EI Reform and Seasonal Workers that Earn Less than $12,000

Final Report

Table of Contents

List of Charts

List of Figures

Executive Summary

In 1996, the Federal Government began phasing in changes to the employment insurance system. One of the important changes to the Employment Insurance (EI) system was the move from a week-based to an hour-based system of accounting for insured earnings. The change to an hour-based system was partially motivated to provide fairer coverage for those workers that worked many hours over fewer weeks. In particular, the change to an hour-based system should be more equitable for seasonal workers that often work many hours over a constrained number of weeks. However, a recent evaluation study found that not all seasonal workers benefited from the change to an hour-based system.[1] In fact, it noted that seasonal workers earning less than $12,000 were adversely affected by EI reforms. Moreover, these individuals were less likely to qualify for EI benefits after EI reforms.

This study investigates the characteristics of seasonal workers earning less than $12,000 and examines why they were unfavorably impacted by EI reforms. It examines the association between the change to an hour-based system and the corresponding decrease in the likelihood that seasonal workers earning less than $12,000 would qualify for EI benefits. It focuses principally on the attributes of seasonal workers that earned less than $12,000 and did not qualify for EI benefits.

Data Sources

The main source of data for this study is the Canadian Out-of-Employment Panel (COEP) survey. COEP provides important information on the socio-economic conditions and other personal and employment related information that was used to develop descriptive statistics.

Main Findings

- About 9.0 percent of all individuals experiencing a job separation are seasonal workers that earned less than $12,000 in the previous year. This represents 58.4 percent of all seasonal workers.

- Approximately 82.1 percent of all seasonal workers are eligible for EI benefits, however, only 76.4 percent of those earning less than $12,000 qualify.

- The likelihood of qualifying for EI benefits decreased 18.6 percent for seasonal workers earning less than $12,000 with the transition to an hour-based system.

---

[1]   See "An Evaluation Overview of Seasonal Employment," Evaluation and Data Development (EDD).

1. Introduction

In 1996, the Federal Government began phasing in changes to the employment insurance system. One of the important changes to the Employment Insurance (EI) system was the transition from a week-based to an hour-based system of accounting for insured earnings. One motivation for this change was to provide fairer coverage for those who worked many hours during constrained seasons or spells of employment. In particular, this new system should be more equitable for seasonal workers that often work many hours over a constrained number of weeks. However, a recent evaluation study on seasonal workers found that not all seasonal workers benefited from the change to an hour-based system.[2]

This study follows up on the findings of the evaluation report and concerns that seasonal workers earning less than $12,000 were unfavorably impacted by EI reforms. In particular, it examines the characteristics of these individuals and analyzes the association between the change to an hour-based system and the corresponding decrease in the likelihood that seasonal workers earning less than $12,000 would qualify for EI benefits. Although individuals earning less than $2,000 are reimbursed all the EI premiums that they pay, the report focuses principally on the attributes of those seasonal workers that earned less than $12,000 and do not qualify for EI benefits regardless of whether or not their premiums are reimbursed.

---

[2] See "An Evaluation Overview of Seasonal Employment," Evaluation and Data Development (EDD), April 2000.

2. Data and Methodology

The key data source used in evaluating the impact of Employment Insurance (EI) reform is the Canadian Out of Employment Panel, (COEP) survey.[3] The COEP survey, administered on behalf of Human Resources Development Canada (HRDC) by Statistics Canada, collects information on the sampled individuals and their households who experienced a job separation as recorded on HRDC's Record of Employment (ROE) administrative file. The survey collects information on individual's personal and household characteristics, reasons for job separation, detailed employment history, job search activities, training, receipt of Employment Insurance/Unemployment Insurance (UI) benefits, social assistance, as well as information on their household's financial situation including assets and liabilities.

Each survey participant was interviewed twice. The first interview (wave 1) occurred within one year after job separation and the second interview (wave 2) was conducted some nine months after the first interview. In total, approximately 40,000 Canadians who had a change or an interruption in their employment activity were surveyed from July 1996, until September 1998 covering 10 quarters. Each of these quarters is referred to as "Cohorts." For example, the COEP data for the period from October 1997 to December 1997 is referred to as Cohort 10. In studying the impact of the reform, the cohorts are grouped into three periods as follows:

Pre-EI reform (Cohort 1 to Cohort 4). Participants for the first four interviews had a job separation in one of the four quarters (i.e., Q3 1995 to Q2 1996) prior to EI implementation.

