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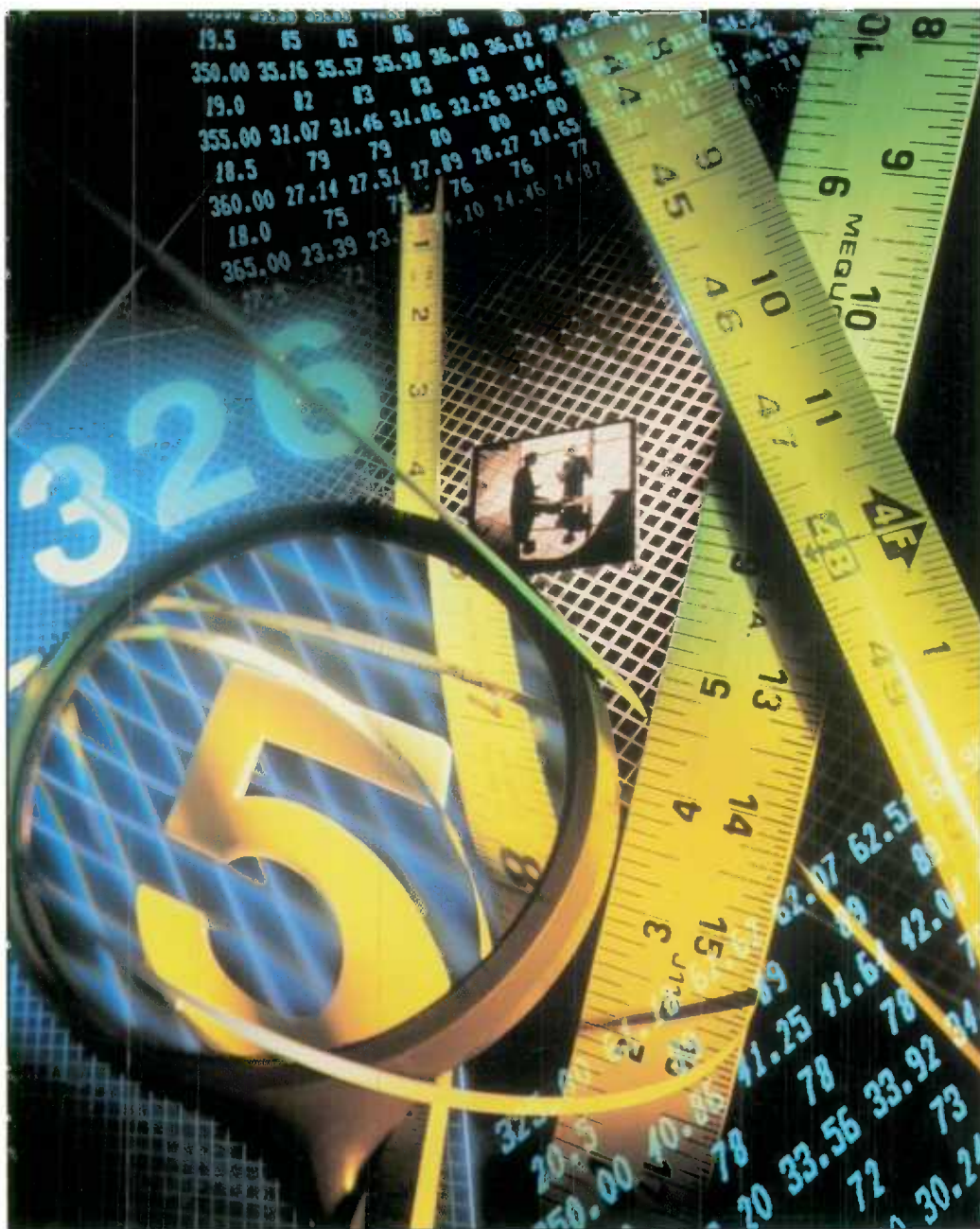
PERSPECTIVES

ON LABOUR AND INCOME

SUMMER 1998

Vol. 10, No. 2

- COMPUTER PROGRAMMERS
- WORKING AT HOME
- MOONLIGHTING
- INCOME AFTER SEPARATION
- RRSP HOME BUYERS' PLAN
- EMPLOYMENT INSURANCE



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ON LABOUR AND INCOME

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Dave Gower

Computer programmers are increasingly in demand. Is this need changing their working conditions? A close look at this occupation challenges some commonly held perceptions.

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Working at home is becoming more popular. Who works at home? What are the conditions, pay and benefits? How many hours does it involve? This article provides a look at this growing phenomenon.

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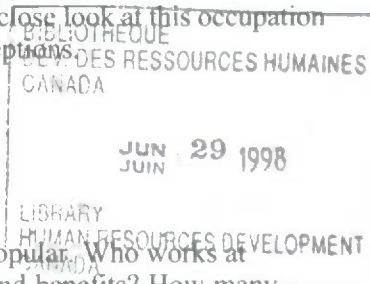
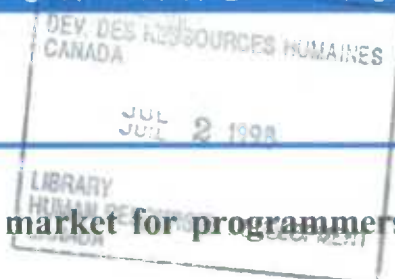
Deborah Sussman

The incidence of multiple jobholding is on the rise. This article examines the growth in moonlighting and provides information on the demographic and occupational characteristics of moonlighters, as well as their reasons for moonlighting.

32 Income after separation – people without children

Diane Galarneau

This study examines changes in the income of separated persons with no children under 18 at home at the time of the breakup. It also compares their sources of income before and after separation. This complements a previous study profiling couples who had children at home when they separated.



PERSPECTIVES

ON LABOUR AND INCOME

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Our 10th anniversary logo was designed by John Bradford of the Labour and Household Surveys Analysis Division.

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42 Employment Insurance in Canada: Policy changes

Zhengxi Lin

This overview highlights legislative and policy changes in Employment Insurance since 1940.

Symbols

The following standard symbols are used in Statistics Canada publications:

...	figures not available
...	figures not appropriate or not applicable
-	nil or zero
--	amount too small to be expressed
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r	revised figures
x	confidential to meet secrecy requirements of the Statistics Act

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Forum

Letter from the Managing Editor

■ I have been involved with *Perspectives* off and on since its inception 10 years ago, so it is especially gratifying to return in this its 10th anniversary year. The publication has changed over the years, but its basic goal has not: to provide a diverse audience with reliable labour and income information in an easy-to-digest format.

In more than 200 articles, we have ranged widely: moonlighting, volunteering, discretionary spending, back injuries, high income earners, job training, retirement savings, lotteries and gaming, family holidaying, marital breakups, computers at work, bilingualism, and substance abuse. But even at that, we have barely scratched the surface of Statistics Canada data relating to labour and income issues.

Our analysts continue to pursue various topics under the assumption that their choices will be of interest. We would, however, welcome any suggestions regarding the topics you would like to see. Do some subjects warrant revisiting? Have some been covered too often? Please let us know.

With the recent, almost exponential, growth in Internet use, Statistics Canada has enhanced its presence on the World Wide Web. Building on this, *Perspectives*, and most other analytical publications from the Agency, will soon be readily accessible from a "hyperlink" on our main page. We hope you will drop by regularly.

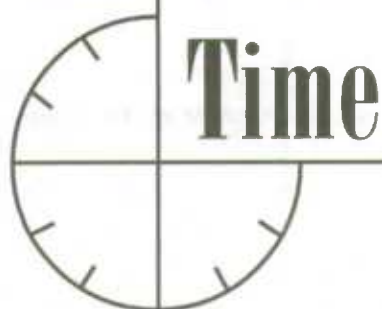
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We welcome your views on articles and other items that have appeared in *Perspectives*. Additional insights on the data are also welcome, but to be considered for publication, communications should be factual and analytical. We encourage readers to inform us about their current research projects, new publications, data sources, and upcoming events relating to labour and income.

Statistics Canada reserves the right to select and edit items for publication. Correspondence, in either official language, should be addressed to: Heather Berrea, What's new? Co-ordinator, *Perspectives on Labour and Income*, 5-D Jean Talon Building, Statistics Canada, Ottawa K1A 0T6. Telephone (613) 951-8613; fax (613) 951-4179 or e-mail: berrhea@statcan.ca.

lost WORK



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- ◆ In total, it is estimated that, among full-time workers, 66 million workdays were lost in 1997.

This publication provides a series of tables on work absence rates for men and women working full time, by age, education, and presence of children; by detailed industry and occupation groups; by public versus private sector; by union coverage, workplace size, job tenure and job permanency; by province, region and census metropolitan area; and by job benefits (paid vacation or sick leave entitlements, and flexitime work option).

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Highlights

■ The booming market for programmers

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- In 1997, the unemployment rate for computer programmers was only around 2% to 3%. This was lower than any national unemployment rate since the mid-1960s. From the fourth quarter of 1992 to the end of 1997, jobs for computer programmers and systems analysts rose from 139,000 to 267,000 – a 92% increase, compared with 9% for overall employment.
- Programming jobs were found mainly in Canada's larger metropolitan areas. Toronto, Montréal, Calgary and Vancouver attracted most computer programmers. Ontario added the most positions (58,000), while British Columbia had the fastest growth (155%), led by Vancouver (179%). Despite the rapid growth of these jobs in the other centres, the highest concentration of software workers in 1997 was in Ottawa-Hull: 5.3% of employment.
- Contracting-out has become a preferred arrangement for employers, demonstrated by the growth in business services. Of the 128,000 computer programming jobs created between 1992 and 1997, some 70,000 were in this industry.
- In 1997, programmers and systems analysts earned more than workers overall (\$843 per week versus \$577), but slightly less than other scientific and technical workers (\$877).
- The booming employment market for software workers has not translated into longer work weeks. Computer programmers worked slightly shorter weeks than other scientific and technical workers but were more likely to work full time.
- Computer programming remains a young person's game: in 1997, these workers were more likely to be aged 25 to 34. However, the highest proportionate five-year increase was in the 45-and-over category, mainly because of hirings, and transfers within firms.

■ Working at home

... p. 16

- Between 1991 and 1995, the proportion of employees working at home in Canada increased from 6% to 9%.
- Even though working at home is increasingly common, employees who spend most of their time there remain the exception. Among the one million workers who worked at home in November 1995, 421,000 did so less than five hours a week, and just 143,000 worked *only* at home.
- University graduates were by far the most likely to work at home. Some 25% did so, compared with only 7% of those with a high school diploma or non-university postsecondary certificate. Forty-two percent of employees working at home were professionals (two-thirds of whom were teachers) and 27% were directors, managers or administrators.
- On average, employees who worked at home in November 1995 were better paid (\$20.15 per hour) than their peers who worked on the employer's premises (\$14.65 per hour). They were also more likely to be covered by employment benefits.
- In November 1995, employers provided equipment or reimbursed the costs of equipment for 38% of employees working at home. One home-based worker in 5 was provided with a computer, one in 7 with a modem, and one in 10 with a fax.

■ Moonlighting: A growing way of life

... p. 24

- From 1977 to 1997, the proportion of people holding two jobs increased steadily, from 2% of the employed to 5%. Among women, the incidence of moonlighting increased more rapidly, so that by 1997 they outnumbered men.

- In 1997, people employed in medicine and health (8.5%); social sciences (8.0%); and artistic, literary and recreational occupations (7.9%) were the most likely to moonlight.
- Self-employment and moonlighting often go hand in hand. By 1997, 51% of moonlighters owned and operated a business, farm or professional practice – or helped a family member do so – as their main or secondary job.
- Moonlighting differs greatly across Canada. The Prairie provinces, heavily reliant on agriculture, had the highest rates in 1997. The Atlantic provinces and Quebec, areas with higher unemployment rates, had the lowest.
- On average, moonlighters usually worked 32.6 hours at their main job, compared with 37.0 hours for single jobholders. Moonlighters more than made up for the shortfall by taking on additional jobs, bringing their weekly average for all jobs to 46.5 hours.

■ Income after separation – people without children ... p. 32

- Among people who separated or divorced between 1987 and 1993, and who had no children under 18 at the time of the breakup, women generally experienced a financial loss. One year after separation, such “childless” women had experienced a median loss of 16% in their adjusted family income (AFI), whereas men had realized a small gain (2%).
- One year after separation, women’s AFI was 82% of men’s; by the fifth year it had risen to 94%, indicating that women’s financial situations improved over time. Women who became part of a new couple often had a higher AFI than men in the same situation. However, women were less likely to form a new union: 37% of men and only 29% of women were again in a relationship one year after separation.
- Post-separation sources of income were similar for both sexes. The proportion of individuals with employment income dropped and that of recipients of social assistance and other income (pensions, investment income, dividends and various tax credits) rose. This may be explained in part by age: more than one-third of these separated persons were aged 50 or more.

- Overall, support payers (men) appeared to fare better than the majority of separated men. After the separation, payers generally realized gains in AFI ranging between 5% and 10% over the five-year period, compared with rises of between 1% and 2% for non-payers. On the other hand, support recipients (women) experienced a median loss much greater than that of separated women generally (39% versus 16% in the first year). In general, recipients had a lower median AFI than non-recipients, even though they were receiving support payments.

■ The RRSP Home Buyers’ Plan ... p. 38

- Since the Home Buyers’ Plan (HBP) was implemented in February 1992, more than 650,000 Canadians have withdrawn \$6.2 billion from their registered retirement savings plans (RRSPs) to finance the purchase or construction of a home.
- In 1995, one-third of those obligated to repay either failed to do so or paid insufficiently. The total shortfall of over \$46 million represented one-fifth of the amount due that year. The default rate continued in 1996: of the \$271 million due, \$62 million (23%) was not paid.
- Taxfilers between 30 and 39, who were more likely than others to acquire a first home, were the main users of the program, accounting for 42% of the amounts due.
- Surprisingly, persons aged 60 and older, who made up less than 4% of persons with instalment payments, represented 7% of the 78,000 who did not meet their obligation.
- While participants with income under \$20,000 represented 14% of the individuals who made sufficient payments, they accounted for 30% of all who failed to do so. At the other end of the spectrum, HBP repayers with incomes of at least \$60,000 were 19% of the total, but only 11% of the group who failed to make adequate payments.
- Even though women’s share of annual RRSP contributions has always been much lower than men’s (only about 35%), they removed higher amounts under the HBP than did men. They paid 46% of the 1995 HBP instalments and were responsible for 43% of the 1995 shortfall.

■ Employment Insurance in Canada: Policy changes

... p. 42

- Employment Insurance in Canada (formerly Unemployment Insurance or UI) was introduced in Canada in 1940. Since then, the system has undergone numerous changes, the most significant being the 1971 legislation that liberalized the system. The *Unemployment Insurance Act, 1971* provided nearly universal coverage for paid employees, eased eligibility, and added a host of special benefits, such as sickness, maternity and retirement benefits.
- The balance between revenues and payouts has changed in recent years. Prior to 1993, benefit payouts exceeded premium revenues every year but 1987 and 1988. The system turned around in 1993, when the books were nearly balanced. Surpluses have been the rule ever since: the gross surplus was over \$3.5 billion in 1994 and close to \$6 billion in both 1995 and 1996.

■ What's new?

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■ Upcoming releases

Income After Tax, Distributions by Size in Canada, 1996

Family Expenditure in Canada, 1996

■ Just released

Work Absence Rates, 1980 to 1997

The Evolving Workplace: Findings from the Pilot Workplace and Employee Survey

1996 Census – labour force data

Low Income Measures, 1996

Income Distributions by Size in Canada, 1996

Low Income Persons, 1980 to 1996

"Differences in earnings inequality by province, 1982-94," *Canadian Economic Observer*

Closing the Gap: Women's Advancement in Corporate and Professional Canada

High School May Not Be Enough

The Dimensions of Wage Inequality Among Aboriginal Peoples

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The booming market for programmers

Dave Gower

In the past few years, the market for computer programmers and related workers has become increasingly dynamic. Employers compete openly for recruits, and private colleges vie for computer science students, virtually guaranteeing jobs after graduation. Even the federal government has become involved: its "Passport Canada" program, a joint initiative with industry, helps to locate and recruit software workers from abroad and usher them through the immigration process (Brethour, 1997).

The situation is not unique to Canada. Media reports have suggested that as many as 200,000 programming jobs in the United States are unfilled, and the demand continues to grow. The effects are being felt worldwide.

Among the factors contributing to this situation are the exponential growth of the Internet and the rapid spread of internal computer networks (intranets) within large organizations. Another important factor is the Year 2000 problem – that is, the difficulty facing users of computer programs that will need to be modified to cope with the change of the last two digits of the year from 99 to 00 at the turn of the century.¹

In February 1998, Statistics Canada published results from the Survey on Preparedness of Canadian Business for the Year 2000 (Brunet, 1998), which showed, among other things, that companies were looking for roughly 7,000 programmers, well beyond the resources available within these firms. This figure is undoubtedly far below the actual number of vacant jobs for programmers and systems analysts, for at least three reasons: not all firms

surveyed had fully investigated their needs; the survey did not cover governments and other public institutions; and programmers needed for work other than the Year 2000 problem were not included.

Not surprisingly, the unemployment rate of programmers was only around 2% to 3% through 1997. This was much lower than the national rate of 9%, and indeed lower than any national unemployment rate since the mid-1960s.

This study documents the growth in employment of computer programmers and related workers, showing who is moving into the profession, and where the jobs are being created.

Sharp growth in employment in past five years

Employment of programmers and systems analysts declined during the recession of the early 1990s (see *Measuring computer programmers*). Since the end of 1992, the number of jobs for this group has risen strongly (Chart). An exception was the brief pause in late 1995, which reflected overall employment. From the fourth quarter of 1992 to the end of 1997, jobs for computer programmers and systems analysts rose 92%, from 139,000 to 267,000. Over the same period, jobs in all other scientific and technical occupations rose only 8%, from 348,000 to 375,000, and total employment rose 9%.

Measuring computer programmers

This study uses data from the Labour Force Survey (LFS). Because the household survey uses terminology provided by respondents to create its codes, the data that result can differ from those provided by another source; for example, a survey of employers or a count of association members. As a consequence, no one "true" measure of any occupation exists. Trends and comparisons between groups are more revealing than a group's level at one point in time.

Occupations discussed in this article are defined according to the 1980 Standard Occupational Classification (SOC): computer programmers and systems analysts (code 2183). During 1998, the LFS will begin using the 1991 Standard Occupational Classification, which splits this code into two: computer systems analysts (C062) and programmers (C063). The 1996 Census estimate for these two occupational groups was about 80% of the LFS figure, but the trends in both surveys were the same. Some of this gap is the result of differences in survey operations.

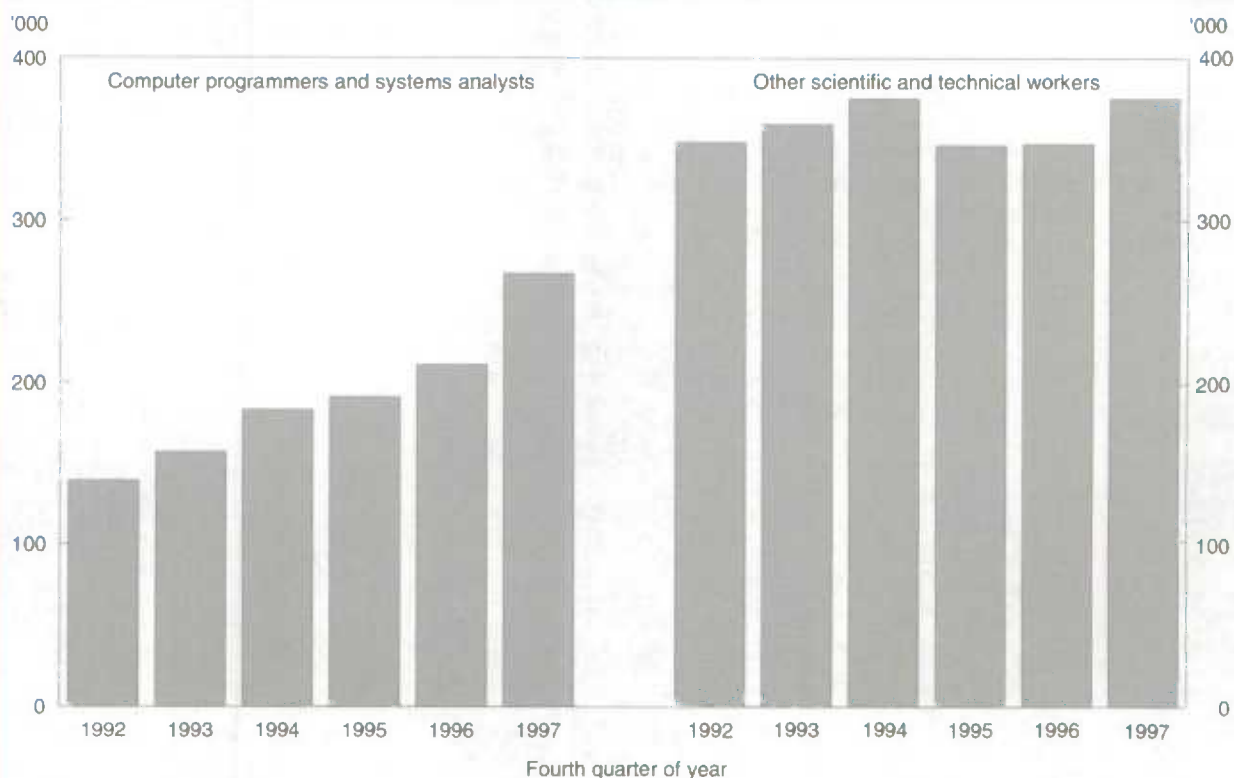
In the 1980 SOC, data processing and information technology managers cannot be isolated, since they are included with other managers. Estimates for this subgroup should be available when data based on the 1991 classification are published. The term "software engineer," included here as "computer programmer," will be coded in the 1991 SOC as "computer engineer" (C047). At the moment, the number of workers defined as such is small, but it may grow in the future.

For comparison purposes, other scientific and technology occupations from the 1980 SOC Major Group 21 (occupations in natural sciences, engineering and mathematics), excluding SOC 2183, cover professionals and technologists in the physical and life sciences, architecture, engineering, community planning, mathematics, statistics and related fields. Although these jobs may not provide a perfect comparison with programmers and systems analysts, they do offer meaningful reference points.

Dave Gower is with the Labour and Household Surveys Analysis Division. He can be reached at (613) 951-4616.

Chart

Job growth for computer programmers has been strong.



Source: Labour Force Survey

An occupation can expand in two ways. Workers can change jobs within a firm or employers can hire new employees. No data are available to measure the first scenario,² but the second can be confirmed easily. In the fourth quarter of 1997, 30% of programmers and systems analysts had been on the job for one year or less, compared with 17% of other scientific and technical workers. This is truly a dynamic field.

Wide variety of people entering the field

Who enters this profession; what are their educational qualifications; and how old are they?

An increase in employment in an occupation is a net product of both

inflows and outflows. Since no statistical series on job transitions is sufficiently current and detailed, the two measures cannot be separated. Instead, the overall employment change in various population subgroups must be examined.

Between late 1992 and 1997, men and women shared new programming opportunities roughly in proportion to their employment at the outset of the period. Of the 128,000 additional jobs, women gained 35,000 (Table 1). By 1997, men accounted for 74% of the profession, lower than that of other scientific and technical occupations (83%), but much higher than the overall workforce (55%).

Some 60% of the gain in employment occurred among workers aged 35 or over. And at the end of 1997,

just 20% of newly hired workers (in the job one year or less) were under 25. Most of the growth in employment, then, has been among persons old enough to have previous work experience.

Employment grew faster for workers with university degrees than for persons with other postsecondary education or training (120% versus 80%). The percentage of university graduates in this field increased from 42% to 48%.

People who had no completed postsecondary education were in the minority at the beginning of the period (26,000 of 139,000), and although their numbers have gone up over the last five years, their percentage growth has been relatively modest at 55%.

Table 1
Patterns of growth between the fourth quarters of 1992
and 1997

	Employment		Change		Distribution	
	1992	1997	'92-'97	'92-'97	1992	1997
	'000	'000	'000	%	%	
All occupations						
Both sexes	12,847	14,032	1,185	9	100	100
Men	7,032	7,699	667	9	55	55
Women	5,815	6,333	517	9	45	45
Age						
15 to 24	1,995	1,960	-36	-2	16	14
25 to 34	3,668	3,608	-60	-2	29	26
35 to 44	3,522	4,075	553	16	27	29
45 and over	3,662	4,389	727	20	29	31
Education						
No postsecondary certificate	7,135	6,722	-413	-6	56	48
Postsecondary certificate or diploma	3,539	4,649	1,110	31	28	33
University degree	2,173	2,661	488	22	17	19
Computer programmers and systems analysts						
Both sexes	139	267	128	92	100	100
Men	104	197	93	90	75	74
Women	35	70	35	99	25	26
Age						
15 to 24	10	21	10	99	8	8
25 to 34	65	109	43	66	47	41
35 to 44	42	90	48	113	31	34
45 and over	20	47	27	131	15	18
Education						
No postsecondary certificate	26	41	14	55	19	15
Postsecondary certificate or diploma	54	98	44	80	39	37
University degree	58	128	70	120	42	48
Other scientific and technical occupations						
Both sexes	348	375	27	8	100	100
Men	294	310	15	5	85	83
Women	54	65	11	21	15	17
Age						
15 to 24	21	31	10	46	6	8
25 to 34	128	113	-15	-12	37	30
35 to 44	106	125	19	18	31	33
45 and over	92	105	13	14	27	28
Education						
No postsecondary certificate	55	54	-1	-1	16	14
Postsecondary certificate or diploma	114	139	24	21	33	37
University degree	179	182	3	2	51	49

Returning to the profession?

