

# The Daily

---

## Statistics Canada

Thursday, November 12, 2009

Released at 8:30 a.m. Eastern time

---

### Releases

---

**Study: Canada's employment downturn, October 2008 to October 2009** 2

Employment declined much faster in the early months of the current economic downturn than it did in the early months of the recessions in 1981 and 1990. However, employment levels in the next seven months of this current downturn were relatively stable, while employment had continued to decline in the previous downturns.

**Study: What does the Pension Satellite Account tell about Canada's pension system?, 2008** 4

There were \$1.8 trillion in pension assets in Canada at the end of 2008, down from \$2.1 trillion in 2007 but nearly four times greater than the holdings of \$0.5 trillion in 1990.

New Housing Price Index, September 2009 6

Pension Satellite Account, 1990 to 2008 8

---

**New products** 9

---



## Releases

### Study: Canada's employment downturn

October 2008 to October 2009

Employment declined much faster in the early months of the current economic downturn than it did in the early months of the recessions in 1981 and 1990. However, employment levels in the next seven months of this current downturn were relatively stable, while employment had continued to decline in previous downturns.

In October 2008, employment had reached an all-time high in Canada. Five months later, it had fallen by 2.1%. After five months in 1981 and 1990, it had declined by 0.8% and 0.6%, respectively.

However, in recent months, employment levels have been relatively stable. In 1981/1982, employment losses continued for 17 months and in 1990/1991, they continued for 11 months.

While the 11-month employment decline of the early 1990s was followed by six months of growth, it then experienced another seven months of employment declines.

Between October 2008 and October 2009, total employment declined by 400,000 or 2.3%, while the unemployment rate rose from 6.3% to 8.6%.

Among the groups experiencing the heaviest employment losses during the 12-month period were workers in the manufacturing and construction sectors, young people, low-paid workers, families with young children, and core working-age immigrants who were recent arrivals in Canada.

#### Manufacturing and construction sectors hardest hit

Between October 2008 and October 2009, the manufacturing and construction sectors experienced the largest declines in employment of all sectors. These industries also experienced the largest employment declines over the first 12 months of the previous two economic downturns.

In manufacturing, employment fell by 218,000 (-11.0%) from October 2008 to October 2009, and the decline was widespread. Manufacturers experiencing notable decreases included fabricated metal products; transportation equipment manufacturing; paper and printing; and furniture and related manufacturing.

Manufacturing employment has been falling since late 2002, but the current downturn accelerated the

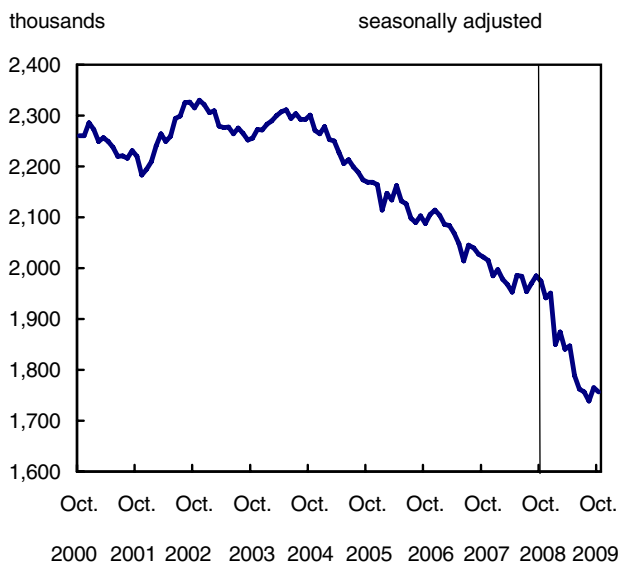
#### Note to readers

*This release is based on an analytical report in the Canadian Economic Observer. The report provides an in-depth review of the impact of the current economic downturn on Canada's labour market.*

*Using monthly data from the Labour Force Survey, it assesses developments between October 2008, when employment was at an all-time high and unemployment rates near historic lows, and how the labour market looked a year later in October 2009. The report also compares the situation during this 12-month period with previous economic downturns.*

pace of decline. Since November 2002, employment in manufacturing has fallen by 573,000. More than one-third of this decline occurred from October 2008 to October 2009.

#### Manufacturing employment



Since October 2008, employment in construction declined by 73,000 (-5.8%), and while the trend in manufacturing employment has been declining over the 12-month period, all of the decrease in construction employment was during the first 5 months.

