



# The Daily

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## MAJOR RELEASES

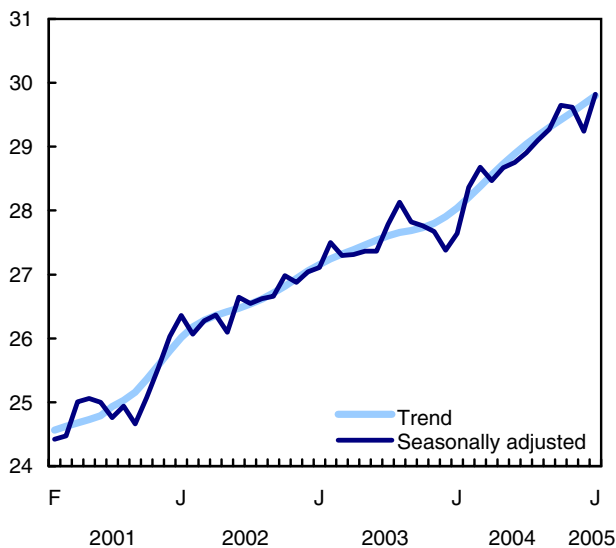
### Retail trade

January 2005

For a second consecutive year, consumers went on a buying spree in January. December's Christmas sales fell in the last two years, as the increasing popularity of gift cards may have pushed some purchases into the new year.

#### Retail sales up strongly in January

\$ billions



Retail sales bounced back 2.0% in January to \$29.8 billion, after falling 1.2% in December and remaining essentially flat in November (-0.1%). January's results brought retail sales back in line with the strong upward trend observed since the start of 2004.

In constant dollars, retail sales jumped 2.3% in January, following declines in the previous two months.

Excluding sales by dealers of new, used and recreational vehicles and auto parts, retail sales surged 2.4% in January.

Shoppers increased their spending in all sectors in January. Sales growth surpassed the 2.0% mark in

#### Note to readers

The group of retailers surveyed on gift cards were the regular respondents to the Monthly Survey of Large Retailers, a panel of about 80 large retail enterprises. The survey covers Canada's largest food, clothing, home furnishings, electronics, sporting goods, and general merchandise retailers (department stores are included). Together these retailers represent about 35% of total annual retail sales after excluding dealers of new, used and recreational vehicles and auto parts.

A gift card, for the purposes of this study, is a plastic card, similar to a credit card, with a magnetic strip on the back, which is loaded with the desired cash value when it is purchased. Not included are paper gift certificates of any kind, plastic phone cards or gift cards sold by shopping centres or credit card companies.

five of the eight retail sectors: general merchandise (+4.9%); food and beverage (+3.0%); pharmacies (+2.6%); furniture and electronics (+2.5%); and building supplies (+2.4%).

Moderate gains were posted by retailers in the automotive sector (+0.5%), the clothing sector (+0.2%) and the miscellaneous sector (+0.2%). Retailers classified in the miscellaneous sector include office supply, sporting goods, hobby, music and book stores.

#### Wrap up this gift card

A recent survey of large retailers, representing just over 11,000 stores in January 2005, showed that 68% of these stores offered gift cards during the 2004 Christmas holiday season, compared with 53% the year before. This 27.3% increase in the number of retailers offering gift cards is an indication of their increased popularity with consumers.

Among their peers, department stores, home electronics and appliance stores, furniture stores and other general merchandise stores had the highest gift card penetration rates in the last two years. More than half of all clothing and accessories stores included in this panel offered gift cards last Christmas, a gain of about 50% compared with 2003. Approximately 70% of all surveyed supermarkets made gift cards available to their clients in the most recent holiday season. The increasing selection of non-food items found in supermarkets adds to the attraction of gift cards in these stores.

### Gift card penetration rates by category of large retailers

	2003	2004	2003 to 2004
Category of large retailers	%		% change
Department stores	100	100	0.0
Home electronics and appliance stores	92	93	1.0
Furniture stores	84	85	1.2
Other general merchandise stores	72	81	13.0
Other stores	54	80	49.4
Supermarkets	57	71	24.2
Clothing and accessories stores	36	54	50.2
<b>Total: Large retailers</b>	<b>53</b>	<b>68</b>	<b>27.3</b>

### Strong sales rebound in several retail sectors in January

General merchandise store sales increased 4.9% in January after falling the previous two months. Overall, general merchandise stores have seen their sales remain essentially flat throughout 2004.

Within the general merchandise sector, department store sales picked up in January, after two months of declines. Sales in department stores jumped 6.1% in January, a rise partly attributed to new store openings in the last week of the month, but also to stronger consumer spending after a weak holiday season. Other general merchandise stores also enjoyed rising sales in January (+3.6%), after two consecutive monthly declines.

Food and beverage retailers posted a 3.0% sales gain in January, cancelling out the 2.4% drop in December. Beer, wine and liquor stores (+12.5%) enjoyed by far the largest sales gain of the sector, partly making up for the lost ground in the previous three months, when sales fell 16.0% over the period. Supermarkets (+1.5%) also saw their sales rise in January, following a 0.7% decline in December. In general, sales in the food and beverage sector have been increasing rapidly since the beginning of 2004.