Some observers have speculated that workers who wrote computer programs years ago (and may have gone on to other lines of work) might return to help revise those programs for the Year 2000 challenge. Indeed, the number of programmers aged 45 or over grew by 27,000 between 1992 and 1997; not the largest absolute increase of any age group, but the highest proportionate increase (131% versus 66% to 113% for the younger age groups).

This growth is not in itself remarkable, given the baby boomers' move into middle age. For example, among other scientific and technical occupations, the number of workers aged 45 or over rose 14% overall, compared with 8% for all ages.

Does the striking difference in growth rates of older workers in programming and those in other scientific and technical occupations constitute a return of former programmers? Growth in this age group could occur for three reasons: new workers could be hired, others could transfer from within firms, and the remainder would simply grow older.

Only 12% of programmers hired within the past year were aged 45 or over in 1997. This is lower than the existing percentage of older workers in the profession (18%). Therefore, hiring is not the dominant vehicle for the growth in this group.

Nor is aging the main explanation for the rapid increase; this would have required a strong clustering of programmers in their early forties in 1992, which was not the case. Therefore, the phenomenon is best explained as the result of transfers from other occupational categories within firms.

What is not known is whether these people had worked as programmers in the past or were new to the profession. But stories of workers returning to help deal with the Year 2000 problem are not incompatible with the data.

Aside from all this, computer programming remains a young person's game. Software workers in 1997 were less likely than workers in other scientific and technical occupations to be 45 or over, and more likely to be aged 25 to 34. The proportions under 25 were the same in both groups.

Programmers not working long hours

Is the tight market for programmers reflected in long work weeks for these workers? Surprisingly, programmers averaged slightly less work time per week than other scientific and technical workers (38.8 hours versus 39.7) (Table 2). This gap was not caused by more part-time work. Programmers were slightly less likely to work part time (5% versus 6%). The difference in work weeks arose because full-time hours on average were lower (40.0 compared with 41.1). Furthermore, programmers were no more likely to moonlight (hold a second job) or to work overtime than were other workers.

Probably more surprising, programmers' average weekly hours went down over the five years that employment in this field was growing (from

39.5 to 38.8), whereas other scientific and technical workers' hours remained the same. By all accounts, therefore, the demand for software workers is not translating into more intense input from each worker.

These findings cast into doubt the workaholic image of computer software workers. In fact, programmers seem to have at least as much discretionary time as most other workers, and more than many.

Pay: good but not spectacular

Media reports have often focused on the substantial salaries of software workers, particularly those of new recruits. A full analysis of pay rates would need to take into account many factors, such as training and education, work experience, and personal ability – all beyond the scope of this paper. A cursory look, however, reveals earnings similar to those for workers in other scientific and technical occupations.³

On average, programmers and systems analysts earned more than workers overall in late 1997 (\$843 per week versus \$577), but slightly less than other scientific and technical workers (\$877). Because their weekly hours

were also slightly lower than those of other scientific and technical workers, their hourly equivalent pay was similar (\$22.24 versus \$22.33) (Table 3).

Programmers working for small establishments earned less than those in large companies, as was the case for other scientific and technical workers.

Average earnings of software workers hired within the past year have been on a par with those of new recruits in other scientific and technical professions (\$745 and \$746 per week). Larger firms have offered the best starting salaries (\$808 by those with 500 or more workers), noticeably lower than salaries offered to other scientific and technical workers in similar establishments (\$894).⁴ The proportion of software workers earning more than \$1,000 per week has been about the same as that for other scientific and technical workers (Table 4). This is also true for new recruits.

Self-employment increasing

One of the most notable features of the growth in software workers has been the increase in self-employment. In 1992, 17,000 programmers and

Table 2
Weekly hours of work, fourth quarter 1997

	Employment	Proportion working part time	Average usual hours		
			All	Full-time	Part-time
	'000	%			
Both sexes	14,032	20	36.6	41.5	16.4
Computer programmers and systems analysts	267	5	38.8	40.0	16.5
Other scientific and technical workers	375	6	39.7	41.1	15.7
Men	7,699	11	40.1	43.2	15.7
Computer programmers and systems analysts	197	4	39.4	40.4	15.6
Other scientific and technical workers	310	5	40.3	41.6	15.9
Women	6,333	30	32.3	38.9	16.7
Computer programmers and systems analysts	70	8	37.0	38.6	17.8
Other scientific and technical workers	65	9	36.6	38.7	15.1

Source: Labour Force Survey

systems analysts were working for themselves. By 1997, this had more than tripled, to 58,000. Self-employment thus accounted for slightly under a third of the growth in the profession (41,000 out of 128,000). Because self-employed computer programmers are by definition part of the business services industry sector, it is not surprising that nearly half the growth of software workers in this industry was accounted for by self-employment (41,000 out of 89,000).

In spite of this growth, the bulk of programmers and systems analysts continued to work for others, in firms of varying sizes.⁵ Thirty-one percent worked in establishments of 500 employees or more, a slightly higher concentration than for other scientific and technical workers (24%). Newly hired programmers were somewhat more likely to be employed in small companies. However, the same was true of other scientific and technical workers, so this may simply reflect higher staff turnover in small firms.

Most new jobs are in business services

When managers need programming services they have two options: hire people to do the job, or purchase the service from an outside company or self-employed individual. Such specialized services are found in the business services industry sector.

Almost 70% of the 128,000 additional programming jobs created in Canada between late 1992 and 1997 were in business services. Contracting-out has increasingly been the arrangement of choice (Table 5).

Employers in finance, insurance and real estate; communication; and trade tended to hire their own programming staff, increasing their employment in this field by a factor of two over five years. In absolute numbers, however, the growth was fairly modest: between 7,000 and 16,000 workers.

Table 3
Employees and earnings, by size of workplace,
fourth quarter 1997

	Computer programmers and systems analysts			Other scientific and technical workers		
	Average earnings			Average earnings		
	Weekly		Hourly	Weekly		Hourly
	'000	\$		'000	\$	
Workplace size						
All employees						
Total	209	843	22.24	326	877	22.33
Under 20	29	756	19.61	59	708	18.39
20 to 99	50	782	20.73	95	834	20.99
100 to 499	65	871	22.73	92	926	23.51
500 and over	65	902	24.10	79	997	25.51
Job tenure less than one year						
Total	63	745	19.56	59	746	18.58
Under 20	13	680	17.90	15	557	14.86
20 to 99	20	713	18.76	21	741	18.03
100 to 499	16	782	20.25	13	855	20.35
500 and over	14	808	21.47	11	894	22.81

Source: Labour Force Survey

Table 4
Employees by weekly earnings, fourth quarter 1997

	Computer programmers and systems analysts		Other scientific and technical workers	
	Job tenure less than one year		Job tenure less than one year	
	Total		Total	
	'000			
Weekly earnings	209	63	326	59
Less than \$600	39	21	65	22
\$600 to \$799	54	17	81	15
\$800 to \$999	55	13	76	10
\$1,000 and over	61	13	105	13
	%			
Less than \$600	19	33	20	37
\$600 to \$799	26	26	25	25
\$800 to \$999	26	21	23	16
\$1,000 and over	29	20	32	21

Source: Labour Force Survey

Job creation not equal between regions

Almost one-half of all programmers were employed in Ontario (123,000 out of 267,000), the majority of them in Toronto. Quebec followed with 76,000, most of whom were in Montréal. In Alberta, a little over half of the 25,000 programming jobs were in Calgary, whereas the vast majority of British Columbia's 25,000 programmers lived in Vancouver (Table 6).

Virtually all programmers and systems analysts lived in larger cities; only 29,000 of 267,000 resided in small urban centres or rural areas.⁶ And these workers were much less common in the smaller provinces.

Between late 1992 and 1997, Ontario added the most positions (58,000), representing a growth of 90%. The proportion of programmers employed in the province remained unchanged at 46%. British Columbia had the fastest percentage growth (155%), led by Vancouver (179%). Montréal also saw a 120% growth in programming and systems analysis jobs. The increase in the Atlantic region was lower than in the rest of the country.

In spite of rapid growth in Vancouver, Montréal and Toronto, the highest concentration of programmers and systems analysts was in Ottawa-Hull: 5.3% of the employed.

Conclusion

As in other countries, the Canadian market for computer programmers and systems analysts has been strong in the last few years, especially in urban areas. Many of these new workers are self-employed, while others work for companies specializing in selling computer services to other firms.

In spite of the growing demand for programmers, these workers put in fewer weekly hours than other scientific and technical workers, and their average work week is declining. Employers have not had to drop their

Table 5
Employment of computer programmers and systems analysts in selected industries, fourth quarter 1992 and 1997

	Employment		Change		Proportion
	1992	1997	'92-'97	'92-'97	1997
	'000		'000	%	%
All industries	138.9	267.1	128.2	92.3	1.9
Business services	45.4	134.0	88.6	195.2	12.8
Finance, insurance and real estate	14.2	30.1	15.9	111.6	3.8
Manufacturing	25.9	25.7	-0.2	-0.9	1.2
Government services	20.1	24.3	4.2	20.9	3.2
Communication	9.0	15.6	6.6	72.7	4.8
Trade	7.1	14.4	7.2	101.6	0.6
Community services*	8.2	11.1	2.9	35.9	0.4
Utilities	2.7	4.3	1.7	62.5	2.9
Transportation and storage	3.8	3.0	-0.7	-19.5	0.5

Source: Labour Force Survey

* Comprises education, health and social services, and religion.

Table 6
Regional employment of computer programmers and systems analysts, fourth quarter 1992 and 1997

	Employment		Change		Proportion
	1992	1997	'92-'97	'92-'97	1997
	'000		'000	%	%
Canada	138.9	267.1	128.2	92.3	1.9
Atlantic	4.9	7.6	2.7	56.0	0.8
Quebec	41.6	75.6	34.0	81.8	2.3
Ontario	64.5	122.9	58.4	90.5	2.2
Manitoba	3.7	6.9	3.2	86.9	1.3
Saskatchewan	2.0	4.3	2.3	112.7	0.9
Alberta	12.7	25.4	12.7	100.8	1.7
British Columbia	9.6	24.5	14.9	155.3	1.3
Selected census metropolitan areas (CMAs)					
Vancouver	6.4	18.0	11.6	179.4	1.9
Montréal	24.5	53.9	29.4	120.1	3.4
Edmonton	4.3	9.1	4.8	110.8	1.9
Toronto	34.4	70.2	35.8	104.2	3.1
Calgary	7.4	14.1	6.8	92.3	2.9
Ottawa-Hull	15.6	28.8	13.2	84.4	5.3
Winnipeg	3.4	5.8	2.5	72.4	1.6
Kitchener-Waterloo	2.8	4.0	1.3	44.8	2.0
Québec	7.4	7.7	0.3	3.5	2.4
Hamilton	5.1	5.2	0.1	2.8	1.6
London	3.0	2.8	-0.1	-4.9	1.4
Total CMA	123.7	238.0	114.3	92.4	2.6
Other urban	4.5	9.9	5.4	118.3	0.9
Rural	10.6	19.2	8.6	80.6	0.5

Source: Labour Force Survey

education requirements in order to meet the demand, and most of the new workers are over age 25, rather than recent graduates. Moreover, stories of grand salary offers do not seem to be reflected in the broad picture. Finally, software workers, whether new on the job or with more seniority, receive pay in line with other scientific and technical workers.

Once the Year 2000 problem has been solved, will the demand for programmers lessen, or will it continue to grow as requirements evolve? Society depends on computers for everything from personal banking to national security. Labour market and computer industry observers will want to monitor trends in these occupations. □

Update: First Quarter: 1998

In the first quarter of 1998, employment among programmers and systems analysts averaged 267,000, unchanged from the final quarter of 1997. Brief pauses in growth have been observed over the past five years.

Notes

1 In the early days of computers, memory and storage space were in short supply, so years were represented by 2-digit numbers (for example, 69 for 1969). This means that at the end of the century, programs still containing such date fields will appear to be set at 1900. Unless corrected, this problem threatens to create chaos in programs around the world.

2 The Survey of Labour and Income Dynamics is now developing a time series on transitions. At the moment, however, limitations of timeliness and sample size restrict the ability of this data set to reflect recent trends in detailed occupations.

3 Pay is only one aspect of job quality. Other factors, such as pensions, supplementary health and dental plans, and paid vacation leave are also important. Data from the Survey of Work Arrangements show that programmers and systems analysts employed in November 1995 enjoyed benefit levels close to those of other scientific and technical workers.

4 These are averages; some individuals receive rates considerably higher or lower.

5 Trend data on employment by size of employer do not exist back to 1992. The question on number of employees was introduced into the Labour Force Survey at the beginning of 1997, as were data on rates of pay.

6 These are defined as all areas not included in the 25 census metropolitan areas. It should be noted that the Labour Force Survey counts people where they live, not where they work. Some of the 19,000 programmers and systems analysts who live outside the large cities probably commute to these centres to work, or may work from home for clients in these larger places.

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Note: The survey on which this report is based was sponsored by Task Force Year 2000.

Working at home

Dominique Pérusse

Technological advances have made it possible for workers in many industries to work at home. This form of work arrangement, however, is not new. Prior to the Industrial Revolution, many trades were carried out at home. A door was commonly all that stood between the family quarters and the store or workshop. Even after urban workers had been assembled in factories, piece work done at home (particularly by women in the garment industry) enabled businesses to vary production volume and reduce costs, and provided work for unskilled workers (Boris, 1996). Today, with the development of tools such as the personal computer and the Internet, many workers – even those whose jobs require frequent exchange of information with peers – have the opportunity to work at home.

In November 1995, 16% of all workers regularly performed at least part of their usual work hours at home. One-half of these workers were paid by an employer; the other half were self-employed. More than one million employees worked at least part of the time at home. Slightly more than half of all self-employed workers (53% or 1.1 million) operated a business from their home.¹ This article examines employees who regularly perform paid work at home as part of their main job (see *Data sources and definitions*). It discusses trends in this practice, notes occupations and industries in which it occurs most frequently, and considers the quality of such jobs and the characteristics of the employees.

Working at home is on the rise

Between 1991 and 1995, the proportion of employees working at home increased from 6% to 9%. While the rise may be attributable in part to a

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Data sources and definitions

The **Survey of Work Arrangements (SWA)** has been conducted twice as a supplement to the Labour Force Survey: in November 1991, sponsored by Statistics Canada, and again in November 1995, sponsored by Human Resources Development Canada. The 1995 SWA adopted a new definition of working at home, which included regularly paid overtime (previously excluded). Consequently, the results from the two surveys are not directly comparable. Some information can be compared, however.

In 1991, the following question was asked:

"Some people work all or some of their regularly scheduled hours at home. Excluding overtime, does ... usually work any of his/her scheduled hours at home?"

In 1995, this revised version was used:

"Some people do all or some of their paid work at home. Does ... usually do any of his/her paid work at home?"

Data were collected on a worker's **main job**, that is, the one to which most hours were devoted during the week in

question, when a worker held more than one job.

In this article, work at home refers to any paid work carried out at home. This definition includes so-called **teleworkers**, that is, workers who use telecommunications tools or networks (such as computers and the Internet) to carry out their duties.²

The **census** collected information on place of work in 1971, 1981, 1991 and 1996. For the purpose of the census, a worker is considered to work at home if he or she does so at least three days a week. Respondents may not claim to work both on an employer's premises and at home. Recent data are not directly comparable with those from preceding years, because only the 1996 Census asked for the street address of the workplace.

The **General Social Survey** collects data on social trends. The 1992 survey was concerned with time use. In addition to collecting information on work arrangements, it included 10 questions designed to measure perceptions of time pressures and, by extension, stress levels of people who work at home.

change of wording in the Survey of Work Arrangements,³ it is borne out by a strong increase in the United States. The proportion of American employees working at home increased from 9% in May 1991 to 17% in May 1997.⁴ If the American trend is any indication of the pattern in Canada, the number of people working at home will probably continue to increase.

Census figures show an increase of working at home among employees since 1971. For example, the proportion of those who worked at home at least three days a week grew from 2.8% in 1971 to 3.0% in 1981 and 4.0% in 1991.⁵

The Canadian increase between 1991 and 1995 was widespread. According to the SWA, all goods industries (primary, manufacturing and construction) and most service industries were affected.⁶ Working at home was more common in the service sector (10%) than in goods industries (6%) (Table 1). In addition to the role played by services, factors affecting the growth of this practice include the development of communications technologies, the decreasing cost of personal computers and other office equipment, and the federal government's adoption of a work-at-home policy based on a 1992 pilot

Table 1
Employees working at home, by industry

	Employees				
	Total		Work at home		
			Number	Distribution	Proportion
	'000	%	'000	%	%
All Industries	11,055	100	1,003	100	9
Goods sector *	2,958	27	174	17	6
Primary	341	3	36	4	10
Agriculture	111	1	22	2	19
Manufacturing	2,011	18	102	10	5
Durable	1,015	9	48	5	5
Non-durable	996	9	53	5	5
Construction	461	4	28	3	6
Service sector	8,097	73	829	83	10
Transportation, storage and communication	728	7	57	6	8
Transportation and storage	425	4	26	3	6
Communication	303	3	31	3	10
Trade	1,859	17	110	11	6
Wholesale	520	5	63	6	12
Retail	1,338	12	47	5	4
Finance, insurance and real estate	641	6	68	7	11
Finance and insurance	480	4	37	4	8
Real estate operators and insurance agencies	161	1	30	3	19
Business services	620	6	73	7	12
Government services	762	7	53	5	7
Educational services	939	8	322	32	34
Health and social services	1,229	11	73	7	6
Accommodation, food and beverage services	1,319	11	73	7	6

Source: Survey of Work Arrangements, 1995

* Includes utilities.

project. In addition, a number of large companies (for example, IBM and Bell Canada) are conducting their own experimental programs on working at home. Reflecting the trend among employees, more and more self-employed workers are also conducting business from home (Pérusse, forthcoming).

Advantages and disadvantages

Perhaps every worker dreams from time to time of being able to spend at least one day a week working at home, banishing all thoughts of traffic and bad weather. Most workers who put in hours at home in November 1995 did so, however, for work-related reasons (cited by 8 out of 10 such workers). Some 44% said they had no choice; 14% did so to achieve better working conditions; and 8% used home as the usual workplace. Only 20% worked at home for personal reasons.

This arrangement does not suit all employees and employers (see *Advantages and disadvantages of working at home*).⁷ Research has shown that the more disciplined, solitary, autonomous and qualified employees are, the more satisfied they are with working at home (St-Onge and Lagassé, 1995a). Although the practice is commonly believed to reduce the stress of balancing work

Advantages and disadvantages of working at home

Advantages

Employers

- Increase in employee productivity
- Reduction in expenses for work space
- Easier recruitment and retention of staff

Employees

- Increased scheduling flexibility
- Easier to reconcile work and family responsibilities
- Reduced expenses for transportation, clothing and food
- Less time spent travelling

Disadvantages

- Problems related to co-ordination and communication with employees
- Lack of control over work⁸
- Problems with information security
- Smaller social circle
- Fewer career possibilities
- Possible increase in workload⁹

and family life, the General Social Survey on time use suggests that these workers are neither more nor less stressed than workers in general, regardless of their occupation or number of children (Fast and Frederick, 1996). Another conventional belief is that working at home reduces highway congestion and transport-related pollution. This has not been proven; in fact, according to an American study, such workers compensate by making other kinds of trips (Pratte, 1996).

In addition to being able to reduce office space and parking costs by having employees work at home, many employers are spared additional costs for supplies at home. According to the SWA, 50% of such workers said their employer provided no supplies for working at home; another 12% reported that no supplies were required (Table 2). Despite this, computers or other equipment are indispensable in many occupations. Indeed, 38% said that some equipment was provided or costs were reimbursed. For instance, one home-based worker in 5 was provided with a computer in November 1995; one in 7 with a modem; and one in 10 with a fax. A large proportion of white-collar workers¹⁰ (especially teachers) said they were provided with nothing by their employer.

It depends on what you do

Workers who worked some of their hours at home tended to be employed in industries suited to this form of work, particularly education (32%) (Table 1).

In addition, working at home tended to be favoured by those who worked in isolation, or who used communications technologies. For example, teachers were more likely to spend some of their working hours at home. In fact, 43% of teachers did so part of the time (Table 3). Because of their large numbers, teachers made up 28% of all employees who regularly did paid work at home. In contrast, tasks

Table 2
Equipment supplied by employer for work at home

	Nothing supplied	No equipment required	Equipment supplied or costs reimbursed		
			Total	Computer	Modem, fax or other
			%		
All occupations *	50	12	38	22	25
Directors, managers and administrators	38	12	50	34	37
Professionals	65	12	23	14	15
Teaching	72	13	15	7	7
Clerical	30	18	52	34	40
Sales	42	--	49	23	27
Service	55	--	--	--	--

Source: Survey of Work Arrangements, 1995

* Includes workers in primary occupations; processing, machining and fabrication; construction trades; transport equipment operating; material handling; and other skilled workers.

requiring direct contact with customers or colleagues, as well as services provided in a specific place, tended to be poorly suited to this arrangement.

Other occupations in which a large proportion of employees worked at home in November 1995 included directors, managers and administrators (17%) and farmers, horticulturists and animal breeders (16%). It was less common for workers in product fabricating, assembly and repair (2%) to work at home, because most of their tasks were performed in shops and factories. Similarly, few specialized service workers (3%) worked at home. For example, most salaried barbers and hairdressers worked in salons, while those who worked at home were generally self-employed. Medical and health workers were also unlikely to work at home, because they provided services in a specific location. Only 4% of this occupational group (including nurses, dieticians and laboratory dental technicians) worked at home.¹¹

The odd hour here and there

Even though working at home is increasingly common, employees who spend most of their working time there remain the exception. Among the one million workers who worked at home in November 1995, 421,000 did so less than five hours a week. Considering full- and part-time workers together, however, 206,000 spent at least half of their usual working hours at home, including 143,000 who worked only at home. Employees who performed at least 30 minutes of work at home each week worked an average 12 hours at home; those who spent at least half of their working time at home devoted 29 hours; and those who worked full time at home put in 31 hours.

Although 43% of teachers regularly did paid work at home, for many this involved only a few hours' work. The 206,000 teachers who did more than half an hour of paid work per week at home averaged 10 hours,

Table 3
Employees working at home, by occupation

	Employees						
	Work at home						Average weekly time**
	Total		Number	Distribution	Proportion	Minimum 30 minutes	
	'000	%	'000	%	%	'000	hours
All occupations	11,055	100	1,003 *	100	9	796	12
Directors, managers and administrators	1,605	15	271	27	17	212	12
Professionals	2,246	20	424	42	19	318	10
Natural sciences, engineering and mathematics	466	4	43	4	9	34	8
Social sciences	245	2	30	3	12	22	10
Religion	26	--	16	2	60	--	--
Teaching	664	6	286	28	43	206	10
Medicine and health	654	6	26	3	4	--	--
Artistic, literary and recreational	190	2	24	2	12	--	--
Clerical	1,843	17	105	10	6	99	13
Sales	945	9	97	10	10	75	11
Service	1,402	13	39	4	3	37	29
Primary	197	2	18	2	9	16	19
Farming, horticulture and animal breeding	106	1	17	2	16	15	19
Processing, machining and fabricating	1 504	14	26	3	2	--	--
Product fabricating, assembling and repair	956	9	23	2	2	--	--
Construction trades: transport equipment operating; material handling; and other skilled workers	1,311	12	24	2	2	18	6

Source: Survey of Work Arrangements, 1995

* Includes 57,000 workers who did not report number of hours worked at home, as well as 150,000 who said they regularly put in less than 30 minutes work at home each week.

** These are hours worked by employees who did at least 30 minutes work at home each week.

although 15% performed at least half of their work at home (about 26 hours per week). While office workers and specialized service workers were less likely than professionals or administrators to work at home, they tended to work more hours on average. In addition, service employees who worked at home at least half the time did so 56 hours per week on average, far more than workers in all other occupations. Farmers, horticulturists and animal breeders were almost as likely to work at home as managers, but their situation was quite different: most home workers on farms (82% of those who worked at least 30 minutes

per week at home) worked *only* at home (only 21 hours per week on average). Managers, on the other hand, were less likely to work only at home, but put in more hours when they did so (35 hours).

Job quality

On average, employees who worked at home in November 1995 were better paid (\$20.15 per hour) than their peers who worked on the employer's premises (\$ 14.65 per hour) (Table 4). In addition, they were more likely to be covered by employment benefits. For example, 59% had an employer-

sponsored retirement plan, compared with 50% of other workers. These benefits were not necessarily related to the place of work, but rather to the age, occupation and industry of the employees. Such workers were more likely to be between 25 and 54, professional (primarily teachers) and working in service industries.¹²

The relationship between working at home and income and employment benefits can be measured, in part, by standardizing the data¹³ by selected characteristics (age, sex, industry and occupation). The results of this technique indicate that regardless of age,

Table 4
Hourly earnings and employment benefits

	Non-standardized data		Standardized average			
			Sex, age, occupation *		Sex, age, industry *	
	At home	Employer's premises	At home	Employer's premises	At home	Employer's premises
	\$ /hour					
Hourly earnings	20.15	14.65	17.07	15.07	18.90	14.90
	%					
Pension plan	59	50	45	51	50	51
Supplementary health plan	66	58	53	59	60	59
Dental plan	62	54	52	55	58	54
Paid sick leave	70	56	56	57	64	56
Paid vacation leave	69	73	66	73	71	73

Source: Survey of Work Arrangements, 1995

* Three age groups, six occupation groups, eight industry groups.

sex and occupation, employees who work at home earn more per hour (\$17.07) than other workers in similar categories (\$15.07), even though the difference is considerably less than when non-standardized data are used.¹⁴

However, standardizing the data changes the picture regarding employment benefits. A lower proportion of people who work at home tend to enjoy these benefits. For example, only 45% benefit from an employer-sponsored pension plan, compared with 51% of others.

