in 1993 to 11.3% in 1997.

Higher income families lost ground

Higher income families lost some ground in 1997, while those in the middle and lower income groups held their own.

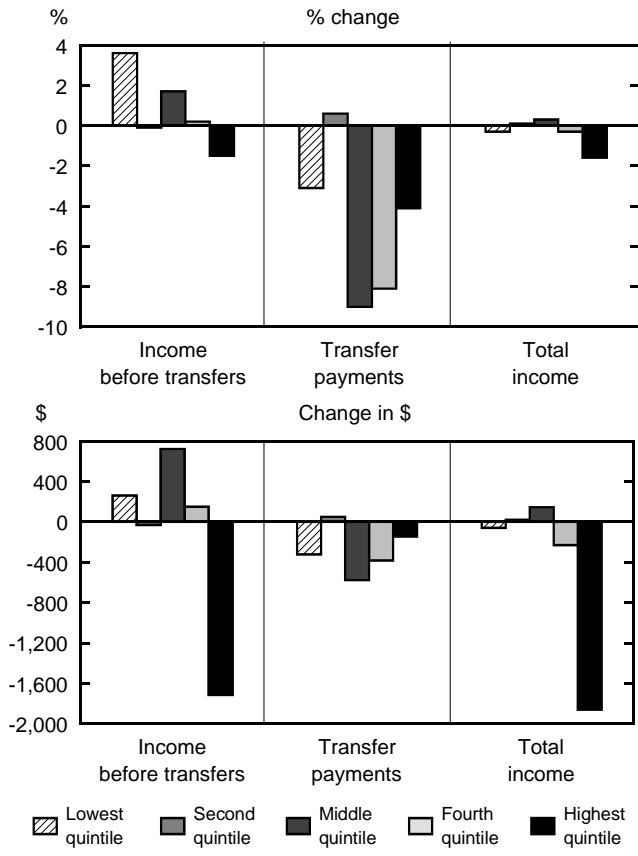
For the 20% of families with the lowest incomes, or the lowest "quintile", average family income was unchanged at \$17,559. Higher earnings helped offset reductions in transfer payments, primarily EI benefits and social assistance. These shifts were partly a reflection of improved labour market conditions. Traditionally, this group has depended heavily on transfers — 57% of their income in 1997, down from 59% in 1996. Female lone-parent families and those headed by seniors aged 65 and over made up 50% of the lowest quintile.

Families in the second quintile had an average income of \$34,124, also unchanged from the previous year. While their earnings increased, their investment income declined. Transfer payments were static, as reduced EI benefits were offset by increases in other types of transfers. Two-parent families with children represented nearly one-third of this group, while one in four were seniors.

Families in the middle and fourth quintiles also experienced virtually no change in total income, at an average \$50,258 and \$68,939 respectively. However, families in the middle quintile recorded the largest increase in earnings, up \$1,463, reflecting the growth in employment during the year.

The only families to incur a drop in total income in 1997 were those in the highest quintile, with a decline of 1.6% to \$114,846. This decline was primarily due to a reduction in average employment earnings of \$1,043 among these families.

Higher income families slip slightly in 1997 while others remain relatively stable



Income inequality held in check

With incomes of the top quintile shifting down slightly, income inequality did not increase in 1997. This was in contrast with the trend to increased inequality seen since the early 1990s (whether calculated on income before transfers or on total income before tax).

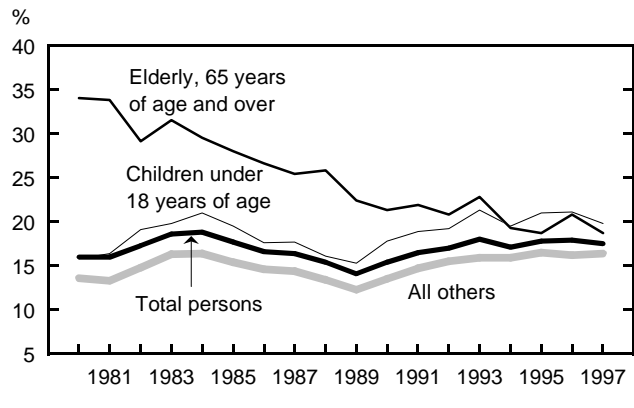
During this period, after-tax income inequality remained stable, as it has since the early 1970s when after-tax data first became available. Detailed data on after-tax family income will be released later this spring.

Fewer children, seniors in low-income families

Despite the estimated decline in the number of children living in low-income families, there were still 37% more in 1997 than there were in 1989. In contrast, the total number of children increased only 6% between 1989 and 1997.

Children in lone-parent families headed by women were almost five times more likely to be in a low-income situation than children in two-parent families. In 1997, 56.0% of non-elderly female lone-parent families had low income, compared with 12.0% for those with two parents. This rate for female lone-parent families has been historically above 50%.

