

highlights

a weekly digest of recently released British Columbia statistics

The Economy

- **Wages, salaries and benefits earned by workers in BC fell 0.8% (seasonally adjusted) between April and May.** Labour income decreased more moderately at the national level (-0.2%), with total earnings down in six of the twelve regions. BC (-0.8%) and PEI (-0.7%) posted the largest declines. Manitoba (+0.8%), Saskatchewan (+0.8%) and Newfoundland (+0.6%) were the only regions where labour income increased significantly in May.

During the first five months of the year, labour income in BC rose 1.9%, less than in any other region except PEI (+1.9%), Yukon (+0.6%) and NWT (-0.6%). Nationally, labour income was up 3.7% year to date, with increases in other regions ranging from 2.6% in Quebec to 6.5% in Alberta.

Source: Statistics Canada

- **New car and truck sales in the province were below last year's levels for the sixth straight month in June (-3.5%).** BC and Saskatchewan (-0.8%) were the only provinces where new vehicle sales were lower than in June 1997. Nationally, sales were up 12.1%. Five provinces posted double-digit gains, which ranged from 11.2% in Newfoundland to 18.8% in New Brunswick. Sales declined or rose more moderately in the four western provinces.

New vehicle sales in BC were 8.6% lower in the first six months of this year than in the same period of 1997. Sales have also softened in Saskatchewan (-7.4%), Manitoba (-4.0%) and PEI (-0.4%). Nationally, new vehicle sales were up 5.0% year-to-date. New Brunswick (+12.1%) and Ontario (+8.4%) recorded the largest increases.

Source: Statistics Canada

- **Consumer bankruptcies in the province rose sharply in May, increasing to 22.6% above the May 1997 level.** A change in the Act governing bankruptcies came into effect May 1. The value of personal property exempt from seizure was increased from \$2,000 to a potential maximum of \$31,000. This has almost certainly had an effect on the number of bankruptcies recorded in the province, as consumers facing bankruptcy may have postponed proceedings until May in order to benefit from the higher exemption level. There were 798 bankruptcies registered in BC in May, compared to 516 in the previous month.

Prior to May, consumer bankruptcies in the province had been falling, and year-to-date, were down 8.0% from the first five months of 1997. The decline was part of a nation-wide trend which has seen the number of consumer bankruptcies in Canada decrease 11.2% during the first five months of this year. Bankruptcies were down in all parts of the country except Atlantic Canada.

Source: Industry Canada

- **Business bankruptcies in BC also rose in May, increasing 21.8% on a year-over-year basis.** The increase in business bankruptcies, which was the first this year, may be related to the change in the regulations governing bankruptcies. Nationally, the number of business bankruptcies was down 19.7%, with all provinces except BC and Manitoba (+9.5%) showing declines.

Source: Industry Canada

Housing

- **New house prices in Vancouver and Victoria continued to drop in June.** In Victoria, the new housing price index (NHPI) was 7.1% lower than

Did you know...?

About eight percent of lone-parent families in BC are headed by men.

in June 1997, while Vancouver posted a 5.6% decline. Nationally, the NHPI was up 1.0%, as new house prices rose in all but five of the 21 cities surveyed. Calgary (+8.2%) led the way, with prices increasing more than twice as much as in second-place Edmonton (+3.9%).

New house prices began to fall in mid-1994 at both the national and provincial levels. However, Canadian house prices have been rising since the beginning of last year, reflecting the effects of increased consumer confidence, low interest rates, and strong resale activity, especially in the Prairies and Ontario. Canadian new house prices are currently at about the same level as in 1992. However, house prices in Victoria and Vancouver have fallen steadily. New house prices in Victoria are currently 22% lower than in 1992, while the cumulative decline in Vancouver is 12%.