Standardized data for age, sex and industry continue to show a difference between those who work at home and those who do not, though the gap is less pronounced than it is when non-standardized data are used. Therefore, age, sex, occupation and industry characteristics of those who work at home only partly explain their superior wages and benefits.

Employee characteristics

Employees living with an employed spouse were more likely to work at home in November 1995 (12%) than sole breadwinners (8%), persons living alone (7%), or lone parents (10%) (Table 5).

Because working at home offers parents better opportunities to balance work and family, it is most often observed when there are children under 16 present. Furthermore, the practice is most prevalent among

workers (both men and women) of child-rearing age. For example, only 3% of young people (aged 15 to 24) regularly spent part of their working hours at home in November 1995, compared with 10% of workers aged

Table 5
Employees working at home, by sex and family type

	Both sexes	Men	Women
		%	
All paid workers	9	8	10
Youngest child under 6	11	10	12
Youngest child between 6 and 15	11	11	11
No children under 16	8	7	9
In a couple	11	10	12
Youngest child under 6	11	10	13
Youngest child between 6 and 15	12	12	12
No children under 16	10	9	11
Sole breadwinners	8	9	6
Youngest child under 6	10	10	--
Youngest child between 6 and 15	11	11	--
No children under 16	6	7	--
Dual-earner couples	12	11	13
Youngest child under 6	12	10	13
Youngest child between 6 and 15	12	12	13
No children under 16	11	10	12
Lone parents	10	--	9
Unattached individuals	7	6	9

Source: Survey of Work Arrangements, 1995

25 to 44, and 12% aged 45 to 54. For workers aged 55 and over, working at home decreased to an average 9%. Women were more likely to work at home than men (10% versus 8%), especially if they were raising families (Chart A).

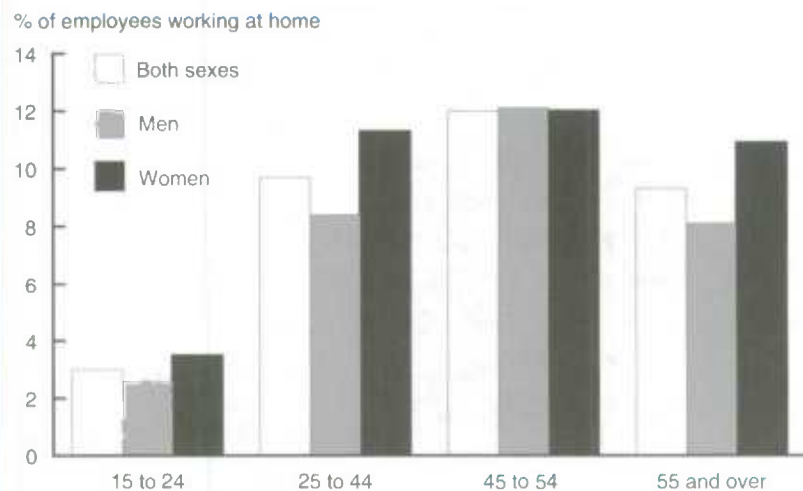
Education, which is strongly correlated with occupation, shows a distinct pattern for employees working at home. While 4% of those with a primary or partial secondary education had this arrangement in November 1995, and 7% of those with a high school diploma or non-university postsecondary certificate did so, 25% of workers with a university degree worked at home (Chart B).

Working at home was also more prevalent among workers who held more than one job. For example, 11% of those with multiple jobs worked at home in their main job, compared with 9% of workers with only one job. The proportion of employees who worked at home in their second paid job is unknown but conceivably just as great, since jobs providing supplementary income often involve tasks that can be carried out at home.

No more traffic jams!

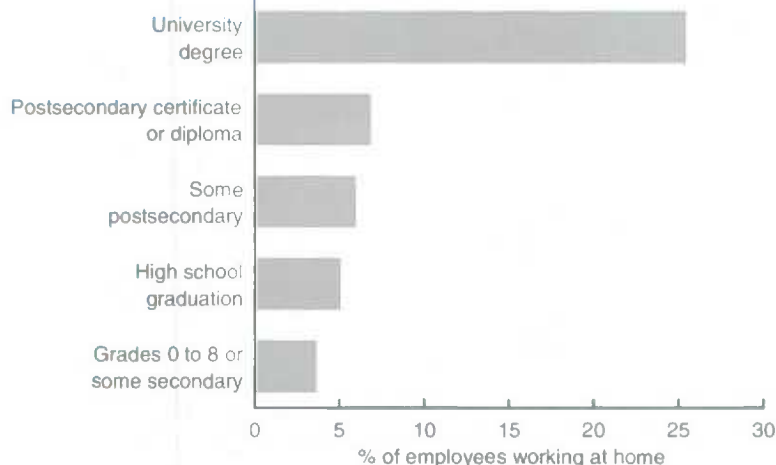
The Industrial Revolution moved workers from the home to the factory. Ironically, technological advances have made it possible for workers to live in rural areas while maintaining frequent contact with the office in town: in November 1995, only 9% of urban workers spent part of their working time at home, compared with 10% of rural workers. At the same time, workers away from large centres have been able to avoid long commutes to work. Data for highly remote regions, while less reliable because of small sample sizes, appear to indicate that working at home was even more prevalent in those areas. The practice was also more common in certain provinces: in Alberta, for example, 12% of employees worked at home, whereas in Quebec only 7% of workers did so (Chart C).

Chart A
Few young people work at home.



Source: Survey of Work Arrangements, 1995

Chart B
University graduates are far more likely than others to work at home.



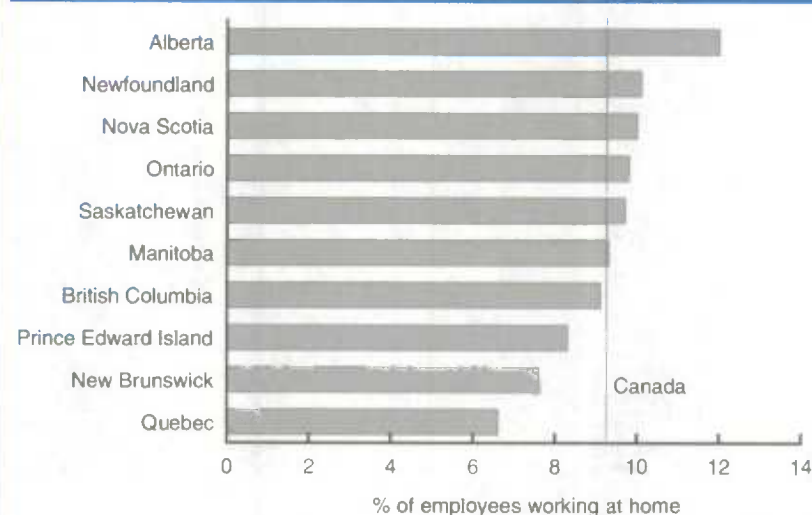
Source: Survey of Work Arrangements, 1995

Conclusion

Working at home has become increasingly common. While many people do so only a few hours a week, the number who carry out at least half of

their working hours at home is increasing. Workers more likely to work at home include those aged 45 to 54, women, teachers, managers, farmers and service industry workers.

Chart C
Working at home is most common in Alberta.



Source: Survey of Work Arrangements, 1995

Because most employees work at home for work-related rather than personal reasons, this trend is probably of equal benefit to employers. □

■ Notes

1 Independent business people have their own motivations and working conditions; their situation will be the subject of a separate study (Pérusse, forthcoming).

2 St-Onge and Lagassé (1995b) present several definitions of working at home.

3 Usual paid overtime was included in 1995 (see *Data sources and definitions*). However, the number of usual paid overtime hours is small compared with total hours. An employee who works 40 hours per week at an employer's premises and who declares 10 overtime hours at home would work at home 20% of the time. Therefore, the new, more inclusive, definition increases the number of workers who report only a small proportion of hours worked at home. The change in the question had little effect on the number of employees who carried out at least half of their work hours at home. In 1995,

206,000 employees worked at home most of the time. This represented an increase of 59,000 workers since 1991.

4 The U.S. Bureau of Labor Statistics conducted three surveys, in May 1985, May 1991 and May 1997. The 1991 and 1997 definitions of working at home are generally comparable, and similar to that of the 1995 SWA (Deming, 1994 and U.S. Bureau of Labor Statistics, 1998).

5 Data from the 1996 Census are not directly comparable with those from previous years.

6 Only the finance, insurance and real estate industry, which experienced profound structural changes in this period, showed a slight decrease.

7 St-Onge and Lagassé (1995b) review the main North American studies on this topic, while Codère (1995) explains the advantages and disadvantages in detail.

8 In a private survey conducted among large and medium-sized Canadian companies (KPMG, 1997), three-quarters of employers disliked the lack of personal contact with employees, and close to half mentioned the lack of direct control. In fact, remote supervision of employees

involves a complete redefinition of this concept, since the number of hours spent performing a task is often a criterion for evaluating quality of work.

9 Unions have sometimes argued that workload might increase for those who work at home – who often put in long hours to achieve fixed performance objectives – and for other workers who are expected to put in the same effort.

10 White-collar workers include managers, professionals, and clerical, sales and service workers.

11 Most physicians are self-employed.

12 On the other hand (but to a lesser extent), they were also more likely to be women, non-unionized and employed by small businesses, factors that account for a lower rate of benefit coverage.

13 Data standardization is a statistical technique that makes it possible to assess observed differences in a particular characteristic between one group and another, assuming that these two groups are identical in some respect. In the case of paid work at home, it is of interest to know whether merely working at home is associated with pay that differs from that obtained from working at an employer's premises. To eliminate the effect of age, sex and occupation on workers' wages, respondents are categorized as home worker/non-home-worker in such a way that each combination of variables is represented in the same proportion as it is in the overall group of workers.

14 Standardization of results cannot control for all differences between two populations for two reasons. First, there is variation within groups for which controls have been implemented (for example, university professors compared with elementary school teachers); second, only some factors have been controlled for (age, but not experience, for example). In this article, pay and employment benefits have been studied in two ways: by controlling for 36 age/sex/occupation groups (3 age groups, 6 occupation groups), and by controlling for 48 age/sex/industry groups (3 age groups, 8 industry groups). The number of SWA respondents is not sufficient to support controlling results for a larger number of groups. Therefore, it is possible that the remaining wage advantage for these workers is related to factors other than merely working at home.

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Moonlighting: A growing way of life

Deborah Sussman

Moonlighting is becoming a way of life for an increasing number of Canadian workers. In the last 20 years, the number of multiple jobholders or moonlighters has more than tripled, far surpassing the 40% growth in employment in general over the same period. Except for a brief stall between 1993 and 1995, the number of moonlighters, at least among women, has continued to grow.¹

The reasons for holding more than one job vary. Some workers may wish to provide security against income fluctuations from self-employment or potential job loss. Companies are increasingly hiring and shedding workers as demand for their goods and services fluctuates.² In response, more people are arming themselves with several jobs in the event that one disappears. Others may need to supplement income from their main job. And others, particularly students and young people, whose skills may be limited, may wish to broaden their work experience. Moonlighters may also take on extra jobs for other non-financial reasons, such as personal interest.

This article compares today's moonlighters with those of 10 and 20 years ago. Where differences exist, it examines some underlying reasons for these shifts. Finally, it offers the U.S. experience as a basis for comparison (see *Data sources and definitions*).

Moonlighters more likely to be women

In 1997, about 723,000 workers, or just over 5% of the employed, held more than one job. The proportion of

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Data sources and definitions

The main source of data for this article is the Labour Force Survey (LFS), a monthly survey involving about 55,000 households across Canada. According to the LFS, any person (including the self-employed) who holds two or more jobs, or owns and operates two or more businesses simultaneously, is a multiple jobholder. The main job or business is the one involving the greatest number of usual hours during the survey reference week. Information on full- or part-time status, industry, occupation and wage refers to the main job.

Data on industry of second job, work schedules, non-standard work arrangements, non-wage benefits, job permanency, union coverage and reasons for moonlighting are from the 1995 Survey of Work Arrangements (SWA), a supplement to the November 1995

LFS. The 1995 SWA also collected data on workplace size and wages and salaries (for more information, see Statistics Canada, 1998).

Data on work patterns of second jobs are from the 1991 Survey of Work Arrangements, a supplement to the November 1991 LFS. The 1991 SWA also collected data on the industrial distribution of second jobs, reasons for moonlighting, work schedules, non-standard work arrangements and union coverage. Questions on moonlighting were asked only of multiple jobholders who were paid workers in the main job.

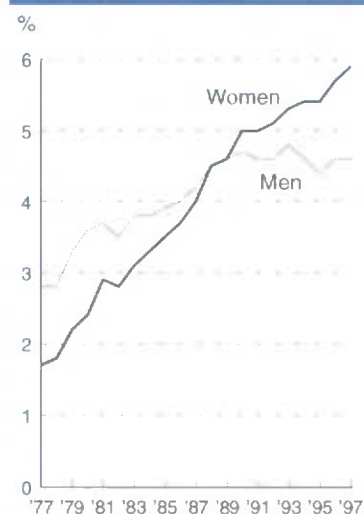
U.S. data are from their Current Population Survey (CPS), which is generally comparable with the LFS. The minimum age for the CPS is 16, compared with 15 for the LFS.

moonlighters has increased more or less steadily since 1977, when the rate³ was only 2%. In addition, the sex distribution has changed dramatically over the period (Chart A). In 1977, three-quarters of moonlighters were men, whereas by the early 1990s, roughly half were women. By 1997, women slightly outnumbered men as moonlighters, despite making up just 45% of the employed. This is reflected in their higher moonlighting rate (6%, compared with 5% for men).

Education and age make a difference

Moonlighting continues to be more prevalent among those with at least some postsecondary education than among those with a high school diploma or less (6% versus 4% in 1997). Some 22% of moonlighters held a university degree in 1997, compared with only 19% of single jobholders.

Chart A
Multiple jobholding is now more prevalent among women.



Source: Labour Force Survey

This pattern was more apparent among women, reflecting the high rates of moonlighting in health and social services and in educational service industries, which usually require some postsecondary training and in which many women are employed.

Young adults (aged 20 to 24), many of whom have had particular difficulty securing full-time employment, had the highest rate of moonlighting in 1997 (7%). This rate has grown steadily since 1977 (Table 1). The moonlighting rate for students in this age group was somewhat higher (8%). This may be related to the growing financial burden of postsecondary education. Teenagers (those aged 15 to 19) had the second-highest rate (6%). Among them, non-students were much more likely to moonlight than students (8% versus 4%). These non-students, with a high school

education or less, may face serious obstacles in finding full-time work with satisfactory wages. Because the number of teenaged moonlighters has doubled since 1977, while the number of working teens has fallen by more than 25%, the moonlighting rate for this age group has almost tripled over the last two decades.

Where are moonlighters found?

In 1977, the occupation⁴ with the highest moonlighting rate was farming;⁵ by 1997, medicine and health, and social sciences had the highest incidence of moonlighting (Table 2). Specifically, the number of moonlighters whose main job was in medicine and health increased more than sevenfold over the period, while the number of moonlighters in social science occupations rose sixfold.

Medicine and health jobs are characterized by high rates of part-time employment (28%), and by schedules that may more readily lend themselves to multiple jobholding. Other occupations with high rates of part-time work (notably, service; artistic, literary and recreational; and sales) were also associated with above-average rates of moonlighting in 1997.

The industrial pattern mirrored the occupational one: the highest rates in 1997 were in health and social services (8%), education (7%) and primary industries (7%) (Table 3). With respect to the second job, according to the Survey of Work Arrangements, in November 1991 moonlighters were most likely to hold their second job⁶ in retail trade (17%), health and social services (including religion) (16%), educational services (15%), or accommodation, food and beverage services (12%).

Moonlighters whose main job was in educational services, health and social services, or retail trade were the most likely to hold their second job in the same industry as their first. By contrast, those whose main job was in manufacturing seldom held their second job in that industry (Cohen, 1994).

More jobs lead to longer hours

It has been suggested that people who work part time use multiple jobholding as a means to increase their hours. In 1977, only 20% of moonlighters worked part time in their main job, whereas by 1997, 35% did so. In addition, the moonlighting rate among part-timers (10%) was more than twice as high as that of full-time workers (4%). This pattern was more pronounced among women. Involuntary part-timers⁷ were even more likely to moonlight (12%), indicating that the inability to find full-time work may be an important motivation to hold more than one job.

Table 1
Multiple jobholders by age and sex

	Multiple jobholders			Multiple jobholding rate		
	1977	1987	1997	1977	1987	1997
	'000			%		
Both sexes	240	510	723	2.4	4.1	5.2
15-19	21	40	42	2.1	4.4	5.8
20-24	31	77	92	2.0	4.7	7.1
25-44	126	285	414	2.7	4.3	5.4
45-64	59	103	170	2.2	3.4	4.1
65+	3	5	5	1.7	2.8	2.2
Men	175	297	355	2.8	4.2	4.6
15-19	12	21	19	2.3	4.5	5.2
20-24	19	41	38	2.2	4.7	5.5
25-44	95	163	203	3.2	4.3	5.0
45-64	47	67	91	2.6	3.7	3.9
65+	2	4	3	1.7	3.2	2.3
Women	65	213	368	1.7	4.0	5.9
15-19	9	19	23	2.0	4.3	6.5
20-24	12	36	55	1.8	4.6	8.8
25-44	31	121	211	1.9	4.2	6.0
45-64	12	36	79	1.4	3.1	4.5
65+	--	--	--	--	--	--

Source: Labour Force Survey

Table 2
Multiple jobholders by occupation

	Multiple jobholders			Multiple jobholding rate		
	1977	1987	1997	1977	1987	1997
	'000			%		
All occupations	240	510	723	2.4	4.1	5.2
Managerial/administrative	16	58	81	2.3	3.9	4.2
Natural sciences	7	16	22	2.0	3.7	3.5
Social sciences	4	10	25	3.0	4.8	8.0
Religion	--	3	2	--	8.4	5.3
Teaching	19	34	52	4.0	6.4	7.8
Medicine and health	9	32	64	2.0	5.1	8.5
Artistic, literary and recreational	6	17	26	4.5	7.1	7.9
Clerical	34	75	94	1.9	3.6	4.9
Sales	24	48	79	2.2	4.1	5.6
Service	30	79	118	2.4	4.8	6.3
Primary	2	4	5	1.6	3.0	3.5
Farming	26	33	35	5.1	6.8	7.8
Processing	8	9	12	2.0	2.5	3.4
Machining	4	8	6	1.7	3.0	2.4
Fabricating, assembling and repairing	18	26	35	2.0	2.6	3.1
Construction	14	22	24	2.1	3.1	3.4
Transport equipment operating	12	19	24	2.9	4.1	4.5
Material handling	5	9	12	2.1	3.0	3.7
Other crafts	3	6	7	2.3	3.8	4.2

Source: Labour Force Survey

Table 3
Multiple jobholders by industry

	Multiple jobholders			Multiple jobholding rate		
	1977	1987	1997	1977	1987	1997
	'000			%		
All industries	240	510	723	2.4	4.1	5.2
Primary	26	36	38	4.6	6.1	7.0
Manufacturing	38	55	61	1.9	2.6	2.8
Construction	13	22	27	1.9	3.2	3.6
Transportation and storage	12	19	25	2.4	3.7	4.2
Communication	5	11	15	2.2	3.8	4.6
Utilities	2	4	6	2.0	3.3	4.3
Trade	36	83	123	2.1	3.8	5.1
Wholesale	12	23	30	2.4	4.1	4.5
Retail	24	60	93	1.9	3.7	5.4
Finance, insurance and real estate	10	26	30	1.8	3.5	3.7
Business services	7	30	46	2.1	4.9	4.6
Government services	22	37	38	3.0	4.3	4.8
Educational services	27	48	70	3.7	5.8	7.3
Health and social services	16	59	117	2.0	5.0	8.2
Accommodation, food and beverage services	10	33	57	2.2	4.5	6.3
Other services	14	40	66	2.8	5.3	6.5

Source: Labour Force Survey

A related issue is the number of usual hours worked, which has fallen for both moonlighters and single jobholders since 1977.⁸ By 1997, moonlighters usually worked an average 32.6 hours per week in the main job, and an average 13.9 hours in other jobs. This means that on average, moonlighters usually worked 46.5 hours in all jobs. So, although their usual hours in the main job were not much lower than the average 37.0 for single jobholders, moonlighters more than made up for the shortfall by taking on additional jobs.

Moonlighting women worked fewer average usual hours than their male counterparts. In 1997, they averaged 40.3 hours at all jobs, compared with 52.8 for men.

Moonlighting and the family

Does marital status or the presence of children have an effect on the decision to moonlight? One might expect single persons, particularly young people with no family obligations, to be more inclined to moonlight because they have both more time and less work experience than others. Indeed, among moonlighters under the age of 25, the incidence was greater for those without children (8% versus 6%). One might also expect parents with young children to moonlight in order to meet household expenses. This was not the case in 1997, however; people with or without dependent children (under the age of 18) living at home took on extra jobs at roughly the same rate.

Among workers with employed spouses, the incidence of moonlighting was higher for those with self-employed partners (8%) than for those whose spouses were paid workers (5%). Hourly earnings of spouses seemed to make little difference to moonlighting rates. Surprisingly, the workers least likely to moonlight were those with spouses either unemployed or not in the labour force.

Provincial distribution

Moonlighting rates differ greatly across Canada. Variations in the distribution of employment by industry and occupation, as well as in self-employment, part-time and unemployment rates, may all play a role in provincial moonlighting rates.

In 1997, the province with the highest rate was Saskatchewan (10%), followed by Manitoba (8%) and Alberta (7%), all of which have a high agricultural base. Newfoundland had the lowest rate at 3%. Provincial standings have not changed much since 1977, except that moonlighting has grown most in British Columbia over the period, and least in Prince Edward Island (Chart B).

In provinces where even one job can be hard to find, it should not be surprising that second jobs are also scarce. To illustrate, the Atlantic provinces and Quebec, with higher-than-average unemployment rates, have also had lower-than-average moonlighting rates.

Moonlighting has also been associated with part-time work (Cohen, 1994). Of the provinces with high moonlighting rates, all but Alberta exhibited above-average part-time employment rates in 1997. Newfoundland, with the lowest rate of multiple jobholding, had the lowest part-time rate.

Moonlighting and self-employment

The link between multiple jobholding and self-employment has continued to strengthen over the past two decades. In 1977, less than half (42%) of all moonlighters owned and operated a business, farm or professional practice – or helped a family member do so – as their main or secondary job. By 1997, 51% of all moonlighters were doing so.

What is the attraction? Depending on the nature of the primary job, self-employment can offer income stability or act as a bridge between careers. It may also provide a commercial outlet for a hobby or personal interest (Webber, 1989). In 1997, about one in five moonlighters was self-employed in the first job, while about two in five were self-employed in the second (Table 4). The former ratio has remained about the same since 1977; the latter has grown considerably.

How do they do it?

Some workers moonlight simply because their work schedules permit them to do so. The 1995 Survey of Work Arrangements examined the work practices of paid workers in the main job, including whether or not they worked at home. In November 1995, moonlighters were less likely than single jobholders to work Monday to Friday only (49% versus 62%), and more likely to work fewer than five days a week (10% versus 5%) or only

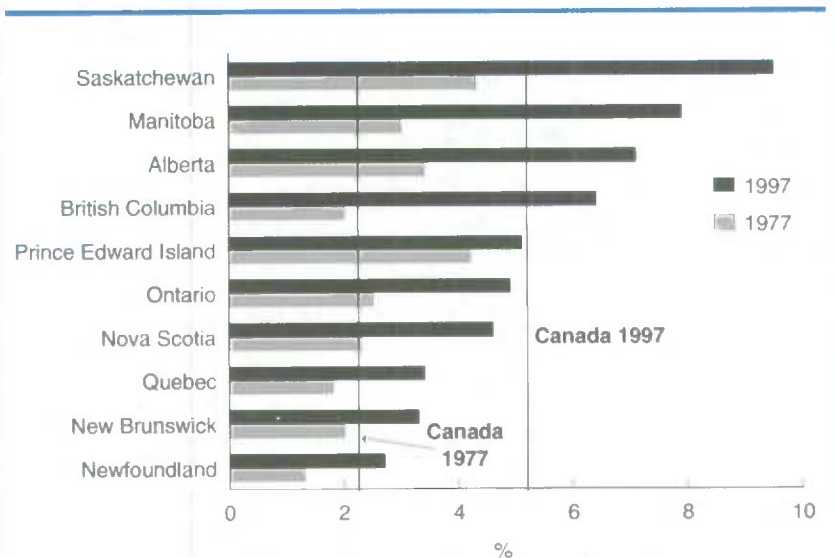
on weekends (14% versus 11%). They were also more likely to have their days vary from week to week (21% versus 19%), to work evening, night or graveyard shifts, or other irregular schedules (28% versus 20%), or to work at home (11% versus 9%). These non-standard work arrangements most likely provide the opportunity for additional jobs, which can be scheduled during days off or around alternate shifts.

