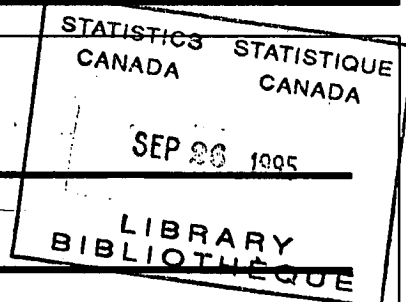




The Daily

Statistics Canada

Tuesday, September 26, 1995
For release at 8:30 a.m.



MAJOR RELEASES

- **Low income among children** 2
Earnings of workers under 35 have declined substantially since the late 1970s. Even though most young children live in families headed by these workers, low income among children has remained relatively stable through the 1980s and early 1990s because of rising transfer payments and changes in the types of families in which children live.
- **Unemployment insurance, July 1995** 4
The number of Canadians receiving regular unemployment insurance benefits remained almost unchanged in July at 716,000. However, there were significant variations among the provinces and territories.

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MAJOR RELEASES

Low income among children

Employment earnings of workers under 35 have declined substantially since the late 1970s. Even though most young children live in families headed by these workers, low income among children remained relatively stable through the 1980s and early 1990s, rising and falling only with the business cycle.

If employment earnings had declined in isolation, the percentage of children in families with low income would have risen. Two factors explain this apparent paradox: rising transfer payments to families through the 1980s, and changes in the characteristics of families with children.

Employment earnings have been falling among young and low-wage workers

The decline in earnings among young adults began in the late 1970s and accelerated during the 1981-82 recession. For example, real annual earnings among men aged 25 to 34 working full time fell 12% between 1979 and 1992. Among full-time workers aged 17 to 24, the decline was 25%. Furthermore, earnings inequality rose throughout the 1980s. This has been associated with declines in earnings among lower paid workers.

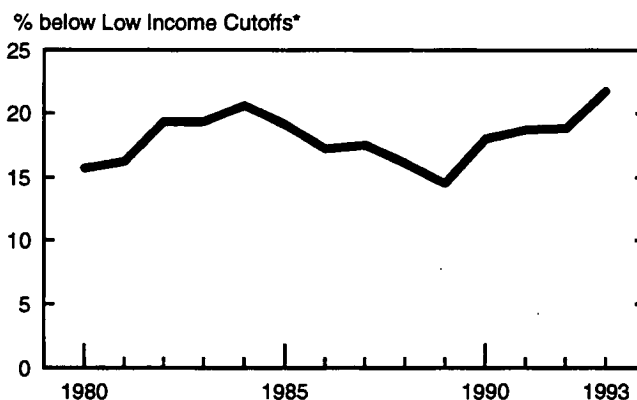
Employment earnings are the major part of family income, and the majority (60%) of young children (those aged 0 to 6) live in households where the highest earner is under 35. Consequently, the rate of low income among children might be expected to rise as the earnings of younger adults dropped.

However, during the past two decades, the drop in earnings among young adults and low-wage workers was not accompanied by increases of corresponding magnitude in the rate of low income among children.

Any fluctuations that occurred in the rate were associated with the business cycle during this period. The percentage of children below Statistics Canada's Low Income Cutoffs rose during recessions and declined during expansions.

There was little evidence of any rising long-term trend in the percentage of children in low-income families through the 1980s, although the value for 1993 was higher than during the previous business cycle.

Rate of low income among children



* Statistics Canada's Low Income Cutoffs (LICOs) are a measure used to identify families with low income.

Government transfers grew as employment income fell among young families with children

Between 1973 and 1991, in the face of declining employment earnings, government transfers became an increasingly important source of income for young families. This was particularly evident among those with children. Employment earnings constituted two-thirds of their disposable income in 1973, but only one-third by 1991. The reliance on social assistance transfers rose correspondingly.

In low-income families (those earning less than half the median income) with young children, the share of disposable income from government transfers rose from 36% in 1973, to 45% in 1981 and to 63% in 1991. Most of this increase in transfer payments was associated with increasing income from the child tax credit and social assistance.

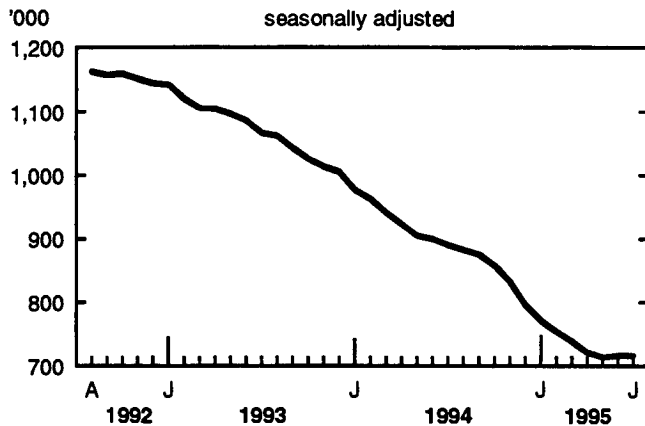
Thus the prevalence of low income before taxes and transfers grew significantly among young children, but it grew only modestly after including taxes and transfers. The result was a more or less stable incidence of low income among children.