During EI reform (Cohort 5 to Cohort 6). Participants for the next two interviews had a job separation in one of the two quarters (i.e., Q3 1996 and Q4 1996) during implementation of the EI reform.

Post-EI reform (Cohort 7 to Cohort 10). Participants for the last four interviews had a job separation in one of the four quarters (i.e., Q1 1997 to Q4 1997) after implementation of the EI reform.

For the purposes of this study, the pre-EI reform period is compared to the post-EI reform period as a means of determining the changes associated with EI reform. No analysis was done on the period during the EI reform period, as the implementation of EI reform was not complete and the analysis of this period would be complex. The immediate impact of EI reform will be studied by comparing claimants that experienced a job separation from July 1995 to June 1996 (cohorts 1 to 4) with those who experienced a job separation from January 1997 to December 1997 (cohorts 7 to 10).

---

[3] Statistics Canada refers to this survey as the "Changes in Employment Survey" (CIE).

3. Characteristics of Seasonal Workers that Earn Less than $12,000

There are many ways to measure the level of seasonal work among those who experience job separations. This report uses the same method as that of the evaluation report titled "An Evaluation Overview of Seasonal Employment." The Canadian Out of Employment Panel (COEP) survey asks respondents to identify the type of employment that the Record of Employment (ROE) job would be classified under using the following question:

Were you...

1. A permanent employee
2. A temporary or term employee
3. A seasonal employee
4. On contract
5. Working through a temporary help agency
6. Other
7. Refused
8. Don't know
9. Not stated

It is important to note that there are different methods of measuring the degree of seasonal work such as identifying traditionally seasonal industries. Alternative definitions of seasonal work are likely to yield slightly different results.

Furthermore, for the purposes of this report the terms eligible and qualify are used interchangeably to describe individuals that have accumulated enough hours or weeks to qualify for Employment Insurance (EI) benefits according to the general eligibility requirements of that region. It should be noted that some of these individuals may technically be disqualified from collecting EI due to various reasons, such as returning to school or, in some cases, cheating. For simplicity, the paper also does not take into account the additional restrictions that new entrants/re-entrants have to meet in order to qualify. However, examining the broad sample should provide a reasonable perspective on the affects of EI changes and the attributes of seasonal workers that earn less than $12,000.

The main purpose of this section is to examine the characteristics of seasonal workers that earn less than $12,000. The first part investigates the composition of seasonal workers that earn less than $12,000. It looks at both the basic demographics and employment characteristics of seasonal workers that earn less than $12,000. The second part examines the chances of qualifying for EI benefits given certain demographics or employment characteristics.

A.   The Composition of Seasonal Workers that Earn Less than $12,000

Table 1 examines the characteristics of seasonal workers earning less than $12,000 compared to other seasonal workers. The first row of Table 1 shows those proportions of all of the sampled workers who are seasonal workers. The rest of Table 1 examines the composition of seasonal workers who earn less than $12,000. From this table it can be seen that it is not uncommon for seasonal workers with job separations to have an annual income below $12,000. In fact, that is the case for approximately 58.4 percent (9.0/15.4) of all of the sampled seasonal workers.

Secondly, the table shows that the distributions of demographic and employment characteristics for the seasonal workers who earned less than $12,000 differ for those who did versus those who did not work enough to qualify for benefits. Those eligible for benefits on the basis of the quantity worked have demographic and employment attributes that are more similar to seasonal workers in general.