Pharmacies and personal care stores experienced a 2.6% sales gain in January, following a decline of similar size in December (-2.4%). December's lower sales were the first monthly decline in five months in these stores.

Consumer spending in furniture, home furnishings and electronics stores increased 2.5% in January, reflecting gains in three of the four store categories included in this sector. Furniture stores (+5.5%) posted by far the largest increase in sales, after experiencing two consecutive monthly declines. For their part, home electronics and appliance stores (+1.5%) and computer and software stores (+1.5%) enjoyed their second

straight monthly sales gain in January. Sales in the overall sector have regained some strength since the summer of 2004, after remaining essentially flat in the first half of the year.

Sales advanced 2.4% in building and outdoor home supplies stores in January, after falling 1.6% in December. Despite January's sizable gain, these retailers have seen little change in their monthly sales since last August.

Retailers in the automotive sector saw their sales rise for the first time in three months in January (+0.5%). The 1.3% sales gain observed at new car dealers was partially offset by a 2.5% decline at used and recreational motor vehicle and parts dealers. While new car dealers' sales seem exceptionally strong (+9.9%) compared with January 2003, they were only 1.1% above those observed in the same month two years ago. Except for the sharp declines seen in the second half of 2003, sales at new car dealers have remained more or less steady over the past three years.

### Quebec retail sales back on trend

Quebec's retailers experienced a strong growth rate in sales in January (+4.7%), after posting a 3.4% loss in December. January's gain, which was their largest of any month in almost four years, brought sales back on the upward trend seen in Quebec since early 2004.

Retail sales advances were also significant in Manitoba (+2.7%), Ontario (+2.3%) and Alberta (+1.6%) in January. However, consumer spending in retail stores in each of these three provinces had fallen in the last two months of 2004. Overall, sales in these provinces have been on the rise since the start of 2004.

### Related indicators for February

Total employment increased 0.2% in February, ending three months of essentially no change in job creation. Housing starts rose 5.3% in February, partially rebounding from January's 13.7% drop. According to preliminary results from the auto industry, the number of new motor vehicles sold in February jumped by about 10% compared with January.

**Available on CANSIM: tables 080-0014 to 080-0017 and 076-0005.**

**Definitions, data sources and methods: survey numbers, including related surveys, 2406 and 2408.**

The January 2005 issue of *Retail Trade* (63-005-XIE, \$18/\$166) will soon be available.

Data on retail trade for February will be released on April 21.

For more information or to order data, contact Client Services (1-877-421-3067; 613-951-3549; [retailinfo@statcan.ca](mailto:retailinfo@statcan.ca)). For analytical information, or to

enquire about the concepts, methods or data quality of this release, contact Paul Gratton (613-951-3541), Distributive Trades Division.

