



# The Daily

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## Releases

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**Study: Pension coverage and retirement savings of Canadian families,** 2  
1986 to 2003

The gap in pension contributions in preparation for retirement has widened sharply between families at the top of the earnings scale and those at the bottom during the past two decades, a new study has found.

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## Releases

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### Study: Pension coverage and retirement savings of Canadian families 1986 to 2003

The gap in pension contributions in preparation for retirement has widened sharply between families at the top of the earnings scale and those at the bottom during the past two decades, a new study has found.

Families at the top of the earnings distribution in 2003 contributed more towards their pensions and hence were likely to be better prepared for retirement than their counterparts were in 1986.

However, this was not the case for families with the lowest earnings, according to the study, which assesses for the first time whether families were potentially better prepared for retirement in 2003 than their counterparts were in the mid-1980s.

This trend towards growing inequality in contributions for retirement was seen not only for two-parent families, but also for lone-parent families and unattached individuals.

In 1986, two-parent families with husbands aged 35 to 54 who were in the top 20% of the earnings distribution contributed an average of \$8,000 to registered retirement savings plans (RRSPs) and employer-sponsored registered pension plans (RPPs).

By 2003, the average contributions of their counterparts had increased substantially to \$11,300.

In contrast, contributions of two-parent families with husbands aged 35 to 54, who were in the bottom 20% of the earnings distribution, averaged \$1,200 both in 1986 and 2003.

As a result, the gap in family contributions to RRSPs and RPPs between rich families and their lower-income counterparts widened over the last two decades.

Because previous studies examined the evolution of pension coverage and annual RRSP and RPP contributions of workers on an individual basis, they were unable to determine how preparedness for retirement had evolved since the mid-1980s among families.

These trends have important implications. Recent research has shown that the maturation of the Canada and Quebec Pension Plans led to a substantial reduction in income inequality among the elderly between the early 1980s and the mid-1990s.

Part of this reduction in income inequality might be lost in subsequent years. This is because the growing inequality in contributions towards retirement among

#### Note to readers

*This release is based on the research paper "Pension Coverage and Retirement Savings of Canadian Families, 1986 to 2003", available today.*

*The study uses data from Statistics Canada's Longitudinal Administrative Databank to assess whether Canadian families were better prepared for retirement in 2003 than their counterparts were in the mid-1980s.*

*For simplicity, the terms "husbands" and "wives" refer to married men and women as well as those living in common-law relationships.*

*The numbers shown in this release are expressed in 2002 constant dollars, using the Consumer Price Index as a deflator.*

families could, in the absence of offsetting factors, make the distribution of family income among seniors more unequal in years to come than it currently is.

#### Families' financial contributions for retirement becoming increasingly unequal

On average, retirement savings of two-parent families increased between 1986 and 2003.

Among two-parent families with husbands aged 35 to 54, contributions to RRSPs and RPPs averaged \$5,300 in 2003, up from \$3,900 in 1986. Most of the increase was due to increased RRSP contributions by husbands.

However, not all of those families enjoyed an increase in contributions. Among those in the top 20% of the earnings distribution, average contributions rose from \$8,000 in 1986 to \$11,300 in 2003.

In contrast, average contributions stagnated at \$1,200 among those located in the bottom 20% of the earnings distribution.

Similar patterns were observed among lone-mothers aged 35 to 54. For those in the top one-fifth of the earnings scale, contributions to RPPs and RRSPs rose from \$3,600 in 1986 to \$4,900 in 2003.

However, for their counterparts in the bottom one-fifth, contributions in 2003 amounted to only \$200, less than the level of \$300 in 1986.

Likewise, among unattached men and women aged 35 to 54, contributions rose in the top one-fifth, but stagnated in the bottom one-fifth.

As a result, the degree to which family units, that is two-parent families, lone-parent families and unattached individuals, are prepared financially for retirement has likely become increasingly unequal since the mid-1980s.