Some industries did not have employment losses over this 12-month period. Modest employment gains took place in real estate and leasing; information, culture and recreation; and health care and social

assistance. During the first 12 months of the previous two downturns, health care and social assistance also experienced modest employment gains, while the other two industries either experienced employment declines or slower growth compared with the current 12-month period.

### **Declines among private sector, youth, low-paid workers, families with children**

Some groups have been hard hit in this downturn. This was particularly the case for the private sector, young people, low-paid workers and families with children. Modest employment gains occurred among those aged 55 and over.

Between October 2008 and October 2009, the number of employees in the private sector fell by 449,000, compared with a decline of 55,000 among public employees. At the same time, self-employment rose by 104,000.

Employment among workers earning less than \$10 an hour fell 24.8%, the largest decline. The majority were youth, but nearly one-third were aged 25 to 54. On the other hand, the number of employees who earned \$40 or more an hour increased during the 12-month period.

As in previous downturns, employment losses among young workers have been a consistent feature. During the 12-month period, employment in the age group 15 to 24 fell 10.5% among young men and 6.9% among young women. Furthermore, young people experienced employment losses throughout the entire 12 months.

Employment among core-working age men aged 25 to 54 whose highest level of education was at most high school fell 5.2%, as many were employed in manufacturing and construction. Core-working age women with the same educational attainment also experienced employment losses (-3.6%).

The effect of the downturn was also different across family types. Families with children were notably affected. Single mothers with children were hit hard, with a 6.8% employment decline. As well, employment fell by 2.5% among mothers and 2.4% among fathers in two-parent families with at least one child under the age of 18.

### **Less full-time work, more temporary employment**

Between October 2008 and October 2009, there was less full-time employment and more temporary jobs.

Full-time employment declined 2.2%, a faster pace than the 1.6% drop in part-time work. Employment among people working 40 or more hours a week declined 4.6%. The number of employees with a shorter full-time schedule (between 30 and 34 hours) increased.

In addition, the number of permanent employees declined by 3.8%, while the number of temporary employees increased by 0.7%.

### **Recently-arrived immigrants**

Between October 2008 and October 2009, immigrants in the core working-age group who had landed within the previous five years were more affected by the economic downturn than Canadian-born workers. Employment declined 12.9% among this group of immigrants, more than five times the decline of 2.2% among the Canadian-born. The bulk of the losses for these immigrants occurred among those working in manufacturing.

Immigrants who landed in Canada more than 5 years to 10 years earlier, however, experienced smaller losses than the Canadian-born over the 12-month period, and those who landed more than 10 years earlier experienced modest employment gains.

### **Definitions, data sources and methods: survey number 3701.**

The study "Canada's employment downturn: October 2008 to October 2009" is released in the November 2009 edition of the *Canadian Economic Observer*, Vol. 22, no. 11 (11-010-X, free), that is available today from the *Publications* module of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Jason Gilmore (613-951-7118; [jason.gilmore@statcan.gc.ca](mailto:jason.gilmore@statcan.gc.ca)), Labour Statistics Division. ■

## Study: What does the Pension Satellite Account tell about Canada's pension system?

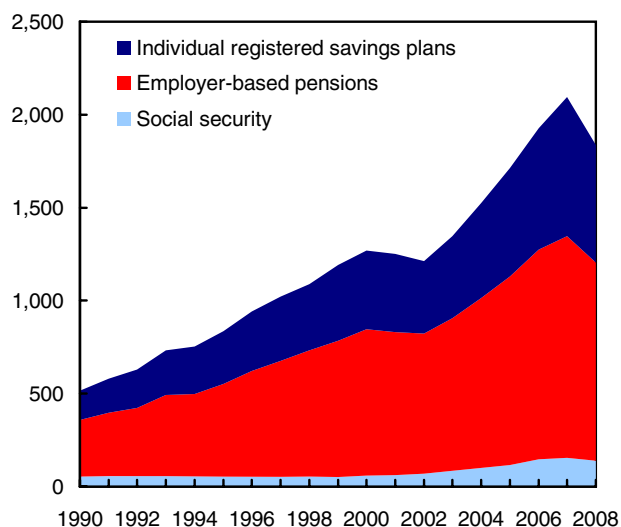
2008

There were \$1.8 trillion in pension assets in Canada at the end of 2008, down from \$2.1 trillion in 2007 but nearly four times greater than the holdings of \$0.5 trillion in 1990. Of total pension assets at the end of 2008, social security comprised 7.6%, employer-sponsored plans 58.0% and individual registered savings plans 34.4%.