## Retail sales

	January 2004	October 2004 <sup>r</sup>	November 2004 <sup>r</sup>	December 2004 <sup>r</sup>	January 2005 <sup>p</sup>	December 2004 to January 2005	January 2004 to January 2005
Seasonally adjusted							
	\$ millions					% change	
<b>Automotive</b>	<b>8,920</b>	<b>10,119</b>	<b>10,085</b>	<b>9,900</b>	<b>9,950</b>	<b>0.5</b>	<b>11.6</b>
New car dealers	5,225	5,896	5,860	5,672	5,745	1.3	9.9
Used and recreational motor vehicle and parts dealers	1,145	1,260	1,271	1,299	1,266	-2.5	10.5
Gasoline stations	2,549	2,963	2,954	2,930	2,939	0.3	15.3
<b>Furniture, home furnishings and electronics stores</b>	<b>1,967</b>	<b>2,065</b>	<b>2,032</b>	<b>2,048</b>	<b>2,099</b>	<b>2.5</b>	<b>6.7</b>
Furniture stores	694	745	719	714	753	5.5	8.5
Home furnishings stores	349	390	387	393	390	-0.6	11.9
Computer and software stores	157	148	149	153	156	1.5	-0.9
Home electronics and appliance stores	767	782	777	788	800	1.5	4.3
<b>Building and outdoor home supplies stores</b>	<b>1,568</b>	<b>1,800</b>	<b>1,822</b>	<b>1,793</b>	<b>1,836</b>	<b>2.4</b>	<b>17.1</b>
Home centres and hardware stores	1,213	1,406	1,429	1,431	1,445	1.0	19.1
Specialized building materials and garden stores	355	394	393	362	391	7.8	10.1
<b>Food and beverage stores</b>	<b>6,617</b>	<b>6,958</b>	<b>7,023</b>	<b>6,857</b>	<b>7,060</b>	<b>3.0</b>	<b>6.7</b>
Supermarkets	4,818	5,016	5,111	5,076	5,153	1.5	7.0
Convenience and specialty food stores	712	738	747	758	755	-0.3	6.1
Beer, wine and liquor stores	1,087	1,203	1,165	1,023	1,151	12.5	5.9
<b>Pharmacies and personal care stores</b>	<b>1,868</b>	<b>1,950</b>	<b>1,958</b>	<b>1,912</b>	<b>1,962</b>	<b>2.6</b>	<b>5.0</b>
<b>Clothing and accessories stores</b>	<b>1,656</b>	<b>1,676</b>	<b>1,678</b>	<b>1,703</b>	<b>1,706</b>	<b>0.2</b>	<b>3.1</b>
Clothing stores	1,245	1,278	1,283	1,290	1,323	2.6	6.3
Shoe, clothing accessories and jewellery stores	411	398	396	413	383	-7.2	-6.8
<b>General merchandise stores</b>	<b>3,483</b>	<b>3,585</b>	<b>3,505</b>	<b>3,494</b>	<b>3,666</b>	<b>4.9</b>	<b>5.2</b>
Department stores	1,809	1,857	1,791	1,792	1,902	6.1	5.1
Other general merchandise stores	1,674	1,729	1,714	1,702	1,764	3.6	5.4
<b>Miscellaneous retailers</b>	<b>1,564</b>	<b>1,493</b>	<b>1,511</b>	<b>1,538</b>	<b>1,542</b>	<b>0.2</b>	<b>-1.4</b>
Sporting goods, hobby, music and book stores	736	725	740	766	757	-1.1	2.8
Miscellaneous store retailers	828	768	771	773	785	1.6	-5.2
<b>Total retail sales</b>	<b>27,643</b>	<b>29,646</b>	<b>29,614</b>	<b>29,245</b>	<b>29,820</b>	<b>2.0</b>	<b>7.9</b>
<b>Total excluding new car dealers, used and recreational motor vehicle and parts dealers</b>	<b>21,272</b>	<b>22,490</b>	<b>22,483</b>	<b>22,275</b>	<b>22,809</b>	<b>2.4</b>	<b>7.2</b>
<b>Provinces and territories</b>							
Newfoundland and Labrador	481	486	489	494	481	-2.7	0.0
Prince Edward Island	114	117	115	114	114	0.6	0.3
Nova Scotia	828	865	857	844	826	-2.0	-0.2
New Brunswick	652	668	695	673	670	-0.4	2.8
Quebec	6,357	6,729	6,756	6,528	6,837	4.7	7.5
Ontario	10,371	10,991	10,986	10,902	11,151	2.3	7.5
Manitoba	916	1,014	997	976	1,002	2.7	9.4
Saskatchewan	795	866	875	871	869	-0.2	9.3
Alberta	3,326	3,782	3,767	3,721	3,781	1.6	13.7
British Columbia	3,705	4,027	3,977	4,022	3,987	-0.9	7.6
Yukon	36	37	36	36	36	-0.2	-0.4
Northwest Territories	42	44	45	46	46	2.0	10.4
Nunavut	19	19	20	20	20	0.5	4.4

<sup>r</sup> Revised figures.

<sup>p</sup> Preliminary figures.

## Retail sales

	January 2004	December 2004 <sup>r</sup>	January 2005 <sup>p</sup>	January 2004 to January 2005
Unadjusted				
	\$ millions			% change
<b>Automotive</b>	<b>7,370</b>	<b>8,788</b>	<b>7,881</b>	<b>6.9</b>
New car dealers	4,145	4,983	4,335	4.6
Used and recreational motor vehicle and parts dealers	828	1,013	871	5.2
Gasoline stations	2,397	2,791	2,676	11.6
<b>Furniture, home furnishings and electronics stores</b>	<b>1,727</b>	<b>3,092</b>	<b>1,797</b>	<b>4.1</b>
Furniture stores	599	832	637	6.4
Home furnishings stores	287	515	312	8.9
Computer and software stores	159	177	153	-3.5
Home electronics and appliance stores	682	1,567	694	1.7
<b>Building and outdoor home supplies stores</b>	<b>1,085</b>	<b>1,521</b>	<b>1,211</b>	<b>11.6</b>
Home centres and hardware stores	860	1,225	971	12.9
Specialized building materials and garden stores	225	296	240	6.4
<b>Food and beverage stores</b>	<b>6,464</b>	<b>8,047</b>	<b>6,488</b>	<b>0.4</b>
Supermarkets	4,943	5,593	4,977	0.7
Convenience and specialty food stores	655	836	655	0.1
Beer, wine and liquor stores	866	1,618	856	-1.2
<b>Pharmacies and personal care stores</b>	<b>1,839</b>	<b>2,297</b>	<b>1,885</b>	<b>2.5</b>
<b>Clothing and accessories stores</b>	<b>1,250</b>	<b>2,917</b>	<b>1,272</b>	<b>1.7</b>
Clothing stores	941	2,130	994	5.6
Shoe, clothing accessories and jewellery stores	309	787	278	-10.0
<b>General merchandise stores</b>	<b>2,678</b>	<b>5,496</b>	<b>2,803</b>	<b>4.7</b>
Department stores	1,307	3,172	1,375	5.2
Other general merchandise stores	1,371	2,324	1,428	4.2
<b>Miscellaneous retailers</b>	<b>1,352</b>	<b>2,347</b>	<b>1,329</b>	<b>-1.7</b>
Sporting goods, hobby, music and book stores	663	1,373	675	1.8
Miscellaneous store retailers	689	974	654	-5.1
<b>Total retail sales</b>	<b>23,764</b>	<b>34,504</b>	<b>24,665</b>	<b>3.8</b>
<b>Total excluding new car dealers, used and recreational motor vehicle and parts dealers</b>	<b>18,792</b>	<b>28,508</b>	<b>19,459</b>	<b>3.6</b>
<b>Provinces and territories</b>				
Newfoundland and Labrador	384	580	365	-4.9
Prince Edward Island	91	132	87	-3.7
Nova Scotia	713	1,013	671	-6.0
New Brunswick	544	786	538	-1.2
Quebec	5,336	7,239	5,500	3.1
Ontario	8,905	13,214	9,243	3.8
Manitoba	794	1,158	832	4.8
Saskatchewan	697	1,026	729	4.7
Alberta	2,903	4,432	3,191	9.9
British Columbia	3,314	4,809	3,422	3.2
Yukon	29	39	28	-3.5
Northwest Territories	37	53	40	8.5
Nunavut	17	24	17	2.9