The increase in inequality in retirement contributions occurred in conjunction with the growth of inequality in family earnings between 1986 and 2003.

During that period, average earnings of two-parent families with husbands aged 35 to 54, who were in the top 20% of the earnings distribution, rose from \$123,000 to \$170,000.

In contrast, those of their counterparts located in the bottom one-fifth stagnated at around \$25,000.

### **Wives help mitigate the decline in pension coverage for husbands**

The study also found that the percentage of husbands contributing to RPPs fell between 1986 and 2003.

However, because of their growing labour force participation and their growing tendency to hold jobs with good pay and fringe benefits, wives have been increasingly contributing to RPPs during that period.

Consequently, pension coverage of two-parent families fell less than it did among husbands.

Since the mid-1980s, the proportion of husbands aged 35 to 54 contributing to an RPP fell 9 percentage points, dropping from 43% in 1986 to 34% in 2003.

Meanwhile, 29% of their wives contributed to an RPP in 2003, up from 20% in 1986.

Rather than simply offsetting the decline in husbands' propensity to contribute to RPPs, this increase raised the proportion of two-parent families in

which both partners contribute to RPPs by 3 percentage points.

As a result, the proportion of two-parent families where at least one of the spouses contribute to RPPs fell by only 3 percentage points, much less than the 9 percentage-point decline observed among husbands.

Similar patterns were observed between 1991 and 2003. Over this period, data are available to measure the proportion of husbands and wives covered by RPPs, some of whom do not contribute to RPPs.

Among couples with husbands aged 35 to 54, RPP coverage of husbands dropped from 57% in 1991 to 49% in 2003, an 8 percentage-point decline.

However, thanks to an increase in their wives' RPP coverage, the proportion of those couples with at least one RPP fell by only 4 percentage points during that period.

The research paper "Pension coverage and retirement savings of Canadian families, 1986 to 2003" (11F0019MIE2006286, free) is now available from the *Publications* module of our website as part of the *Analytical Studies Branch Research Paper Series*.

Related studies from the Business and Labour Market Analysis Division can be found at *Update on Analytical Studies* (11-015-XIE, free) from the *Publications* module of our website.

For further information or to enquire about the concepts, methods or data quality of this release, contact René Morissette (613-951-3608), Business and Labour Market Analysis Division. ■

## Employment Insurance

July 2006 (preliminary)

An estimated 474,830 Canadians received regular Employment Insurance benefits in July (seasonally adjusted), down 1.1% from June and the sixth consecutive monthly decrease.

All provinces showed declines in July from the previous month. Provinces West of Ontario showed significant drops from the same time last year. Between July 2005 and July 2006, the number of regular beneficiaries has fallen by 12.9% in Manitoba, 17.5% in Saskatchewan, 15.6% in Alberta and 18.1% in British Columbia.

Regular benefit payments in July totalled \$721.8 million, while 226,910 people made initial and renewal claims.

**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 for this month is a measure of all persons who received Employment Insurance benefits from the 9th to the 15th of the month. This coincides with the reference week of the Labour Force Survey. The regular benefit payments figure measures the total of all monies paid to individuals from the 1st to the end 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 August will be released on October 24.

For general information or to order data, contact Client Services (613-951-4090 or 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.

### Employment Insurance statistics

	July 2006	June 2006	July 2005	June to July 2006	July 2005 to July 2006
Seasonally adjusted					
				% change	
Regular beneficiaries	474,830 <sup>P</sup>	480,170 <sup>r</sup>	497,960	-1.1	-4.6
Regular benefits paid (\$ millions)	721.8 <sup>P</sup>	694.8 <sup>r</sup>	709.7	3.9	1.7
Initial and renewal claims received ('000)	226.9 <sup>P</sup>	231.7 <sup>r</sup>	246.8	-2.1	-8.1
Unadjusted					
All beneficiaries ('000) <sup>1</sup>	661.8 <sup>P</sup>	632.0 <sup>P</sup>	718.5		
Regular beneficiaries ('000)	422.1 <sup>P</sup>	381.8 <sup>P</sup>	452.3		
Initial and renewal claims received ('000)	304.6	190.5	310.3		
Payments (\$ millions)	1,131.7	959.5	984.3		
Year-to-date (January to July)					
			2006	2005	2005 to 2006
			% change		
Claims received ('000)			1,539.5	1,603.8	-4.0
Payments (\$ millions)			9,074.9	9,051.3	0.3