The \$1.0 trillion earned in investment income accounted for most of the increase in pension assets between 1990 and 2007. Contributions of \$1.4 trillion narrowly exceeded the \$1.3 trillion in withdrawals, for a net inflow of \$0.1 trillion. There was a net gain of \$0.5 trillion from the revaluation of asset values, which include capital gains and losses, before last year's financial turmoil.

### Assets of Canada's pension system

\$ billions



These data are provided separately for three major categories of retirement schemes: government social security plans, employer-sponsored savings plans, and individual registered savings plans.

While social security is the smallest part of Canada's pension system with \$140 billion of assets in 2008, it affects the most people. At the end of 2006, 12.3 million people made Canada

### Note to readers

The Pension Satellite Account shows the total wealth position of pensions at the beginning of each year; the inflows of contributions and income earned into these different plans; the outflow of withdrawals; and the revaluation of pension assets during the year to arrive at the wealth position at the end of each year. The stock of pension assets are available to 2008, and the flows to 2007.

Pension Plan (CPP) or Quebec Pension Plan (QPP) contributions, 6.3 million contributed to registered retirement savings plans (RRSPs) and 5.7 million had a registered pension plan from their job.

Assets held in employer-based pensions and individual registered savings plans rose sharply over the past two decades to \$1,064 billion and \$631 billion respectively in 2008, driven by higher contributions and revaluations.

### Employer-sponsored plans

Assets in employer-sponsored pension plans rose over three-fold from \$302 billion in 1990 to \$1,064 billion in 2008. Employer-sponsored plans relied on investment income for three-quarters of their growth and revaluations for the rest. Withdrawals exceeded contributions between 1990 and 2007, despite a doubling of contributions since 2002.

The fastest growing segment of trustee pension plans has been in the public sector. In 1990, public sector plans had assets of \$111.1 billion, versus \$88.3 billion in the private sector. By 2008, public sector assets had increased five-fold to \$555.7 billion, over twice the size of the \$248.7 billion in trustee private sector plans.

The growth of private sector trustee pension plan assets decelerated markedly in the past decade. After more than doubling from \$88.3 billion in assets in 1990 to \$196.8 billion in 1999, growth slowed to 26% in the period ending in 2008. The slowdown in asset growth in private sector pension plans reflects smaller revaluations from capital gains since 1999.

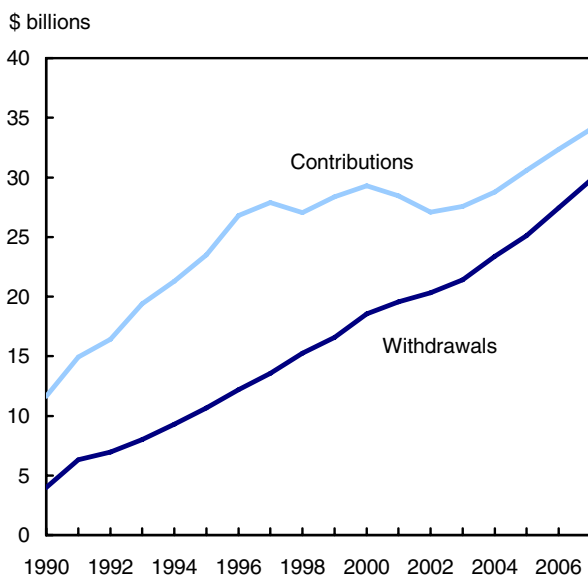
Contributions have increased sharply in recent years as private pensions strived to remain fully funded. Contributions rose from between \$5 billion and \$6 billion a year through most of the 1990s to \$11 billion in 2003, partly to make up for the stock market's drop in 2001 and 2002. Since 2003, contributions have risen steadily, to \$15 billion a year in 2006 and 2007. Despite the recent increase in contributions to private plans, they remained less than withdrawals.

## Individual registered savings plans

Individual registered savings plans grew from \$157 billion in 1990 to \$631 billion in 2008. They were the only major component of pensions where contributions exceeded withdrawals for the period 1990 through 2007, accounting for about one-fourth of its total asset growth. Investment income earned in individual registered savings plans accounts contributed just under half of growth up to 2007, and revaluations the remaining 27%.

Assets in these plans, especially RRSPs, grew significantly after 1991 when higher contribution limits led to a doubling of contributions between 1990 and 1995.