<sup>r</sup> Revised figures.

<sup>p</sup> Preliminary figures.



## Study: Canada's visible minority population in 2017

Roughly one out of every five people in Canada, or between 19% and 23% of the nation's population, could be a member of a visible minority by 2017 when Canada celebrates its 150th anniversary, according to new ethno-cultural population projections.

Under the scenarios considered for these projections, Canada would have between 6.3 million and 8.5 million visible minorities 12 years from now.

Depending on the growth scenario, this would be an increase ranging from 56% to 111% from 2001, when their number was estimated at about 4.0 million. In contrast, the projected increase for the rest of the population was estimated at between only 1% and 7% between 2001 and 2017.

In 2001, 13% of the population identified themselves as belonging to a visible minority group as defined in the *Employment Equity Act*.

Data from past censuses showed that the visible minority population is growing much faster than the total population. Between 1996 and 2001, the total population increased 4% while the visible minority population rose 25% or six times faster.

The study showed that regardless of the scenario (low growth or high growth) the visible minority population would continue increasing at a faster pace than the rest of the population between now and 2017.

The same would be true for Canada's populations of immigrants, allophones and non-Christian religious denominations.

In addition, the ethno-cultural diversity is likely to remain concentrated in a number of urban areas. As was the case in 2001, almost three-quarters of visible minorities in 2017 would be living in one of Canada's three largest metropolitan areas: Toronto, Vancouver and Montréal. About one-half of the population in Toronto and Vancouver could belong to a visible minority.

### Immigration most important factor

Among the factors that account for the more rapid growth in the visible minority population, the most important are unquestionably sustained immigration along with the high proportion of visible minority people among the new arrivals.

Other factors include higher fertility and a "younger" age structure, which result in fewer deaths and higher birth rates for visible minorities than for the rest of the population.

In 2001, about 70% of the visible minority population were born outside Canada.

### Note to readers

*This report is the result of a project initiated in 2004 by the Multiculturalism and Human Rights Program at the Department of Canadian Heritage. Its goal was to prepare a portrait of the ethno-cultural diversity of the Canadian population in 2017, the 150th anniversary of Confederation.*

*One facet of this project was to produce population projections that would be used to generate a demographic profile of Canada on the basis of variables such as visible minority status, immigrant status, religious denomination and mother tongue. Under the Employment Equity Act, members of visible minorities are persons, other than Aboriginal persons 'who are non-Caucasian in race or non-white in color'. The ten groups include Chinese, South Asian, Black, Filipino, Latin American, Southeast Asian, Arab, West Asian, Japanese and Korean.*

*This report projects the ethno-cultural diversity of the Canadian population using five scenarios. A low-growth scenario assumes relatively low immigration and fertility, along with levels of migration inside the country that are consistent with those found by the 2001 Census. A high-growth scenario assumes relatively high levels of fertility and immigration.*

*A third scenario, the reference scenario, reflects the effects on projected population of recent trends in the components of demographic changes, while a fourth uses slightly different assumptions on internal migration.*

*A fifth illustrates the impact that a higher level of immigration (equivalent to 1% of the total population) might have on the size, age structure and ethno-cultural composition of the population.*

Despite the rapid increase in the number of Canadian-born visible minority people, the proportion of visible minorities born outside Canada would remain above two-thirds between now and 2017, according to the study.

On the basis of the immigration composition and levels set for the various projection scenarios, Canada's immigrant population would reach between 7.0 million and 9.3 million in 2017.

This would represent an increase of between 24% and 65% from levels in 2001. Over the same period, the non-immigrant population would experience a much more modest growth of 4% to 12%.

