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# SOCIAL TRENDS

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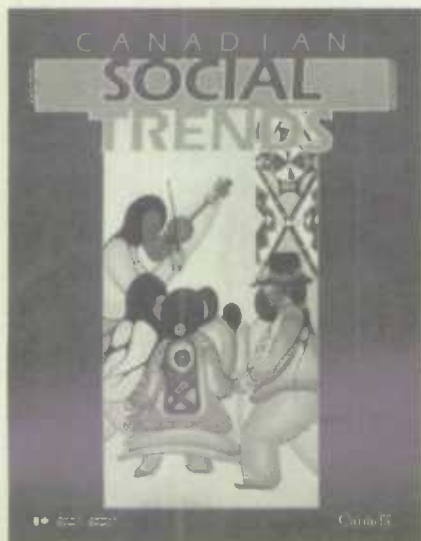
## CANADIAN SOCIAL TRENDS

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**Canadian Social Trends** (Catalogue 11-008E) is published four times a year by Statistics Canada, Publication Sales, Ottawa, Ontario, Canada, K1A 0T6, telephone (613) 993-5078. Copyright 1986 by Statistics Canada, all rights reserved. First class postage paid at Ottawa, Ontario, Canada. SUBSCRIPTION RATES: \$44 a year in Canada, \$50 elsewhere. Single issue \$12.50 each in Canada, \$15 elsewhere. Send subscription orders and address changes to Statistics Canada, Publication Sales, Ottawa, Ontario, Canada, K1A 0T6. Please supply both old and new addresses and allow six weeks for change. Correspondence may be addressed to the Editor, **Canadian Social Trends**, 11th Floor, Jean Taion Building, Ottawa, Ontario, K1A 0T6. **Canadian Social Trends** is not responsible for unsolicited materials. Permission is granted by the copyright owner for libraries and others to photocopy any article herein, provided credit is given to Statistics Canada and **Canadian Social Trends**. Requests for special permissions or bulk orders should be addressed to the nearest Regional Office.

**Cover:** Design concept for proposed mural for **First Ministers' Conference on Aboriginal Rights** by Cecil Youngfox

ISSN 0851-5698





# THE SOCIO-DEMOGRAPHIC CONDITIONS OF REGISTERED INDIANS

by Andrew J. Siggner<sup>1</sup>

The winds of change are sweeping the Indian population in Canada. Issues such as self-government, funding and reinstatement are central to the push for political and legislative change. Fundamental to an understanding of these issues, however, is an appreciation of the direction and magnitude of the demographic, social and economic change which the Indian community is already experiencing.

Indians referred to in this article are those who are registered under the Indian Act of Canada. There are, however, other native aboriginal groups, such as the Métis, who are generally of mixed Indian and non-Indian ancestry; non-status Indians, who have lost their status under the Indian Act for a variety of reasons; and Inuit, who largely reside in the Northwest Territories and Labrador and along the northern Quebec coast.

## Size and Distribution of the Population

The total Indian population of North America, prior to the arrival of Europeans in the sixteenth century, was estimated at about 900,000 people, of whom about 220,000 were in what is now Canada. The introduction of firearms from Europe was one of several factors contributing to a subsequent decline in the Indian population. By the seventeenth century, both intertribal warfare and English-French warfare, into which Indians were drawn as allies of the

Europeans, had taken their toll on the Indian population. Also devastating were famines, for example, that of 1879-80 on the Prairies, and epidemic diseases such as smallpox, scarlet fever, tuberculosis, and influenza, against which Indians had no natural immunity. Epidemics of these diseases were numerous and sometimes decimated the populations they struck.

Shortly after Confederation in 1867, the Indian population of what is now Canada was approximately 102,000. Over the next seventy years (to 1941), estimates of the In-

dian population fluctuated between that level and around 122,000, which represented from 1.1% to 2.5% of the total Canadian population. It is not certain whether this fluctuation was due to actual shifts in the size of the population, for example, as a result of epidemics, or whether it was due to changes in the definition of an Indian, problems in reporting, or some combination of these. Not until 1941 did the Indian population begin to show a pattern of sustained growth, and not until 1966 did the Indian population of Canada again reach the size it had been just prior to European contact.



## Registered Indian Population and Indian Lands, by Region

	Atlantic Provinces	Quebec	Ontario	Manitoba	Sask.	Alberta	B.C.	N.W.T.	Yukon	Canada
Total Indian population, 1984 <sup>1</sup>	13,590	34,335	77,313	52,049	54,188	43,436	61,730	8,530	3,638	348,809
% of total Indian population, 1984	3.9	9.8	22.2	14.9	15.5	12.5	17.7	2.5	1.0	100.0
% of total provincial/territorial population, 1984	0.6	0.5	0.9	4.9	5.4	1.9	2.2	17.2	16.5	1.4
% living off reserve, 1984 <sup>2</sup>	28.2	14.4	31.9	26.7	34.0	24.7	35.9	7.2	24.5	28.7
Number of Indian bands, 1985	31	39	126	60	68	41	196	14	17	592
% of Indian bands, 1985	5.2	6.6	21.3	10.1	11.5	6.9	33.1	2.4	2.9	100.0
Number of reserves and settlements, 1985	67	33	185	103	142	90	1,610	29	25	2,284
% of reserves and settlements, 1985	2.9	1.4	8.1	4.5	6.2	3.9	70.5	1.3	1.1	100.0

<sup>1</sup> The official count from INAC as of December 31, 1984 is unadjusted for late-reported births and deaths (which would add about 2-3% to the population). Such an adjustment would be unlikely to alter significantly the percentages shown in this table.

<sup>2</sup> Off-reserve includes Indian living off reserves and off Crown land settlements.

Sources: INAC, Program Reference Centre, *Registered Indian Population by Sex and Residence*, and *Schedule of Indian Bands, Reserves and Settlements*.

By 1984, the registered Indian population had reached an estimated 349,000, according to the count from the Indian register maintained by the Department of Indian and Northern Affairs Canada (INAC). Indians' share of the total Canadian population amounted to 1.4%. Recent projections (assuming medium growth rates) envisage the registered Indian population growing to over 456,000 persons by 1996, or about 1.7% of the total Canadian population<sup>2</sup>.

Indians are most numerous in Ontario and British Columbia. These two provinces accounted for 22% and 18% respectively of the Indian population in Canada in 1981. The Prairie provinces also accounted for a large share of the Canadian Indian population—16% in Saskatchewan, 15% in Manitoba and 13% in Alberta, while Quebec accounted for a further 10%. When the provinces

and territories are ranked according to the proportion of the total provincial/territorial population composed of Indians, a quite different ordering emerges. In 1984, registered Indians constituted a larger share of the population in the Northwest Territories and Yukon Territory (about 17% in each) than they did in any of the ten provinces. In fact, in the Northwest Territories, the total aboriginal population (including Métis, non-status Indians and Inuit) made up the majority of the territorial population. In Manitoba and Saskatchewan, registered Indians constituted about 5% of the provincial population, while in central and eastern Canada, Indians accounted for less than 1% of the provincial populations. Increases in the Indian population as a proportion of the total population are expected to occur in the Northwest Territories and Yukon Ter-

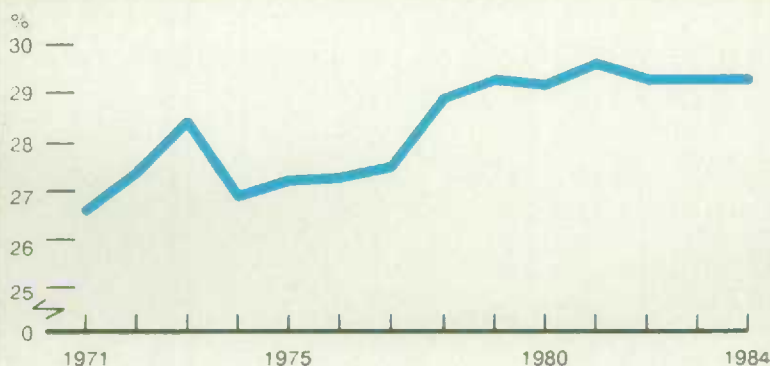
ritory, and in Saskatchewan and Manitoba. By 1996, registered Indians are expected to constitute 22% of the total population in the two territories, and 7% and 6%, respectively, of that in Saskatchewan and Manitoba. The Indian population as a percentage of the total population in the central and eastern provinces, however, is projected to remain at its current level.

Another important aspect of the distribution of the Indian population is the proportion of Indians living on reserves compared with the proportion living off reserves. Note that unless otherwise specified, the term "Indian reserve" also includes Indian settlements on Crown land, which in most respects are treated as Indian reserves by Indian and Northern Affairs Canada.

The proportion of the Indian population living off reserve climbed from about 16% in the mid-1960s



**Proportion of the Registered Indian Population Living Off Reserve<sup>1</sup>, 1971-1984**



<sup>1</sup> Includes those living on Crown Lands. The decline between 1973 and 1974 is due to a change in the definition of off reserve.

Sources: J. Perrault, L. Paquette and M.V. George, *Population Projections of Registered Indians, 1981-1996*, (Ottawa: INAC, 1985); A.J. Siggner, *An Overview of Demographic, Social and Economic Conditions Among Canada's Registered Indians*, (Ottawa: INAC, 1979).

to 28% by 1973. Then, as urban economic growth slackened in the mid-1970s, the proportion of Indians living off reserve levelled off at about 27%. By 1984, the figure had edged up to 29%. In absolute numbers, the off-reserve population reached almost 100,000 persons in 1984. Still 71% of the Indian population, or about 248,000, were residing on reserves and settlements that year.

What will happen to the size and growth rate of the off-reserve population in the last half of the 1980s will depend on demographic, social, housing, and economic conditions both on and off reserve. An additional factor will be the effect of the 1985 amendments to the Indian Act allowing for the reinstatement to Indian status of as many as 76,000 persons. Most of them are non-status Indian women (and their children) who have been living off reserve. It is not clear how many of those eligible under the new Act will seek reinstatement, and of those, how many will seek residency on reserves or in Indian settlements. However, the amended Indian Act does allow Indian band councils to control band membership and potentially control on-reserve residence.

Two important factors for the economic viability of Indian bands are their size and location. The number of bands with a population

of 1,000 or more people increased marginally from 13% of all bands in 1977 to 16% in 1981. However, the proportion of all bands this size is expected to increase to at least 25% before the end of the century, assuming that no new bands are created. As well, by 1996, 64% of all Indians will be members of these larger bands. This figure was just 44% in 1981. However, if the assumption that no new bands are created does not hold, for instance, if small bands amalgamate with each other to form large bands, or if they amalgamate with existing large bands to form even larger bands (both of which may prove necessary for the success of self-government), the aforementioned 25% could prove to be a conservative estimate.

#### Membership Size of Indian Bands, 1981 and 1996

	Number of bands		Percentage of bands		Percentage of population	
	1981	1996	1981	1996	1981	1996
			%		%	
Band membership size:						
Less than 500	370	299	64.0	51.7	21.6	15.3
500-999	116	136	20.1	23.5	34.4	20.9
1,000-2,999	84	126	14.5	21.8	33.8	44.6
3,000 and over	8	17	1.4	2.9	10.2	19.2
Total	578	578	100.0	100.0	100.0	100.0

Source: J. Perreault, L. Paquette, and M.V. George, *Population Projections of Registered Indians, 1981 to 1996* (Ottawa: INAC, 1985).

On the other hand, the number of small bands—those with less than 500 persons—is projected to decline from 370, or 64% of all bands in 1981, to 299, or 52% of the total by 1996. The smaller bands will see their share of the total population of Indian individuals decline from 22% in 1981 to 15% by 1996 (again, assuming no change in the number of bands).

These national projections mask considerable regional variation. For instance, local economies of scale will be particularly difficult to realize in British Columbia and the Territories, where over one-third of the bands, compared to around 5% of the bands in the Prairies provinces, are projected to still have fewer than 500 persons in 1996.



## Trends in Fertility and Mortality

Since the turn of the century, the Indian population has gone through three stages in terms of trends in births and deaths. The first stage was characterized by high fertility and high mortality rates during the first half of the 1900s. The second stage, which took place during the 1950s and 1960s, saw continued high fertility, however, mortality dropped off rapidly due to advances in sanitation and medicine. The third stage, which took place in the 1970s, saw fertility rates decline as the effects of urbanization and modernization were felt, while mortality rates remained low.

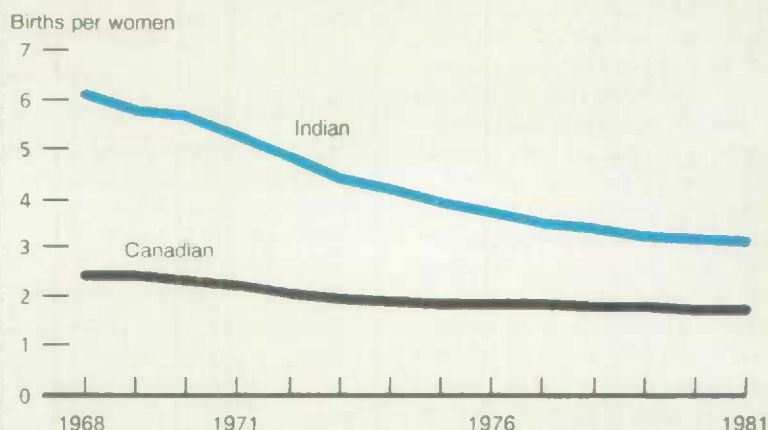
In the latter half of the 1970s, the rate of decline of fertility for Indians, as measured by the total fertility rate<sup>4</sup>, slowed. This may have been partially due to the entry into child-bearing age of the Indian "baby boom" generation born in the 1960s. However, the gap between the Indian total fertility rate and that of the overall population closed dramatically between 1969 and 1981. Nevertheless, in 1981 the Indian total fertility, at 3.15 births per woman, remained almost twice as high as the Canadian rate of 1.70 births per woman.

Indian death rates have dropped significantly in recent years, but both general indicators and some "cause-specific" measures for Indians still compare unfavourably with those of the overall Canadian population. Indeed, as a consequence of differences in health, social and environmental conditions, life expectancy for Indians is still nine or ten years less on average than that of the overall population.

Indian male life expectancy at birth reached 62 years in 1981, after hovering around 60 years for the previous two decades. This is compared to a life expectancy of 72 years in the total Canadian male population in 1981. Indian females, on the other hand, made greater gains as their life expectancy rose from 63.5 years in 1960 to nearly 69 years by 1981. The life expectancy at birth for the overall Canadian female population in 1981 was 78 years.

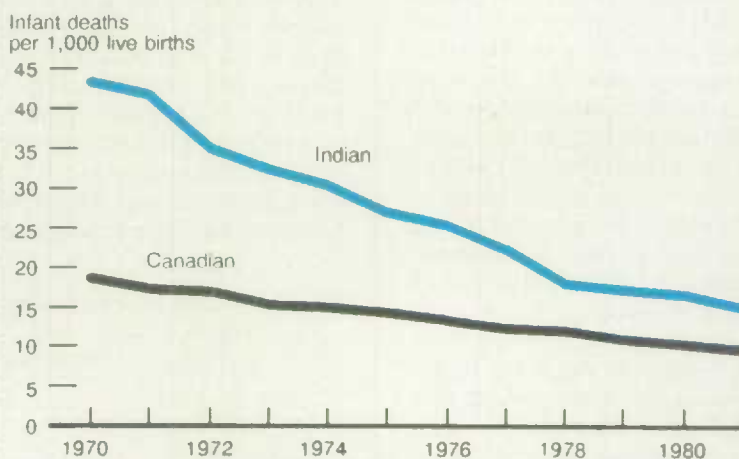
Infant mortality refers to deaths of babies before the age of one and is internationally used as an indicator of the overall standard of living of a

### Total Fertility Rate of the Registered Indian and Total Canadian Populations, 1968-1981



Source: B. Ram, and A. Romaniuc, *Fertility Projections of Registered Indians, 1982 to 1996* (Ottawa: INAC, 1985).