Unemployment insurance

July 1995 (preliminary)

The number of Canadians receiving regular unemployment insurance benefits remained practically unchanged in July (+0.1%) at 716,000. This followed a slight 0.4% increase between May and June, which was the first advance since October 1992.

The number of beneficiaries* remained almost unchanged in July



* Receiving regular benefits.

These changes are in line with indications of a general weakening in labour market conditions. For example, in July, the composite leading indicator continued to fall (-0.3%) and the unemployment rate edged up 0.2 percentage points.

However, there were significant variations among the provinces and territories in July. The number of beneficiaries increased 5.8% in Newfoundland and 4.0% in British Columbia. Minor increases (less than +2%) were observed in the Northwest Territories, the Yukon and Prince Edward Island. These increases were offset by decreases in seven provinces, the largest occurring in Ontario (-2.4%), Manitoba (-1.9%) and Quebec (-1.5%).

Note to readers

Unless noted, all figures in this release are seasonally adjusted.

Most who collect unemployment insurance benefits receive regular benefits (76.8% in July). To qualify for regular benefits, a person must have experienced an interruption of earnings, be capable of and available for work, and be unable to find suitable employment.

In addition to regular benefits, claimants may qualify for special benefits (for example, training, maternity, sickness and fishing benefits).

Data on the number of beneficiaries relate to a specific week of the reference month. Data on benefit payments, benefit weeks and claims refer to a complete calendar month.

Number of UI beneficiaries of regular benefits

	July 1995	June 1995 to July 1995
	seasonally adjusted	
	% change	
Canada	716,450	0.1
Newfoundland	38,780	5.8
Prince Edward Island	10,070	0.8
Nova Scotia	36,960	-0.6
New Brunswick	40,080	-1.1
Quebec	244,670	-1.5
Ontario	176,890	-2.4
Manitoba	19,100	-1.9
Saskatchewan	14,530	-0.5
Alberta	49,800	-0.3
British Columbia	78,910	4.0
Yukon	1,280	1.0
Northwest Territories	1,260	1.6

Number of claims decreased

In July, 260,000 people filed claims for unemployment insurance benefits, down 2.2% from June. Since mid-1994, the number of claims received has fluctuated around an upward trend. On an unadjusted basis, for the first seven months of 1995, 1,682,000 people submitted claims, 2.1% higher than during the same period last year.

Benefits paid at lowest level in six years

Canadians received \$928.4 million (unadjusted) in UI benefits (including regular and special benefits) in July, down 9.3% from July 1994. Comparing the same month in previous years, this was the lowest level since July 1989, when \$763.6 million was paid. For the first seven months of 1995, \$8.7 billion was paid to UI beneficiaries, down 14.4% from the same period last year.

Available on CANSIM: matrices 26 (series 1.6), 5700-5717 and 5735-5736.

The July 1995 issue of *Unemployment insurance statistics* (73-001, \$16/\$160) will contain data for May, June and July. It will be available in October. See "How to order publications".

For further information on this release, contact Adib Farhat (613-951-4045) or Ruth Barnes (613-951-4046), Labour Division (fax: 613-951-4087).

Number of UI beneficiaries¹

	July 1995	July 1994 to July 1995
	unadjusted	% change
Census metropolitan area		
St. John's	8,750	-10.2
Halifax	9,290	-22.3
Saint John	4,790	-7.9
Chicoutimi-Jonquière	7,300	-10.4
Québec	24,760	-11.9
Sherbrooke	4,920	-12.3
Trois-Rivières	5,480	-15.3
Montréal	109,050	-15.7
Hull	8,470	-8.1
Ottawa	13,870	-11.7
Oshawa	5,110	-22.7
Toronto	91,150	-17.1
Hamilton	11,700	-25.0
St. Catharines-Niagara	8,130	-26.9
Kitchener	6,830	-22.8
London	7,610	-12.8
Windsor	6,360	-3.9
Sudbury	4,040	-22.9
Thunder Bay	3,010	-27.3
Winnipeg	14,080	-19.1
Regina	2,830	-14.0
Saskatoon	4,010	-18.0
Calgary	18,400	-13.6
Edmonton	21,330	-18.8
Vancouver	40,190	-15.7
Victoria	6,190	-9.2

¹ Beneficiaries include all claimants who are paid regular benefits (for example, because of layoff) or special benefits (for example, in case of sickness).