Trend for the proportion of children in low-income families reflects periods of recession and recovery



In 1997, an estimated 662,000 seniors aged 65 and over had low incomes, accounting for 18.7% of the population in this age group, down from 20.8% in 1996. This equalled the record low set in 1995. A large percentage of seniors have incomes near the low income cut-offs. As a result, their rates are particularly sensitive to small income shifts.

Since 1980, when one-third (34.0%) of seniors had low incomes, their rate has been following a downward trend. While the population of seniors increased 63% between 1980 and 1997, the number of low income seniors declined 11% during this period.

The markedly improved situation for seniors over the past two decades is due to higher benefits for seniors from transfer programs such as Old Age Security/Guaranteed Income Supplement, combined with a growing proportion of the elderly in receipt of Canada/Quebec Pension Plan and work-related pension benefits and annuities.

Young families at greatest risk for low income

While young families (those in which the parent or primary breadwinner was less than 25 years of age) comprised only 4.0% of families overall in 1997, they represented 11.0% of low-income families, reflecting their elevated low income rate. Overall, 14.0% of families in all age groups had incomes below the low

income cut-offs in 1997. For young families, however, the rate was three times higher, at 42.8%. This level remained unchanged from 1996, but is down from the peak of 44.4% in 1994.

The rate of low income among young families has followed an upward trend since 1980, when it was 20.4%. Throughout the 1990s, young workers have lagged further behind their older counterparts in employment rates and in the proportion of jobs classified as full-time.

Data on average annual income as well as low income statistics are available free on Statistics Canada's Web site (www.statcan.ca), under *Canadian statistics*, then *The people - Families, households and housing* followed by *Income*.

The publications *Income distributions by size in Canada, 1997* (13-207-XPB, \$46) and *Low income persons, 1980-1997* (13-569-XIB) are also now available. See *How to order publications*.

Microdata files containing data on the 1997 incomes of economic families and of individuals aged 15 years and over, along with socio-economic characteristics, will be released in the summer of 1999.

For more information about the current survey results and related products and services, or to enquire about the concepts, methods, or data quality of this release, contact Client Services (613-951-7355 or 1 888 297-7355; fax: 613-951-3012; income@statcan.ca), Income Statistics Division.

Estimated number of low-income persons

	1989	1990	1991	1992	1993	1994	1995	1996	1997
	thousands								
Total persons	3,770	4,179	4,543	4,757	5,143	4,941	5,205	5,294	5,222
Children less than 18 years	1,016	1,195	1,281	1,316	1,484	1,362	1,472	1,498	1,397
Elderly persons, age 65 and over	640	629	665	650	732	635	631	722	622
All others	2,114	2,355	2,596	2,792	2,927	2,944	3,101	3,074	3,164

Low-income rate

	1989	1990	1991	1992	1993	1994	1995	1996	1997
	%								
Total persons	14.1	15.4	16.5	17.0	18.0	17.1	17.8	17.9	17.5
Children less than 18 years	15.3	17.8	18.9	19.2	21.3	19.5	21.0	21.1	19.8
Elderly persons, age 65 and over	22.4	21.3	21.9	20.8	22.8	19.3	18.7	20.8	18.7
All others	12.3	13.5	14.7	15.5	15.9	15.9	16.5	16.2	16.4



OTHER RELEASES

Low-income persons

1980 to 1997

Provincial data for 1997 on low-income persons are now available. These data from the latest Survey of Consumer Finances, more detailed than the national estimates, are included in *Low-income persons, 1980 to 1997* (13-569-XIB). The 1997 data are also available in *Income distributions by size in Canada, 1997* (13-207-XPB, \$46).

The provincial tables in *Low-income persons, 1980 to 1997* present historical low-income rates and estimates of the number of low-income persons. The estimates are tabulated for all persons, males, females, children under 18 and under 16 years of age by family type (two-parent and lone-parent), persons aged 65 years and older, and all other persons.

For more information, contact Client Services (613-951-7355 or 1 888 297-7355; fax: 613-951-3012; income@statcan.ca), Income Statistics Division. ■

Particleboard, oriented strandboard and fibreboard

February 1999

Oriented strandboard production in February totalled 586 174 cubic metres, a 22.7% increase from 477 840 cubic metres in February 1998. Particleboard production reached 185 493 cubic metres, an increase of 13.6% from 163 239 cubic metres a year earlier. Fibreboard production in February was 64 743 cubic metres, up 7.0% from 60 529 cubic metres in February 1998.

Year-to-date production of oriented strandboard totalled 1 262 529 cubic metres (revised), a 28.7% increase from 980 777 cubic metres for the same period in 1998. Particleboard production reached 380 794 cubic metres (revised), up 8.5% from 350 943 cubic metres in 1998. Year-to-date fibreboard production rose 16.7% to 138 870 cubic metres (revised), up from 119 003 cubic metres during the same period in 1998.