On the other hand, the 13.6 percent (2.1/15.4) of seasonal workers who earned less than $12,000 and who did not work enough to qualify for benefits have distributions of traits that are markedly different. Compared to seasonal workers earning less than $12,000 that worked enough to be eligible for benefits, this group has higher proportions of those who are young (48.4 percent versus 27.4 percent), those who have some post-secondary education (55.2 percent versus 35.7 percent), and those who are single without children (57.1 percent versus 41.3 percent). They are also considerably more likely to work in the Services industry (58.2 percent versus 47.2 percent), less likely to work in the Primary industries (11.1 percent versus 20.5 percent), and less likely to reside in the Atlantic Provinces (11.4 percent versus 27.8 percent). In addition, a lower proportion report that their ROE job separation was due to a layoff or slowdown (53.8 percent versus 74.9 percent), and more likely to report that it was due to quitting for the purpose of returning to school (17.0 percent versus 7.8 percent) or to take a new job (9.4 percent versus 2.4 percent). Clearly, many of these ineligible workers do not fit the usual regional or industrial or demographic profile of seasonal workers.

|	All Seasonal	Seasonal and Earn Less than $12,000		
Table 1 **Composition of Seasonal Workers** **(95Q3 – 97Q4)[1]** **(percent)**				
	All Seasonal	**All**	**Eligible**	**Ineligible**
Portion of All Respondents	15.4	9.0	6.9	2.1
Gender				
Female	35.3	46.2	43.7	54.2
Male	64.7	53.8	56.3	45.8
Age				
Youth	23.6	32.4	27.4	48.4
Prime	67.4	58.5	62.2	46.4
Old	9.0	9.1	10.3	5.2
Education				
Less than High School	34.6	31.4	35.9	16.6
High School	28.1	26.5	26.7	25.6
Post-Secondary	35.4	40.3	35.7	55.2
Other Education	1.9	1.9	1.7	2.6
Region				
Atlantic	19.8	23.9	27.8	11.4
Quebec	29.3	28.3	30.6	21.0
Ontario	24.8	25.9	21.9	39.0
Prairies	15.4	12.8	11.3	17.8
BC	10.8	9.1	8.5	10.8
Industry				
Primary	18.7	18.3	20.5	11.1
Manufacturing	13.4	14.2	14.3	13.9
Construction	19.4	11.7	12.6	8.7
Services	42.9	49.8	47.2	58.2
Public Service	5.7	6.1	5.5	8.2
Family Type				
Single without Children	40.2	45.0	41.3	57.1
Single with Children	6.4	8.2	7.3	11.1
Married with Children	26.1	22.6	25.1	14.7
Married without Children	27.4	24.2	26.3	17.1
Reason for Job Separation				
End of Contract/Term	8.2	8.8	8.1	11.2
Layoff/Slowdown	73.6	69.9	74.9	53.8
Quit-A New Job	4.1	4.0	2.4	9.4
School	6.9	10.0	7.8	17.0
Other Reasons	7.2	7.3	6.9	8.6

Note:

1. Refers to date of initial job loss and excludes individuals who experienced a job separation from 96 Q3 to 96 Q4, during which EI reforms were being implemented.

Data Source: COEP, EI data file

In order to understand the impact of EI reforms, it is especially important to examine the average number of hours worked per week and the length of employment for those who could versus those who could not qualify for benefits on the basis of how much they have worked. The transition to an hour-based system is likely to have unique impacts depending on these work characteristics.

First of all, it is clear that seasonal workers earning less than $12,000 that did not qualify for EI benefits generally worked fewer hours per week in their last job than those who did qualify. It is particularly interesting that the group of individuals who did not qualify for EI benefits were far more likely to work less than 35 hours per week. In fact, roughly 38.2 percent of those who did not qualify averaged less than 35 hours per week. In comparison, only 16.6 percent of all seasonal respondents averaged fewer than 35 hours per week. Figure 1 illustrates that individuals who did not qualify for EI benefits were far more likely to work under 35 hours per week than those who did qualify for EI benefits.