Source: Statistics Canada

- **MLS sales of existing homes in British Columbia rose for the third straight month in June, increasing to 2.2% (seasonally adjusted) above the May level.** Sales were up only 0.5% nationally, as a downturn in Ontario (-1.3%) and weak growth in Quebec (+0.3%) offset gains made in other parts of the country. Newfoundland led the way, with existing home sales up 14.9% from the previous month. Nova Scotia (+5.8%), New Brunswick (+5.3%) and Alberta (+3.5%) also recorded above-average increases. *Source: Canadian Real Estate Association*
- **In BC, 5,288 existing homes with an average value of \$215,045 changed hands in June.** While the number of (unadjusted) MLS sales was 12.9% lower than a year earlier, some regions of the province saw significant increases in housing resale activity. Northern BC (+21.6%), Kootenay (+19.0%), Kamloops (+15.0%) and Okanagan-Mainline (+13.1%) all posted double-digit gains. However, housing resale activity in all other parts of the province was down, with Greater Vancouver (-23.3%) showing the largest drop. Year-to-date, the number of homes sold in Greater Vancouver was a third lower (-33.2%) than in the first six months of 1997. This compares to a 26.1% decrease for all of BC, and a 6.7% decline nationally. *Source: Canadian Real Estate Association*

- **Housing starts in British Columbia fell 3.8% (seasonally adjusted) between June and July.** Housing starts were also off nationally (-6.5%), as the number of starts in Ontario (-14.1%) and Quebec (-10.6%) continued to decline. Starts were also down in Manitoba (-9.4%) and PEI (-50.0%), but increased or were unchanged from June in the rest of the country.

Source: Canada Mortgage and Housing Corporation

Tourism

- **Passenger traffic through Vancouver International Airport increased 4.9% in June, relative to the same month last year.** The airport was used by 1.4 million passengers, half (744,500) of whom were travelling on domestic flights. Transborder traffic (travel between Canada and the US) was up sharply, increasing 12.3% to 375,100.

Source: Vancouver Airport Authority

Children in Families

- **Children in British Columbia are more likely than other Canadian children to be living in step-families or families headed by a lone parent.** In 1994-95, 10.8% of BC children* between the ages of 0 and 11 were living in step-families, 17.9% were in families headed by a lone parent, and 71.2% were living in intact families (with both their parents). The comparable Canadian figures were 8.6%, 15.7%, and 75.7%, respectively. In the rest of the country, the percentage of intact families ranged from 74.6% in Atlantic Canada to 76.6% in the Prairies. (*Children in families participating in the National Longitudinal Survey of Children and Youth).

Thirty years ago, more than 90% of Canadian children were born into families where their parents were both in a first marriage and had not lived together with each other, or anyone else, prior to their marriage. In 1993/94, about 80% of children born in BC were born into a family where their parents were married. More than half of these marriages were preceded by a common-law union. *Source: SC, Catalogue 89-566-XI*

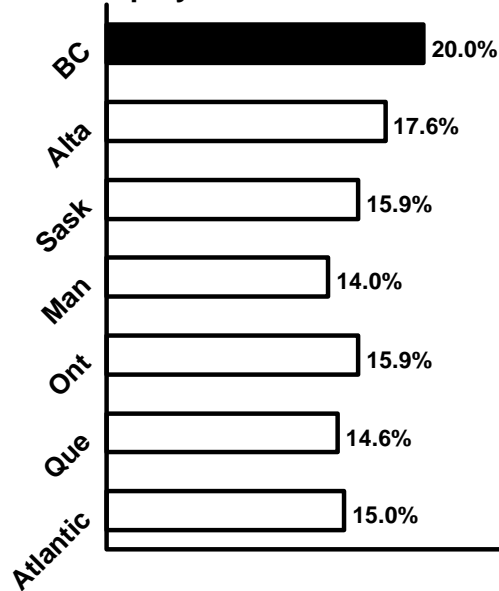
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BC Non-Agricultural Self-Employment Still Canada's Highest in 1997

% of workers
self-employed



BC STATS

A More Entrepreneurial Province

British Columbia has a larger portion of self-employed people in its non-agricultural workforce than any other province. The ongoing trend to self-employment is changing the way business is conducted in some industries, with salaried workers being replaced by independent self-employed contract workers.

Excluding agricultural workers, 20.0 per cent of all British Columbia working people in 1997 were listed as self-employed in their main job. This compared to an average of 15.6 per cent for the rest of Canada with percentages in individual provinces ranging from 14.0 per cent in Manitoba to 17.6 per cent in Alberta. The comparison has changed little since the 1980s. Ten years ago the proportion of non-agricultural self-employed workers in the Brit-

ish Columbia workforce was already higher than in other provinces – 15.7 per cent, compared to 11.4 per cent in the rest of Canada.

If the largely self-employed agricultural industry is included, British Columbia lags Saskatchewan and Alberta in terms of the proportion of self-employment in its workforce. The two prairie provinces included 58 thousand and 68 thousand agricultural self-employed people, respectively in 1997. In British Columbia there were 18 thousand self-employed agricultural workers.