### Individual registered savings plans



Contributions to individual registered savings plans rose 20% between 1999 and 2007. An increase in contribution limits starting in 2002 did not provoke the same surge in contributions seen after 1991. Some of the smaller response of contributions may reflect the large gains in revaluations as the stock market rose between 2003 and 2007.

## Social Security

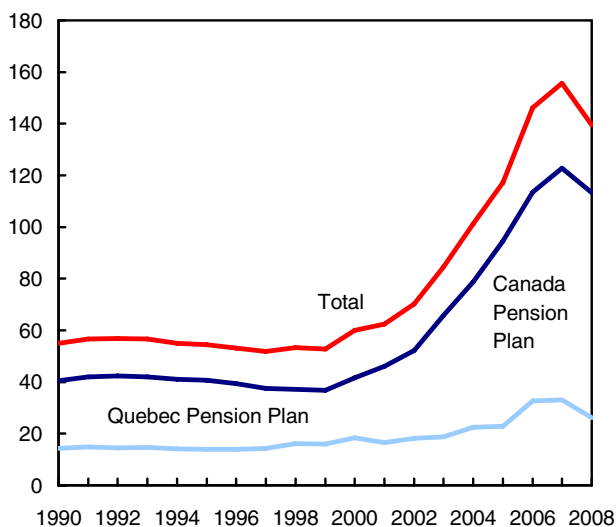
There was a sharp increase in social security pension assets from \$53 billion in 1999 to \$140 billion in 2008, after almost no growth in the 1990s. This was

due to a hike in CPP and QPP contribution rates starting in 1997. As well, the CPP was no longer restricted to just investing in government bonds, which boosted its rate of return on average over the past decade.

Withdrawals exceeded contributions into the CPP and QPP on balance by \$15 billion between 1990 and 2007. However, all of this net outflow occurred in the 1990s. The net outflow of withdrawals from social security was sharply reversed after the increase in contribution rates, and contributions exceeded withdrawals by nearly \$10 billion in recent years.

### Assets in social security pension funds

\$ billions



**Definitions, data sources and methods: survey numbers, including related surveys, 2607 and 2609.**

The study, "What does the Pension Satellite Account tell about Canada's pension system?", is included in the November 2009 Internet edition of the *Canadian Economic Observer*, Vol. 22, no. 11 (11-010-X, free), now available from the *Publications* module of our website.

For more information about the *Canadian Economic Observer*, click on our banner ad from the *Publications* module of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Philip Cross (613-951-9162; [ceo@statcan.gc.ca](mailto:ceo@statcan.gc.ca)), Current Economic Analysis Group. ■

## New Housing Price Index

September 2009

Contractors' selling prices rose 0.5% in September following a 0.1% increase in August. This was the largest month-over-month increase since January 2008 (+0.6%).

Between August and September, prices increased the most in Vancouver (+1.4%), followed by Ottawa–Gatineau (+1.0%), Calgary (+0.6%), Toronto and Oshawa (+0.5%) as well as Saskatoon (+0.5%).

In Vancouver, prices continued to increase as some builders moved to new phases of development. Others raised their list prices as consumer interest increased and market conditions continued to improve.

In Ottawa–Gatineau and Toronto and Oshawa, many builders pushed up their prices due to prevailing good market conditions in those cities.

In Calgary, some builders increased their prices either due to higher labour costs or to moving to new phases with higher development costs. In addition, several builders have slowly raised their prices because of an improved new housing market.

The largest monthly decrease in new housing prices was recorded in Windsor (-0.7%), where some builders reported lower negotiated selling prices this month.

Monthly declines were also observed in Greater Sudbury and Thunder Bay (-0.5%), Victoria (-0.2%) and Edmonton (-0.1%).

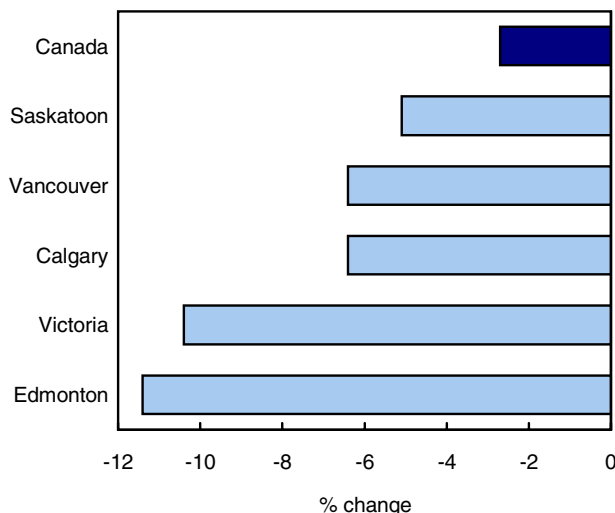
### 12-month change: Western Canada declines continue in the New Housing Price Index

Year over year, the New Housing Price Index was down 2.7% in September, following a 3.1% decline in August. The largest declines continued to be in Western Canada.