The 1991 Survey of Work Arrangements also looked at the work patterns of second jobs. In November 1991, moonlighters generally worked at the second job one or two days a week, often on weekends. Almost half of all moonlighters reported that these days varied from week to week (Siroonian, 1993).

Reasons for moonlighting

Knowing where and how moonlighting occurs still does not entirely explain why an individual might take on a second job. The 1995 Survey of

Chart B
Moonlighting rates have more than doubled in the western provinces.



Source: Labour Force Survey

Table 4
Multiple jobholders by job category, 1997

	Second job		
	All classes	Paid worker	Self-employed *
	'000		
Main job			
Both sexes	723	419	304
Paid worker	574	351	223
Self-employed *	148	68	81
Men	355	170	185
Paid worker	270	137	133
Self-employed *	85	33	52
Women	368	249	120
Paid worker	305	214	91
Self-employed *	63	34	29
	%		
Both sexes	100	58	42
Paid worker	100	61	39
Self-employed *	100	45	55
Men	100	48	52
Paid worker	100	51	49
Self-employed *	100	39	61
Women	100	68	32
Paid worker	100	70	30
Self-employed *	100	54	46

Source: Labour Force Survey

* Includes unpaid family work.

Table 6
Benefits provided with main job

	Multiple jobholders	Single jobholders
	%	
Pension plan	36	52
Supplemental health plan	42	60
Dental plan	43	55
Permanent job	83	89
Union coverage *	30	38

Source: Survey of Work Arrangements, November 1995

* Includes both union members and persons who are not union members, but who are covered by collective agreements.

the main reason, while those aged 45 to 64 were more likely to report "enjoys the work of the second job." Meeting regular household expenses was the reason given most often by those between 25 and 44. This was also a concern among those working part time (less than 30 hours). Those who worked full time were more likely to cite enjoyment of the second job as the main reason for moonlighting.

Lower earnings and fewer job-related benefits

Lower hourly wages are associated with higher moonlighting rates. Specifically, workers who earned less than \$10.00 per hour in the main job had the highest moonlighting rate (6%) in 1997, while those who earned \$20.00 or more per hour had the lowest (4%). A similar pattern emerged with respect to weekly family earnings, lending credence to the idea that moonlighting offers a way of augmenting family income to satisfy financial needs. This concurs with the results from the 1995 SWA, in which more than half of respondents cited financial reasons for moonlighting.

The 1995 Survey of Work Arrangements also asked (paid workers only) about any job-related benefits of the

Work Arrangements asked workers the main reason for holding multiple jobs. The most popular response was "to meet regular household expenses" (28%). However, "enjoys the work of the second job" was the second most common response (20%), suggesting that non-financial considerations are important for some. In fact, almost half of all moonlighters cited non-financial reasons.⁹ This was true for both men and women. Moreover, those who were self-employed in the main job were more likely than paid workers to mention "enjoys the work of the second job" and "other: work-related." Paid workers were more likely to list "to meet regular household expenses" and "other: economic" (Table 5).

Reasons for moonlighting varied by age and hours of work (at the main job) as well. Teenagers were more likely to cite "save for the future" as

Table 5
Reason for holding multiple jobs

	Main job	
	Paid worker	Self-employed *
	%	
Total	100	100
Meet regular household expenses	29	24
Pay off debts	8	7
Buy something special	3	1
Save for the future	9	9
Gain experience	4	2
Build up a business	12	11
Enjoy the work of the second job	18	28
Other: economic	11	6
Other: work-related	7	12

Source: Survey of Work Arrangements, November 1995

* Includes unpaid family work.

Multiple jobholding in the United States¹⁰

The Canadian labour market has behaved quite differently from the American one over the past two decades. For example, growth in employment – particularly full-time employment – has been rapid in the United States, but more gradual in Canada. Unemployment has also been much lower in the United States than in Canada.

How have the multiple jobholding experiences of the two countries differed over the same period? According to the U.S. Current Population Survey, 7.9 million persons, or 6% of all employed workers in the United States, held more than one job in 1997 (Table 1). This rate is higher than Canada's, but the gap has declined over the last 20 years. During the 1970s, the number of American multiple jobholders grew at about the same pace as total employment, keeping the rate around 5% throughout the decade. By contrast, in Canada the number of multiple jobholders grew much faster than total employment over the period, raising the rate to 3% by 1980. Throughout the 1980s, fuelled by the growing availability of jobs as well as workers' desire to meet economic needs, multiple jobholding in the United States rose to unprecedented numbers, with the rate levelling off at the beginning of the 1990s to around 6%. By 1996, the incidence of multiple jobholding was virtually the same for men and women (Stinson, 1997). Multiple jobholding in Canada also accelerated during the 1980s, and it has continued to rise; furthermore, since 1990 the rate for women has been higher than that for men.

In both countries, the growth in multiple jobholding masks important changes in the composition of moonlighters. In the United States, declines among men have been offset by rapid increases among women. On the other hand, moonlighting rates for both sexes have risen in Canada. Among American

Table 1
Multiple jobholding rates by age, sex and marital status, 1997

	United States			Canada		
	Both sexes	Men	Women	Both sexes	Men	Women
	%					
All ages (16+)	6.1	6.1	6.2	4.6	4.0	5.4
16-19	5.0	4.2	5.7	5.8	5.0	6.6
20-24	6.5	5.9	7.3	7.0	5.3	8.8
25-34	6.1	6.2	6.0	5.2	4.7	5.8
35-44	6.6	6.7	6.5	4.6	4.0	5.4
45-54	6.6	6.4	6.8	3.6	3.0	4.2
55-64	5.1	5.3	4.8	2.8	2.8	2.9
65+	3.1	3.3	2.6	1.2	1.3	1.0
Single (never-married)	6.3	5.7	7.1	5.6	4.4	7.1
Married	5.9	6.3	5.4	4.2	3.8	4.7
Other	6.8	6.0	7.4	4.8	3.6	5.6

Sources: Canada, Labour Force Survey; United States, Current Population Survey

Table 2
Multiple jobholders' average usual hours of work, 1997

	All jobs	Main job	Second job
United States			
Both sexes	48.3	35.2	13.1
Men	52.6	38.5	14.0
Women	43.5	31.5	12.0
Canada			
Both sexes	45.6	31.9	13.7
Men	51.6	36.3	15.3
Women	40.2	28.0	12.2

Sources: Canada, Labour Force Survey; United States, Current Population Survey

men, those aged 35 to 44 had the highest multiple jobholding rate in 1997; among Canadian men, 20 to 24 year-olds were the most likely to moonlight. In both the United States and Canada, women between 20 and 24 displayed the highest rates of moonlighting.

Table 3
Multiple jobholding rates by industry, 1997

	United States	Canada
	%	
All industries	6.1	4.6
Primary	4.9	5.2
Manufacturing	4.5	2.6
Construction	4.4	2.6
Transportation and storage	5.3	3.8
Communication	5.0	4.4
Utilities	5.8	4.0
Trade	5.4	4.5
Wholesale	5.3	3.8
Retail	5.4	4.8
Finance, insurance and real estate	5.9	3.1
Business services	5.7	3.4
Government services	8.7	4.8
Educational services	9.6	7.1
Health and social services	8.0	7.8

Sources: Canada, Labour Force Survey; United States, Current Population Survey

Multiple jobholding in the United States¹⁰ (concluded)

In the United States, married men were more likely to hold more than one job, while in Canada, single men were more likely to do so. In both countries, women without a spouse were more likely to moonlight than were married women.

American moonlighters worked longer hours than their Canadian counterparts. But the difference was attributable to longer hours at their main job (Table 2).

The highest rates of multiple jobholding in the United States were for workers whose main job was in educational services, government services or health and social services. In Canada, this was true of those working in health and social services, education, or the primary industries (Table 3).

In both the United States and Canada, teachers in colleges and universities, as well as those in elementary and secondary schools, and workers employed in health assessment and treating occupations, reported high rates of moonlighting. Workers in protective service occupations in the United States (police officers and firefighters) also had a high incidence of multiple jobholding. In Canada, this held true for firefighters, but not for police officers (Table 4).

Table 4
Multiple jobholding by
occupation and education,
1995

	United States	Canada
	%	
Total	6.3	4.4
Occupation		
College faculty	14.1	8.7
Elementary and secondary school teachers	10.7	5.9
Registered nurses	9.6	7.6
Firefighters	28.1	11.0
Police officers	10.8	2.9
Education		
Secondary or less	4.6	3.3
Some postsecondary	7.4	5.6
Postsecondary certificate or diploma	7.6	4.9
University degree	8.2	5.2

Sources: Canada, Labour Force
Survey; United States,
Current Population Survey

main job (Table 6). Multiple jobholders were less likely than single jobholders to have a pension plan (36% versus 52%), a health plan (42% versus 60%) or a dental plan (43% versus 55%). They were also less likely to have union coverage (30% versus 38%) or to be in a permanent job (83% versus 89%). Some of the difference can be explained by the higher proportion of part-time workers among moonlighters, as part-time work is often associated with lower benefits. However, even after adjusting for this, moonlighters were still less likely to have job-related benefits in their main job. What is not known, however, is whether the second job provided any of the benefits lacking in the primary

job. If not, it may have provided them with the additional income needed to purchase some of these benefits privately.

Conclusion

Moonlighting has grown considerably over the past two decades, at least among women. Just over 5% of Canadian workers held more than one job in 1997, up from 2% two decades ago. People of various ages, occupations and work arrangements are drawn to moonlighting for a number of financial and non-financial reasons. Whether to supplement their income or to broaden their work experience, these workers have adopted a practice that seems unlikely to diminish in the future. □

Notes

1 The subject of moonlighting has been covered in previous *Perspectives* articles. See Webber (1989), Cohen (1994) and Pold (1995).

2 A recent study on changes in job tenure and job stability found an increase in the proportion of short-term jobs (six months or less) and a decrease in the proportion of medium-term jobs (between six months and five years) created over the period studied (1981 to 1994). The proportion of long-term jobs had not changed, suggesting that firms may increasingly be using a core of full-time skilled employees and hiring contingent workers when the demand arises (Heisz 1996). Osberg, Wien and Grude (1995) also found evidence of a growing use of permanent employees supplemented by short-term workers when required.

3 The rate or incidence of multiple jobholding refers to the number of multiple jobholders in any group as a percentage of all workers in that group.

4 Occupation and industry refer to the main job.

5 This reflects the "off-farm work" phenomenon, which has been well documented in studies such as Bollman and Smith (1988).

6 The 1991 Survey of Work Arrangements sought information on the industry of a worker's second job. (For details about the survey, see *Data sources and definitions*.) The Survey of Labour and Income Dynamics (SLID) provides information on industry for all jobs held. Its latest available data are for 1994. Data for 1995 and 1996 will be released in 1998.

7 Involuntary part-timers would rather work full time but are unable to find full-time employment.

8 This is largely a function of the change in the mix of full- and part-time workers for both groups. In both cases, the proportion of full-time workers has fallen over the period, particularly for moonlighters.

9 The SWA provided a choice of four non-financial reasons: gain experience, build up business, enjoys the work of the second job, and other: work-related. It listed the following possibilities for financial reasons: meet regular household expenses, pay off debts, buy something special, save for the future, and other: economic.

10 The U.S. definition of multiple jobholding differs from the Canadian one. Persons with two self-employed jobs, or who were self-employed or unpaid family workers in the primary job and held a secondary job as an unpaid family worker, are excluded from the U.S. count. Such individuals are included in the Canadian one. For this section only, the Canadian data have been adjusted to reflect the American definition of moonlighting.

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Income after separation – people without children

Diane Galarneau

This article complements a study published last year that described the sharp decline in the economic well-being of women in the year following a marital breakup (Galarneau and Sturrock, 1997). Using the same methodology, this paper examines the situation of previously married persons who separated between 1987 and 1993. Unlike the earlier study, which addressed only people with children at the time of separation, it focuses on the situation of those with no children at that time.¹

This article examines changes in family composition and after-tax family income. It also compares sources of income before and after separation.²

Separated persons and their families

The sample for this study is divided into two groups. The first, older, consists of persons who may have had children before the breakup, but who separated after they had left home. The second, younger, group consists of persons who probably never had children (see *Data source*).

Persons who were childless at separation tended to be older than their counterparts with children. Some 41% of men and 31% of women were at least 50 years of age at the time of the breakup, true of only 7% and 3%, respectively, of men and women with children.

Even if no children were present at separation, a small proportion of separated persons had children living with them in the following year (T_{+1}). In some cases, children had probably

Data source

This article is based on the Small Area and Administrative Data Division's (SAADD) Longitudinal Administrative Databank (LAD). (For more information see Statistics Canada, 1997). At the time of writing, this databank covered a 14-year period from 1982 to 1995. It is derived from SAADD's T1 file of families created from Revenue Canada income tax returns. The LAD represents a random sample of 10% of all taxfilers and their dependants who have social insurance numbers (SINs). This is a new version of the LAD, which formerly covered only 1% of taxfilers and persons with SINs. The database is "longitudinal," meaning once individuals are selected for inclusion they remain in the file year after year. Some selected individuals may be missed in certain years because they did not file a tax return, or did so after the deadline. In 1993, the non-weighted LAD contained information on 2,083,590 individuals; when weighted, it covered over 96% of the population (according to post-censal estimates).

returned home; in others, the person separated just before having a child or formed another couple with someone who already had children.

The proportions of separated men and women with children at home one year after the breakup were similar (8% and 11%, respectively) (Table 1), increasing over time (rising to 20% and 22% five years after separation).

One year after breaking up, the majority of separated men and women were unattached (59% in both cases). This figure decreased over time but remained high. Nevertheless, a sizeable proportion of separated persons formed new unions: 37% of men and 29% of women were again in a relationship one year after separation, with proportions rising over time.³

Adjusted family income

This study looks only at the *income* of separated persons, not at their assets and debts. Therefore, post-separation income cannot be used as a measure of standard of living. Persons aged 50 and over usually have more assets than younger persons (a family home, often mortgage-free; larger retirement funds, and so on). Both federal and provincial family legislation require that such assets be shared by the spouses after a breakup. Taking assets and debts into account could have changed some conclusions reached here.

Change in income is based on the after-tax income of all members of the family, in constant 1993 dollars, adjusted for the number of family members (adjusted family income [AFI]). The change in AFI is measured at different points in time (T_0 , T_{+1} ... T_{+5}) against the AFI for the year preceding separation (T_{-1}). Where necessary, support payments were subtracted from the payer's income.

In general, the post-breakup situation of persons in this study, who were childless at separation, is similar to that of persons who formed the study group in the previous paper, and who did have children. Women experienced a median loss⁴ of AFI, whereas men registered a gain. However, the size of loss or gain was relatively smaller when no children were involved. Thus, the disparity between men's and women's AFI is less pronounced here than in the earlier study.

One year after separation, "childless" women experienced a median loss of 16%⁵ in their adjusted family income (compared with a loss of 23% for those who had children at the time of separation). This loss decreased over time, so that by the fifth year (T_{+5})

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Table 1
Family composition after separation, spouses without children * at home at the time of the breakup

	T ₀	T ₊₁	T ₊₂	T ₊₃	T ₊₄	T ₊₅
	'000					
Separated men						
Sample size	279	210	165	130	99	63
	%					
Couples	17	37	43	49	54	58
Lone parents	7**	5	4	3	3	2
Unattached individuals	76	59	53	48	43	40
Proportion of men living with children under 18	5	8	12	15	18	20
	'000					
Separated women						
Sample size	251	199	162	128	97	62
	%					
Couples	12	29	37	41	46	50
Lone parents	14**	12	11	10	9	9
Unattached individuals	74	59	53	49	45	42
Proportion of women living with children under 18	7	11	14	16	19	22

Source: Longitudinal Administrative Databank, 1986 to 1993

* In this study, the upper age limit for a child is 18.

** There are more lone parents than persons with children under 18 years of age because some lone parents may have children only over 18.

their income was only 5% lower than that prior to separation (Table 2). Men realized a small median gain in adjusted family income (2% in the year following separation), a gain that was maintained throughout the observation period. (Men *with* children at separation realized gains of 10% in the year following the breakup.) These observations show the importance of taking into account the number of family members when evaluating the effect of separation on income.⁶

The situation of women who became part of another couple was similar to that of men who did so. But while both sexes subsequently enjoyed a gain in median income, women fared better than men. Persons who lived alone following a separation experienced a median loss of income, although men's was rela-

tively low (-2%, compared with women's -27% in the year following the breakup). This gap remained sizeable throughout the observation period.

Men who became heads of lone-parent families realized a median gain of 2% in the year following the breakup, which was maintained during subsequent years. By contrast, women in the same situation experienced a median loss of 16%, which increased to 19% five years after separation.

Income distribution

One year after separation, while the median change in AFI was positive for men as a group, the gain applied to only 51% of them. This proportion remained stable during the observation period. In other words, nearly half experienced a loss in AFI.

Also, while women as a group experienced a median loss in AFI, 39% actually made gains, a proportion that increased to 47% five years after the breakup.

These figures vary according to family type. Persons who became part of a new couple after a breakup – both men and women – realized gains more often than those who remained unattached. For example, five years after separation, 53% of men in a relationship experienced gains, compared with 49% of unattached men. Among women, 56% of those who were once again part of a couple experienced gains in AFI, compared with only 38% of unattached women.

The proportion of men who experienced losses in AFI was lower than that of women (49%, compared with 61%). Furthermore, the monetary loss for women was greater (from \$1,000 to \$3,300) than the gain for men (from \$100 to \$400).

Income levels

In the year prior to separation, the median adjusted family income (in 1993 dollars) was \$22,500 for men and \$22,600 for women (Table 3).⁷ One year after separation, women's AFI was 82% of men's, but later rose to 94% (T₊₅), indicating that women's financial situations improved over time. However, these ratios vary according to family type. Women who again became part of a couple experienced more favourable conditions; indeed, their AFI was often higher than that of men in the same situation. Unattached women's income was 76% of unattached men's in the first year after separation, rising to 91% in the fifth year. Lone mothers had only 67% of lone fathers' income in T₊₁, a situation that prevailed five years after the breakup. However, throughout the study period, the proportion of separated women who were lone parents remained fairly low, in fact dropping from 12% to 9%.

Table 2
Median change in AFI after separation

	T ₀	T ₊₁	T ₊₂	T ₊₃	T ₊₄	T ₊₅
	%					
Men	3	2	1	2	2	2
Couples	19	6	4	3	3	3
Lone parents	3	2	4	4	5	2
Unattached individuals	-2	-2	-3	-2	-2	-1
Median change (\$)	500	300	100	200	300	400
Women	-27	-16	-12	-9	-7	-5
Couples	12	6	6	8	8	8
Lone parents	-24	-16	-17	-18	-13	-19
Unattached individuals	-32	-27	-25	-24	-21	-18
Median change (\$)	-6,000	-3,300	-2,500	-2,000	-1,400	-1,000
Persons who experienced a gain in AFI	%					
Men	52	51	51	51	51	51
Couples	67	57	54	53	53	53
Lone parents	55	53	53	53	54	50
Unattached individuals	48	48	47	48	48	49
Women	32	39	42	44	45	47
Couples	60	57	56	57	56	56
Lone parents	34	39	39	39	42	39
Unattached individuals	28	30	32	33	36	38

Source: Longitudinal Administrative Databank, 1986 to 1993

Some people may have withdrawn from the labour market after the breakup; they either stopped working or cut back their hours of work.⁹ This may have been a personal choice (the decision to retire) or the result of difficult economic conditions (a cut in hours of work because of an economic downturn). This reduction in earnings was partly offset by income from other sources and, to a lesser extent, by social assistance. Without more information it is hard to attribute the change solely to the event of separation. Moreover, since more than a third of separated persons were aged 50 or over, some may have decided to retire.

Payers and recipients

Before separation, 4% of men were already making support payments¹⁰ (to a former partner); five years after the breakup the proportion of payers was 10%. Only 1% of separated women received such payments prior to separation; at the end of the study period, 5% did.

Income sources

Post-separation sources of *individual* income⁸ were similar for men and women. After the breakup, the proportion of individuals with employment income dropped and that of recipients of social assistance and other income (pensions, investment income, dividends and various tax credits) rose (Table 4).

The proportion of total income from each source before and after separation, however, varied to a lesser extent. In fact, only employment income dropped, offset in part by the increase in income from other sources. Social assistance and support payments still represented only a small part of the income of separated persons.

Table 3
Median AFI, after tax and after subtraction of support payments

	T ₋₁	T ₀	T ₊₁	T ₊₅
	1993 \$			
Separated men	22,500	22,700	23,000	23,300
Couples	22,500	24,900	24,100	25,000
Lone parents	...	24,600	24,000	21,500
Unattached individuals	...	21,900	22,300	20,200
Separated women	22,600	16,500	18,800	21,900
Couples	22,600	24,700	25,200	26,600
Lone parents	...	15,700	16,000	14,500
Unattached individuals	...	15,400	16,900	18,300
Male-female ratio of AFI	1.00	0.73	0.82	0.94
Couples	1.00	0.99	1.05	1.06
Lone parents	...	0.64	0.67	0.67
Unattached individuals	...	0.70	0.76	0.91

Source: Longitudinal Administrative Databank, 1986 to 1993

One year after separation, 13% of men paid support and 7% of women received support. These proportions subsequently fell off slightly, reaching 10% and 5%, respectively, five years after the breakup.

In the case of couples with no children at separation, women were unlikely to receive support payments; this explains why the proportions of payers and recipients are so low. For couples with children at the time, 35% of women said they received support and 44% of men reported paying it. The *Divorce Act, 1985* tends to encourage the economic independence of the ex-spouses after their breakup; hence, the economic bond is often maintained only when there are children involved.

Family situation

A smaller proportion of payers and recipients formed new couples than was the case with separated persons generally (Table 5). The difference was especially marked for women: five years after separation, only 14% of support recipients had become part of a new couple, compared with 50% of separated women in general. For men, the gap was somewhat smaller: 45% of payers were part of a couple five years after separation, compared with 58% of separated men overall. The earlier study showed that payers and recipients with children at separation were similarly hesitant to form a new union.

A larger proportion of recipients than payers had children living with them five years after separation (43% versus 16%). Almost all of the remaining men were unattached, while women tended to fall into two categories: unattached individuals (46%) and lone parents (39%).

Payers are better off

Overall, support payers appeared to fare better than the majority of separated men. They generally realized

Table 4
Income sources of separated men and women, as well as tax and support payments

	T ₋₁	T ₀	T ₊₁	T ₊₅
	%			
Separated men as % of all men with income				
Employment	81	79	78	75
Employment Insurance	19	19	19	18
Support	-	-	-	-
Social assistance *	10	13	14	19
Other **	73	82	83	82
As % of all men paying ...				
Tax	82	82	83	83
Support	4	11	13	10
Separated women as % of all women with income				
Employment	82	78	77	73
Employment Insurance	19	20	21	20
Support	1	6	8	5
Social assistance *	6	14	16	17
Other **	68	87	89	88
As % of all women paying ...				
Tax	76	74	76	75
All separated men				
	100	100	100	100
Employment	79	78	77	75
Employment Insurance	3	3	3	3
Support	-	-	-	-
Social assistance *	1	2	2	3
Other **	16	17	18	19
Tax paid	22	22	23	22
Support paid	1	2	3	2
All separated women				
	100	100	100	100
Employment	83	78	76	74
Employment Insurance	3	4	4	4
Support	--	2	3	1
Social assistance *	2	3	4	4
Other **	12	14	14	17
Tax paid	17	18	18	18

Source: Longitudinal Administrative Databank, 1986 to 1993

* Social assistance includes non-taxable income, such as Workers' Compensation, the federal supplement and social assistance.

** Other income consists of C/QPP benefits, investment income and dividends, limited partnership income, other income, pension and RRSP income, Child Tax Benefits, GST credit, provincial tax credit and rental income.

Table 5
**Change in family composition and percentage change in AFI
 after separation, for payers and recipients ***

	T ₀	T ₊₁	T ₊₂	T ₊₃	T ₊₄	T ₊₅
	%					
Family composition						
Payers (men)	100	100	100	100	100	100
Couples	11	25	33	38	40	45
Lone parents	8	6	6	5	4	3
Unattached individuals	81	69	61	58	56	52
Recipients (women)	100	100	100	100	100	100
Couples	4	10	13	15	17	14
Lone parents	31	32	33	31	31	39
Unattached individuals	64	58	54	55	52	46
Percentage change in AFI						
Payers (men)	11	8	7	8	5	10
Couples	12	11	11	13	10	12
Lone parents	2	-3	3	-4	3	--
Unattached individuals	13	8	5	6	4	10
Median change (\$)	2,600	2,100	1,800	1,900	1,500	2,300
Recipients (women)	-51	-39	-34	-34	-30	-32
Couples	-17	11	3	19	-2	5
Lone parents	-32	-27	-27	-27	-25	-30
Unattached individuals	-58	-46	-43	-45	-43	-45
Median change (\$)	-13,800	-10,100	-9,600	-9,500	-8,600	-7,600
Source: Longitudinal Administrative Databank, 1986 to 1993						
* In this article, all payers are men, and all recipients, women.						

