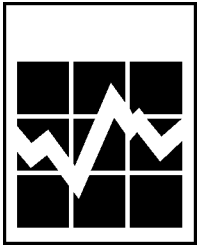


Catalogue no. 75-001-XIE



# PERSPECTIVES

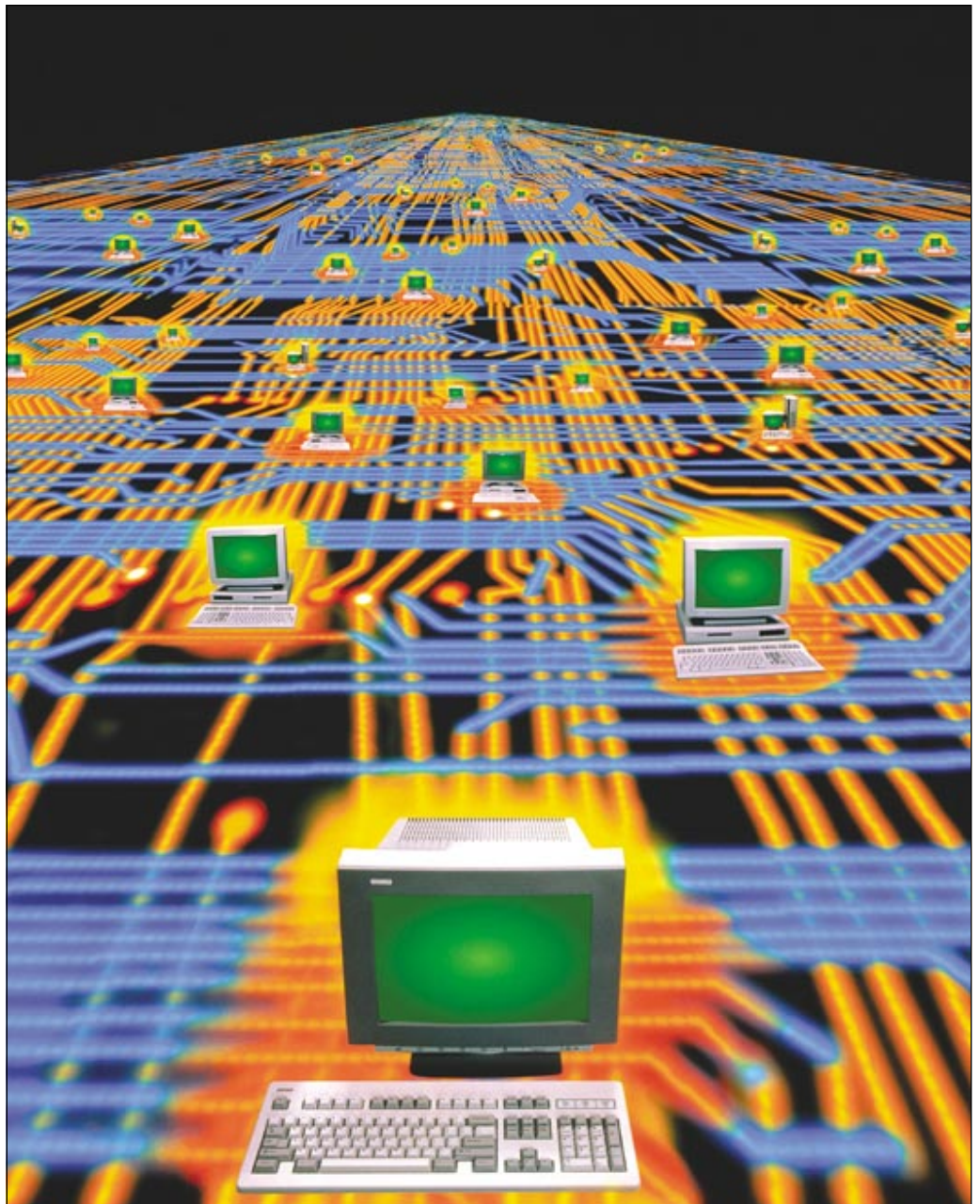
ON LABOUR AND INCOME

**APRIL 2001**

Vol. 2, No. 4

■ EI USERS

■ PART-TIME  
EMPLOYMENT



Statistics  
Canada

Statistique  
Canada

Canada

## *At Your Service...*

### How to obtain more information

Specific inquiries about this product and related statistics or services should be directed to: *Perspectives on Labour and Income*, 9 A-6 Jean Talon, Statistics Canada, Ottawa, Ontario, K1A 0T6 (telephone: (613) 951-4608; e-mail: [perspectives@statcan.ca](mailto:perspectives@statcan.ca)).

For information on the wide range of data available from Statistics Canada, you can contact us by calling one of our toll-free numbers. You can also contact us by e-mail or by visiting our Web site.

<b>National inquiries line</b>	<b>1 800 263-1136</b>
<b>National telecommunications device for the hearing impaired</b>	<b>1 800 363-7629</b>
<b>Depository Services Program inquiries</b>	<b>1 800 700-1033</b>
<b>Fax line for Depository Services Program</b>	<b>1 800 889-9734</b>
<b>E-mail inquiries</b>	<b><a href="mailto:infostats@statcan.ca">infostats@statcan.ca</a></b>
<b>Web site</b>	<b><a href="http://www.statcan.ca">www.statcan.ca</a></b>

### Ordering/Subscription information

This product can be ordered by

- telephone (Canada and United States) **1 800 267-6677**
- fax (Canada and United States) **1 877 287-4369**
- e-mail **[order@statcan.ca](mailto:order@statcan.ca)**
- mail Statistics Canada  
Dissemination Division  
Circulation Management  
120 Parkdale Avenue  
Ottawa, Ontario K1A 0T6
- and, in person at the Statistics Canada Regional Centre nearest you, or from authorized agents and bookstores.

When notifying us of a change in your address, please provide both old and new addresses.