### Infant Mortality Rate of the Registered Indian and Total Canadian Populations, 1970-1981



Source: G. Rowe and M.J. Norris, *Mortality Projections of Registered Indians, 1982 to 1996* (Ottawa: INAC, 1985).

population. Throughout the 1970s and into the 1980s, Indian infant mortality rates continued a decline that had begun by 1960. The number of Indian infant deaths per 1,000 live Indian births was 79.0 in 1960, 43.2 in 1970, and 15.0 by 1981.

Mortality rates for most other Indian age groups also maintained a downward trend over the same period. The Indian "standardized death rate" is a calculation of the death rate (deaths per 1,000 popula-

tion) the Indian population would have if it had the same age composition as the overall Canadian population. The 1981 standardized death rate for registered Indians was 9.5 deaths per 1,000 population, compared with 6.1 deaths per 1,000 population among the Canadian population.

The major causes of death for registered Indians are "accidents, poisoning and violence"; and many of these deaths are alcohol-related.



Just over 174 Indian deaths per 100,000 population resulted from these causes in 1983. This was three times the rate for Canadians as a whole. However, seven years earlier, "accidents, poisoning and violence" were killing Indian people at a rate of 248 per 100,000, or four times the Canadian rate. Although many factors are likely associated with the decline in this cause-specific death rate for Indians, it should be noted that significant alcohol and drug-abuse programs were implemented during this time period. All other major causes of death among Indians, except cancer, showed a decline in the 1976-83 period. The rates of death due to respiratory and digestive system diseases have fallen to levels similar to those of the overall Canadian population.

### Age Composition

The Indian population is aging as a result of the decline in both Indian fertility and mortality rates, as well as the progression of the Indian 'baby boom', born during the 1960s, from the younger age ranges into the labour force age group. But while the Indian population is getting older, it is aging more slowly than the Canadian population. The share of the total Indian population under age 15 declined to 39% in 1981 from 42% in 1976 and 48% in 1966. If present trends continue, the proportion of children is expected to fall further to 34% by 1996. By contrast, the population aged 15-64 years has increased its share of the total population from 46% in 1966 to 57% in 1981. On the basis of assumptions of moderate growth, this group is expected to comprise 62% of the total Indian population by 1996. Numerically, the registered Indian population aged 15-64 is projected to grow from 190,000 in 1981 to 284,000 by 1996.

Also contributing to the shift in the age profile of the Indian population, is the fact that the Indian population experienced its own "baby boom" in the 1960s. Throughout the 1980s this group will be in the young adult "family forming" age group of 15 to 29. During this period, for example, they will account for over half of the Indian labour force. The growth in the size of this group will exert important demographic pressures and will pose some significant planning

### Selected Causes of Deaths Among Registered Indians and the Canadian Population, 1976 and 1983

	Deaths per 100,000 Population			
	Registered Indian		Canada	
	1976	1983	1976	1983
Selected causes of death:				
Accidents, poisoning, and violence	247.7	174.3	66.8	57.5
Circulatory system diseases	153.3	141.5	355.2	326.4
Neoplasms (cancer)	54.0	56.0	151.5	172.0
Respiratory diseases	75.1	52.0	51.3	49.7
Digestive system diseases	34.5	28.1	27.2	28.2
Infections and parasitic diseases	18.2	6.9	4.4	3.8

Source: Health and Welfare Canada, Medical Services Branch, *Indians and Inuit of Canada: Health Status Indicators*.

issues in relation to job creation, housing, and social and welfare services.

### Migration

Although Indians are widely believed to be highly mobile, both the 1971 and the 1981 Censuses revealed that a slightly smaller portion of the Indian population, than that of the overall Canadian population, had moved from one centre to another during the five-year period prior to the census. In 1981, for example, 19% of Indians, versus 20% of the total Canadian population lived at a different location than the one they had lived at in 1976. In absolute terms, though, the number of Indians who moved to another cen-

tre almost doubled in the 1976-81 period compared to the 1966-71 period.

Urban areas continued to be the preferred destination of Indian migrants, attracting 56% of all migrants in the 1976-1981 period; in the five years prior to 1971 the figure had been 55%. While urban areas were the recipients of the greatest number of Indian in-migrants, they also contributed an even larger number of Indian out-migrants. In the 1976-81 period, 62% of all Indian migrants originated from urban areas; this is up from 49% in the 1966-71 period. Indian reserves also experienced an increase in their relative share of in-migrants—from 21% in 1966-71 to 28% in 1976-81.

### Migrants<sup>1</sup>, by Places of Origin and Destination, 1966-71 and 1976-81

	Percentage of Total Indian Migrants					
	1966-1971			1976-1981		
	In-migrants	Out-migrants	Net migrants	In-migrants	Out-migrants	Net migrants
	%					
Indian reserve	21	13	+8	28	17	+9
Rural non-reserve	23	37	-14	16	21	-5
Urban metropolitan area <sup>2</sup>	25	18	+6	30	32	-2
Urban non-metropolitan area <sup>2</sup>	30	31	-12	6	30	-3

<sup>1</sup> Migrants include those individuals who lived in a different centre at the end of the 5-year period than they had at the beginning.

<sup>2</sup> Metropolitan urban areas are those with a population of 100,000 or more; non-metropolitan urban areas refer to urban areas with less than 100,000 population.

Sources: Andrew J. Siggner, "Preliminary Results from a Study of 1966-71 Migration Patterns among Status Indians in Canada" (Ottawa: Department of Indian Affairs & Northern Development, 1978); and M.J. Norris, "Migration Patterns of Status Indians in Canada, 1976-1981" (mimeo, June 1985)



Out-migration from reserves also increased from 13% in 1966-71 to 17% in 1976-81. In terms of net migration (in-migrants minus out-migrants), Indian reserves were net gainers of migrants, while all other areas were net losers over the 1976-81 period. Urban metropolitan areas had a net loss of 2% of all Indian migrants in 1976-81, compared to a net gain of 6% of all Indian migrants in the 1966-71 period.

## Housing

In 1984, almost half (47%) of Indian housing failed to meet basic standards of physical condition, over one-third (36%) were seriously overcrowded, and 38% lacked some or all of basic amenities such as running water, indoor toilet, or bath or shower.

The improvements in Indian housing include a reduction in crowding problems in that the average number of persons per house has dropped from six in 1977 to five in 1984. In addition, in 1984, one-third more houses had basic amenities than in 1977. As well, between 1977 and 1984, there was a substantial reduction (from 15% to 2%) in the number of units considered unsalvageable.

## Employment, Income, and Occupation Structure

When applied to the on-reserve Indian population, the concepts of "employment" and "unemployment" present difficult problems of measurement. For example, persons engaged in activities such as hunting and trapping often do not perceive these traditional activities as employment, especially if they are carried out to provide basic necessities of life. In addition, persons living on remote reserves often do not meet the statistical definition of being unemployed (out of work, but seeking work in the four weeks prior to the census or survey), when there is no work currently available in their local area.

Census data, which at present is the only source of statistics on labour force activity on reserves, indicate that among registered Indians aged 15 and over, only 38% were employed in 1981, compared to 60% of the overall population. In fact, the majority (54%) of the over 15 Indian population (compared to 35% in the general population) is

not in the labour force. As well, the unemployment rate for Indians was about two and a half times higher than that for the overall Canadian labour force in 1981. In that year, unemployment among Indians stood at 17%, compared with 7% for Canada as a whole. Unemployment was also particularly high (24%) among Indian youth aged 15-24 in 1981.

The Indian unemployment rate in rural/reserve areas, at 18%, was slightly higher than in urban areas (16%). The unemployment rate for Indian women in urban non-reserve areas was about four percentage points higher than Indian men, while the on-reserve rate for women was somewhat lower than that for women in urban areas.

The occupational structure of the registered Indian population shows some important differences from the general population. Within the experienced Indian labour force in 1981, 52% were engaged in white-collar jobs, which include managerial, professional, technical, clerical, sales, and service occupations. The comparable figure in the general population was 64%. Only 2% of the Indian labour force was employed in such traditional activities as hunting, fishing, and trapping, although this low percentage may result from the reporting and conceptual problems mentioned earlier. The percentage of Indians engaged in occupations in the primary industries as a whole (including agriculture and other forms of resource extraction) was 12%,

compared to 9% for the general population.

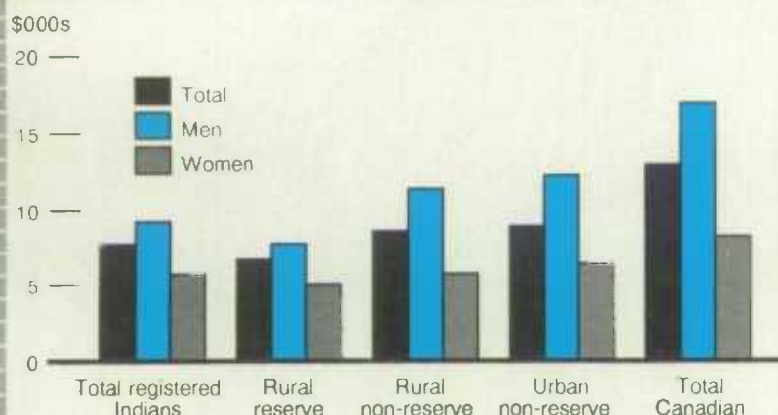
Some of the most interesting occupational data pertain to Indian women. For instance, virtually the same percentage of Indian women as women in the general population, (26% and 25% respectively), work in the managerial, professional or technical category. Proportionately and numerically, Indian women outnumber their male counterparts in this category, especially in the on-reserve population. On reserves, the proportion of employed women in this category is twice as high as that for men (30% versus 14%).

The beginning of the 1980s witnessed some reduction in the disparity in the average annual income between registered Indians and the general population. In 1980, the average annual income of the Indian population was 60% of that of the general population; that, however, is up from 33% in 1971. Indians residing on rural reserves or settlements in 1981, had incomes which averaged about 58% of those of the general population, while the comparable figure for the Indian population living in urban areas was about 67%.

The average annual income for Indian women was well below that of Indian men in 1980. On reserves and settlements it was about \$7,000 for men and about \$5,100 for women. In urban areas the disparity was even more pronounced, with men receiving nearly twice the income of women (\$12,300 versus \$6,400).



**Average Annual Income in 1980 for Registered Indians and All Canadians, by Sex and Selected Types of 1981 Residence**



Source: Statistics Canada, 1981 Census of Canada, special tabulations.

Significant differences exist between Indians and the overall Canadian population with regard to the source of income. Government transfer payments supplied 35% of registered Indians of labour force age with a source income in 1981, compared to only 16% of the general population. Also, 61% of Indians earned income through wages and salaries, compared to 70% of the general population. With respect

to one form of transfer payment, social assistance, data from INAC indicate that the total social assistance payments (including administrative costs) increased from \$34 million in 1970-71 to over \$142 million by 1980-81, a growth of 315% in ten years. Much of this growth, of course, is the result of inflation; still the growth in social assistance payments to Indians, in constant dollars, was over 90% in this period.

A small number of Indian bands have important sources of material wealth located on their reserves. Oil, gas and mineral developments have resulted in a tenfold increase in the revenues to such Indian bands, but most of that wealth is concentrated in Alberta. Other mineral potential, for example, gold, iron, copper, and asbestos, exists on 15-25% of the reserves in the Atlantic, Quebec, Ontario, Manitoba, and Saskatchewan regions.

### Education

Indian education in Canada is in the midst of a radical change. Indian education is now increasingly under the control of Indian communities as a result of the gradual implementation of a policy originally formulated by the National Indian Brotherhood in the 1970s. Attempts have been made to make the curriculum more relevant to Indians' daily lives and culture; Indian teachers, Indian teachers' aides, and Indian elders are now common in the classroom; and Indian languages are being taught and, in some cases, used as the language of instruction. Between 1979-80 and 1983-84, the number of students taking courses in which an aboriginal language was the medium of instruction over half of the time increased by 62%. As well, the number of students taking an aboriginal language as a subject,

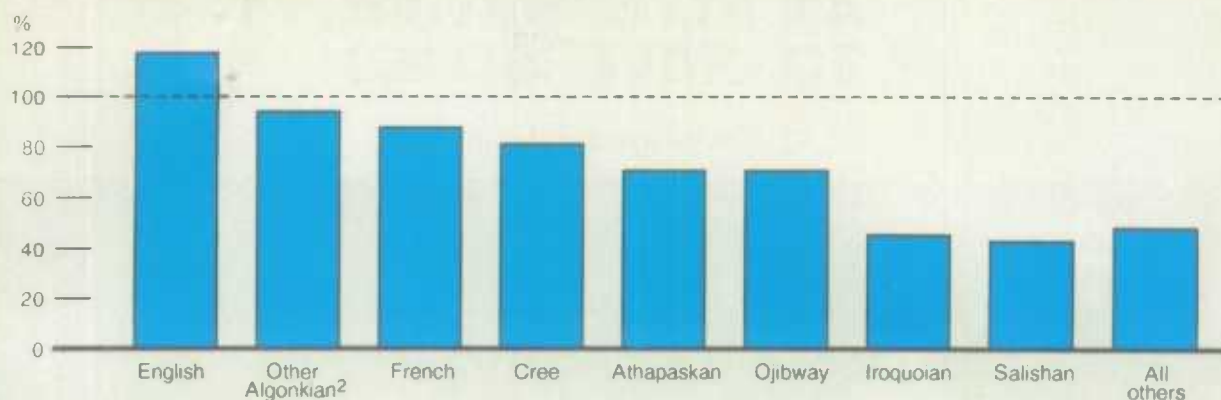
**Occupational Category of Indians in the Experienced Labour Force, by Sex and Selected Types of Residence, 1981**

Selected Types of Residence	Managerial, Professional or Technical	Clerical	Sales	Service	Farming	Fishing, Hunting, Trapping	Forestry, Logging, Mining	Processing	Machine Production	Other
%										
<b>Total Indian population</b>										
Total	19.2	12.4	4.1	16.1	3.8	2.1	5.8	5.3	7.7	23.5
Male	15.0	4.0	3.1	9.9	5.2	3.3	8.9	6.1	9.5	35.1
Female	26.0	25.6	5.6	25.9	1.6	0.3	0.9	4.0	5.0	5.2
<b>Rural reserves</b>										
Total	19.1	9.4	2.7	13.9	5.0	3.2	8.3	4.9	5.3	28.1
Male	13.7	2.8	1.9	8.8	6.7	4.6	11.6	5.6	6.0	38.6
Female	30.4	23.3	4.4	24.7	1.6	0.4	1.5	3.6	3.9	6.1
<b>Urban non-reserve</b>										
Total	20.2	16.4	5.3	18.8	1.6	0.9	2.8	5.5	10.4	18.1
Male	17.6	6.3	4.4	12.0	2.2	1.5	5.0	6.6	14.3	30.1
Female	23.2	27.8	6.2	26.4	1.0	0.3	0.4	4.2	5.9	4.6
<b>Total Canadian population</b>										
Total	24.4	18.9	9.0	12.0	4.1	0.4	1.4	4.1	10.7	15.2
Male	23.8	7.0	8.7	10.0	5.3	0.5	2.2	5.3	14.3	23.3
Female	25.3	36.3	9.4	15.7	2.2	0.0	0.1	2.3	5.3	3.3

Source: Statistics Canada, 1981 Census of Canada, special unpublished tabulations.



**Ratio of Home Language Use to Mother Tongue<sup>1</sup>  
among Registered Indians, 1981**



<sup>1</sup> Represents the number of people using a given language at home divided by the number of people having that language as their mother tongue (the language first learned and still understood).

<sup>2</sup> Includes Algonkian languages other than Cree and Ojibway.

Source: Statistics Canada, 1981 Census of Canada, special tabulations.

or in a course using it as a part-time medium of instruction, grew by over one and a half times in this period.

The dropout rate of Indian students has attenuated significantly; the retention rate for Indian students from Grade 2 to graduation from Grade 12, as of 1984-85, was 31%, up from 18% in 1975-76. Significant progress has also been made in the area of postsecondary schooling. In 1971, barely 3% of the Indian out-of-school population had attained at least some postsecondary education. By 1981, the percentage had risen to almost 19%. The proportion of natives with postsecondary education, however, is still only about half that for the total Canadian population (36%), but the gap is closing; in 1971, the overall Canadian percentage was nine times the Indian figure. Among Indians with postsecondary education, three out of four have their training from trades or other non-university schools, while the remainder have at least some university education or are university graduates.

