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Releases

Study: Why are youth from lower-income families less likely to attend university?

2003

The gap in university attendance between youth from higher- and lower-income families is largely related to differences in academic performance at age 15 and parental influences, and to a lesser degree financial constraints, according to a new study.

In 2003, under one-third (31%) of 19-year-old youth from families in the bottom 25% of the income distribution had attended university. In contrast, one-half (50%) of young people of the same age from families at the top of the income distribution had attended university.

The study found only weak evidence that financial constraints were a direct barrier to attending university.

Instead, it found that the gap is almost entirely associated with differences in academic performance and parental influences. In fact, about 84% of the gap was related to differences in the characteristics of youth from different economic backgrounds, that is, their academic performance, parents' level of education, parental expectations, high school attended, and so on.

In contrast, only 12% of the gap in university attendance was related to the higher incidence of being "financially constrained" among lower-income youth.

Weaker academic performance among lower-income youth accounted for just over one-third (34%) of the gap. Specifically, young people from more disadvantaged backgrounds had a poorer performance on a standardized reading test and reported lower overall school marks at age 15.

An additional 30% of the gap was related to the lower levels of education of the parents of lower-income youth. About 12% was associated with the lower educational expectations placed upon lower-income youth by their parents. Other student characteristics played more moderate roles, accounting for a further 8% of the gap collectively.

These results suggest that the income divide in university participation is largely the result of factors that are present well before most youth begin to consider university.

Youth from higher- and lower-income families had very different characteristics

Young people from different economic backgrounds had very different characteristics, according to the study.

Note to readers

This release is based on the research study "Why are youth from lower-income families less likely to attend university? Evidence from academic abilities, parental influences and financial constraints" available today.

The study used data from the Youth in Transition Survey (YITS), Cohort A. The survey followed young people starting when they were 15 years old in 1999 to the age of 19 in 2003. Information collected when they were 15 includes overall school marks, parental education and parental expectations. Information on their university participation was collected when they were 19.

Students were also administered standardized tests in reading, mathematics, and science when they were 15.

These tests were conducted as part of the Programme for International Student Assessment (PISA), a collaborative effort among member countries of the Organisation for Economic Co-operation and Development (OECD). Canada and 40 other countries participated in PISA 2003.

The study also classified students as being "financially constrained" if they did not attend university despite wanting to do so and reported that their financial situation was standing in their way of going on to university.

For example, only 18% of youth from families in the bottom 25% of the income distribution scored in the top 25% on the standardized reading test. In contrast, 33% of youth from families in the top income quartile did so.

Lower-income youth also fared more poorly in school, as only 36% of them reported overall marks of 80% or higher. In contrast, virtually one-half (49%) of higher-income youth fell in the same category for their overall marks.

Young people from different economic backgrounds also had very different parental influences. For example, only 16% of lower-income youth had a parent who possessed a university degree. Among higher-income youth, just over one-half (51%) had a parent with a university degree.

The study also found that youth from lower-income families had lower expectations placed upon them. Although as many as 62% had parents who expected them to complete a university degree, this was well behind the 79% of higher-income youth in the same situation.

Lower-income youth also attended high schools where students had lower odds of pursuing university.

All of these factors — performance on the standardized reading test, overall school marks, parental education, parental expectations, and high school attended — were strongly associated with university attendance.

Overall, differences in these factors accounted for most of the gap in university attendance between students from different economic backgrounds.

The study also found that lower-income youth had lower levels of self-esteem and control over their life, were more likely to live with only one parent, attached less importance to schooling in shaping their likely future career success, and had fewer friends who planned on pursuing further education after high school.

However, these factors were not associated with university attendance once academic performance, parental education, and parental expectations were taken into account.

Family income may pose a range of barriers to attending university

Lower family income may pose a range of barriers to attending university.

First, differences in academic performance at age 15 across the income distribution may themselves be the result of differences in family income. Families with more financial resources typically spend more money on books for children, take their children to museums, spend more on daycare in the early years, locate in neighbourhoods with better schools, and provide a more school-oriented home environment from early ages.

These actions may result in higher performance on standardized and scholastic tests, at age 15 where this study began, and thus, a higher probability of attending university in the future.

Second, even if they want to attend university, and have the grades to do so, students may be faced with another barrier that is related to their family's financial position: financial constraints.