### Standards of service to the public

Statistics Canada is committed to serving its clients in a prompt, reliable and courteous manner and in the official language of their choice. To this end, the agency has developed standards of service which its employees observe in serving its clients. To obtain a copy of these service standards, please contact Statistics Canada toll free at 1 800 263-1136.

# Highlights

## *In this issue*

---

### ■ Repeat users of employment insurance

---

- While men accounted for 52% of employees in 1997, they made 59% of regular EI claims (that is, excluding claims for maternity, paternal, sickness and other special benefits) in 1996.
- Persons 35 and over had a disproportionate share of multiple EI claims (3 to 5 between 1992 and 1996).
- Less than half (49%) of persistent EI users had completed high school, compared with more than three-quarters (78%) of all employees.
- The Atlantic provinces accounted for 16% of regular benefit claims, more than twice their 7% share of employees. Quebec also had a disproportionate share of EI claims (34%) relative to paid employment (24%).
- Most regular EI claimants were satisfied with their employment and income situations. Moreover, satisfaction with each increased with the number of claims, possibly because frequent users were more accustomed to changes in their status.

- A strong majority of EI claimants would have been willing to change employers or the kind of work they did, but not their province of residence.
- Most claimants accepted EI use as a “fact of life”.

### ■ Trends in part-time work

---

- Part-time work has increasingly divided into two camps: short-hour part-time (less than 15 hours per week) and long-hour part-time (15 to 29 hours).
- While long-hour part-time work increased every year from 1976 to 2000, more than doubling over the period, short-hour part-time grew more slowly and then began to decline after 1996.
- As a result, between 1976 and 2000, average weekly hours for part-time workers increased from 15.5 to 16.9.

---

### Perspectives

---

# PERSPECTIVES

ON LABOUR AND INCOME

## THE COMPREHENSIVE JOURNAL

on labour and income  
from Statistics Canada

Yes, I want PERSPECTIVES ON LABOUR AND INCOME  
(Catalogue no. 75-001-XPE).

Save  
by extending your  
subscription!  
Save 20%  
by subscribing for 2 years!  
Only \$92.80 (plus taxes)  
Save 30%  
by subscribing for 3 years!  
Only \$121.80  
(plus taxes)

Subscribe to *Perspectives on Labour and Income* today!

<b>ORDER FORM</b>	<b>MAIL</b> Statistics Canada Circulation Management 120 Parkdale Avenue Ottawa, Ontario Canada K1A 0T6	<b>PHONE</b> <b>1 800 267-6677</b> Charge to VISA or MasterCard. Outside Canada and the U.S., and in the Ottawa area, call (613) 951-7277.	<b>FAX</b> <b>1 800 889-9734</b> <b>(613) 951-1584</b> Please do not send confirmation for phone or fax orders.	<b>E-MAIL</b> <b>order@statcan.ca</b>	<b>METHOD OF PAYMENT</b> (Check only one)																																										
	Name _____ Company _____ Department _____ Address _____ City _____ Province _____ Postal Code _____ Phone _____ Fax _____				<input type="checkbox"/> Charge to my: <input type="checkbox"/> MasterCard <input type="checkbox"/> VISA Card Number _____ Authorized Signature _____ Expiry Date _____ Cardholder (Please print) _____																																										
	Catalogue No. _____ Title _____ 75-001-XPE    Perspectives on Labour and Income				<input type="checkbox"/> Payment Enclosed \$ _____ <input type="checkbox"/> Purchase Order Number _____ Authorized Signature _____																																										
	ALL PRICES EXCLUDE SALES TAXES. Canadian clients add 7% GST and applicable PST or HST. GST # R121491807. Cheque or money order should be made payable to the Receiver General for Canada. PF 097042				<table border="1"> <thead> <tr> <th>Subscription</th> <th>Price (CDN \$)</th> <th>Quantity</th> <th>Total CDN \$</th> </tr> </thead> <tbody> <tr> <td>1 year</td> <td>58.00</td> <td></td> <td></td> </tr> <tr> <td>2 years</td> <td>92.80</td> <td></td> <td></td> </tr> <tr> <td>3 years</td> <td>121.80</td> <td></td> <td></td> </tr> <tr> <td colspan="4">Subtotal</td> </tr> <tr> <td colspan="4">GST (7%) - (Canadian clients only, where applicable)</td> </tr> <tr> <td colspan="4">Applicable PST (Canadian clients only, where applicable)</td> </tr> <tr> <td colspan="4">Applicable HST (N.S., N.B., Nfld.)</td> </tr> <tr> <td colspan="4">Shipping charges U.S. CDN \$24, other countries CDN \$40</td> </tr> <tr> <td colspan="4"><b>Grand Total</b></td> </tr> </tbody> </table>				Subscription	Price (CDN \$)	Quantity	Total CDN \$	1 year	58.00			2 years	92.80			3 years	121.80			Subtotal				GST (7%) - (Canadian clients only, where applicable)				Applicable PST (Canadian clients only, where applicable)				Applicable HST (N.S., N.B., Nfld.)				Shipping charges U.S. CDN \$24, other countries CDN \$40				<b>Grand Total</b>		
Subscription	Price (CDN \$)	Quantity	Total CDN \$																																												
1 year	58.00																																														
2 years	92.80																																														
3 years	121.80																																														
Subtotal																																															
GST (7%) - (Canadian clients only, where applicable)																																															
Applicable PST (Canadian clients only, where applicable)																																															
Applicable HST (N.S., N.B., Nfld.)																																															
Shipping charges U.S. CDN \$24, other countries CDN \$40																																															
<b>Grand Total</b>																																															

# Repeat users of employment insurance

*Lori M. Stratychuk*

The Employment Insurance (EI) program<sup>1</sup> provides various income support benefits to qualifying individuals. In most cases, EI acts like insurance, providing income for those who have unexpectedly become unemployed. Other benefits are also available for maternity, paternity and sickness. In addition, EI provides “active labour market programs” for such things as training, job creation, job sharing, and wage subsidies.