There are differences in the educational attainment of Indians living on rural reserves and Indians living in the urban areas of Canada, as well as differences within the Indian population according to sex. In 1981, only 13% of the out-of-school Indian population on rural reserves had post-secondary education as compared to 20% of those in urban

areas. As well, in 1981, 2,425 Indian women were enrolled in universities compared to only 1,495 Indian men, while a further 3,520 Indian women, compared to 2,315 Indian men, were enrolled full- or part-time in non-university postsecondary education institutions. In 1981, 1,435 Indian women had one or more university degrees (as opposed to 1,170 men).

### Language Retention

Today, maintaining cultural identity has become an important issue for Indian peoples across Canada. One crude measure of cultural retention is the ratio of the number of people using a given language at home with the number of people having that language as their mother tongue (the language first learned and still understood).

In 1981, the ratio of home language use to mother tongue for all aboriginal language groups was well below 100. For example, for every 100 Indians with Ojibway as a mother tongue, only 71 were using it as a home language in 1981. On the other hand, for every 100 Indians with English as their mother tongue, there were 119 using it as a home language. When measuring home language use on its own, two out of every three registered Indians reported using English as their home language. However, despite the apparent increased use of English at the

expense of aboriginal languages among registered Indians, in recent years there has been a resurgence of Indian interest in Indian culture, as was discussed in the earlier section on education.

### Summary

Indians in Canada have experienced some improvement in their living conditions in recent years, at least as measured by the various national demographic, social and economic indicators used in this analysis. However, on many indicators of "well-being" Indians still lag significantly behind the norm of Canadians as a whole. Furthermore, important regional differences among Indians themselves also exist on some of these indicators.

### Notes

<sup>1</sup> This article is an abridged version of an article which appeared as Chapter 2 in *Arduous Journey: Canadian Indians and Decolonization*, edited by J. Rick Ponting, published by McClelland and Stewart Ltd., Toronto, 1986.

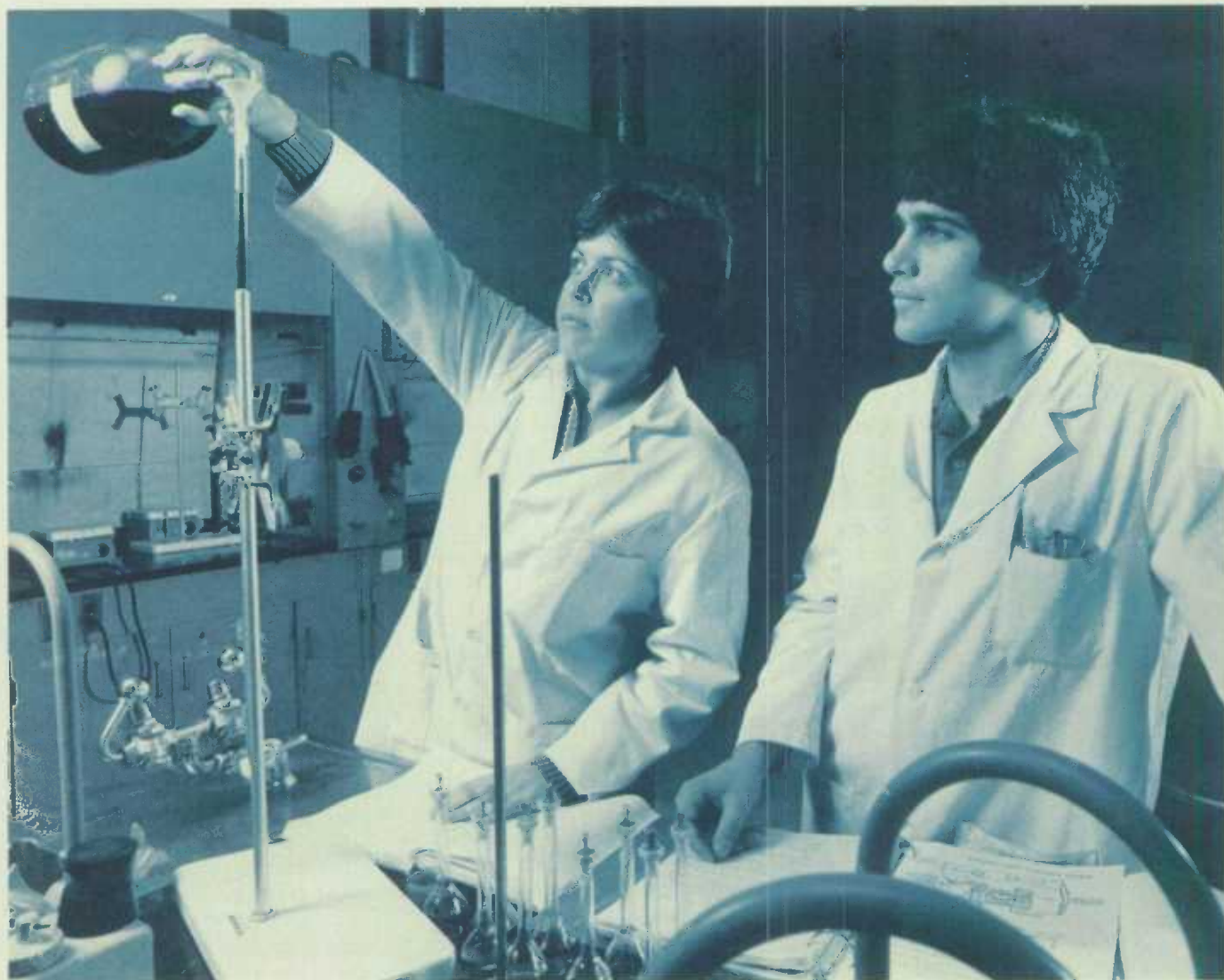
<sup>2</sup> Projections to 1996 are from J. Perreault, L. Paquette, and M.V. George, *Population Projections of Registered Indians, 1981 to 1996* (Ottawa, INAC, 1985).

<sup>3</sup> The total fertility rate measures the average number of births per woman based on the birth rates of women in the childbearing years between the ages of 15 and 44.

Andrew J. Siggner is Manager of the Aboriginal Peoples Output Programme, 1986 Census, Statistics Canada.

# COMMUNITY COLLEGES: AN ALTERNATIVE TO UNIVERSITIES

by Jo-Anne Parliament



Community colleges, for the most part a relatively recent addition to the education system, have become an integral part of the postsecondary system in Canada. Although institutions similar to today's community colleges have existed for many years, the current community college system was introduced in the early 1960s. This type of institution was established in response to the demand for a different kind of education than that being offered at universities. Community colleges were designed to provide a response to rapidly chang-

ing labour market conditions, while at the same time filling the growing demand for technically-trained personnel in health, business, engineering and human resources.

Although provincial community college systems differ in response to distinctive social and economic forces which prevail in different regions, programmes in all provinces can generally be divided into three broad categories: postsecondary, trades-level vocational, and continuing education. Postsecondary courses require completion of high school and generally include

career/technical programmes aimed at specific employment fields upon graduation. In some provinces, they also include one- and two-year university transfer programmes, which allow students to enter the second or third year of an undergraduate programme. Trades-level vocational programmes, on the other hand, do not require a high school diploma and usually last less than a year. The discussion in this article focuses on the postsecondary programmes, unless otherwise indicated.



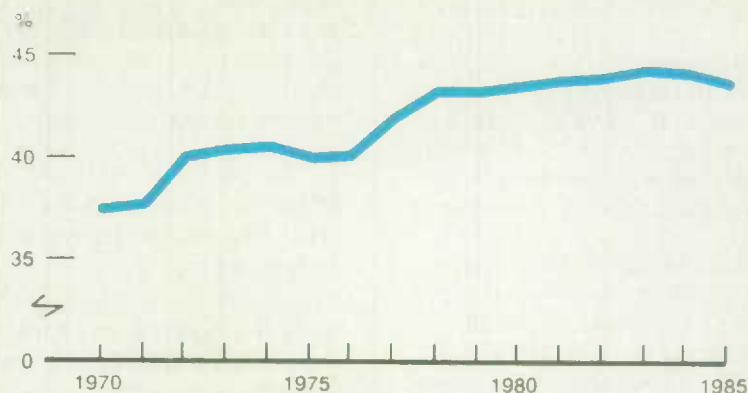
## Provincial Differences in Community Colleges

Community colleges lack the homogeneity characteristic of universities across Canada. The different community college systems can be roughly classified as follows:

1. Ontario's Colleges of Applied Arts and Technology (CAATs) offer two- and three-year career/technical programmes aimed at employment upon graduation. Some CAATs also provide general arts and science programmes, but transfer to university is not intended. The four Atlantic provinces, as well as Manitoba and the Northwest Territories, have similarly organized institutions offering career programmes.
2. Quebec's collèges d'enseignement général et professionnel (Cégep) are unique in that completion of one of their two-year academic programmes is mandatory for university admission. They also offer three-year career/technical programmes.
3. College students in British Columbia, Alberta and the Yukon can choose between career/technical programmes (similar to those in the CAATs) and university transfer programmes. Successful completion of the two-year transfer programme allows students to enter a university undergraduate degree programme with advanced standing.
4. Saskatchewan's community colleges are oriented specifically to community needs, and focus on continuing education and the promotion of adult learning. There are technical institutes in this province which provide postsecondary career/technical training, as well as a variety of one- and two-year certificate/diploma programmes.

Other specialty colleges which are designed to respond to particular regional needs, exist throughout Canada. They include areas of study such as agriculture, forestry and fisheries.

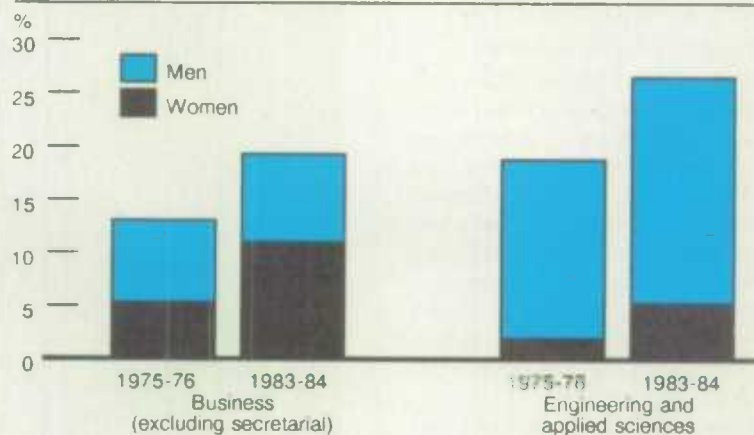
Full-time Community College Enrolment as a Percentage of Full-time Postsecondary Enrolment, 1970-1985



<sup>1</sup> Excludes graduate enrolment.

Sources: Statistics Canada, Catalogue 81-229, *Education in Canada*; Education, Culture and Tourism Division, unpublished updates.

Business and Engineering Graduates as a Percentage of All Community College Graduates, by Sex, 1975-76 and 1983-84



Sources: Statistics Canada, Catalogue 81-222, *Enrolment in Community Colleges*; Education, Culture and Tourism Division, unpublished updates.

## Community College Enrolment

Full-time enrolment in community colleges grew rapidly from the time of the establishment of this system through the early part of the 1980s. Between 1970 and 1980, the number of students enrolled full-time in community colleges increased by 57%, from 166,100 to 260,800. In the same period, full-time university undergraduate

enrolment increased by just 22%. Rapid growth occurred in both types of institutions during the early 1980s. Full-time enrolment in community colleges was up 21%, while full-time university undergraduate attendance increased by 17% between 1980 and 1983. In 1984, however, enrolment in both community colleges and universities increased by just 2%. Preliminary figures for 1985 indicate that there was actually a small (0.4%) drop in

community college enrolment that year, the first decline since the establishment of these institutions. In comparison, full-time university undergraduate enrolment, according to preliminary data, again grew by 2% in 1985. As a result of these fluctuations in the 1980s, full-time community college enrolment in 1985 stood at 320,200 compared with 413,300 for full-time undergraduate enrolment, according to preliminary enrolment figures.

Full-time enrolment in community colleges accounted for a growing percentage of total full-time postsecondary enrolment<sup>1</sup> during the 1960s and 1970s. Community colleges' share of full-time postsecondary enrolment, however, has remained relatively stable during the 1980s. Between 1970 and 1980, community college enrolment as a percentage of total full-time postsecondary enrolment climbed from 38% to 44%, and it has remained at about 44% since 1980.

### **Business and Engineering Largely Responsible for Increase in Graduates**

The total number of community college graduates from career/technical programmes grew by 54% between 1975-76 and 1983-84, up from 38,300 to 59,100. Three-quarters of this growth was due to the increase in the number of students graduating from business and engineering programmes. At the same time, most other fields of study also experienced growth, with the noticeable exception of nursing.

The number of community college business graduates more than doubled, from 5,100 in 1975-76 to 11,500 in 1983-84. A similar trend was evident in university business faculties with both the number of bachelor's and master's degrees increasing rapidly in this time period.

The number of community college graduates from engineering programmes also more than doubled between 1975-76 and 1983-84, increasing from 7,200 to almost 15,800. As well, the number of graduates in mathematics and computer science, an area of study within the engineering programme, grew by more than five times, from 900 in 1975-76 to 4,600 in 1983-84. (The overall increase in this trend is

exaggerated somewhat by the inclusion of a new group of programmes in Quebec in 1983-84.)

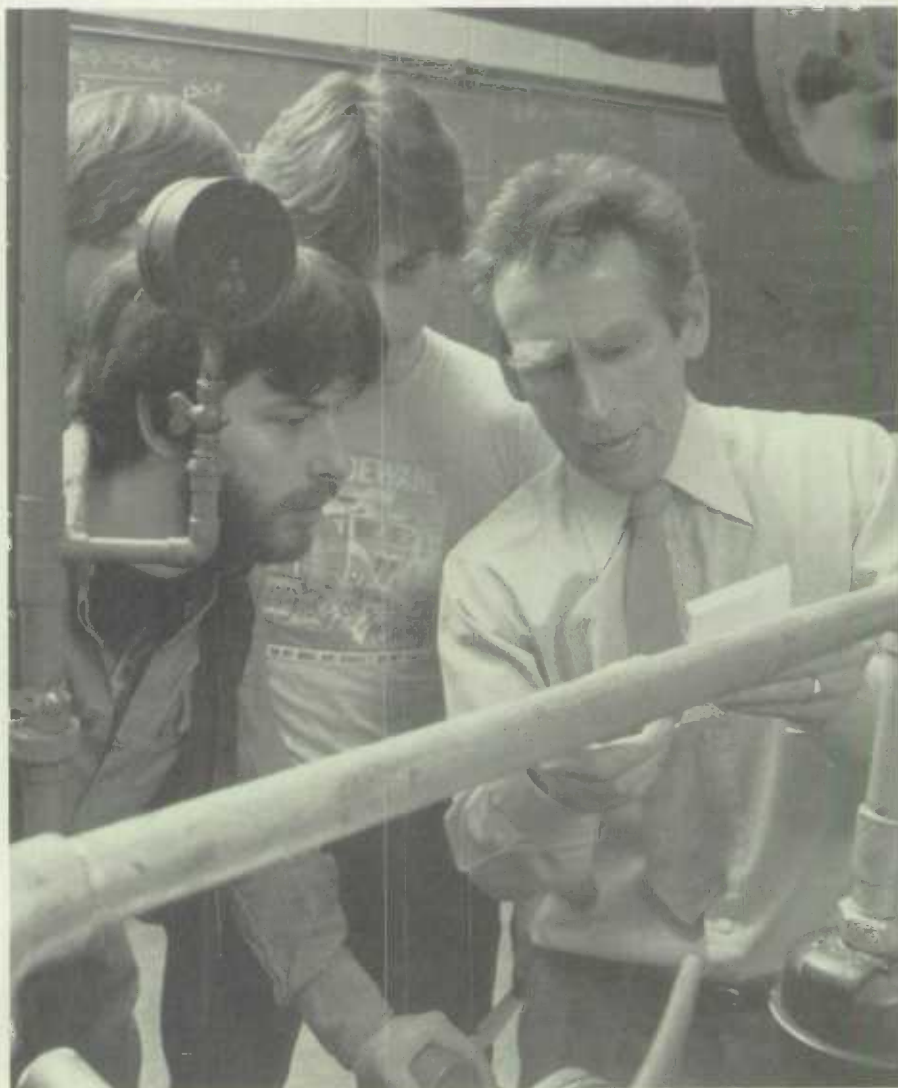
One result of the large increase in the number of business and engineering graduates is that by 1983-84, graduates from these two programmes accounted for almost one-half (46%) of all community college graduates, up from about one third (32%) in 1975-76.