<sup>r</sup> revised

<sup>P</sup> preliminary

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

	July 2006 <sup>P</sup>	June to July 2006	July 2005 to July 2006
Seasonally adjusted			
		% change	
<b>Canada</b>	<b>474,830</b>	<b>-1.1</b>	<b>-4.6</b>
Newfoundland and Labrador	38,830	-1.4	2.2
Prince Edward Island	8,510	-4.9	3.2
Nova Scotia	29,010	-2.3	-2.7
New Brunswick	34,020	-0.3	-1.5
Quebec	166,670	-0.8	-2.4
Ontario	117,570	-3.9	-2.2
Manitoba	10,090	-4.5	-12.9
Saskatchewan	8,770	-10.0	-17.5
Alberta	17,360	-3.8	-15.6
British Columbia	39,840	-3.0	-18.1
Yukon	830	0.0	-10.8
Northwest Territories	660	-1.5	-13.2
Nunavut	380	-2.6	2.7

<sup>P</sup> preliminary

**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.

## Farm Product Price Index

July 2006

Prices farmers received for their commodities were 4.1% lower in July from the same month a year earlier, as overall crops prices fell and overall livestock prices were down slightly.

Prices for crops fell 9.5% from July 2005, as prices for all crops except potatoes were down from year earlier levels. Potato prices continued their upward trend which has run for most of the 2005/2006 crop year while grains, oilseeds and specialty crops continued their downward trend that began in November 2004.

Meanwhile, prices for livestock and animal products were 0.2% lower compared with July 2005. Lower hog and cattle and calf prices offset higher prices from the supply managed commodities — eggs, poultry and dairy.

The Farm Product Price Index stood at 94.3 (1997=100) in July, down 1.9% from the revised June index of 96.1.

Prices farmers received for crops edged down 2.8% in July from a month earlier as grain, specialty crop and vegetable prices fell. With ample supplies available for the 2005/2006 crop year, the grains index has oscillated between 66.8 and 70.1 during the first seven months of 2006 as forecasters speculate on new crop production.

On the other hand, oilseed prices continued upwards as the index rose 1.3% in July, the fifth consecutive monthly increase. Prices found support from yield-reducing weather concerns and the decline of the Canadian dollar.

Potato prices rose 3.3% in July, the eighth monthly increase since November 2005. Reduced production in 2005 had helped boost prices over the winter and spring.

## Farm Product Price Index (1997=100)

	July 2005 <sup>r</sup>	June 2006 <sup>r</sup>	July 2006 <sup>P</sup>	July 2005 to July 2006	June to July 2006
% change					
<b>Farm Product Price Index</b>	<b>98.3</b>	<b>96.1</b>	<b>94.3</b>	<b>-4.1</b>	<b>-1.9</b>
<b>Crops</b>	<b>89.8</b>	<b>83.6</b>	<b>81.3</b>	<b>-9.5</b>	<b>-2.8</b>
Grains	75.4	67.8	66.8	-11.4	-1.5
Oilseeds	80.2	70.8	71.7	-10.6	1.3
Specialty crops	98.5	80.1	75.1	-23.8	-6.2
Fruit	105.9	92.8	99.0	-6.5	6.7
Vegetables	115.7	113.0	106.4	-8.0	-5.8
Potatoes	112.8	161.6	166.9	48.0	3.3
<b>Livestock and animal products</b>	<b>106.1</b>	<b>106.9</b>	<b>105.9</b>	<b>-0.2</b>	<b>-0.9</b>
Cattle and calves	114.5	114.3	114.1	-0.3	-0.2
Hogs	83.4	80.3	79.4	-4.8	-1.1
Poultry	93.3	94.5	94.5	1.3	0.0
Eggs	95.8	97.9	98.2	2.5	0.3
Dairy	123.6	127.4	124.9	1.1	-2.0

