

# **The Frequent Use of Unemployment Insurance in Canada**

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## Preface

This is one of a series of reports produced in connection with the Earnings Supplement Project (ESP).

ESP was originally designed to test an innovative use of Employment Insurance (EI) funds — one that offered unemployed workers a temporary partial replacement of earnings losses if they went back to work quickly and experienced a reduction in earnings by doing so. The new program was tested with two groups of EI beneficiaries: displaced workers who, after a significant period of employment, were suffering a permanent job loss; and repeat EI users, who had established a pattern of receiving EI benefits for at least a part of each year.

Previous ESP publications reported the results of the experiments conducted to test the new program. ESP had a small and short-lived impact on the re-employment of displaced workers but resulted in increased costs to government. In the case of repeat EI users, however, there was little interest in the ESP offer and the program had no effect on their labour market behaviour.

To better understand the circumstances and possible program needs of those who made frequent use of EI benefits, a survey of EI beneficiaries was added to the ESP program of research. This survey, which became known as the Survey on Repeat Use of Employment Insurance (SRUEI), was a nationally representative survey of individuals who received regular EI benefits in 1996. In order to increase the usefulness of the data for the analysis of frequent use of EI benefits, those who were repeat EI users (defined as those who had received benefits in at least three of the five years between 1992 and 1996) were over-sampled in the survey.

This volume presents a descriptive analysis of the responses to the SRUEI. A companion volume, *Essays on the Repeat Use of Unemployment Insurance*, contains essays based on the survey data and written by Canadian academics. Together, these two volumes deepen our understanding of the phenomenon of frequent reliance on EI benefits, and provide us with a much more nuanced view of an important group of recipients of this form of benefit.

John Greenwood  
Executive Director



## Acknowledgements

This report could not have been written without the efforts of many people and organizations. We want to acknowledge our debt to them.

First, we would especially like to acknowledge the sponsorship and ongoing support of Human Resources Development Canada (HRDC), the funders of the Earnings Supplement Project (ESP). Jean-Pierre Voyer and Russ Jackson of the HRDC Applied Research Branch provided guidance and advice throughout the operation and evaluation of the ESP program, and they arranged that the survey upon which this report is based be incorporated within the project. Louis Grignon and Alex Grey, also of the Applied Research Branch, provided advice and support during the course of writing this volume.

Once the decision had been made to conduct a nationally representative survey of EI beneficiaries, a team at Statistics Canada, led by Marc Lachance, provided exceptionally high-quality advice in the development of the survey, and then administered it in the usual professional Statistics Canada style. Miles Corak of Statistics Canada provided helpful suggestions as we developed the survey questions, and Marc Lachance continued to help us interpret and understand the data throughout the course of the analysis for this report.

David Gray read several early drafts of the report and provided many useful comments.

At SRDC, a number of staff helped in the preparation of this volume. Doug Tattrie led the project when it began, established its basic structure, and conducted much of the early analysis. John Greenwood provided his usual insight, and Barbara Greenwood Dufour helped transform a rough manuscript into a polished publication.

Finally, the survey upon which this report is based exists only as a result of the generosity of the respondents. We want to express our gratitude to those who took the time to provide personal information in the hope that it would prove useful in the formulation of better public policy.

The Authors



# Chapter 1: Introduction

The repeated use of unemployment insurance by some workers has been an issue in Canada since the federal Unemployment Insurance (UI) program was created in 1940.<sup>1</sup> It is not uncommon for workers employed in certain sectors to have worked enough hours in part of the year to qualify for Employment Insurance<sup>2</sup> (EI) benefits when they are laid off during slow periods. The existence of workers who regularly claim EI benefits has given rise to several issues in previous research.

First, to the extent that workers and their employers know in advance that layoffs will occur, Employment Insurance is an income transfer program and not an insurance program (Nakamura, 1995, 1996; Nakamura and Diewert, 1997). Insurance guards against events that are unforeseen and undesirable; for some frequent users of unemployment insurance, an annual layoff is neither.

The importance of the distinction between an insurance program and an income transfer program lies in the principles underlying their design. The payment of insurance benefits is justified by the occurrence of an unforeseen and undesirable event — an automobile accident, a health problem, or an on-the-job injury — and the amount paid does not depend on income or family status. Those lucky enough not to experience the event are willing to pay the premiums that allow the unlucky to receive benefits.

By contrast, income transfers are justified by need — a need typically created by low household income. Many of those who pay taxes to fund transfer programs believe that needy individuals and families should be supported by the state. Fairness demands, however, that income transfers not be made to those who do not need them.

For the most part, EI benefits are paid to eligible workers regardless of family income.<sup>3</sup> If EI benefits are seen as income transfers, however, the amount paid should depend on household income.

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<sup>1</sup>At that time, the workers who were most likely to claim UI benefits repeatedly were deemed ineligible. In particular, workers in seasonal industries neither paid UI premiums nor collected UI benefits. These and other exclusions left 58 percent of the workforce without unemployment insurance coverage. For the next 30 years, the proportion of workers covered by unemployment insurance rose steadily. In 1971, the *Unemployment Insurance Act* extended coverage to virtually all employees — including the seasonal workers who now make up a large proportion of claimants — and increased the generosity of the program. The trend toward increased coverage and increased generosity was reversed during the fiscal retrenchment of the 1990s. The most recent legislation, the 1996 *Employment Insurance Act*, restricted eligibility and lowered benefits for many recipients. Dingleline, 1981, provides an excellent history of the early years of the Canadian unemployment insurance system.

<sup>2</sup>In 1996 the Unemployment Insurance program was changed to the Employment Insurance program. This report will use the current terminology of Employment Insurance.

<sup>3</sup>An exception is the provision regarding the “Family Supplement” that was introduced as part of the 1996 unemployment insurance system reforms. A higher benefit replacement rate has been made available to claimants whose *family* income is below the 1996 income threshold (\$25,921) for receipt of the National Child Tax Benefit supplement. As Pulkingham, 1998, points out, this was the first time that family income, rather than individual earnings, had been used as a threshold for supplementing benefit levels for unemployment insurance claimants.

The second issue is that the design of the EI system encourages firms to overuse temporary layoffs when demand is slack. The key point here is that Employment Insurance is not “experience-rated.” Those unfortunate enough to be involved in a serious automobile accident will be charged higher premiums when it comes time to renew their car insurance. As Nakamura (1995, p. 741) wrote:

*For most private insurance programs, experience rating means that for any given level of insured coverage the premiums rise with increased claims and with other relevant risk factors.*

The purpose of experience rating is to have those who frequently receive benefits pay a greater share of the costs so that those who infrequently use benefits can pay less. Until 1996, however, there was no experience rating in the Canadian unemployment insurance system. Employers and workers paid premiums that did not change as a function of layoffs ordered by the employers or experienced by the workers.<sup>4</sup> Nakamura (1996, p. 5) argues that the lack of experience rating is unfair to those who rarely use the EI program.

The availability of EI benefits for regular and foreseeable periods of unemployment can affect not only the behaviour of workers, but also the behaviour of employers. For a firm, temporarily laying off workers entails the risk that they might go to work for a different firm even if they would prefer to return to their original job. That risk would be higher if EI benefits were not available to the laid-off workers because their need for income might force them to take other jobs or to move to a different region of the country. EI benefits can provide enough income to carry workers through a temporary layoff, thus making such temporary layoffs more likely. In addition, the availability of EI benefits may reduce the probability that workers will search for better-paying jobs, enabling firms to pay their employees less.

The use of temporary layoffs implies the existence of what labour economists call “implicit contracts” — unspoken agreements between firms and workers. The firms implicitly agree that workers will be recalled to their old jobs at the end of a temporary layoff. Workers implicitly agree not to seek work that will diminish the possibility of returning to their previous employer.

As Corak (1995, p. 38) wrote:

*One important assumption underlying the implicit contract theory is that UI is of benefit to the firm because it reduces the intensity of the job search by temporarily laid-off individuals and thereby keeps them permanently attached to the firm.*

Because some firms (and some industries) use temporary layoffs more than others, and do not pay higher EI premiums as a result, their implicit contracts are being subsidized by firms and workers who do not use temporary layoffs.

A final issue relates to the now-common distinction between *active* and *passive* labour market policy. In the 1990s, active labour market policies, aimed at promoting re-employment of benefit recipients, gained currency throughout the Western world. Various active measures were added to the unemployment insurance system in the late 1980s and

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<sup>4</sup>The 1996 reforms of the system introduced the “intensity rule” which reduced the earnings replacement rate for frequent users of Employment Insurance. This is a form of experience rating in that benefits to workers who use Employment Insurance frequently are lower than those paid to other workers. Premiums paid by firms, however, were not affected by this rule. See HRDC, 2000, for more information on this EI reform.



early 1990s, including developmental uses of benefits such as program-funded training and self-employment assistance.

## **THE EARNINGS SUPPLEMENT PROJECT**

As part of the movement toward a more active labour market policy in Canada, Human Resources Development Canada (HRDC) funded a social experiment, called the Earnings Supplement Project (ESP), to test an innovative financial incentive designed to stimulate the re-employment of unemployed workers. This report is part of that study.

One component of ESP offered repeat users of employment insurance — defined as EI applicants who had received EI benefits in each of the preceding three years — an earnings “top-up” if they chose to take a new job that paid less than their previous job.<sup>5</sup> The goal of the supplement was to stimulate off-season employment and promote a shift toward year-round jobs, reducing long-term reliance on EI benefits.

The first step in the experiment was to recruit volunteers who would have a 50–50 chance of being offered the earnings supplement. Even though participation in the experiment was virtually costless and all project activities were voluntary, only 41 percent of the repeat users who were asked to volunteer agreed to take part. This was in sharp contrast to the other component of the experiment which offered an earnings supplement to displaced workers — those who lost their jobs permanently due to changing economic conditions. There, 97 percent of all eligible participants who returned the application agreed to take part.<sup>6</sup>

Half of the 41 percent of repeat users who volunteered for ESP were randomly assigned to a supplement group and offered the earnings supplement; the other half formed a control group that did not receive the offer. Only 4.7 percent of the supplement group actually received a supplement payment.

Since it seemed clear that the offer of an earnings top-up would have little impact on the subsequent employment experience of those offered it, HRDC decided not to undertake the expensive survey that would have been needed to document the difference between the labour market experience of the supplement and control groups. Instead, it used the available funds to undertake a nationally representative survey of EI claimants, making sure to survey a relatively large number of repeat users. In that way, it was hoped, the labour force experience of this controversial group might be better understood.

## **THE SURVEY ON REPEAT USE OF EMPLOYMENT INSURANCE**

The Survey on Repeat Use of Employment Insurance (SRUEI) was designed by a team from the Social Research and Demonstration Corporation (SRDC) and Statistics Canada. Statistics Canada was charged with fielding the survey. The target population for the survey was all those who applied for and received regular EI benefits in 1996. The initial sample consisted of 30,000 claimants, stratified by province and by the number of years of EI receipt between 1992 and 1996. Repeat claimants — defined as those who received at least \$1 in

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<sup>5</sup>See Tattrie, 1999, p. 8.

<sup>6</sup>See Bloom et al., 1997, pp. 40–41.

regular EI benefits in at least three years over the 1992–1996 period — were over-sampled because of the interest in frequent users.<sup>7</sup>

Statistics Canada attempted to contact the 30,000 claimants in January, February, and March of 1998, and succeeded in interviewing 22,586 — a response rate of 75.3 percent. Many of the survey questions were concerned with the 1997 labour market experience of the claimants; for example, questions were asked about whether they worked in 1997, who they worked for, what they did, and how much they were paid. Other questions asked about the attitudes of the claimants toward various aspects of their work and toward Employment Insurance. Still other questions asked about the job-search activities of the claimants in 1997.

Using simple cross-tabulations, this report describes the labour market experience of SRUEI's nationally representative sample of EI claimants.<sup>8</sup> In some cases, the results presented bear directly on the policy issues discussed at the beginning of this chapter. Nevertheless, we focus, for the most part, on a simple description of the survey data with only limited speculation about causal relationships. The final chapter links the results to some of the policy issues — particularly the implicit contract theory — but the analysis remains limited to simple cross-tabulations.

## **Strengths and Weaknesses of the SRUEI**

Readers should be aware of the strengths and weaknesses of the SRUEI. One strength is that claimants were asked about their attitudes toward their work situation and toward their use of Employment Insurance. Moreover, a wide array of demographic and economic information was collected from claimants. For example, annual household income as well as individual earnings was ascertained, yielding a better indicator of economic well-being in 1997.

The major weakness of the data is that it is cross-sectional rather than longitudinal. Claimants were asked about their employment experience during the 1997 calendar year. As a result, we know whether or not a claimant's main 1997 job was seasonal. Lacking longitudinal data, however, we cannot tell whether the claimant had a history of seasonal work. Similarly, we cannot accurately measure the duration of employment and unemployment over time.

Other authors (Corak 1993a, 1993b, 1995; Lemieux and McLeod, 1995; and Wesa, 1995) have analyzed longitudinal administrative data. Such data allows the experience of workers to be examined over a longer time span than is possible using only the SRUEI. Cross-sectional surveys of claimants and longitudinal administrative data share an important common weakness — neither allows for an explicit analysis of the role the demand side of the labour market plays in determining the nature and extent of EI usage. The effect of this

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<sup>7</sup>To be more precise, the sampling frame used was HRDC's 10% Status Vector file, which contains all EI claims made by a 1-in-10 sample of claimants. With a few minor exceptions, all those who initiated an EI claim in 1996 and who actually received at least \$1 in regular benefits were included in the sampling frame. We required the receipt of \$1 in benefits because workers can keep an EI claim open while they are working, even though they receive no benefits. The sample was stratified by the 10 provinces and by the numbers of years of EI receipt between 1992 and 1996. To ensure that the sample represented the underlying population, sampling weights were calculated and are used throughout this report.

<sup>8</sup>The main body of the report deals with respondents who were 25 years old or older. We exclude those under 25 years of age because very young workers are unlikely to have been in the labour market long enough to have become frequent claimants. Appendix A discusses the experience of those under 25.

and other demand-side factors are important, but cannot be explicitly analyzed using only information about individual workers.

As a result, readers should be wary of assuming that the frequent use of Employment Insurance is the result only of choices made by workers. Firms, by choosing certain hiring patterns, may also influence the repeat use of Employment Insurance.

## **Basic Analytic Distinctions**

### ***Repeat and Occasional Users***

Throughout this report, we distinguish between *repeat users* of EI and *occasional users* of EI. As noted above, repeat users are defined as those who had received at least \$1 in regular EI benefits in at least three of the five years between 1992 and 1996.<sup>9</sup> Occasional users are those who received regular EI benefits in only one or two years between 1992 and 1996.

This simple distinction hides enormous variation in the kinds of workers who receive benefits, and in the reasons why they receive them. It is useful to consider two hypothetical extreme cases.

At one extreme is the worker for whom EI receipt is part of a long-standing annual cycle. During the “season,” the worker is employed full time. During the “off-season,” no work is available and the worker applies for and receives EI benefits. This hypothetical worker would be a repeat claimant by our definition.

At the other extreme is the “displaced worker.” Imagine someone who has worked for a long time for a single employer and who is then laid off when that employer goes out of business. This hypothetical displaced worker might then receive EI benefits until finding a new job. Once a new job is found, the displaced worker might never again use the system. This hypothetical displaced worker would be considered an occasional claimant by our definition.

While these extreme cases exist, they are not as common as some might think. Among those receiving benefits in any given year, the proportion of claimants who are receiving benefits for the first time is relatively small. Corak (1993a, p. 164) reports that first-time claimants accounted for only 20.1 percent of all claims initiated in 1989.<sup>10</sup> In a study of individuals who filed claims over the 21-year period between 1972 and 1992, Lemieux and MacLeod (1995) report that 27.8 percent of the sample had filed between one and three claims.

At the other extreme, Lemieux and Macleod (1995) report that 24.3 percent of their sample had received benefits in 11 or more of the 21 years between 1972 and 1992. It may be

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<sup>9</sup>Other definitions of repeat and occasional users are possible. Some authors have used the *number of claims* in a given period as opposed to the *number of years of benefit receipt* over the same period. For example, one claim might yield benefits over two calendar years.

<sup>10</sup>The data set used by Corak, based on the Status Vector File, included a 1-in-10 sample of claims made between July 1971 and the end of 1989. Thus, Corak can determine how many claims were made by each person who had ever filed a claim over this period. For example, he could determine whether or not a person filing a claim in 1989 had ever filed a claim in the entire period from 1971 to 1989. Presumably, it is possible that a small number of those classified as making a first claim in 1989 had actually made previous claims before 1971.

inferred from this that the receipt of benefits in every year over a long period of time is also relatively rare.

Some of those we categorize as repeat and occasional claimants, based on claims made between 1992 and 1996, might be categorized differently if another time period were used. In the Lemieux and Macleod sample, 22.8 percent of the claimants had 7 to 10 spells of benefit receipt between 1972 and 1992. Depending on how these spells were distributed across the years, these claimants would be considered repeat users in some years and occasional users in others. Wesa (1995, p. 12) calls claimants whose status changes depending on the time period considered a *transient* group, and asserts that they are estimated to be about 25 percent of claimants.

Thus, readers should be cautioned against interpreting repeat claimants as “those who claim EI benefits in every year.” Similarly, occasional claimants need not be “those who claim EI benefits only when permanently displaced.”

There are many different types of workers who end up being classified as repeat claimants. For example, some highly skilled and highly paid construction workers work only at certain times of the year. Other repeat claimants are able to qualify for EI benefits only by combining a variety of short-term jobs over the course of a year — relatively unskilled workers in rural communities with high unemployment rates are an example; those who are consistently successful become repeat claimants. Still other workers become repeat claimants only because their employers, as mentioned above, have made layoff decisions *assuming* the availability of benefits. Workers in the education sector who work on 10-month contracts and who are laid off each summer are an example.

Similarly, occasional claimants are a heterogeneous group. Some are seasonal workers who have not been able to get enough work to qualify for benefits in three or more years. Others may not work at all in some years and only part-year in others. Still others may have been laid off permanently more than once in a five-year period.

### ***Male and Female Claimants***

This variety of labour force experience also motivates us to present separate results for *male claimants* and *female claimants*. This is in accord with standard practice in labour economics, but is especially important here because of the very different industries in which men and women work. Workers in seasonal jobs within the construction and resource-extraction industries are a numerically important group of repeat claimants. Such workers, however, are predominantly male. The experience of the large numbers of female repeat claimants is likely to be quite different.

Table 1.1 shows the weighted numbers of respondents 25 years and older and their percentage distribution in each of the four groups. The table illustrates two important points about repeat claimants in Canada. First, repeat users represented a high proportion — 52.5 percent — of all 1996 claimants. Second, repeat use was not confined to male workers. It was also common among female workers; 37.0 percent of all repeat users were women (not shown).

**Table 1.1: Number of Repeat and Occasional Users and of Male and Female Claimants in the Survey on Repeat Use of Employment Insurance**

	Repeat Users	Occasional Users	Total
<b>Male claimants</b>			
Weighted number	468,734	348,909	817,643
Unweighted number	9,287	2,792	12,079
Percent of weighted total	33.1	24.6	57.7
<b>Female claimants</b>			
Weighted number	274,877	323,424	598,301
Unweighted number	5,618	2,914	8,532
Percent of weighted total	19.4	22.8	42.2
<b>Total</b>			
Weighted number	743,611	672,333	1,415,944
Unweighted number	14,905	5,706	20,611
Percent of weighted total	52.5	47.5	100.0

## THE STRUCTURE OF THE REPORT

The remainder of this report is organized as follows. Chapter 2 presents a demographic description of the survey respondents, tabulating information on their age, region of residence, education, household income, and immigration status.

Chapter 3 turns to the 1997 employment experience of the claimants summarizing various measures of their labour force attachment, the industry of their 1997 main job (if any), the occupational prestige associated with their main job, their wage rates and earnings, sources of their household income other than respondents' earnings, and the relationship between individual earnings and household income.

Chapter 4 discusses respondents' attitudes toward their 1997 employment situation, toward change in general (and toward change in their specific employment situations), and toward the EI program.

Chapter 5 examines the job-search activities of those who were unemployed for all or part of 1997. The breadth and depth of respondents' job-search activities are described first and then several factors thought to influence job search — recall expectations, receipt of EI benefits, and personal circumstances — are discussed.

In the final chapter, we summarize important elements of the description contained in the previous chapters, showing how, if at all, 1996 claimants differ from earlier cohorts studied by previous researchers. Evidence from the SRUEI that bears on the implicit contracts theory is then presented. Finally we address the question of why repeat users of Employment Insurance might not have been interested in ESP's offer of an earnings "top-up."

In addition to the main body of the report, several appendices are included. One analyzes the experience of 1996 claimants who were under 25 years of age and another summarizes the volunteer activities of the SRUEI respondents.