### **Women Shifted Away from Nursing to Business and the Sciences**

Responding to the changing needs of the job market in the mid-1970s, women shifted away from nursing towards programmes which had greater potential for finding employment after graduation. In 1975-76, nursing accounted for more than one in three female graduates from career programmes. By 1981-82, this ratio was down to one in five, as the number of female nursing graduates dropped by over 2,000,

from 8,300 in 1975-76 to 6,200 in 1981-82. Since then there has been a reversal of the trend. In 1983-84, 6,800 women graduated from nursing, although this is still well below the 1975-76 total.

While fewer women graduated from nursing programmes in 1983-84 than in 1975-76, more graduated from business programmes (excluding secretarial studies). Over that period, the number of female business graduates increased by over 200% compared with an increase of 63% for men. As a result, women made up the majority (57%) of business graduates in 1983-84, up from 40% in 1975-76. Also, women graduating from this field of study in 1983-84 made up 20% of all female graduates that year, compared with just 9% in 1975-76. The percentage for men graduating from business programmes remained relatively stable at about 20% in the same time period.

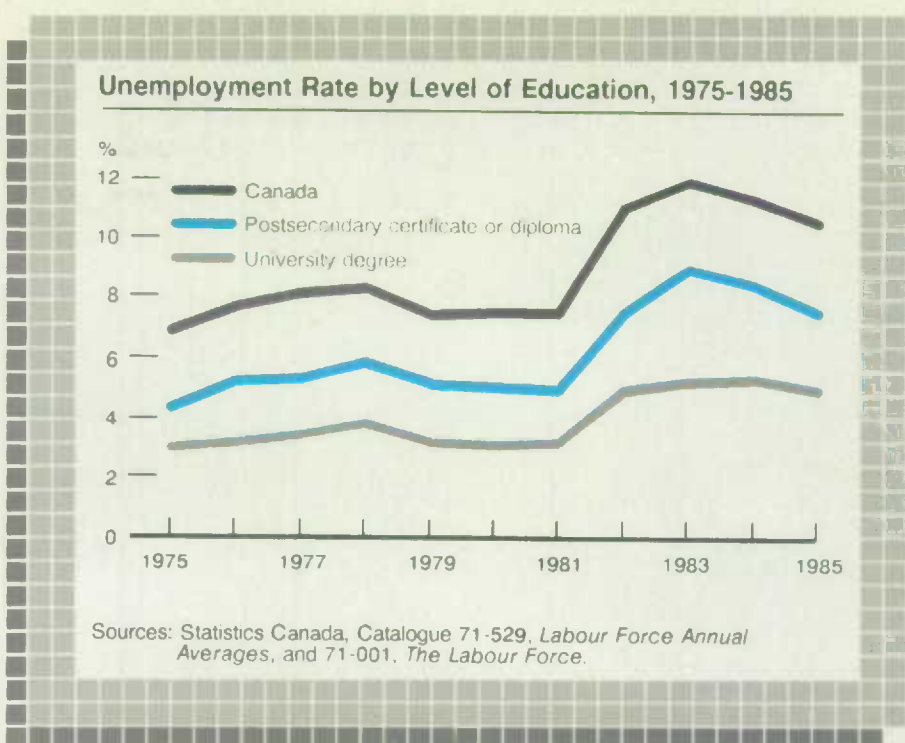




Women have also made major inroads in the traditionally male-dominated fields of engineering and applied sciences, and natural sciences and primary industries. Women made up 20% of all engineering and applied science graduates in 1983-84, up from 11% in 1975-76. For the natural sciences and primary industries, women as a percentage of all graduates from these programmes increased from 20% to 30% between 1975-76 and 1980-81, and remained fairly constant after that.

### Community College Graduates Have Advantage in the Labour Force

A postsecondary certificate or diploma offers certain labour market and economic advantages, although, on average, these advantages are not as great as those for a university degree. For example, over the last decade the unemployment rate for those with a community college certificate or diploma has been lower than the national rate; however, it has been higher than that for university graduates. In 1985, the unemployment rate for



those with a community college certificate or diploma was 7.5%, while Canada's overall unemployment rate was 10.5%. That year, the unemployment rate for university graduates was 4.9%.

#### Note:

<sup>1</sup> For the purposes of this article, full-time postsecondary enrolment does not include graduate enrolment.

Jo-Anne Parliament is Assistant Editor of *Canadian Social Trends*.



## Report of the Canadian Health and Disability Survey, 1983-1984



An estimated 13% of adult Canadians have some kind of disability. This translates into approximately 2.5 million people. Of these, two-thirds have mobility problems and many use special transportation aids to assist them in everyday life.

Published jointly with the Department of the Secretary of State, the **Report of the Canadian Health and Disability Survey** summarizes the findings of detailed health and disability surveys carried out by Statistics Canada in 1983 and 1984. With its help, researchers working in the social services field can identify who the disabled are, where they live, what types of disabilities they have and what special requirements they may have.

The 142 pages of text including 41 tables are organized according to the following topics:

- demographics (eg. age, urban or rural residency)
- types of disability
- causes of disability (eg. circulatory, lower limbs)
- use of aids and prostheses
- socio-economic disadvantage
- disabled children.

**Report of the Canadian Health and Disability Survey, 1983-1984, Catalogue No. 82-555E (Occasional), is available for \$15.00 in Canada (\$16.50 other countries) from Publication Sales, Statistics Canada, Ottawa, Ontario K1A 0T6.**

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# THE DECLINE OF REAL FAMILY INCOME, 1980 TO 1984

by Colin Lindsay

Average real income, that is, income adjusted for inflation<sup>1</sup>, has declined for Canadian families in the period 1980-1984. Expressed in constant 1984 dollars, the average income of Canadian families fell from \$37,950 in 1980 to \$35,770 in 1984, a decline of \$2,180 per family. This translates into a decline of 5.7% in average real family income in Canada during this period.

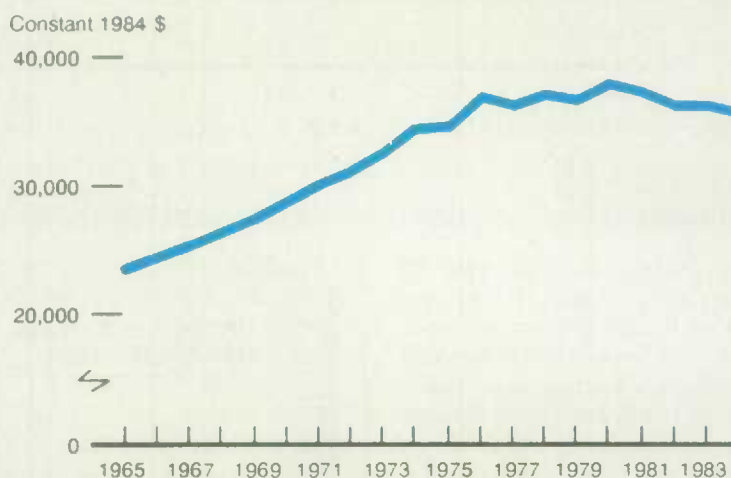
Much of the decline in family income in the early 1980s took place during the recession of 1981-82. Average family income declined by over \$1,500, or 4.1%, over the course of 1981 and 1982. It continued to fall, however, in the post-recession years. In the 1983-1984 period, average family income declined a further \$640, or 1.7%.

The decline in average real family income between 1980 and 1984 represents a dramatic departure from income trends observed in the previous decade and a half. The period from 1965 to 1976 was characterized by very rapid growth in average real family income. During this period, the real income of Canadian families increased by an

## UPDATE

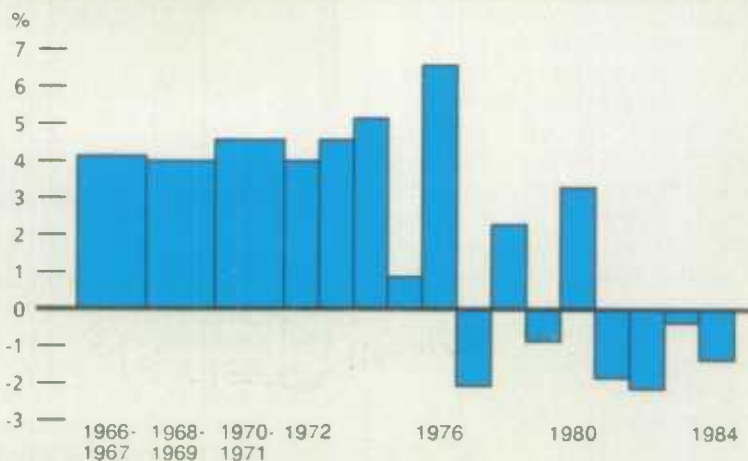
The trend of declining average real family income was reversed in 1985. Preliminary estimates show that after inflation was accounted for, average family income was 2.4% greater in 1985 than in 1984. This represents an increase of about \$860 per family (in constant 1984 dollars). Still, the overall average real family income in Canada was 3.5% lower in 1985 than it had been in 1980.

Average Real Family Income, 1965-1984



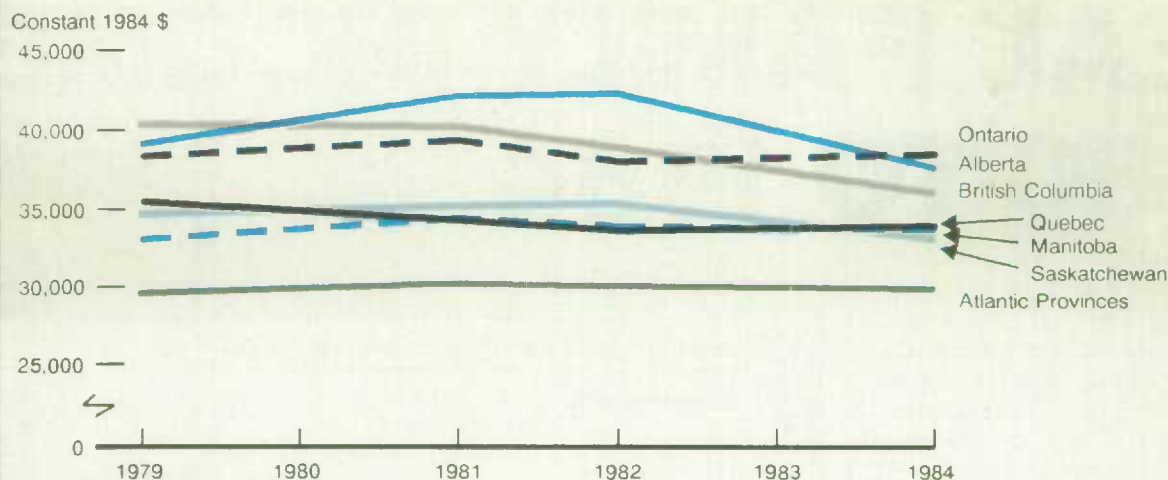
Source: Statistics Canada, Catalogue 13-207, *Income Distributions by Size in Canada*.

Annual Percentage Change in Average Real Family Income, 1966-1984



Source: Statistics Canada, Catalogue 13-207, *Income Distributions by Size in Canada*.

Average Real Family Income, by Region, 1979-1984



Source: Statistics Canada, Catalogue 13-207, *Income Distributions by Size in Canada*.

average of almost 4.2% per year. In the latter part of the 1970s, real growth of family income slowed; however, the overall trend was still one of growth. Average real family income in 1980, for example, was 2.6% greater than it had been in 1976.

### Declining Family Income Unevenly Distributed Across Canada

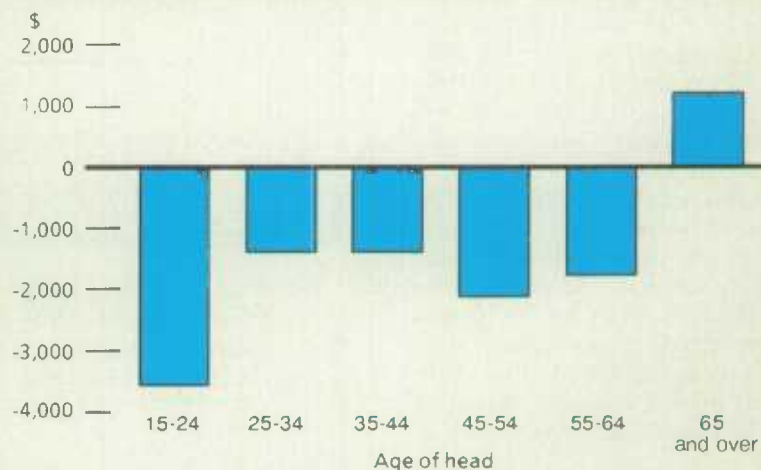
While average family income fell in all regions between 1981 and 1984, the declines were steepest in Alberta and British Columbia. In these two provinces, average family income was more than 10% lower in 1984 than in 1981. Family income in Alberta declined by almost \$4,600 per family in this period, a decline of 10.8%. At the same time, family income in British Columbia fell by over \$4,200 per family, or 10.5%.

Saskatchewan also experienced a relatively sharp decline of over \$2,000 (5.9%) in average family income in the 1981-1984 period. Much smaller declines in average family income were recorded in Ontario (down 2.2%), Manitoba (2.0%), Quebec (1.2%), and the Atlantic provinces (1.0%).

### Young Families Hit Hardest

Average real family income declined for families in all age groups, with the exception of families with head aged 65 and over. The largest

Change in Average Real Family Income, by Age of Family Head, 1981-1984



Source: Statistics Canada, Catalogue 13-207, *Income Distributions by Size in Canada*.

decline in average family income was among families in which the head was under 25. The average income of these young families fell by almost \$3,600, or 13.7%, between 1981 and 1984. Relatively large declines in family income were also experienced by families with head aged 45-64. The income of families headed by individuals aged 45-54 declined by almost \$2,200 (4.7%) per family while families with head

aged 55-64 lost \$1,800 (4.7%) per family. Families with head aged 25-34 and 35-44 had \$1,400 less income per family in 1984 than in 1981. This represents a 4.0% decline in real income for families with head aged 25-34, and 3.4% for those with head aged 35-44. In contrast, the average real income of families with head aged 65 and over was over \$1,200, or 4.9%, greater in 1984 than in 1981.



## Behind the Decline: Falling Real Earnings

Much of the decline in real family income relates to the fact that family earnings have not kept pace with increases in the cost of living. The real earnings of Canadian families, that is, their income from wages and salaries, plus income from self-employment, declined by \$2,230, or 7.2%, per family between 1981 and 1984.

Income from transfer payments such as unemployment insurance benefits and social security, in contrast, increased by almost \$900 per family between 1981 and 1984. This increase in transfer benefits offset about 40% of the total income lost from earnings.

## Family Incomes Falling Despite Growing Contributions by Wives<sup>2</sup>

The average real income of Canadian families fell in the early part of the 1980s, despite the fact that the real contribution to family income by wives continued to grow. Between 1981 and 1984, the contribution of wives to the total income of husband-wife families increased by \$700 per family. The real income generated by husbands, however, declined by an average of \$1,500 per family in the same period.

This shift is a major change from trends which occurred in the 1970s. Between 1971 and 1975, the average income of husbands in husband-wife families increased by \$2,800, compared with an average increase of \$1,800 for wives. Between 1975 and 1979, the average income produced by husbands grew by just over \$400 per family, compared with an average gain of almost \$1,400 for wives. One result of these shifts is that the percentage of family income provided by wives increased from 14.7% in 1971 to 25.1% in 1984.