Under the scenario based on the most recent patterns of immigration, fertility and mortality, immigrants would account for 22% of the population by 2017. This would equal the highest proportion reached during any point in the 20th Century. In 2001, immigrants made up about 18% of Canada's population. Projections provided in the remainder of this release will be based on this scenario.

### South Asian population may catch up to the Chinese

Population growth will probably not be divided equally among constituent sub-groups, according to the study. For example, the faster growth of the South

Asian group between now and 2017 may put it on equal terms with the Chinese, the visible minority group with the largest population in 2001. The South Asian group has higher fertility than the Chinese and almost as big a share of immigration.

Regardless of the scenario, roughly one-half of all visible minorities in Canada would belong to two groups by 2017: South Asian or Chinese. The projections show that the population of each group would be around 1.8 million.

In 2001, Chinese and South Asians were already the largest visible minority groups in Canada, but their share of the total population differed.

According to the 2001 Census, 1,029,000 individuals identified themselves as Chinese, and they accounted for 26% of the visible minority population. In comparison, the 917,000 South Asians represented 23% of the visible minority population.

Projections show that the Black population would remain the third largest visible minority. It would reach around 1.0 million in 2017, compared with about 662,000 in the 2001 Census.

The visible minority groups that would grow fastest between now and 2017 are the West Asian, Korean and Arab groups. Under most of the projection scenarios, the population of each group would more than double.

Under the reference scenario, the Filipino population, estimated at 309,000 in the 2001 Census, would grow to around 540,000 by 2017, topping the half-million mark in four of the five scenarios.

Under the reference scenario, the number of people whose mother tongue is neither English nor French would reach 7.6 million by 2017, or 22% of the total population. That number was around 5.2 million in the 2001 Census, or 18% of the population.

### **Vast majority would live in metropolitan areas**

Under all scenarios developed for these projections, almost 95% of visible minorities would live in Canada's census metropolitan areas 12 years from now.

As was the case in 2001, almost 75% of visible minority persons in 2017 would be living in one of Canada's three largest metropolitan areas: Toronto, Vancouver and Montréal. Toronto would have 45% of all visible minorities, Vancouver 18% and Montréal 11%.

Under four of the five scenarios, more than half the population of Toronto would belong to a visible minority group. The visible minority population of Toronto would range between 2.8 million and nearly 3.9 million in 2017.

Of these visible minorities in Toronto, more than 1.0 million would be South Asian people and more than 735,000 Chinese. This means that more than half

of Canada's South Asians and about 40% of Canada's Chinese would be living in Toronto in 2017.

The majority of the population in Vancouver would be visible minority persons in 2017, under three of the five scenarios used for these projections. Nearly one-half of the visible minority population would be Chinese.

The visible minority population of Montréal would still be quite different than that of Toronto or Vancouver because of the high proportion of Blacks and Arabs. By 2017, Blacks could represent 27% of Montréal's visible minority population and Arabs 19%.

Provincially, the visible minority population would be over-represented in 2017 in two provinces (Ontario and British Columbia) as was already the case in 2001 compared with the national average.

Ontario would have a visible minority population of nearly 4.1 million, or 57% of the total, while British Columbia would have 1.4 million, or 20% of the total. Nearly one out of every three people living in British Columbia would belong to a visible minority group in 2017.

### **Visible minority population would remain younger**

The visible minority population should remain younger than the rest of the population 12 years from now. However, it too would be an ageing population with proportionally fewer young people and more seniors.

Projections show that the median age of the visible minority population would be an estimated 35.5 in 2017, about four years more than it was in 2001. In contrast, the median age of the rest of the population would be 43.4 years, nearly six years more than it was in 2001.

This differing age structure could have an impact on the working-age population.

In 2017, for every 100 visible minority persons old enough to leave the labour force, that is, people aged 55 to 64, there would be 142 old enough to join the labour force. These people would be in the group aged 15 to 24.

In the rest of the population, there would be only 75 potential entries for every 100 potential exits.

The publication *Population Projections of Visible Minority Groups, Canada, Provinces and Regions, 2001 to 2017* (91-541-XIE, free) is now available online. From the *Our products and services* page, under *Browse our Internet publications*, choose *Free*, then *Population and demography*.

For further information, or to enquire about the concepts, methods or data quality of this release, contact our Media Relations Hot Line (613-951-4636; [mediahotline@statcan.ca](mailto:mediahotline@statcan.ca)). ■

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## OTHER RELEASES

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### Study: Household spending and debt 1982 and 2001

Canadian households have been spending more and saving less during the past two decades, according to a new study.

As a result almost one-half, or 47% of all households were spending more than their pre-tax income in 2001, up from 39% in 1982. And households in the pre-retirement years experienced the greatest shift in spending habits.

In 1982, 34% of households in the pre-retirement years (45 to 64) outspent their income, compared with 45% in 2001. The incidence of "spenders" also increased among younger and older households but by smaller amounts.