Unemployment insurance statistics

		July 1994	May 1995	June 1995	July 1995	June 1995 to July 1995
seasonally adjusted						
						% change
Regular beneficiaries	'000	891	714'	716 ^P	716 ^P	0.1
Amount paid	\$ '000	963,712	817,020	781,474	790,754	1.2
Weeks of benefits	'000	3,801	3,219	3,068	3,084	0.5
Claims received	'000	259	260	265	260	-2.2
unadjusted						
						% change
All beneficiaries	'000	978	912'	814 ^P	803 ^P	-17.9
Regular beneficiaries	'000	793	696'	615 ^P	617 ^P	-22.2
Male	'000	417	415'	347 ^P	324 ^P	-22.4
Female	'000	376	281'	268 ^P	293 ^P	-22.1
Claims received	'000	261	217	233	265	1.5
Amount paid	\$ '000	1,023,601	1,251,309	951,844	928,390	-9.3
Weeks of benefits	'000	3,942	4,702	3,592	3,477	-11.8
Average weekly benefit	\$	251.49	261.43	255.49	254.64	1.3
Year-to-date (January to July)						
		1994		1995		1994 to 1995
						% change
All beneficiaries, average	'000	1,227		1,024 ^P		-16.5
Regular beneficiaries, average	'000	1,000		799 ^P		-20.1
Claims received	'000	1,648		1,682		2.1
Amount paid	\$ '000	10,211,181		8,742,129		-14.4
Weeks of benefits	'000	37,830		31,822		-15.9
Average weekly benefit	\$	260.32		261.95		0.6

^P Preliminary figures.

' Revised figures.

Note: "All beneficiaries" includes all claimants who are paid regular benefits (for example, because of layoff) or special benefits (for example, in case of sickness).

OTHER RELEASES

Corrugated boxes and wrappers August 1995

Domestic shipments of corrugated boxes and wrappers totalled 202 490 000 square metres in August, a 6.1% decrease from 215 624 000 square metres (revised) in August 1994.

For January to August 1995, domestic shipments totalled 1 607 575 000 square metres (revised), a 1.9% increase from the 1 577 766 000 square metres (revised) shipped during the same period of 1994.

The August 1995 issue of *Corrugated boxes and wrappers* (36-004, \$6/\$60) will be available shortly. See "How to order publications".

For further information on this release, contact Bruno Pépin (613-951-3516), Industry Division. ■

Traveller accommodation statistics 1993-94

Advance 1993-94 data on the traveller accommodation service industries are now available by special request.

The final data will be released in *Traveller accommodation statistics* (63-204, \$27), which will be available in October. See "How to order publications".

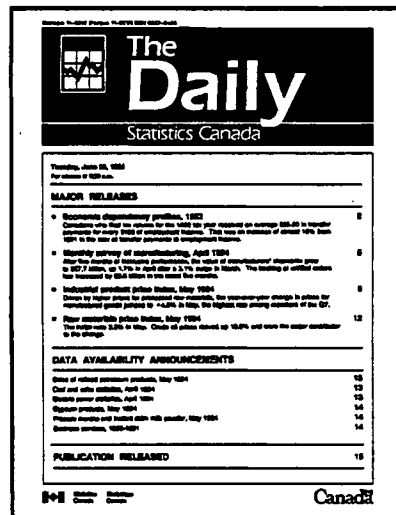
For further information on this release, contact Samuel Lee (613-951-0663), Accommodation and Food Services Section, Services, Science and Technology Division. ■

Industrial monitor September 1995

The September 1995 edition of *Industrial monitor* is now available. Its tables present up-to-date statistics on 165 manufacturing industries in 22 sectors.

The *Industrial monitor* can be purchased as a full package (22 sectors) or by industrial sector. The annual subscription is \$200 per industrial sector. The annual subscription for the totals of the manufacturing industries (15F0017XPE) costs \$50. The full 22-sector package (1500115XPE) is priced at \$3,000, a savings of \$650. See "How to order publications".

For further information on this release, contact the client services representative (613-951-9060), Industry Measures and Analysis Division. ■



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PUBLICATIONS RELEASED

Construction type plywood, July 1995

Catalogue number 35-001

(Canada: \$6/\$60; United States: US\$8/US\$72; other countries: US\$9/US\$84).

Production, shipments and stocks on hand of sawmills in British Columbia, July 1995

Catalogue number 35-003

(Canada: \$8/\$80; United States: US\$10/US\$96; other countries: US\$12/US\$112).

Energy statistics handbook, September 1995

Catalogue number 57-601

(Canada: \$330; United States: US\$400; other countries: US\$460).

The paper used in this publication meets the minimum requirements of American National Standard for Information Sciences - Permanence of Paper for Printed Library Materials, ANSI Z39.48 - 1984.



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