The primary reason for the growth in income generated by wives is that more wives are working outside the home and receiving income. The proportion of wives reporting earnings rose from 39.4% in 1971 to 47.0% in 1975 to 58.6% in 1984. As a result, the percentage of families solely dependent on the income of the husband has declined sharply since 1971. That year, the husband was the sole income recipient in 34.8% of all husband-wife families,

## Composition of Family Income, 1975-1984

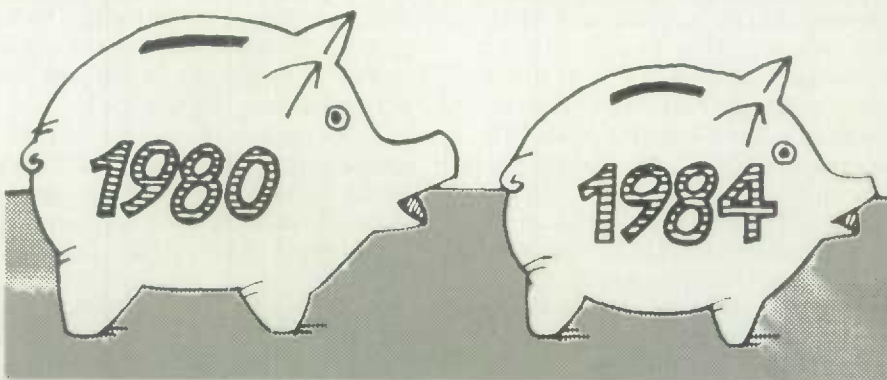
	1975	1979	1981	1982	1984
constant 1984 dollars					
Wages and salaries plus net income from self-employment	29,750	31,160	30,780	28,980	28,550
Investment income	1,390	2,030	2,530	2,700	2,110
Transfers	2,900	2,770	3,020	3,640	3,900
Other	690	790	890	1,090	1,220
Total	34,730	36,740	37,230	36,410	35,780

Source: Statistics Canada, Catalogue 13-207, *Income Distributions by Size in Canada*.

## Contributors to Family Income in Husband-wife Families, 1971-1984

	Husband's income	Wife's income	Other incomes	Total
constant 1984 dollars				
1971	24,290	4,610	2,360	31,260
1975	27,090	6,410	2,800	36,300
1979	27,510	7,780	3,380	38,670
1981	27,110	8,850	3,290	39,250
1982	26,450	9,010	3,080	38,540
1984	25,610	9,550	2,830	37,990

Source: Statistics Canada, Survey of Consumer Finances Division, unpublished data.



while in 1984, just 15.0% of husband-wife families were supported solely by the husband's income. In 1971, 40.1% of husband-wife families' income was provided by both partners. By 1984, this figure had jumped to 58.0%. In the remaining proportion of families—25.0% in 1971 and 27.0% in 1984—the husband and other family members, including wives, received some income.

## Conclusion

The early part of the 1980s were characterized by declines in average real family income. This represents a turnaround from the rapid growth in family income experienced from the mid-1960s to the mid-1970s, and the more moderate growth of the late 1970s.

The decline in family income was felt unevenly across the country, and by different family groups. Alberta and British Columbia experienced particularly sharp declines in average family income; as did families headed by persons aged 15-24. As well, the overall decline in real family income in the early 1980s occurred in spite of the fact that women's contributions to family income have increased.

<sup>1</sup> All figures are expressed in constant 1984 dollars.

<sup>2</sup> This section refers only to husband-wife families. Previous sections included all families. Husband-wife families made up 85% of all families in 1984.

Colin Lindsay is Managing Editor of *Canadian Social Trends*.

# Children in low-income families

by Brigitta Arnoti

While the incidence of low income among Canada's elderly population has fallen in recent years, the proportion of children living in low-income families<sup>1</sup> has increased. Between 1981 and 1985, for example, the proportion of Canadians aged 65 and over living on incomes below Statistics Canada's Low-Income Cut-Offs declined from 27.4% to 19.6%. During the same period, the percentage of all Canadian children under 16 years of age living in families with low incomes increased from 16.5% to 19.2%. As a result of these divergent trends, almost the same proportion of Canadian children, as elderly Canadians, were identified as low-income persons in 1985, whereas in 1981, there had been an eleven percentage point difference.

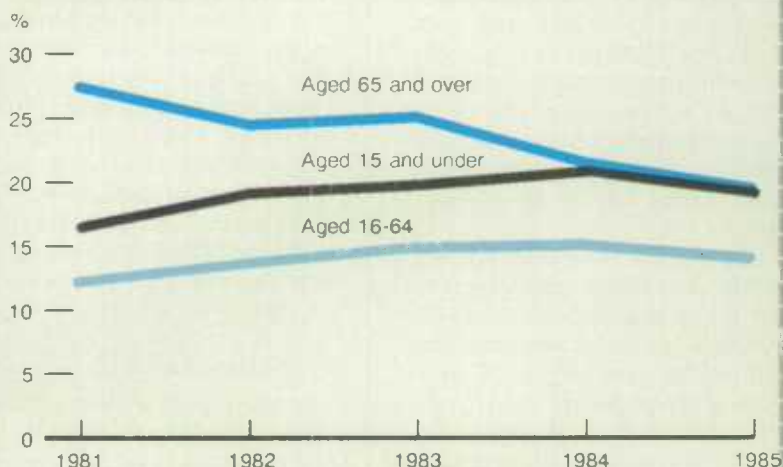
The incidence of low income also increased among the population aged 15-64, however, the proportion of this age group experiencing low income is considerably lower than that for either the young or the old. Between 1981 and 1985, the proportion of the total population aged 15-64 classified as low income increased from 12.2% to 14.1%.

In terms of actual numbers, 1.1 million Canadian children were living in families with low incomes in 1985. This represents a 15% increase in the number of low-income children between 1981 and 1985. During the same period, the total number of children in Canada actually declined slightly.

One major reason for the increase in the proportion of children living in low-income families is that families with children are increasingly more likely than families

without children living at home to have low incomes. In 1984, 19.5% of families with children under 16 years of age were classified as having low incomes, compared with just 9.7% of families without children. And while the proportion of low-income families with children increased by over four percentage points between 1981 and 1984, the incidence of low income among families without children was up only one percentage point in the same period.

Low-Income Persons as a Percentage of Age Group, 1981-1985



Source: Statistics Canada, Catalogue 13-207, *Income Distributions by Size in Canada*.

<sup>1</sup> Refers to children under 16 years of age, living in families in which the family income is below Statistics Canada's Low-Income Cut-Offs. The Low-Income Cut-Offs define persons or families as having low incomes if the household unit spends more than 58.5% of income on food, shelter and clothing.





By far the greatest proportion of children in low-income families occurs in families headed by female lone parents. In 1984, over two-thirds (68%) of all children living with only their mother were in low-income families. And this percentage is growing. In 1981, 62% of children in female headed lone-parent families were living in low-income families. As well, female-headed lone-parent families accounted for 34% of the increase in the total number of children living in low-income families in Canada in the 1981-1984 period.

Children in families headed by a lone male parent, and those in two-parent families headed by someone between the ages of 15 and 24 were also characterized by relatively high rates of low income. In male-headed lone-parent families, 35% of children were in low-income families in 1984, while the figure was 28% for two-parent families with head aged 15-24. In contrast, in 1984, just 14% of children in two-parent families with head aged 24-44, and 15% of those in families headed by someone 45 or older were living in low-income families.

It should be noted, however, that the bulk of the increase in the number of children living in families with low incomes, between 1981 and 1984, was accounted for by children in two-parent families with head aged 25-44. Children living in these families made up almost two-thirds (62%) of the increase in the total number of low-income children in this period. As a result, in 1984, children in these families made up almost half (48%) of all low-income children, up from 45% in 1981. Of course, children in these families also make up the vast majority—72% in 1984—of all children in Canada.

Growth in the number of children in low-income families was greatest in Alberta and British Columbia. The number of low-income children increased by 94% in Alberta between 1981 and 1984, while the figure was up 77% in B.C. in the same period. In fact, the increase in the number of children in low-income families in these two provinces made up 51% of the total increase in low-income children in Canada between 1981 and 1984. The number of children living in low-income families did increase in all other regions, however, in no

### Children in Low-Income Families, by Family Characteristics, 1981 and 1984

	Low-Income Children					
	Total		As a % of all children in that group		As a % of all low-income children	
	1981	1984	1981	1984	1981	1984
Lone-parent families						
Female head	332,250	416,270	61.5	67.8	34.3	34.4
Male head	15,190	25,180	20.2	34.9	1.6	2.1
Two-parent families						
Head's age						
15-24	36,460	34,900	25.5	27.9	3.8	2.9
25-44	432,780	582,720	10.5	14.0	44.7	48.2
45 and over	128,160	118,950	13.8	15.4	13.2	9.8
Other families	24,160	30,980	23.2	21.6	2.5	2.6
Total	969,000	1,209,000	16.5	20.8	100.0	100.0

Source: Statistics Canada, Survey of Consumer Finances, special tabulation.



### Children in Low-Income Families, by Region, 1981 and 1984

	Low-Income Children as a % of all children in that Province	
	1981	1984
Atlantic Provinces	22.5	26.0
Quebec	18.7	23.0
Ontario	14.2	16.6
Manitoba	21.0	22.7
Saskatchewan	22.4	25.6
Alberta	11.7	22.4
British Columbia	13.8	22.2
Canada	16.5	20.8

Source: Statistics Canada, Survey of Consumer Finances, special tabulation.

other province did the growth in the number of low-income children exceed 20%.

Despite the major increases in the number of children living in low-income families in Alberta and British Columbia, the regions characterized by the highest proportions of their children falling below the Low-Income Cut-Offs in 1984 were the Atlantic provinces and Saskatchewan. Ontario, on the other hand, had by far the lowest proportion of its children living in low-income families of any province.

Thus, while the incidence of low income among the Canadian population aged 65 and over has declined in recent years, the proportion of children living in low-income families has increased. In fact, in 1985, the proportion of low-income children was almost the same as that for the elderly population.

## KEEPING TRACK

*The number of persons charged with impaired driving offences in Canada decreased for the second consecutive year in 1985. There were 131,700 such persons that year, which represents a 7% drop from 1984, and a 19% decline since 1981. Although all provinces registered a decline in the number of impaired driving offences between 1981 and 1985, Newfoundland, New Brunswick, Quebec and Manitoba experienced an increase over the last year.*

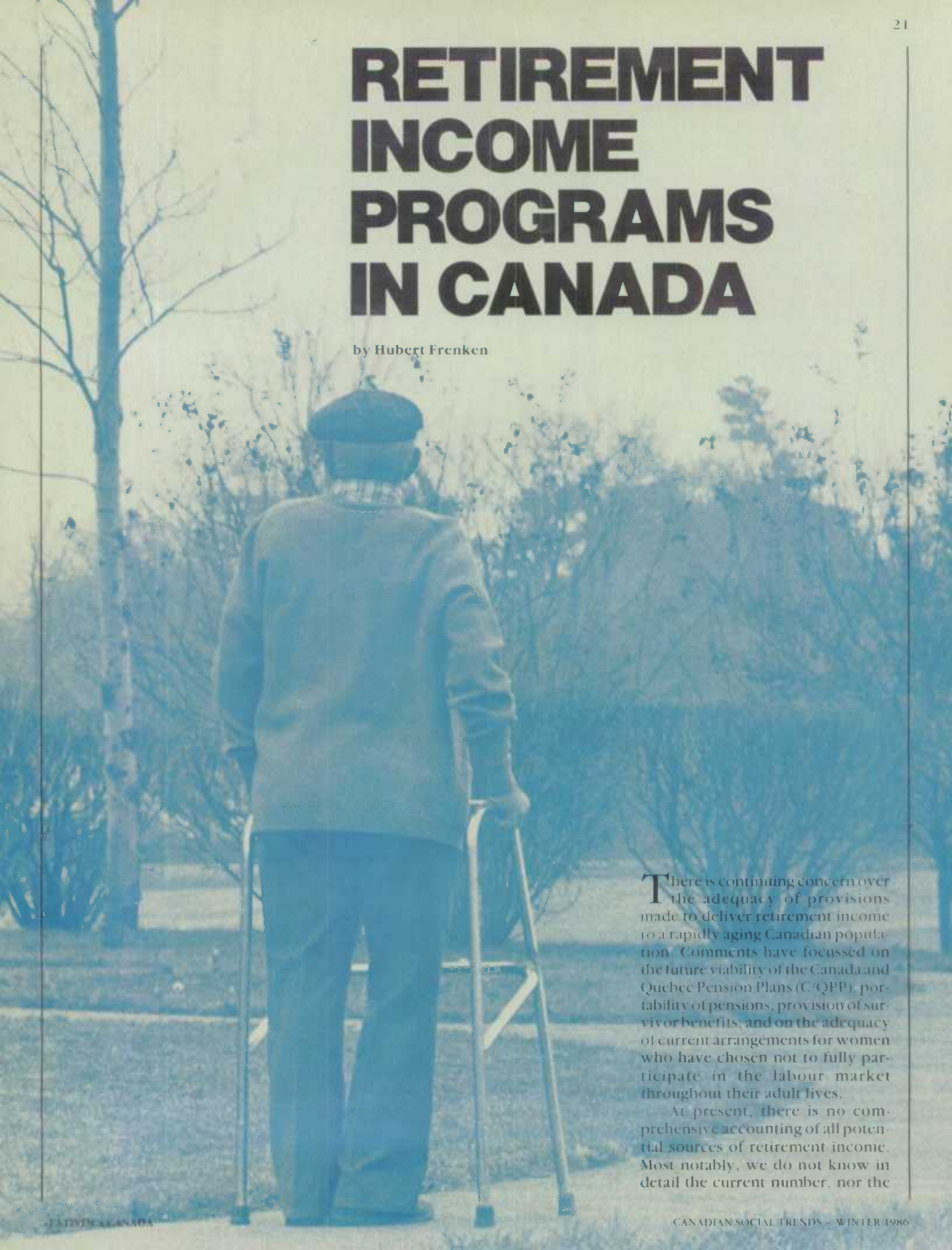
While the incidence of children living in low-income families is by far greatest in female-headed lone-parent families, most of the increase in the number of low-income children was made up of children from two-parent families with head aged 25-44. As well, over half the overall increase in children living in low-income families occurred in British Columbia and Alberta.

**Brigitta Arnoti** is a staff writer for *Canadian Social Trends*.



# RETIREMENT INCOME PROGRAMS IN CANADA

by Hubert Frenken



There is continuing concern over the adequacy of provisions made to deliver retirement income to a rapidly aging Canadian population. Comments have focussed on the future viability of the Canada and Quebec Pension Plans (C/QPP), portability of pensions, provision of survivor benefits, and on the adequacy of current arrangements for women who have chosen not to fully participate in the labour market throughout their adult lives.

At present, there is no comprehensive accounting of all potential sources of retirement income. Most notably, we do not know in detail the current number, nor the



financial holdings of personal Registered Retirement Savings Plans (RRSPs), nor of annuity arrangements purchased by individuals, nor of the personal savings of Canadians for retirement purposes.

Firm data exist only on the assets of employer-sponsored pension plans and on the financial assets and activities of the Canada and Quebec Pension Plans. With respect to employer-sponsored pension plans, the entitlements of participants in these plans are extremely varied and often are reduced or forfeited because of changes in employment. The lack of uniformity of terms, and the contingent nature of the benefits, make the assessment of future benefit levels, and implicitly their adequacy, a matter for conjecture. As well, employer-sponsored pension plan membership in Canada covers only a part of the labour force.

Deposits in RRSPs first exceeded the total contributions made by employees to employer-sponsored pension plans in the 1977 taxation year and have continued to do so since. But while individual employed Canadians are making increasing provisions for their own retirement by means of the tax sheltered potential of RRSPs, this opportunity is less accessible to those who do not work, or those whose earnings are so low that they do not have the means to make substantial provisions for their own retirement income. Personal income security for retirement is therefore likely to continue to be a major concern for many Canadians facing retirement.