EI covers virtually all employees across the country, most of whom never need to draw upon the program. Among those who do draw benefits, most do so only infrequently. However, a number of individuals, year after year, work for a portion of the year and then collect EI benefits for the rest of the year. This study looks at the characteristics of these individuals (see *Data sources and definitions*).

The first part of this study compares the demographic characteristics of repeat users of EI with those of employees overall. The second part examines the attitudes of repeat users toward employment and unemployment in general.

## Characteristics of repeat users of EI

Who are the repeat users of the EI program? Do they display patterns by sex, age, education, region of residence, or occupation? This section addresses these issues.

### Men use EI more than women, and with greater intensity

Among occasional EI claimants, men and women differ only slightly in their use of the program—men make up 52% of employees and 55% of occasional

EI users; women, 48% and 45% (Table 1). Overall however, men do comprise a disproportionate share of regular EI claimants (59%). The difference arises from their unbalanced share among repeat users (65%) and persistent users (62%).

### Those over 35 more likely to be repeat users of EI

The age distribution of EI claimants is clearly different than that of employees overall (Table 1). Those 15 to 19 constitute 6% of all employees, yet they represent less than half a percent of all claimants. This is unsurprising, since young workers may not have enough labour market experience to make even a single EI claim. On the other hand, all age groups from 35 onward have a disproportionate share of repeat users and persistent users.

**Table 1: EI use, 1992 to 1996**

	Employees in 1997	Frequency			
		Over-all	Occa-sional (1 – 2)	Repeat (3 – 4)	Persis-tent (5)
		%			
<b>Sex</b>					
Men	52	59	55	65	62
Women	48	41	45	35	38
<b>Age</b>					
15 to 19	6	-	1	-	-
20 to 24	11	9	15	5	1
25 to 34	27	30	32	32	20
35 to 44	28	29	26	31	34
45 to 54	20	20	17	21	29
55 to 59	5	6	4	6	9
60 plus	3	5	4	5	7

Sources: Labour Force Survey; Survey of Repeat Use of Employment Insurance

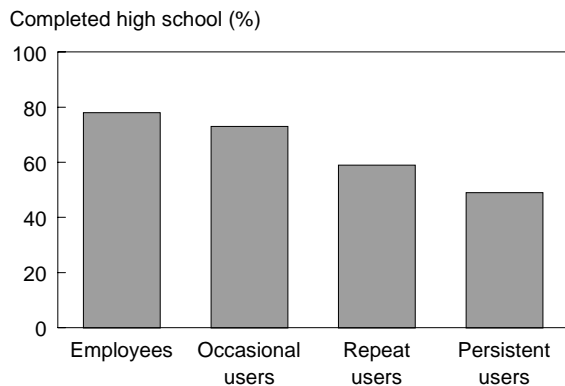
*Lori M. Stratychuk is with the Household Survey Methods Division. She can be reached at (613) 951-0380 or lori.stratychuk@statcan.ca.*



**Repeat users less likely to have completed high school**

An inverse relationship between claims initiated over the five-year period and high school completion is clear (Chart A). Only 49% of persistent EI users had completed high school. The rate increased modestly (to 59%) for repeat EI users. The rate jumped to 73% for occasional users of the EI program, which was still lower than the rate for all employees (78%).

**Chart A: High-frequency claimants were less likely to have completed high school.**



Sources: Labour Force Survey, 1997; Survey of Repeat Use of Employment Insurance

The inverse relationship was not just because of the age distribution of EI claimants—that is, high frequency claimants tended to be older, and older individuals were less likely to have completed high school. The high school completion rate for each age group and EI claim frequency displayed the same pattern (Table 2). The high school completion rate for all employees was always higher than for occasional EI users, which was higher than for repeat EI users, which was higher than for persistent EI users.

**Atlantic Canada and Quebec benefit most**

The Atlantic provinces had proportionately more EI claimants than employees (Table 3). Atlantic Canada accounted for 16% of all regular benefit claims initiated, which was more than twice their share of employees (7%). Their share of repeat users was *more than double* their portion of employees and persistent

**Table 2: Proportion of EI claimants with high school completion**

	Employees in 1997	EI use, 1992 to 1996			
		Overall	Occa-sional	Repeat	Persis-tent
		%			
<b>All ages</b>	<b>78</b>	<b>64</b>	<b>73</b>	<b>59</b>	<b>49</b>
15 to 19	42	38	38	48	--
20 to 24	87	76	79	65	41
25 to 34	87	76	82	70	65
35 to 44	81	65	72	62	54
45 to 54	75	55	63	52	45
55 to 59	59	38	54	31	26
60 plus	55	40	54	34	24

Sources: Labour Force Survey; Survey of Repeat Use of Employment Insurance

users were almost *quadruple*. Quebec also had a disproportionate share of EI claims initiated (34%) relative to its share of paid employment (24%).

The disproportionately high EI claim rates in the Atlantic provinces and Quebec, relative to their share of employees, are not unexpected, given their high unemployment rates. However, the connection between high unemployment rates and high EI claim rates exists because of the regional<sup>2</sup> component of the EI program. As the unemployment rate in an EI region increases, the hours required to qualify for EI diminishes and the maximum duration of benefits increases.

**Seasonal occupations linked to claim rates...**

Given the seasonal nature of certain occupations, individuals in such jobs are more likely to experience a layoff and then apply for EI benefits.<sup>3</sup> The extent to which persons in a particular occupation over-use the EI program can be measured by the ratio of their share of repeat claims to their share of paid employment. If the ratio is one, individuals in the occupation use EI regular benefits no more or less than expected. The more this ratio exceeds one, the more they rely on the EI program.

Employees in fishing and forestry occupations were the most frequent EI users.<sup>4</sup> Their share of regular claims was almost ten times their share of paid employment (Table 4). The construction trades also

### Data sources and definitions

The data come from the 1997 Survey on the Repeat Use of Employment Insurance (EI), a joint project between the Social Research and Demonstration Corporation (SRDC) and Statistics Canada, funded by Human Resources Development Canada (HRDC). The sample consisted of individuals who had had a regular EI claim during the 1996 calendar year. (Regular claims are distinct from maternity, paternal, sickness, job training and fishing benefit claims.)