Source: Longitudinal Administrative Databank, 1986 to 1993

* In this article, all payers are men, and all recipients, women.

gains in AFI, ranging between 5% and 10% over the observation period (compared with changes between 1% and 2% for non-payers).

This was also true for men who had been in families with children (Galameau and Sturrock, 1997).¹¹ Generally, payers had a higher AFI than non-payers. In this study, one year after separation payers' median AFI was \$28,500, compared with \$22,100 for non-payers; five years after separation, the corresponding income levels were \$27,000 and \$22,800, respectively.

Support recipients experienced a median loss much greater than that

of separated women generally (39% versus 16% in T₊₁). They subsequently recovered part of this, but still faced a 32% reduction in AFI (Table 5). In general, recipients had a lower median AFI than non-recipients, even though they were receiving support payments.

Unattached women experienced the largest losses, followed by women heading lone-parent families. Because so many support recipients fell into these categories, their median losses were greater than those of separated women in general (most of whom became part of a new couple).

These observations tend to confirm the conclusions of MacDonald (1989) and Rogerson (1990), who found that the divorce legislation's encouragement of economic independence of former spouses affects two specific groups: women in their thirties and forties who are left with custody of children following a divorce, and older women who generally did not participate in the labour force during their marriage.

Conclusion

This article deals with the financial situation of separated persons who had no children at the time of marital breakup. It complements a previously published study on the situation of separated persons who did have children. A number of differences between the subjects in the two studies are noted. These differences may be explained primarily by age.

Generally, separated persons with no children at the time of marital breakup were older than those with children. Women were more likely to remain unattached over the five-year study period when they had no children at the time of separation. As a consequence, their adjusted family income decreased less, and the contrast with men's AFI was less obvious. Also, with no children living at home at the time of the breakup, fewer men were payers and fewer women, recipients of support than had been the case in the earlier study. These factors help to explain why differences between the sexes were less marked in the current study.

Unlike separated spouses who had children at the time of the breakup, those who were childless experienced a greater change in their income sources following separation. This was especially true in the case of employment income, which tended to decrease after separation, for both men and women. By contrast, income from other sources tended to increase.

□

■ Notes

1 In this article, only children under 18 are considered.

2 The data source makes no distinction between divorces and separations. Thus, the term "separation" includes both separations and divorces, and the term "separated persons" also includes persons who are divorced.

The term "married" is used here for simplicity. In fact, some people living common law are counted as married (see *Data source* in Galarneau and Sturrock, 1997).

3 The earlier study noted an equally strong propensity of separated individuals to become part of another couple. When this did not occur, women were in most cases heads of lone-parent families and remained so throughout the observation period, while men tended to live alone.

4 This article looks at median changes only, and not mean changes. The median is more appropriate for measuring income, because it is not excessively influenced by extreme values. The median separates the universe into two equal parts: 50% of individuals are below the median and 50% are above.

5 In the year in which separation occurred, their loss in adjusted family income was actually 27%. However, this figure must be used with caution, given the many changes in living arrangements taking place that year.

6 To adjust family income, an equivalence scale based on low income measures (LIMs) is used. This scale is made up of

"equivalence factors" that give an approximation of the extra expense represented by each additional household member. The more household members, the greater the equivalence factor. In the case of a couple with children at the time of the breakup, the woman frequently has custody of the children, while the man often lives alone. The woman's family income (which generally consists solely of her personal income, often lower than the man's) is then divided by the equivalence factor. The latter has a value of 1.4 for a woman and one child, 1.7 for a woman and two children, and so on. The man's family income (which generally consists solely of his personal income) is also divided by the equivalence factor, but the latter often has a value of only 1, since proportionally more men live alone in the year after separation. This explains why the difference in AFI between men and women with children at separation is more pronounced. In the present case, there are few children, so the gap in AFI tends to represent the income differential between men and women, which is brought out when a couple separates.

7 It is normal to observe a slight difference here, since this is not the family income of men and women who came from the same households. In other words, the sample is not made up of former spouses of the same union, but of unrelated men and women who happened to separate from their spouses at a given point in time.

8 These are sources of personal income, as opposed to family income.

9 The LAD sheds little light on the motivations behind people's decision to reduce their hours of work.

10 Women are excluded from the support payers' category, while men are excluded from the support recipients' group. These exclusions were necessary because of the small number of records in each of these categories. In addition, tax data do not distinguish between support paid for children and support for the ex-spouse. Support payments for the ex-spouse and for children are therefore combined.

11 Given the family income adjustment, the presence of children tends to decrease the man's family income. When the man lived alone after separation, his salary was no longer adjusted for the presence of children, and hence was maintained at a higher level than in his pre-breakup situation. However, this adjustment was necessary to reflect the effect of children on the family income level of both men and women.

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The RRSP Home Buyers' Plan

Hubert Frenken

Since the Home Buyers' Plan (HBP) was implemented in February 1992, more than 650,000 Canadians have withdrawn \$6.2 billion from their registered retirement savings plans (RRSPs) to finance the purchase or construction of a home (Table 1). Under this plan, first-time home buyers are permitted to withdraw up to \$20,000 from their RRSPs without incurring the tax charges normally associated with such withdrawals. Amounts withdrawn must be fully repaid to the home buyers' RRSPs in equal, annual instalments within 15 years (see *HBP repayments*).

The first HBP instalments were due before March 1, 1996 and had to be reported on 1995 tax returns. Using tax data, this article presents information on the extent of the repayments and the degree of success HBP participants had in meeting their obligations that year. The data also permit first-time analysis of the characteristics of the participants. (Although preliminary 1996 information was available at the time of analysis, the most recent detailed data for study were for 1995.)

Effects of the plan

It is not possible to determine precisely the proportion of Canadians with RRSPs who have participated in the HBP, since it is not known how many Canadians have accumulated RRSP savings; however, considering the large number of annual contributors, the proportion appears to be small. For example, 6 million persons reported RRSP contributions on their 1996 tax returns. The 119,000 people who took advantage of the HBP that year represented just 2% of contributors.²

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HBP repayments

Withdrawals under the HBP program are still considered part of the participant's RRSP assets, but are temporarily redirected from traditional investments to a stake in the individual's home. Unlike regular withdrawals, which incur withholding taxes at the time of removal and possible additional charges when the annual tax return is filed, these withdrawals are not taxed. Neither are they reported on the annual return. However, the funds must be used to buy or build a qualifying home within a specified period of time, and repayments in annual instalments must be made over a 15-year period. Each year, Revenue Canada advises the par-

ticipant of this requirement. Missed or insufficient payments are treated as regular cash withdrawals and taxed accordingly.

For example, someone who withdrew \$15,000 in 1992 is required to repay \$1,000 to an RRSP annually from 1995 to 2009. Failure to make this payment means that \$1,000 of RRSP income will be added to the filer's tax return for the year in which payment is missed. A defaulted payment cannot be caught up; that is, the individual may not deposit \$2,000 in a subsequent year and claim all of this as an HBP payment.¹

The effect of this program on the housing market is virtually impossible to determine. No doubt, many participants would otherwise have been unable to purchase a home. Others may have had sufficient resources, but decided to increase their down payment and reduce their outstanding mortgages.

Whether being able to purchase a home offsets the reduction in retirement savings and income is difficult to estimate. It depends on whether home values increase and whether one will have a mortgage-free home for retirement, with the reduced living costs that implies. Even if the amounts withdrawn are repaid as

Table 1
Participation in the Home Buyers' Plan *

	Participants	Withdrawals
	'000	\$ millions
All periods	650	6,194
February 26, 1992 to March 1, 1993	159	1,536
March 2, 1993 to March 1, 1994	102	1,011
March 2, 1994 to December 31, 1994	56	455
January 1, 1995 to December 31, 1995	79	718
January 1, 1996 to December 31, 1996	119	1,136
January 1, 1997 to December 31, 1997	132	1,306
January 1, 1998 to March 18, 1998	4	32

Source: Revenue Canada, Individual Returns and Payment Processing Directorate

* Number and amounts recorded as of March 18, 1998. Some additional applications may have been approved but not yet added to the database.

scheduled, there is a loss of compound, tax-free interest that would otherwise have been earned by the RRSP savings.³ Moreover, failure to meet the repayment schedule results in even greater losses. A missed or inadequate payment not only incurs an immediate tax liability, but is also permanently lost as a future source of retirement income.

Many fail to meet the required payments

In 1995, one-third of those obligated to make instalment payments either failed to do so or paid insufficiently. Almost 154,000 taxfilers reported nearly \$173 million in payments that year, for an average of \$1,120. Nearly 3,000 of them did not pay a sufficient amount, however (Table 2). Of the \$2.2 million they owed, these taxfilers deposited less than \$1.6 million. Moreover, almost 76,000 did not meet their obligation at all (nearly \$46 million, \$600 on average). The total shortfall of over \$46 million represented 21% of the amount due that year.

The default rate continued in 1996. Preliminary data show that, of the 300,000 individuals who were required to make repayments that year, 97,000 (33%) failed to do so. Of the \$271 million due that year, \$62 million (23%) was not paid.

Fewer women than men

The 1995 tax data show that 128,000 HBP participants with payments due were men and 101,000 were women. Women's share of HBP participants seems to be directly related to their percentage of RRSP contributors. They represented 44% of taxfilers with 1995 HBP payments due – similar to their share of RRSP contributors in recent years.

On average, however, women appear to have removed higher amounts from their RRSPs under the

Table 2
HBP instalments paid and not paid, 1995

	Both sexes		Men		Women	
	Number	Amount	Number	Amount	Number	Amount
	'000	\$ millions	'000	\$ millions	'000	\$ millions
Total	229	219.1	128	120.7	101	98.3
Payment	154	172.5	86	94.0	68	78.6
Complete	151	171.0	84	92.9	67	78.1
Partial	3	1.6	2	1.1	1	0.4
Shortfall	78	46.5	44	26.8	34	19.8
No payment	76	45.9	42	26.3	33	19.6
Partial payment	3	0.7	2	0.5	1	0.2

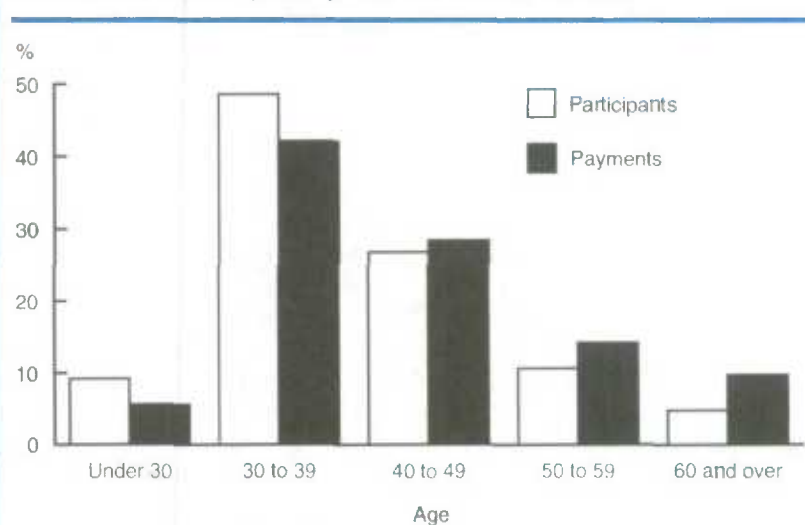
Source: RRSP room file

HBP than have men: their average repayment was \$1,160 (versus \$1,090). Furthermore, although their share of annual RRSP contributions has always been much lower than men's (only about 35% in recent years), they paid 46% of the 1995 HBP instalments and were responsible for 43% of the 1995 shortfall.

Most participants are in their thirties

Nearly half the taxfilers with HBP instalments due in 1995 were between age 30 and 39. Moreover, this age group accounted for 42% of the amounts paid or owed (Chart A). These percentages seem high, given that only 24% of all taxfilers and 29%

Chart A
Almost half of HBP participants are in their thirties.



Source: RRSP room file

of RRSP contributors that year were in their thirties, and that they were responsible for just 27% of all 1995 contributions. However, persons in this age group are more likely than those at other ages to acquire their first homes. Older RRSP contributors, particularly those in their fifties and sixties, are apt to own a home already. Relatively few younger individuals are in a financial position to buy a home and, even if they were, they would probably have few or no RRSP savings to draw from.

Nearly 60% of HBP participants were under age 40. Those in their forties represented 28% of taxfilers with payments and 25% of those without. Surprisingly, persons aged 60 and older, who made up less than 4% of plan participants, represented 7% of the 78,000 who had not met their obligation. Some in this latter group may have experienced a reduction in their income through job loss or early retirement and may not have been in a position to make the required payments. Others may not have considered HBP payments a priority, because of the relatively few years remaining before they would have to collapse their RRSPs.⁴

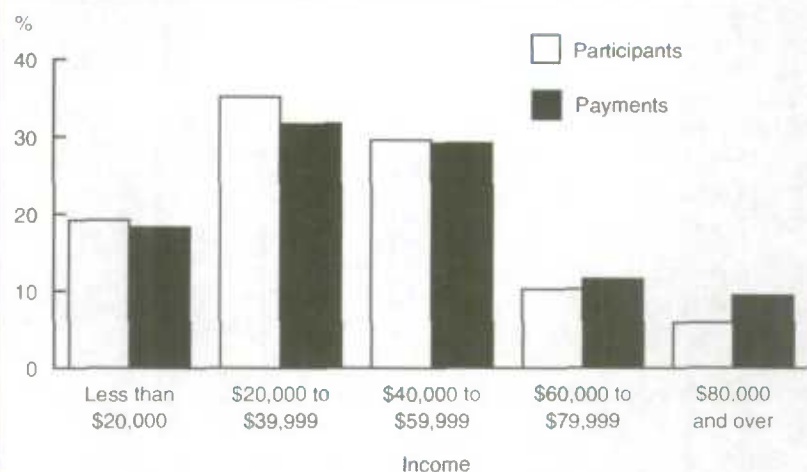
Many participants have low incomes

One in every five taxfilers with HBP instalment payments due had income under \$20,000 in 1995. This income group was also responsible for nearly one-fifth of the instalment payment amounts actually made (Chart B). These proportions seem high compared with their shares of RRSP contributors and contributions: in 1995, less than 10% of contributors had incomes below \$20,000 and they deposited just 7% of the total that year.

More than one-third of taxfilers with HBP instalments due had incomes between \$20,000 and \$39,999 and their combined payments were nearly one-third of the total. However, the proportion of 1995 RRSP

Chart B

HBP participants typically have incomes between \$20,000 and \$60,000.



Source: RRSP room file

contributors for this income group was almost 40%. This discrepancy is probably explained by the higher age of many RRSP participants with such income, many of whom already owned a home or did not need to use their RRSP savings to purchase one.

The relatively high HBP participation rate for taxfilers with low incomes resulted in an even higher payment delinquency rate for this group. While individuals with sufficient payments and incomes below \$20,000 represented just 14% of all who met their obligations, those with insufficient payments accounted for 30% of all who failed to do so.

At the other end of the spectrum, HBP repayers with incomes of \$60,000 or more were 19% of the total, but only 11% of the group who failed to make adequate payments.

Summary and conclusion

The Home Buyers' Plan, implemented in 1992, has generated a great deal of interest. Since then, 650,000 Canadians have removed \$6.2 billion from their RRSP savings for the purchase

or construction of a home. Data recently made available provide some insight into the extent to which these withdrawals may affect the future retirement income of those who participate in this program. Participants not only sacrifice the income that their RRSP withdrawals would have generated until retirement, they also forfeit the amount that should be repaid each year to their RRSP, if they do not make the payment.

In 1995, one-third of individuals obligated to make such instalment payments (more than 78,000) failed to do so and the shortfall (over \$46 million) was more than one-fifth of the amount due. Not only were these missed payments treated as regular RRSP withdrawals that year and taxed at the affected HBP participants' marginal tax rates, they could not be directed to RRSPs in future years, since defaulted payments cannot be caught up.

Because fewer women than men have RRSP savings, they also make fewer HBP withdrawals. However, since their average repayment in 1995 was higher than men's, it would

appear that their average withdrawals were also higher. The rate of default on repayments was the same for both sexes.

The use of RRSP savings for home purchase is more heavily concentrated among people in their thirties and forties and among those with incomes between \$30,000 and \$49,999. HBP participants with lower incomes have the highest default rates.

The HBP default rate evident in 1995 persisted in 1996. Whether it will continue remains to be seen. Installments first became due in 1995, so these early results may not be an accurate gauge of future response to HBP requirements. Eventually, participants may be better prepared to meet these obligations if higher incomes and fewer other financial pressures prevail. □

■ Notes

1 For detailed information on the taxation of RRSP withdrawals and on the rules governing the Home Buyers' Plan, see Frenken (1996).

2 Even though the bulk of individuals with RRSP savings participate on an annual basis (Frenken, 1995), the total number with such savings must be well over 10 million.

3 One other consideration (often overlooked) is the burden such repayments add to future "shelter costs" of mortgage, property tax and other expenses. These payments may also hamper continued contributions to RRSPs. As well, the volatility of real estate values may serve to make a home purchase a less certain investment than in the past.

4 Starting with the 1997 tax year, RRSP holders must convert their savings to a pay-out product – either a registered retirement income fund or an annuity – by

the end of the year in which they reach age 69. Some of these older RRSP savers may already have owned a home and used the withdrawals to purchase a second or a recreational home, since the requirement that the HBP withdrawals be used only for first-time home purchase was not implemented until 1995.

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Employment Insurance in Canada: Policy changes

Zhengxi Lin

Employment Insurance or EI (formerly Unemployment Insurance or UI) was introduced in Canada in 1940. Over the course of nearly 60 years, the system has undergone numerous changes, the most significant being the *Unemployment Insurance Act, 1971*, which widely liberalized the system.

The system prior to 1971

After an amendment to the *British North America Act* that brought unemployment insurance, among other matters, under federal jurisdiction, Parliament passed Canada's first *Unemployment Insurance Act* on August 7, 1940. The Act's main objectives were to provide financial assistance to unemployed persons, to find suitable employment for Canadians, to move people out of areas of high unemployment, and to provide aid to the disadvantaged.

The 1940 Act made coverage compulsory except for certain industries, professional services, government services, casual employees, and persons with annual earnings over \$2,000. During the first year of operation the system covered approximately 2.5 million workers, or about 42% of the workforce.

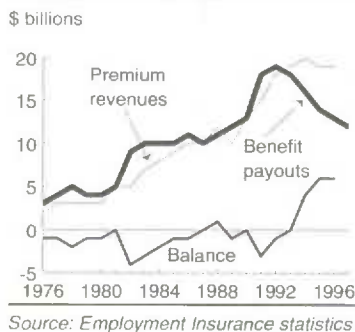
The Unemployment Insurance Commission administered the Act and the federal government paid for the administration of the program, plus 20% of the employee and employer contributions combined. Contributions into the UI fund commenced on July 1, 1941. The first date on which claimants could qualify for benefits was January 27, 1942.

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Recent trends

Prior to 1993, benefit payouts exceeded premium revenues, substantially in some cases, and the Employment Insurance fund was in the red every year (except for the business cycle peak of 1987 and 1988). For example, the gross deficit was around \$4 billion in 1982 and \$3 billion in 1991. The system turned around in 1993, when the books were nearly balanced, and surpluses have been the rule ever since. The gross surplus was over \$3.5 billion in 1994 and close to \$6 billion in both 1995 and 1996 (Chart A). This turnaround reflects both increased revenues and reduced expenditures.

Chart A
Since 1994, the EI account has been in surplus.



Increased revenues

Total premium revenues collected from employees and employers rose from about \$10 billion in 1989 to around \$19 billion per year since 1994, largely thanks to the recovery of the economy. At the same time, EI financing has changed significantly over the years.

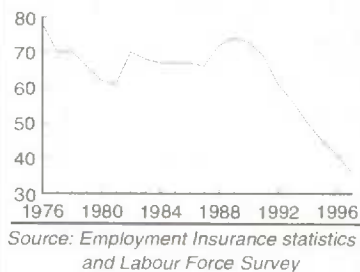
Prior to 1990, the cost of the program was shared by employees, employers and the federal government. In 1990, the federal government's financial responsibilities were eliminated as the fund became self-financing; that is, the entire cost of the system is now shared between employers and employees.

Reduced expenditures

As revenues have risen, benefit payouts have declined steadily, from \$19 billion in 1992 to \$13 billion in 1996. This is the result of the falling number of beneficiaries, coupled with benefit rate reductions. The number of beneficiaries peaked at 1.4 million in 1992, and has been falling ever since, sliding to 0.9 million by 1997. Similarly, the number of beneficiaries receiving regular benefits hit its 1.0 million peak in 1991 and declined steadily to 0.5 million by 1997. The ratio of regular beneficiaries with no earnings to unemployed peaked in 1989 at 74%. And it too has been declining rapidly since 1990, reaching 36% by 1997 (Chart B).

Chart B
Fewer unemployed are EI beneficiaries.

Regular beneficiaries with no earnings, as % of unemployed



This article has been adapted from a longer paper entitled "Employment Insurance in Canada: Recent trends and policy changes," which was published in the *Canadian Tax Journal*, April 1998 (Volume 46, no. 1). The policy

changes noted are by no means intended to present a complete history; rather, they were selected by the author in the context of possible effects on recent trends.

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Perspectives on Labour and Income

Summer 1998

CORRECTION

In "Employment Insurance in Canada: Policy changes" the section on coverage requirements (page 43) mentions an upper age cutoff of 70, effective November 1990. In fact, the upper age limit was removed at that time.

In order to be eligible for benefits, claimants had to furnish proof that they were unemployed, available for work (unless engaged in approved training) and able to work, and that they had contributed into the fund for at least 180 days during a two-year period prior to the claim. Persons were disqualified from receiving benefits for up to 6 weeks if they had left their employment without just cause, had refused to accept suitable employment, or had been dismissed for misconduct. In addition, persons who were directly involved in labour disputes were disqualified from receiving benefits.

Main changes to the system in the 1940s included enacting provisions to assist persons discharged from the Armed Forces (1941); transferring the administration of the Act to the Department of Labour (1942); and raising the annual earnings ceiling for coverage to \$2,400 (1943). By the end of the 1940s, the system covered approximately 50% of the workforce, and the maximum weekly benefits had risen to \$18.30 for claimants with dependants and \$14.40 for those without dependants.

The system continued to evolve during the 1950s. The amendments of February 1950 provided supplementary or seasonal benefits to persons ineligible for regular benefits. In 1952, the waiting period was reduced to 5 days, and the supplementary benefits period extended. In August 1953, the Act was amended to provide for the continuation of benefit payments in case the claimant became ill after the claim had started.

A new act was passed on October 2, 1955 introducing a series of changes to benefit rates, contributions, duration of benefit payments, allowable earnings during the claim period, seasonal benefits, and coverage. In September 1956, regulations regarding repeat claimants were relaxed, and the eligibility requirement reduced from 30 to 24 weeks of insurable employment in the past year or since the last claim. By the end of the 1950s, maximum

weekly benefits had advanced to \$36.00 for claimants with dependants, and \$27.00 for those without dependants; maximum weekly insurable earnings had increased to \$69.00; maximum weekly contributions had risen to \$0.94; the coverage earnings ceiling had reached \$5,460; and the maximum benefit entitlement had increased to 52 weeks. In addition, coverage was extended to self-employed fishermen. To encourage claimants to seek employment, the regulations permitted earnings of up to 50% of weekly benefits without penalty.

The system remained relatively stable in the 1960s, during which no major legislative amendments were made. Following the release of the *Report of the Committee of Inquiry into the Unemployment Insurance Act* (the "Gill Report") in 1962, the government undertook some administrative changes. In April 1965, the duties and functions of the employment service became the responsibility of the Minister of Labour. Further integration of manpower policies and programs resulted in the creation of the Department of Manpower and Immigration. On October 1, 1966, the employment service was transferred to this new department. By the end of the decade, the system's coverage had expanded to about 68% of the workforce.

The system since 1971

Major institutional changes to the system were enacted by the *Unemployment Insurance Act* of June 27, 1971. One major objective was to provide "adequate" income support for all persons experiencing temporary earnings interruptions. The new legislation widely liberalized the earlier system. Among other things, it provided nearly universal coverage for paid employees, eased eligibility, and added a host of special benefits, such as sickness, maternity and retirement benefits. Since the 1971 reforms, the system has undergone a series of refinements. (See Appendix for a chronology of main legislation.)

Coverage requirements

In 1971, coverage became nearly universal. The only exclusions were the self-employed (except self-employed fishermen, who were covered under separate regulatory rules for income support during the off-season); persons aged 70 years or over (65 or over, as of January 1, 1976; then back to 70 or over, effective November 18, 1990); and persons who did not meet the minimum weekly earnings requirement (20% of the maximum weekly insurable earnings). This earnings requirement applied to each job separately; that is, earnings could not be summed across different jobs to meet this requirement.

Weekly hours of work were added to the minimum coverage requirement in 1979. The level was set at 20 hours a week *or* 20% of the weekly maximum insurable earnings for 1979 and 1980; 15 hours a week *and* 20% of the weekly maximum insurable earnings between 1981 and 1986; and 15 hours a week *or* 20% of the weekly maximum insurable earnings since 1987. Effective January 1, 1997, the minimum requirement was abolished and every hour of work became insurable.