Household deficit spending may be financed by drawing down savings or selling financial assets, but data indicate that borrowing is most closely tied to the increase in spending.

Between 1982 and 2001, per capita debt doubled, stemming from dramatic increases in both mortgage and consumer debt.

Borrowing tends to follow a life cycle pattern in which the young take out loans to finance education and the formation of households. As income increases, debt is paid down and saving for retirement becomes the focus.

Fully half of younger households (with a reference person under 45 years old) spent more than their income in 2001, compared with 44% in 1982. However, greater spending increases among pre-retirement and senior households resulted in a less distinct life cycle pattern in 2001 compared with the earlier period.

Low income is another key factor related to spending. In 2001, nearly 66% of households with annual income of less than \$20,000 were spending more than their pre-tax income, up from 57% two decades earlier.

The proportion also increased across other income levels, as did the gap between spending and income. For example, at the low end of the scale, households with incomes of less than \$20,000 spent 54% more than their income in 2001, compared with only 34% more in 1982.

Households that spent more than their pre-tax income were also more likely to be renters or homeowners with a mortgage.

In general, households that spent more than their pre-tax income had similar levels of expenditures to

households that saved money, that is, those whose spending was equal to or less than their income.

The big difference occurred in spending on automobiles. Households that spent more than their pre-tax income dished out thousands of dollars more per year on car purchases.

In 1982, households that were net spenders spent 43% more on transportation than did households that were net savers. By 2001, the differential had grown to 54%.

In 2001, households that were net spenders spent an average of \$15,200 on car purchases, compared with only \$9,000 for households that were net savers.

Net spending households bought more of most types of goods and services than did saving households, but the differences were much smaller than for automobile expenses.

The study suggests that a number of factors contributed to the increase in debt-financed spending. Interest rates fell dramatically over this period (the bank rate plunged from 13.96% in 1982 to 4.31% in 2001) creating an "easy credit" environment. At the same time, income taxes and Canada/Quebec Pension Plan and Employment Insurance premiums took a larger bite out of pre-tax income, squeezing the amount of income available for personal consumption and savings.

Other studies show that increasing financial wealth, particularly home equity, stimulates household spending. So the recent run-up in real estate values in many areas of the country may have helped to loosen the purse strings of homeowners.

Interestingly, national accounts estimates show that the ratio of household debt to assets remained in a narrow band of 16% to 19% over the past 14 years, even as the debt-to-income ratio climbed to unprecedented heights.

### Definitions, data sources and methods: survey number 3508.

The article "Spenders and savers" is available in the March 2005 online issue of *Perspectives on Labour and Income*, Vol. 6, no. 3 (75-001-XIE, \$6/\$52). See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Ted Wannell (613-951-3546; [ted.wannell@statcan.ca](mailto:ted.wannell@statcan.ca)) or Raj Chawla (613-951-6901; [raj.chawla@statcan.ca](mailto:raj.chawla@statcan.ca)), Labour and Household Surveys Analysis Division. ■

## Study: The relationship between property tax and income

2001

Low-income homeowners pay proportionately more of their income on property tax than their higher-income counterparts. This was true in every one of 342 municipalities examined in a new study.

Taxes for which the proportion of income paid declines as income increases are commonly called "regressive".

A previous Statistics Canada study, based on the Survey of Financial Security, established the regressive nature of residential property taxes. This report, published today in *Perspectives on Labour and Income*, analyzes property taxation relative to incomes in individual municipalities, using data from the 2001 Census of Population.

This study shows that the regressive nature of property taxation is purely a product of income distribution and the distribution of property values in a given municipality. Property taxes are most regressive in municipalities where homeowner incomes vary widely but property values are relatively homogeneous.

Regressive property taxes cannot be attributed to tax levels, sometimes called "mill rates," set by local governments. Reducing the mill rate in a given municipality would have no impact on the regressiveness of the tax. It would reduce the tax burdens of all homeowners, but the relationship between the tax burdens of low and high income homeowners would stay the same.

Regressive property taxation does not, therefore, derive from the level of taxation, but rather from the fact that it is based entirely on assessed property values regardless of income.

Because both income and property value distributions vary from one municipality to another, the degree of regressiveness of their property taxes also varies. At the lower extreme of regressiveness, the 25% of lowest-income homeowners paid just over twice the amount of tax for every dollar of income as those in the top 25% of the income distribution. At the upper extreme, the tax-to-income ratio for low-income households was up to five times greater.

Two-thirds of the municipalities at the upper extreme were in the census metropolitan areas of Montréal, Toronto or Vancouver.

In contrast, only 15% of the municipalities in the lower extreme were in one of these large urban areas (all in Montréal).

Municipalities in large urban areas often have more regressive taxes because they tend to have relatively unequal income distributions, and/or relatively homogeneous housing prices.

For example, the 25% of highest-income households in Montréal had median incomes 4.4 times higher than the 25% of lowest-income households, but homes with a median worth (as self-reported in the Census) only 1.2 times as much.

In contrast, municipalities in large urban areas with less regressive taxation tended to have more heterogeneous housing prices and/or less unequal incomes.