#### Survey population

Type of claimant	Claims in 1992-1996	'000	%
Occasional	1 or 2	802	50.7
Repeat	3 or 4	477	30.2
Persistent	5	301	19.1

The main objective was to develop a profile of repeat EI users. The survey collected detailed information on the 1997 labour market activities of respondents. In addition, it asked about job search activities, household composition and income, residence, demographics, education and training, and attitude toward employment and unemployment in general. The survey was developed as a result of the Earnings Supplement Project.

Data from the Labour Force Survey provide a benchmark for demographic characteristics. Employees serve as the comparison group, since they are the ones at risk of having an EI claim in the future.

**The Earnings Supplement Project:** As the average length of each unemployment spell increased in the early 1990s, and EI claims outpaced resources, new and innovative ways for promoting employment and reducing unemployment duration were considered. The Earnings Supplement was one of five new employment measures considered by HRDC. Its aim was to test whether a financial incentive would encourage more rapid re-employment of displaced workers (those who had been employed for at least three consecutive years before being laid off), who often bear large adjustment costs. A second component was designed to encourage repeat users of EI to take off-season or year-round jobs. In both cases, unemployed workers who accepted employment at a lower wage than previously, within a specified period, were offered an earnings supplement.

The Earnings Supplement Project was undertaken to determine the effectiveness of this supplement in helping these two groups of EI claimants become re-employed more quickly. HRDC contracted the SRDC, a non-profit organization, to manage the overall project. Statistics Canada was contracted to assist in data collection activities as well as to conduct a follow-up survey. While the data were originally meant to help researchers evaluate the effectiveness of the earnings supplement, such a disproportionately small number of repeat users agreed to participate that the follow-up survey was not administered (Tattrie, 1999). Instead, the Survey on the Repeat Use of Employment Insurance was developed specifically for this group.

**Table 3: EI claimants by region**

	Employees in 1997	EI use, 1992 to 1996				Unemployment rate, 1997
		Overall	Occasional	Repeat	Persistent	
%						
Atlantic	7	16	10	18	27	13.9
Quebec	24	34	29	36	41	11.4
Ontario	38	27	33	23	17	8.4
Prairies	17	12	14	10	8	6.0
British Columbia	14	12	14	12	7	8.4

Sources: Labour Force Survey; Survey of Repeat Use of Employment Insurance

had a disproportionate share of EI claims, with regular EI claims more than triple their share of paid employment. All the other trades (mining, processing, machining, transportation and materials handling) also had a relatively large share of claims relative to employment. Teachers also had a disproportionate share of EI claims. Although their work, as well as the education required, is quite different from all other occupations with an excessive share of regular EI claims, the seasonal nature of their jobs is quite similar.

**Table 4: Claim frequency and duration of EI benefits, 1992 to 1996**

	(A) Emple- yees	(B) EI users	B/A	Claim frequency		Weeks of benefits	
				Mean	Median	Mean	Median
	%						
<b>All occupations</b>	<b>100.0</b>	<b>100.0</b>	--	<b>2.8</b>	<b>3</b>	<b>60.8</b>	<b>70</b>
Managerial, administrative	14.6	5.5	0.4	2.2	3	48.8	56
Natural science	4.4	2.4	0.5	2.4	3	54.0	62
Social science	2.2	1.5	0.7	2.2	3	46.2	39
Religion	0.3	--	--	--	--	--	--
Teaching	5.3	6.7	1.3	3.0	4	45.5	43
Medicine	5.7	2.3	0.4	2.3	3	52.1	54
Artistic	1.7	2.0	1.2	2.6	3	57.6	67
Clerical	16.2	11.1	0.7	2.4	3	52.9	54
Sales	8.7	5.5	0.6	2.0	2	46.8	54
Service	13.1	11.5	0.9	2.7	3	62.3	70
Farming	1.3	4.1	3.2	3.4	4	76.4	90
Fishing	0.1	0.8	8.0	4.1	5	131.8	148
Forestry	0.3	2.6	8.7	3.8	4	95.2	104
Mining	0.5	0.9	1.8	2.9	3	60.7	60
Processing	3.0	4.5	1.5	3.1	4	79.0	94
Machining	1.9	2.8	1.5	2.8	3	61.3	75
Fabricating	8.8	9.1	1.0	2.5	3	50.3	58
Construction	4.2	15.1	3.6	3.5	4	79.3	86
Transportation	3.7	7.1	1.9	3.1	4	62.9	65
Materials handling	2.8	3.3	1.2	2.6	3	59.3	72
Other crafts	1.2	1.0	0.8	2.4	3	52.4	63

Sources: Labour Force Survey, 1997; Survey of Repeat Use of Employment Insurance; Employment Insurance administrative data

Note: Shading indicates occupations with a greater proportion of EI users than employees (B/A > 1).

### ... and claim duration

Whether based on the frequency of claims or the duration of benefits, individuals reporting fishing as their main occupation were the most intense users of EI. Their mean claim frequency was 4.1 between 1992 and 1996. The median number of claims was 5 over the same period, indicating that for the majority it was customary to claim EI benefits *every* year. The median weeks of benefits was 148, hence the majority of those who collected EI in 1996 had spent more time on EI than at work

between 1992 and 1996. Individuals in forestry occupations were the second most intense users of EI, with a claim frequency of 3.8 and 95.2 weeks of benefits.

The occupation groups displayed an interesting pattern in the mean and median number of claims initiated and weeks of benefits (see *Mean and median*). For almost all occupations, the mean was smaller than the median, indicating a skew to the right in the distributions of claims initiated and weeks of benefits. This implies that the majority of EI claimants had

### Mean and median

The mean is the sum of the values of some characteristic divided by the number of individuals with the characteristic. The median represents the "middle" value, where half of the individuals fall below and half above. Using both statistics provides an improved picture of the distribution of the data. In particular, if the median is larger than the mean, then the majority of individuals are actually above the average value.

more than the average number of claims and more than the average number of weeks of benefits.