Some Well Established Trends

The rate of self-employment (the number of self-employed people expressed as a percentage of the total number of people working) has been rising almost everywhere in Canada since the late 1970s. All individual provinces showed gains in their non-agricultural self-employment rates over this period.

The fastest growing group of self-employed have been the 'own account workers' – individual self-employed people with no employees of their own. In 1976 there were about the same number of self-employed without paid workers in British Columbia as there were self-employed with paid workers – 64 thousand. Both groups have grown since, but by far the strongest growth has been for the own account workers. By 1997 their numbers had increased more than threefold, to 237 thousand, as numbers of self-employed with paid workers doubled to 136 thousand.

	British Columbia						1977 to 1997	
	1997 number of employees (^{'000})	1997 number of self-emp'd (^{'000})	1997 total employed (^{'000})	1997 per cent unionised	1997 per cent self-emp'd	1976 per cent self-emp'd	average annual % increase employees	self-emp'd
Total	1,459	379	1,838	36.8%	20.6%	12.5%	2.2%	5.2%
Agriculture	15	18	33	0.0%	54.4%	52.7%	3.3%	4.4%
Other primary	41	13	54	45.3%	24.2%	11.0%	0.6%	6.2%
Manufacturing	185	16	201	42.6%	7.9%	4.1%	0.6%	5.1%
Construction	73	56	129	27.3%	43.3%	29.4%	1.8%	4.8%
Utilities	13	0	13	67.2%	0.0%	0.0%	1.1%	0.0%
Transp, storage, commun.	114	19	134	60.2%	14.4%	6.7%	1.1%	6.4%
Trade	257	66	323	15.6%	20.5%	15.8%	2.2%	3.8%
Finance, insurance, real estate	81	25	106	15.6%	23.4%	7.5%	1.8%	10.6%
Services-Business, personal, etc.	588	166	754	37.5%	22.0%	14.9%	4.1%	6.7%
Business services	85	53	138	7.4%	38.7%	23.5%	5.5%	9.5%
Educational services	122	7	129	72.0%	5.4%	3.0%	2.7%	9.3%
Health & Social services	168	25	193	58.5%	13.1%	6.6%	4.4%	9.8%
Accomm. & food services	132	15	147	11.7%	10.5%	11.3%	4.7%	5.8%
Other services	82	65	147	15.9%	44.0%	40.2%	4.8%	5.9%
Public Administration	91	0	91	75.0%	0.0%	0.0%	1.3%	0.0%

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There have always been more self-employed men than women, but the gap has been closing steadily since the mid 1970s. In 1976, the 36 thousand self-employed women in British Columbia accounted for 26.6 per cent of all self-employed people in the province. By 1997, there were 137 thousand self-employed women, accounting for 36.1 per cent of the total.

Broader Implications

Self-employment trends are linked to changes in the social, economic and industrial makeup of the province.

The number of self-employed people in British Columbia has grown as some industries have shifted to greater use of contract labour. From a business perspective, incentives for this can include staffing flexibility and elimination of

costs associated with employee benefit packages. From the point of view of the self-employed, the advantages can include independence and flexibility of work arrangements. But in many cases it may simply be a case of there being no other employment options.

In the business services industry, increased use of self-employed labour has driven a traditionally high rate of self-employment even higher. The industry added 44 thousand self-employed people to the British Columbia workforce between 1976 and 1997, as its self-employment rate climbed from 23.5 per cent to 38.7 per cent, and its total workforce (employees plus self-employed) expanded 255.7 per cent.

Construction is another industry that has added a great many self-employed people to the provincial workforce in the 1980s and 1990s. The number of self-employed construction workers in British Columbia has

swung up and down with building booms drawing in mobile workers from other provinces in time of growth, and then losing them as building activity has slowed. But the clear long term trend in the industry has been to strong employment growth. There were 24 thousand self-employed construction workers in British Columbia in 1976. In 1997 the figure was up to 56 thousand.


The number of construction workers taken on as employees has also grown, but not as quickly. The faster pace of growth for self-employed construction workers is reflected in rising self-employment rates for the industry, up from 29.4 per cent in 1976 to 43.3 per cent in 1997. Construction is now much more reliant on self-employed workers than other industries. By comparison, the self-employment rate for the economy as a whole, including all industries, was 12.5 per cent in 1976 and 20.6 per cent in 1997.