## Chapter 2: The Demographic and Socioeconomic Characteristics of Repeat and Occasional Claimants

In the last chapter, Table 1.1 showed that over half of respondents to the Survey on Repeat Use of Employment Insurance (SRUEI) had received regular Employment Insurance (EI) benefits in three or more years during the 1992–1996 period and, thus, were classified as repeat users of Employment Insurance by our definition. In this chapter, we take a closer look at the demographic and socioeconomic characteristics of repeat and occasional users. Specifically, we look at how the two groups differed in terms of age, the region of Canada in which they resided, whether they were rural or urban dwellers, their household income, their education level, and whether or not they were born in Canada, and, if not, how recently they had immigrated.

In general, the following holds true:

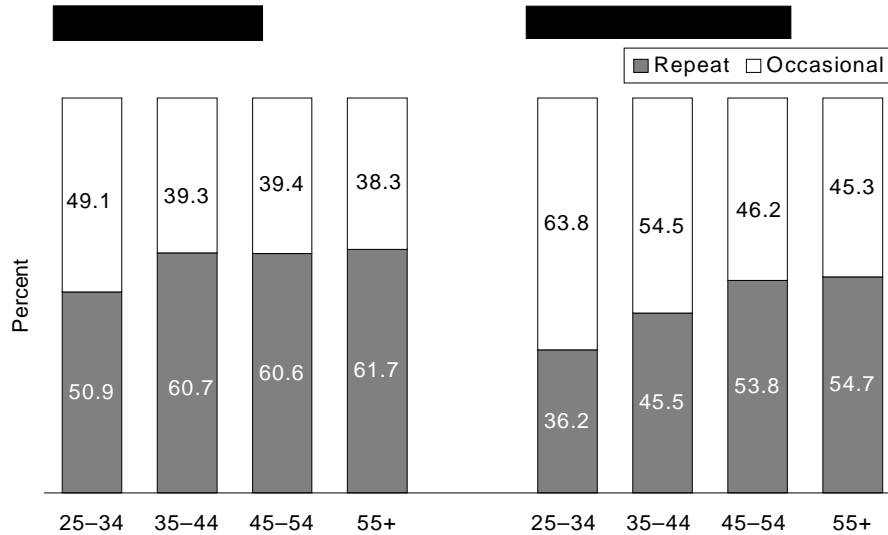
- The proportion of EI claimants who were repeat users rose with age. For men, about half of the youngest category (25–34 years old) were repeat users; among male claimants aged 35 and older, however, 60 percent were repeat EI users. For women, 36 percent of the youngest age category were repeat claimants. The proportion of female repeat EI users then rose to 45 percent in the 35–44 age category, before levelling off at about 55 percent for those aged 45 and older.
- The proportion of repeat users among EI claimants varied greatly across the regions of Canada. For example, among male claimants living in the Atlantic provinces, 77.4 percent were repeat users; in Ontario, 45.6 percent of male claimants were repeat users. The *number* of repeat users, however, was highest in Quebec, which was home to almost 38 percent of all Canadian repeat users — more than 280,000 claimants.
- Occasional EI claimants were more likely than repeat EI claimants to be in the lowest and the highest household income brackets.
- Repeat claimants were not as highly educated as occasional claimants. Most importantly, they were much more likely not to have completed high school.

There were only slight differences between repeat and occasional claimants on a number of other demographic variables. These variables are, therefore, not discussed in this chapter. Appendix D reports on the complete set of demographic variables used in the SRUEI.

## AGE AND EI USE

Repeat EI users tended to be slightly older than occasional EI users. On average, male repeat users were 41.3 years old, compared with an average age of 39.4 for male occasional users. Similarly, the average age of female repeat users was 42.8, compared with 39.9 for women who made only occasional claims. Figure 2.1 shows the proportion of each age group that was made up of repeat users of Employment Insurance.

**Figure 2.1: Age and Repeat Use of Employment Insurance**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants in each age group are categorized according to whether they were repeat or occasional claimants, as defined in Chapter 1. The percentages shown were calculated using the population weights provided by Statistics Canada. See Table C.1 for the unweighted sample sizes for this figure.

In the youngest age category (25–34 years old), men were equally likely to make repeat or occasional EI claims. For men in the 35–44 age group, repeat EI use rose to 60 percent and this percentage persisted into the older age cohorts.

The proportion of female repeat EI users increased with age from 36 percent in the youngest category to about 55 percent in the oldest category. Nonetheless, repeat use was less common than it was for men in each age group.

## REGION AND EI USE

Table 2.1 indicates that Quebec had the greatest percentage of repeat EI users in Canada — 37.7 percent. Ontario was home to roughly one fifth of all repeat claimants in Canada as were the Atlantic and Western provinces.



**Table 2.1: Percentage of Repeat Users of Employment Insurance in Each Region**

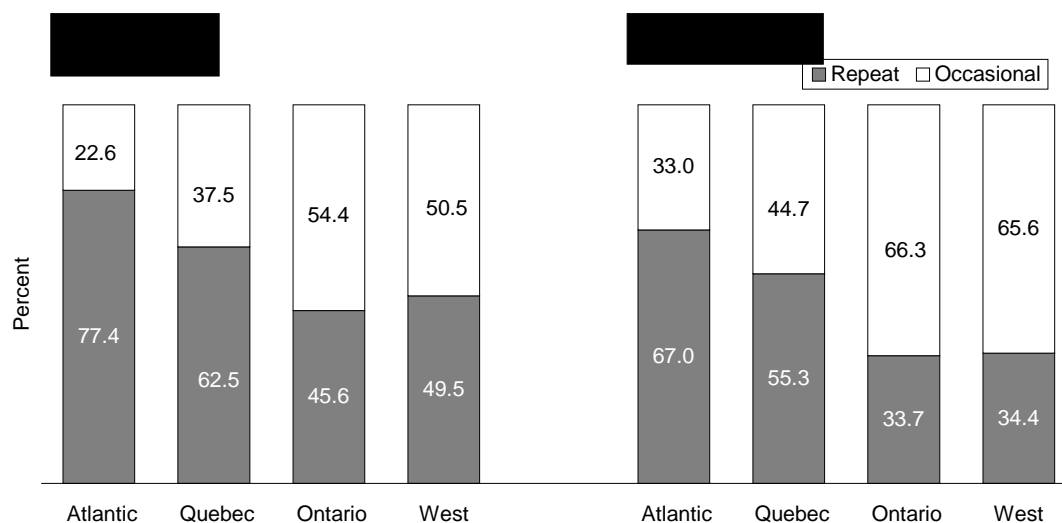
Regions	Men	Women	Total
Atlantic	21.4	22.1	21.7
Quebec	36.9	39.2	37.7
Ontario	21.0	21.4	21.1
West	20.7	17.3	19.5

**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** The Atlantic provinces are Newfoundland, Nova Scotia, New Brunswick, and Prince Edward Island; the West includes the provinces of Manitoba, Saskatchewan, Alberta, and British Columbia. The percentages shown were calculated using the population weights provided by Statistics Canada. See Table C.2 for the unweighted sample sizes for this table.

The incidence of repeated EI use is sometimes associated with claimants living in the Atlantic region of Canada. Even though Table 2.1 shows that the Atlantic provinces were home to only one fifth of all repeat users, over three quarters (77.4 percent) of all male claimants in the Atlantic region made frequent EI claims (see Figure 2.2). Even in the West, where the overall number of claimants was relatively small, male repeat use was common. In Quebec, where the absolute numbers were large, male repeat users made up 62.5 percent of those who made EI claims in 1996.

**Figure 2.2: Region and Repeat Use of Employment Insurance**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants in each region are categorized according to whether they were repeat or occasional claimants, as defined in Chapter 1. The Atlantic region includes Newfoundland, Nova Scotia, New Brunswick, and Prince Edward Island; the West includes Manitoba, Saskatchewan, Alberta, and British Columbia. The percentages shown were calculated using the population weights provided by Statistics Canada. See Table C.3 for the unweighted sample sizes for this figure.

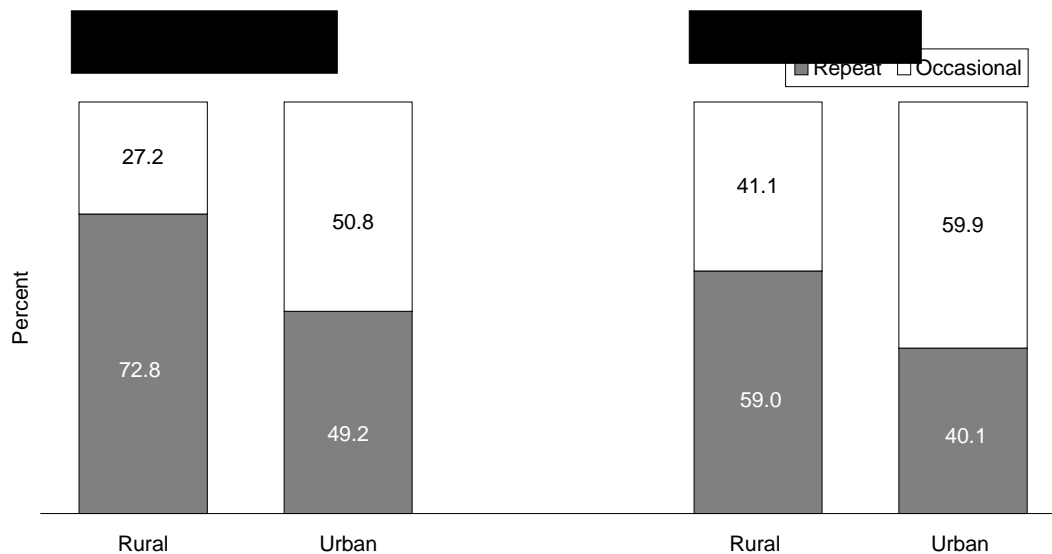
Women who made frequent EI claims also outnumbered their occasional counterparts by a wide margin in the Atlantic region (67.0 percent versus 33.0 percent), and by a substantial, although smaller, margin in Quebec (55.3 percent versus 44.7 percent). In Ontario and to the west though, women were more likely to make occasional rather than repeat EI claims.

## RURAL VERSUS URBAN RESIDENCE

Over the past several decades, Canada has become a nation of urban dwellers. According to the 1996 census, less than one quarter (22.1 percent) of the population lived in rural areas of the country.<sup>1</sup> Interestingly, although only about one in five of the general population lived in rural areas, a greater percentage (32.8 percent) of 1996 claimants lived in rural areas.

As Figure 2.3 shows, repeat users made up almost three quarters (72.8 percent) of all male EI claimants in rural areas. Although the difference was less pronounced, female claimants living in rural areas were also more likely to be repeat users (59.0 percent).

**Figure 2.3: Rural/Urban Residence and Repeat Use of Employment Insurance**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants in urban and rural areas are categorized according to whether they are repeat or occasional claimants, as defined in Chapter 1. In the survey, an *urban respondent* is defined as one who lives within the urban core, urban fringe, or urban area outside of the Central Metropolitan Areas (CMA) and the Census Agglomerations (CA). A CMA represents an urban core population of at least 100,000, based on the previous census. A CA represents an urban core population of at least 10,000 and no more than 100,000 persons based on the previous census. A *rural respondent* is defined as one who lives in the area encompassed by the rural fringe and the rural area outside of the CMAs and the CAs. These definitions are not identical to those used by the Census (see Footnote 1).

The percentages shown were calculated using the population weights provided by Statistics Canada. Respondents who are coded as “not stated” on this variable were excluded from the calculation of the percentages. See Table C.4 for the unweighted sample sizes for this figure, including those coded as “not stated.”

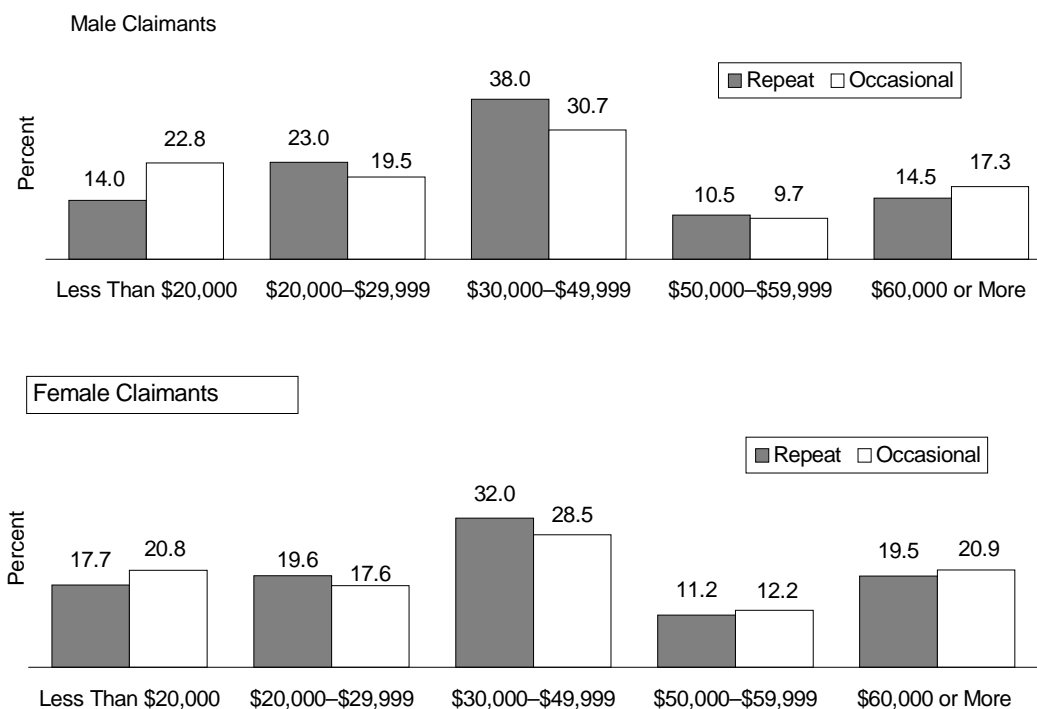
<sup>1</sup>For these national statistics, “urban areas” refers to population concentrations of at least 1,000 persons and population densities of at least 400 persons per square kilometre. All territory outside this perimeter is considered rural. See <<http://www.statcan.ca/english/census96/table15.htm>> (viewed 28 December 1999).

In urban areas, male claimants were equally likely to be repeat or occasional users, but women were considerably more likely to make only occasional EI claims; 59.9 percent of the urban female claimants were occasional users while 40.1 percent were repeat users.

## HOUSEHOLD INCOME

A central question when discussing repeat versus occasional EI use is whether those who make repeat claims are “better off” than those who make fewer claims — or vice versa. Figure 2.4, which summarizes the distribution of household income for these two groups, gives mixed signals as to which group was doing better financially in 1997. There is some suggestion, however, that occasional claimants fared slightly worse.

**Figure 2.4: Household Income in 1997 and Repeat Use of Employment Insurance**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants in the five annual household income groupings are categorized by gender and by whether they were repeat or occasional claimants, as defined in Chapter 1. Caution should be used in interpreting the information in this figure because a fairly large percentage of respondents did not report household income. Among men, 13 percent did not report household income; an even larger proportion of women — 17 percent — did not report income.

The percentages shown were calculated using the population weights provided by Statistics Canada. Respondents who are coded as “not stated” on this variable were excluded from the calculation of the percentages. See Table C.5 for the unweighted sample sizes for this figure, including those coded as “not stated.”

Occasional EI claimants were disproportionately represented in the lowest income level — those with household incomes less than \$20,000. Over one fifth of male (22.8 percent) and female (20.8 percent) occasional claimants fell into the lowest

category. Among male repeat EI users, 14.0 percent were in the lowest household income category while 17.7 percent of female repeat EI users were in the lowest category. On the other hand, male occasional claimants were slightly better represented than male repeat users at the top end of the income scale — those with incomes of \$60,000 a year or more — 17.3 percent, compared with 14.5 percent. Among female claimants, roughly 20 percent of repeat and occasional EI claimants were in the highest household income level, a greater percentage than among male claimants.<sup>2</sup>

While female repeat EI users had an overall household income distribution not unlike that of female occasional claimants, the income distributions of male repeat and occasional claimants were quite different. Male repeat claimants were substantially more likely to fall into the middle income categories — in fact, almost two-fifths (38.0 percent) fall in the \$30,000–\$50,000 household income category. It should be noted that both groups of EI claimants had somewhat lower household incomes than all Canadian households. Twenty percent of Canadian families and unattached individuals had household incomes greater than \$70,000 in 1996.<sup>3</sup> Overall, slightly less than 20 percent of SRUEI respondents had household incomes greater than \$60,000.

## **EDUCATION**

Three measures of education were examined in an effort to capture not only formal schooling, but also the standard forms of vocational training. The three measures were the highest level of education completed by respondents, whether or not they had completed apprenticeship training, and whether or not they had completed some kind of trade or vocational training. Overall, occasional EI claimants had more formal education than repeat claimants, but repeat users were more likely to have completed apprenticeship training. Both groups were equally likely to have completed some kind of trade or vocational training.

### **Formal Education**

The most striking result shown in Figure 2.5 is the high proportion of repeat EI users with less than a high school education; almost half of the male repeat claimants (48.5 percent) had not completed high school. Male occasional claimants not only were less likely to have dropped out of high school, they were almost twice as likely to have participated in some form of post-secondary education (45.4 percent versus 23.7 percent).

Women claimants tended to be more highly educated than their male counterparts and this was especially true of women who were repeat EI users. For example, less than one third of women who made frequent claims (30.7 percent) had not completed high school compared with the 48.5 percent of their male counterparts. At the other end of the education scale, female repeat users were considerably more likely to be university graduates than male repeat users (13.0 percent versus 4.6 percent). Female repeat users were also more likely than their male counterparts — 15.0 percent versus 10.1 percent —

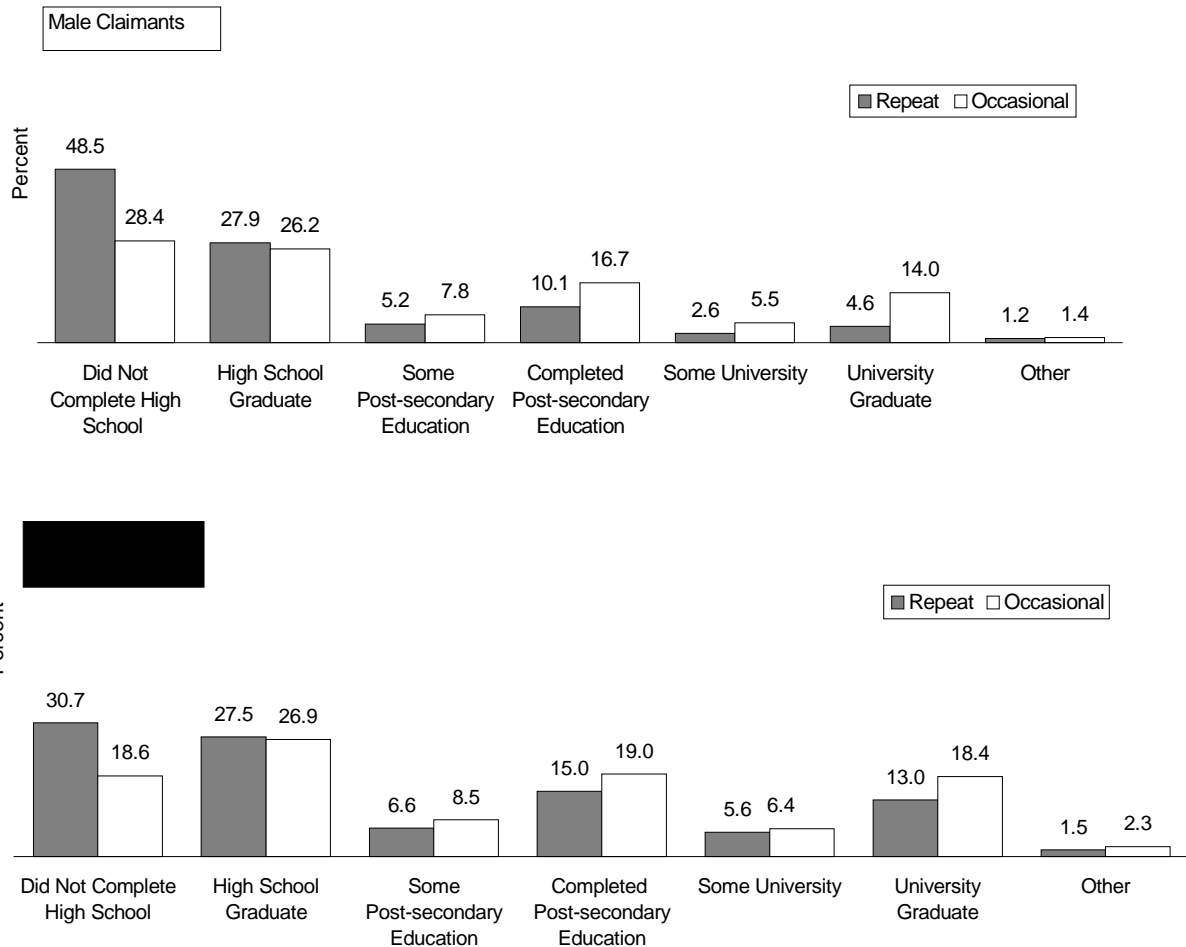
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<sup>2</sup>We suspect, based on results presented in Chapter 3, that this was because of the presence of other working adults in the households of female EI claimants.