<sup>r</sup> revised

<sup>P</sup> preliminary

Prices farmers received for livestock and animal products fell 0.9% in July from a month earlier, as dairy, hog, cattle and calf prices dropped.

After climbing to their highest level in the last 10 months in June, hog prices edged down 1.1% in July.

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Cattle and calf prices were 0.2% lower compared with June. After increasing 14.5% in July 2005, when the border re-opened to restricted trade of live animals, the month-to-month changes for the index have fluctuated from a 2.3% decline to a 2.7% increase.

**Available on CANSIM: tables 002-0021 and 002-0022.**

**Definitions, data sources and methods: survey number 5040.**

The July 2006 issue of *Farm Product Price Index*, Vol. 6, no. 7 (21-007-XIE, free) is now available from the *Publications* module of our website.

For general information or to order data, call (toll-free 1-800-465-1991). To enquire about the concepts, methods or data quality of this release, contact Gail-Ann Breese (613-951-2701; fax: 613-951-3868; [gail-ann.breese@statcan.ca](mailto:gail-ann.breese@statcan.ca)), Agriculture Division. ■

### **Aircraft movement statistics: Small airports** May 2006

The May 2006 monthly report, Vol. 2 (TP141, free) is available on Transport Canada's website at the following URL: (<http://www.tc.gc.ca/pol/en/Report/tp141e/tp141.htm>).

**Note:** The TP141 monthly report is issued in two volumes. Volume 1 presents statistics for the major Canadian airports (i.e., those with NAV CANADA air traffic control towers or flight service stations). Volume 2 presents statistics for the smaller airports (i.e., those without air traffic control towers). Both volumes are available free upon release at Transport Canada's website.

**Definitions, data sources and methods: survey number 2715.**

For more information about this website, contact Michel Villeneuve (613-990-3825; [villenm@tc.gc.ca](mailto:villenm@tc.gc.ca)), Transport Canada.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Kathie Davidson (613-951-0141; fax: 613-951-0010; [aviationstatistics@statcan.ca](mailto:aviationstatistics@statcan.ca)), Transportation Division. ■

### **Couriers and Messengers Services Price Index**

August 2006

The Couriers and Messengers Services Price Index (CMSPI) is a monthly price index measuring the change over time in prices for courier and messenger services provided by long and short distance delivery companies to Canadian-based business clients.

The CMSPI increased 0.1% to 120.6 (2003=100) in August. The courier portion increased by 0.1% on a monthly basis, while the local messengers component decreased by 0.4% due to lower fuel charges.

These indexes are available at the Canada level only.

**Available on CANSIM: table 329-0053.**

**Definitions, data sources and methods: survey number 5064.**

For more information, contact Client Services (toll-free 1-866-230-2248; 613-951-9606; [prices-prix@statcan.ca](mailto:prices-prix@statcan.ca)). To enquire about the concepts, methods or data quality of this release, contact Perry Kirkpatrick (613-951-1930; [Perry.Kirkpatrick@statcan.ca](mailto:Perry.Kirkpatrick@statcan.ca)), Prices Division. ■

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The Daily  
Statistics Canada

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

**MAJOR RELEASES**

- **Urban transit, 1995** 2  
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 20 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1995** 4  
Growth in productivity among Canadian businesses was relatively weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.

**OTHER RELEASES**

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- **Short-term Expectations Survey** 2
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