However, the evidence presented in this study casts some doubt on the widespread existence of financial constraints in Canada.

In fact, only 9.5% of all youth report that money was a factor in their decision not to attend university.

Although more lower-income youth (13.4%) than higher-income youth (5.9%) reported money as a factor,

this difference only accounted for a small proportion of the overall gap in university attendance, once academic performance and parental influences were taken into account.

Similar research in the United States also found very little evidence of financial constraints being the main barrier.

Despite the weak evidence on financial constraints, there are two important caveats to keep in mind. First, even if financial constraints do not pose a significant barrier for the population of youth as a whole, they may matter for certain groups of students in some instances.

For example, previous research has shown that growing up out-of-commuting distance to a university poses a barrier to attending, and this effect is stronger among youth from lower-income families. This is likely related to the added costs associated with moving out of the parental home to attend (more than \$5,000 per academic year, on average).

Second, even if financial constraints appear in this study to be of minor importance, it is important to note that this is still conditional on the existing post-secondary financial aid system.

What the findings of the study do suggest is that in order to better understand why some youth attend university while others do not, future research will need to consider factors prior to age 15 (where this study began).

The study "Why are youth from lower-income families less likely to attend university? Evidence from academic abilities, parental influences and financial constraints" is now available as part of the *Analytical Studies Branch Research Paper Series* (11F0019MIE2007295, free) from the *Publications* module of our website.

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

For further information or to enquire about the concepts, methods or data quality of this release, contact Marc Frenette (613-951-4228), Business and Labour Market Analysis Division. ■

New Housing Price Index

December 2006

The New Housing Price Index remained at 147.5 (1997=100) in December. This was the first time since June 2000 that prices did not advance at the national level. Compared to one year ago, contractors' selling prices increased 10.7%.

There were price increases in 9 of the 21 metropolitan areas surveyed. Saskatoon had the largest monthly increase at 3.0%, followed by Regina (+1.9%) and London (+0.7%). Costs for construction materials, in particular electrical, drywall, roofing and windows, plus labour rates, were the contributing factors. In Saskatoon, increased lot values affected by city levies were also cited.

Gains were also observed in Winnipeg, Hamilton, Kitchener, Edmonton, St. John's and Toronto and Oshawa. Of the nine metropolitan areas showing increases, land prices rose in four.

Six metropolitan areas registered no monthly change. Among those showing decreases were Calgary (-0.5%) and Victoria (-0.4%), due mainly to a moderating market. Prices in Greater Sudbury / Grand Sudbury

and Thunder Bay, Windsor, St. Catharines–Niagara and Saint John, Fredericton and Moncton were also down from November.

Despite showing a monthly drop, Calgary (+42.4%) posted the largest 12-month increase once again, followed closely by Edmonton (+41.5%). Saskatoon (+16.1%), Regina (+12.3%), Vancouver (+8.2%) and Winnipeg (+7.9%) also had noteworthy year-over-year gains.

Available on CANSIM: table 327-0005.

Definitions, data sources and methods: survey number 2310.

The fourth quarter 2006 issue of *Capital Expenditure Price Statistics* (62-007-XIE, free) will be available in April.

For more information, or to enquire about the concepts, methods or data quality of this release, contact our Client Services Section (613-951-9606, fax: 613-951-1539; prices-prix@statcan.ca) or Randy Sterns (613-951-8183; randy.sterns@statcan.ca), Prices Division.

New housing price indexes

	December 2006	December 2005 to December 2006	November to December 2006
	(1997=100)	% change	
Canada total	147.5	10.7	0.0
House only	157.1	10.8	-0.1
Land only	128.8	10.7	0.5
St. John's	132.3	4.3	0.1
Halifax	131.4	1.3	0.0
Charlottetown	118.0	2.5	0.0
Saint John, Fredericton and Moncton	113.5	2.9	-0.1
Québec	142.7	3.0	0.0
Montréal	150.3	4.5	0.0
Ottawa–Gatineau	161.3	3.3	0.0
Toronto and Oshawa	138.9	3.4	0.1
Hamilton	145.3	5.9	0.2
St. Catharines–Niagara	147.0	4.3	-0.1
Kitchener	138.1	3.3	0.4
London	135.3	5.2	0.7
Windsor	104.2	-1.2	-0.2
Greater Sudbury / Grand Sudbury and Thunder Bay	102.7	2.0	-0.2
Winnipeg	149.1	7.9	0.5
Regina	162.4	12.3	1.9
Saskatoon	148.9	16.1	3.0
Calgary	237.1	42.4	-0.5
Edmonton	205.1	41.5	0.2
Vancouver	116.1	8.2	0.0
Victoria	117.1	0.1	-0.4

Note: View the census subdivisions that comprise the metropolitan areas online.