<sup>3</sup>The value of \$70,000 is the upper quintile in the distribution of annual income for economic families and unattached individuals (Statistics Canada, 1996).

to have graduated from other post-secondary schools such as community or technical colleges. According to Statistics Canada, about 33.7 percent of the Canadian population aged 20 and above lack a high school diploma and about 17.0 percent have a university degree, certificate, or diploma.<sup>4</sup>

**Figure 2.5: Education and Repeat Use of Employment Insurance**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants in these educational groups are categorized according to whether they were repeat or occasional claimants, as defined in Chapter 1.

The percentages shown were calculated using the population weights provided by Statistics Canada. Respondents who are coded as “don’t know” or “refused” on this variable were excluded from the calculation of the percentages. See Table C.6 for the unweighted sample sizes for this figure, including those coded as “don’t know” or “refused.”

## Apprenticeship and Other Vocational Training

Male EI claimants were more likely to have completed some form of trade or vocational training than to have completed apprenticeship training (see Appendix D), and they were more likely to have completed either of these than were women. Women were especially unlikely to have completed apprenticeship training (about five percent for both

<sup>4</sup>See <<http://www.statcan.ca/english/census96/apr14/hican.htm>> (21 October 2000).

repeat and occasional claimants). Men who made repeated EI claims were, however, more likely to have completed apprenticeship training than were men who made occasional claims (21.5 percent versus 16.2 percent).

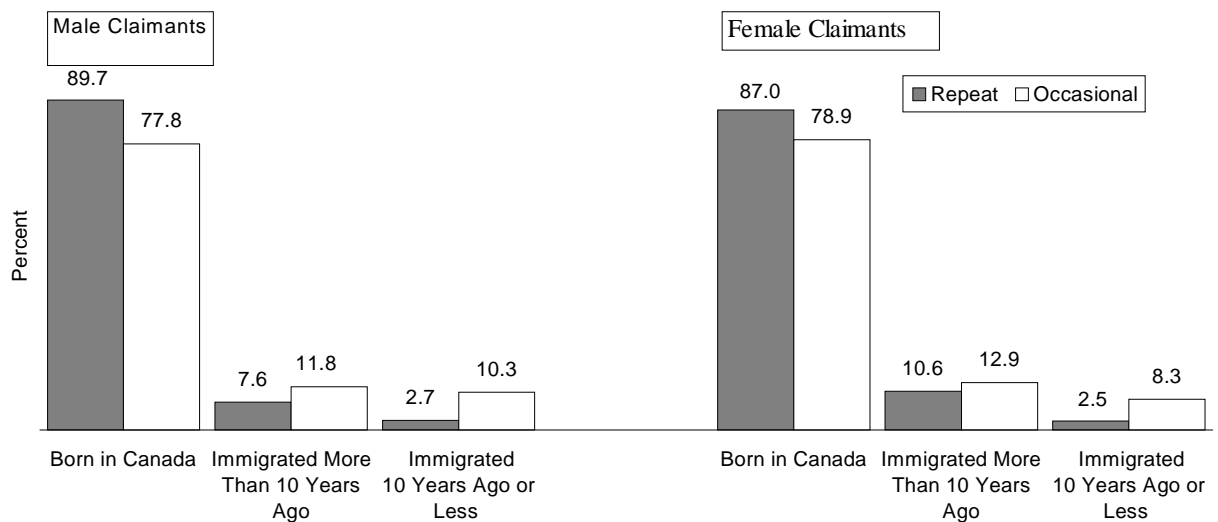
Just over one third of both groups of male EI claimants (37.1 percent repeat users; 35.0 percent occasional users) had taken some kind of trade or vocational training. The corresponding percentages for female claimants were 27.4 percent for repeat claimants and 30.0 percent for occasional claimants.

## BIRTHPLACE AND REPEAT USE

Survey respondents were asked whether or not they had been born in Canada. Those not born in Canada were further asked in what year they had immigrated. The latter responses have been grouped into those who immigrated within the past 10 years, and those who immigrated more than 10 years ago.

As illustrated in Figure 2.6, the majority of both repeat and occasional EI claimants were born in Canada, but male and female repeat claimants were more likely to be Canadian born. For example, 89.7 percent of male repeat claimants were born in Canada, as opposed to 77.8 percent of male occasional claimants.

**Figure 2.6: Birthplace and Repeat Use of Employment Insurance**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants who were born in Canada and elsewhere are categorized according to whether they were repeat or occasional claimants, as defined in Chapter 1.

The percentages shown were calculated using the population weights provided by Statistics Canada. Respondents who are coded as “missing” on this variable were excluded from the calculation of the percentages. See Table C.7 for the unweighted sample sizes for this figure, including those coded as “missing.”

Table 2.2 focusses on EI claimants who were not born in Canada. Repeat EI claimants were in the minority, particularly among those who were recent immigrants — 25.8 percent repeat male claimants versus 74.2 percent occasional claimants, and 20.3 percent repeat female claimants versus 79.7 percent occasional claimants. That so few recent immigrant claimants were repeat EI users might be explained by the fact that many may not have been in Canada long enough to become repeat users by our definition.

**Table 2.2: Percentage of Repeat and Occasional Claimants Not Born in Canada, by Gender and Frequency of EI Use**

	All Claimants Who Immigrated More Than 10 Years Ago	All Claimants Who Immigrated 10 Years Ago or Less
<b>Male claimants</b>		
Occasional	53.4	74.2
Repeat	46.6	25.8
<b>Female claimants</b>		
Occasional	59.0	79.7
Repeat	41.0	20.3

**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants who were not born in Canada are categorized according to whether they were repeat or occasional claimants, as defined in Chapter 1. Claimants who were born in Canada are excluded from this table.  
The percentages shown were calculated using the population weights provided by Statistics Canada. Respondents who are coded as “missing” on this variable were excluded from the calculation of the percentages. See Table C.8 for the unweighted sample sizes for this figure, including those coded as “missing.”

## OTHER CHARACTERISTICS

The survey contains information on several other demographic and socioeconomic characteristics, including marital status, and the number and ages of dependents. However, no important differences were found between repeat and occasional EI users on these variables and they were, therefore, not included in this analysis. A complete tabulation of all demographic variables appears in Appendix D.





## **Chapter 3: Labour Force Experience in 1997 — A Comparison of Occasional and Repeat Claimants**

This chapter compares the 1997 labour force experience of repeat and occasional Employment Insurance (EI) claimants. The first part examines repeat and occasional claimants using several measures of labour force attachment. The next section describes the industry and occupation of those who worked in 1997. The final part of the chapter analyzes wage levels for respondents who worked in 1997, and then compares individual earnings with household income.

These comparisons reveal striking differences between the two groups. A large proportion of repeat users — although not all — appeared to be in stable, long-term working relationships with particular employers, or in particular occupations. The vast majority worked in 1997, and many worked for an employer for whom they had worked in previous years. Among male repeat claimants, there was a clear seasonal pattern of work and unemployment.

While unemployment seems to have been an expected part of a long-term employment relationship for many repeat users, the 1996 unemployment experience of occasional EI claimants seems to have been far more disruptive. Rather than working seasonally or experiencing breaks that they had expected to occur, many occasional claimants appeared to be “recovering” from their 1996 unemployment, moving out of unemployment and into new permanent jobs over the course of 1997. This was a slow process for many as evidenced by the fact that a significant minority did not work at all in 1997.

This chapter provides support for these generalizations. Not surprisingly, the generalizations do not apply to *all* EI claimants; the chapter makes clear the diversity of respondents’ experiences.

### **1997 LABOUR FORCE ATTACHMENT**

By definition, repeat users of unemployment insurance have experienced a number of years in which they worked in one part of the year and were unemployed in another. One of the many possible reasons for such an employment experience might be that the claimant worked in a series of unconnected jobs for different employers; another may be that the claimant worked in the same part-year job for the same employer year after year. In either case, we would expect to see repeat EI users working at some point in 1997 since working had been part of their employment pattern in previous years. Occasional EI users are likely to have had more diverse experiences. Some may have been laid off from a long-term position in 1996 and tried to find similar work in 1997. Others may have made occasional claims because they worked only occasionally, and were not always able to accumulate enough weeks to qualify for Employment Insurance.

In this section we use the following four indicators of labour force attachment to characterize our four groups of claimants (male repeat users, male occasional users, female repeat users, and female occasional users):

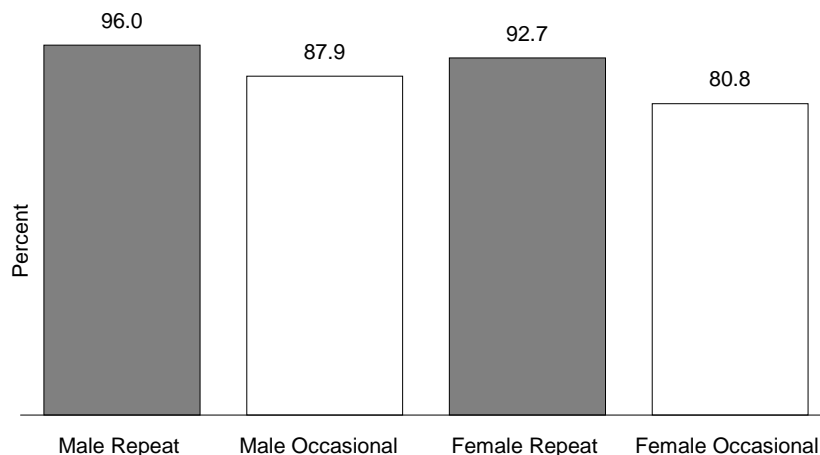
1. Whether respondents worked during 1997;
2. For those who worked, whether they had worked for their main 1997 employer in previous years;<sup>1</sup>
3. For those who worked, whether their jobs in 1997 involved a break of two weeks or more; and
4. For those who worked, whether or not their main 1997 job was seasonal.

### The Extent of Work in 1997

There are several possible measures of the extent to which respondents to the Survey on Repeat Use of Employment Insurance (SRUEI) worked in 1997. The one used here classifies respondents as having worked in 1997 if: (a) they reported working for at least one week for one or more employers in 1997; and (b) they reported being either self-employed or a paid employee.<sup>2</sup> For those who worked in 1997, we also looked at the distribution of the annual number of hours worked by respondents over the course of 1997, and at the average annual number of hours worked by each of the four groups of claimants.

Both male and female repeat EI claimants were more likely than occasional claimants to have worked during 1997. As shown in Figure 3.1, virtually all male repeat claimants (96.0 percent) worked during 1997, compared with 87.9 percent of male occasional claimants. The gap between female claimants was greater, with 92.7 percent of repeat users working, compared with only 80.8 percent of occasional users.

**Figure 3.1: Percentage of Respondents Who Worked in 1997**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

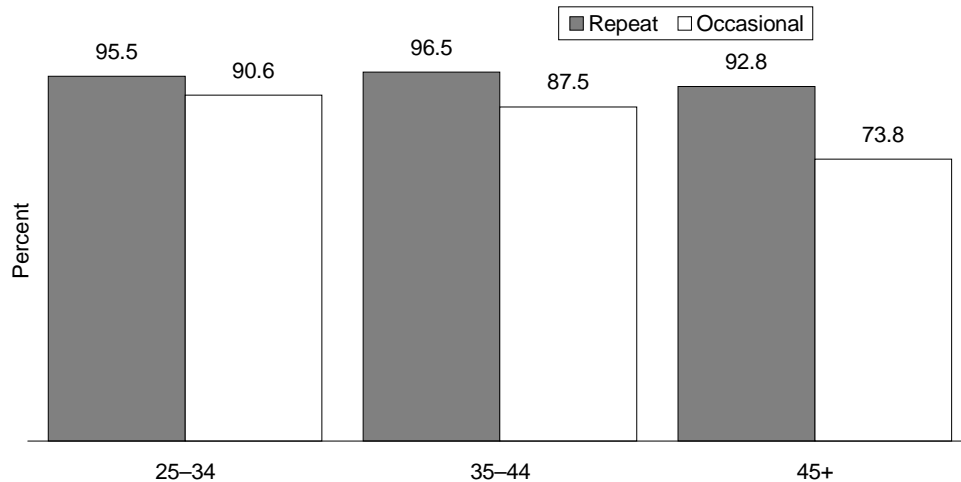
**Notes:** EI claimants are categorized by whether they worked in 1997 and whether they were repeat or occasional claimants as defined in Chapter 1. Claimants are classified as having worked in 1997 if they: (a) reported having at least one employer in 1997; (b) reported being a paid worker, a paid family worker or self-employed; and (c) reported working for at least one week in 1997. The percentages shown were calculated using the population weights provided by Statistics Canada. See Table C.9 for the unweighted sample sizes for this figure.

<sup>1</sup>The *main employer* for each respondent was the employer for whom the respondent worked the most hours in 1997.

<sup>2</sup>The second condition excludes respondents who worked as volunteers or as unpaid family workers.

Among occasional EI claimants, the proportion who worked during 1997 fell steadily as age increased — older occasional claimants were substantially less likely to have worked than the younger claimants (see Figure 3.2).<sup>3</sup> For example, 90.6 percent of occasional users in the 25–34 age group worked in 1997, but only 73.8 percent of occasional users in the 45-years-and-older category worked. This pattern is far less pronounced among repeat users, with the proportion of those working dropping only slightly for respondents who were 45 years or older.

**Figure 3.2: Percentage of All Respondents Who Worked in 1997, by Age**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUED).

**Notes:** EI claimants in each age group are categorized by whether they worked in 1997 and whether they were repeat or occasional claimants as defined in Chapter 1. Male and female claimants are combined in this chart because, according to Statistics Canada guidelines, the number in each group who did not work is too small to report. The percentages shown were calculated using the population weights provided by Statistics Canada. See Table C.10 for the unweighted sample sizes for this figure.

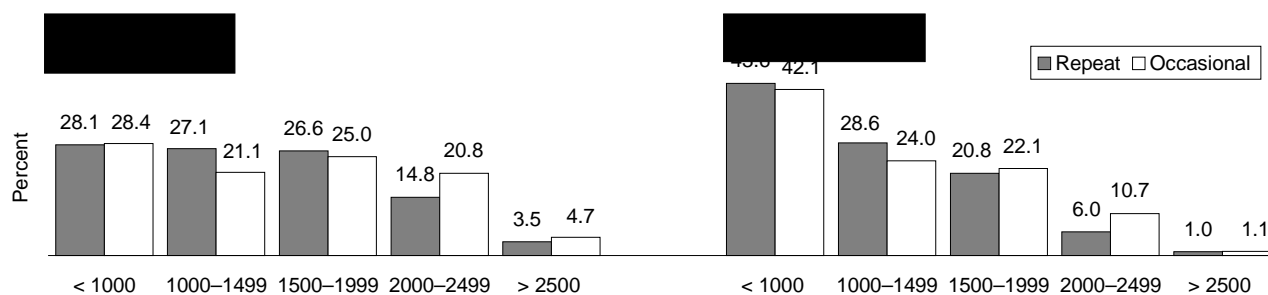
### ***Distribution of Annual Hours Worked***

A second measure of the extent to which 1996 EI claimants were attached to the labour market is the distribution of annual hours worked by the subset who worked in 1997. There is a broad similarity in the number of hours worked by male occasional and repeat claimants (see Figure 3.3). Both groups averaged about 1,400 hours of work in 1997 (see the notes to Figure 3.3), and the distribution across various categories of work hours is similar. The only important difference in the distribution for men is that a somewhat smaller proportion of male repeat users worked more than 2,000 hours, compared with male occasional claimants (18.3 percent for male repeat claimants; 25.5 percent for male occasional claimants).

On average, female EI claimants worked fewer hours than male claimants. The average annual hours worked in 1997 for both repeat and occasional claimants was about 1,150 hours (see the notes to Figure 3.3). Not only was the average number of hours similar for repeat and occasional claimants, but the distribution across various categories was also quite similar (see Figure 3.3); for example, 42.1 percent of female occasional claimants worked less than 1,000 hours in 1997, as did 43.6 percent of repeat claimants.

<sup>3</sup>In Figure 3.2, male and female claimants are combined. Because most repeat users worked in 1997, results broken down by gender and age for those who did *not* work would be based on sample sizes that are too small to report, according to Statistics Canada guidelines.

**Figure 3.3: Number of Hours Worked in 1997, by Category**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants in each “annual hours worked” group are categorized by whether they were repeat or occasional claimants as defined in Chapter 1. For each claimant, the hours worked for up to three employers are summed to form the “annual hours worked” variable; the three employers used are the three for which the respondent worked the most hours in 1997. The percentages shown were calculated using the population weights provided by Statistics Canada.

The weighted averages of the number of hours worked in 1997 are as follows: male repeat 1,397; male occasional 1,435; female repeat 1,135; and female occasional 1,164.

Those who did not work in 1997 or who had missing values were excluded from the calculation of the percentages. See Table C.11 for the unweighted sample sizes for this figure, including the numbers who did not work or who had missing values.

### Attachment to Particular Employers

Perhaps the most striking difference between occasional and repeat EI claimants was in their relationship with their 1997 employer.

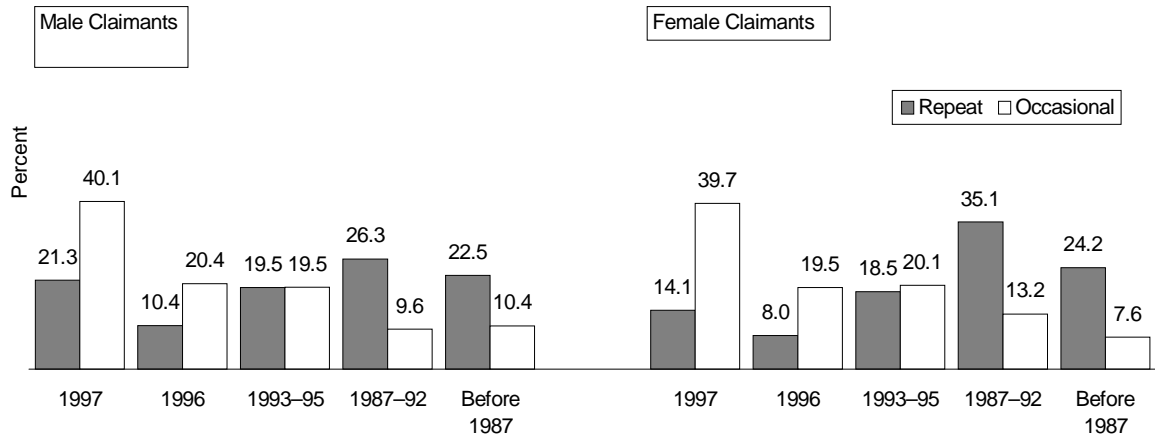
As depicted in Figure 3.4, almost half of male repeat users (48.8 percent) had started working for their main 1997 employer prior to 1993, compared with only 20 percent of occasional users.<sup>4</sup> Female repeat EI users were even more likely to return, in 1997, to a previous employer; overall, almost 60 percent of female repeat claimants returned to an employer for whom they started working in 1992 or before. These are clear and striking indications of a stable, long-term relationship between many repeat claimants and their main 1997 employer — a relationship that may have lasted through several spells of unemployment.

A large proportion of occasional EI claimants (40.1 percent of males; 39.7 percent of females) were working for their 1997 employer for the first time. It is perhaps surprising, however, that such a large proportion of occasional claimants — roughly 60 percent — were *not* working for their 1997 employer for the first time. This suggests that many occasional users were not “displaced workers,” as defined by the permanent loss of a long-term position.

Figure 3.5 shows the distribution of EI claimants by the number of employers they reported having in 1997. Most claimants worked for only one employer in 1997, although about 25 percent of male claimants and 20 percent of female claimants worked for two or more employers. In general, repeat claimants were more likely to work for only one employer in 1997. This was especially true among female claimants where 74.9 percent of repeat claimants worked for only one employer, compared with 60.0 percent of occasional claimants.

<sup>4</sup>See the notes to Figure 3.4 for the definition of “number of years with main 1997 employer.” The variable is the number of years between 1997 and the year in which the respondent first worked for the same employer. It is possible that some respondents did not work *continuously* for the same employer over that time period.