### Attitudes of repeat EI users

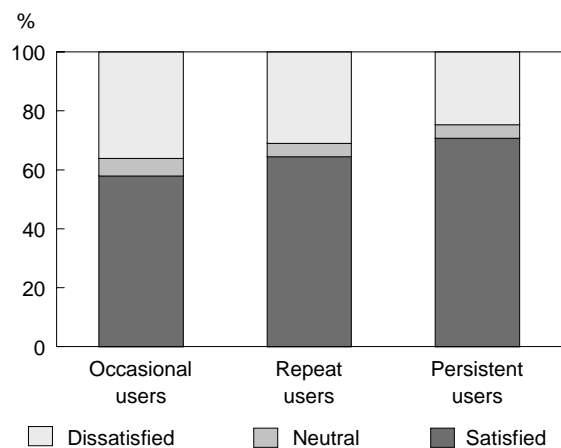
What are the attitudes and opinions of EI claimants? What is the link between the opinions of EI claimants and their claim history? This part of the article looks at these issues.

### Most claimants satisfied with their employment...

The vast majority of regular EI claimants were satisfied with their employment situation in 1997 (Chart B).<sup>5</sup> Moreover, satisfaction with the previous year's employment *increased* with the number of claims. More repeat users than occasional users were satisfied with their employment situation (65% versus 58%), and more persistent users than repeat users were satisfied with their employment situation (71% vs. 65%). One possible explanation is that individuals experiencing one or two claims were not expecting the change in their employment situation. These individuals with a small number of claims were probably more dissatisfied, given their *expectations* of



**Chart B: Satisfaction with the previous year's employment situation increased with claims.**



Source: Survey of Repeat Use of Employment Insurance

employment for the year. On the other hand, individuals who had many claims most likely worked in seasonal industries and were more prepared for changes in their employment situation.

**...and their income**

EI claimants' satisfaction with their income was almost exactly the same as their satisfaction with their employment situation—the majority were satisfied with their previous year's income (Chart C).<sup>6</sup> Again, the proportion satisfied with the previous year's income increased with the number of claims. Just over half (51%) of occasional claimants indicated they were satisfied with the previous year's income, compared with 59% of repeat users and 66% of persistent users. Following the earlier logic, individuals with only one or two claims in the five-year period were likely more surprised by the change in their income, and therefore less satisfied relative to what they *expected* they would earn for the year.

**Claimants willing to change employers...**

Claimants showed very low attachment to their employer (Table 5). The vast majority reported they would be willing to accept a job with another employer doing similar work.<sup>7</sup> Over three-quarters (76%) indicated they would be very likely to switch employers, and an additional 16% indicated they

would be somewhat likely to switch. This sentiment was held almost equally by occasional EI claimants, repeat users and persistent users of the program.

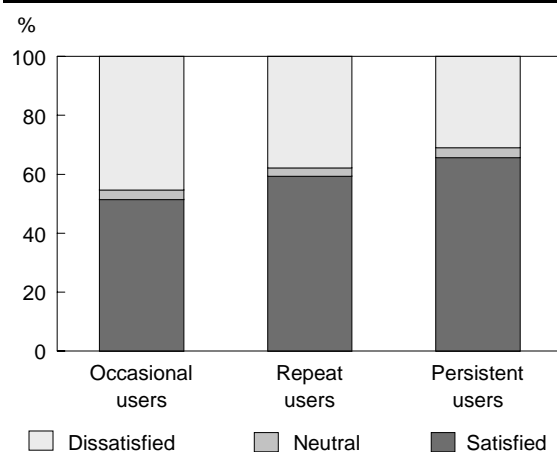
**...and willing to do a different kind of work...**

Claimants showed slightly more attachment to their type of work. Only 16% reported they would be unlikely to accept a job with another employer doing a different kind of work, which is approximately double the proportion who indicated they would be unlikely to accept another job with a different employer but doing a similar kind of work (8%). Their conviction is somewhat diminished—although 84% of claimants indicated they would be likely to accept another job with another employer doing a different kind of work, only two-thirds of these individuals said they would be very likely to do so. Once again, this opinion was invariant by claim history.

**...but not prepared to change province**

In a complete reversal to their willingness to switch employers and type of work, EI claimants showed a strong preference to remain in their province of residence. The majority (56%) said they would be very unlikely to accept a job with another employer doing similar work with similar pay, but in a different province. An additional 20% said they would be somewhat unlikely to do so. As before, the opinion was nearly the same for occasional, repeat and persistent EI users.

**Chart C: Satisfaction with last year's income also increased with claims.**



Source: Survey of Repeat Use of Employment Insurance

**Table 5: Willingness to accept another job**

If laid off with a possible recall sometime in the future, what is the level of willingness to accept another job with...		All users	Occasional users	Repeat users	Persistent users
		%			
<b>different employer</b> , similar kind of work	very likely	76	76	77	73
	somewhat likely	16	16	16	18
	somewhat unlikely	4	4	4	4
	very unlikely	4	5	4	5
<b>different employer, different kind of work</b>	very likely	54	54	55	53
	somewhat likely	30	30	30	31
	somewhat unlikely	9	9	8	9
	very unlikely	7	8	7	7
<b>different employer, similar kind of work with similar pay, different province</b>	very likely	11	11	11	9
	somewhat likely	13	14	14	10
	somewhat unlikely	20	19	21	22
	very unlikely	56	56	54	58

Source: Survey of Repeat Use of Employment Insurance

### Most claimants feel entitled to benefits

Over half (57%) of all claimants felt they were entitled to all of their weeks of benefits, because they “had paid into the program,” with the majority indicating strong agreement (Table 6). This attitude was the same, regardless of claim history.