On the Prairies, 12-month declines were recorded in Edmonton (-11.4%), Calgary (-6.4%) and Saskatoon (-5.1%).

On the West Coast, Victoria (-10.4%) and Vancouver (-6.4%) also posted year-over-year declines.

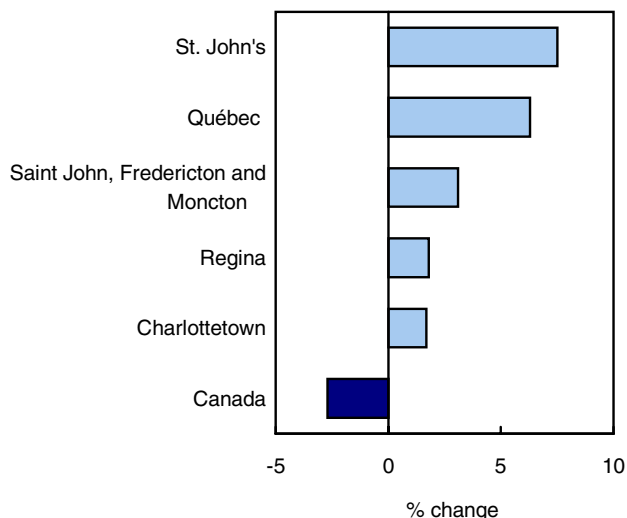
**Percentage change from the same month of the previous year (cities with the smallest or negative change)**



Among surveyed cities, the largest year-over-year increase was again registered in St. John's (+7.5%). An increase in net migration in 2008/2009 in Newfoundland and Labrador, coupled with a strong economy, has kept demand for new housing high in that province.

On a year-over-year basis, prices in Québec (+6.3%) and in Saint John, Fredericton and Moncton (+3.1%) also increased. Contractors' selling prices were also higher in Regina (+1.8%), Charlottetown (+1.7%) and Winnipeg (+1.4%).

Percentage change from the same month of the previous year (cities with the largest positive change)



Available on CANSIM: table 327-0005.

Definitions, data sources and methods: survey number 2310.

The third quarter 2009 issue of *Capital Expenditure Price Statistics* (62-007-X, free) will be available in January 2010.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Client Services (613-951-9606; toll-free 1-866-230-2248; fax: 613-951-3117; [prices-prix@statcan.gc.ca](mailto:prices-prix@statcan.gc.ca)), Producer Prices Division.

## New housing price indexes

|                                     | September<br>2009 | September<br>2008<br>to<br>September<br>2009 | August<br>to<br>September<br>2009 |
|-------------------------------------|-------------------|----------------------------------------------|-----------------------------------|
|                                     | (1997=100)        | % change                                     |                                   |
| <b>Canada total</b>                 | <b>154.4</b>      | <b>-2.7</b>                                  | <b>0.5</b>                        |
| House only                          | <b>162.5</b>      | <b>-3.2</b>                                  | <b>0.7</b>                        |
| Land only                           | <b>137.8</b>      | <b>-1.9</b>                                  | <b>0.1</b>                        |
| St. John's                          | 183.1             | 7.5                                          | 0.0                               |
| Charlottetown                       | 121.2             | 1.7                                          | 0.0                               |
| Halifax                             | 150.7             | 0.5                                          | 0.1                               |
| Saint John, Fredericton and Moncton | 121.0             | 3.1                                          | 0.4                               |
| Québec                              | 167.0             | 6.3                                          | 0.0                               |
| Montréal                            | 165.6             | 1.5                                          | 0.2                               |
| Ottawa-Gatineau                     | 171.4             | 1.3                                          | 1.0                               |
| Toronto and Oshawa                  | 145.7             | -0.5                                         | 0.5                               |
| Hamilton                            | 150.5             | -1.6                                         | 0.2                               |
| St. Catharines-Niagara              | 155.2             | -1.8                                         | 0.1                               |
| London                              | 144.4             | 0.8                                          | 0.0                               |
| Kitchener                           | 143.0             | 0.4                                          | 0.1                               |
| Windsor                             | 103.1             | -0.5                                         | -0.7                              |
| Greater Sudbury and Thunder Bay     | 112.1             | -0.4                                         | -0.5                              |
| Winnipeg                            | 183.3             | 1.4                                          | 0.1                               |
| Regina                              | 252.9             | 1.8                                          | 0.0                               |
| Saskatoon                           | 212.7             | -5.1                                         | 0.5                               |
| Calgary                             | 231.9             | -6.4                                         | 0.6                               |
| Edmonton                            | 207.4             | -11.4                                        | -0.1                              |
| Vancouver                           | 116.1             | -6.4                                         | 1.4                               |
| Victoria                            | 106.3             | -10.4                                        | -0.2                              |