Annual Survey of Software Development and Computer Services

2005

Three of Canada's top information and communications technology (ICT) services industries combined for \$30.7 billion in operating revenues in 2005, up 4% from the previous year. The computer systems design and related services industry remains the largest of the three ICT service industries covered by the survey, accounting for \$21.6 billion in operating revenues. It is followed by software publishers at \$6.4 billion and data processing, hosting and related services at \$2.8 billion.

Operating revenues grew for all three industries compared to 2004. The data processing, hosting, and related services industry led with 5% growth year-over-year, followed closely by the computer systems design and related services industry at 4%. The software publishing industry posted a modest 1% operating revenue increase.

The customization of packaged software and custom application design together accounted for 16% of revenues earned, up from 13% the previous year.

Operating profits for the combined industries grew to \$1.9 billion in 2005, allowing businesses to post a 6% profit margin. Operating profits were up sharply in the systems design industry but down for both software publishing and data processing.

The group's payroll grew at a 4% rate between 2004 and 2005. Data processing, in particular, saw the highest relative increase, up 18% from the previous year. This compares to a payroll increase of 7% for software publishers and 1% for systems design businesses. Despite the increase in payroll, employment dropped by 2% to an estimated 185,500 persons in 2005.

Sales growth was powered by three customer segments: exports, the domestic financial sector, and public institutions such as schools and hospitals.

Despite increases in the value of the Canadian dollar compared with the United States dollar in 2005, exports by the three industries grew 9%, accounting for \$5.4 billion in revenues earned. The United States remains the largest foreign market, accounting for 75% of all exports. Europe is the second largest market, accounting for 16%.

For the three combined industries, the provinces posting the largest year-over-year operating revenue gains were Nova Scotia (+13%), British Columbia (+11%), Alberta (+10%) and New Brunswick (+10%).

Ontario, which accounts for just over-half of combined industry revenues, and Quebec, which accounts for one-fifth of industry revenues, both edged up 2%.

Available on CANSIM: table 354-0005.

Definitions, data sources and methods: survey number 2410.

Results from the 2005 Survey of Software Development and Computer Services are now available.

Detailed tables at the provincial level for a range of industry characteristics are included in the data release package, which is available upon request. To order a copy, contact Denyse Brazeau (613-951-5634; fax: 613-951-6696; denyse.brazeau@statcan.ca), Service Industries Division.

For more information, or to enquire about the concepts, methods and data quality of this release, contact Jamie Carson (613-951-3407; fax: 613-951-6696; jamie.carson@statcan.ca), Service Industries Division. ■

Natural gas transport and distribution industries

2005

Financial and operational data on the natural gas transport and distribution industries for 2005 are now available.

Definitions, data sources and methods: survey number 2180.

For more information, to order data, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (toll-free 1-866-873-8789; 613-951-9497; energ@statcan.ca), Manufacturing, Construction and Energy Division. ■

Production of eggs and poultry

December 2006 (preliminary)

Egg production was estimated at 50.4 million dozen in December, down 1.0% from December 2005.

Poultry meat production reached 89.8 million kilograms in December, down 2.6% from December 2005.

Definitions, data sources and methods: survey numbers, including related surveys, 3425 and 5039.

For further information, or to enquire about the concepts, methods or data quality of this

release, contact Sandy Giefeldt (613-951-2505; sandy.giefeldt@statcan.ca) or Barbara Bowen (613-951-3716; barbara.bowen@statcan.ca), Agriculture Division. ■

New products

Analytical Studies Branch Research Paper Series:
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Statistics Canada

Thursday, June 7, 1997
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MAJOR RELEASES

- **Urban transit, 1996** 2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about six rides 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 and unit labour cost 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** 3
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