



The Daily

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MAJOR RELEASES

- **Retirement savings through employer pension plans and registered retirement savings plans, 1999** 2
 More than nine million taxfilers, or 72%, saved for retirement in at least one year from 1993 to 1999. They did so either by contributing to a Registered Retirement Savings Plan or to an employer-sponsored Registered Pension Plan.

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NEW PRODUCTS

Perspectives on labour and income

July 2001 online edition

The July 2001 issue of *Perspectives on labour and income*, available today, features two articles.

"Who contributes to RRSPs? A re-examination" complements the major release on retirement savings in today's *Daily*. Using the same data source as the release, this study assesses the effects of sex, pension coverage and age on participation in Registered Retirement Savings Plans. For more information, contact Boris Palameta (613-951-2124; boris.palameta@statcan.ca), Labour and Household Surveys Analysis Division.

"Liberal arts degrees and the labour market" uses the Survey of Labour and Income Dynamics to compare the labour market experiences of graduates of bachelor's-level programs in humanities and social sciences with those of their counterparts from more vocation-oriented programs. For more information, contact Philip Giles (613-951-2891; giles@statcan.ca), Income Statistics Division.

The July 2001 online edition of *Perspectives on labour and income*, Vol. 2, no. 7 (75-001-XIE, \$5/\$48) is now available. For more information, contact Henry Pold (613-951-4608; henry.pold@statcan.ca), Labour and Household Surveys Analysis Division.

MAJOR RELEASES

Retirement savings through employer pension plans and registered retirement savings plans 1999

From 1993 to 1999, 9.3 million taxfilers, or 72% of taxfilers aged 25 to 64, saved for retirement in at least one of those years. They did so either by contributing to a registered retirement savings plan (RRSP) or to an employer-sponsored registered pension plan (RPP), according to new data from income tax files.

About 75% of those who saved were regular savers, that is, they contributed to at least one plan in four or more years from 1993 to 1999. The remaining 25% saved irregularly, that is, they contributed in three years or fewer.

These proportions were virtually identical to the results of a similar analysis released two years ago showing savings patterns from 1991 to 1997.

About 28% of the taxfilers aged 25 to 64 did not use either program from 1993 to 1999. Eighty-three percent of them had incomes of less than \$20,000, and about 60% were women. As a result, they may have to rely on public pension plans (such as the Old Age Security/Guaranteed Income Supplement, or the Canada or Quebec Pension Plans) as their major source of income in retirement.

Atlantic provinces had lowest proportion of retirement savers

The Atlantic provinces had the lowest proportion of taxfilers (55% to 63%) who saved through RPPs or RRSPs at least once from 1993 to 1999.

The lowest proportion was in Newfoundland, where about 55% of taxfilers made a contribution to either plan at least once. The highest proportions were in the Northwest Territories, British Columbia, Alberta, Saskatchewan and Ontario, where about 75% of taxfilers did so.

Higher unemployment and lower incomes in Atlantic Canada are factors that may explain lower participation rates in retirement saving programs.

Note to readers

This release analyses the most recent information (1993 to 1999) on taxfilers' contributions to registered retirement savings plans (RRSPs) and participation in employer-sponsored registered pension plans (RPPs). The data came from administrative files provided by the Canada Customs and Revenue Agency. The value of the pension accrued in RPPs in a current year is estimated by the pension adjustment.

This analysis was restricted to individuals aged 25 to 64. Including those younger and older could distort the picture, since many individuals under 25 have not entered the labour force or are recent entrants, and many over 64 have already retired. Annual total income before tax was used, and all dollar figures were converted to 1999 dollars.

References to the frequency of saving from 1993 to 1999 were based on individuals who filed a tax return in each of the seven years and were aged 25 to 64 as of December 31, 1999. Income was averaged over the seven-year period. However, references to the number of savers or amounts saved in any one year are based on the returns of all taxfilers aged 25 to 64 as of December 31 that year.