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

---

## **Pension Satellite Account**

1990 to 2008

National data for the Pension Satellite Account are now available on request. Stock data are available from 1990 to 2008. Data of flows between the annual positions as well as the impact of revaluation cover the period 1990 to 2007.

These accounts fully articulate the wealth position of various categories of pensions at the beginning of each year (the stock); the inflows of contributions and income earned into these different plans; the withdrawals;

and the revaluation of pension assets during the year to arrive at the wealth position at the end of each year. These data are provided separately for three major categories of retirement schemes: government social security plans, employer-sponsored plans, and individual retirement savings plans.

For more information, to obtain data, or to enquire about the concepts, methods or data quality of this release, contact the information officer (613-951-3640; [iead-info-dcrd@statcan.gc.ca](mailto:iead-info-dcrd@statcan.gc.ca)), Income and Expenditure Accounts Division. ■

## New products

**Canadian Economic Observer**, November 2009,  
Vol. 22, no. 11  
Catalogue number 11-010-X (HTML, free)

**The General Social Survey: An Overview: 2009**,  
Catalogue number 89F0115X2009001 (PDF, free;  
HTML, free)

**All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.**

Catalogue numbers with an -XWE, -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB or -XDE are electronic versions on diskette; -XCB or -XCE are electronic versions on compact disc; -XVB or -XVE are electronic versions on DVD and -XBB or -XBE a database.

### How to order products

#### To order by phone, please refer to:

- The title
  - The catalogue number
  - The volume number
  - The issue number
  - Your credit card number.
- From Canada and the United States, call: **1-800-267-6677**  
From other countries, call: **1-613-951-2800**  
To fax your order, call: **1-877-287-4369**  
For address changes or account inquiries, call: **1-877-591-6963**

**To order by mail, write to:** Statistics Canada, Finance, 6<sup>th</sup> floor, R.H. Coats Bldg., Ottawa, K1A 0T6.  
Include a cheque or money order payable to **Receiver General of Canada/Publications**. Canadian customers add 5% GST and applicable PST.

**To order by Internet, write to:** [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca) or download an electronic version by accessing Statistics Canada's website ([www.statcan.gc.ca](http://www.statcan.gc.ca)). From the *Our products and services* page, under *Browse our Internet publications*, choose *For sale*.

**Authorized agents and bookstores also carry Statistics Canada's catalogued publications.**



### Statistics Canada's official release bulletin

Catalogue 11-001-XIE.

Published each working day by the Communications and library Services Division, Statistics Canada, 10G, R.H. Coats Building, 100 Tunney's Pasture Driveway, Ottawa, Ontario K1A 0T6.

To access *The Daily* on the Internet, visit our site at <http://www.statcan.gc.ca>. To receive *The Daily* each morning by e-mail, send an e-mail message to [listproc@statcan.gc.ca](mailto:listproc@statcan.gc.ca). Leave the subject line blank. In the body of the message, type "subscribe daily firstname lastname".

Published by authority of the Minister responsible for Statistics Canada. © Minister of Industry, 2009. All rights reserved. The content of this electronic publication may be reproduced, in whole or in part, and by any means, without further permission from Statistics Canada, subject to the following conditions: that it be done solely for the purposes of private study, research, criticism, review or newspaper summary, and/or for non-commercial purposes; and that Statistics Canada be fully acknowledged as follows: Source (or "Adapted from", if appropriate): Statistics Canada, year of publication, name of product, catalogue number, volume and issue numbers, reference period and page(s). Otherwise, no part of this publication may be reproduced, stored in a retrieval system or transmitted in any form, by any means—electronic, mechanical or photocopy—except for any purposes without prior written permission of Licensing Services, Client Services Division, Statistics Canada, Ottawa, Ontario, Canada K1A 0T6.