### No stigma to EI, say most claimants

A considerable majority of claimants (82%) disagreed with the statement, “If I were collecting EI, I would not want my friends to know about it.” A more resounding message comes from the 58% of all claimants who indicated that they strongly disagreed with

**Table 6: Opinions on entitlement to, social stigma attached to, and dependence on EI benefits**

		All users	Occasional users	Repeat users	Persistent users
		%			
“I deserve all my weeks of benefits because I paid into it.”	strongly agree	39	41	37	38
	somewhat agree	18	18	17	17
	neutral	6	6	6	6
	somewhat disagree	16	15	17	16
	strongly disagree	22	20	23	24
“If I were collecting EI, I would not want my friends to know about it.”	strongly agree	5	6	4	4
	somewhat agree	6	7	5	5
	neutral	7	7	7	7
	somewhat disagree	24	25	24	23
	strongly disagree	58	55	60	61
“The kind of work I get means that having to depend on EI from time to time is a fact of life.”	strongly agree	35	25	41	50
	somewhat agree	28	26	30	29
	neutral	5	6	4	3
	somewhat disagree	14	17	12	9
	strongly disagree	19	27	14	8

Source: Survey of Repeat Use of Employment Insurance

this statement. There was also a slight trend for individuals to feel *less* reluctant to admit that they received EI benefits as their claim history increased—55% of occasional users strongly disagreed with the statement, compared with 60% and 61% of repeat and persistent users, respectively.

**Dependence on EI is a fact of life**

The majority of EI claimants agreed that, given the type of work they do, dependence on EI from time to time was a fact of life. This opinion rose perceptibly with claim history—51% of occasional users, 71% of repeat users and 79% of persistent users of the EI program agreed.

**Summary**

Certain demographic characteristics are associated with repeat use of EI. Repeat users tend to be men and to have lower educational attainment. Persons over 35 constitute a disproportionate share of repeat users, as do residents of Atlantic Canada and Quebec.

Certain occupations, specifically the trades and those specific to primary industries, use regular EI benefits more than their share of paid employment would suggest. Based on both claim frequency and claim duration, persons in fishing occupations are the most intense users of EI.

**Changes to the EI program since 1997**

Bill C-12 enacted some extensive changes to the Unemployment Insurance (UI) program in addition to the name change to Employment Insurance (EI). The program was changed from a weeks-based system, to an hours-based one. Effective January 1, 1997, the entrance requirement switched from a given number of weeks, depending on the regional unemployment rate, to the equivalent in hours, assuming a 35-hour work-week (Government of Canada, 1996; HRDC, 1996).

A number of provisions were also implemented, some specifically targeted at repeat users of EI. These include the Divisor, the Intensity Rule, the decrease in benefit duration and the Clawback. The Divisor is a rule that encourages individuals to work two (35-hour equivalent) weeks more than the minimum requirement for their region in order to maximize their weekly benefits. The Intensity Rule results in a decrease in the EI benefit rate (of the *next* regular EI claim) based on past EI claims to a maximum of 5 percentage points, for a minimum rate of 50 percent. Finally, the Clawback forces high-income individuals to pay back a portion of their regular EI benefits at tax time, based on their claim history and their net income. Specifically, individuals with a *net* income of at least \$39,000 and 20 weeks of regular benefits over the previous five-year period (as of June 30, 1996) would see 30 to 100 percent of their benefits taxed back.

**Continued dependence on EI?**

EI administrative files made it possible to follow up on survey respondents to see if they continued to receive regular EI benefits in subsequent years.

More intense users of EI were more likely to claim benefits in the following years. The most striking results are for the persistent users of the EI program. In 1997, the year after the survey and after implementation of the changes to EI, 79% of persistent users had initiated another regular claim. The number of persistent users initiating a claim in 1998 dropped to 60%. Nonetheless, over half of all persistent users initiated regular claims in both 1997 and 1998.

**Continued use of EI in 1997 and 1998**

Claims in 1992-1996	Respondents initiating a regular EI claim in...		
	1997	1998	1997 and 1998
	%		
1	20	16	6
2	34	26	14
3	48	34	22
4	63	46	35
5	79	60	53

Sources: EI administrative data; Survey of Repeat Use of Employment Insurance

The majority of EI claimants were satisfied with their employment and income situation. They expressed a willingness to change employers and type of work. However, they showed strong geographic immobility; the majority felt strongly attached to their current province. Claimants also showed strong feelings of entitlement to their benefits. In addition, very few perceived any social stigma attached to receiving EI benefits, given their expressed lack of reluctance to admit receipt of EI benefits to friends and family.

Finally, the majority felt that given the type of work they do “dependence on EI from time to time is a fact of life.” Furthermore, this feeling increased with claim history. The continued dependence on the program was supported by EI administrative records, which showed a strong link between previous claim history and future use of the EI program (see *Changes to the EI program since 1997*). More than half of those who had an EI claim *every year* from 1992 to 1996 proceeded to have claims in both 1997 and 1998—further evidence of the perseverance of repeat usage of EI.

---

**Perspectives**

---

**■ Notes**

- 1 Known as the Unemployment Insurance (UI) program prior to July 1996.
- 2 The regions used for the EI program are usually census metropolitan areas or a combination of rural areas.
- 3 Occupation is defined by an individual’s main employer in 1997, which is the job they may have returned to *after* an unemployment spell (and their EI claim). It would have been preferable to have the occupation *prior* to the EI claim, however this was not available. Only 90.4% of individuals reported a main occupation in 1997, so the percentages have been proportionately adjusted to sum to 100%. The other 9.6% of respondents consists of 0.2% of individuals that did not state their occupation and 9.4% who did not have an occupation to report in 1997. The figures for employees have similarly been adjusted to sum to 100%.

4 Most fishermen are covered by separate EI benefits and therefore were not part of the sample in this study. Individuals in fishing occupations receiving regular benefits are non self-employed fishermen.

