



The Daily

Statistics Canada

Monday, December 11, 2000

For release at 8:30 a.m.

MAJOR RELEASES

● **Incomes of younger retired women: The past 30 years**

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Canadian women aged 65 to 69 have higher average incomes than women their age have ever had, according to a new study. Since 1971, their income has grown 10 times faster than men's. Nonetheless, women are earning only 61% as much as men in their early retirement years, and Old Age Security is still their principal source of income.

(continued on page 2)

Perspectives on labour and income

Winter 2000

The feature article in the winter issue of *Perspectives on labour and income*, "Incomes of younger retired women: The past 30 years," examines the extent of change in the source, distribution and level of incomes of younger retired women aged 65 to 69. It also discusses how future labour market changes and social roles may eventually affect women's retirement income. These women have higher average incomes today than their counterparts did years ago. In fact, their income has grown 10 times faster than men's since 1971. Nonetheless, they are earning only 61% as much as men in their early retirement years, and Old Age Security is still their principal source of income.

The second article in this issue looks at the investment strategies of pension plans offered by many employers and unions. Another (an adaptation of a Statistics Canada analytical report, which was also published in the *Canadian journal on aging*) reviews trends in the level and distribution of income among those 65 and over from 1980 to 1996 in the context of the maturation of Canada's earnings-related pension schemes, both public and private. Finally, this issue looks at the degree of inequality in the distribution of market income, total income and after-tax income within each province, and compares it with the degree of income inequality in other provinces.

The Winter 2000 issue, Vol. 12, no. 4, of *Perspectives on labour and income* (75-001-XPE, \$18/\$58) is now available, as is the December 2000 online version, Vol. 1, no. 3, (75-001-XIE, \$5/\$48). See *How to order products*.

For more information, contact Henry Pold (613-951-4608; poldhen@statcan.ca), Labour and Household Surveys Analysis Division.

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NEW PRODUCTS

MAJOR RELEASES

Incomes of younger retired women: The past 30 years

Canadian women aged 65 to 69 have higher average incomes than women their age have ever had, according to a new study. Since 1971, their income has grown 10 times faster than men's. Nonetheless, women are earning only 61% as much as men in their early retirement years, and Old Age Security is still their principal source of income.

The average after-tax income of women in their early retirement years reached \$14,200 in 1997, some 60% higher than it was in 1971.

Men the same age made relatively smaller gains in their retirement income, bringing in \$23,300 after tax, 6% more than in 1971.

The growth in retirement income for women was attributable to their increased participation in the labour force and hence their rising contributions to the Canada and Quebec Pension Plans and employer-sponsored pension schemes. The increased participation also allowed more use of registered retirement savings plans (RRSPs).

Women still depend on Old Age Security and Guaranteed Income Supplement

The income of elderly Canadians is derived mainly from three sources: Old Age Security (OAS) and the Guaranteed Income Supplement (GIS); the Canada and Quebec Pension Plans (CPP/QPP); and private pensions (RRSPs and employer-sponsored pension schemes).

OAS/GIS was the principal source of income for women aged 65 to 69 in 1997, accounting for 34% of their total income. It held a smaller share in their total income in 1997 than it had in 1971, though, when it accounted for 51%.

Note to readers

This release is based on an article in Perspectives on labour and income, released today. The article examines the extent of change in the source, distribution and level of incomes of younger retired women, those aged 65 to 69. It also discusses how future labour market changes and social roles may eventually affect women's retirement income.

Except for a short section on low income, the study analyzes the incomes of individuals, and does not refer to the incomes of the people with whom they may live. For those who live in families, individual incomes are not indicative of their standard of living or economic well-being, since that is a function of family income.

Data for the article were drawn from the Labour Force Survey, the Survey of Consumer Finances, the General Social Survey, and the Census of Trusteed Pension Funds.

Men derived 19% of their income from OAS/GIS, one percentage point less than in 1971. For them, private pensions, the CPP/QPP and employment income were more important sources.