**Figure 3.4: Year First Employed by Main 1997 Employer**

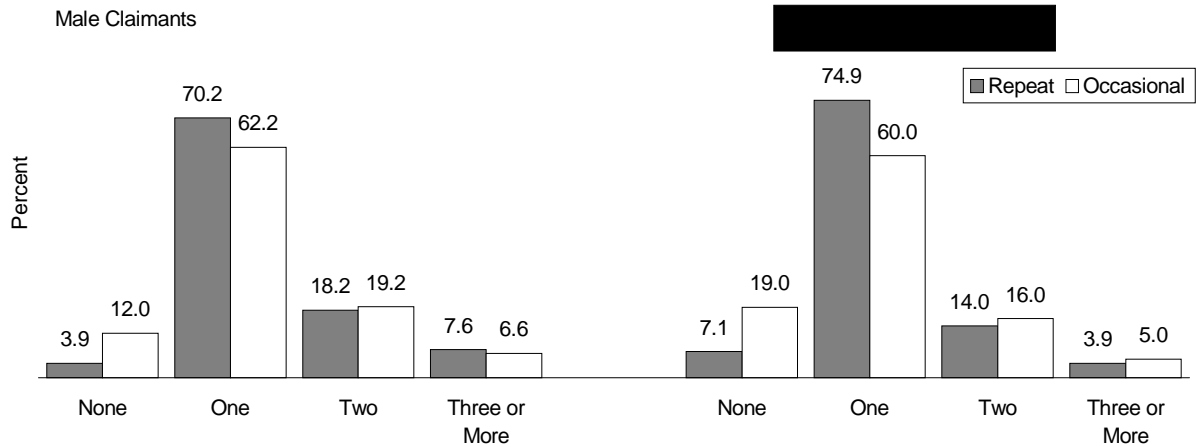


**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants in each group are categorized by whether they were repeat or occasional claimants, as defined in Chapter 1. Respondents were asked whether they had worked for their main 1997 employer prior to 1997. If they said “no” they were classified under “1997” in this figure. Respondents who said “yes” — that they had previously worked for their main 1997 employer — were asked the year in which they first started working for that employer. It is not certain, however, that the respondent worked for that employer in *every* year between the year in which they started and 1997.

The percentages shown were calculated using the population weights provided by Statistics Canada. Those who did not work in 1997 or who had missing values were excluded from the calculation of the percentages. See Table C.12 for the unweighted sample sizes for this figure, including the numbers who did not work or who had missing values.

**Figure 3.5: Number of Employers**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants are categorized by the number of employers for whom they reported working in 1997 and by whether they were repeat or occasional claimants as defined in Chapter 1. The percentage with “none” is slightly different from the percentage who did not work according to Figure 3.1 because of the additional restrictions on the definition of “worked in 1997” used in constructing Figure 3.1.

The percentages shown were calculated using the population weights provided by Statistics Canada. See Table C.13 for the unweighted sample sizes for this figure.

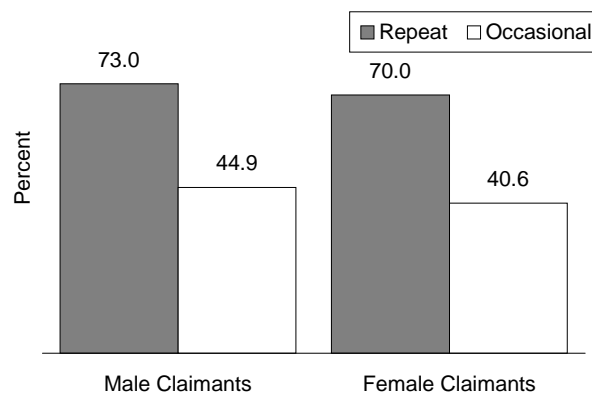
## “Breaks” in the 1997 Job

The previous two subsections establish that the majority of repeat users of Employment Insurance were firmly attached to the labour force in 1997. The fact that set them apart from other workers who had long-term and ongoing relationships with particular employers was that their work apparently involved an annual period of unemployment.

Respondents who worked in 1997 were asked whether they had a “break,” lasting for at least two weeks, from their main employer. Given the results reported in the last two sections, we would expect that repeat claimants would have been more likely to experience a “break” from their 1997 employer than occasional claimants.

Figure 3.6 shows the proportion of all respondents who had a break from their main 1997 employer. Among male repeat EI claimants, 73.0 percent had a break from their employer as compared with 44.9 percent of male occasional EI claimants. Among female claimants, 70.0 percent of repeat users had a break in employment as compared with 40.6 percent of occasional claimants.

**Figure 3.6: Percentage of Respondents With Breaks in Their 1997 Employment**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants are categorized by whether or not they had a “break,” lasting at least two weeks, from their main 1997 employer, and by whether they were repeat or occasional claimants as defined in Chapter 1. A break is defined as an absence from the main employer of two weeks or more. Both temporary and permanent layoffs of two weeks or more would be considered breaks.

The percentages shown were calculated using the population weights provided by Statistics Canada. See Table C.14 for the unweighted sample sizes for this figure.

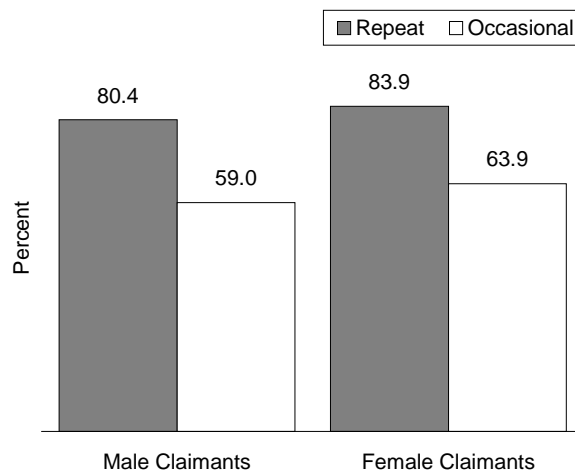
## Recall Expectations

A respondent’s break in employment might have been a permanent separation from an employer, or it might have been a temporary or seasonal layoff. For example, a worker who was laid off at the end of a seasonal job might have expected to be recalled by the same employer when the new season began. For other workers, the break would have meant that the job had ended, without the possibility of recall.

Given the evidence that many repeat EI claimants worked for the same employer for more than a few years, an expectation of recall should have been a characteristic of the breaks they experienced and, indeed, this is the case. Figure 3.7 pertains only to those respondents who had a break in 1997, and shows the percentage who expected to be recalled to their job.

As Figure 3.7 clearly shows, those repeat EI claimants who experienced a work break in 1997 were much more likely than occasional EI claimants to expect that they would be returning to the job. Over four fifths of repeat claimants in this group (80.4 percent of males; 83.9 percent of females) expected to go back to work for the same employer after a break. The corresponding percentages for occasional EI claimants were 59.0 percent for men, and 63.9 percent for women.

**Figure 3.7: Percentage of Respondents Who Expected to Be Recalled, Among Those Who Experienced an Employment Break From Their Main Employer**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants are categorized by whether or not they had a “break,” lasting at least two weeks, from their main 1997 employer, and by whether they were repeat or occasional claimants as defined in Chapter 1. A break is defined as an absence from the main employer of two weeks or more. Both temporary and permanent layoffs of two weeks or more would be considered breaks. These breaks are then classified according to whether or not the respondent expected to be recalled to the same job after the break was over. Those with missing values have been excluded from the calculation of the percentages shown in the figure. The denominator for the percentages shown in this figure is the (weighted) number who experienced a break.

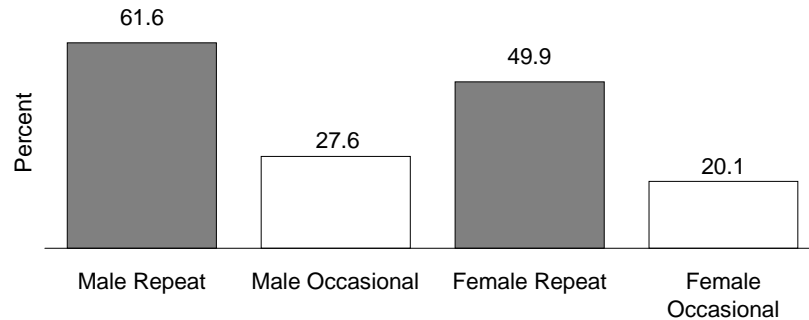
The percentages shown were calculated using the population weights provided by Statistics Canada. See Table C.15 for the unweighted sample sizes for this figure.

## Seasonality

“Seasonal” work involves annual patterns of work — patterns that are often dictated by the weather. Seasonal industries are those that are forced to shut down or cut back because of inclement weather or scarce resources — industries like construction, fishing, and forestry. The pattern, however, need not be determined by nature. For example, some of those who work in primary and secondary schools are employed during the winter, but tend to be unemployed during July and August; and some retail employees work only in the lead up to the holiday season and are laid off after that season ends. Using this broader definition, were repeat EI claimants any more likely to be working in seasonal jobs than occasional EI claimants?

Two measures of seasonality are examined here. Each working respondent in the SRUEI was asked if his or her main job in 1997 was seasonal or non-seasonal, and the responses to these questions appear in Figure 3.8. Another view of seasonality is derived by tabulating the proportion of the sample that worked in each month during 1997.<sup>5</sup> From this monthly information, seasonal job patterns may be observed.

**Figure 3.8: Percentage of Respondents Whose Main Job in 1997 Was Seasonal**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants are categorized by whether or not they reported that their main 1997 job was seasonal, and by whether they were repeat or occasional claimants as defined in Chapter 1. The question simply asked whether the respondent’s job was seasonal or non-seasonal without providing a definition of the term “seasonal.”

The percentages shown were calculated using the population weights provided by Statistics Canada. Those categorized as “not working” or “not stated” were excluded from the calculations of the percentages. See Table C.16 for the unweighted sample sizes for this figure.

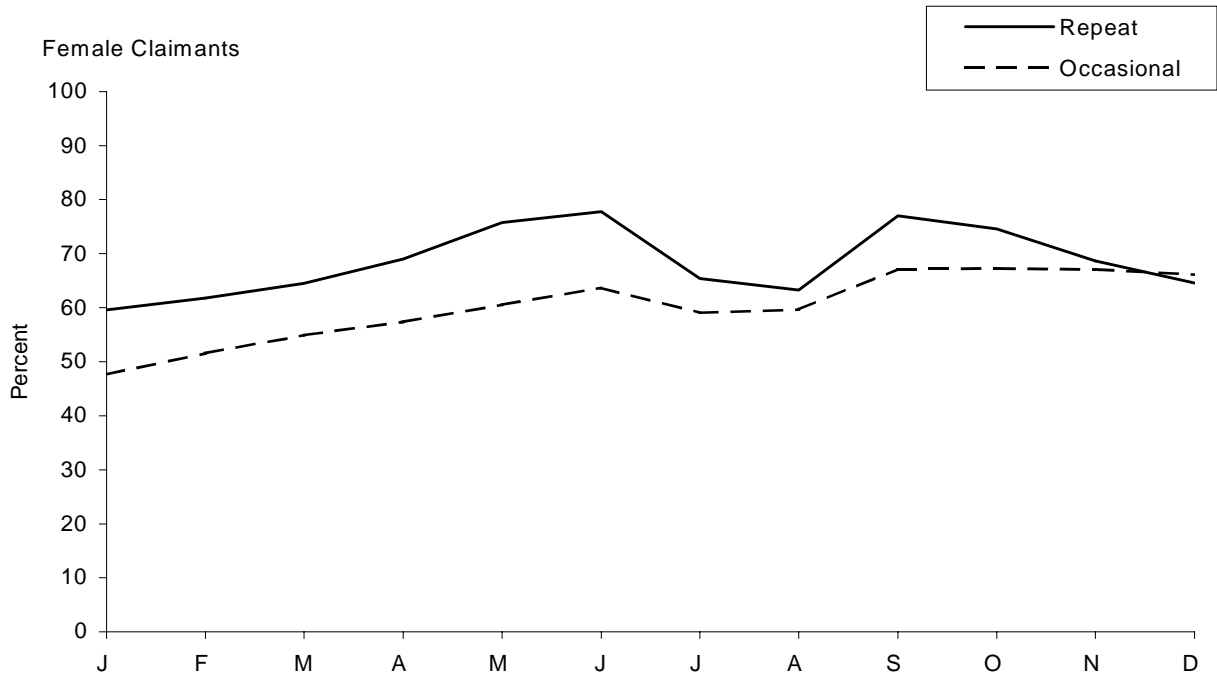
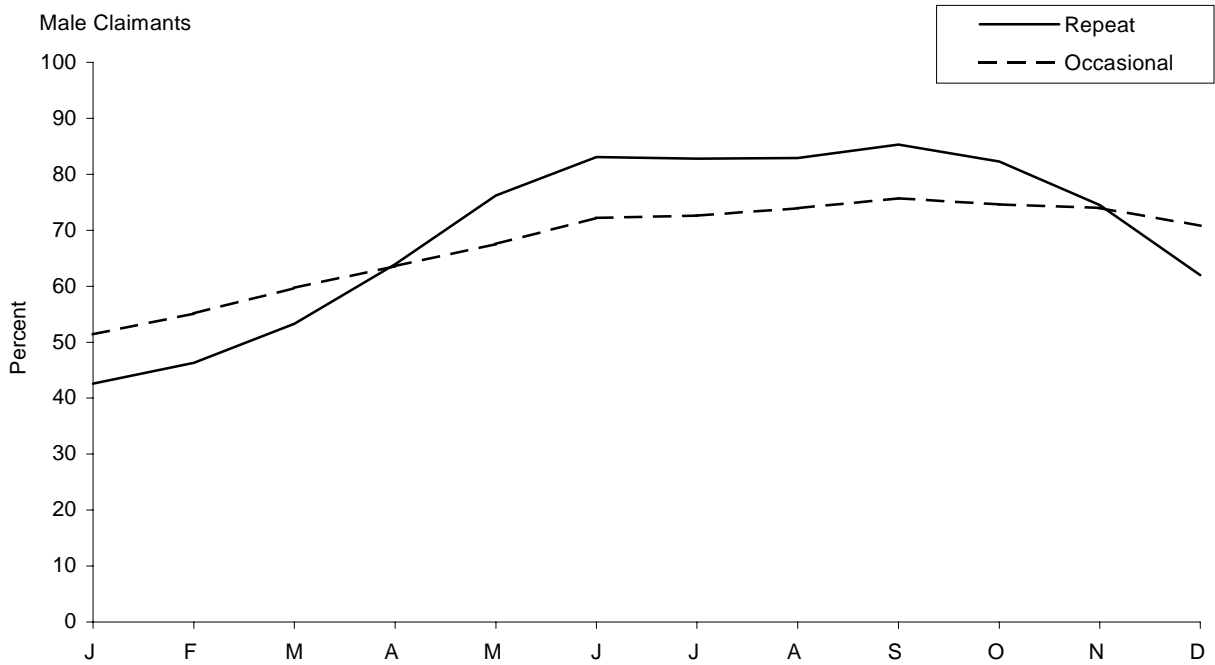
Male repeat EI claimants were the most likely of all respondents to characterize their 1997 job as seasonal, with over three-fifths (61.6 percent) describing their job in this way, compared with only 27.6 percent of men who made only occasional claims. Only half (49.9 percent) of female repeat EI users described their job as seasonal, but this was more than twice the percentage of female occasional claimants (20.1 percent) who described their 1997 job in this way.

Looking at the proportion of repeat and occasional claimants who reported working in each month of 1997 (see Figure 3.9), a clear seasonal pattern can be detected for men who made repeat EI claims. There was a marked increase in the employment rate of this group beginning in March, with a peak during the summer months, and a fairly rapid decline from October to December. A greater proportion of male occasional claimants were working in January and this proportion increased fairly steadily throughout 1997, dropping only slightly in the last three months. This pattern suggests that the category “male occasional EI claimants” contains an important subgroup who had experienced the permanent loss of a job in 1996 and slowly returned to full-year employment during 1997.

<sup>5</sup>The variable used here counts respondents as “working” in a given month if they reported working in that month for any one of the first four employers they reported working for in 1997. This variable is different than that used in relation to Figure 3.1; the change in definition was made necessary by limitations on the work information collected on a monthly basis.



**Figure 3.9: Percentage of Respondents Working for at Least One Week in Each Month of 1997**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** In each month, EI claimants are categorized by whether or not they worked for one of the first four employers they mentioned in their survey response, and by whether they were repeat or occasional claimants as defined in Chapter 1.

The percentages shown were calculated using the population weights provided by Statistics Canada. Those categorized as “not stated” have been excluded from the calculations of the above weighted percentages. See Table C.17 for the unweighted sample sizes for this figure.

Though the monthly employment rates for female repeat EI claimants did not follow the same kind of seasonal pattern as that seen for male repeat users, there remained a clear pattern of employment and unemployment across the year. Female repeat claimants began the year with a higher employment rate than their male counterparts (61.0 percent; 42.6 percent). During the summer months, however, when male repeat claimants were in their peak period of employment, the employment rate for female repeat users dropped. This same pattern of lower employment rates during the summer occurs for female occasional claimants, although the overall proportion of working occasional claimants was lower throughout most of the year.

The distinctive features of the work experience of repeat claimants were undoubtedly related to the kinds of jobs that they held — some industries and occupations employ workers only part of the year.

## INDUSTRY AND OCCUPATIONAL PRESTIGE

The distinctive work patterns seen in the last section suggest that repeat and occasional claimants worked in very different industries or in different occupations (as did men and women). This section describes the relationship between claims frequency and the industry and occupation of the SRUEI respondents. SRUEI respondents were asked to describe the kind of work they did for their main 1997 employer,<sup>6</sup> and to indicate the industrial sector that best described this job.<sup>7</sup> Their responses were then grouped into major occupational and industrial categories.

We begin by comparing the industries in which repeat and occasional claimants worked, and then turn to occupational comparisons.

### Industry

We use two criteria to decide if a particular industry is important in explaining the repeat use of Employment Insurance. An industry is important if: (1) a large number of claimants worked in that industry; *and* (2) a large proportion of claimants in that industry were repeat users.

We illustrate the distribution of claimants across industrial categories in two different ways. First, we show how claimants are divided among the various categories; for example, we show what proportion of claimants worked in the “manufacturing” category. Second, within each category, we show how claimants were divided between repeat and occasional users; for example, within the manufacturing industry, we show the proportion of claimants who were repeat EI users.

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<sup>6</sup>The questions used by Statistics Canada to define the occupation of each respondent are, for each job, “What kind of work were you doing” (along with some examples) and “What were your main activities?” The answers to these questions are then used to assign a standard occupational code to each person.

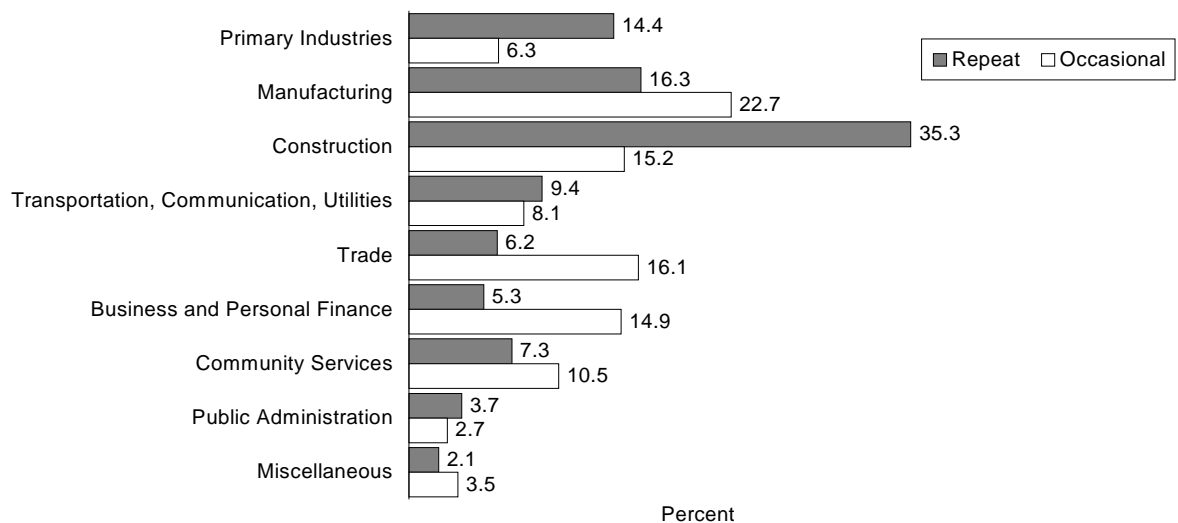
<sup>7</sup>As is standard practice, respondents were asked, “Starting with the most recent job, what kind of business, industry, or service sector was this (e.g., construction company, lumber industry, retail store, hotel, or restaurant)?” Responses to this question were then coded by Statistics Canada in 16 standard industrial categories. The categories include construction, manufacturing (including automobile production and metal fabricating), primary industries (including agriculture, forestry, and fishing), wholesale and retail trade, and community services (including education, health, and social services). For the purposes of this section, we have combined several of the smaller Statistics Canada categories, leaving us with nine industrial categories.