### Income Support Programs for the Elderly

The income support system for the elderly in Canada has three major components: the Old Age Security/Guaranteed Income Supplement program (OAS/GIS); the Canada and Quebec Pensions Plans (C/QPP); and essentially private arrangements including employer-sponsored pension plans, RRSPs, and other personal savings.

Old Age Security benefits are paid to all Canadians 65 years of age and over that meet certain minimum residency requirements. Guaranteed Income Supplements, on the other hand, are based on a means-test and are paid only to those pensioners



who have little or no income above the OAS. GIS payments are reduced by \$1 for each \$2 of monthly income from sources other than the OAS. Therefore, individual pensioners whose income in 1985 from other sources exceeded \$8,000, and couples whose combined income above the OAS was \$10,300, were not entitled to any GIS. In January 1986, the Old Age Security pension was \$285.20, while the maximum Guaranteed Income Supplement was \$338.95 for a single pensioner and \$220.75 for each spouse of a married couple.

Unlike OAS/GIS pensions which are transfer payments made by the federal government, Canada and Quebec Pension Plan benefits are dependent on contributions made by employees and their employers. Participation is mandatory for all workers between the ages of 18 and 65, whether they are paid workers or self-employed. Under C/QPP regulations, workers are required to contribute 1.8% of their pensionable earnings and employers are required to match these contributions. Self-employed workers contribute both the employee and employer portions, that is, 3.6% of their pensionable earnings.

Canada and Quebec Pension Plan benefits are determined at the time of retirement based on the number of years of pensionable service of the retiree and the current maximum pensionable earnings level. The maximum C/QPP pension payable to a worker retiring in 1986 was \$486.11 per month; however, the estimated 1.5 million C/QPP

retirement benefit recipients in January, 1986 received an average of \$230 that month. Retirement benefits under the QPP can be applied for as early as age 60, or postponed until age 70. Appropriate adjustment in the benefit levels are made for the added or reduced number of years the pension will be paid. This provision will be introduced in the CPP in 1987.

The characteristics of employer-sponsored pension plans vary widely from plan to plan in terms of contributions and benefits. For example, slightly more than 30% of the members did not have to contribute at all in 1984. Their pension costs were totally carried by employer contributions. For the nearly 70% of members that were required to contribute, the contribution rate was either a percentage of earnings, varying from a low of 1% to a high of 10%, or a flat dollar amount per pay period. Some employers were required to make substantial contributions to cover unfunded liabilities, whereas others were able to take advantage of surpluses in the pension fund by not making any contributions. Still others have made withdrawals from these surpluses, setting off a legal debate as to the rights of employers and their employees regarding pension fund surpluses.

The benefits paid to retiring participants of employer-sponsored pension plans also vary extensively, depending on a number of factors such as the benefit formula in the plan, the number of years of participation, the member's salary, the



amount contributed to the plan and the age of the retiree.

OAS/GIS benefits are indexed each quarter (in January, April, July and October) and C/QPP pensions are increased at the beginning of each year to reflect changes in the Consumer Price Index. Less than 5% of employer-sponsored pension plans provide for automatic indexing of retirement benefits and this indexing is almost exclusively for public sector workers.

RRSP benefits depend on the amount accumulated by the individual and the type of annuity elected on retirement. Other personal savings of individual Canadians, for purposes of retirement income security, are more difficult to measure. Such savings may be in the form of home equity, bank savings or other personal investments. Some employee benefit programs, such as employee profit sharing plans, deferred profit sharing plans, and thrift or savings plans sponsored by employers, though not intended specifically as an opportunity for retirement savings, do in fact, serve that purpose to a large extent. The proceeds from these programs are

paid to the participants in a lump sum, often at retirement. Little data are currently available on either the contributions made or reserves accumulated under these programs.

### Program Coverage

In January 1986, 2.6 million Canadians received the OAS pension. Of these, half received full or partial GIS benefits—290,000 or 11% of the total received the maximum GIS benefit, and just over 1 million or 39% received at least partial GIS benefits.

The proportion of the elderly population receiving GIS benefits, particularly that receiving maximum support, however, has declined. In 1978, for example, 19% of OAS recipients also received full GIS benefits; and 54% received either full or partial GIS support.

In 1985, almost 1.5 million elderly Canadians received either Canada or Quebec Pension Plan benefits. This total represented half (50%) of the total elderly population that year. The proportion of the elderly population receiving C/QPP benefits has grown rapidly since 1970. That year, when the program

was still in its infancy, just 9% of persons 65 years of age and over received C/QPP benefits. By 1975, the figure had climbed to 25% and by 1980, 44% of the elderly were receiving support from these plans.

There is considerable difference in the proportion of elderly men and women getting C/QPP benefits. In 1985, 75% of men aged 65 and over, compared with just 31% of elderly women, received pensions from one of these two programs. This difference reflects the fact that few women now 65 or older had careers outside their homes, and as a result did not contribute to either the Canada or Quebec Pension Plans when they were younger.

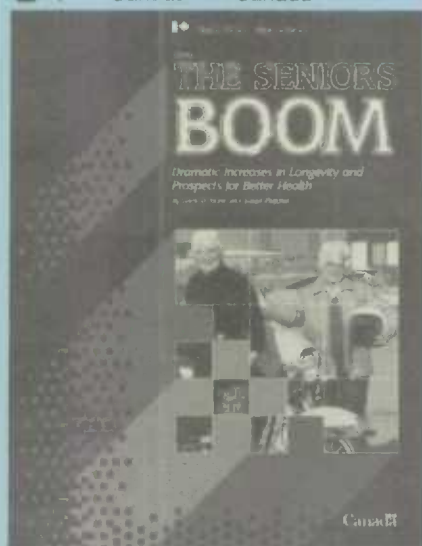
This difference in C/QPP support received by men and women, however, should begin to close in the future. An increasing proportion of women are working outside the home and as a result more are covered by these plans. In 1983, 57% of women between the ages of 18 and 64 made contributions to C/QPP, up from 54% in 1975. During the same period, the proportion of working age men contributing to these plans declined from 96% to

## THE SENIORS' BOOM

### Dramatic Increases in Longevity and Better Prospects for Health



Statistics Canada  
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Canada

Recent dramatic improvements in longevity have taken place among Canada's seniors. At the same time, they have shown indications of improving their health practices. Thus, Canada's seniors have good prospects not only of living longer, but also of enjoying better overall health.

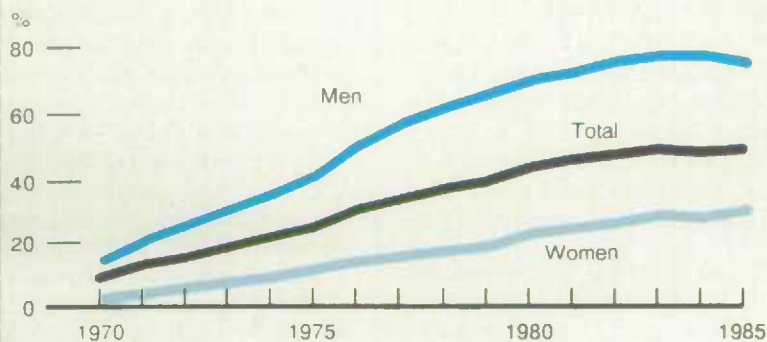
This is the message of *The Seniors' Boom*, a thought-provoking book which offers innovative approaches to analyzing data on aging. It charts Statistics Canada's latest projections of what will happen as the baby boomers pass through their senior years, as well as exploring aspects of lifestyles that appear to promote better health among the elderly.

With 48 pages of well-written text and 32 colourful charts, *The*

*Seniors' Boom* is an essential reference for Canadians who need a clear and concise review of aging in the 1980s. A valuable purchase for health service professionals to help plan future health care facilities, marketers developing new products for the elderly, and private organizations and government agencies providing social services.

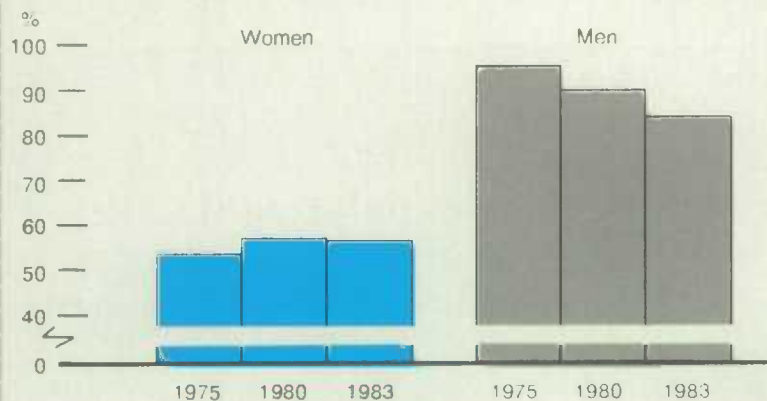
**The Seniors' Boom: Dramatic Increases in Longevity and Better Prospects for Health**, Catalogue No. 89-515, is available for \$9.95 in Canada (\$10.95 other countries) from Publication Sales, Statistics Canada, Ottawa, Ontario K1A 0T6, telephone (613) 993-7276 or from your nearest Statistics Canada Reference Centre.

### Percentage of Elderly Men and Women<sup>1</sup> Receiving Canada or Quebec Pension Plan Benefits, 1970-1985



<sup>1</sup> Includes those 65 and over except in 1984 and 1985; in those years, includes persons 60 and over in Quebec, and 65 and over in the rest of Canada.  
Sources: Statistics Canada, Catalogue 86-507, *Canada and Quebec Pension Plans*; Health and Welfare Canada and the Quebec Pension Board.

### Percentage of Men and Women Aged 18-64 Contributing to Canada or Quebec Pension Plans, 1975, 1980 and 1983



Sources: Statistics Canada, Catalogue 86-507, *Canada and Quebec Pension Plans*; Health and Welfare Canada and the Quebec Pension Board.

85%. Still, a far greater percentage of working age women than men were not included in either Canada or Quebec Pension Plans in 1983.

In 1984, 4.6 million workers—47% of all employed paid workers—were participants in an employer-sponsored pension plan. The proportion of employed paid workers covered in these plans has remained stable in the 1980s. However, because of the high unemployment levels experienced

in recent years, the proportion of the total labour force covered by employer-sponsored pension plans has declined. In 1984, 37% of all persons in the labour force were covered by these plans, compared with 40% in 1980.

As with the Canada and Quebec Pension Plans, involvement of women in employer-sponsored pension plans lags behind that of men. In 1984, 37% of paid employed women were covered by one of

these plans, compared with 54% for men. When just full-time paid workers are considered, however, the difference in coverage rates for men and women closes considerably. In 1984, 49% of women, compared with 58% of men, employed full-time were covered by employer-sponsored pension plans.

### Contributions to Income Support Programs

The contributions made to C/QPP, employer-sponsored pension plans and RRSPs increased in the period 1979 to 1983. Total contributions to these programs rose 46% in this period from less than \$14 billion in 1979 to more than \$20 billion in 1983. In comparison, Canada's labour force increased by 8.5% during this period and the total population grew by just 5%.

Total contributions to C/QPP rose 49% between 1979 and 1983, increasing from \$3.1 billion to \$4.6 billion. The growth in RRSP contributions was even greater — these were up 62% in the 1979-1983 period. Contributions to employer-sponsored pension plans increased by 38%, from \$7.6 billion in 1979 to \$10.5 billion in 1983.

Growth of contributions to the various programs, however, is less dramatic when the effect of inflation is accounted for. In fact, the total real contributions to these plans, that is, contributions expressed in constant dollars, increased by less than 1% between 1979 and 1983, and real contributions to employer-sponsored plans actually declined.





**Proportion of the Total Labour Force and All Paid Workers Covered by Employer-Sponsored Pension Plans, by Sex, 1970, 1980, 1982 and 1984**

	Pension Plan Members			
	Total number	As a % of total labour force	As a % of all employed paid workers	As a % of full-time employed paid workers
	000s		%	
1970				
- men	2,087	37.4	46.7	..
- women	735	28.5	32.2	..
- total	2,822	34.6	41.8	..
1980				
- men	3,098	45.0	54.0	57.1
- women	1,378	31.1	37.6	47.7
- total	4,475	39.6	47.6	53.8
1982				
- men	3,181	44.6	53.6	56.9
- women	1,477	30.4	36.2	46.5
- total	4,658	38.9	46.5	53.1
1984				
- men	3,039	42.4	54.4	58.4
- women	1,525	30.0	37.1	49.1
- total	4,565	37.2	47.0	54.9

Source: Statistics Canada, Catalogue 74-401, *Pension Plans in Canada*.

**Retirement Program Benefits**

The total benefits paid under OAS/GIS, C/QPP, and employer-sponsored pension plans<sup>1</sup> increased from \$11.5 billion in 1979 to nearly \$21 billion in 1983, an increase of 82%. Total C/QPP benefits more than doubled in this period, increasing by 126%. Benefits paid by employer-sponsored programs increased by 84% while OAS/GIS payments increased by 67%.

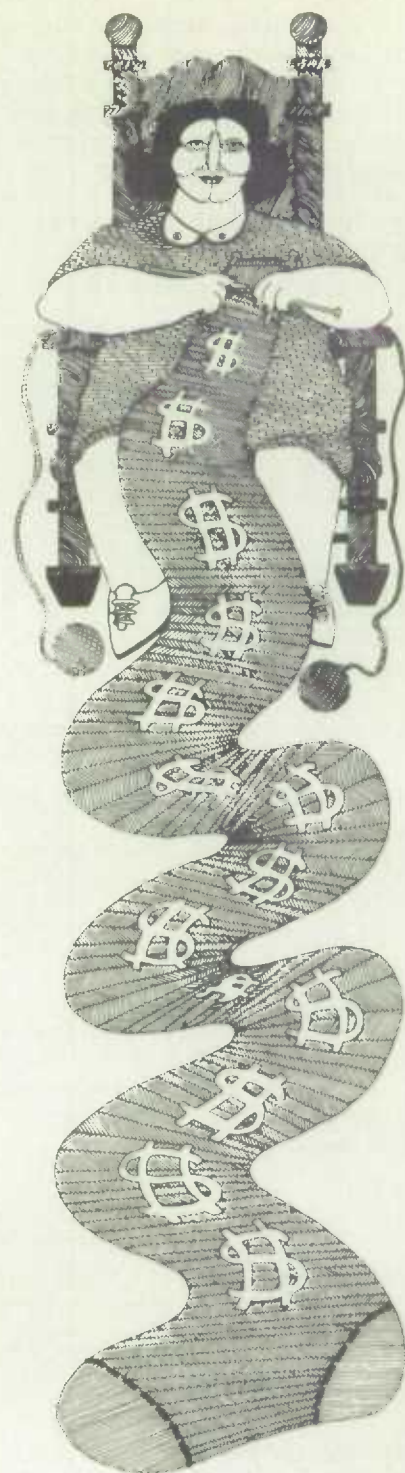
These three programs accounted for an estimated 43.5% of the total reported income of tax filers aged 65 and over in 1983. The benefits paid by these three pro-

grams, however, were not the only income of pensioners - 42.4% of their income was from investments and rental income, and 11.8% was income from employment. As well, no separate data are currently available on annuity payments resulting from RRSPs or other savings. The supplementary allowances paid by a number of provinces to their senior citizens, and GIS benefits, which are not taxable and therefore not reported, are also not included. It should also be remembered that many individuals with no tax liability do not file a tax return. The 1.5 million tax filers represented only approximately

**Total Contributions to Canada and Quebec Pension Plans, Employer-Sponsored Pension Plans and Registered Retirement Savings Plans, 1979, 1981 and 1983**

	Total Contributions		
	1979	1981	1983
	millions current \$		
C/QPP	3,087	3,971	4,586
Employer-Sponsored Pension Plans	7,585	9,393	10,486
RRSPs	3,091	3,879	4,997
Total	13,763	17,243	20,072

Sources: Statistics Canada, Catalogues 13-001, *National Income and Expenditure Accounts*, and 74-401, *Pension Plans in Canada*; Revenue Canada, *Taxation Statistics*.