Figure 1
Distribution of Hours Worked by Seasonal Workers Earning Less than $12,000
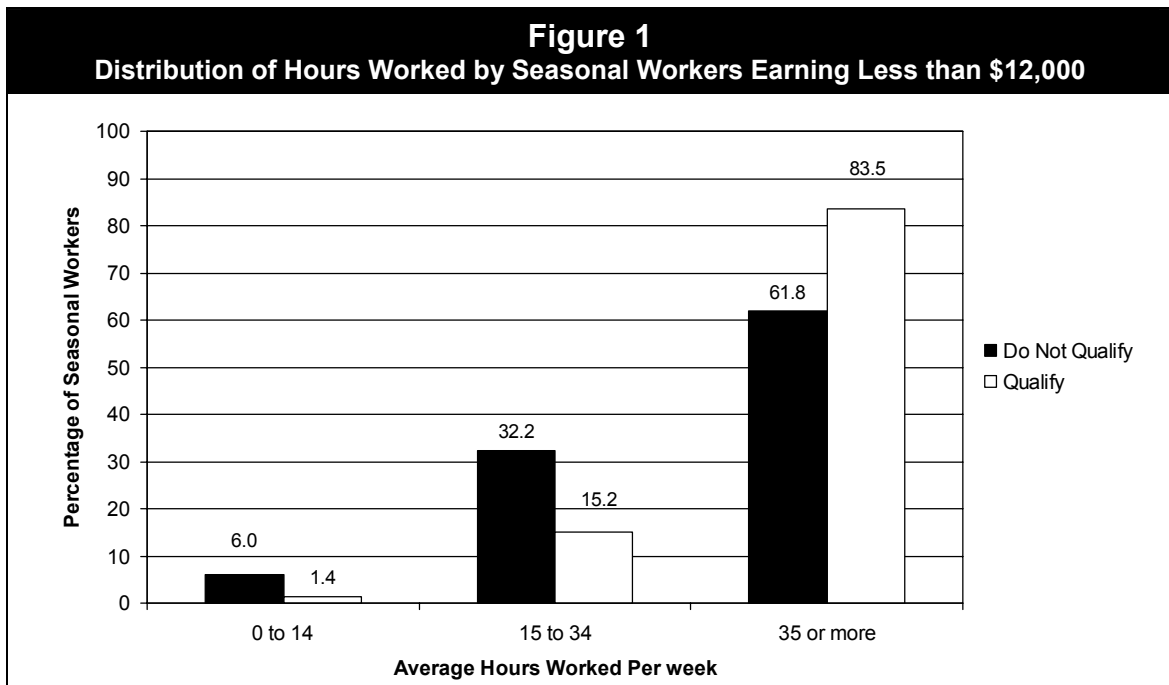
Another key factor determining whether a seasonal worker earning less than $12,000 will qualify for EI benefits is the total number of weeks worked. Many seasonal workers that do not qualify for EI benefits are not only restricted in the number of hours they work per week but are also constrained to a very brief employment period. In fact, approximately 59.3 percent of seasonal workers earning less than $12,000 that do not qualify for EI benefits worked 15 weeks or less in their last job. In contrast, only 24.3 percent of those who were eligible worked less than 15 weeks. Figure 2 shows that seasonal workers earning less than $12,000 that do not qualify for EI benefits are far more likely to work less than 15 weeks in their last ROE job.

Figure 2
Distribution of Weeks Worked by Seasonal Workers Earning Less than $12,000
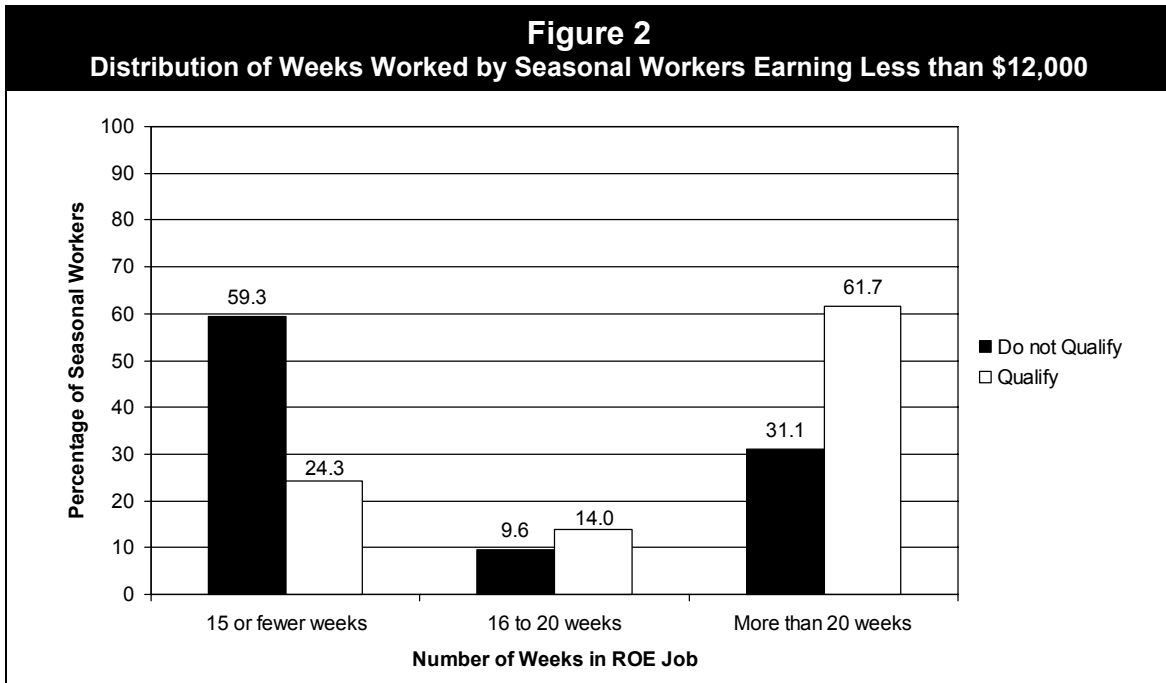
These two important employment characteristics not only explain why certain individuals do not qualify for EI benefits but also provides insight as to why they are unfavourably affected by EI reforms. Seasonal workers earning less than $12,000 that do not qualify for EI benefits generally work fewer hours per week and fewer total weeks than those who do qualify. Moreover, the combination of these employment characteristics may magnify the impact of the move from a week-based system to an hour-based system. Table 2 provides a summary of these employment characteristics.