The study also found that, contrary to an often cited belief, regressive property taxes cannot be attributed principally to seniors with relatively low incomes living in relatively expensive houses. In fact, in most municipalities, low-income people below the age of 65 had equal or heavier tax burdens than their senior counterparts.

### Definitions, data sources and methods: survey number 3901.

The article "Property taxes relative to income" is now available in the March 2005 online issue of *Perspectives on Labour and Income*, Vol. 6, no. 3 (75-001-XIE, \$6/\$52). See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Boris Palameta (613-951-2124; [boris.palameta@statcan.ca](mailto:boris.palameta@statcan.ca)), Income Statistics Division or Ian Macredie (613-951-9456; [ian.macredie@statcan.ca](mailto:ian.macredie@statcan.ca)), Public Institutions Division. ■

## Study: High-tech vegetables: The booming greenhouse vegetable industry

1990 to 2004

A series of four hurricanes pounded Florida in the fall of 2004, delaying the planting of tomato crops that would normally mature in December.

At the same time, heavy rains in California left tomatoes rotting on the vines. Adding to the supply problem, Mexican crops fell victim to infestations of pests.

As a result, prices for North America's fourth most popular produce (after potatoes, lettuce and onions) more than doubled. Just before Christmas, consumers in Canada were paying nearly \$5 a pound in some cases to buy tomatoes. Virtually the only supply available came from Canadian greenhouse operations.

The article "High-tech vegetables: Canada's booming greenhouse vegetable industry," which appears in the March 2005 *Vista on the Agri-Food Industry and the Farm Community Newsletter*, analyzes the phenomenal growth in Canadian greenhouse operations. The article focuses on tomatoes because

they are the most significant vegetable crop, both in terms of volume and value. It also looks at trade disputes with the United States as well as the impact of exchange rates on greenhouse vegetable sales.

During the 1990s, the total area under glass and plastic more than doubled to nearly 1,500 hectares. By 2003, it had reached nearly 1,900 hectares, the equivalent of about 4,400 Canadian football fields.

In 2003, revenue from greenhouse sales reached a record high of almost \$2.1 billion, nearly double what it had been just six years earlier. Flowers accounted for about 70% of sales and vegetables the remaining 30%.

In the early 1990s, revenues from the comparable greenhouse and field vegetables were roughly the same. However, since 1996, revenues from greenhouse vegetables have increased at a much more rapid pace than field vegetables.

For example, in 2003, the farmgate value of the four main vegetable crops produced under glass or plastic (tomatoes, cucumbers, lettuce and peppers) amounted to \$605.8 million. This was more than three times higher than the value of \$171.7 million for the same four vegetable crops produced in the field.

Farmers grow more tomatoes than any other vegetable crop, whether it's in the greenhouse or in the field. Tomatoes alone account for over one-half of revenues from the sale of greenhouse vegetables.

They also cross the border in both directions. Canadian greenhouse growers have been shipping hothouse tomatoes to the United States in rising numbers.

In recent years, Canada has enjoyed a trade surplus in tomatoes, shipping far more south of the border than American farmers ship north.

The *Vista on the Agri-Food Industry and the Farm Community Newsletter*, March 2005, entitled *High-tech vegetables: Canada's booming greenhouse vegetable industry* (21-004-XIE, free) is now available online. From the *Our products and services* page, under *Browse our Internet publications*, choose *Free*, then *Agriculture*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Jake Purdy (951-0984; [jake.purdy@statcan.ca](mailto:jake.purdy@statcan.ca)), Agriculture Division. ■

## Employment Insurance

January 2005 (preliminary)

The estimated number of Canadians (adjusted for seasonality) receiving regular Employment Insurance benefits in January was 519,820, a slight 0.6% increase

from December. This was the first increase in five months. Provincially, the largest increases occurred in Saskatchewan (+3.7%), Manitoba (+2.3%) and British Columbia (+1.1%). These were offset in part, by a 1.1% decline in Ontario. Compared with January 2004, the number of regular beneficiaries fell by 6.6% nationally.

Also on a seasonally adjusted basis, regular benefit payments in January totalled \$717.2 million, while the number of people making initial and renewal claims was 235,840.

**Note:** Employment Insurance Statistics Program data are produced from an administrative data source and may, from time to time, be affected by changes to the Employment Insurance Act or administrative procedures. The number of beneficiaries is a measure of all persons who received Employment Insurance benefits for the week containing the 15th day of the month. The regular benefit payments series measures the total of all monies received by individuals for the entire month.