5 The exact wording for the question on the EI claimants level of satisfaction with their employment situation was, “Now thinking about the past year and keeping in mind that you may have been both employed and unemployed during that time, please tell me if you were satisfied or dissatisfied with your employment situation.” The response choices were satisfied, dissatisfied, or neither satisfied nor dissatisfied. Individuals who responded with (dis)satisfied were further probed by asking, “Were you very (dis)satisfied or somewhat (dis)satisfied?” Individuals not answering these questions were excluded from the calculations.

6 The question on satisfaction with income was, “Keeping in mind that your income may have varied over the past year, were you satisfied or dissatisfied **in general** with your income?”

7 The question was, “Thinking of your current (or last, if the individual was unemployed at the time of the survey) job – suppose you are laid off from this job with a possible recall sometime in the future. In the meantime, another employer in your area offers you a similar job, in terms of work and pay. Would you be likely or unlikely to accept this offer?”

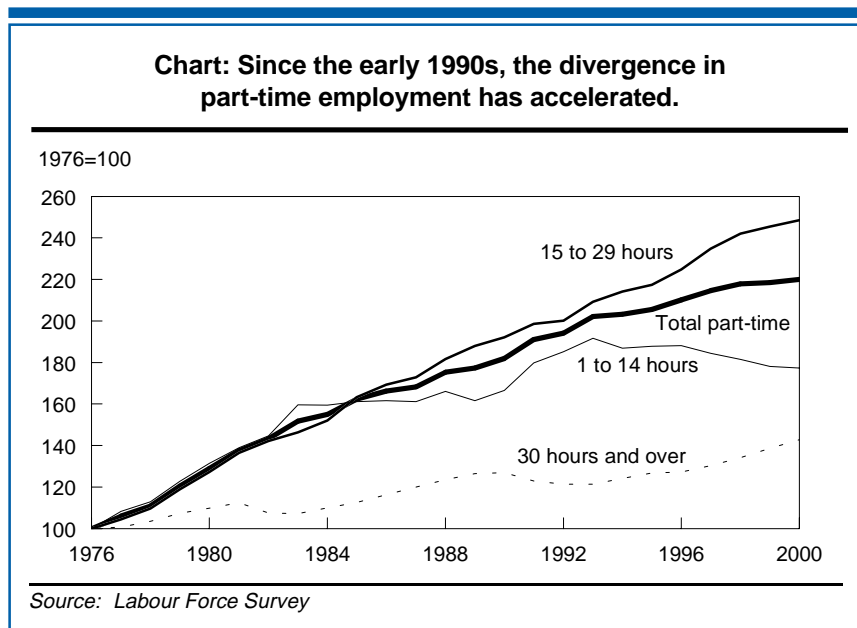
**■ References**

- Government of Canada, “Employment Insurance Act.” *Canada Gazette*, Part III, 1996, Chapter 23.
- Human Resources Development Canada. *A Guide to Employment Insurance*, Ottawa, 1996.
- Tattrie, D. *A Financial Incentive to Encourage Employment among Repeat Users of Employment Insurance: The Earnings Supplement Project*, Social Research and Demonstration Corporation, May 1999.

# Trends in part-time work

*Henry Pold*

For more than two decades the ranks of part-time workers marched steadily onward and upward. Through good times and bad times, the proportion of workers whose usual hours at their main job amounted to less than 30 per week kept climbing (Chart). At the end of the 1990s, however, a plateau seemed to have been reached. In 1999, the seasonally adjusted December estimate of part-time employment actually dropped on a year-over-year basis, but then bounced back somewhat in December 2000. But numbers can conceal as much as they reveal. A closer look at the data shows different trends for short-hour (less than 15) and long-hour (15 to 29) part-time workers.



The overall levelling-off of part-time employment was entirely attributable to a decline among short-hour part-time workers. For those working 15 to 29 hours, the numbers continued their steady upward trend. The number of people working less than 15 hours per week peaked in 1993 and generally declined after 1996. The number working 15 to 29 hours increased every year between 1976 and 2000, more than doubling over the period.

*Henry Pold is with the Labour and Household Surveys Analysis Division. He can be reached at (613) 951-4608 or [henry.pold@statcan.ca](mailto:henry.pold@statcan.ca).*

In 1976, about 13% of workers put in less than 30 hours per week at their main job. By 2000, this had climbed to 18%. The proportion of those working less than 15 hours was virtually unchanged over the period (5% and 6%). The proportion working 15 to 29 hours increased by about half, from less than 8% to more than 12%.

## Business cycle effects

What lies behind the decline in the number of people working less than 15 hours per week? One factor appears to be the business cycle. While long-hour part-time work seems almost immune to it, short-hour part-time is somewhat susceptible. Following the recession of the early 1980s, short-hour part-time employment showed no growth until the end of the decade. And after the recession in the early 1990s, short-hour employment once again plateaued.

The precariousness of short-hour part-time jobs may reflect in part their temporary nature. For example, only 61% were permanent in 2000, compared with 77% of long-hour part-time jobs. Another indication of their vulnerability is the lower rate of unionization, 22% compared with 32% in 2000. (While the figures for job status and unionization are down slightly since 1997—when the data were first collected—it is too early to identify consistent trends.)



**Table 1: Usual hours of work at main job, 2000**

	Total	1 - 14	15 - 29	30 +
	(1976 = 100)			
<b>Both sexes</b>	<b>152.5</b>	<b>177.4</b>	<b>248.6</b>	<b>142.8</b>
15 to 24	90.0	157.8	215.2	63.9
25 to 54	181.8	193.2	280.3	175.0
55 and over	135.9	227.2	222.5	122.4
<b>Men</b>	<b>131.0</b>	<b>190.2</b>	<b>255.2</b>	<b>124.9</b>
15 to 24	85.5	151.8	199.1	65.7
25 to 54	149.6	421.4	446.4	145.3
55 and over	116.8	249.0	224.2	107.7
<b>Women</b>	<b>189.0</b>	<b>171.4</b>	<b>246.0</b>	<b>180.2</b>
15 to 24	95.2	162.7	229.2	61.6
25 to 54	242.1	170.3	258.0	245.7
55 and over	180.2	215.0	221.6	165.7

Source: Labour Force Survey

### Virtually all occupations and industries reflect trend

Between 1987 and 2000,<sup>1</sup> every major occupational group except primary occupations had the highest growth rates for persons working 15 to 29 hours per week (Table 2). The number of workers averaging 15 to 29 hours more than doubled among those in natural and applied sciences, and in government service and religion. In half of the 10 occupation groups, the second highest growth was among those working 30 or more hours, while in the other half the honour went to those working less than 15 hours per week.