Table 2
Employment Characteristics of Seasonal Workers
(95Q3 – 97Q4)[1]
(percent)

	All	Earning Less than $12,000		
		All	Eligible	Ineligible
Average Hours Worked per Week				
0 to 14	1.9	2.4	1.4	6.0
15 to 34	14.4	19.2	15.2	32.2
35 or more	83.7	78.4	83.5	61.8
Average Number of Weeks Worked				
15 or fewer weeks	25.6	32.6	24.3	59.3
16 to 20 weeks	11.0	12.9	14.0	9.6
More than 20 weeks	63.4	54.5	61.7	31.1

Note:

1. Refers to date of initial job loss and excludes individuals who experienced a job separation from 96 Q3 to 96 Q4, during which EI reforms were being implemented.

Data Source: COEP, EI data file

B. The Rate of Qualifying for EI Benefits among Seasonal Workers that Earn Less than $12,000

This section measures the percentage of individuals in a given category that qualify for EI benefits. Even though a large percentage of seasonal workers earned less than $12,000, the majority of these seasonal workers were eligible for EI benefits. However, examining the rate at which certain groups of individuals qualify for EI benefits helps to identify those least likely to qualify for EI benefits and possibly those most affected by the change to an hour-based system.

For the most part, Table 3 reiterates and supports the analysis of the previous section. First of all, it shows that seasonal workers earning less than $12,000 are less likely to be eligible for EI benefits than other seasonal workers. Overall, 76.4 percent of seasonal workers earning less than $12,000 and experiencing a job separation had worked enough to qualify for benefits compared to 82.1 percent of all seasonal workers. Certain categories of seasonal workers earning less than $12,000 were substantially less likely to qualify for benefits such as youth (64.7 percent), those with some post-secondary education (67.6 percent), those in Ontario (64.5 percent) or the Prairies (67.3 percent), those in the Public Services (68.4 percent), and unmarried workers (68.3 percent to 70.2 percent).

Indeed, the lowest eligibility rates occur for those who quit their last job to start another job or to return to school. In fact, only 45.3 percent of individuals who quit because they have a new job were eligible for benefits based on their previous work records, and just 59.6 percent of individuals returning to school could qualify for benefits on this basis. Of course, workers who quit their jobs to take new ones or return to school would not collect benefits, under either the old Unemployment Insurance (UI) or the new Employment Insurance (EI).

Also note that seasonal workers earning less than $12,000 that did not work in traditional seasonal industries or regions were less likely to qualify for benefits than those in the seasonal industries or those in the regions where seasonal work is more prevalent.