Eligibility, entrance requirement and UI regions

The 1971 legislation called for a minimum of 8 weeks of insurable employment during the 52 weeks immediately preceding the claim (qualifying period) for regular benefits; 20 weeks for special benefits. On December 4, 1977, the 8-week minimum was replaced by the Variable Entrance Requirement (VER). Depending on the unemployment rate prevailing in the region of residence, the claimant was required to have 10 to 14 weeks of insurable employment during the qualifying period to become eligible for benefits. Effective July 1, 1979, new entrants and re-entrants to the labour market required 20 weeks of insurable employment during the qualifying period. Repeat claimants (those who had made a claim in the past 52 weeks)

in regions where the unemployment rate was below 11% needed up to 6 weeks of insurable employment in addition to the VER (Table 1).

Table 1
Employment Insurance
Variable Entrance
Requirement

	Minimum weeks of insurable employment		
	Bill C-27	Bill C-21	Bill C-17
Regional unemployment			
Under 6%	14	20	20
6% to 7%	13	19	19
7% to 8%	12	18	18
8% to 9%	11	17	17
9% to 10%	10	16	16
10% to 11%	...	15	15
11% to 12%	...	14	14
12% to 13%	...	13	13
13% to 14%	...	12	12
14% to 15%	...	11	...
15% and over	...	10	...

On February 11, 1990, the recurring legislation that permitted the VER failed to pass the Senate. The entrance requirement reverted to a uniform 14 weeks nation-wide. When Bill C-21 came into force on November 18, 1990, repeat claimants were no longer required to work up to 6 additional weeks. The VER became 10 to 20 weeks, depending on the regional unemployment rate. Effective July 7, 1994, Bill C-17 set the VER at 12 to 20 weeks, depending on the regional unemployment rate. As of January 1, 1997, hours of work replaced weeks of insurable employment as the measure of entitlement.

When the VER was first implemented in 1977, the regional unemployment rate was based on 16 UI economic regions (established under the UI Act of 1971). Bill C-27 (November 11, 1978) increased the number of UI regions to 48. Bill C-21 (November 18, 1990) further raised the number to 62.

Replacement (benefit) rate

The 1971 Act set the replacement rate at 75% of insurable earnings for claimants with dependants, and 66.67% for those without dependants. As of January 1, 1976, Bill C-69 reduced the former to 66.67%. Effective January 1, 1979, Bill C-14 further lowered the replacement rate to 60%. As of April 4, 1993, Bill C-113 reduced this rate for new claimants to 57%. And effective July 7, 1994, Bill C-17 raised the rate for claimants with low weekly earnings (less than half of the maximum insurable earnings) and with dependants to 60%, but lowered it to 55% for others. Finally, effective January 1, 1997, the base used to calculate the amount of benefit changed to average earnings over the 20 weeks preceding the claim.

Maximum benefit period and phases

In 1971, the maximum benefit period could not exceed 51 weeks (except for persons participating in approved training). Bill C-27 reduced this to 50 weeks as of September 11, 1977.

The 1971 legislation allowed for benefits to be paid out in five phases: the first provided 8 to 15 weeks of benefits; the second, 10 weeks; the third, up to 18 weeks for claimants with a strong labour force attachment; the fourth (National Extended Benefits), up to 8 weeks, depending on the national unemployment rate (evaluated once benefit weeks granted in phases one to three were exhausted); and the fifth (Regional Extended Benefits), up to 18 weeks, depending on the regional unemployment rate and the difference between that and the national unemployment rate (evaluated once benefit weeks granted in phases one to four were exhausted) (Table 2).

On September 11, 1977, a three-phased structure replaced the former one: the first phase provided up to 25

weeks of benefits – one week of benefits for each week of insurable employment; the second (Labour Force Extended Benefits), a maximum of 13 weeks, one week for each 2 weeks of insurable employment beyond 26 weeks; the third (Regional Extended Benefits), up to 32 weeks – 2 weeks of benefits for each 0.5 percentage point increment in the regional unemployment rate in excess of 4%.

On November 18, 1990, a single benefit schedule came into effect, based on weeks of insurable employment and on the regional unemployment rate. On April 3, 1994, a two-component system replaced that schedule: the work component – providing up to 20 weeks of benefits (one week of benefits for every 2 of work for the first 40 insured weeks) and up to 12 additional weeks of benefits (one for each additional week of work beyond 40); and the regional component – up to 26 weeks of benefits (2 for every percentage point by which the regional unemployment rate exceeded 4%). The maximum benefit entitlement remained at 50 weeks.

Disqualification and penalty

Under the *Unemployment Insurance Act, 1971*, claimants could be disqualified for a maximum 3 weeks of benefits for quitting without just cause, for being dismissed for misconduct, for refusing to accept suitable employment, for failing to attend a placement interview, or for refusing to follow instructions from personnel handling the claims. And these weeks of disqualification counted as weeks of benefit in calculating the maximum weeks of entitlement. Effective January 1, 1976, the penalty rose to a maximum 6 weeks; as of November 18, 1990, it moved to 7 to 12 weeks, and the replacement rate dropped to 50%. Then, effective April 4, 1993, those who quit without just cause or were fired because of misconduct, or who refused to accept suitable employment, became ineligible for benefits.

Table 2
Benefit period during different phases, 1971 to 1977

Insurable employment	Benefit eligibility
Phase 1	
3 to 15 weeks	8 weeks
16	9
17	10
18	11
19	12
20 and over	15
Phase 2	
8 and over	10
Phase 3	
20	2
21 to 22	3
22 to 23	4
2-week intervals	1 extra week of benefits for each 2 additional weeks of insurable employment
51 to 52	18
Phase 4	
National unemployment rate	Benefit eligibility
Under 4%	0 weeks
4% to 5%	4
5% and over	8
Phase 5	
Benefit period	Benefits cease if one of the conditions is satisfied:
1 to 6 weeks	<ul style="list-style-type: none"> Regional unemployment drops below 4% The difference between the regional and national unemployment rates drops to under 1 percentage point At the end of the 6th week, the difference between the regional and national unemployment rates drops to under 2 percentage points
7 to 12	<ul style="list-style-type: none"> Regional unemployment drops below 4% The difference between the regional and national unemployment rates drops to under 2 percentage points At the end of the 12th week, the difference between the regional and national unemployment rates drops to under 3 percentage points
13 to 18	<ul style="list-style-type: none"> Regional unemployment drops below 4% The difference between the regional and national unemployment rates drops to under 3 percentage points

Source: The Unemployment Insurance Act, 1971

Earnings, benefit claw-back and penalty for repeat users

As of 1971, beneficiaries were allowed to earn up to 25% of benefits without penalty. Beyond this limit, their benefits were subject to a dollar-for-dollar reduction. Effective January 1, 1979, a benefit claw-back was introduced to retrieve benefits from recipients with high earnings. Claimants with net income in excess of one-and-a-half times the annual maximum insurable earnings were required to pay back 30% of the benefits received.

As of July 1, 1996, the replacement rate for repeat users is now one percentage point lower for each 20 weeks of EI use in the past 5 years, up to the maximum of 5 percentage points. In addition, repeat claimants face a benefit claw-back of up to 100% if their earnings exceed the maximum insurable earnings. The extent of the claw-back depends on the number of weeks of EI use in the past 5 years. Benefits received before July 1, 1996 are not counted, nor are special benefits (maternity, parental, sickness) received at any time.

Financing and contributions

The 1971 Act required that the costs of the system be shared by employers, employees and the federal government. Employers – who have been assessed at 1.4 times the employee premium rate since 1972 – and their employees were deemed responsible for the following costs: administration, special benefits, and regular benefits attributable to a level of national unemployment rate of up to 4%. The federal government assumed responsibility for costs relating to benefits paid to self-employed fishermen, payments to persons who had been granted extensions after training, benefits received by claimants in phases four and five, and benefits associated with the first three phases if the national unemployment rate exceeded 4%.

Effective January 1, 1979, Bill C-14 stipulated that the cost of the Labour Force Extended Benefits be shared among employers, employees and the federal government. The cost of operating the National Employment Service was shifted to employers and employees on April 1, 1980. Later that year (July 1), employers and employees also became responsible for costs relating to all benefits paid during the initial and Labour Force Extended Benefits periods. Finally, on November 18, 1990, the federal government's share of costs was eliminated and the UI fund became self-financing. The entire cost of the system is now shared by employers and employees. □

■ Selected reading list

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Corak, M. and W. Pyper. *Workers, Firms and Unemployment Insurance*. Catalogue no. 73-505-XPE. Ottawa: Statistics Canada, 1995.

Franke, O. and D. Hermanutz. "Employment Insurance: Returning to insurance principles." *Canadian Business Economics* 5, no. 4 (Summer 1997): 61-77.

Human Resources Development Canada. *The History of Unemployment Insurance, 1940-1994*. Catalogue no. IN-116-03-96E. Ottawa, 1996. Also available on the Internet: <http://www.hrdc-drhc.gc.ca/insur/histui/hrdc.html>.

Lévesque, J-M. "Unemployment: A tale of two sources." *Perspectives on Labour and Income* 1, no. 3 (Winter 1989): 49-57.

Lin, Z. "Employment Insurance in Canada: Recent trends and policy changes." *Canadian Tax Journal* 46, no. 1 (April 1998): 58-76.

MacLean, B. K. and L. Osberg, eds. *The Unemployment Crisis: All for Nought? Critical Perspectives on Public Affairs Series*. Montréal, London and Buffalo: McGill-Queen's University Press, 1996.

Sargent, T.C. "An index of Unemployment Insurance disincentives." Working Paper no. 95-10. Ottawa: Economic Studies and Policy Analysis Division, Department of Finance, 1995.

Statistics Canada. *Unemployment Insurance Statistics*. Catalogue no. 73-001-XPB and 73-202-SPB. Ottawa.

Appendix

A chronology of major Employment (Unemployment) Insurance legislation since 1971

Legislation	Effective date	Key parameters
UI Act	June 27, 1971	<ul style="list-style-type: none"> ● Generously liberalized the pre-1971 system: <ul style="list-style-type: none"> ● Provided nearly universal coverage (commencing February 2, 1972) ● Eased eligibility ● Added a series of special benefits – sickness, maternity and retirement
Bill C-69	January 1, 1976	<ul style="list-style-type: none"> ● Disqualification increased from 3 to 6 weeks for those who quit without just cause, were fired because of misconduct, refused to accept suitable employment, failed to attend a placement interview, or refused to follow instructions from personnel handling their claims ● Maximum age for coverage reduced from 70 to 65 ● Replacement rate reduced from 75% to 66.67% for claimants with dependants
Bill C-27	September 11, 1977	<ul style="list-style-type: none"> ● Variable Entrance Requirements (VERs) established (effective December 4, 1977), based on 16 UI regions ● Three-phased benefit structure replaced former five-phased benefit structure ● Maximum benefit period reduced to 50 weeks ● 48 new UI regions replaced former 16 UI regions (effective November 11, 1978)
Bill C-14	January 1, 1979	<ul style="list-style-type: none"> ● Entrance requirement for new entrants and re-entrants to the labour market set at 20 weeks (effective July 1, 1979) ● Entrance requirement for repeat claimants set at VER, plus up to 6 additional weeks in regions with an unemployment rate under 11% ● Replacement rate reduced to 60% ● Benefit claw-back introduced to recover benefits paid to high income recipients
Bill C-156	January 1, 1984	<ul style="list-style-type: none"> ● Seasonal fishermen's benefits modified ● Maternity benefits modified ● Adoption benefits introduced
VER	February 11, 1990	<ul style="list-style-type: none"> ● Failed to pass the Senate; entrance requirements reverted to a uniform 14 weeks nation-wide
Bill C-21	November 18, 1990	<ul style="list-style-type: none"> ● Repeat claimants no longer required 6 additional weeks ● Retirement benefits eliminated; workers 65 and over covered again ● Penalty increased from 6, to 7 to 12 weeks for quitting without just cause, for being dismissed for misconduct, or for refusing to accept suitable employment; and replacement rate dropped to 50% for these claimants ● VERs raised from 10 to 14 weeks, to 10 to 20 weeks ● Single benefit schedule replaced former three-phased structure ● Number of UI regions revised to 62
Bill C-113	April 4, 1993	<ul style="list-style-type: none"> ● Those who quit without just cause, were fired for misconduct, or refused to accept suitable employment became ineligible for benefits ● Replacement rate lowered to 57% from 60%
Bill C-17	July 7, 1994	<ul style="list-style-type: none"> ● VERs raised to 12 to 20 weeks ● Entitlement duration changed to work component and regional component ● Replacement rate raised to 60% for claimants with low earnings and dependants; lowered to 55% for others
Bill C-12	July 1, 1996	<ul style="list-style-type: none"> ● System renamed to Employment Insurance (EI) ● Hours/earnings coverage requirement abolished; every hour of work insurable, starting in January, 1997 ● Entrance requirement and benefit entitlement based on hours of work ● Average earnings over the last 20 weeks used to calculate amount of benefits ● Replacement rate for repeat claimants lowered by one percentage point for each 20 weeks of use in the past 5 years, up to a maximum 5 percentage points ● Repeat claimants face a benefit claw-back of up to 100%, depending on earnings and weeks of benefits in the last 5 years ● Weekly maximum insurable earnings revised to \$750

SERVICES INDICATORS

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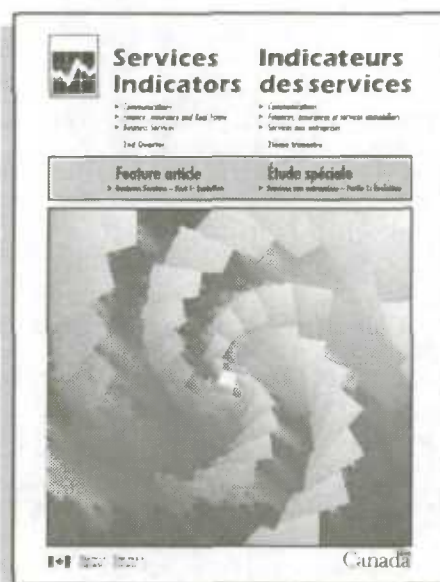
The services sector now dominates the industrial economies of the world. Telecommunications, banking, advertising, computers, real estate, engineering and insurance represent an eclectic range of services on which all other economic sectors rely.

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What's new?

■ UPCOMING RELEASES

■ *Survey of Consumer Finances looks at after-tax income*

Income After Tax, Distributions by Size in Canada, 1996

How do transfer payments and income taxes affect the income of lower, middle and upper income families? Over time, have income taxes and transfer payments narrowed or widened the gap between lower and upper income families? *Income After Tax, Distributions by Size in Canada, 1996* (Catalogue no. 13-210-XPB) presents information that can address these questions.

This report includes detailed tables presenting income after tax (averages, medians and distributions), transfer payments, and income tax paid for families and unattached individuals, by various demographic and labour characteristics. Historical data are also included, illustrating the net effect of cash transfers and income tax on family incomes over time. These tables present averages for incomes before transfers, transfer payments, total income, income tax, and income after tax for various family types (elderly families, married couples, two-parent families, lone-parent families). Other tables show the percentages of income received in transfers and paid as income tax. Finally, inequality measures such as quintile statistics and Gini coefficients are presented, allowing analysts to determine whether income inequality has been decreasing or growing.

To order this publication, contact Client Services, Income Statistics Division at (613) 951-7355 or 1 888 297-7355; fax (613) 951-3012; e-mail: income@statcan.ca. □

■ *Family Expenditure Survey (FAMEX)*

In 1996, households spent an average of \$49,100 on everything from taxes to travel, an 8% increase over 1992. Households spent 17 cents of every dollar in their 1996 budgets on shelter costs, second only to personal taxes, which ate up almost 22 cents of every dollar. Twelve cents went to transportation costs, and another 12 cents to food. The remaining 37 cents was spent on a variety of items such as recreation, personal insurance and pension contributions, household operation, clothing, and gifts and contributions to charity.

For further information concerning data from *Family Expenditure in Canada, 1996* (Catalogue no. 62-555-XPB), contact Client Services, Income Statistics Division at (613) 951-7355 or 1 888 297-7355; fax (613) 951-3012; e-mail: expenditures@statcan.ca. □

■ JUST RELEASED

■ *Work Absence Rates, 1980 to 1997*

Statistics Canada recently released a publication on work absences for personal reasons. Absence rates vary considerably among groups of workers. Factors such as family circumstances, age, industry, occupation, work schedule and leave entitlements all play a role. This publication provides tables on work absence rates for men and women by age, education, and presence of children; by detailed industry and occupation groups; by public versus private sector; by union coverage, workplace size, job tenure and job permanency; by province, region or census metropolitan area; and by job benefits (paid vacation, sick leave entitlement or flexitime work option).

The report, which draws on data from the redesigned Labour Force Survey, covers full-time employees in 1997 and excludes maternity leave. Absence rates for the 1980-to-1997 period, including maternity leave, are provided for comparison. Some data from the 1995 Survey of Work Arrangements are also included.

For further information on *Work Absence Rates, 1980 to 1997* (Catalogue no. 71-535-MPB no. 9, \$50) contact Ernest B. Akyeampong, Labour and Household Surveys Analysis Division at (613) 951-4624; e-mail: akyeern@statcan.ca or Jeannine Usalcas at (613) 951-4720; e-mail: usaljea@statcan.ca. □

■ *New workplace survey*

The Longitudinal Workplace and Employee Survey (WES) will be among the first large-scale, national efforts to survey both establishments and their employees. This will make it possible to study the experiences of workers in relation to the practices of their employers, and vice-versa.

This report is based on the 1996 pilot WES, which was a small-scale test run. The data are not representative of the entire Canadian economy and

should be considered preliminary. Nonetheless, the results do provide important data on a number of issues about which very little is currently known. Topics include the type of business strategies used by firms, training opportunities, technology adoption, and labour turnover. The first wave of the longitudinal survey will be in the field in early 1999.

For more information on *The Evolving Workplace: Findings From the Pilot Workplace and Employee Survey* (Catalogue no. 71-583-XPE, \$20), contact Garnett Picot, Business and Labour Market Analysis Division at (613) 951-8214; e-mail: picogar@statcan.ca. □

■ **1996 Census of Canada**

Statistics Canada has released 1996 Census data showing trends in the Canadian workforce during the past five years, the 8th of 11 announcements that are painting a new statistical portrait of the nation.

This report contains information on the labour market activities of individuals aged 15 and over, including data by industry, occupation and class of worker (self-employed or employee). While this report presents data only for national, provincial or territorial, and census metropolitan area levels, the census also provides information for small communities.

Also examined are the characteristics of those who work at home and the various modes of transportation people use to get to work. As well, it contains data for all Canadians aged 15 and over on the amount of time spent on unpaid housework or home maintenance, on child care, and on unpaid care or assistance to seniors. The following are highlights:

- In 1996, more women worked as retail sales clerks than in any other occupation. Five years earlier, the most common job for women had been secretary. Among men, truck drivers moved into the number one position, pushing retail sales clerks into second place.
- Excluding people who lived and worked on a farm, about 6% of the employed reported that they usually worked at home in 1996. A majority were women and more than half were self-employed.
- Only 10% of the working population reported that they used some form of public transit in 1996 to get to work. Nearly three-quarters of all workers drove to work.

For further information on the new releases, contact your nearest Regional Reference Centre, or e-mail infostats@statcan.ca. □

■ **Survey of Consumer Finances releases low income data**

Low income data for 1996 based on an alternative measure to the traditional low income cut-offs (LICOs) are now available in *Low Income Measures, 1996* (Catalogue no. 13-582-XPB, \$30).

Using low income measures (LIMs), this report presents rates, estimated numbers and distributions of persons and families with low incomes. LIMs are set at one-half of median family income, adjusted for families of varying sizes.

Estimates based on the traditional LICOs were released in December 1997 in *Income Distributions by Size in Canada, 1996* (Catalogue no. 13-207-XPB, \$46) and in *Low Income Persons, 1980 to 1996* (Catalogue no. 13-569-XPB, \$32).

For further information, or to order the publication, contact Client Services, Income Statistics Division at (613) 951-7355 or 1 888 297-7355; fax (613) 951-3012; e-mail: income@statcan.ca. Or call your nearest Regional Reference Centre. □

■ **Article from Canadian Economic Observer**

Differences in earnings inequality by province, 1982-94

Accumulated research provides considerable information about earnings inequality in Canada in terms of overall level, patterns by various sub-groups and changes over time. Until now, however, one area has remained virtually unexamined: earnings inequality at the provincial level.

Using the recently available Longitudinal Administrative Databank, this article examines earnings inequality at the provincial level from 1982 to 1994, a period generally characterized by rising inequality in earnings for most age groups of men and women.

Entrenched in the Canadian psyche is the notion of "have" and "have not" provinces. The findings of this paper suggest extending this categorization to another important dimension: the "more inequality" and the "less inequality" provinces. Significant inter-provincial differences in earnings inequality have endured over the past decade: inequality has been almost uniformly greater in the Atlantic provinces than elsewhere, consistently lower in Manitoba, also below average in Ontario, Quebec and Saskatchewan, and moderately above average in Alberta and British Columbia.

For further information about this article (which appeared in the February 1998 issue of *Canadian Economic Observer* [Catalogue no. 11-010-XPB]), contact Ross Finnie at (613) 951-3962; e-mail: ref@qsilver.queensu.ca. □

■ ***Closing the gap: Women's advancement in corporate and professional Canada***

Women are making great strides in Canadian business and the professions: 43% of all managers and administrators are now women, up from 29% in 1982. Women also make up a growing share of professionals, including accountants, lawyers and management consultants. Yet, while more women than ever are becoming corporate leaders and senior partners in professional service firms, they remain a small part of the total.

This is the first systematic study in Canada to address and document these issues from the perspectives of both chief executives and senior women themselves. In the spring of 1997, The Conference Board of Canada and the American research and advisory organization Catalyst, with the sponsorship of a consortium of leading Canadian corporations and professional firms, undertook a study of the perceptions and experiences of chief executives and senior women in top Canadian corporations and professional service firms. A 1996 study by Catalyst of Fortune 1000 companies in the United States, *Women in Corporate Leadership: Progress and Prospects*, serves as a point of comparison.

This study reveals that both women's own career strategies and their employers' policies and practices have been critical to their rise to senior levels. These findings provide a practical guide for women seeking to attain senior positions, as well as for organizations that recognize the importance of gender balance at senior levels.

The paper argues that corporations and professional firms must strive to ensure cultures that support diversity, flexibility and innovation, with success for both employees and the organization as the goal. In practical terms, this means taking a hard look at lingering stereotypes and misperceptions and putting in place policies and programs that enable the organization to benefit from its entire talent base.

For further information, contact The Conference Board of Canada at (613) 526-3280; fax (613) 526-4857; Internet: <http://www.conferenceboard.ca>. □

■ ***Analysis of results from the 1995 School Leavers Follow-up Survey***

For many young people, securing a job during the 1990s has not been easy – the nature and pace of technological, economic and social change have contributed to the challenges of getting established.

The 1991 School Leavers Survey interviewed youths aged 18 to 20 to provide useful information about school leaving. Four years later, the 1995 School Leavers Follow-up Survey re-interviewed the same people, who by then were aged 22 to 24. Used together, these sources allow researchers to assess the progress of not only school leavers, but all young people in this age group. (Both surveys were sponsored by Human Resources Development Canada.)

High School May Not Be Enough (Catalogue no. 81-585-XPE) provides the first in-depth examination of results from the 1995 School Leavers Follow-up Survey. The report includes a contextual overview of the youth labour market and a general discussion of transitions between school and work. Other chapters address a range of topics relating to young people's experiences beyond high school: their education and training, their involvement in the labour market, and the kinds of skills they were using. The report also explores the potential importance of early childhood experiences on eventual outcomes.

For further information on this survey, contact Jeffrey Frank, Centre for Education Statistics at (613) 951-1504; e-mail: fran Jef@statecan.ca. Copies of this publication can be obtained from Public Enquiries Centre, Communications Branch, Human Resources Development Canada, Hull, Quebec K1A 0J9; fax (819) 953-7260; Catalogue no. SP-105-05-98E; Internet: http://www.hrdc-drhc.gc.ca/hrdc/corp/stratpol/arbsite/research/rsctoc_e.html. □

■ ***Analytical Studies Branch research papers series***

The Dimensions of Wage Inequality Among Aboriginal Peoples

R. Bernier

Research Paper Series no. 109

Over the past decade, interest in the issue of wage inequality has grown. This is attributable to the widening of the gap between the highest and lowest paid workers in the United States, Canada and several other OECD countries during the 1980s, a phenomenon

that has placed added pressure on government transfer systems at a time of budget cutbacks and weak economic growth. In Canada, most research in recent years has involved a study of Canadian wage dispersion.

This paper examines wage dispersion between Canadian workers as a whole and workers of Aboriginal origin. It documents differences in wage dispersion for the four main Aboriginal groups and finds that North American Indians living on reserves have earnings substantially lower than those of the other Aboriginal groups.

Corporate Financial Leverage: A Canada-U.S. Comparison, 1961-1996

M. Zyblock

Research Paper Series no. 111

Recent studies have shown that companies with relatively high debt-to-asset (leverage) ratios exhibit more variability in investment and employment patterns. Other studies argue that high aggregate corporate leverage is associated with macroeconomic instability. This paper tracks the evolution of aggregate corporate leverage trends in Canada and the U.S. from 1961 to 1996. Leverage has increased nearly 50% in both countries, the majority attributable to a greater use of short-term debt instruments. Although the size of the increase is similar in both countries, the period of greatest growth is country-specific.