### Male Claimants

Among all male respondents — combining repeat and occasional claimants — 27.1 percent worked in the construction industry (not shown). Another 18.9 percent worked in one of the manufacturing industries and 11.1 percent in one of the primary industries (including fishing, forestry, and agriculture). Thus, these three industrial sectors meet the first of the above criteria — each employs a relatively large proportion of male EI claimants.<sup>8</sup>

Figure 3.10 shows distributions of male occasional and repeat EI claimants across industrial categories. Male repeat claimants were more likely to work in the construction industry than any other industrial sector; overall, 35.3 percent of male repeat users worked in construction. Even in the Atlantic region, where the repeat use of Employment Insurance is sometimes associated with fishing industry, 29.9 percent of male repeat users worked in construction, as compared with 20.0 percent in *all* primary industries, including fishing (not shown). In Ontario, 46.7 percent of all repeat users worked in the construction industry (not shown).

**Figure 3.10: Distribution of Male Repeat and Occasional Claimants Across Industrial Categories**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** Male EI claimants are categorized by the industrial category of their main 1997 employer, and by whether they were repeat or occasional claimants as defined in Chapter 1. The percentages shown were calculated using the population weights provided by Statistics Canada. Those who did not work in 1997 (valid skips) and those who did not state the industrial category of their main job were excluded from the calculations. See Table C.18 for the unweighted sample sizes associated with this figure.

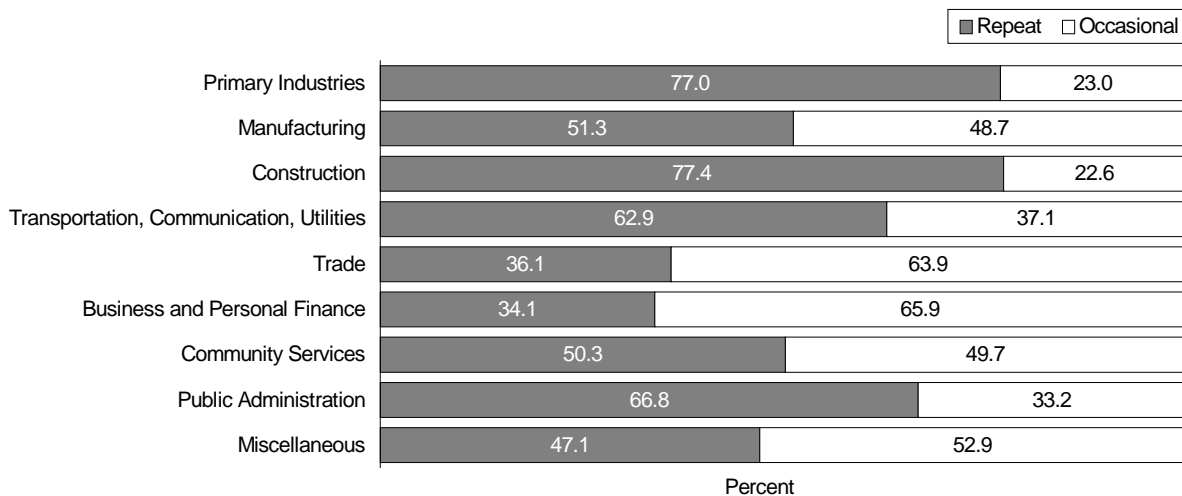
<sup>8</sup>In the 1996 Census, the proportion of all employed men working in primary industries in Canada was 9.3 percent. The proportion of all employed men working in manufacturing industries was 17.0 percent and the proportion of all employed men working in construction industries was 7.8 percent. Thus construction workers are disproportionately represented among EI claimants (Statistics Canada, *1996 Census, Selected Geographic, Demographic, Cultural, Educational, Labour Force, Income, and Family-Related Characteristics by Sex*).

A far smaller, but still important, proportion of repeat EI claimants worked in primary industries such as agriculture, forestry, and fishing. Among all male repeat users, 14.4 percent worked in primary industries (see Figure 3.10), but that proportion is higher in the Atlantic provinces (20.0 percent) and in the Western provinces (19.0 percent) (not shown).

The proportions of occasional EI users who worked in construction and primary industries were far lower than the proportions of repeat EI users. For example, only 15.2 percent of male occasional users worked in construction and only 6.3 percent worked in primary industries. Most male occasional users worked either in manufacturing (22.7 percent), wholesale and retail trade (16.1 percent), or in business and personal finance (14.9 percent).

Figure 3.11 shows the proportion of all male EI claimants who were repeat users for each category. Notably, of all male claimants who worked in the construction industry, 77.4 percent were repeat users. In primary industries, 77.0 percent were repeat users. By contrast, 51.3 percent of claimants in manufacturing were repeat users, a smaller proportion than the 57.3 percent who were repeat users in the sample as a whole. In two sectors — public administration, and transportation and communication — a large proportion of claimants were repeat users, but these sectors did not employ a large proportion of claimants. Thus, among the three large sectors, only the construction and primary sectors meet the second criterion outlined at the beginning of this section — they are industries that generate significant proportions of repeat EI users.

**Figure 3.11: Proportion of Repeat Claimants, by Industry of Employment, for Males Working in 1997**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** Male EI claimants are categorized by the industrial category of their main 1997 employer, and by whether they were repeat or occasional claimants as defined in Chapter 1. The percentages shown were calculated using the population weights provided by Statistics Canada. Those who did not work in 1997 (valid skips) and those who did not state the industrial category of their main job were excluded from the calculations. See Table C.18 for the unweighted sample sizes associated with this figure.

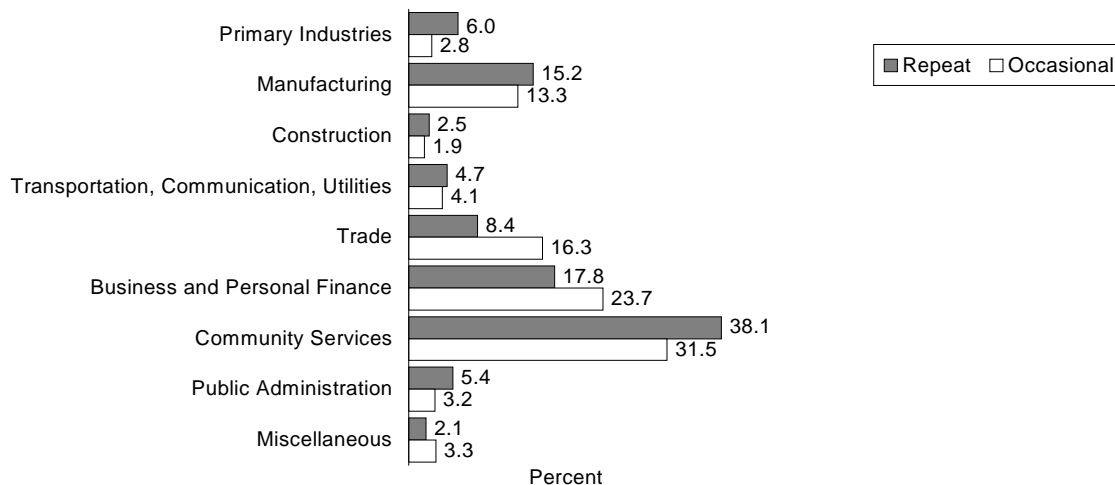
Based on the above discussion, the construction and primary industrial sectors are particularly important in accounting for the prevalence of the repeat EI use among male workers. Both industries employed a large proportion of claimants and, in both industries, a large proportion of the EI claimants were repeat users. The reasons seem clear — much of the work in construction and in the primary sector must take place in the spring, summer, and fall months. During the winter months, when workers in these industries are laid off, they are eligible for unemployment benefits.

### Female Claimants

Whereas male repeat claimants were disproportionately likely to be working in construction or primary industries, there was no such concentration among female repeat claimants. Among female EI users, there is no single industry that is analogous to the construction and primary industries for men — one in which a large proportion of all claimants work *and* in which a large proportion of claimants are repeat users. The largest proportion of all female claimants — 38.1 percent of repeat users and 31.5 percent of occasional users — worked in the community services industry which includes education, health, and social services.

Among female repeat claimants, the repeated use of Employment Insurance is *not* related to working in seasonal industries, such as construction and primary production; very few female claimants worked in these sectors. Figure 3.12 shows that, among female repeat claimants, the most important industrial categories were community services (38.1 percent), business and personal services (17.8 percent), and manufacturing (15.2 percent).

**Figure 3.12: Distribution of Female Repeat and Occasional Claimants Across Industrial Categories**

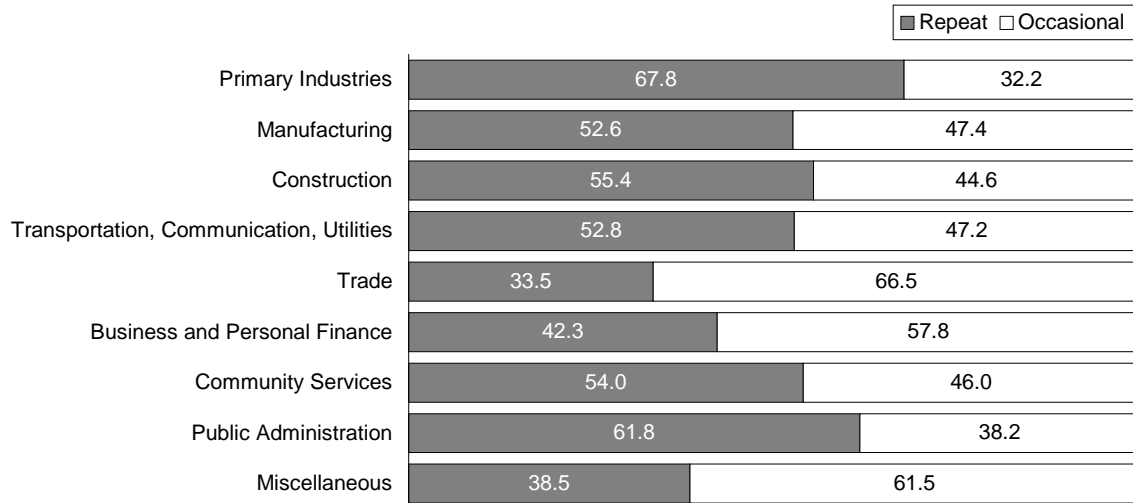


**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** Female EI claimants are categorized by the industrial category of their main 1997 employer, and by whether they were repeat or occasional claimants as defined in Chapter 1. The percentages shown in the figure were calculated using the population weights provided by Statistics Canada. Those who did not work in 1997 (valid skips) and those who did not state the category of their main job were excluded from the calculations. See Table C.19 for the unweighted sample sizes associated with this figure.

Figure 3.13 shows, however, that no one industry stands out in terms of its proportion of female repeat EI users. For example, in community services, only 54.0 percent of female claimants were repeat users, a proportion somewhat greater than the overall proportion of female repeat claimants of 45.9 percent (see Table 1.1). It appears, therefore, that despite the importance of that sector, it was not one in which there was a greatly disproportionate share of repeat users and thus, it does not meet the second criteria noted at the beginning of the section.

**Figure 3.13: Proportion of Repeat Claimants, by Industry of Employment, for Females Working in 1997**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** Female EI claimants are categorized by the industrial category of their main 1997 employer, and by whether they were repeat or occasional claimants as defined in Chapter 1. The percentages shown were calculated using the population weights provided by Statistics Canada. Those who did not work in 1997 (valid skips) and those who did not state the industrial category of their main job were excluded from the calculations. See Table C.19 for the unweighted sample sizes associated with this figure.

Indeed, the proportion of female repeat EI users in almost all industrial sectors was close to the overall proportion of repeat users (see Figure 3.13). The only exceptions are the primary sector in which 67.8 percent of the claimants were repeat users, and public administration with 61.8 percent repeat users. Neither of these two sectors, however, was home to a large proportion of EI claimants. Only 4.3 percent of female claimants work in the primary sector and the same percentage work in public administration (not shown).

### Occupational Prestige

If a man works on a Northern pipeline, he works in a primary industry — oil and gas. The required level of skill, however, will be much higher if he is the backhoe operator, a job that requires considerable training, than if he is the oiler — the worker who maintains the backhoe and generally assists the operator. In this example, the difference in the workers' skill levels will not affect their use of Employment Insurance. Both kinds of worker will likely be repeat EI claimants because both have jobs that cannot be done in the winter.

Occupation would make a difference to claims frequency if the company's personnel manager is introduced into this picture. The personnel manager is likely to be employed year-round by the company and, therefore, will make only occasional EI claims, if he makes any claims at all.

Any industry may include several occupational groups, and each group may be more or less likely to use Employment Insurance repeatedly. In this section, we examine the relationship between occupation and the frequency of EI claims by using a standard occupational prestige scale to create the following four broad occupational groupings:<sup>9</sup>

- Managerial/professional (including all employed professionals and all high-level management positions);
- Middle management (including all of those classified as semi-professional workers, as technicians, and as middle managers);
- Skilled workers (including supervisors, foremen, farmers, all skilled and semi-skilled tradespeople, and those working in all skilled and semi-skilled clerical and sales jobs); and
- Unskilled workers (all those working in unskilled jobs).

Repeat and occasional EI users were not as different in their occupational status as they were in the industries in which they worked. Nevertheless, important differences existed between repeat and occasional users in their distribution across the occupational prestige categories.

### ***Male Claimants***

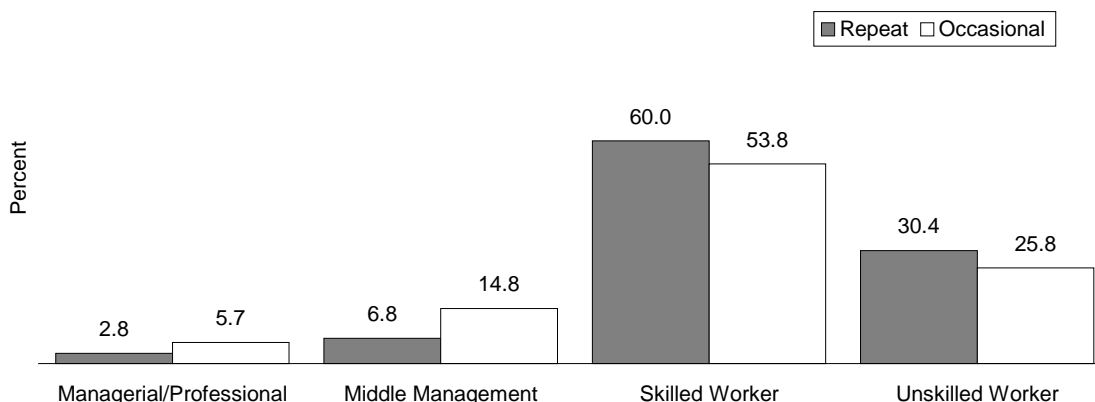
Among male repeat EI users, 60.0 percent were skilled workers and another 30.4 percent were unskilled workers (see Figure 3.14).<sup>10</sup> Both of these percentages modestly outweigh the corresponding percentages for male occasional claimants among whom 53.8 percent were skilled and 25.8 percent were unskilled workers. Perhaps more importantly, relatively few men who made frequent EI claims worked in professional, management, or middle management positions; only 9.6 percent of male repeat users were in management or professional positions, compared with 20.5 percent of occasional claimants.

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<sup>9</sup>The scale used is outlined in Pineo, Porter, and McRoberts, 1977. It has since been modified, but is still used by Statistics Canada. We have collapsed the 16 Pineo-Porter-McRoberts categories into the four noted in the text.

<sup>10</sup>In one industry — construction — 81.2 percent of male repeat EI users were skilled workers.

**Figure 3.14: Distribution of Occupational Prestige for Males Working in 1997**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** Male EI claimants are categorized by the self-reported occupation of their main 1997 job, and by whether they were repeat or occasional claimants as defined in Chapter 1. Occupations are recorded into one of several occupational prestige categories using the Pineo-Porter-McRoberts (PPM) occupational prestige scale.

The PPM scale has 16 categories. These were regrouped into four larger categories as follows. Our managerial/professional category consists of the PPM categories self-employed professionals, employed professionals, and high-level management. Our middle management category consists of the PPM categories semi-professionals, technicians, and middle management. The skilled workers category includes the PPM categories supervisors, farmers, foremen, skilled clerical-sales-service, skilled crafts and trades, semi-skilled clerical-sales-service, and semi-skilled manual. Finally, our unskilled category combines the PPM categories unskilled clerical-sales-services, unskilled manual, and farm labourers.

The percentages shown in this figure were calculated using the population weights provided by Statistics Canada. Those who did not work in 1997 (valid skips) and those who did not state their occupation were excluded from the calculations. See Table C.20 for the unweighted sample sizes associated with this figure.

### **Female Claimants**

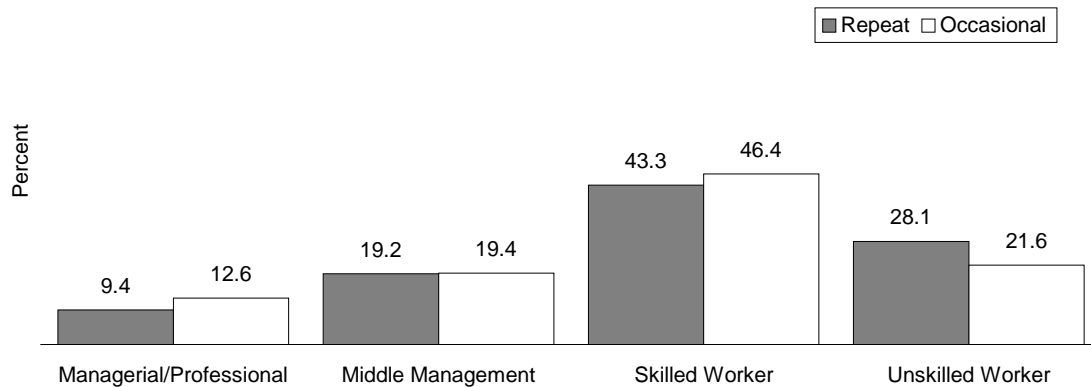
Female EI claimants were not as heavily concentrated in skilled and unskilled jobs as were male claimants. In fact, almost 30 percent of female repeat and occasional claimants were in managerial/professional or middle management categories (see Figure 3.15); this compares with just under 10 percent of male repeat claimants and about 20 percent of male occasional claimants (see Figure 3.14). In general, the distribution of female occasional claimants across the occupational categories was roughly the same as for female repeat claimants. The only potentially important difference was that 28.1 percent of female repeat claimants were in the unskilled category as opposed to 21.6 percent of female occasional claimants.

To summarize the last two sections, we have seen that male claimants are concentrated in two industries, and are more likely than occasional claimants to be skilled or unskilled workers. By contrast, women are not concentrated in any industry or occupational prestige category.<sup>11</sup>

<sup>11</sup>Because the repeat use of Employment Insurance by women does not seem to relate to either industry or occupation, the question of why almost half of all female claimants were repeat users remains unsettled. The female repeat users were not concentrated in seasonal industries nor were they particularly likely to work in unskilled (and thus perhaps more unstable) jobs. One possible explanation might be that female repeat claimants were more likely than occasional claimants to work in jobs that were “contingent” — jobs that were temporary or that involved short-term contracts. However, the proportion of female claimants working in permanent jobs was similar for both types of claimants — 68.5 percent of repeat claimants and 71.4 percent of occasional claimants worked in permanent jobs in 1997 (not shown).



**Figure 3.15: Distribution of Occupational Prestige for Female Claimants Working in 1997**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** Female EI claimants are categorized by the self-reported occupation of their main 1997 job, and by whether they were repeat or occasional claimants as defined in Chapter 1. Occupations are recorded into one of several occupational prestige categories using the Pineo-Porter-McRoberts (PPM) occupational prestige scale.

The PPM scale has 16 categories. These were regrouped into four larger categories as follows. Our managerial/professional category consists of the PPM categories self-employed professionals, employed professionals and high-level management. Our middle management category consists of the PPM categories semi-professionals, technicians, and middle management. The skilled workers category includes the PPM categories supervisors, foremen, farmers, skilled clerical-sales-service, skilled crafts and trades, semi-skilled clerical-sales-service and semi-skilled manual. Finally, our unskilled category combines the PPM categories unskilled clerical-sales-services, unskilled manual, and farm labourers.

The percentages shown in the figure were calculated using the population weights provided by Statistics Canada. Those who did not work in 1997 (valid skips) and those who did not state their occupation were excluded from the calculations. See Table C.21 for the unweighted sample sizes associated with this figure.

## EARNINGS AND HOUSEHOLD INCOME

We begin this section by asking whether repeat EI claimants had relatively high wages and how they fared in comparison with occasional EI claimants in terms of hourly wages and annual earnings. We then look at how individual earnings compared with household income.