Table 3 Basic Demographics: Percentage of Seasonal Workers that Qualify for Benefits (95Q3 – 97Q4)[1] (percent)		
	All	**Earn Less than $12,000**
Total	82.1	76.4
Gender		
Female	75.7	72.3
Male	85.7	79.9
Age		
Youth	68.0	64.7
Prime	86.3	81.3
Old	88.2	86.5
Education		
Less than High School	89.2	87.5
High School	82.3	77.1
Post-Secondary	75.2	67.6
Other Education	79.5	67.9
Region		
Atlantic	90.4	88.7
Quebec	87.5	82.5
Ontario	72.9	64.5
Prairies	76.9	67.3
BC	81.0	71.8
Industry		
Primary	87.5	85.7
Manufacturing	81.6	76.9
Construction	89.9	82.5
Services	77.6	72.4
Public Services	74.0	68.4
Family Type		
Single without Children	76.1	70.2
Single with Children	73.6	68.3
Married without Children	88.3	83.3
Married with Children	87.2	84.7
Reason for Job Separation		
End of Contract/Term	76.6	70.0
Layoff/Slowdown	86.9	81.9
Quit-A New Job	60.2	45.3
School	63.2	59.6
Other Reasons	70.5	72.1
Note:		
1. Refers to date of initial job loss and excludes individuals who experienced a job separation from 96 Q3 to 96 Q4, during which EI reforms were being implemented.		
Data Source: COEP, EI data file		

Table 4 shows that employment characteristics such as the length of the job and the average number of hours worked per week are considerably different between those who qualify for EI benefits and those who do not. It is obvious from the following table that the fewer hours that an individual works per week and the fewer weeks that an individual works per year, the less likely they are to qualify for EI benefits.

Table 4 Percentage of Seasonal Workers that Qualify for EI Benefits (95Q3 – 97Q4)[1] (percent)		
	All	**Earn Less than $12,000**
Average Number of Hours Worked per Week		
0 to 14	50.1	42.2
15 to 34	64.5	60.5
35 or more	86.1	81.5
Average Number of Weeks Worked		
15 or fewer weeks	59.8	57.0
16 to 20 weeks	84.7	82.4
More than 20 weeks	90.6	86.5
Note: 1. Refers to date of initial job loss and excludes individuals who experienced a job separation from 96 Q3 to 96 Q4, during which EI reforms were being implemented. Data Source: COEP, EI data file		

4. Employment Insurance (EI) Reform

The following section examines factors that influence the probability that a seasonal worker will qualify for Employment Insurance (EI) benefits. Specifically, it concentrates on how the transition to an hour-based system affected individuals with different employment characteristics. Although the main focus is on the effects of the move to an hour-based system, this portion also considers the impact of various demographic characteristics on the likelihood of qualifying for EI benefits.

Table 5 displays the results of a probit model which estimates the probability that an individual will qualify for EI benefits. The sample is restricted to seasonal workers that experienced a Record of Employment (ROE) job separation in the period from 1995 to 1997, excluding quarters 3 and 4 of 1996. The first segment of the table examines how certain employment characteristics affect the probability of qualifying for EI benefits. The second section of the table analyzes the impact of EI reforms on seasonal workers earning less than $12,000. Finally, the last portion examines how demographic factors influence the probability of qualifying for EI benefits.

The first segment shows that employment characteristics such as the level of income, the number of hours worked, the number of weeks worked, and the regional unemployment rate are all important factors in determining the likelihood of qualifying. In particular, it shows that seasonal workers earning less than $12,000 are 7.7 percent less likely to qualify for EI benefits than those who earn over $12,000. Additionally, the table shows that seasonal workers that work less than 35 hours are at least 0.4 percent less likely to qualify for EI benefits than those who work 35 hours per week. Furthermore, each week that an individual works increases the likelihood of qualifying for EI benefits by 0.5 percent. Finally, individuals in high unemployment regions are more likely to qualify for EI benefits than seasonal workers residing in low unemployment regions. A percentage point increase in the regional unemployment rate corresponded with a 1.1 percent improvement in the probability of qualifying for EI benefits.