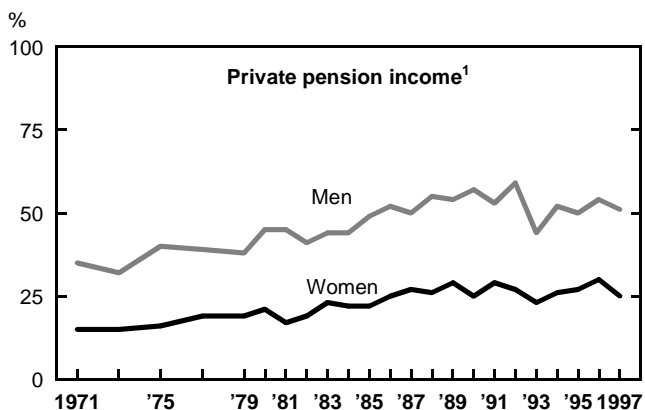
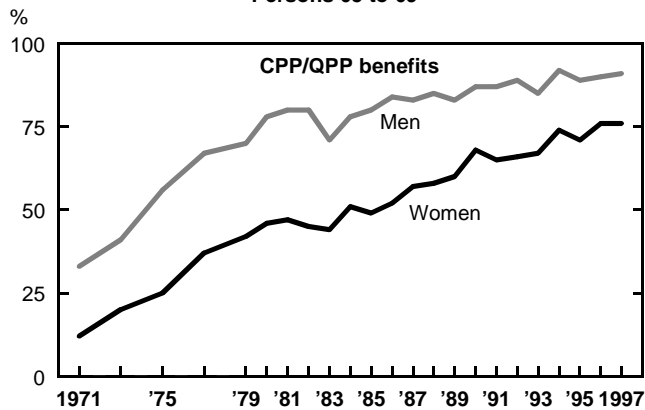
By 1997, private pensions had become the principal source of retirement income for men, accounting for 26% of their total income, up from 16% in 1971. Women received a much smaller share of their income from private pensions than men did, just 14%, up from 12% in 1971.

The CPP/QPP formed a larger share of the total income of those aged 65 to 69 than ever before. In 1997, CPP/QPP income represented 20% of men's income, up from 3% in 1971. For women, the leap was even larger: from 2% to 22%.

By 1997, 76% of women 65 to 69 were receiving CPP/QPP benefits, up from 66% only five years earlier, and 25% had some income from a private pension. Still, the percentage of women receiving pensions was lower than that of men. Ninety-one percent of men were receiving CPP/QPP income, and 51% had private pensions.

Despite improvements, proportionately fewer women receive pension benefits

Persons 65 to 69



¹ Includes Registered Pension Plan benefits and/or RRSP annuities.

Higher individual incomes protect women from living in low income

The narrowing of the income gap has been echoed in the percentages of women and men living below Statistics Canada's low-income measures.

In 1980, 39% of women aged 65 to 69 had low incomes, but by 1997 this proportion had dropped to 9%.

The percentage of men aged 65 to 69 with low incomes registered a smaller decline, from 11% to 5%.

Retirement income gap narrowing, but still large

The average amounts women received from public and private pensions, and their total income, also remained considerably lower than those of men.

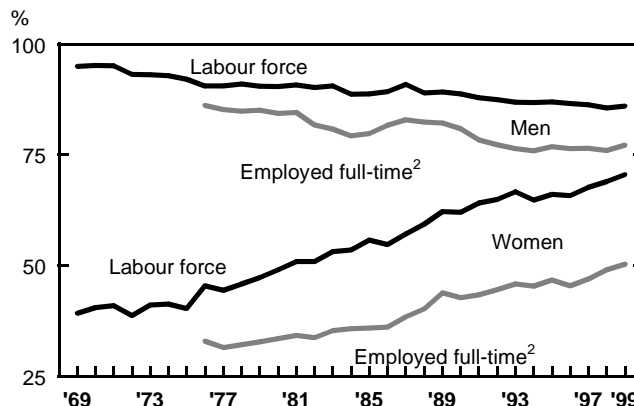
In 1997, women received only 61% of the income men did in their early retirement years, although this was up from 41% in 1971.

Women's retirement income has risen because of their increased labour force attachment

Younger retired women in 1997 — those born between 1935 and 1939 — tended to leave the labour force to raise their children, and then to return to work once their children had grown up. Even at the peak of their labour force participation — at the age of 50 to 54 in 1982 — only 51% of women in this age group were in the labour force, compared with 90% of men.

By the late 1990s, women had high labour force participation rates throughout their adult lives, increasing the number of years they contributed to the Canada and Quebec Pension Plans and private pensions. This implies that women's CPP/QPP and private pension benefits should rise in the coming years.