Previous analyses of the repeat use of unemployment insurance were not able to explore the relationship between individual earnings and total household income because administrative data do not include measures of household income. Because the SRUEI specifically asked respondents about their household income and about the various sources of household income, we can explore those relationships here. This will address the question of whether EI claimants with low individual earnings tended to live in high- or low-income households.

### Hourly Wages and Annual Earnings

Respondents were asked how much they earned per hour in 1997; they were also asked to report their total annual earnings.<sup>12</sup> Here, we compare the wages of repeat EI claimants with occasional EI claimants by dividing reported wage rates into four categories: less than \$8.00 per hour; \$8.00 to \$11.99 per hour; \$12.00 to \$15.99 per hour; and \$16 or more per hour.

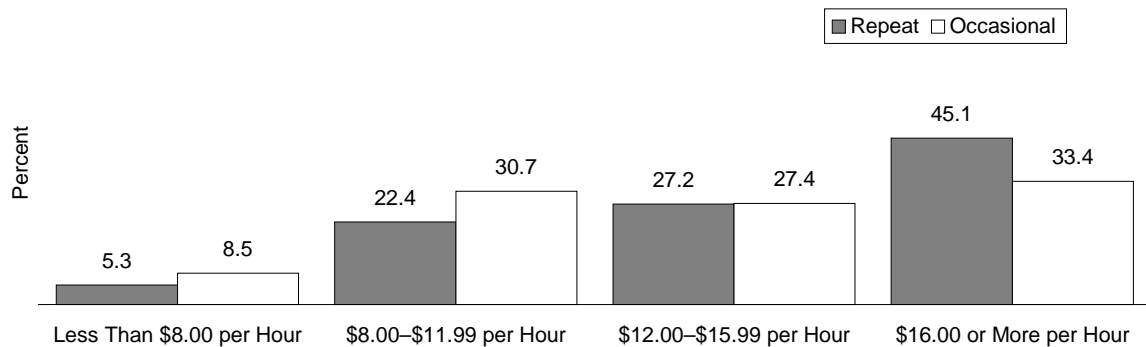
<sup>12</sup> Respondents were asked to report hourly wage rates for up to three different 1997 employers. In this section, we use only the wages reported for each respondent's main employer. However, total annual earnings were summed for all employers.

Similarly, total annual earnings are divided into four categories: less than \$20,000; \$20,000 to \$29,999; \$30,000 to \$39,999; and \$40,000 or more. A fairly high percentage of respondents (10 to 15 percent) did not respond to these questions and the results should, therefore, be viewed with some caution.

### Male Claimants — Wage Rates

Male repeat EI users had higher wages than male occasional EI users. For example, 45.1 percent of male repeat users earned \$16 per hour or more, compared with 33.4 percent of male occasional users (see Figure 3.16). On average, male repeat claimants earned \$16.06 per hour in 1997 — nearly 10 percent higher than the \$14.57 per hour average earned by occasional claimants.

**Figure 3.16: Distribution of Wages for All Male Claimants Who Worked in 1997**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

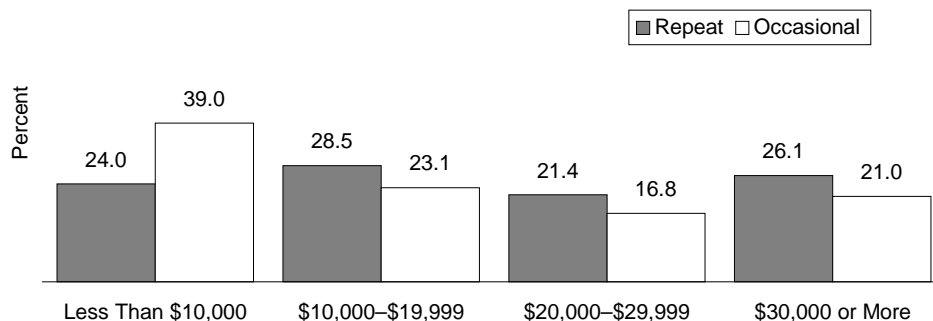
**Notes:** Male EI claimants in each wage rate group are categorized by whether they were repeat or occasional claimants, as defined in Chapter 1. Wage rates were reported for up to three employers in 1997, but the categorization reported here is based on the wage for the main employer. The percentages shown were calculated using the population weights provided by Statistics Canada. Those who did not work in 1997 or who had missing values were excluded from the calculation of the percentages. See Table C.22 for the unweighted sample sizes associated with this figure, including the numbers who did not work or who had missing values.

This overall pattern — a higher proportion of repeat EI users being in the highest wage rate category — held in three of the four regions (Quebec, Ontario, and the West). For example, in Quebec, 47.2 percent of repeat claimants earned \$16 per hour or more, compared with only 31.4 percent of occasional claimants (not shown). Similar patterns characterized Ontario (55.1 percent and 31.7 percent) and the West (54.5 percent to 39.7 percent). In contrast, a greater proportion of occasional claimants in the Atlantic region had high wages. Among occasional users, 26.2 percent had wages of \$16 per hour or more, compared with 22.4 percent of repeat users. Relatively more occasional claimants were in the lowest wage category — less than \$8 per hour — in all four regions.

### Male Claimants — Total Earnings

In general, the distribution of total earnings followed the same pattern as the distribution of wage levels. A greater proportion of male EI occasional claimants earned less than \$20,000 per year — 62.1 percent of occasional users versus 52.5 percent of repeat users (see Figure 3.17).

Figure 3.17: Distribution of Total Annual Earnings for All Male Claimants Who Worked in 1997



Source: Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

Notes: Male EI claimants in each earnings group are categorized by whether they were repeat or occasional claimants, as defined in Chapter 1. Earnings from up to seven 1997 employers are combined to form “total annual earnings.” The percentages shown were calculated using the population weights provided by Statistics Canada. Those who did not work in 1997 or who had missing values were excluded from the calculation of the percentages. See Table C.23 for the unweighted sample sizes for this figure, including the numbers who did not work or who had missing values.

As in the case of wage levels, the Atlantic provinces differed from the other three regions in that male occasional users had higher annual earnings than repeat users (not shown). In Quebec, Ontario, and the West, the percentage of male occasional claimants who earned less than \$20,000 was roughly 10 percentage points higher than the corresponding proportion of repeat claimants. For example, in the Western provinces, 50.2 percent of male occasional claimants earned less than \$20,000, compared with 38.9 percent of repeat claimants. In the Atlantic region, however, the opposite was true; male repeat EI claimants were *more* likely to have low annual earnings with 69.6 percent of repeat EI users having earnings less than \$20,000, compared with 61.7 percent of male occasional claimants.

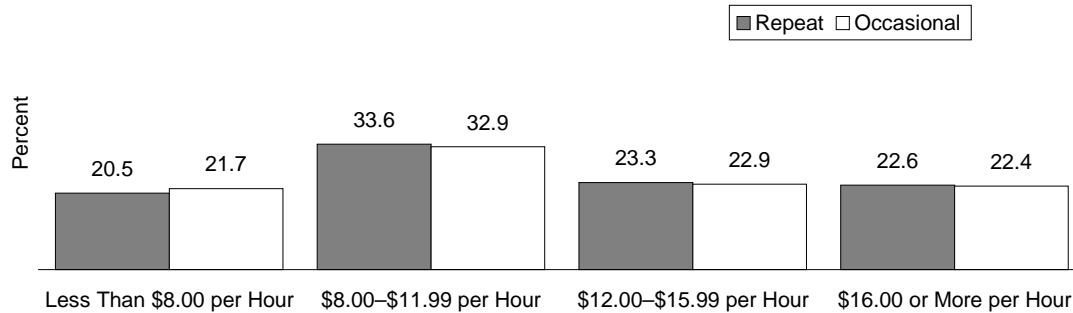
### Female Claimants — Wage Rates

As is well known, women earn considerably less than men, partly because women work in very different industries and occupations. These lower earnings appear here in the form of smaller percentages of female EI claimants — whether occasional or repeat — in the highest wage and earnings categories. Not surprisingly, the differences between men and women in wages and earnings outweighed the differences between repeat and occasional EI users.

The wage and earnings distributions for female repeat and occasional EI claimants are quite similar. Figure 3.18 shows almost no difference in the proportion of repeat and occasional claimants in each of the wage categories. Overall, repeat users among women had slightly higher wages than occasional claimants, averaging \$12.71 per hour, compared with \$12.39 per hour for occasional female claimants. One notable regional pattern was that the proportion of occasional claimants in the Atlantic region in the highest wage category

(10.5 percent) was higher than the proportion of repeat claimants (6.4 percent); both proportions, however, were quite small. Outside of the Atlantic region, a somewhat greater proportion of occasional claimants was in the lowest wage category.

**Figure 3.18: Distribution of Wages of Female Claimants**

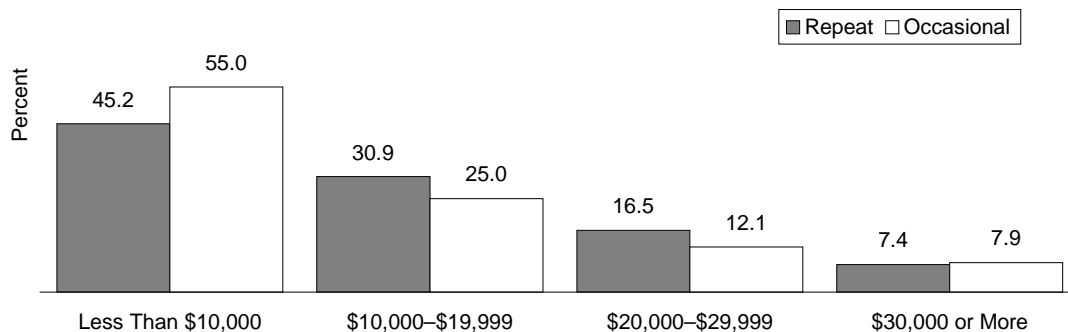


**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** Female EI claimants in each wage rate group are categorized by whether they were repeat or occasional claimants, as defined in Chapter 1. Wage rates were reported for up to three employers in 1997, but the categorization reported here is based on the wage for the main employer. The percentages shown were calculated using the population weights provided by Statistics Canada. Those who did not work in 1997 or who had missing values were excluded from the calculation of the percentages. See Table C.24 for the unweighted sample sizes for this figure, including the numbers who did not work or who had missing values.

Turning to annual earnings, Figure 3.19 indicates that the vast majority of female EI claimants — 76.1 percent of repeat claimants and 80.0 percent of occasional claimants — earned less than \$20,000 in 1997. In the Atlantic region, fully 89.1 percent of female repeat claimants had low earnings, as did 80.9 percent of female occasional users (not shown).

**Figure 3.19: Distribution of Total Earnings for All Female Claimants Who Worked in 1997**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** Female EI claimants in each earnings group are categorized by whether they were repeat or occasional claimants, as defined in Chapter 1. Earnings from up to seven 1997 employers are combined to form “total annual earnings.” The percentages shown were calculated using the population weights provided by Statistics Canada. Those who did not work in 1997 or who had missing values were excluded from the calculation of the percentages. See Table C.25 for the unweighted sample sizes for this figure, including the numbers who did not work or who had missing values.

## Sources of Household Income

Respondents were asked whether or not other members of their households worked. We grouped responses to this question into the following categories: (1) no one in the household worked; (2) only the respondent worked and the respondent lived alone; (3) only the respondent worked in a multiple-person household; and (4) other household members worked. Table 3.1 shows that among male occasional and repeat EI claimants, roughly 60 percent lived in households where at least one other person worked. That proportion was higher — roughly 75 percent — for female repeat and occasional claimants (see Table 3.1). In the next section, we see that, holding earnings constant, female claimants were more likely than male claimants to live in high-income households. The reason for that result may be the greater likelihood that female claimants lived in households with other earners.

**Table 3.1: Number of Workers in Household**

Workers in Household	Male Claimants		Female Claimants	
	Repeat	Occasional	Repeat	Occasional
<b>Percentage of households where</b>				
No household member worked	1.8	6.2	2.2	6.3
Only respondent worked in a				
One-person household	12.6	13.0	8.1	8.5
Multiple-person household	24.2	16.9	12.7	11.5
Other household member worked	61.4	63.9	77.0	73.8

**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants are categorized by whether they were repeat or occasional claimants as defined in Chapter 1. The percentages shown were calculated using the population weights provided by Statistics Canada. See Table C.26 for the unweighted sample sizes for this table.

EI claimants were asked whether they or someone else in the household had received money from a number of different sources (see Table 3.2):

- *Employment Insurance.* Just over 80 percent of repeat EI claimants, both male and female, lived in households where they or someone else had received Employment Insurance in 1997. Among occasional claimants, roughly 65 percent lived in a household in which at least one person received Employment Insurance.

Based on EI administrative data for the SRUEI respondents, however, we know that these percentages are too low. For example, according to the administrative data, we know that 89.4 percent of male repeat claimants and 87.0 percent of female repeat claimants received EI benefits in at least one month in 1997. The corresponding percentages for male and female occasional claimants were 68.6 and 60.3.

- *Income Assistance.* Less than 10 percent of claimants lived in households where someone had received Income Assistance. Overall, this situation was slightly more common for occasional than repeat claimants, and most common for men who made occasional claims.

- *Benefits from other government programs including the child tax credit.* Women (about 40 percent for both repeat and occasional EI claimants) more commonly lived in households that received this kind of income than did men. Receipt of income from “other government programs” was more common for male repeat claimants (36.7 percent) than it was for male occasional claimants (33.1 percent).
- *Pensions.* All claimants were equally likely to live in households where there were pension recipients, whether from the Canada Pension Plan, Quebec Pension Plan, or from other old age pensions. This was true of 10 to 12 percent of all male and female EI claimants.
- *Private investments.* About 16 percent of women (both repeat and occasional EI claimants) and, similarly, about 16 percent of male occasional claimants lived in households in which there had been income available from private investments, private pensions, or Registered Retirement Savings Plans (RRSPs). Among male repeat claimants the percentage was slightly smaller at 13.8 percent.
- *Miscellaneous sources.* Income from other sources, such as alimony and scholarships, was relatively rare, occurring in less than 10 percent of all households.

**Table 3.2: Sources of Household Income**

Sources	Male Claimants		Female Claimants	
	Repeat	Occasional	Repeat	Occasional
<b>Percentage with household income from</b>				
Employment Insurance	82.8	65.2	82.7	64.8
Income Assistance	6.4	10.0	5.5	8.0
Other government programs	36.7	33.1	40.3	39.0
Pension plans	11.0	10.2	12.2	10.9
Interest dividends or RRSPs	13.8	16.2	16.4	16.5
Miscellaneous sources	3.6	3.7	7.3	8.0

**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants are categorized by whether a member of their household (including themselves) received income from any of the above sources and by whether they were repeat or occasional claimants as defined in Chapter 1. The percentages shown were calculated using the population weights provided by Statistics Canada. “Not stated,” “don’t know,” and “refused” were combined into a single “missing” category and excluded from the calculation of the percentages. See Table C.27 for the unweighted sample sizes for this table, including those coded as “missing.”

Overall, there were few differences between repeat and occasional EI claimants in the extent to which other sources of income were available. An exception was the greater propensity of repeat claimants to have received income from the EI program in 1997. There were, however, important differences between men and women’s access to earned income from other household members.

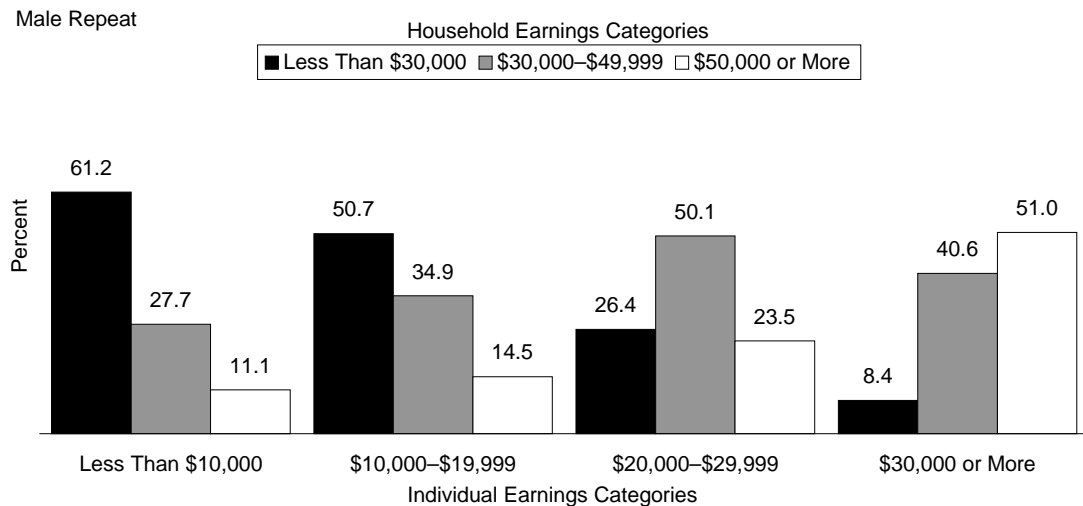
## Individual Earnings and Household Income

As just seen, approximately 50 to 60 percent of all male claimants, and about 75 to 80 percent of female claimants, earned less than \$20,000. If these earnings were the only source of income for the families of these workers, these would be very modest annual household incomes. However, the household incomes of EI claimants may be significantly different from their individual earnings because of sources of income other than earnings, or because of income provided by other household members.

Because we have survey data from the SRUEI, rather than simply administrative data, the household income of claimants is known. We can, therefore, describe the distribution of household income *within* any particular individual-earnings category.<sup>13</sup> For example, respondents in the lowest earnings category can be broken into those who *also* have low household incomes and those who have high household incomes.

To compare individual annual earnings with annual household income, we divided SRUEI respondents into the same earnings categories presented above — less than \$10,000; \$10,000 to \$19,999; \$20,000 to \$29,999; and \$30,000 or more. The survey also asked respondents to indicate which of several annual household income categories applied to their situation. We divided annual household income into three categories: under \$30,000; \$30,000 to \$50,000; and over \$50,000.<sup>14</sup> Figures 3.20 and 3.21 show the cross-tabulation of the earnings groups with the household income categories.

**Figure 3.20: Total Household Income of Male Claimants, by Earnings Group**

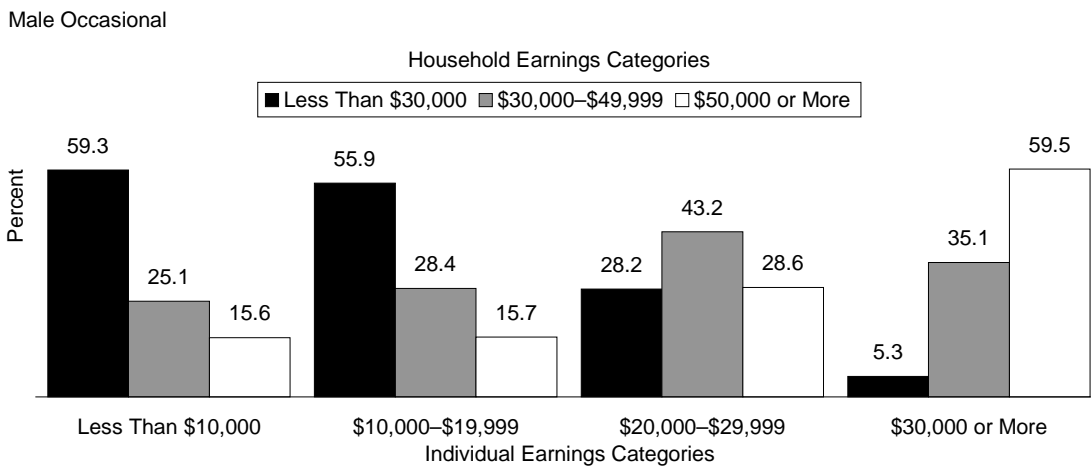


(continued)

<sup>13</sup>As was the case with wage levels and earnings, however, a significant proportion of respondents did not answer the questions about household income and caution should be used in interpreting analyses using this information.

<sup>14</sup>Statistics Canada guidelines prevent the division of household income into the five categories shown in Chapter 2.

**Figure 3.20: Total Household Income of Male Claimants, by Earnings Group (Cont'd)**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Note:** Male EI claimants are categorized by whether they were repeat or occasional claimants as defined in Chapter 1. Claimants are divided into four annual earnings categories used in figures 3.17 and 3.19. Earnings from up to seven 1997 employers are combined to form “total annual earnings.” Those in each earnings category are divided into three household income groups. Those who did not work in 1997 or who had missing values for either earnings or household income were excluded from the calculation of the percentages. The percentages were calculated using the population weights provided by Statistics Canada. See Table C.28 for the unweighted sample sizes for this table, including those coded as “missing.”

### **Male Claimants**

Figure 3.20 shows that 61.2 percent of male repeat claimants in the lowest *earnings* category were living in low-*income* households; for these claimants, little, if any, supplementation from other sources of income or from other household earners was available. A small number of these same low earners (11.1 percent) lived in households with incomes above the Canadian four-person median income of about \$50,000.<sup>15</sup> Those who earned between \$10,000 and \$20,000 per year should also be considered “low earners”; more than half of this group also lived in low-income households, and only 14.5 percent lived in relatively high-income households.