Percentage of taxfilers who saved through RRSPs or RPPs by province or territory 1993 to 1999

	All taxfilers ¹		Frequency of savings			
			No savings		At least once	
	'000	%	'000	%	'000	%
Canada	13,024	100.0	3,690	28.3	9,334	71.7
Newfoundland	258	2.0	117	45.3	141	54.7
Prince Edward Island	63	0.5	25	39.7	38	60.3
Nova Scotia	421	3.2	158	37.5	263	62.5
New Brunswick	356	2.7	149	41.9	207	58.1
Quebec	3,401	26.1	1,047	30.8	2,354	69.2
Ontario	4,737	36.4	1,223	25.8	3,514	74.2
Manitoba	496	3.8	134	27.0	362	73.0
Saskatchewan	414	3.2	106	25.6	308	74.4
Alberta	1,271	9.8	322	25.3	949	74.7
British Columbia	1,559	12.0	393	25.2	1,166	74.8
Northwest Territories	17	0.1	4	23.5	13	76.5
Yukon	14	0.1	5	35.7	9	64.3
Nunavut	7	0.1	3	42.9	4	57.1
Non residents	10	0.1	4	40.0	6	60.0

¹ Includes people who filed a tax return for each year from 1993 to 1999.

More Canadians saving through RRSPs than RPPs

From 1993 to 1999, 61% of all taxfilers aged 25 to 64 contributed to an RRSP at least once, whereas just 45% participated in an RPP. RRSPs are available to almost all workers in Canada, but RPPs are available only if an individual's employer offers one.

From 1993 to 1999, 62% of savers to RRSPs contributed regularly (in at least four of the seven years). Because of the nature of the RPP program, RPP savers were more likely to save regularly (73%).

About 39% of all taxfilers made no RRSP contributions from 1993 to 1999. Sixty-nine percent of these individuals had average incomes of less than \$20,000.

The picture in 1999

Although almost 72% of taxfilers saved through RRSPs or RPPs from 1993 to 1999, the proportion saving in any single year is much lower. In 1999, 51% of the taxfilers aged 25 to 64 saved through one of these programs. This proportion was virtually the same in 1997. Again in 1999, more contributed to RRSPs (38%), whereas 31% belonged to RPPs.

Income still the key factor in saving for retirement

Income remains the most important factor in saving for retirement. In 1999, 6.1 million taxfilers, or 40% of the total, reported a total income of less than \$20,000. Among these taxfilers, only 15% contributed to either an RRSP or RPP.

As income rose, so did the likelihood of saving. About 63% of taxfilers with total incomes of \$20,000 to \$39,999 saved. This proportion climbed to 92% for those with total incomes over \$60,000.

In the case of RRSPs, the contribution limit is defined as a percentage of total eligible income up to a pre-determined limit. Consequently, it is not surprising that the amount contributed to RRSPs increases with income. Although 656,900 people, or 4% of taxfilers, made RRSP contributions of \$10,000 or more in 1999, more than two-thirds of these taxfilers had total incomes of \$60,000 or more.

The likelihood of belonging to an RPP increases with income, but only up to a certain level. The highest proportion of RPP members was in the \$40,000-to-\$79,999 income range.

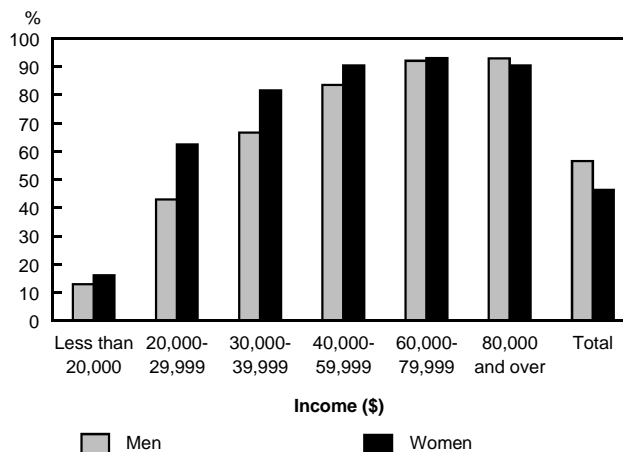
Income is also important in looking at savings of men and women

In 1999, 56% of men and 46% of women taxfilers saved through an RRSP or an RPP.