British Columbia is not the only province where changes in industrial makeup have favoured the growth of self-employment. Because these developments have also occurred in other provinces, they do not explain why British Columbia should have Canada's highest rate of non-agricultural self-employment. The explanation for that may be in the province's substantial inflows of immigrants (from other countries) and migrants (from other provinces). Both immigrants and migrants appear more willing and able than most people to accept the long hours and risk of small business operation in exchange for the flexibility, and perhaps also for the opportunity to create paid work for family members. In some cases they may also find small business op-

eration the only employment option open to them if they are to settle in British Columbia.

British Columbians' high rates of self-employment are reflected in their Registered Retirement Savings Plan (RRSP) contributions. British Columbia RRSP contributors paid larger amounts into their retirement funds, on average, than citizens of any other province – an average of \$3,875 per contributor in 1995, compared to \$3,537 for Canada as a whole. This is consistent with the province's status as the most self-employed part of Canada, when agriculture is excluded. Self-employed people necessarily rely more heavily on RRSPs for their retirement saving than people with employer supported pension plans.

Although British Columbia RRSP contributors contributed larger amounts on average in 1995 than contributors in other provinces, there were proportionately fewer taxfilers contributing to RRSPs here than in Saskatchewan and Alberta. Again, self-employment patterns offer some explanation for this. The large agricultural industries of the two prairie provinces support substantial numbers of independent farmers for whom RRSPs can provide the independent tax sheltered retirement funds needed by all self-employed people. It may be that, on average, the earned income of these farmers is lower than the earnings of mainly non-agricultural self-employed people in British Columbia, so that their average contribution is lower. As well, it could be that prairie farmers rely more on the tax sheltered capital appreciation of their businesses to provide a nest egg for their retirement, than do British Columbia's self-employed people.

 fax transmission information service from **BC STATS**

 also on the Internet at <http://www.bcstats.gov.bc.ca>

BC at a glance . . .		
POPULATION (thousands)		% change on
	Apr 1/98	one year ago
BC	3,958.7	1.4
Canada	30,488.9	1.0
GDP and INCOME		% change on
<i>(BC - at market prices)</i>	1997	one year ago
Gross Domestic Product (GDP) (\$ millions)	109,347	3.3
GDP (\$ 1992 millions)	98,201	2.2
GDP (\$ 1992 per Capita)	25,039	0.2
Personal Disposable Income (\$ 1992 per Capita)	16,515	-2.3
TRADE (\$ millions)		
Manufacturing Shipments (seas. adj.) May	2,621	-10.4
Merchandise Exports (raw) May	1,987	-13.5
Retail Sales (seasonally adjusted) May	2,789	-1.5
CONSUMER PRICE INDEX		% change on
<i>(all items - 1992=100)</i>	Jun '98	one year ago
BC	110.4	0.4
Canada	108.8	1.0
LABOUR FORCE (thousands)		% change on
<i>(seasonally adjusted)</i>	Jul '98	one year ago
Labour Force - BC	2,040	0.6
Employed - BC	1,854	0.1
Unemployed - BC	187	5.7
		Jul '97
Unemployment Rate - BC (percent)	9.1	8.7
Unemployment Rate - Canada (percent)	8.4	9.0
INTEREST RATES (percent)	Aug 12/98	Aug 13/97
Prime Business Rate	6.50	4.75
Conventional Mortgages - 1 year	6.75	5.65
- 5 year	7.15	7.00
US/CANADA EXCHANGE RATE	Aug 12/98	Aug 13/97
<i>(avg. noon spot rate)</i> Cdn \$	1.5150	1.3942
US \$ <i>(reciprocal of above rate)</i>	0.6601	0.7173
AVERAGE WEEKLY EARNINGS		% change on
<i>(industrial aggregate - dollars)</i>	May '98	one year ago
BC	618.23	-0.6
Canada	605.71	0.8
SOURCES:		
Population, Gross Domestic Product, Trade, Prices, Labour Force, Earnings	Statistics Canada	
Interest Rates, Exchange Rates:	Bank of Canada Weekly Financial Statistics	

Released this week by BC STATS

- Small Business Quarterly, Second Quarter 1998
- Labour Force Statistics, July 1998

Next week

- Earnings and Employment Trends, May 1998
- Consumer Price Index, July 1998