Most of the increase in corporate leverage in Canada occurred between 1974 and 1983, a period associated with low real interest rates and rapid capital expansion in the western provinces. Most of the growth in American corporate leverage occurred between 1982 and 1990. Over this period, U.S. companies were in the process of massive capital restructuring using borrowed funds. This period was also associated with an increase in the number and value of U.S. leveraged buy-outs that helped push financial leverage even higher.

To order studies in the Research Paper Series, contact your nearest Statistics Canada Regional Reference Centre, or write to Publications Review Committee, Analytical Studies Branch, 24th floor, R.H. Coats Building, Ottawa, Ontario K1A 0T6. Or phone (613) 951-1804; fax (613) 951-5403. □

■ UPCOMING CONFERENCES

■ *International Conference on Self-employment*

September 24-26, 1998, Burlington, Ontario

In a number of OECD countries, self-employment has been rising dramatically. Why is this occurring? Is this the harbinger of an emerging, more entrepreneurial form of labour market organization, or just a temporary response to the scarcity of full-time jobs? What explains international differences in the level and growth rate of self-employment? What has been happening to the relative incomes and job quality of self-employed workers? How do government policies aimed at the self-employed differ across countries and how have these policies affected entry rates into self-employment, especially among the unemployed? These topics, among others, will be addressed at this conference. □

■ *Labour Market Institutions and Outcomes: A Cross-national Study*

September 27-28, 1998, Burlington, Ontario

The Canadian International Labour Network (CILN) is a network of over 50 researchers in eight countries devoted to the comparative study of labour markets. CILN's three main research themes are the effects of labour market institutions on wages and job quality, unemployment, and the allocation of resources within families. A major component of CILN's mandate is to foster the analysis of these issues using detailed administrative and/or survey-based microdata from several countries at a time.

CILN's second major conference will include sessions on all three themes with presenters from a number of nations and disciplines. Special features of the conference will include sessions on "Losing Work, Moving On: International Perspectives on Worker Displacement," "Intergenerational Mobility," "Prospects for the Welfare State," "European Labour Markets and the Rigidity Debate," and "Child Outcomes."

Further information on these conferences is available on the Internet: <http://labour.ciln.mcmaster.ca>. Or e-mail ciln@mcmaster.ca. Or fax (905) 521-8232. □

Key labour and income facts

The following is a guide to data sources for labour market, business, income and earnings, pension, education and other household topics. Each quarter, this section presents charts and analysis featuring one or more of these sources. For general inquiries, please contact Joanne Bourdeau at (613) 951-4722; e-mail: bourjoa@statcan.ca or Marie-Paule Robert at (613) 951-4628; e-mail: robemar@statcan.ca.

Administrative data

Small area and administrative data
Frequency: Annual
Contact: Customer Services
(613)951-9720

Business surveys

Annual Survey of Manufactures
Frequency: Annual
Contact: Richard Vincent
(613)951-4070

Business Conditions Survey of Manufacturing Industries
Frequency: Quarterly
Contact: Claude Robillard
(613)951-3507

Census

Census labour force characteristics
Frequency: Quinquennial
Contact: Michel Côté
(613)951-6896

Census income statistics
Frequency: Quinquennial
Contact: Abdul Rashid
(613)951-6897

Employment and income surveys

Labour Force Survey
Frequency: Monthly
Contact: Nathalie Caron
(613)951-4168

Survey of Employment, Payrolls and Hours
Frequency: Monthly
Contact: Sylvie Picard
(613)951-4090

Help-wanted Index
Frequency: Monthly
Contact: Sylvie Picard
(613)951-4090

Employment Insurance Statistics Program
Frequency: Monthly
Contact: Sylvie Picard
(613)951-4090

Major wage settlements
Bureau of Labour Information
(Human Resources Development Canada)
Frequency: Quarterly
Contact: (819)997-3117

Labour income
Frequency: Quarterly
Contact: Anna MacDonald
(613)951-3784

Survey of Labour and Income Dynamics
Frequency: Annual
Contact: Client Services
(613)951-7355 or
1 888 297-7355

Survey of Consumer Finances
Frequency: Annual
Contact: Client Services
(613)951-7355 or
1 888 297-7355

Household Facilities and Equipment Survey
Frequency: Annual
Contact: Client Services
(613)951-7355 or
1 888 297-7355

Family Expenditure Survey
Frequency: Annual
Contact: Client Services
(613)951-7355 or
1 888 297-7355

General Social Survey

Education, work and retirement
Frequency: Occasional
Contact: Jennifer Hubbard
(613)951-5979

Social and community support
Frequency: Occasional
Contact: Jennifer Hubbard
(613)951-5979

Time use
Frequency: Occasional
Contact: Jennifer Hubbard
(613)951-5979

Pension surveys

Pension Plans in Canada Survey
Frequency: Annual
Contact: Thomas Dufour
(613)951-2088

Quarterly Survey of Trusteed Pension Funds
Frequency: Quarterly
Contact: Thomas Dufour
(613)951-2088

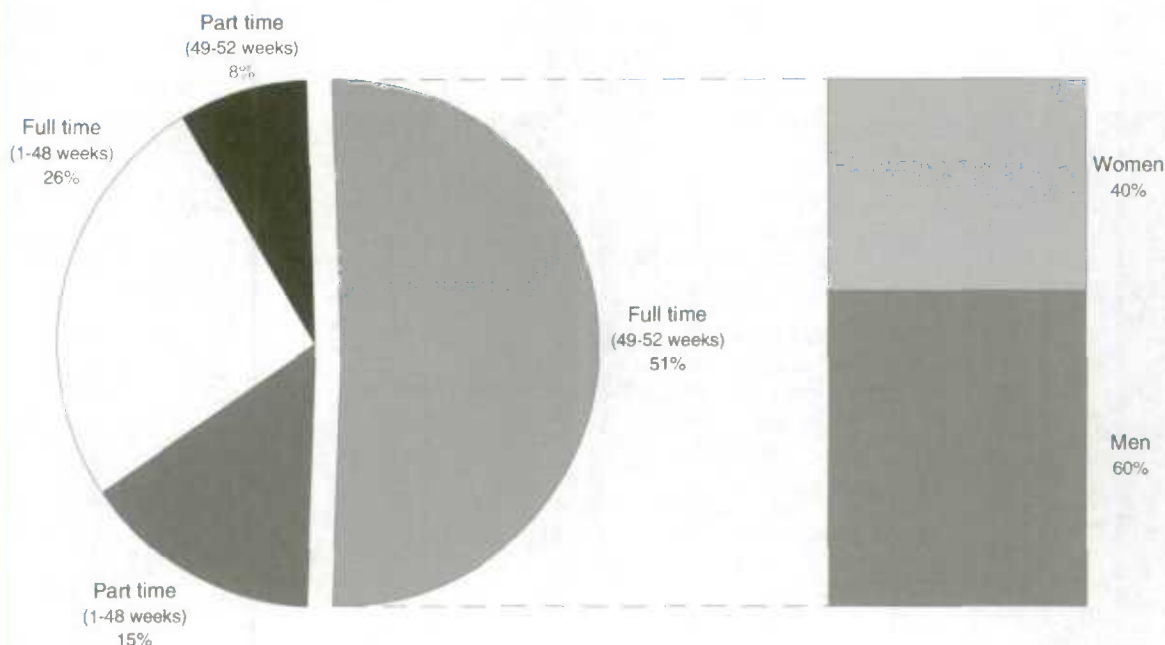
Special surveys

Survey of Work Arrangements
Frequency: Occasional
Contact: Ernest B. Akyeampong
(613)951-4624

Adult Education and Training Survey
Frequency: Occasional
Contact: Steve Arrowsmith
(613)951-0566

Graduate Surveys (Postsecondary)
Frequency: Occasional
Contact: Bill Magnus
(613)951-4577

Distribution of Canadians working full and part year, full and part time, in 1995



Source: Census of Canada, 1996

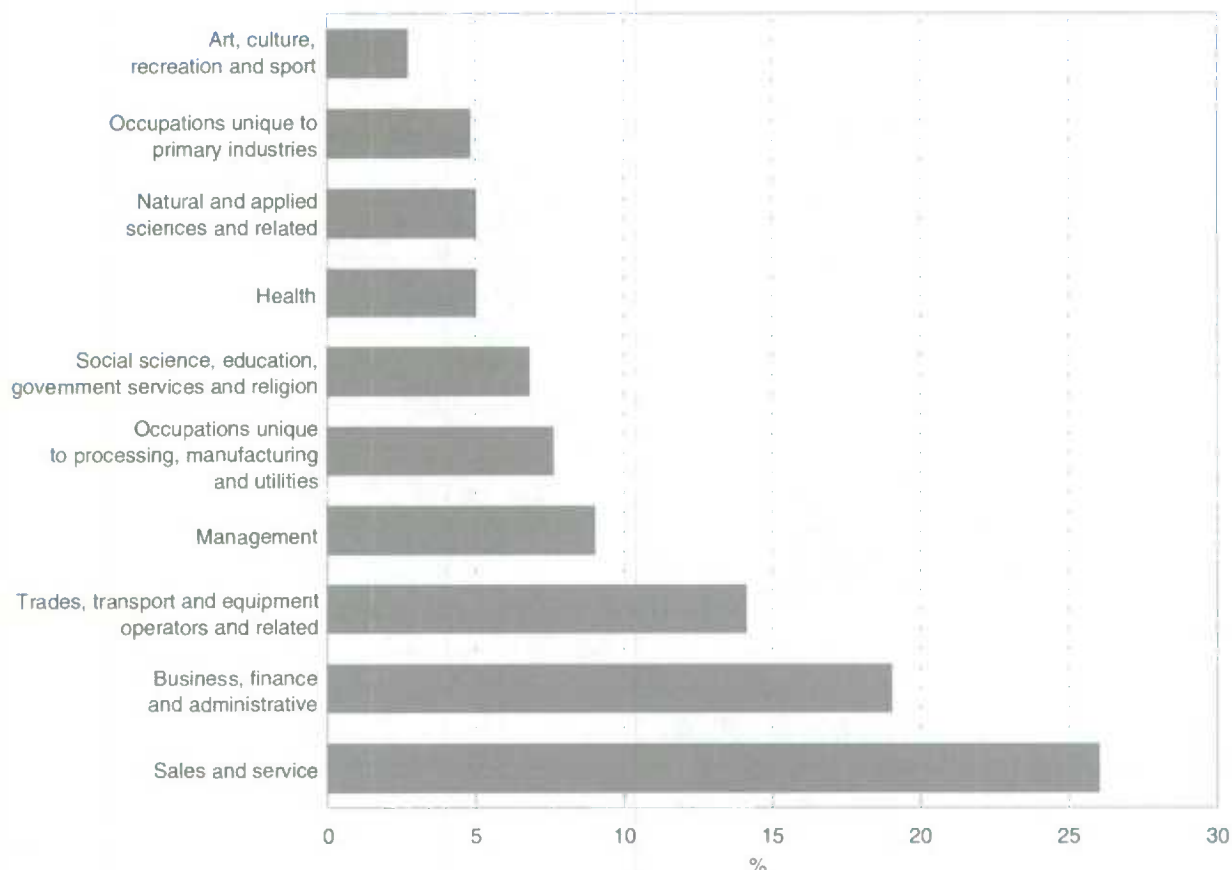
Just over half work full year full time

In 1995, about 9 million people worked all year. About 7.7 million (51% of those who worked at any time in 1995) worked full year full time, down 3% from 1990, while 1.2 million (8% of those who worked) worked full year part time, an increase of almost 20% since 1990. The remaining 41% reported working less than 49 weeks, either full or part time during the year.

Of the 7.7 million people working full year full time, about 4.6 million (60%) were men, while 3.1 million (40%) were women.

Women were more likely than men to work full year part time. Of 1.2 million full-year part-time workers, 861,000 (71%) were women, and only 344,000 (29%) were men.

Distribution of labour force by occupation



Source: Census of Canada, 1996

Sales and service largest occupational category

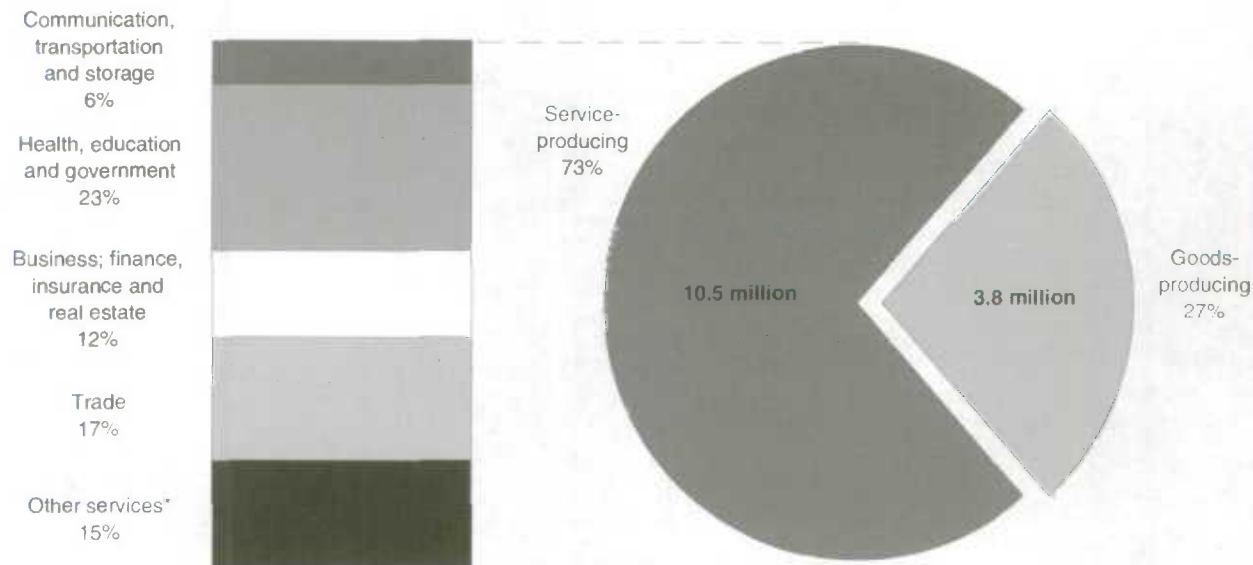
Some 3.7 million persons worked in sales and service in 1996, representing 26% of the labour force. One in three women and one in five men had a job in sales and service. This category increased by 248,000 between 1991 and 1996. This was the largest absolute increase of the 10 categories and the second fastest growth rate.

Some 2.7 million Canadians (or 19% of the labour force) worked in business, finance and administrative occupations, a slight decline from 1991. Men's 8% increase was offset by women's 3% decline (which was largely the result of a 100,000 drop in the number of secretaries).

The smallest of the 10 categories is art, culture, recreation and sport. Only 386,000 persons worked in these occupations in 1996. But this category grew the fastest: 15% over five years.

Service-producing industries

Percentage share of service-producing industries



Source: Census of Canada, 1996

* Accommodation, food and beverage services, and other services.

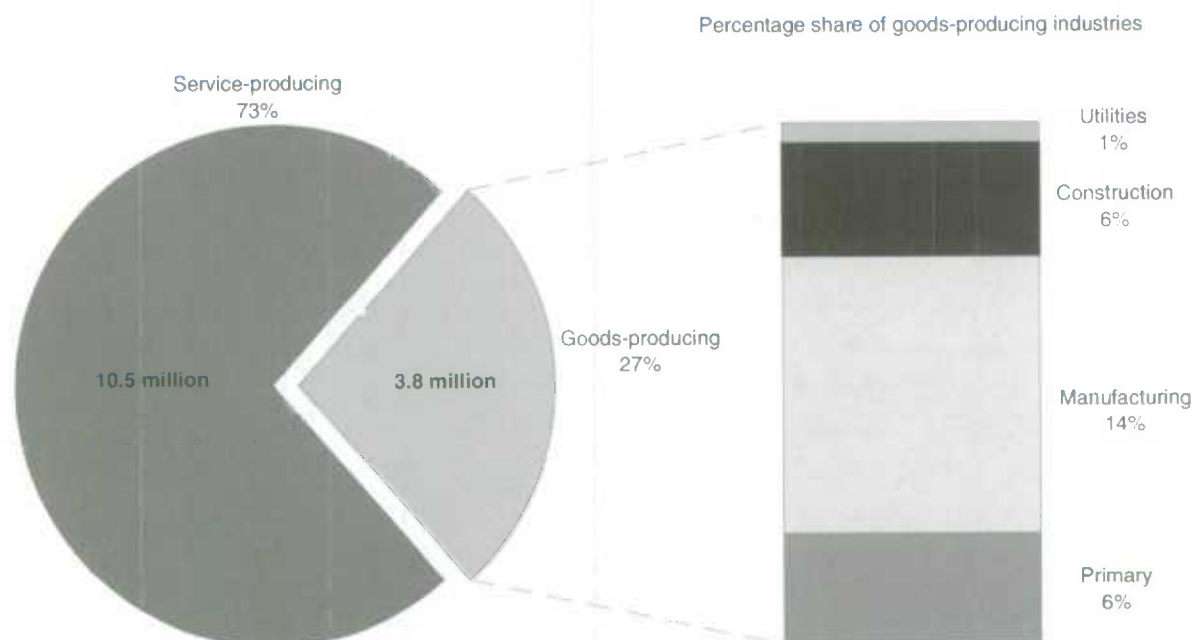
Three-quarters work in service sector...

In the first half of the 1990s, Canada's labour force was characterized by a large and growing service sector and a declining goods sector.

During the 1991-to-1996 period, the labour force in the service sector grew 3% to 10.5 million people. By 1996, almost 3 out of 4 workers were in services.

Retail trade was the largest service-producing industry in 1996, with almost 1.8 million workers, or about 12% of the labour force. The health industry accounted for almost 10% of the labour force, with 1.4 million workers in 1996.

Goods-producing industries



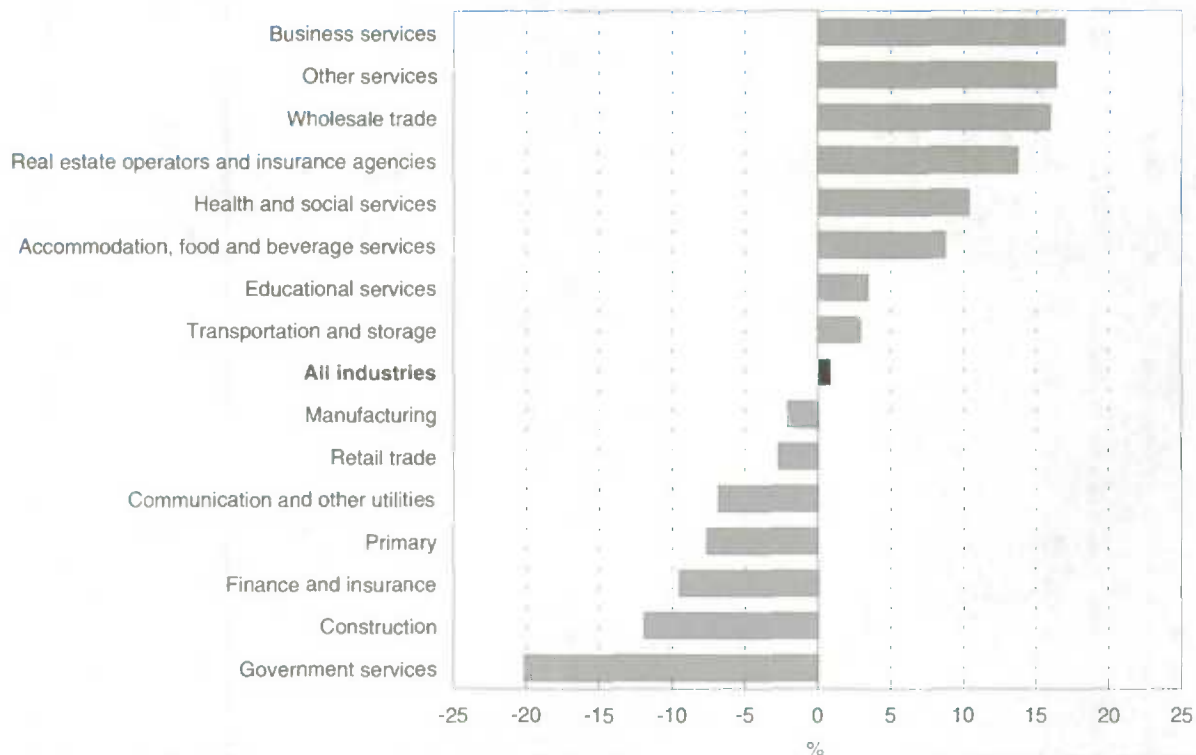
Source: Census of Canada, 1996

...one-quarter work in goods sector

Between 1991 and 1996, the goods sector declined by 6%, to 3.8 million workers. However, despite a 2% decline between 1991 and 1996, more Canadians (2 million or 14% of the labour force) continued to work in manufacturing in 1996 than in any other industry.

Primary industries (agriculture, fishing and trapping, logging and forestry, and mining) and construction each made up just 6% of the labour force in 1996.

Change in employment by industry, 1991-1996



Source: Census of Canada, 1996

Business services increased, government services declined

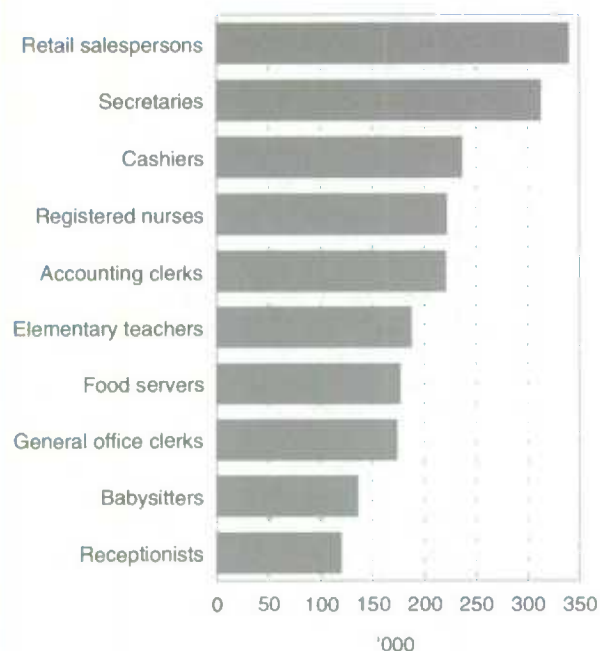
The decline among goods-producing industries was widespread: manufacturing fell by 2% between 1991 and 1996; primary industries, by 8% and construction, by 12%.

But not all service-producing industries grew over the period. Both retail trade and finance and insurance indus-

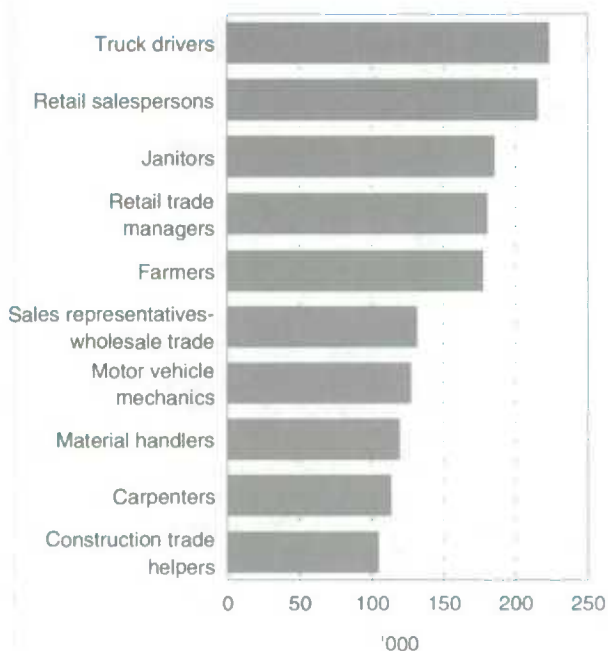
tries declined, but the most striking change was in government services – down 20%.

Business services, which increased by 17% or 135,000 workers, grew faster than any other industry. Much of this growth is attributable to part-time work and self-employment. Other services and wholesale trade also expanded by more than 15%.