However, when comparing the savings behaviour of men and women by income group, a different picture emerges. In most income groups, women were more likely to save through an RRSP or an RPP. The higher participation rate overall for men is largely attributable to income differences between men and women. There

was a higher proportion of men with larger incomes, and participation in RRSPs increases with income. A study entitled "Who contributes to RRSPs: A re-examination," also released today, provides more information on this topic.

At most income levels, women were more likely than men to save in 1999



Similarly, men saved an average of \$6,546 in 1999, about 40% more than women (\$4,690). However, for all income groups from \$20,000 to \$79,999, the average savings of women exceeded those of men.

Again, the average savings of women were much lower because of the high number of women savers who had incomes less than \$20,000. As well, a much higher number of men had incomes of \$80,000 and over.

Majority of Canadians did not use any of their RRSP room

In 1999, 59% of taxfilers did not use any of their RRSP room. (RRSP room is the maximum amount that can be deducted for income tax purposes as an RRSP contribution.) About 54% of the people who did not use any room declared incomes of less than \$20,000.

However, only 10% of taxfilers with room maximized their RRSP contributions, down slightly from 11% in 1997. Forty-five percent of those with an income of \$80,000 or more used all their available contribution room.

In all income groups, when women participated, they made more use of their RRSP room than men. Among taxfilers with income of at least \$40,000, some 36% of women used more than half of their RRSP room, compared with 30% of men.

More than a million taxfilers made RRSP withdrawals

In 1999, 1.1 million individuals aged 25 to 64 withdrew \$5.8 billion from their RRSP savings, an average of \$5,245 each. (Amounts removed from RRSPs through the Home Buyers Plan and the Life Long Learning Plan are not considered withdrawals.)

Only 23% of taxfilers who withdrew money from their RRSPs in 1999 were aged 55 to 64. About 53% of those who cashed in their RRSPs were under 45. These individuals probably withdrew their money for reasons unrelated to retirement.

A table on retirement savings through RRSPs and RPPs is available, free of charge, on Statistics Canada's Web site (www.statcan.ca). On the *Canadian Statistics* page, choose *The people*, then *Labour, employment and unemployment*, then *Employment Insurance and pensions*.

Retirement savings through RPPs and RRSPs, 1999 (74F0002XIB, \$33; 74F0002XDB, \$43; 74F0002XPB, \$43) is now available. See *How to order products*.

Data on total savings in RPPs and RRSPs will be available in the fall of 2001 from the Survey of Financial Security.

Also released today is an article titled "Who contributes to RRSPs? A re-examination", which is available in the online version of *Perspectives on labour and income*, Vol. 2, no. 7 (75-001-XIE, \$5/\$48). This study also uses 1999 tax data to investigate the effect of pension coverage and age on RRSP participation among both men and women, taking income into account. For more information on this study, contact Boris Palameta (613-951-2124; boris.palameta@statcan.ca), Labour and Household Surveys Analysis Division.

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

**Retirement savings through RRSPs and RPPs by sex
1999**

Income	Taxfilers with savings	Average savings of savers	Percentage saved in RRSPs	Percentage saved in RPPs	Savings as a percentage of income of savers
\$	'000	\$		%	
Men					
Less than 10,000	56	1,522	53.1	46.9	26.9
10,000 to 19,999	221	1,959	82.0	18.0	12.5
20,000 to 29,999	489	2,531	71.2	28.8	9.9
30,000 to 39,999	783	3,660	61.1	38.9	10.4
40,000 to 59,999	1,412	6,081	49.9	50.1	12.3
60,000 to 79,999	717	9,487	48.6	51.4	13.9
80,000+	605	13,259	62.6	37.4	8.6
Total	4,283	6,546	55.8	44.2	11.0
Women					
Less than 10,000	139	1,099	61.0	39.0	18.6
10,000 to 19,999	492	1,602	72.9	27.1	10.3
20,000 to 29,999	817	2,599	57.9	42.1	10.3
30,000 to 39,999	827	4,098	51.3	48.7	11.8
40,000 to 59,999	851	6,658	46.6	53.4	13.8
60,000 to 79,999	252	10,100	48.6	51.4	14.9
80,000+	142	12,955	66.9	33.1	9.7
Total	3,521	4,690	53.0	47.0	12.2
Total men and women					
Less than 10,000	195	1,220	58.2	41.8	20.9
10,000 to 19,999	713	1,713	76.2	23.8	11.0
20,000 to 29,999	1,307	2,574	62.8	37.2	10.1
30,000 to 39,999	1,609	3,885	55.8	44.2	11.1
40,000 to 59,999	2,263	6,298	48.6	51.4	12.9
60,000 to 79,999	969	9,647	48.6	51.4	14.1
80,000+	748	13,201	63.4	36.6	8.8
Total	7,805	5,709	54.8	45.2	11.4