Labour force participation is converging for women and men aged 50 to 54¹



¹ For the years 1969 to 1971, the age category is 45 to 54.

² Employed full-time divided by the population. Data for hours of work prior to 1976 have a high percentage of missing values.

Higher earnings for women feed stronger retirement income

Women's earnings have grown as well, which is another factor contributing to women's increased pension plan benefits.

Women who were 65 to 69 in 1997 had been earning 60% as much as men for their full-time work in their pre-retirement years.

By the late 1990s, women aged 25 to 34 working full-year full-time were earning close to 80% as much as men, which will also improve their pension benefits.

Women's retirement income unlikely to converge with men's

Although women and men have increasingly similar experiences regarding pension plan benefits — years of service, earnings, and participation in pension plans — considerable differences persist.

These differences are attributable to women's primary role in household responsibilities.

Compared with men, women still spend, on average, more time per week on unpaid than paid

work — 38 and 27 hours for those aged 35 to 44, versus 22 and 43 hours for men that age.

Women's predominant role in unpaid work naturally affects the time they have available for paid work, which ultimately affects their current and retirement income success.

The Winter 2000 issue, Vol. 12, no. 4, of *Perspectives on labour and income* (75-001-XPE, \$18/\$58) and the online December 2000 issue, Vol. 1, no. 3 (75-001-XIE, \$5/\$48) are now available. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Katherine Marshall (613-951-6890), Labour and Household Surveys Analysis Division.

Total income¹ by source

| | Men 65 to 69 | | | | Women 65 to 69 | | | |
|----------------------------|-----------------|------------|------------|------------|-----------------|------------|------------|------------|
| | 1971 | 1981 | 1991 | 1997 | 1971 | 1981 | 1991 | 1997 |
| | | | | % | | | | |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| OAS/GIS | 20 | 18 | 18 | 19 | 51 | 40 | 34 | 34 |
| CPP/QPP | 3 | 13 | 17 | 20 | 2 | 10 | 17 | 22 |
| Private pension | 16 | 17 | 23 | 26 | 12 | 8 | 13 | 14 |
| Investment income | 19 | 21 | 12 | 7 | 20 | 27 | 20 | 12 |
| Employment | 38 ² | 26 | 25 | 20 | 11 ² | 10 | 10 | 11 |
| Other transfers | 4 ² | 5 | 5 | 8 | 4 ² | 5 | 6 | 7 |
| | | | | \$ 1997 | | | | |
| Average income (after tax) | 22,000 | 24,000 | 24,600 | 23,300 | 8,900 | 12,800 | 14,300 | 14,200 |
| Income ratio (women/men) | | | | | 0.41 | 0.53 | 0.58 | 0.61 |

1 Based on before-tax income.

2 Published data for 1971 collapse employment and other transfer income; this study has estimated the likely breakdown based on past trends.



OTHER RELEASES

New Housing Price Index

October 2000

The price of new homes in Canada is maintaining the momentum it has held since early spring. The New Housing Price Index, an index of contractors' selling prices, increased 2.4% in October compared with October 1999.

This was the sixth consecutive month in which the year-over-year increase in the index was 2.4%. On a monthly basis, the index rose 0.2% from September to October. The index (1992=100) was 103.9 in October, up from 103.7 in September.

New Housing Price Index (1992=100)

| | Oct. 2000 | Oct. 1999 to Oct. 2000 % change | Sept. to Oct. 2000 |
|------------------------------------|--------------|--|-----------------------------|
| Canada total | 103.9 | 2.4 | 0.2 |
| House only | 105.9 | 3.1 | 0.2 |
| Land only | 103.1 | 0.9 | 0.1 |
| St. John's | 99.5 | 2.4 | - |
| Halifax | 115.5 | 2.2 | 0.4 |
| Charlottetown | 107.0 | 1.9 | 0.2 |
| Saint John–Moncton– Fredericton | 93.5 | -1.2 | 0.3 |
| Québec | 102.7 | 2.1 | - |
| Montréal | 110.2 | 4.3 | 0.3 |
| Ottawa–Hull | 112.3 | 10.0 | 1.1 |
| Toronto | 107.0 | 2.5 | 0.2 |
| Hamilton | 106.1 | 2.0 | -0.1 |
| St. Catharines–Niagara | 106.9 | 3.3 | - |
| Kitchener–Waterloo | 107.2 | 4.5 | -0.1 |
| London | 102.4 | 3.2 | -0.1 |
| Windsor | 106.5 | 0.5 | - |
| Sudbury–Thunder Bay | 97.8 | -1.0 | 0.6 |
| Winnipeg | 117.9 | 1.9 | - |
| Regina | 132.5 | 2.5 | - |
| Saskatoon | 117.4 | 2.4 | - |
| Calgary | 133.0 | 1.9 | 0.4 |
| Edmonton | 112.3 | 1.4 | - |
| Vancouver | 83.2 | -0.5 | - |
| Victoria | 71.7 | -3.0 | -0.4 |