Ten most common jobs for women



Ten most common jobs for men



Source: Census of Canada, 1996

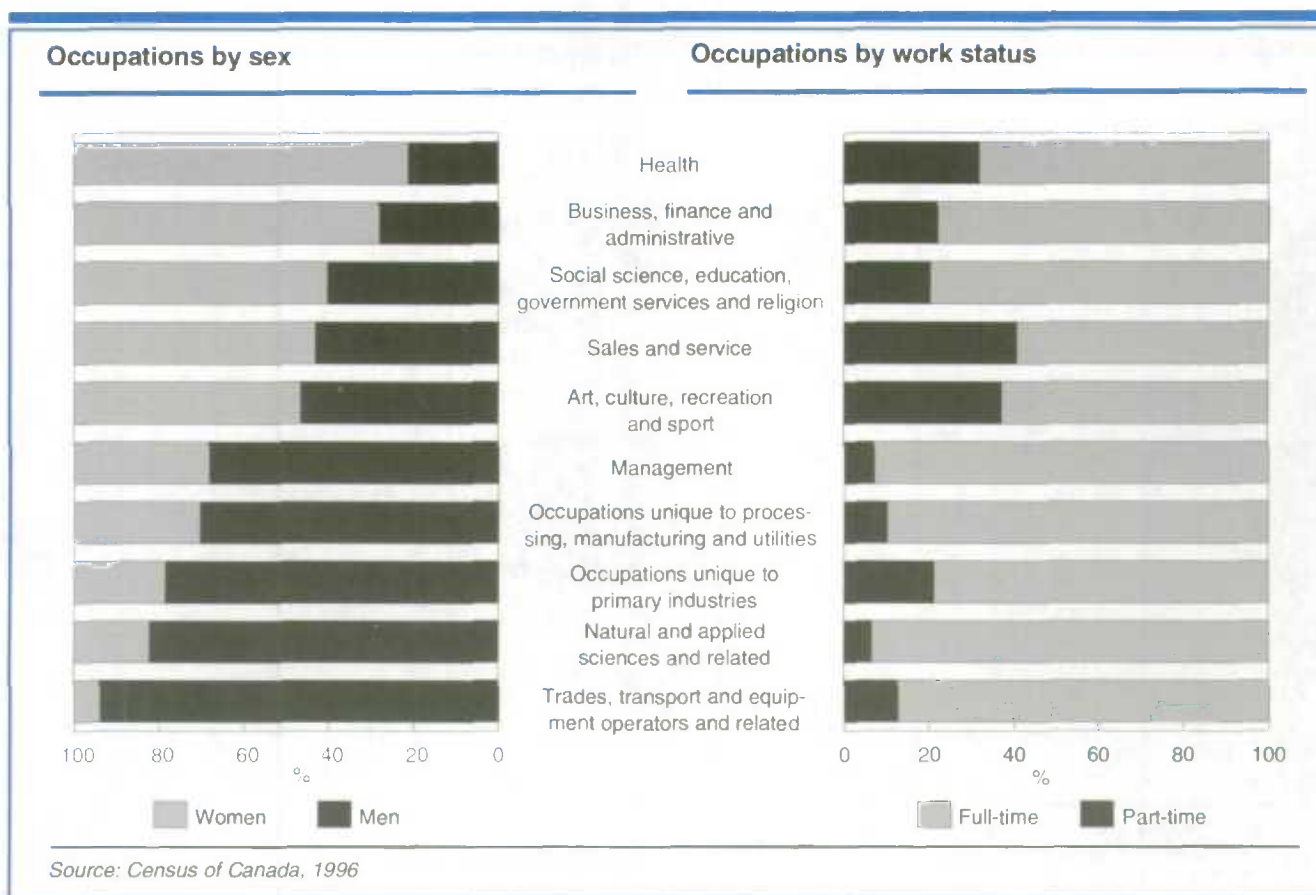
Retail salespersons number over half a million

In 1996, women were most likely to be retail salespersons (339,000), followed by secretaries (312,000). The babysitters and nannies category, number 9 on the list in 1996, was not among the top 10 in 1991.

The top 10 occupations accounted for 32% of all jobs held by women in 1996, down from 34% in 1991.

For men, the most common occupation in 1996 was truck driver (223,000), followed by retail salesperson (215,000). Truck drivers were third in 1991; salespersons were first.

The top 10 occupations accounted for 20% of all jobs held by men in 1996, down slightly from 1991.



Women dominate health occupations

Women, who represent 46% of the labour force, form the majority in 5 of the 10 occupation categories.

In health, women outnumber men four to one. In business, finance and administrative occupations, 7 out of 10 workers are women. However, women constitute only 6% of trades, transport and equipment operators.

Women dominate health occupations mainly because of the number who are registered nurses, nursing assistants and nurses aides. And more women are becoming doctors. In 1996, 30% of general practitioners and specialists were women, up from 26% in 1991.

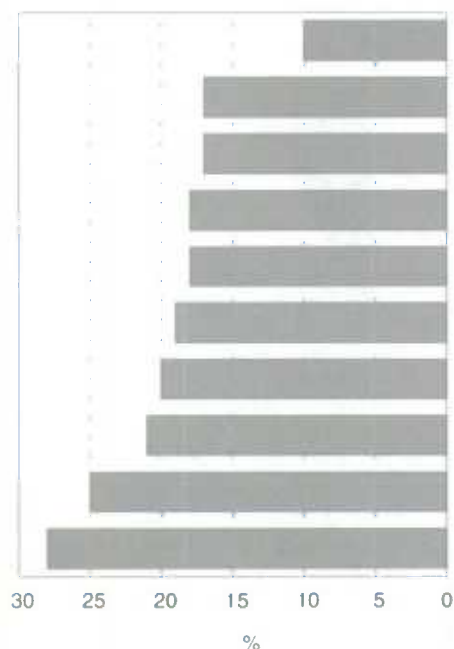
Women's larger share of business, finance and administrative jobs probably reflects their overwhelming presence in occupations such as secretaries and general office clerks.

Teaching occupations show an unusual pattern. Among elementary and kindergarten teachers, women outnumber men by over four to one. But they constitute only a slim majority of secondary teachers and only a third of university teachers. However, the number of women employed as university teachers grew by 39% between 1991 and 1996, compared with only 8% for men.

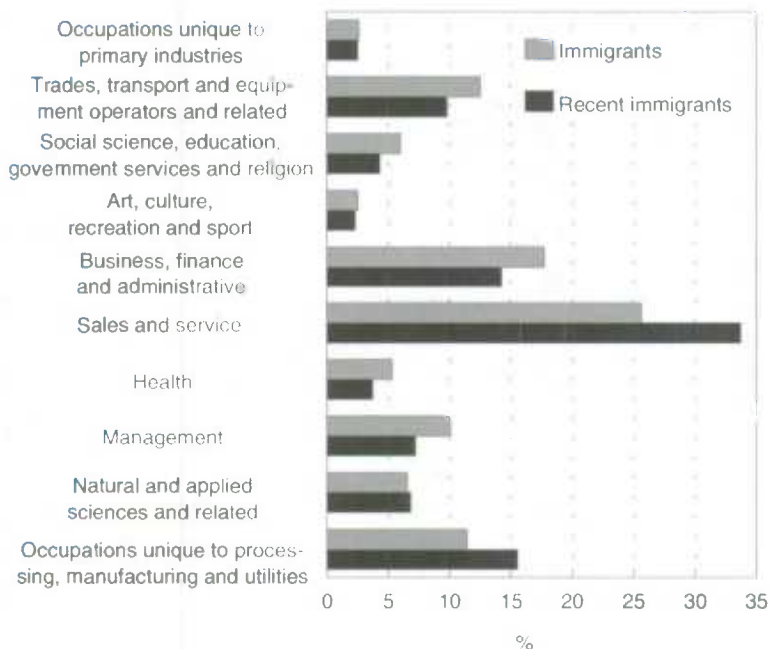
Part-time work was most prevalent in the largest occupational category, sales and service: 41% reported working part time in 1996. Some of these jobs include food service counter attendants, service station attendants and grocery clerks. The average age of these workers was 34.9 years, among the lowest for any category. The average age of the experienced labour force was 38.2 years in 1996.

Part-time work was also important in art, culture, recreation and sport occupations. More than two-thirds of musicians and singers worked part time, as did 85% of sports officials and referees.

Immigrants by occupation



Distribution of immigrants and recent immigrants by occupation



Source: Census of Canada, 1996

Immigrants make up almost one-fifth of the labour force

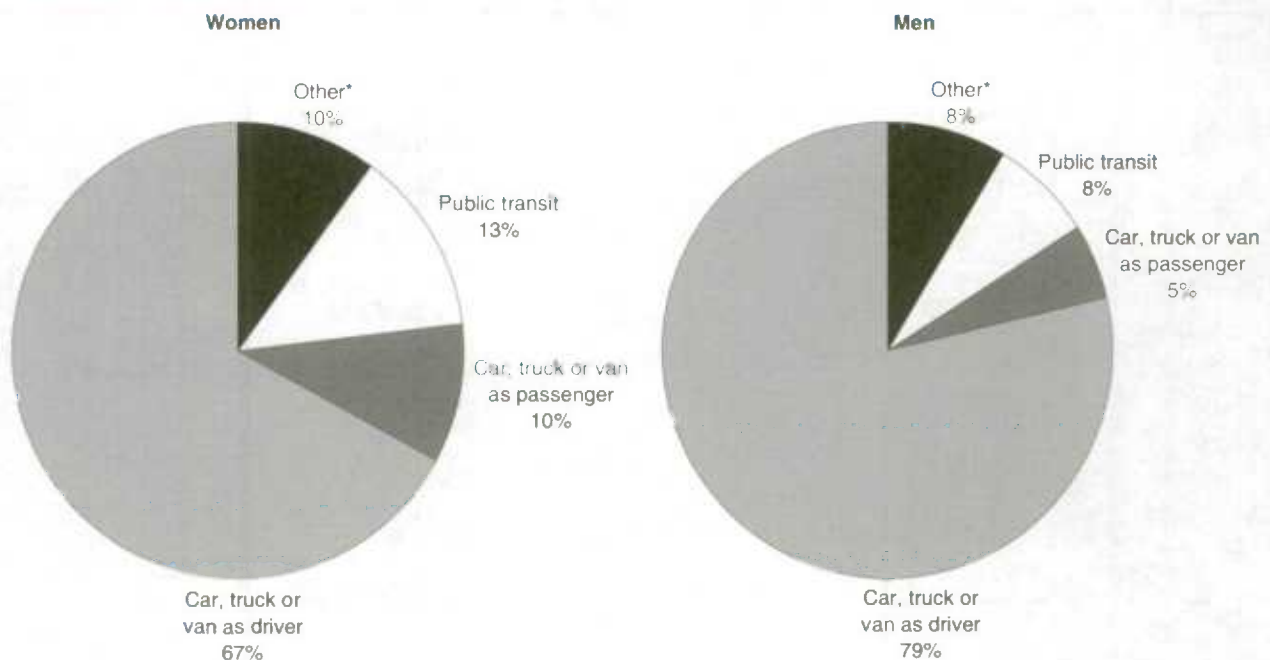
In 1996, 19% of the labour force were immigrants, even though only 17% of the population were recorded as such. Recent immigrants¹ made up 3% of the labour force in 1996.

Occupations in processing and manufacturing had the highest proportion of immigrants: 28%. And some 25% of workers in the natural and applied sciences were immigrants. Specifically, 46% of aerospace engineers, 39% of chemists and 38% of computer engineers were immigrants.

The types of jobs held by recent immigrants differ from those of immigrants as a whole. For example, one-third of recent immigrants were in sales and service jobs, compared with a quarter of all immigrants. Over 15% had jobs in processing and manufacturing, compared with 11% of all immigrants. Finally, nearly 7% of recent immigrants had jobs in natural and applied sciences, compared with 6% of all immigrants and 5% of the labour force as a whole.

¹ These are people who have immigrated since the last census.

Usual mode of transportation to work



Source: Census of Canada, 1996

* Walking, bicycle, motorcycle, taxicab, and other.

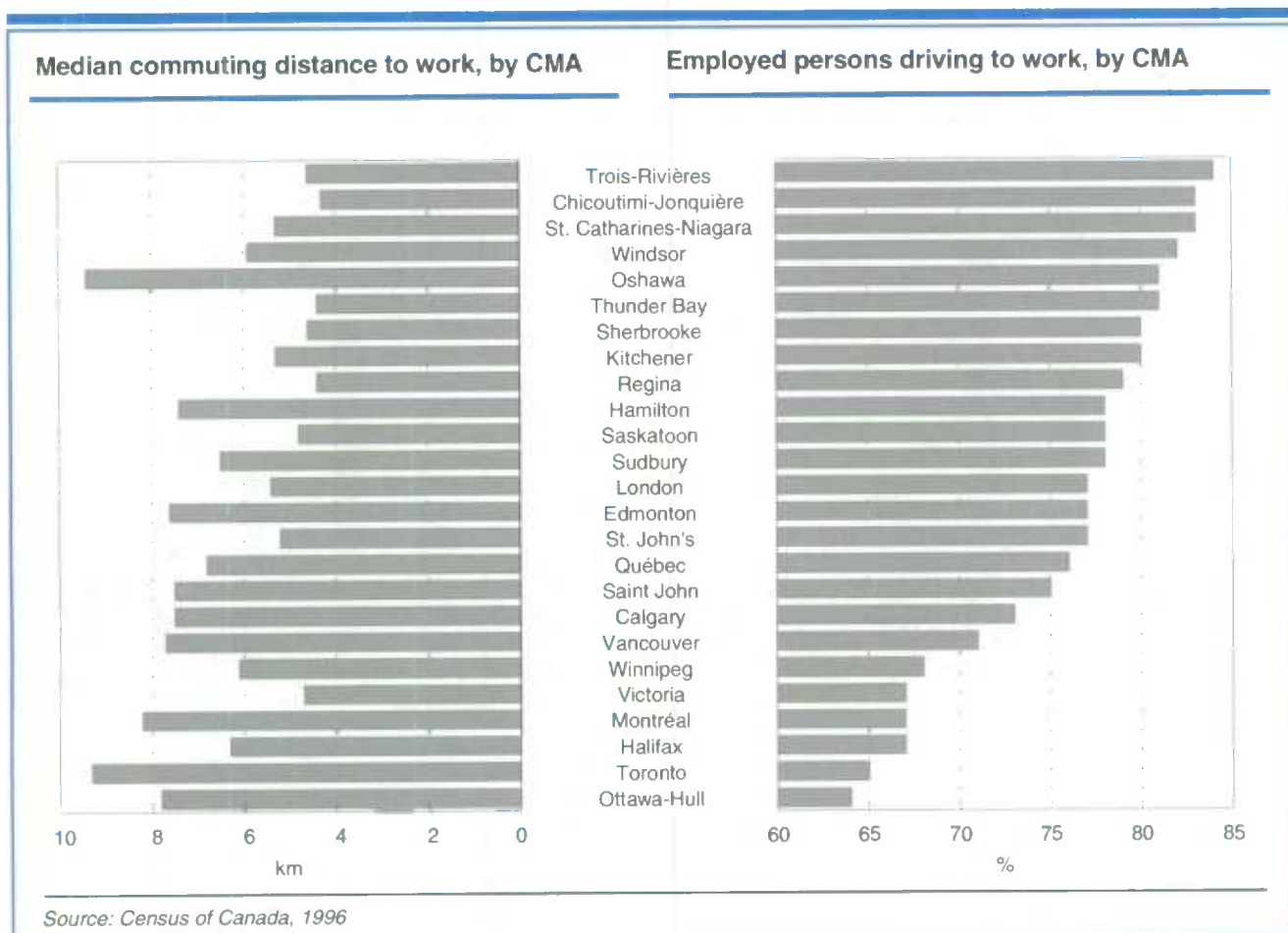
Most drive to work

The vast majority of Canadians settled in behind the wheel to get to work in 1996. About 8.9 million people, or 73% of the working population, drove to work in a car, truck or van. Another 7%, or almost 900,000 people, travelled as passengers.

Just 10% of the working population, or about 1.2 million people, reported using some form of public transit in 1996 to get to work. A further 7% walked to work, while 1% used a bicycle.

Men were more likely than women to drive to work, while women tended to travel as passengers, to take public transit or to walk. About 79% of working men drove, compared with 67% of women. A further 13% of working women took public transit in 1996 and 8% walked to work. This compared with 8% and 6%, respectively, of men.

Data on mode of transportation to work came from a new census question, which was designed for use in planning urban development and transportation networks.



Workers in southern Ontario commute the farthest

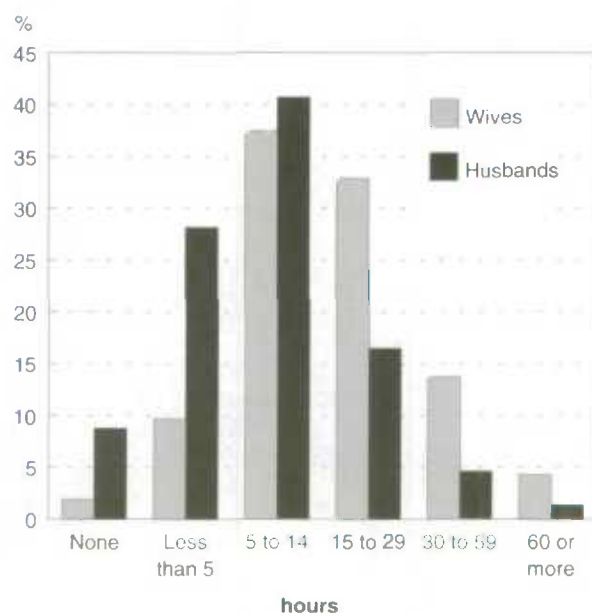
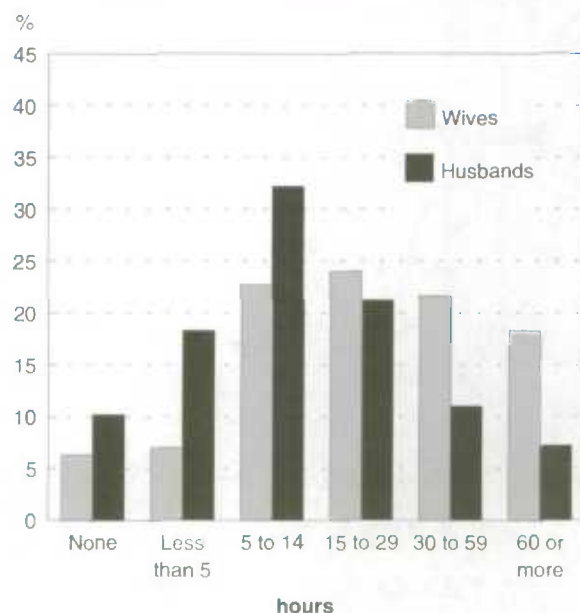
Residents of census metropolitan areas (CMAs) commuted a median distance of 7.4 km, one way. In other words, half of all employed workers living in CMAs commuted more than 7.4 km, and half commuted less than 7.4 km. This distance was one-third farther than that travelled by persons living outside a CMA, who commuted a median distance of 5.6 km.

On the whole, employed people living in the Golden Horseshoe area of southern Ontario commuted farther than anyone else in Canada. One-third of the labour force in the CMA of Oshawa and one-fifth in both Toronto and Hamilton travelled more than 20 km to work one way. This contrasted sharply with Regina and Winnipeg, where less than 6% of commuters travelled over 20 km to work in 1996.

Commuters in seven of Canada's CMAs led the way in 1996 in having or finding alternatives to driving to work. The proportion of employed workers who drove to work was below the national average of 73% in Ottawa-Hull, Toronto, Halifax, Montréal, Victoria, Winnipeg and Vancouver.

Conversely, 80% or more of commuters in eight of Canada's CMAs reported that they drove to work in 1996. Trois-Rivières led all CMAs at 84%, followed by Chicoutimi-Jonquière and St. Catharines-Niagara, at 83% each.

In terms of alternatives, public transit was most popular (and/or available) in Canada's two largest CMAs. About 22% of employed workers used public transit to get to work in Toronto, as did 20% of those in Montréal.

Proportion of time spent on unpaid housework, by full-time paid workers**Proportion of time spent on unpaid child care, by full-time paid workers**

Source: Census of Canada, 1996

Amount of unpaid work depends on employment status

Among private households in Canada, 92% of women reported spending time doing unpaid housework or home maintenance in the week preceding the census, compared with 85% of men.

For both wives and husbands, the amount of time spent in paid employment tended to reduce the amount of unpaid work reported.

Among wives who worked full time (30 or more hours) for pay in the week prior to the census, 51% reported spending 15 or more hours doing unpaid housework. In contrast, among wives with no paid employment, 70% did 15 or more hours of housework.

Among husbands with full-time employment, 23% spent at least 15 hours doing housework; for those with no paid employment, the proportion was 36%.

The time that both men and women spent caring for children depended greatly on whether they were employed.

Individuals with full-time paid jobs had less time to spend with their children: about 64% of wives with full-time paid jobs spent 15 hours or more looking after their children in the week prior to the census. This was the case for 79% of wives who did not have a full-time paid job.

About 18% of wives with a full-time paid job said they spent 60 hours or more caring for children. This figure more than doubled to 46% among wives who did not have a full-time paid job.

The situation was similar for men. About 42% of husbands who did not have paid work spent 15 hours or more on child care, compared with 39% of those who had a full-time job.

Some 7% of husbands with full-time paid jobs devoted at least 60 hours to caring for children, while 15% of those who were not employed full time devoted 60 or more hours of care.

Unpaid work

The 1996 Census was the first to include questions on unpaid household work. Respondents aged 15 and over were asked to report the amount of time they spent in the week prior to the census doing unpaid housework or home maintenance, taking care of children without pay, and providing care or assistance to seniors.

Overall, 90% of Canadians reported that they did some form of unpaid work in the week prior to the census. Some 89% did unpaid housework or home maintenance, 38% cared for children, and 17% spent time caring for a senior.

These figures varied considerably by sex. Not surprisingly, those working full time for pay and those with no paid employment differed considerably. And, as could be expected, the presence of children was also an important influence on the hours of unpaid work reported.

While men, on average, spent more time than did women on paid employment, women performed much more unpaid work in all three categories of activity on which the census collected information.

Note

Respondents were asked to report all time spent on household activities, even if these overlapped. For example, someone who spent one hour on both housework and child care would be expected to report that time in both categories. For this reason, the hours reported for each activity do not add to the total for all unpaid work.

While this is the first time that unpaid work has been collected on the census, Statistics Canada has also generated data on unpaid work through the General Social Survey (GSS).

The 1986 and 1992 GSS Time Use Surveys provided estimates of the time people devoted to the various

components of unpaid household work, as well as the amount of time they devoted to paid employment. (Another time use survey is being conducted in 1998. Results will be available in 1999.) The design of these surveys allows total (non-overlapping) hours of unpaid work to be estimated. Total time devoted by individuals to paid and unpaid work can also be estimated. (See, for example, Statistics Canada, 1996 and 1995.) Unpaid work data from the census complement these surveys with data for small areas and for specific sub-groups of the population.

Definitions

The data on unpaid housework, unpaid child care and unpaid care or assistance to seniors are presented for the population aged 15 and over living in private households.

The data on unpaid child care are also presented for spouses, including common-law partners.

Spouses: persons of opposite sex who are legally married to each other and living in the same dwelling.

Common-law partners: two persons of opposite sex who are not legally married to each other but who live together as husband and wife in the same dwelling.

Children: in this study, children refer to never-married sons and/or daughters under 15 living in the same dwelling as their parents.

Statistics Canada. *The Statistics Canada Total Work Accounts System*. Catalogue no. 89-549-XPE. Ottawa, 1996.

---. *As Time Goes By...Time Use of Canadians*. Catalogue no. 89-544-XPE. Ottawa, 1995.

Charts and text for this issue's "Key labour and income facts" were adapted from Statistics Canada's *The Daily*, Census Release, March 17, 1998. For more information, contact Bruce Rogers of the Labour and Household Surveys Analysis Division at (613) 951-2883; e-mail: rogebru@statcan.ca.

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In the works

Here are some of the topics to be featured in upcoming issues

■ Two earners, two schedules

An examination of the prevalence of shift work among full-time dual-earner couples. Shift work tendencies are analyzed, for both husbands and wives. The degree of overlap in work schedules among shift-work and non-shift-work couples is also examined.

■ Looking for work

The unemployed are now more likely to use passive and informal job search methods, such as looking at job advertisements and contacting family and friends, and less likely to conduct active job searches through organizations such as public employment agencies and unions. At the same time, they are increasingly using either four or more methods, or just one method (often passive). This study examines these trends, with particular attention to people continuously unemployed for one year or more.

■ Post-retirement income

A look at the relationship between pre-and post-retirement income for people who retired in the early to mid-1990s, by sex, age of retirement and region.

■ Do married couples retire together?

This study examines the retirement sequence of married couples in which both partners work past the age of 50. Among the factors considered: who retires first, the time lapse between the individual retirement events, and the effect of age, age difference, income and education.

■ Home-based entrepreneurs

Both home-based work and self-employment have expanded considerably over the last two decades. This article looks at the characteristics of the self-employed who work at home.

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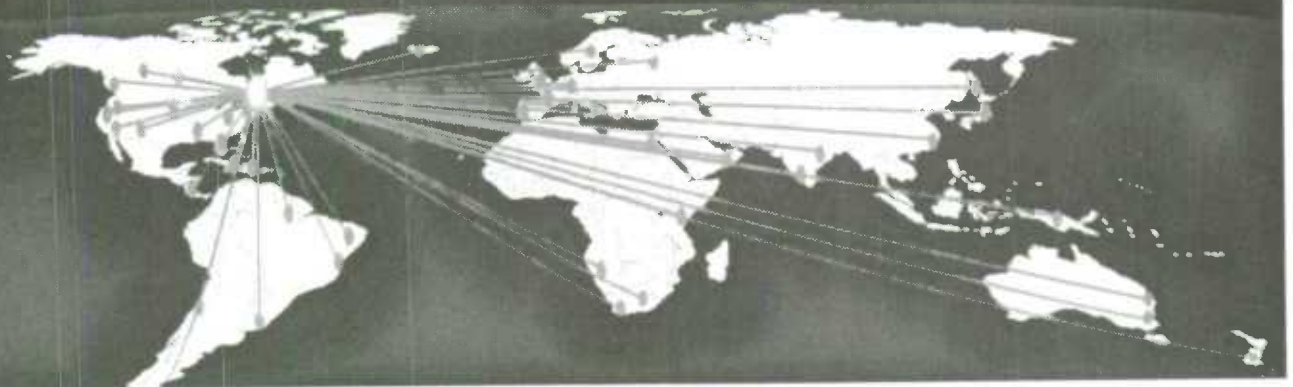
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