OTHER RELEASES

Construction type plywood

May 2001

Canadian firms produced 175 938 cubic metres of construction-type plywood in May, up 5.3% from the 167 030 cubic metres produced during May 2000.

Year-to-date production totalled 857 391 cubic metres, an increase of 2.3% from the 837 965 cubic metres produced during the same period in 2000.

Available on CANSIM: table 3030005 and matrix 122 (level 1).

The May 2001 issue of *Construction type plywood*, Vol 49, no. 5 (35-001-XIB, \$5/\$47) is now available. See *How to order products*.

For general information or to order data, contact the Dissemination Officer (1-866-873-8789; 613-951-9497; manufact@stat.ca). For more information, or to enquire about the concepts, methods or data quality of this release, contact Sara Breen (613-951-3521; sara.breen@statcan.ca), Manufacturing, Construction and Energy Division. ■

Graphical overview of the criminal justice indicators

1999/2000

Graphical overview of the criminal justice indicators is a new electronic product released today by the Canadian Centre for Justice Statistics.

This reference tool contains 94 graphics illustrating current and historical data from a number of Statistics Canada surveys. The graphics show data on crime, police administration, adult and youth court activity, the correctional population and transition homes, as well as various issues such as criminal victimization and family violence. Each graphic is accompanied by a short explanatory text.

This report replaces two former publications: *A graphical overview of crime and the administration of criminal justice in Canada*, and the *Justice factfinder (Juristat)*.

Graphical overview of the criminal justice indicators, 1999/2000 (85-227-XIE, \$26) is now available on Statistics Canada's Web site (www.statcan.ca). From the *Our products and services page*, choose *Publications for sale*, then *Justice*. The product is also available through a print-on-demand service.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Information and Client Services (1-800-387-2231; 613-951-9023), Canadian Centre for Justice Statistics. ■

NEW PRODUCTS

Construction type plywood, May 2001, Vol. 49, no. 5
Catalogue number **35-001-XIB** (\$5/\$47).

A profile of Canadian exporters, 1993–1999
Catalogue number **65-506-XIE** (\$25).

Canada's balance of international payments, First quarter 2001
Catalogue number **67-001-XIB** (\$29/\$93).

Retirement savings through RRSPPs and RPPs, 1999
Catalogue number **74F0002XIB** (\$33).

Retirement savings through RRSPPs and RPPs, 1999
Catalogue number **74F0002XDB** (\$43).

Retirement savings through RRSPPs and RPPs, 1999
Catalogue number **74F0002XPB** (\$43).

Perspectives on labour and income, July 2001, Vol. 2, no. 7
Catalogue number **75-001-XIE** (\$5/\$48).

Graphical overview of the criminal justice indicators, 1999/2000
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All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

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MAJOR RELEASES

- **Urban transit, 1995** 2
Despite the emphasis on taking urban transit, Canadians are taking it less and less. In 1996, about 1.5 billion trips, an average of about 4.5 per person, were taken on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1996** 4
Growth in productivity among Canadian businesses was relatively weak again in 1996 accompanied by sluggish gains in employment and slow economic growth during the year.

OTHER RELEASES

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Editor: Tom Vradenburg (613-951-1103, tom.vradenburg@statcan.ca)

Head of Official Release: Madeleine Simard (613-951-1088), madeleine.simard@statcan.ca

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