- Nil or zero.

The Census Metropolitan Area (CMA) of Ottawa–Hull registered the largest monthly rise in new house prices for the fourth straight month. Higher prices for labour, building materials and land, along with strong demand, pushed the index up 1.1% compared with September. On a year-over-year basis, prices in Ottawa–Hull rose 10.0% compared with October 1999.

The CMAs of Kitchener–Waterloo, Montréal, St. Catharines–Niagara and London again posted notable annual increases. Victoria registered the largest annual decrease, -3.0%.

On a monthly basis, increases were recorded in 8 of the 21 urban centres surveyed. Sudbury–Thunder Bay posted a 0.6% increase, following a monthly decrease in September. In both Calgary and Halifax, the index rose 0.4% on a monthly basis, mostly as a result of higher prices for building materials and labour. Higher land values also contributed to the increase in Calgary.

Monthly declines occurred in 4 of the 21 urban centres; the largest was in Victoria. Nine centres registered no change.

Available on CANSIM: matrix 9921.

The fourth quarter 2000 issue of *Construction price statistics* (62-007-XPB, \$24/\$79) will be available in March 2001. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Denise Potvin (613-951-3350; fax: 613-951-1539; infounit@statcan.ca), Prices Division. ■

Industrial chemicals and synthetic resins

October 2000

Chemical firms produced 216 303 tonnes of polyethylene synthetic resins in October, an 8.4% increase from 199 480 tonnes in October 1999.

Year-to-date production to the end of October totalled 2 185 291 tonnes, up 6.7% from 2 048 166 tonnes produced in the same period of 1999.

Data are also available on production of 3 other types of synthetic resins and 24 industrial chemicals.

Available on CANSIM: matrix 951.

The October 2000 issue of *Industrial chemicals and synthetic resins* (46-002-XIB, \$5/47) is now available. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Huguette Montcalm (613-951-9827; monthug@statcan.ca), Manufacturing, Construction and Energy Division. ■

Road motor vehicle fuel sales volumes

1999 (preliminary)

Data on the volume of gasoline (in litres) sold in Canada are now available. The information provides both gross and net annual volume figures (gross is the total volume sold and net is the volume on which taxes were paid) from 1995 to 1999 inclusive. Breakdowns by province and territory and by month are also available. Annual sales volumes between 1995 and 1999 are also provided by province for diesel and liquefied petroleum gas.

Available on CANSIM: matrices 1423-1429.

To obtain data, for more information, or to enquire about the concepts, methods or data quality of this release, contact Robert Larocque (613-951-2486; larocque@statcan.ca), Transportation Division. ■

Annual Survey of Manufacturers

1998

The Annual Survey of Manufacturers has adopted the North American Industry Classification System (NAICS) for its 1998 reference year. Previous years' data have

been re-aggregated to the new classification system back to 1990. Information on more than 250 different industries will be provided. Principal statistics for each industry are released on CANSIM as they become available. Data for the industries listed in the following table are now available for Canada. Data for 102 industries have now been released.

Available on CANSIM: matrices 12004, 12006, 12008, 12011, 12013, 12015, 12016, 12019, 12022, 12023, 12026, 12027, 12030, 12031, 12034, 12036, 12038, 12042, 12045, 12047, 12049, 12052, 12055, 12058, 12059 and 12062.

Data for the industries listed in the table will appear in *Manufacturing industries of Canada: National and provincial areas* (31-203-XPB, \$68). The 1998 issue of this publication will be available shortly. See *How to order products*. Industry review papers are accessible on Statistics Canada's Web site (www.statcan.ca). From the *Products and services* page, choose *Research papers (free)*, then *Manufacturing*.