By this measure of economic well-being, male occasional EI claimants were better off than repeat EI claimants. Figure 3.20 shows that the percentage of occasional claimants in the lowest household income category was lower than the percentage of repeat claimants in the lowest and highest earnings categories. Similarly, the percentage of occasional claimants in the highest household income category was higher than the percentage of repeat claimants in all the earnings categories.

### **Female Claimants**

Female repeat EI claimants were slightly more likely to have other sources of income in their households than female occasional EI claimants (see Figure 3.21); 48.7 percent of those in the lowest earnings group lived in low-income households, compared with 46.2 of occasional claimants. About 20 percent of female repeat claimants in the lowest earnings group lived in households with household incomes above the Canadian median (see

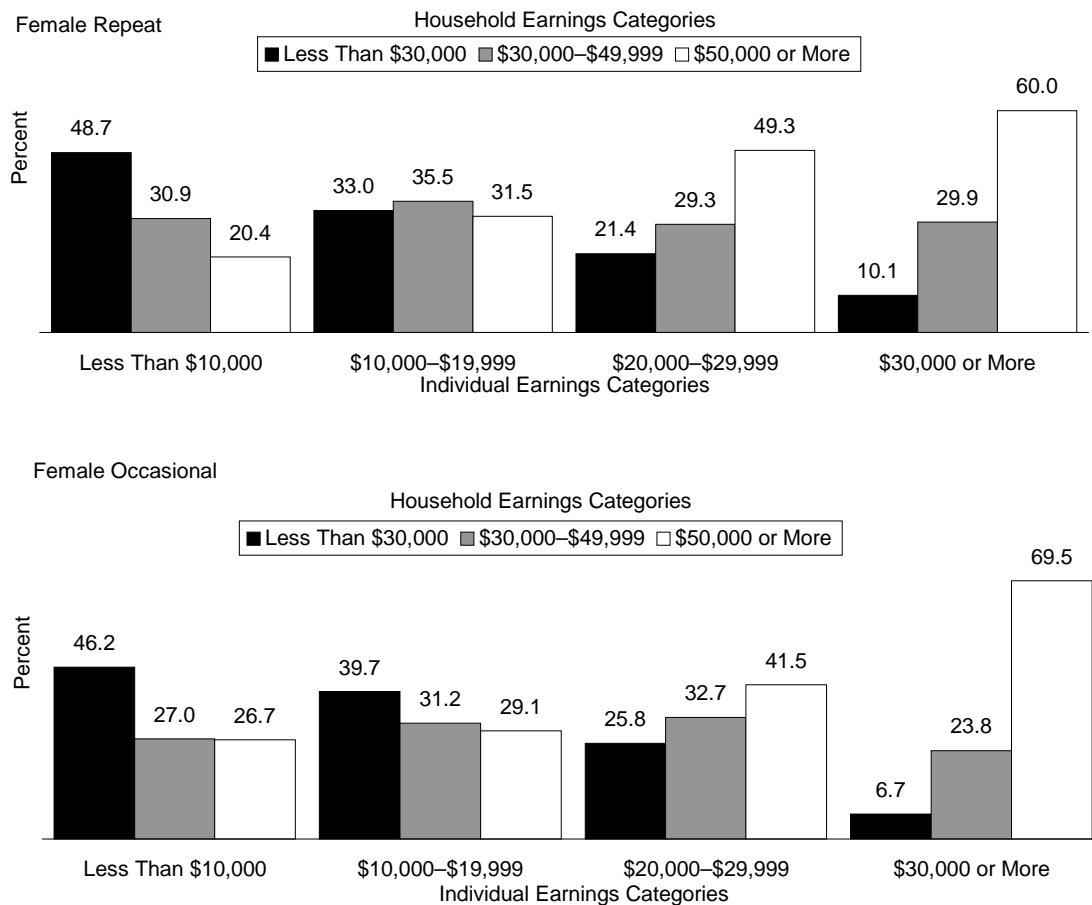
<sup>15</sup>Readers should note that the household income information in this section is *not* adjusted for household size. Comparisons with the four-person Canadian median income should therefore be viewed cautiously.



Footnote 15); the corresponding percentage for female occasional claimants was 26.7 percent.

Figures 3.20 and 3.21 illustrate an important difference between male and female claimants, regardless of whether they are repeat or occasional users of Employment Insurance. Comparing male with female claimants, we see that a lower proportion of female claimants live in poor households in the three lower earnings groups. Only in the highest earnings groups were female claimants more likely than men to live in low-income households. For example, among female occasional claimants in the second earnings group, 39.7 percent lived in a household with income less than \$30,000; the analogous percentage for male occasional claimants was 55.9 percent. This suggests the not surprising inference that while the earnings of female claimants are lower than those of men, women are more likely to live in households with another working adult.

**Figure 3.21: Total Household Income of Female Claimants, by Earnings Group**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Note:** Female EI claimants are categorized by whether they were repeat or occasional claimants as defined in Chapter 1. They are then divided into four annual earnings categories used in figures 3.17 and 3.19. Earnings from up to seven 1997 employers are combined to form “total annual earnings.” Those in each earnings category are divided into three household income groups. Those who did not work in 1997 or who had missing values for either earnings or household income were excluded from the calculation of the percentages. The percentages were calculated using the population weights provided by Statistics Canada. See Table C.28 for the unweighted sample sizes for this table, including those coded as “missing.”



## **Chapter 4:**

# **Respondents' Attitudes Toward Their Employment Situation, Predisposition to Change, and to the Role of Employment Insurance in Their Lives**

Why did the Employment Insurance (EI) claimants in our survey remain in occupations or industries that involved frequent spells of unemployment? Presented with other employment possibilities, would they have been likely to consider a change, and if not, why not? Given that all respondents in the survey had been EI recipients, what role did they see Employment Insurance playing in their future labour market experience?

Respondents to the Survey on Repeat Use of Employment Insurance (SRUEI) were asked several questions designed to explore: (1) their satisfaction with their employment situation; (2) their attitudes toward general and specific changes in their life situation; and (3) their attitudes towards their use of Employment Insurance. This chapter describes their responses to these attitudinal questions. To our knowledge, questions like these have not been analysed in prior work on the repeat use of unemployment insurance in Canada. The results show that, with few exceptions, repeat and occasional EI claimants held different attitudes on these subjects. Moreover, the differences in attitudes between repeat and occasional claimants were generally greater than the differences between men and women. This is particularly noteworthy given that men and women have such different work experiences.

## **SATISFACTION WITH EMPLOYMENT SITUATION**

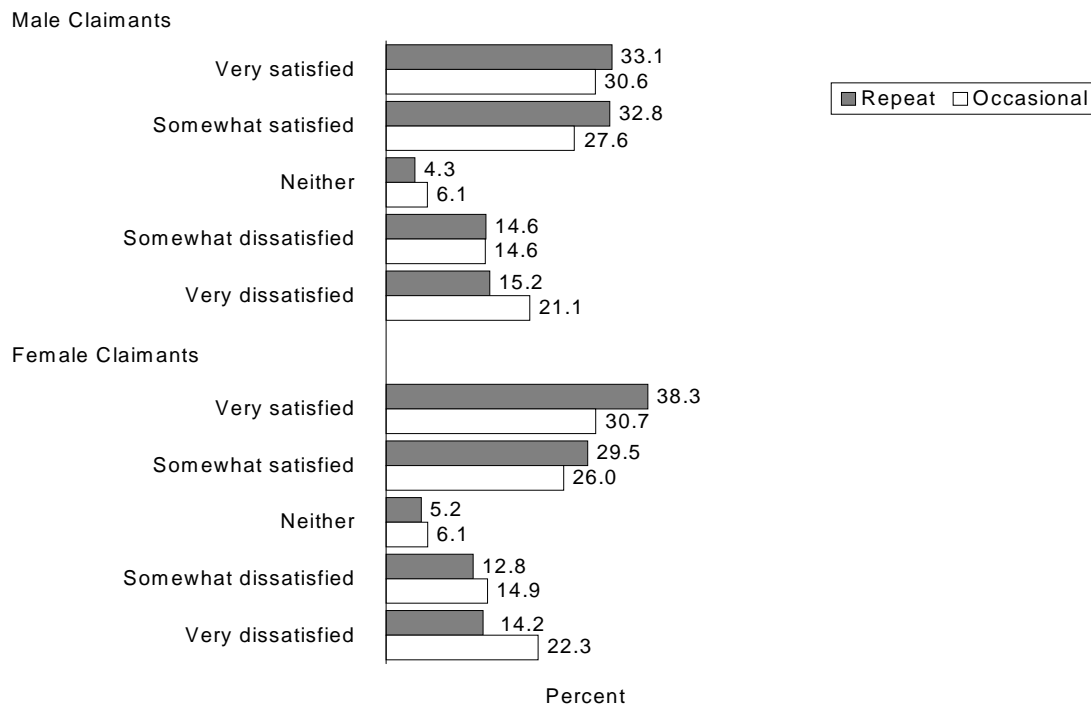
Claimants in the SRUEI had all experienced unemployment in 1996 and, although a great majority found work in 1997, some — especially occasional claimants — did not find work in that year (see Figure 3.1). With reference to their 1997 experience, how satisfied were respondents: (a) with their employment situation; (b) with their level of income; and (c) with the kind of work they did?

Responses to these questions suggest that men and women who made frequent EI claims were more satisfied with their employment situation than were occasional claimants. This may reflect the fact that, in 1997, many repeat users were continuing an ongoing employment pattern with a long-term employer, while many occasional claimants had recently experienced an unusual disruption in their employment situation (see Figure 3.4 and associated text).

### **Satisfaction With Overall Employment Situation**

Respondents were asked to assess their level of satisfaction with their overall employment situation in 1997 (see Figure 4.1). In general, repeat EI claimants were more satisfied than occasional EI claimants.

**Figure 4.1: Satisfaction With Overall Employment Situation**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants are categorized by their level of satisfaction with their overall employment situation, and by whether they were repeat or occasional claimants as defined in Chapter 1. The percentages shown in the figure were calculated using the population weights provided by Statistics Canada. Those who said “don’t know” or who refused to answer were excluded from the calculations. See Table C.29 for the unweighted sample sizes for this figure, including those coded as “don’t know” or “refused to answer.”

Roughly two thirds (65.9 percent) of male repeat claimants claimed they were “very satisfied” (33.1 percent) or “somewhat satisfied” (32.8 percent) with their overall employment. This compares with 58.2 percent of male occasional claimants (30.6 percent “very satisfied;” 27.6 percent “somewhat satisfied”).

Among female claimants, over two thirds (67.8 percent) of repeat claimants said they were satisfied with their overall employment situation in 1997, compared with 56.7 percent of occasional claimants. Female repeat users were considerably more likely than all other claimants to be “very satisfied” with their overall employment situation (38.3 percent).

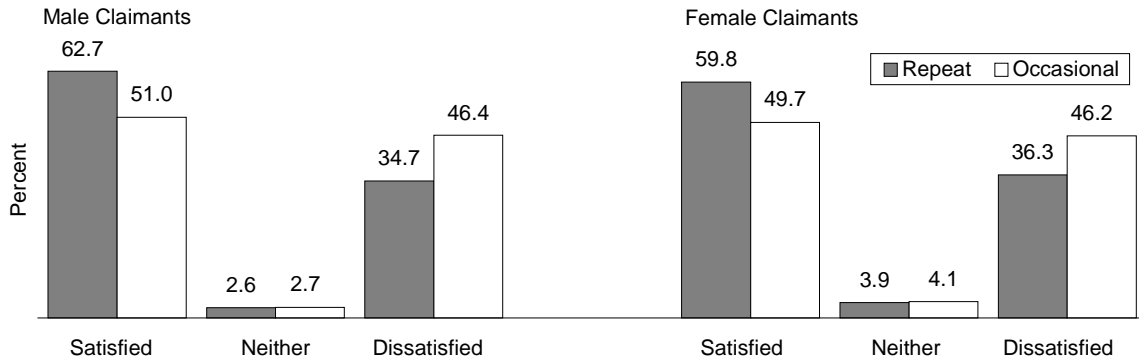
### Satisfaction With 1997 Income

Looking at Figure 4.2, we see that men and women who made frequent EI claims also tended to be more satisfied with their 1997 income level than were their counterparts who made occasional claims.<sup>1</sup>

Over three fifths (62.7 percent) of male repeat users were either “very satisfied” or “somewhat satisfied” with their income, compared with only 51.0 percent of occasional claimants. Similarly, 59.8 percent of female repeat claimants were satisfied with their income, compared with only 49.7 percent of female occasional claimants.

<sup>1</sup>In this figure and in the figures in the rest of the chapter, “very satisfied” and “somewhat satisfied” have been grouped together and labelled “satisfied.” Similarly, “very dissatisfied” and “somewhat dissatisfied” have been grouped together as “dissatisfied.”

**Figure 4.2: Satisfaction With 1997 Income**



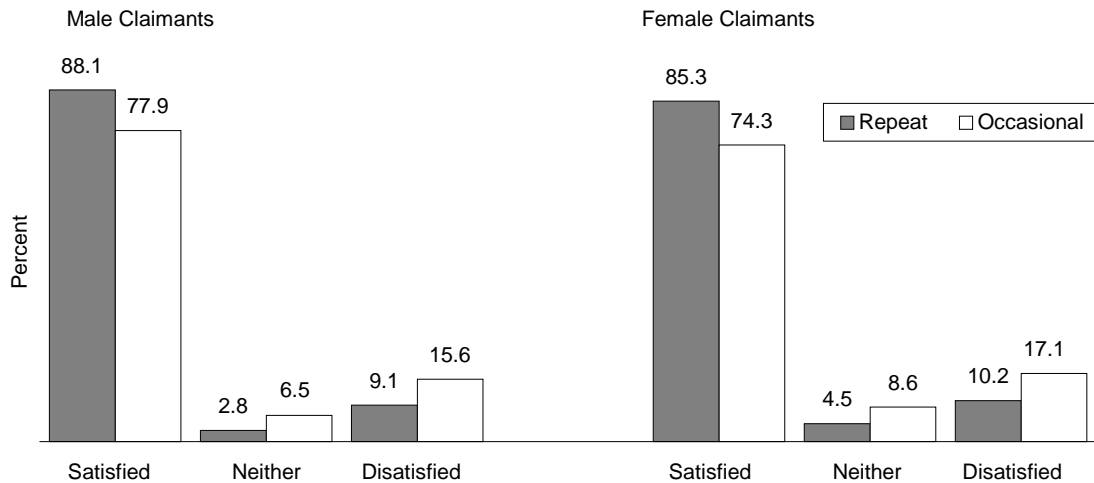
**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants are categorized by their level of satisfaction with their 1997 income, and by whether they were repeat or occasional claimants as defined in Chapter 1. “Somewhat satisfied” and “very satisfied” are combined into a single “satisfied” category. Similarly, “somewhat dissatisfied” and “very dissatisfied” are combined into a single “dissatisfied” category. The percentages shown in the figure were calculated using the population weights provided by Statistics Canada. Those who said “don’t know” or who refused to answer were excluded from the calculations. See Table C.30 for the unweighted sample sizes for this figure, including those coded as “don’t know” or “refused to answer.”

### Satisfaction With the Type of Work Done in 1997

Generally speaking, claimants in the SRUEI were also satisfied with the type of work they did in 1997 (see Figure 4.3), but again, repeat claimants were more satisfied than occasional claimants.

**Figure 4.3: Satisfaction With the Kind of Paid Work Done in 1997**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants are categorized by their level of satisfaction with the kind of work they did in 1997, and by whether they were repeat or occasional claimants as defined in Chapter 1. “Somewhat satisfied” and “very satisfied” are combined into a single “satisfied” category. Similarly, “somewhat dissatisfied” and “very dissatisfied” are combined into a single “dissatisfied” category. The percentages shown in the figure were calculated using the population weights provided by Statistics Canada. Those who said “don’t know” or who refused to answer were excluded from the calculations. See Table C.31 for the unweighted sample sizes for this figure, including those coded as “don’t know” or “refused to answer.”

Over 85 percent of male and female repeat EI claimants said they were satisfied, with over half (56.7 percent men; 58.0 percent women) saying they were “very satisfied.” Approximately three quarters of occasional claimants also said they were “satisfied” with the kind of work they had been doing that year (77.9 percent of male claimants; 74.3 percent of female claimants).

In summary, on all satisfaction measures considered — overall employment satisfaction, income, and type of paid work — men and women who made frequent EI claims appeared to be satisfied with their employment situations, and to be more satisfied than occasional EI claimants.

## **PREDISPOSITION TO CHANGE**

If workers are satisfied with jobs that require annual periods of unemployment — as the results above suggest — they are unlikely to search for new jobs while unemployed. Another barrier to rapid re-employment might be fear or dislike of change. Workers who can contemplate changing where they work or live, or the kind of work they do, are more likely to see and act on opportunities when presented, and more likely to break ingrained work patterns. Such attitudes toward change are explored in this section.

Claimants’ attitudes toward change were measured by agreement or disagreement with a number of statements measuring predisposition to three kinds of change: change in general, change in overall employment situation, and change as exemplified in three specific employment scenarios.

### **Predisposition to Change in General**

Three questions that tapped the degree to which claimants were open to the notion of any kind of change in their lives were included in the survey. Results suggest that, overall, most claimants in the SRUEI were open to the notion of change, but that repeat claimants tended to be slightly more resistant to change than were occasional claimants.

Respondents were first asked whether they agreed or disagreed with the statement “I don’t like to try anything new until I’ve seen it work successfully for others.” Agreement with the statement would suggest the person was very cautious when it came to trying new experiences. As we see in Table 4.1, men and women who made frequent EI claims tended to be somewhat more cautious about trying new things than their occasional claimant counterparts, with men generally being more cautious than women. Among men, 30.9 percent of repeat claimants agreed with the statement, compared with only 23.0 percent of male occasional claimants; 24.5 percent of female repeat claimants agreed, compared with 18.6 percent of female occasional claimants.

**Table 4.1: Predisposition to Change, in General**

	Males		Females	
	Repeat	Occasional	Repeat	Occasional
<b>“I don’t like to try anything new until I’ve seen it work successfully for others” (%)</b>				
Agree	30.9	23.0	24.5	18.6
Neither	2.7	2.4	2.8	2.1
Disagree	66.4	74.6	72.7	79.3
<b>“Everything is changing too fast today” (%)</b>				
Agree	37.8	31.1	37.5	31.9
Neither	3.6	4.2	4.3	4.2
Disagree	58.6	64.7	58.2	63.9
<b>“There is little I can do to change many of the important things in my life” (%)</b>				
Agree	29.6	21.4	22.0	19.3
Neither	4.3	3.1	4.2	3.8
Disagree	66.1	75.5	73.8	76.8

**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Note:** EI claimants are categorized by whether they were repeat or occasional claimants, as defined in Chapter 1. See Table C.32 for the unweighted sample sizes for this table.

Respondents were then asked whether they agreed or disagreed with the statement “Everything is changing too fast today.” Agreement with this statement would suggest that the person preferred a more conservative pace and, therefore, might be more resistant to change. The majority of all claimants disagreed with this statement, but the results again suggest that men and women who made repeat EI claims were more conservative regarding the pace of change than were men and women who made occasional claims. Roughly 37 percent of repeat claimants, both male and female, agreed with this statement, compared with about 31 percent of occasional claimants.

Finally, respondents were asked whether they agreed or disagreed with the statement “There is little I can do to change many of the important things in my life.” Agreement with this statement would suggest that the person had little sense of personal control over their destiny. If this was the case, they might have been less likely to take steps to change a situation they did not like. As we see in Table 4.1, less than 30 percent of all claimants in the SRUEI agreed with this statement, but of those, male repeat claimants were considerably more likely to agree than other claimants. Among men, 29.6 percent of repeat claimants agreed with this statement, compared with only 21.4 percent of occasional claimants. Among women, the corresponding percentages were 22.0 and 19.3.

These results show a slight but consistent pattern in which men and women who make repeat EI claims appear less open to change than those who make only occasional EI claims. Next, we look at respondents’ agreement or disagreement with a number of statements measuring attitudes toward change in more specific employment contexts.

## Predisposition to Change in Employment

Overall attitudes towards change may not extend to specific kinds of behaviour. Therefore, claimants were asked whether they agreed or disagreed with a number of statements designed to measure

- whether they were willing to take risks in order to pursue job opportunities;
- whether they felt there would always be enough work for workers with their skills; and
- whether they wanted to change the kind of work they did.

Responses to these questions suggested that, overall, claimants in this survey were quite willing to take risks in order to pursue job opportunities, but were not anxious to change the kind of work they did and sensed that there would always be enough work for people with their skills.