In every industry but one, the greatest gains between 1987 and 2000 were found among those working 15 to 29 hours per week (Table 3). The lone exception was agriculture, where employment actually declined. The smallest drop in this industry was among those working the longest hours and the biggest was among

### Changing legislation

Instead of resuming their growth toward the end of the 1990s, short-hour part-time jobs actually began to decline in 1997. Coincidentally, the rules for Employment Insurance (EI) premiums changed in January of that year. Prior to 1997, employers were not obliged to deduct EI premiums if an employee worked less than 15 hours in a week. And if no deduction was made, the employer did not have to pay its share, which is 1.4 times the employee deduction.

### Only older men buck trend

Of the six age-sex groups examined here, only men 55 and older had a lower growth rate for long-hour part-time jobs than for short-hour ones (Table 1). Men 25 to 54 had by far the largest proportional increases in both types of part-time jobs—more than 300% each over the 25-year period.

**Table 2: Employed by usual hours worked and occupation, 2000**

	Usual hours at main job			
	Total	1 - 14	15 - 29	30 +
	(1987 = 100)			
<b>All occupations</b>	<b>121.0</b>	<b>110.0</b>	<b>143.8</b>	<b>119.0</b>
Management	125.1	124.6	169.4	123.7
Business, finance and administrative	112.1	98.4	130.2	111.0
Natural and applied sciences and related	173.9	201.6	240.1	172.0
Health	130.0	116.9	135.5	129.3
Social science, education, government service and religion	140.4	137.9	213.5	133.2
Occupations in art, culture, recreation and sport	143.5	145.6	160.5	139.7
Sales and service	126.7	112.6	145.5	123.6
Trades, transport and equipment operators and related	105.9	107.9	143.2	104.4
Unique to primary industry	90.0	66.3	81.5	93.7
Unique to processing, manufacturing and related	115.8	83.7	127.7	116.0

Source: Labour Force Survey

**Table 3: Employed by usual hours worked and industry, 2000**

	Usual hours at main job			
	Total	1 - 14	15 - 29	30 +
	(1987 = 100)			
<b>All industries</b>	<b>121.0</b>	<b>110.0</b>	<b>143.8</b>	<b>119.0</b>
<b>Goods</b>	<b>105.7</b>	<b>79.3</b>	<b>109.2</b>	<b>106.4</b>
Agriculture	78.1	57.8	70.0	82.5
Forestry, fishing, mining, oil and gas	96.5	110.2	136.1	95.3
Utilities	97.9	--	188.2	97.4
Construction	111.6	119.3	145.9	109.8
Manufacturing	111.8	90.2	126.4	111.8
Durable	119.7	96.4	153.9	119.5
Non-durable	103.1	85.6	111.2	103.2
<b>Services</b>	<b>127.5</b>	<b>115.0</b>	<b>147.8</b>	<b>125.4</b>
Trade	116.6	96.1	131.3	116.0
Wholesale	131.7	134.0	149.4	130.8
Retail	112.6	93.9	130.1	110.7
Transportation and warehousing	122.1	108.9	158.1	119.9
Finance, insurance, real estate and leasing	114.7	97.7	148.0	112.4
Professional, scientific and technical	197.2	163.5	238.9	195.8
Management, administrative and other support	205.3	192.6	210.1	206.1
Education	123.6	136.1	175.5	115.4
Health care and social assistance	132.9	103.7	136.4	134.9
Information, culture and recreation	134.6	147.3	161.8	129.4
Accommodation and food	137.1	127.5	162.8	130.2
Public administration	99.0	79.7	118.5	98.8
Other	110.3	95.3	117.4	111.3

Source: Labour Force Survey

those working the shortest hours. Unlike the growth rates by occupation, the rates by industry were skewed to the longer end. Only five industries (of 18) had greater increases for short-hour part-time workers than for full-time.

### Moonlighters affected

The decline in the number of people working less than 15 hours per week may also help to explain the levelling-off in the rate of multiple jobholding to around 5% in the latter part of the 1990s. It is much easier (and perhaps even necessary) to take on a second job when one

is working less than 15 hours per week than when one is putting in closer to 30 hours. The rate of multiple jobholding jumped from 2.1% in 1976 to a peak of 5.2% in 1997 and then eased to 4.8% in 2000.

### Conclusion

In 1976, for every 10 people working short-hour part-time at their main job, 15 worked long-hour part-time. By 2000 the latter had increased to 20. As a result, the average usual hours worked by part-timers climbed from 15.5 per week in 1976 to 16.9 in 2000.

The continuing growth in the number of people working 15 to 29 hours may reflect the emergence of what could be termed career part-time jobs. Two factors may have contributed to this trend. More women (who have traditionally worked shorter hours) have entered (and stayed) in the labour force, so that most families today comprise dual-career spouses who must juggle family and work responsibilities. In addition, more part-time jobs now offer benefits once reserved for full-time employees.

What cannot easily be determined is the driving force behind the trend. The extent to which more people choose part-time work adds to the supply of such workers (Marshall, 2001). On the other hand, the evolving requirements of employers may also increase the demand for part-time workers.

### Perspectives

#### Note

1 The Labour Force Survey changed its occupation and industry coding systems in 2000, and revisions were taken back only to 1987.

#### Reference

Marshall, K. "Part-time by choice." *Perspectives on Labour and Income* (Statistics Canada, Catalogue no. 75-001-XPE) 13, no. 1 (Spring 2001): 20-27.