For more information, or to enquire about the concepts, methods or data quality of this release, call David Beaulieu (613-951-9497; fax: 613-951-9499; manufact@statcan.ca). □

Value of shipments

| | NAICS | 1997 | 1998 | 1997 to 1998 |
|--|--------|-------------|---------|--------------------|
| | | \$ millions | | % change |
| Agricultural implements manufacturing | 333110 | 2,697.8 | 2,528.4 | -6.3 |
| Construction machinery manufacturing | 333120 | 1,300.3 | 1,496.0 | 15.0 |
| Mining and oil and gas field machinery manufacturing | 333130 | 1,083.5 | 1,196.1 | 10.4 |
| Sawmill and woodworking machinery manufacturing | 333210 | 489.0 | 584.9 | 19.6 |
| Rubber and plastics industry machinery manufacturing | 333220 | 963.2 | 1,222.4 | 26.9 |
| Paper industry machinery manufacturing | 333291 | 710.5 | 682.3 | -4.0 |
| All other machinery manufacturing | 333299 | 752.8 | 765.0 | 1.6 |
| Commercial and service industry machinery manufacturing | 333310 | 1,536.3 | 1,734.5 | 12.9 |
| Industrial and commercial fan and blower and air purification equipment manufacturing | 333413 | 343.7 | 377.8 | 9.9 |
| Heating equipment and commercial refrigeration equipment manufacturing | 333416 | 1,275.0 | 1,406.8 | 10.3 |
| Industrial moulds manufacturing | 333511 | 1,146.9 | 1,113.9 | -2.9 |
| Other metalworking machinery manufacturing | 333519 | 2,148.9 | 2,187.3 | 1.8 |
| Set unit turbine and turbine generator manufacturing | 333611 | 1,238.4 | 1,405.6 | 13.5 |
| Other engine and power transmission equipment manufacturing | 333619 | 448.2 | 532.2 | 18.7 |
| Pumps and compressors manufacturing | 333910 | 1,454.7 | 1,403.8 | -3.5 |
| Material handling equipment manufacturing | 333920 | 2,188.9 | 2,375.5 | 8.5 |
| All other general-purpose machinery manufacturing | 333990 | 2,057.7 | 2,084.4 | 1.3 |
| Computer and peripheral equipment manufacturing | 334110 | 5,106.1 | 5,214.3 | 2.1 |
| Telephone apparatus manufacturing | 334210 | 6,428.9 | 7,119.1 | 10.7 |
| Radio and television broadcasting and wireless communications equipment manufacturing | 334220 | 1,401.9 | 1,367.6 | -2.4 |
| Other communications equipment manufacturing | 334290 | 435.9 | 504.7 | 15.8 |
| Audio and video equipment manufacturing | 334310 | 215.8 | 243.1 | 12.7 |
| Semiconductor and other electronic component manufacturing | 334410 | 5,628.8 | 6,944.0 | 23.4 |
| Navigational and guidance instruments manufacturing | 334511 | 1,289.0 | 1,295.4 | 0.5 |
| Measuring, medical and controlling devices manufacturing | 334512 | 2,010.8 | 2,086.1 | 3.7 |
| Manufacturing and reproducing magnetic and optical media manufacturing | 334610 | 637.2 | 581.8 | -8.7 |

NEW PRODUCTS

Industrial chemicals and synthetic resins,
October 2000
Catalogue number **46-002-XIB** (\$5/\$47).

Energy statistics handbook, November 2000
Catalogue number **57-601-XDE** (\$284).

Energy statistics handbook, November 2000
Catalogue number **57-601-UPB** (\$387).

Building permits, October 2000
Catalogue number **64-001-XIB** (\$19/\$186).

Perspectives on labour and income, December 2000,
Vol. 1, no. 3
Catalogue number **75-001-XIE** (\$5/\$48).

Perspectives on labour and income, Winter 2000,
Vol. 12, no. 4
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Statistics Canada

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MAJOR RELEASES

- **Urban transit, 1995** 2
Despite the emphasis on taking urban transit, Canadians are getting it less and less. In 1995, about 10 million took an average of about 10 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1995** 4
Growth in productivity among Canadian businesses was relatively weak again in 1995 accompanied by sluggish gains in employment and slow economic growth during the year.

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