The second part of the table examines the impact of EI reform on seasonal workers earning less than $12,000. Overall, the table shows that seasonal workers earning less than $12,000 experienced an 18.6 percent decrease in the likelihood of qualifying for EI benefits after EI reforms. However, individuals that worked more weeks, averaged more hours per week or worked in high unemployment regions were more likely to qualify for EI benefits than other seasonal workers that earned less than $12,000. For instance, the probability of qualifying for EI benefits increased by 0.3 percent for each additional week worked or one hour increase in the average weekly hours worked (above 35 hours) after EI reform. Further, individuals working in high unemployment regions were at least 0.5 percent more likely to qualify for EI benefits after EI reform (a 1.0 percent difference in the unemployment rate corresponded to a 0.5 percent increased probability of qualifying for EI benefits).

Finally, the last section of the table considers some of the basic demographic factors that affect the probability of qualifying for EI benefits. In general, it supports much of the analysis provided in earlier sections. It shows that gender, region, family type, education, industry and the reason for the job separation are all important factors. The table shows that seasonal workers that were male, from regions besides Ontario, married, were less likely to have a post-secondary education, worked in the construction industry, or did not quit due to new employment were more likely to qualify for EI benefits. First of all, male seasonal workers are 3.4 percent more likely to qualify for EI benefits than female seasonal workers. Secondly, seasonal workers in Ontario are the least likely to qualify for EI benefits. In particular, seasonal workers in Atlantic Canada and Quebec are 5.6 and 7.4 percent more likely to qualify for EI benefits than seasonal workers in Ontario. Thirdly, single individuals were less likely to qualify for EI benefits than seasonal workers that are married. Single individuals with children were 6.1 percent less likely to qualify than married individuals without children while single individuals without children were 3.9 percent less likely. Fourthly, seasonal workers with post-secondary education were less likely to qualify for EI benefits than those who had less than high school. Fifthly, seasonal workers that work in the primary and construction industry are 2.8 and 3.7 percent more likely to qualify for EI benefits than those in the public service. Finally, seasonal workers that had job separations due to injury, illness or disability were the most likely to qualify for EI benefits while those who acquired a new job, retired or were dismissed were the least likely to qualify.

Table 5 Probit Analysis: Probability that a Seasonal Worker will Qualify for EI Benefits (95Q3 – 97Q4)[1]										
	Regression 1		Regression 2		Regression 3		Regression 4		Regression 5	
	percent Impact	P-Value	percent Impact	P-Value	percent Impact	P-Value	percent Impact	P-Value	percent Impact	P-Value
Employment Characteristics										
Level of Income										
Less than $12,000	-14.6	0.00	-13.5	0.00	-8.7	0.00	-9.5	0.00	-7.7	0.00
More than $12,000 (Control)	…	…	…	…	…	…	…	…	…	…
Number of Hours Worked Per Week										
More than 35			0.0	0.45	0.0	0.27	0.0	0.87	0.0	0.66
35 Hours (Control)			…	…	…	…	…	…	…	…
Less than 35 Hours			-0.9	0.00	-0.9	0.00	-0.7	0.00	-0.4	0.00
Total Number of Weeks Worked					0.6	0.00	0.6	0.00	0.5	0.00
Unemployment Rate							1.8	0.00	1.1	0.00
Impact of EI Reform on those Earning Less than $12,000										
Level of Income										
Less than $12,000	-3.0	0.01	-6.0	0.00	-13.3	0.00	-18.3	0.00	-18.6	0.00
More than $12,000 (Control)	…	…	…	…	…	…	…	…	…	…
Number of Hours Worked Per Week										
More than 35			0.3	0.00	0.3	0.00	0.3	0.00	0.3	0.00
35 Hours (Control)			…	…	…	…	…	…	…	…
Less than 35 Hours			0.1	0.53	-0.1	0.76	0.0	1.00	-0.1	0.66
Total Number of Weeks Worked					0.3	0.00	0.3	0.00	0.3	0.00
Unemployment Rate							0.4	0.09	0.5	0.06