<sup>1</sup> It should be noted that the \$6 billion reported by tax filers in 1983 as income from employer-sponsored pension plans includes such supplementary benefits as disability, spouses' and orphans' pensions. Also included in these payments may be some annuity income generated by RRSPs or Profit Sharing Plans. The C/QPP pensions cover not just retirement income, but also disability and survivors benefits. Finally, Spouse's Allowances have been included in the OAS/GIS payments.

60% of the total number of Canadians aged 65 and over. It is assumed that the non-tax filers had little or no income over and above the OAS pension and were in receipt of all or part of the means-tested GIS.

### Net Retirement Assets in Canada

The net cash flow of the various in-

come support programs over time has been very much on the positive side, that is, receipts have exceeded disbursements to a considerable extent. As a result, almost \$250 billion in reserves had been accumulated at the end of 1984 as sources of future retirement income. This total does not include the OAS/GIS program which is not prefunded, the per-

### Total Old Age Security/Guaranteed Income Supplement, Canada/Quebec Pension Plan, and Employer-Sponsored Pension Plan Benefits, 1979, 1981 and 1983

	Total benefits		
	1979	1981	1983
	millions current \$		
OAS/GIS	6,145	8,295	10,243
C/QPP	2,088	3,137	4,721
Employer-Sponsored Pension Plans	3,267	4,426	6,015
Total	11,500	15,858	20,979

Sources: Health and Welfare Canada, *Monthly Statistics, Income Security Programs*, and *Canada Pension Plan, Statistics Bulletin*; Revenue Canada, *Taxation Statistics*.

### Distribution of Total Income by Source of Income for Tax Filers Aged 65 and Over, 1983

	% of total income
OAS/GIS	17.4
C/QPP	11.4
Employer-sponsored pension plan	14.7
Rental, interest and other investment income	42.4
Wages, salaries and other employment earnings	9.0
Professional, business and other self-employed earnings	2.8
Miscellaneous income	2.3
Total	100.0

Source: Revenue Canada, *Taxation Statistics*.

### Accumulated Reserves, Canadian Retirement Income System, 1984

Retirement Program	\$ millions	%
Canada/Quebec Pension Plans	38,668	15.5
Employer-sponsored pension plans:		
Trusteed	94,427	37.8
Insurance companies	22,868	9.2
Canadian government annuities	702	0.3
Consolidated revenue funds	50,424	20.2
Sub-total	168,421	67.5
RRSPs	38,130	15.3
Individual annuities	4,425	1.8
Total	249,644	100.0

Sources: Statistics Canada, Catalogues 61-006, *Financial Institutions, Financial Statistics*, and 74-201, *Trusteed Pension Plans, Financial Statistics*; Health and Welfare Canada and the Quebec Pension Board; Employment and Immigration Canada, Actuarial Services; Supply and Services Canada; various provincial government financial reports.

sonal savings of individuals and families, or reserves for employee benefit programs such as profit sharing plans and thrift or savings plans.

By far the greatest volume of reserves for retirement income purposes in Canada is held for employer-sponsored pension plans. At the end of 1984, an estimated \$168.4 billion—over 2/3 of the total—had accumulated under a variety of funding methods to meet future pension payments and other obligations under these plans. By far the largest portion of employer-sponsored pension plan reserves are in trustee plans. This \$94.4 billion is invested almost totally in marketable securities and, as a single pool of investment capital in Canada, is surpassed only by the combined reserves of the chartered banks.

In 1984, estimated reserves for RRSPs and the Canada and Quebec Pension Plans both stood at over \$38 billion. Of the accumulated reserves in the C/QPP program, nearly 75% were in the Canada Pension Plan. In both the Canada and Quebec Pension Plans any additional funds, after allowances are made for meeting payments and administrative costs, are invested. In the case of the Canada Pension Plan these investments are in the form of non-marketable obligations of the federal and provincial governments. Quebec Pension Plan reserves, on the other hand, are deposited with the Quebec Deposit and Investment Fund which in turn invests these funds in a variety of marketable securities.

Notwithstanding the progress made in the post-war years in improving retirement incomes, the present combination of public and private income maintenance supports cannot yet be regarded as fully satisfactory. Inadequacies may be thought of in terms of three dimensions: low levels of pension plan coverage, insufficiency of total retirement income payments from all sources—public and private, and the poor integration of public programmes, employer-sponsored pensions, and private savings.

Hubert Frenken is an analyst with Population Studies Division, Statistics Canada.





# COMPENSATION FOR VICTIMS OF CRIME

by Craig McKie

In the publicity given to crimes of violence in Canada, very little continuing attention has been devoted to the plight of those left injured during the course of criminal violence. Prior to 1967, no one living in Canada had the option of requesting compensation from government for their injuries, nor were awards made to assist surviving dependants of those who died as a result of a crime. Now, all parts of Canada, except Prince Edward Island, are covered by such plans.

Since the introduction of criminal injuries compensation plans in Canada, the number of claims has grown much faster than both the number of violent crimes and the overall population. This type of rapid growth is often experienced in the early years of a new benefit plan as it is accepted and used by the public. Between 1973-74 and 1984-85, the number of criminal injuries compensation claims increased at an average annual rate of 12.7%, far in excess of the average rates of increase in crimes of violence (3.9%) or population (1.2%). During the period from 1973-74 to 1982-83, the number of claims increased from 1,457 to 4,981, though a small part of this increase reflects the addition of the plan in Nova Scotia in 1981. The number of claims actually declined by 7% in 1983-84, the first time the number has fallen. In 1984-85, however, there was a further large increase in criminal injuries compensation claims. The number of claims increased by 14% that year to a new high of 5,292.

Provincial plans have experienced markedly different rates of growth. Between 1975-76 and 1984-85, the number of applications more than doubled in British Columbia (from 461 to 1,193), Saskatchewan (from 68 to 176), and Quebec (from 594 to 1,480). More

moderate growth in the number of applicants occurred in Ontario (from 851 to 1,697) and Manitoba (from 158 to 236) in this period. In addition, there was an increase in the number of claims in Alberta from 187 in 1976-77 to 330 in 1984-85.

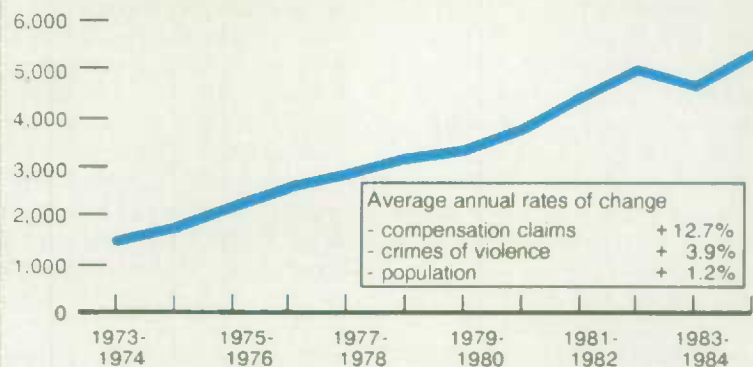
One reason for the large differences in provincial growth rates lies in the way in which the pre-screening of cases, prior to acceptance of formal applications, is handled in different provinces. For example, cases in which the time limit for applications was exceeded constitute an average of 18% of all cases denied criminal injuries compensation in Quebec between 1976 and 1983. But in Ontario, all cases in which the time limit has been exceeded are first examined by the Board to ascertain whether or not there might be extenuating circumstances that might have justified the delay in filing. If there are no such circumstances, the application

is not accepted and neither the case nor the denial is registered. Nationally, claims dismissed for any reason have fluctuated between 11% and 19% between 1975-76 and 1984-85.

Over half (55%) of all criminal injuries compensation cases in 1979-80, the last year for which a distribution of cases compensated by type of offence is available for all jurisdictions, involved simple assaults. Homicide and attempted murder were the next largest offence category accounting for 21% of compensation claims, while robberies resulted in a further 11% of claims. Sexual assaults accounted for 5% of claims, though the proportion was much higher for female claimants.

Incidents of injury to the applicant inflicted while making an arrest, or providing aid to a police officer or attempting to prevent a crime make up a tiny minority of

Number of Applications for Criminal Injuries Compensation in Canada<sup>1</sup>, 1973-1974 to 1984-1985



<sup>1</sup> By 1973, all provinces and territories had criminal injuries compensation plans with the exception of the Yukon (plan introduced in 1975), Nova Scotia (plan introduced in 1981), and Prince Edward Island (no plan). Source: Statistics Canada, Catalogue 86-502, *Criminal Injuries Compensation*.

cases. Many police officers injured in the line of duty are covered by workers' compensation and other benefits, though some do apply for compensation for pain and suffering in jurisdictions where this is permitted. Hence, an analysis of the total cost of compensation would have to include workers' compensation and other related benefits to police officers, in addition to benefits from criminal injuries compensation plans.

The direct cost to taxpayers for criminal injuries compensation in Canada is modest. In 1984-85, total compensation to victims came to just over \$21 million. On a per capita basis, this worked out to 84 cents per person in 1984-85, up from 20 cents per capita in 1975-76. The costs associated with this programme are thus small compared to total spending by all levels of government on police, courts, and prisons; criminal compensation payments represent about one half of one percent of this total. However, other forms of assistance for victims do exist such as legal aid and rape crisis centres and these costs are not considered here.

### Percentage Distribution of Types of Offences Compensated, 1975-76 to 1979-80

	1975-76	1976-77	1977-78	1978-79	1979-80
Homicide	10.0	11.0	11.8	13.0	12.9
Attempted murder	8.4	9.3	8.0	7.7	8.1
Sexual Offences	3.7	3.8	3.7	4.7	4.6
Assault (not indecent)	56.2	54.6	54.5	53.7	55.0
Robbery	14.0	12.6	12.6	11.7	11.1
Other offences	6.3	5.8	6.8	7.2	6.8
While making arrest or preventing offence	1.4	2.9	2.5	2.0	1.5
Total	100.0	100.0	100.0	100.0	100.0

Source: Statistics Canada, Catalogue 86-502, *Criminal Injuries Compensation*.

### Criminal Injuries Compensation Payments, 1975-76 to 1984-85

	Compensation paid current \$	Per capita compensation \$
1975-76	4,412,067	0.20
1976-77	6,221,600	0.28
1977-78	6,560,156	0.29
1978-79	7,258,238	0.32
1979-80	9,201,070	0.41
1980-81	12,032,914	0.52
1981-82	14,523,993	0.60
1982-83	18,572,763	0.76
1983-84	19,710,726	0.80
1984-85	21,198,477	0.84

Source: Statistics Canada, Catalogue 86-502, *Criminal Injuries Compensation*.

## The Origins of Criminal Injuries Compensation Plans

Reparation schemes are to be found stretching back throughout the centuries. Some were based on the civil lawsuit and some on natural justice ('an eye for an eye'). In most of these older arrangements, however, the victim was supposed to be recompensed by the offender; but offenders were often insolvent. As a result, if criminal injuries compensation plans were to be consistent in offering awards to victims, neither the financial ability of victims to sustain a lawsuit, nor of offenders to pay damages awarded could be assumed.

The compensation programme for bodily or mental injuries, or death, inflicted on innocent victims or bystanders in criminal incidents was one of the most novel additions to the Canadian social security system in the late 1960s. This type of compensation forms a small part of a large network of programmes intended

to ensure that Canadian residents enjoy both income security and necessary social services regardless of their socio-economic status. The first provincial compensation plan came into effect on September 1, 1967 in Saskatchewan; and was quickly followed by similar plans in several other provinces. Cost-sharing agreements with the federal government were subsequently negotiated with each participating province and territory beginning in 1973.

It is both the philosophical and practical intent of criminal injuries compensation plans to attempt to alleviate the financial burden of an injury inflicted during a criminal act and to provide some compensation to victims. Loss of property, however, is covered only in a limited manner by current criminal compensation arrangements. In cases where an injury is fatal, or the disability inflicted permanent, then recom-

pense in lieu of restoration is offered the victim or the victim's survivors subject to plan limitations. The underlying principle is that compensation should be made available to victims of violent crimes from government funds, though awarded funds may be subsequently reduced if victims successfully sue their assailants for damages. Awards from insurance schemes and payments from other sources such as workers' compensation are also taken into account by the criminal injuries compensation plans.



**Percentage of Criminal Injuries Compensation Claims Dismissed, 1975-1976 to 1984-1985**



Source: Statistics Canada, Catalogue 86-502, *Criminal Injuries Compensation*.

## KEEPING TRACK

*Total university gross expenditures more than doubled from \$2.6 billion in 1975-76 to \$6.3 billion in 1984-85. The two smallest increases, at 6.8% and 5.4%, occurred in 1983-84 and 1984-85 respectively.*

### Administering Criminal Injuries Compensation in Canada

In Canada, criminal injuries compensation is one of many programmes that are administered by the provinces, but whose cost is shared by the federal government through the Department of Justice. As a general rule, programmes in the provinces and territories all compensate for injuries or death arising from any crime included under the federal/provincial programme which occurred in that province or territory. It is not necessary that the victim be a resident of that jurisdiction or even a Canadian citizen. The various plans do differ in some aspects of their operation, from eligibility to compensation levels, and by types of incidents added to the basic list covered by the federal/provincial agreements.

What these programmes have in common is the intention to compensate only innocent victims of violent crime. Those who participated in the crime are ineligible; and those who contribute to their own misfortune, for example, by baiting a person who subsequently attacked and injured them, may have their awards reduced or their applications refused. These are not

"no-fault" plans - the victims actions are pertinent. Nor are these plans intended to replace insurance policies which protect the value of one's property. Criminal injuries compensation plans are very limited in providing compensation for property damaged in criminal incidents. The Alberta plan, for example, does cover material damage done by the police in the course of preventing a crime or making an arrest. In most other plans, personal use property such as eyeglasses are covered.

No one is ever likely to become wealthy on the basis of a criminal injuries compensation award. All provincial plans, except those in Alberta and Saskatchewan, have legislated absolute limits on the amount of awards. Although these limits vary considerably from plan to plan, in all plans they fall far short of the size of personal injury lawsuit damages which may be awarded by the courts. Restitution of compensation must be made up to the amount of the civil suit award, if a concurrent civil suit results in an award.

Among the differences between

provincial plans, the most important have to do with which offenses can potentially give rise to compensation (and under what sets of circumstances). Coverage has been added in some plans for injuries or deaths not included in the federal-provincial agreements. Examples include procuring a miscarriage in New Brunswick and Manitoba, and assaults using a motor vehicle in Quebec. Generally the victim or surviving dependents have one year from the date of the incident to file a claim, though in Manitoba two years are allowed. The deadline for application, however, may be extended in all jurisdictions.

Areas of variation between the plans of the provinces include:

- the maxima of awards;
- victim culpability, which may be grounds for reducing the amount of the award except in Quebec and Manitoba;
- loss or damage to personal property in the incident;
- deductibles from the awards;
- manner of award (lump sum or periodic payment).

Craig McKie is Editor of *Canadian Social Trends*.