Available on CANSIM: matrices 31 (series 2, 3, 5) and 122 (series 8).

The February 1999 issue of *Particleboard, oriented strandboard and fibreboard* (36-003-XIB, \$5/\$47), 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 ■

Oils and fats

February 1999

Production of all types of deodorized oils in February totalled 86 048 tonnes, a 12.0% decrease from 97 773 tonnes in January. Year-to date production for February was 183 821 tonnes, down 10.8% from 206 119 tonnes for the same period in 1998.

Domestic sales of deodorized margarine oil totalled 9 164 tonnes in February 1999. Deodorized shortening oil sales amounted to 26 984 tonnes and deodorized salad oil sales totalled 49 750 tonnes.

Available on CANSIM: matrix 185.

The February 1999 issue of *Oils and fats* (32-006-XIB, \$5/\$47) 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 Sharon Boyer (613-951-5669; boyesha@statcan.ca), Manufacturing, Construction and Energy Division. ■

Steel primary forms

February 1999

Steel primary forms production for February totalled 1 288 913 tonnes, an increase of 0.4% from 1 283 351 tonnes the previous year.

Year-to-date production reached 2 539 564 tonnes, down 3.4% from 2 628 034 tonnes in 1998.

Available on CANSIM: matrix 58 (level 2, series 3).

The February 1999 issue of *Primary iron and steel* (41-001-XIB, \$5/\$47) will be available shortly. See *How to order publications*.

For more information, or to enquire about the concepts, methods, and data quality of this release, contact Andy Shinnan (613-951-3515; shinand@statcan.ca), Manufacturing, Construction and Energy Division. ■

Steel wire and specified wire products

February 1999

Shipments of steel wire and specified wire products totalled 68 147 tonnes in February, up 4.4% from 65 299 tonnes (revised) in February 1998. Production and export market data for selected commodities are also available.

Available on CANSIM: matrix 122 (series 19).

The February 1999 issue of *Steel wire and specified wire products* (41-006-XIB, \$5/\$47) 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 Étienne Saint-Pierre (613-951-9837; saineti@statcan.ca), Manufacturing, Construction and Energy Division. ■

Shipments of rolled steel

February 1999

Rolled steel shipments for February totalled 1 189 915 tonnes, a 5.4% increase from 1 128 409 tonnes in January and up 1.0% from 1 177 994 tonnes in February 1998.

Year-to-date shipments at the end of February 1999 totalled 2 318 324 tonnes, down 1.6% from 2 356 768 tonnes the previous year.

Available on CANSIM: matrices 58 and 122 (series 22 to 25).

The February 1999 issue of *Primary iron and steel* (41-001-XIB, \$5/\$47) will be available shortly. See *How to order publications*.

For more information, or to enquire about the concepts, methods, and data quality of this release, contact Andy Shinnan (613-951-3515; shinand@statcan.ca), Manufacturing, Construction and Energy Division. ■

Civil aviation operating statistics

January and February 1999

In January, Air Canada reported a drop of 3% in domestic passenger-kilometres flown (seasonally adjusted data) compared with a month earlier. In February, Canadian Airlines reported an increase of 2% in its international operations compared with January.

Available on CANSIM: matrix 385 (series 1 to 6).

The January and February 1999 data on civil aviation operational data for Air Canada and Canadian Airlines will appear respectively in the April and May issues of *Aviation: service bulletin* (51-004-XIB, \$8/\$82). A print-on-demand service is also available at a different price. See *How to order publications*.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Robert Lund (613-951-0125) or Lisa Di Piéto (613-951-0146), Aviation Statistics Centre, Transportation Division. ■

PUBLICATIONS RELEASED

Income distributions by size in Canada, 1997
Catalogue number 13-207-XPB
(Canada: \$46; outside Canada: US\$46).

Oils and fats, February 1999
Catalogue number 32-006-XIB
(Canada: \$5/\$47; outside Canada: US\$5/US\$47).

Particleboard, oriented strandboard and fibreboard, February 1999
Catalogue number 36-003-XIB
(Canada: \$5/\$47; outside Canada: US\$5/US\$47).

Steel wire and specified wire products,
February 1999
Catalogue number 41-006-XIB
(Canada: \$5/\$47; outside Canada: US\$5/US\$47).

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Thursday, June 3, 1997
For release at 8:30 a.m.



MAJOR RELEASES

- **Urban transit, 1995** 2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1995, each Canadian took an average of about 60 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 noticeably weak again in 1996 accompanied by sluggish gains in employment and slow nominal growth during the year.

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- **Short-term Expectations Survey** 3
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Editor: Dan Smythe (613-951-1103, smytdan@statcan.ca)

Head of Official Release: Chantal Prévost (613-951-1088, prevcha@statcan.ca)

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