	Regression 1		Regression 2		Regression 3		Regression 4		Regression 5	
Table 5 (Cont.) **Probit Analysis: Probability that a Seasonal Worker will Qualify for EI Benefits** **(95Q3 – 97Q4)[1]**										
	percent Impact	P-Value	percent Impact	P-Value	percent Impact	P-Value	percent Impact	P-Value	percent Impact	P-Value
Basic Demographics										
Gender										
Male									3.4	0.00
Female (Control)									…	…
Region										
Atlantic									5.6	0.00
Quebec									7.4	0.00
Ontario (Control)									…	…
Prairies									2.2	0.08
BC									2.6	0.08
Family Type										
Single with Children									-6.1	0.00
Single without Children									-3.9	0.00
Married with Children									0.1	0.93
Married without Children (Control)									…	…
Education										
Less than High School (Control)									…	…
High School									-1.8	0.15
Post-Secondary									-2.5	0.04
Other Education									-10.6	0.01
Reason for Job Separation										
End of Term or Contract									-0.6	0.69
Layoff (Control)									…	…
Quit due to New Employment									-14.3	0.00
Quit due to Work Conditions									-5.8	0.37
Quit for Other Reasons									-4.4	0.35
Illness, Injury, or Disability									8.6	0.03
Maternity									3.8	0.73
Personal Reasons									5.5	0.24
Return to School									0.8	0.61
Retire									-33.2	0.02
Dismissed									-23.5	0.00
Other ROE Reason									-3.3	0.25
Age										
Youth									-2.1	0.31
Prime									-1.6	0.36
Old (Control)									…	…
Industry										
Primary									2.8	0.13
Manufacturing									-1.6	0.44
Construction									3.7	0.05
Service									1.8	0.29
Public Service (Control)									…	…
Log Likelihood	-2,940.8		-2,817.8		-2,535.6		-2,297.6		-2,200.6	
Sample Size	6,701		6,554		6,481		6,189		6,135	

Note:

1. Refers to date of initial job loss and excludes individuals who experienced a job separation from 96 Q3 to 96 Q4, during which EI reforms were being implemented.

Data Source: COEP, EI data file

EI Reform and Seasonal Workers that Earn Less than $12,000

5. Conclusions

Seasonal workers that earn less than $12,000 and do not qualify for Employment Insurance (EI) benefits appear to represent a unique group of individuals that have many characteristics that are often not associated with traditional seasonal workers. In fact, most individuals that do not qualify appear to be young, single, and have some post-secondary education. Furthermore, it is interesting to note that seasonal workers that earn less than $12,000 are more likely to qualify for EI benefits if they are working in traditional seasonal industries and regions.

More importantly, seasonal workers earning less than $12,000 were adversely affected by EI reforms because those that do not qualify work fewer hours per week and fewer weeks in total than seasonal workers in general. Those most affected by EI reforms were those who were often limited to employment periods that were less than 15 weeks, worked in jobs that averaged fewer than 35 hours per week or worked in low unemployment regions.

Technical Notes

1. All tables include data from July 1995 to June 1996 (cohorts 1 to 4) and January 1997 to December 1997 (cohorts 7 to 10). Data from July 1996 to December 1996 (cohorts 5 and 6) were excluded because reforms were phased in during this period. Data for January 1998 to June 1998 (cohorts 11 and 12) were unavailable.

2. For further information on how seasonal workers are defined and how the level of seasonal activity is measured, see "An Evaluation Overview of Seasonal Employment" by EDD, Strategic Evaluation and Monitoring, April 2000.

3. The report includes individuals that list "returning to school" as the ROE reason even though this technically eliminates the chances of collecting EI benefits. However, it is difficult to measure precisely how many individuals actually experience ROE job separations due to schooling. For example, some summer students that work part-time during the year will indicate that the reason for the ROE is due to a new job or the end of a contract. Therefore, it is difficult to measure the percentage of individuals that actually have job separations due to school.

4. The total length of the ROE job and the average hours worked per week are estimates based on data from the COEP survey and the ROE. The total length of the ROE job is estimated by the respondent in the COEP survey through questions asked to discover the start date, end date, and number of weeks absent in the ROE job. The average number of hours worked per week is calculated by dividing the estimated total number of weeks worked as by the number of insurable hours indicated by the ROE. Although individuals were asked to provide the best estimate possible for the duration of the ROE job and the length of total absences, it is still possible that individuals may have forgotten or miscalculated the length or number of their absences. However, in general this should provide a relatively accurate measurement for the number of weeks worked and the average number of hours worked per week.