# MORTGAGE RATES AND THE HOUSING MARKET

by Alex Berljawsky

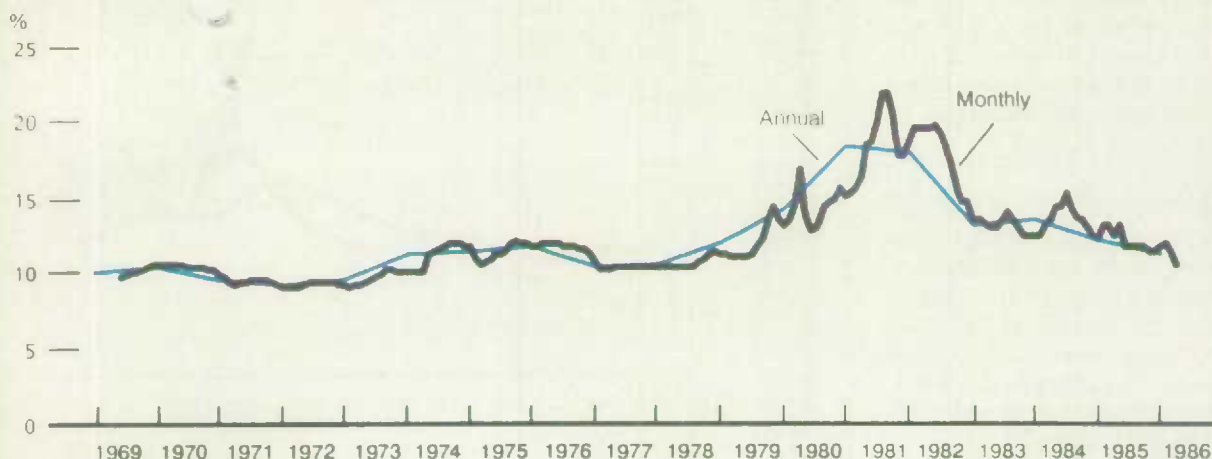
Many Canadians shopping for a house in 1986 were pleased with the real estate market. Mortgage rates were lower than they had been for eight years. As a result, housing sales were brisk, and new construction flourished. This is not

surprising, given the long-term relationship between mortgage rates, house sales, and construction activity. People buy, sell, and build houses at a livelier pace whenever mortgage rates decline. And the opposite





## Mortgage Rate, 1969-1986



Source: Bank of Canada Review.

generally occurs whenever mortgage rates go up. The average selling price of existing houses, on the other hand, has generally not been affected by fluctuations in mortgage rates.

Mortgage rates, however, are not the only factor influencing the housing market. Demographic variables, such as the rate at which new families are being formed and the size of the potential home-buyer market have considerable effect on housing demand, as do general economic conditions such as the incidence of unemployment and income levels. It should also be noted that national housing market figures mask considerable differences in regional and local housing markets.

### Mortgage Rates

Mortgage rates<sup>1</sup> in Canada over the last decade and a half have been characterized by two quite distinct phases. Between June, 1969 and July, 1979, mortgage rates were relatively stable, ranging from 9% to 12%. Throughout the 1980s, however, mortgage rates have been characterized by large and fairly rapid swings. Beginning in the latter part of 1979, mortgage rates escalated rapidly to a peak of 21% in early 1981. In the spring of 1982, rates began a not always smooth descent which saw them fall back to levels similar to those of the 1970's.

In May, 1986, for example, the five-year rate had fallen below 11%.

### Sales of Existing Houses

The comparison of housing sales<sup>2</sup> with mortgage rates reveals a "braiding" effect. Generally speaking, as mortgage rates rise, housing sales taper off, and when mortgage rates decline, housing sales increase.

This effect was particularly noticeable during the 1980s. During

the recession period of 1981-82, mortgage rates escalated rapidly while unit sales dropped in roughly the same proportion. Later as mortgage rates dropped off, unit sales began to rise. The decline in mortgage rates after 1982, for example, was followed by a 50% increase in the number of housing unit sales between 1983 and 1985.

The effect of mortgage rates during these periods of very steep



swings, however, was delayed. Unit sales did not begin to decline, for example, until 1981, even though mortgage rates had increased dramatically in both 1979 and 1980. Similarly, housing sales did not begin to rebound until 1984, although mortgage rates had fallen substantially in 1982 and again in 1983.

### New Housing Construction

As in the case of house sales, trends in construction starts are also related to changes in mortgage rates. Again, throughout the last decade and a half when mortgage rates increased, construction starts generally declined; when mortgage rates declined, construction starts increased.

During the recession of 1981-82, for example, as mortgage rates hit high levels, new construction starts dropped more than 50% from where they had been in the mid-1970s. In the more recent period, construction starts have increased as mortgage rates have fallen, although starts in the mid-1980s were still well below the number recorded a decade earlier.

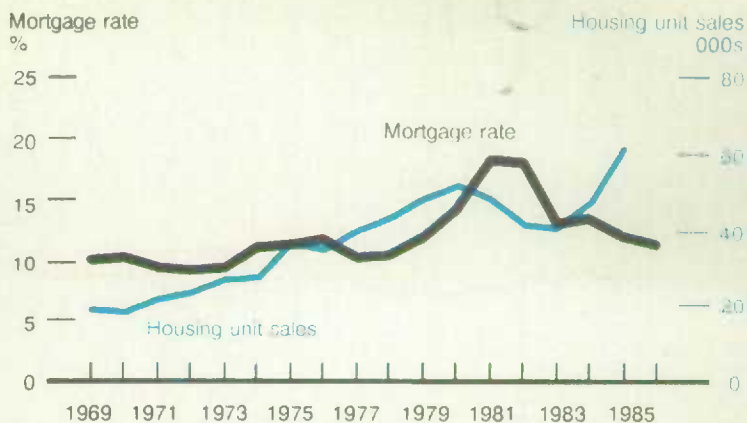
### Value of Houses Sold

While total housing sales and construction starts have changed as mortgage rates have shifted, the average dollar value of Canadian homes, as estimated from sales transactions, has been relatively insulated from changes in the mortgage climate. Average house values have risen gradually and steadily from about \$25,000 per home in the early 1970s to almost \$90,000 in 1986.

These figures, which are expressed in current dollars, include the effect of inflation on house prices. When the impact of inflation is eliminated, the average value of Canadian homes increased by just under 10% between 1969 and 1985. Still, the significant factor, as it relates to this discussion, is that house values have been relatively unaffected by mortgage rate changes.

The only noticeable exception occurred during the 1981-82 recession. After climbing steadily for many years, average house values dropped from \$81,600 in December, 1981 to \$70,500 in September, 1982. After the recession, house values continued on a path of steady increases.

**Mortgage Rate and Housing Unit Sales<sup>1</sup>, 1969-1986**



<sup>1</sup> See note at end of article.

Sources: Bank of Canada Review; Canadian Real Estate Association, Multiple Listing Service Survey.





## The First-time Home Buyer Market

The size of the housing market, along with mortgage rates, is a major factor in determining housing sales and starts. The housing market consists of two main components—current home-owners seeking to move to another home, and non-owner households considering the purchase of a home for the first time. Estimates of these non-owner households have made up a constant proportion of around 4% of all single-family households in Canada since the early 1970s.

A household considered most likely to be a first-time home buyer is one characterized as follows:

- It is a family household
- The household is currently renting.
- The person in the household who pays the rent is aged between 25 and 44 years.
- The total annual household income is \$35,000 or more (expressed in constant 1985 dollars).

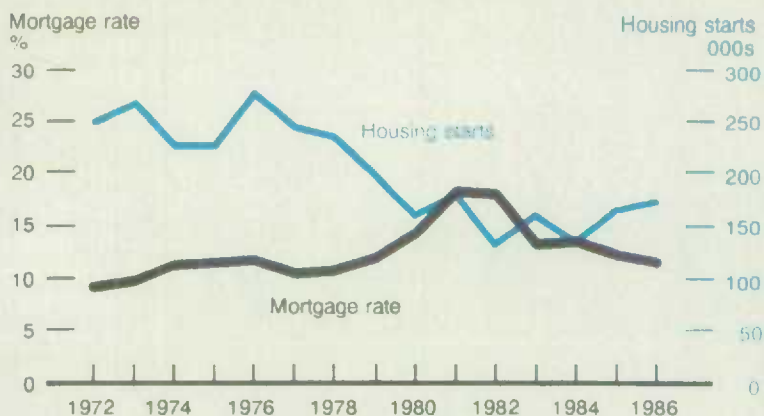
### Estimated Potential First-time Home Buyer Households, 1972-1983

	Estimated number of potential first-time home buyer households	As a percentage of total single family households
		%
1972	204,000	4.1
1974	181,000	3.5
1976	219,000	4.1
1978	251,000	4.3
1980	173,000	2.8
1982	261,000	4.1
1983	279,000	4.3

Source: Statistics Canada, Household Surveys Division, Household Facilities by Income and Other Characteristics, unpublished data.

In 1983, there were 279,000 households identified as potential first-time home buyers. These households made up 4.3% of all single-family households in Canada, a proportion which has been fairly consistent since the early 1970's.

## Mortgage Rate and Housing Starts, 1972-1986



Sources: Bank of Canada; Statistics Canada, Catalogue 64-002, *Housing Starts and Completions*.

## Mortgage Rate and Housing Prices<sup>1</sup>, 1969-1986



<sup>1</sup> See note at end of article.

Sources: Bank of Canada Review; Canadian Real Estate Association, Multiple Listing Service Survey.

### Notes:

<sup>1</sup> The mortgage rate refers to the conventional mortgage rate up to April, 1981; after that, it represents the typical chartered bank five-year mortgage rate.

<sup>2</sup> Although there is no universal account of every real estate transaction in Canada, the overall level of house buying can be approximated by looking at the unit sales records of the Multiple Listing Service (M.L.S.) prepared by the Canadian Real Estate Association. Since 1973, the majority of re-sale house transactions have been made through M.L.S., whose over 100 member bureaus serve approximate-

ly 80% of the Canadian population. Prior to 1984, M.L.S. unit sales reported residential and commercial units together, but the total consisted primarily of residential sales. It should also be noted that some of the increased sales figures reported up to 1980 reflect a growing share of the total housing market handled by M.L.S.

Alex Berlowsky is an analyst with the Housing, Family and Social Statistics Division, Statistics Canada.

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# Social Indicators

	1978	1979	1980	1981	1982	1983	1984	1985
<b>POPULATION</b>								
Canada (000s)	23,517.0	23,747.3	24,042.5	24,341.7	24,631.8	24,885.9	25,127.9	25,358.5*
Annual growth rate (%)	1.0	1.0	1.2	1.2	1.2	1.0	1.0	0.9
Immigration	82,939	138,079	129,466	134,920	105,286	87,504	80,793 <sup>p</sup>	*
Emigration	63,559	51,060	43,609	44,823	49,869	48,397	47,967 <sup>p</sup>	*
<b>FAMILY</b>								
Birth rate (per 1,000)	15.3	15.5	15.5	15.3	15.1	15.0	15.0	14.9 <sup>p</sup>
Marriage rate (per 1,000)	7.9	7.9	8.0	7.8	7.6	7.4	7.4	7.1 <sup>p</sup>
Divorce rate (per 1,000)	2.4	2.5	2.6	2.8	2.9	2.8	2.6	2.4
Families experiencing unemployment (000s)	699	652	671	694	986	1,072	1,037	991
<b>LABOUR FORCE</b>								
Total employment (000s)	9,987	10,395	10,708	11,006	10,644	10,734	11,000	11,311
– goods sector (000s)	3,324	3,474	3,514	3,581	3,260	3,209	3,309	3,348
– service sector (000s)	6,662	6,921	7,194	7,425	7,384	7,525	7,692	7,963
Total unemployment (000s)	908	836	865	898	1,314	1,448	1,399	1,328
Unemployment rate	8.3	7.4	7.5	7.5	11.0	11.9	11.3	10.5
Part-time employment rate	12.1	12.5	13.0	13.5	14.4	15.4	15.4	15.5
Women's participation rate	47.9	49.0	50.4	51.7	51.7	52.6	53.5	54.3
Unionization rate – % of paid workers	31.9	32.6	32.2	32.9	33.3	35.7	*	*
<b>INCOME</b>								
Average family income – 1982 \$	33,513	33,283	34,152	33,728	32,981	32,836	32,405	33,163 <sup>p</sup>
% of families with low income	–	13.1	12.2	12.0	13.2	14.0	14.5	*
Women's full-time earnings as a % of men's	–	63.3	–	63.6	64.0	–	65.5	*
<b>EDUCATION</b>								
Elementary and secondary enrolment (000s)	5,294.0	5,184.7	5,106.3	5,030.2	4,994.0	4,974.7	4,945.9	4,940.2 <sup>p</sup>
Full-time postsecondary enrolment (000s)	617.8	623.5	643.4	675.3	722.0	763.9	782.8 <sup>p</sup>	787.8 <sup>p</sup>
Doctoral degrees awarded	1,819	1,803	1,738	1,816	1,713	1,821	1,878	1,961 <sup>p</sup>
Government expenditure on education (1982 \$000,000)	22,426.8	22,598.2	22,512.7	23,082.3	23,180.8	24,031.6	23,208.1	24,122.6
<b>HEALTH</b>								
Suicide rate (per 100,000)								
– men	22.3	21.4	21.2	21.3	22.3	23.4	21.4	*
– women	7.3	7.0	6.8	6.8	6.4	6.9	6.1	*
% of population 15+ who are regular cigarette smokers								
– men	–	38.6	–	36.7	–	34.0	–	–
– women	–	30.1	–	28.9	–	28.3	–	–
Government expenditure on health (1982 \$000,000)	18,058.8	18,456.1	19,564.9	20,831.2	21,672.2	22,745.3	23,846.0	24,078.1
<b>JUSTICE</b>								
Crime rates (per 100,000)								
– violent	592	623	648	666	685	692	714	749
– property	4,673	5,013	5,551	5,873	5,955	5,717	5,607	5,560
– homicide	2.6	2.7	2.5	2.6	2.7	2.7	2.6	2.7
<b>GOVERNMENT</b>								
Expenditures on social programs <sup>1</sup> (1982 \$000,000)	90,783.9	91,126.7	95,340.7	97,499.7	104,289.8	110,095.4	111,700.9	114,838.2
– as a % of total expenditures	60.4	59.3	57.7	57.3	58.1	59.9	58.4	58.4
– as a % of GNP	26.1	25.1	25.7	25.9	29.0	29.0	28.1	29.1
UI beneficiaries (000s)	2,523.9	2,332.9	2,274.1	2,432.4	3,123.1	3,396.1	3,221.9	*
OAS/GIS beneficiaries <sup>m</sup> (000s)	2,075.2	2,145.4	2,236.0	2,302.8	2,368.6	2,425.7	2,490.9	2,569.5
Canada Assistance Plan beneficiaries <sup>m</sup> (000s)	1,501.9	1,547.6	1,334.3	1,418.4	1,502.8	1,832.9	1,894.9	1,923.3 <sup>p</sup>
<b>ECONOMIC INDICATORS</b>								
GNP – annual % change	+3.6	+3.2	+1.1	+3.3	-4.4	+3.3	+5.0	4.5
Annual inflation rate (%)	8.8	9.2	10.2	12.5	10.8	5.8	4.4	4.0
Urban housing starts	178,678	151,717	125,013	142,441	104,792	134,207	110,874	139,408

\* 1986 Canada population (000s) – 25,591.1

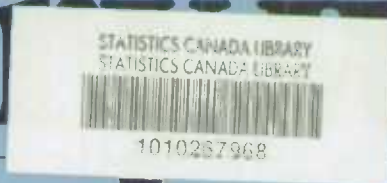
– Not available \* Not yet available <sup>p</sup> Preliminary estimates <sup>m</sup> Figures as of March

<sup>1</sup> Includes Protection of Persons and Property; Health; Social Services; Education; Recreation and Culture.





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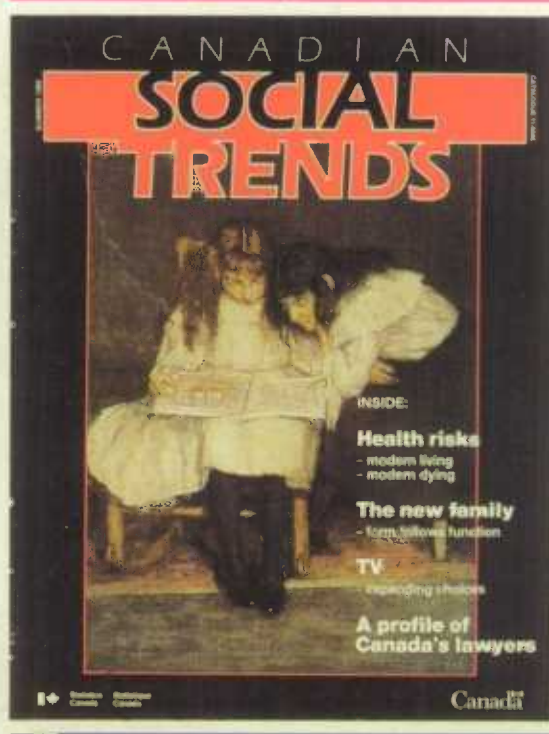
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