## Employment Insurance statistics

	Jan. 2005	Dec. 2004	Jan. 2004	Dec. 2004 to Jan. 2005	Jan. 2004 to Jan. 2005
seasonally adjusted					
	% change				
Regular beneficiaries	519,820 <sup>P</sup>	516,620 <sup>P</sup>	556,410	0.6	-6.6
Regular benefits paid (\$ millions)	717.2 <sup>P</sup>	712.4 <sup>r</sup>	719.2	0.7	-0.3
Initial and renewal claims received ('000)	235.8 <sup>P</sup>	246.4 <sup>r</sup>	237.8	-4.3	-0.8
Unadjusted					
All beneficiaries ('000) <sup>1</sup>	968.4	838.9	1,019.2		
Regular beneficiaries ('000)	676.0	543.9	725.0		
Initial and renewal claims received ('000)	330.1	327.0	323.0		
Payments (\$ millions)	1,616.3	1,200.9	1,439.5		
year-to-date					
	2005	2004	2004 to 2005	% change	
Claims received ('000)		330.1	323.0		2.2
Payments (\$ millions)		1,616.3	1,439.5		12.3

<sup>r</sup> Revised figures.

<sup>P</sup> Preliminary figures.

1. "All beneficiaries" includes all claimants receiving regular benefits (for example, as a result of layoff) or special benefits (for example, as a result of illness) and are representative of data for the Labour Force Survey reference week which is usually the week containing the 15th of the month.

**Number of beneficiaries receiving regular benefits**

	January 2005 <sup>P</sup>	December 2004 to January 2005	January 2004 to January 2005
	seasonally adjusted		
	% change		
<b>Canada</b>	<b>519,820</b>	<b>0.6</b>	<b>-6.6</b>
Newfoundland and Labrador	37,040	-0.3	-0.3
Prince Edward Island	7,790	-1.1	-5.3
Nova Scotia	29,450	-0.7	-2.6
New Brunswick	33,760	-0.4	-2.3
Quebec	175,040	0.7	-5.8
Ontario	127,320	-1.3	-6.3
Manitoba	12,290	2.3	-13.9
Saskatchewan	11,610	3.7	-6.5
Alberta	26,570	0.9	-12.8
British Columbia	56,220	1.1	-10.8
Yukon Territory	890	0.0	-8.2
Northwest Territories and Nunavut	1,060	-3.6	-10.9
	unadjusted for seasonality		
	% change		
Northwest Territories	770	-4.9	-18.1
Nunavut	400	8.1	2.6

<sup>P</sup> Preliminary figures.

**Note:** The number of beneficiaries includes all claimants who received regular benefits for the Labour Force Survey reference week, usually containing the 15th day of the month.

**Available on CANSIM: tables 276-0001 to 276-0006, 276-0009, 276-0011, 276-0015 and 276-0016.**

**Definitions, data sources and methods: survey number 2604.**

Data on Employment Insurance for February will be released on April 26.

For general information or to order data, contact Client Services at 613-951-4090 or, call toll free 1-866-873-8788; ([labour@statcan.ca](mailto:labour@statcan.ca)). To enquire about the concepts, methods or data quality of this release, contact Gilles Groleau (613-951-4091), Labour Statistics Division. ■

**Railway carloadings**

January 2005

Business slowed somewhat for the nation's railways in January as freight showed a slight decline in most commodity groups.

Railways loadings fell 5.5% to 21.8 million metric tonnes in January following a 7.0% decline in December.

Loadings of wheat, other cereal grains and colza combined fell by about 350,000 metric tonnes, while sulphur and other non metallic minerals came in 160,000 tonnes below December's levels. Loadings of alumina fell by 117,000 tonnes and forest products lost about 173,000 tonnes. Overall loadings went down by about 1.2 millions tonnes.

Non-intermodal loadings totalled 19.7 million tonnes, down 5.8% from December. About 248,000 carloads were required to carry the non-intermodal freight in January.

Loadings of intermodal freight, that is, containers and trailers hauled on flat cars, fell 2.1% to 2.1 million tonnes.

In January, freight arriving from the United States, either destined for or passing through Canada, totalled 2.3 million tonnes, down 1.2% from December.

Compared with January 2004, non-intermodal loadings were up 4.9%, while intermodal rose 5.0%. Traffic received from the United States was up 5.3% over the same period.

**Available on CANSIM: table 404-0002.**

**Definitions, data sources and methods: survey number 2732.**

The January 2005 issue of *Monthly Railway Carloadings*, Vol. 82, no. 1 (52-001-XIE, \$9 / \$83) is now available. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the Dissemination Unit (1-866-500-8400; fax: 1-613-951-0009; [transportationstatistics@statcan.ca](mailto:transportationstatistics@statcan.ca)), Transportation Division. ■

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**Monthly Railway Carloadings**, January 2005, Vol. 82, no. 1  
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**Wholesale Trade**, January 2005, Vol. 68, no. 1  
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**Perspectives on Labour and Income**, March 2005, Vol. 6, no. 3  
**Catalogue number 75-001-XIE** (\$6/\$52).

**Population Projections of Visible Minority Groups, Canada, Provinces and Regions, 2001 to 2017**  
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
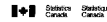

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Thursday, June 3, 1997 For release at 9:30 a.m.	
<b>MAJOR RELEASES</b>	
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• <b>Productivity, hourly compensation and unit labour cost, 1996</b> Growth in productivity among Canadian businesses was modestly weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.	4
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