



The Daily

Statistics Canada

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MAJOR RELEASES

- **Evolution of job stability in Canada: Trends and comparisons to US results, 1976 to 2001** 2
Job stability — measured by the proportion of workers who continued with the same employer for at least one additional year — increased steadily during the 1990s, more than offsetting declines in the 1980s, according to a new study.

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MAJOR RELEASES

Evolution of job stability in Canada: Trends and comparisons to US results

1976 to 2001

Job stability — measured by the proportion of people who worked for the same employer for at least one additional year — increased steadily during the 1990s, more than offsetting declines in the 1980s, according to a new study.

In 2001, 80% of employees remained with the same employer at least one more year, compared with 76% in 1980 and 74% in 1989. These years were chosen for this comparison because they each represent a peak year of the business cycle.

Women close gap in job stability in the 1990s

Job stability was higher among men than women in the 1980s, but the gap between them had all but closed by 2001.

In 1980, about 78% of men held their jobs for at least one more year, compared with 74% of women. By 2001, the proportion for men increased slightly to 80%, and the proportion for women rose substantially to 79%.

Men and women with a university degree had greater job stability than their counterparts with a high school education or less.

In 2001, 85% of men with a university degree held their jobs for one more year, compared with 77% of men with a high school education or less. Similarly, 85% of women with a university education held their jobs for at least one additional year, compared with 76% of women with a high school education or less.

Job stability also rises with age, with workers aged 40 to 54 enjoying the most stability. In 2001, 89% of men in this age group held on to their jobs for at least one more year, compared with only 81% of men aged 25 to 39 and only 57% of those aged 15 to 24.

Similarly, 88% of women aged 40 to 54 kept their jobs for at least one more year, compared with 80% of those aged 25 to 39 and only 56% of those aged 15 to 24.

On average, job stability declines after age 54, reflecting the influence of retirement.

Job stability steady for older workers

There was no decline from 1980 to 2001 in job stability for workers aged 55 and over. Job stability fell from 1980 to 1989 for men and women in this age group.

Note to readers

This release is based on a research paper that examines trends in job stability.

The results are based on Labour Force Survey data from 1976 to 2001. The analysis covered workers who were paid employees or the self-employed owners of incorporated firms. This group accounted for about 90% of the employed labour force in most years. Results for 1980, 1989 and 2001 are based on three-year moving averages.

*Job stability is measured using the retention rate. A **retention rate** estimates the probability that a worker would continue at least one more year with the same employer. A worker may not continue with an employer because he or she quit, was permanently laid off, or retired. A worker may change jobs within an employer without an interruption in the job spell. Short periods of layoff are also not considered to be interruptions in the job spell. In general, job stability decreases when economic conditions are improving as workers quit at higher rates for other job opportunities, and increases during recessions when workers are less inclined to quit.*

Results for Canada are compared with previously published US results. For comparisons with published US results, the retention rate estimates the probability that a worker would remain with his or her current employer for four more years. Comparisons with the United States are only possible for selected years.

However, this drop was reversed during the 1990s, and job stability recovered by 2001 for men and women aged 55 and over. By 2001, 82% of men and women in this age group were likely to hold on to their jobs at least another year.

Job stability declined for men and women aged 15 to 24 in the 1980s, and then partly bounced back in the 1990s. In 1980, 59% of men in this age group held on to their jobs for one more year. This fell to 52% in 1989 and then rose to 57% in 2001. All three years represent near-cyclical peaks and hence are comparable. The results were very similar for women in the same age group.

Job stability held steady during these two decades for male workers aged 25 to 39 and 40 to 54. However, it did increase somewhat for women in both age groups. For example, the proportion of women aged 40 to 54 who held a job for at least one year increased from 85% in 1980 to 88% in 2001.

In general, the older the worker, the greater the job stability. Hence, job stability in the 1990s increased somewhat simply because the population was aging. However, job stability rose in the 1990s within many age groups, suggesting that the aging of the population was not the only explanation for the rise in job stability during that period.

No rise in the fraction of short-term jobs

The rising number of short-term jobs is a subject that has received much attention in recent years. This study also examines the fraction of jobs that last less than one year.

In 1980, 53% of jobs ended within one year of the time they started. In 1989, 58% of jobs lasted just one year or less, indicating that short-term jobs became more prevalent in the 1980s. However, by 2001, only 47% of jobs ended within the first year. This suggests that the overall rise in job stability in the 1990s was also partly the result of a significant decline in the fraction of short-term jobs.

According to the study, the longer a worker stayed in a job, the greater the likelihood of remaining one more year. In 2001, 55% of workers who had been in a job for less than one year were still with the same employer one year later. This proportion jumped to 74% among workers who had been in a job that lasted from one to two years. For workers who had been in a job that lasted 9 to 15 years, 96% were still with the same employer one year later.

Job stability rises in Canada relative to the United States

From the mid-1980s to the early 1990s, job stability rose 2.2% in Canada but declined 1.8% in the United States. A rise in stability of short-tenured jobs — those with less than two years of tenure — was observed in both countries. However, the United States saw a

decline in the stability of jobs with 2 to 15 years of tenure.

Job stability tends to fall during economic booms and to rise during slower growth periods. In a robust economy, workers have more opportunities to change jobs, leading to decreased job stability. In slow economies, fewer opportunities to change jobs are presented, so workers tend to stay with their jobs longer.

Even though more workers are permanently laid off in recessions, the fall in the quit rate more than compensates for the rise in the permanent layoff rate, with the result that, on average, workers stay in their jobs longer during slow economic conditions.

This suggests that a relative rise in job stability in Canada compared with the United States may have been driven by the slower recovery in Canada.

Information on methods and data quality available in the Integrated Meta Data Base: survey number 3701.

The research paper *Evolution of job stability in Canada: Trends and comparisons to US results*, no. 162 (11F0019MIE, free) is now available on Statistics Canada's Web site (www.statcan.ca). From the *Our products and services* page, choose *Research papers (free)*, then *Social conditions*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Andrew Heisz (613-951-3748; heisand@statcan.ca) or Sébastien LaRochelle-Côté (613-951-0803; sebastien.larochelle-cote@statcan.ca), Business and Labour Market Analysis Division. ■

OTHER RELEASES

Restaurants, caterers and taverns

August 2002

Total receipts of restaurants, caterers and taverns in August were an estimated \$3.07 billion, up 3.7% from the August 2001 estimate.

Available on CANSIM: table 355-0001.

The August 2002 issue of *Restaurant, caterer and tavern statistics* (63-011-XIE, \$6/\$55) will be available soon. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Bill Birbeck (613-951-3506), Services Industries Division. ■

NEW PRODUCTS

The evolution of job stability in Canada: Trends and comparisons to US results, no. 162
Catalogue number 11F0019MIE2002162
(free).

Financial characteristics of acquired firms in the Canadian food industry, 1995–1998
Catalogue number 21-601-MIE2002057
(free).

New motor vehicle sales, August 2002, Vol. 74, no. 8
Catalogue number 63-007-XIB (\$13/\$124).

All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

Catalogue numbers with an -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB are electronic versions on diskette and -XCB are electronic versions on compact disc.

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Statistics Canada

Thursday, June 3, 1997
For release at 9:30 a.m.

MAJOR RELEASES

- **Urban transit, 1995** 2
Despite the enrollees on taking urban transit, Canadians are using it less and less. In 1995, each Canadian took an average of about 41 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1995** 4
Growth in productivity among Canadian businesses was noticeably weak again in 1995, accompanied by sluggish gains in employment and slow moderate growth during the year.

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