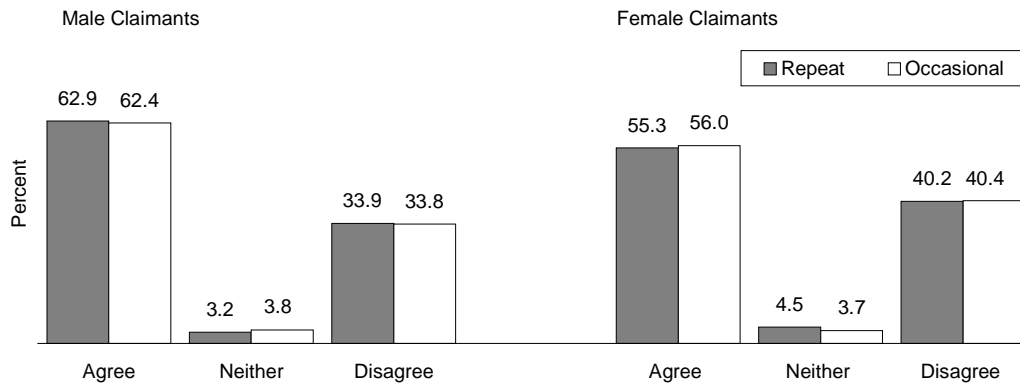
Asked whether they agreed or disagreed with the statement “When it comes to job opportunities, I am willing to take a risk,” over 85 percent of all claimants in the SRUEI agreed with the statement, with between 50 and 60 percent *strongly* agreeing. Although this statement produced few differences between the four claimant groups, male occasional EI users were most likely to agree (60.0 percent) and female repeat EI users least likely (53.3 percent). Of course, being *willing* to take a risk in a hypothetical situation is not the same as feeling impelled to take that risk because of an economic imperative.

To measure the respondents’ sense of how likely it was that they would actually need to take a risk, they were asked whether they agreed or disagreed with the statement “There will always be enough work available for people with my skills.” Most claimants thought this was true, although women were less likely than men to feel this way (see Figure 4.4). Nonetheless, a significant minority — roughly 40 percent of women and one third of men — disagreed, suggesting there were many who worried about future job opportunities given their existing skill levels. Interestingly, this is very much a male-female difference, and bears no relation to claims frequency.

Finally, respondents were asked to indicate agreement or disagreement with a statement designed to measure their willingness or desire to change the kind of work they did: “When it comes to what I do to earn a living, I prefer to stick with what I know.” Not surprisingly, given previously stated job satisfaction levels, both male and female repeat claimants appeared slightly more reluctant to change the nature of their work than occasional claimants. Repeat EI users were more likely than occasional users to prefer familiar work, with male repeat EI users the most likely to feel this way (36.9 percent of male repeat users “strongly agreed”; 29.4 percent of male occasional claimants “strongly agreed”). Female occasional EI users were least likely to want to “stick with what I know” (27.8 percent of female repeat claimants “strongly agreed”; 22.7 percent of female occasional claimants “strongly agreed”).



**Figure 4.4: Agreement With the Statement “There Will Always Be Enough Work Available for People With My Skills”**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants are categorized by their level of agreement with the statement, and by whether they were repeat or occasional claimants as defined in Chapter 1. “Somewhat agree” and “strongly agree” are combined into a single “agree” category. Similarly, “somewhat disagree” and “strongly disagree” are combined into a single “disagree” category. The percentages shown in the figure were calculated using the population weights provided by Statistics Canada. Those who said “don’t know” or who refused to answer were excluded from the calculations. See Table C.33 for the unweighted sample sizes for this figure, including those coded as “don’t know” or “refused to answer.”

### Attitudes Toward Specific Re-employment Scenarios

Finally, claimants were asked to consider three specific re-employment scenarios. In each, they have been laid off from their current, or most recent job, although there is a chance that they will be recalled. While they are unemployed, they are offered a job. Given that common scenario, respondents were asked how they would react given the following three kinds of offers: (1) a job with a new employer that is similar to their old job in terms of both pay rate and type of work; (2) a job with a new employer, similar to their old job in terms of pay, but involving a very different kind of work; and (3) a job with a new employer, similar to their old job in terms of pay and type of work, but located in a different province.

Responses suggest that almost all claimants in the SRUEI, over 90 percent, were open to the idea of accepting a similar job with a new employer in their area, with roughly 75 percent of all claimants saying they would be “very likely” to take this job. A large majority of all claimants (between 80 and 85 percent) were also open to the second scenario which would see them working for a new employer for similar pay but performing a different kind of work.

Claimants, however, were *unlikely* to consider moving to another province, even if the type of work and the pay were similar, and this was especially true for women. While approximately 30 percent of male repeat and occasional EI claimants said they were either “very likely” or “somewhat likely” to accept the offer, this was true for only 14.8 percent of female occasional users and only 11.3 percent of female repeat users.

## **ATTITUDES TOWARD THE USE OF EMPLOYMENT INSURANCE AND TOWARD THE EI SYSTEM**

Respondents in the SRUEI were selected on the basis of their claims experience, and the intensity of that experience has guided our analysis. Attitudes toward unemployment insurance are, therefore, of particular interest.

As previously mentioned, all claimants had initiated a claim for EI benefits in 1996, the year preceding the survey. For some, this may have been the first time they had done so; others had initiated claims in every year since 1992. What was the relationship, if any, between the frequency with which respondents received EI benefits and their attitudes toward their receipt of benefits? To address this question, respondents were asked to agree or disagree with a series of statements designed to explore their feelings about the EI system, and their use of that system now and in the future.

### **Familiarity With the System**

A number of factors may have influenced whether claimants applied for EI benefits, not the least of which was their awareness of what the system had to offer, and whether they felt it was worthwhile going through the necessary bureaucratic process to receive benefits.

Respondents were asked to indicate their level of familiarity with new rules introduced in January 1997, and with the EI system both before and after the new rules were introduced.<sup>2</sup> Not surprisingly, results indicate that men and women who made frequent EI claims were considerably more familiar with the EI system than those who had made only occasional claims.

Roughly four fifths of both male repeat claimants (81.4 percent) and female repeat claimants (80.3 percent) claimed familiarity with the system as it existed before the changes. This compares with roughly 57 percent of both male and female occasional claimants. Similarly, over 80 percent of male and female repeat users were aware that there had been a major change in the EI system in January 1997, as were two thirds of all occasional users (65.8 percent men; 65.6 percent women).

However, both repeat and occasional EI claimants were much less likely to be familiar with specific aspects of the new legislation. Just over half of repeat claimants (54.3 percent men; 54.7 percent women) felt familiar with the new system. This compares with even smaller proportions of occasional claimants (38.8 percent men; 42.4 percent women).

Claimants were also asked to indicate how strongly they agreed or disagreed with the statement "In general, I think getting EI is a real hassle." Men, especially male occasional claimants, were somewhat more likely than women to perceive using the system as a hassle. More than half of male occasional claimants (53.3 percent) agreed Employment Insurance was a hassle versus 42.6 percent who disagreed; among male repeat claimants, 51.4 percent

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<sup>2</sup>Major changes in the unemployment insurance system took effect in January 1997 with the implementation of the *Employment Insurance Act*. The new regulations slightly reduced benefits for high income and high intensity EI users, as well as for casual and other temporarily employed workers. The Act was actually passed July 1st, 1996, but many parts of it were not implemented until January 1997. Under the "intensity rule" workers who have collected over 20 weeks of benefits in the five years leading up to the current claim will have their benefit rates reduced by one percentage point for each 20 weeks of benefits received. Rates cannot, however, fall below 50 percent and claims initiated prior to July 1st, 1996 are exempt in determining the benefit rate (HRDC, 2000). The Act also changed the name of the plan from Unemployment Insurance to Employment Insurance.

agreed and 44.2 percent disagreed. This contrasts with 47.5 percent of female repeat claimants who agreed versus 47.8 percent who disagreed.

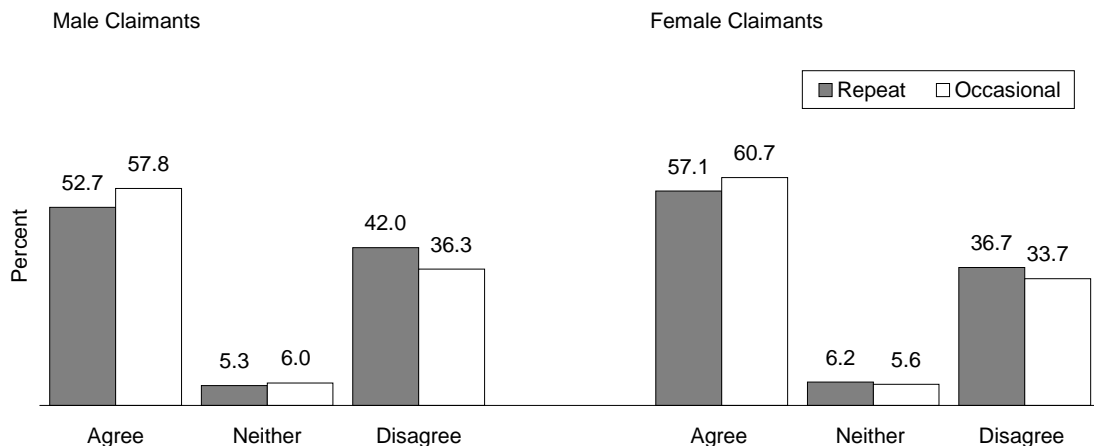
## Employment Insurance as Entitlement

Being unaware of what the system has to offer can certainly act as a barrier to initiating a claim. Feeling that Employment Insurance is a right or an entitlement may make it more likely that a claim is initiated. The sense that Employment Insurance is an entitlement may arise because the worker has paid into the system or because relying on unemployment insurance is perceived as inevitable because there are no jobs. The extent to which SRUEI respondents felt this “sense of entitlement” was measured by agreement or disagreement with a number of statements.

### *Entitlement Because Workers Pay Into the EI System*

Respondents were asked whether they agreed with the statement “I deserve to collect all my weeks of EI benefits because I paid into it.” Figure 4.5 shows that between 52 and 61 percent of all four groups of claimants agreed with this statement, with a substantial proportion — roughly 40 percent of all claimants — strongly agreeing (not shown). Male repeat claimants were the least likely to agree (52.7 percent). Perceiving benefits as an entitlement was proportionately strongest in Quebec and weakest in the Atlantic provinces (not shown).

**Figure 4.5: Agreement With the Statement “I Deserve to Collect All My Weeks of EI Benefits Because I Paid Into It”**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants are categorized by their level of agreement with the statement, and by whether they were repeat or occasional claimants as defined in Chapter 1. “Somewhat agree” and “strongly agree” are combined into a single “agree” category. Similarly, “somewhat disagree” and “strongly disagree” are combined into a single “disagree” category. The percentages shown in the figure were calculated using the population weights provided by Statistics Canada. Those who said “don’t know” or who refused to answer were excluded from the calculations. See Table C.34 for the unweighted sample sizes, including those coded as “don’t know” or “refused to answer.”

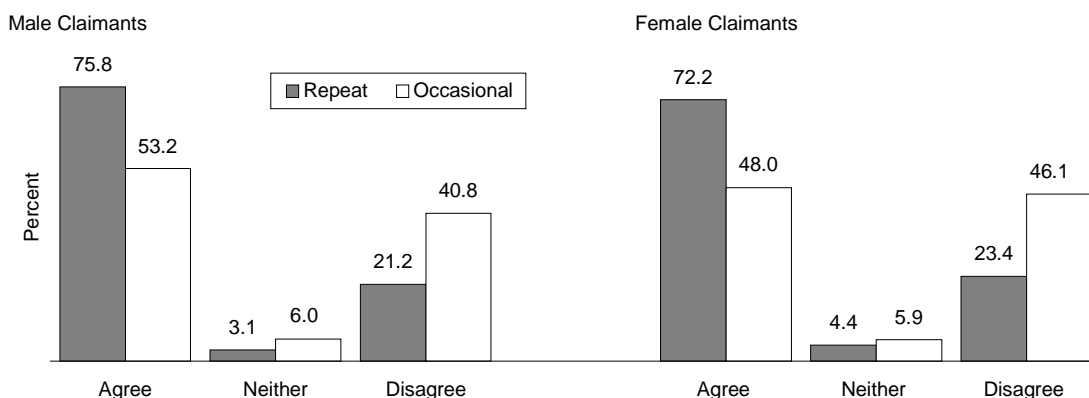
### **Entitlement Because the Receipt of EI Benefits Was Inevitable**

EI claimants were also asked to indicate how strongly they agreed with three questions that suggested benefits were inevitable — either directly because of lack of jobs, indirectly through a sense that usage was common, or because they felt receipt could not be avoided in the future. Overall, repeat claimants were far more likely than occasional claimants to look upon Employment Insurance as a fact of life, to see reliance upon EI benefits as necessary because of the lack of alternative employment, and to feel there was little they could do to prevent this reliance in the future.

Although repeat EI claimants were more likely than occasional claimants to feel they deserved benefits because “there were no jobs around,” this was a sentiment shared by only 55.1 percent of male repeat claimants and 53.0 percent of female repeat claimants. Nevertheless, this contrasts with only 42.3 percent of male and 41.8 percent of female occasional claimants.

Repeat claimants were also more likely to feel entitled to benefits because of the nature of their work. Figure 4.6 shows a substantial majority of male and female repeat claimants (75.8 percent male; 72.2 percent female) agreed that “The kind of work I get means that having to depend on EI from time to time is just a fact of life.” This compares with only 53.2 percent of male and 48.0 percent of female occasional claimants who saw EI use as inevitable because of the “kind of work” they do. Notably, almost half (46.5 percent) of male repeat claimants and 42.2 percent of female repeat claimants strongly agreed with this statement.

**Figure 4.6: Agreement With the Statement “The Kind of Work I Get Means That Having to Depend on EI From Time to Time Is Just a Fact of Life”**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants are categorized by their level of agreement with the statement, and by whether they were repeat or occasional claimants as defined in Chapter 1. “Somewhat agree” and “strongly agree” are combined into a single “agree” category. Similarly, “somewhat disagree” and “strongly disagree” are combined into a single “disagree” category. The percentages shown in the figure were calculated using the population weights provided by Statistics Canada. Those who said “don’t know” or who refused to answer were excluded from the calculations. See Table C.35 for the unweighted sample sizes, including those coded as “don’t know” or “refused to answer.”

Although less a concern, EI use in the future was also seen as unavoidable by a majority of male and female repeat claimants. Roughly one half of all repeat claimants (53.0 percent men; 47.0 percent women) agreed “There’s not much I can do to avoid using EI in the future.” This compares with only 37.2 percent of male and 32.9 percent of female occasional EI claimants. Men were slightly more likely to feel this way than their female repeat or occasional counterparts, and somewhat surprisingly given their lower employment rate in 1997, female occasional claimants were the least likely to feel future EI use was unavoidable.

### ***Stigma***

Finally, respondents were asked to indicate agreement or disagreement with the statement “If I were collecting EI, I would not want my friends to know.” Disagreement might suggest that the respondent felt that collecting EI benefits was a “normal” and possibly shared experience. This may indicate that there is a low level of stigma associated with benefit receipt. Only about one tenth of all groups — male occasional claimants were an exception at 16.2 percent — agreed that they “would not want their friends to know.” Among the other groups, 9.9 percent of male repeat claimants, 11.1 percent of female occasional claimants, and 8.3 percent of female repeat claimants agreed with the statement.

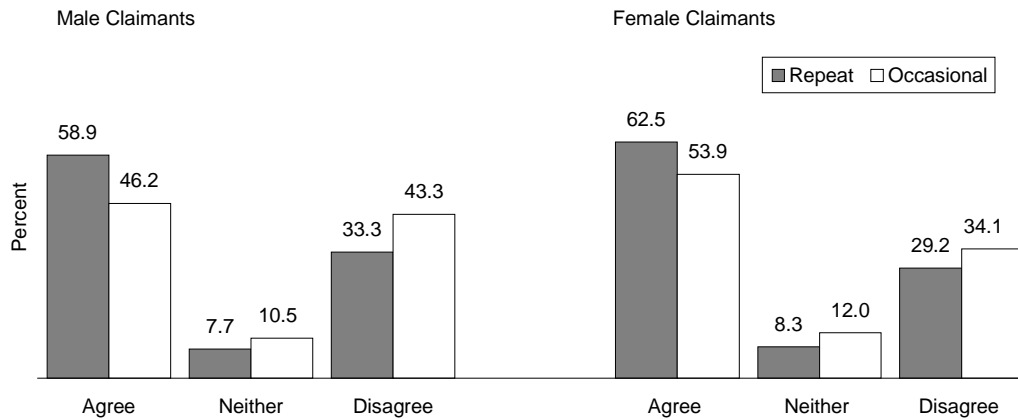
### **Confidence in the Continued Reliability of EI Benefits**

How confident were repeat claimants that the EI system was going to be there for them when they needed it? Did their ongoing reliance make them more concerned than occasional claimants about the reliability of EI benefits? Responses to two statements designed to tap these sentiments suggest that repeat claimants were more confident than occasional users about the current reliability of the EI system, but also more worried about its future.

Claimants were first asked to indicate agreement or disagreement with the statement “If I’m unemployed, I know I can always depend on Employment Insurance to get by until I’m back at work.” Male repeat claimants were more inclined to agree with this (52.9 percent) than to disagree (42.7 percent), as were female repeat users (49.3 percent versus 45.4 percent). This contrasts with the views of men and women who made occasional claims; such claimants were more clearly inclined to disagree. Among male occasional claimants, 54.7 percent disagreed while 40.0 percent agreed; among female occasional claimants, 54.7 percent disagreed and 38.4 percent agreed.

Repeat claimants worried that there would be no EI system for them in the future. A substantial proportion of male (58.9 percent) and female (62.5 percent) repeat claimants agreed that “It may not be long before there is no EI program” (see Figure 4.7). Although less worried than their repeat counterparts, female occasional claimants also appear concerned about future program viability — 53.9 percent agreed with the statement. Male occasional claimants appeared to be the least concerned (46.2 percent agreed).

**Figure 4.7: Agreement With the Statement “I Am Worried That It May Not Be Too Long Before There Is No EI Program”**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants are categorized by their level of agreement with the statement, and by whether they were repeat or occasional claimants as defined in Chapter 1. “Somewhat agree” and “strongly agree” are combined into a single “agree” category. Similarly, “somewhat disagree” and “strongly disagree” are combined into a single “disagree” category. The percentages shown in the figure were calculated using the population weights provided by Statistics Canada. Those who said “don’t know” or who refused to answer were excluded from the calculations. See Table C.36 for the unweighted sample sizes for this figure, including those coded as “don’t know” or “refused to answer.”

## Chapter 5: Job Search in 1997

The Employment Insurance (EI) program provides time-limited income support to workers during periods of unexpected unemployment or during temporary layoffs (even when those layoffs are seasonal or otherwise expected). One consequence of this income support might be that recipients alter their job-search efforts. They might, for instance, be less active in searching for new work or for “off-season” work.

This issue is of longstanding interest to researchers and policy-makers, and is one of the subjects explored in this chapter. In what way, if any, does repeat and occasional EI use relate to job-search behaviour? Do repeat and occasional EI users differ when it comes to deciding whether or how to find new work when they are unemployed?

To explore these questions, we focus in this chapter on those respondents to the Survey on Repeat Use of Employment Insurance (SRUEI) who were unemployed for all or part of 1997. This group comprises more than four fifths of the respondents since only 14.6 percent of SRUEI respondents were employed continuously for all of 1997.<sup>1</sup>

Not surprisingly, men and women who made repeated EI claims were more likely than occasional claimants to have been unemployed for at least part of 1997. As seen in Figure 5.1, male repeat claimants were the most likely to have experienced a period of unemployment in 1997 (89.7 percent for male repeat claimants; 81.9 percent for male occasional claimants).

This chapter looks at the job-search activities of SRUEI respondents who were unemployed for at least part of 1997. We first look at the kind of job-search strategies individuals used to find new employment. We then turn to various factors that might have influenced job-search decisions, including recall expectations, the availability of EI benefits, attitudes toward hypothetical employment scenarios, responsibility for childcare, and attachment to community.

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<sup>1</sup>The continuously employed group consists of the 14.6 percent of the sample who reported that their job with the first employer they mentioned started in January 1997, that they still had a job with that same employer in December 1997, and that they had not had a break from that employer in 1997. For the purposes of this chapter, the remaining 85.6 percent are considered to have been unemployed for all or part of 1997. This group, however, may include some individuals who were employed continuously, but were employed for more than one employer, or who had very short breaks from one employer. By this definition, 10,758 of the 12,079 male respondents were unemployed for all or part of 1997; 7,343 of the 8,532 female claimants were unemployed for all or part of 1997.

**Figure 5.1: Percentage of All SRUEI Respondents Who Were Unemployed for All or Part of 1997**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants are categorized by whether or not they worked continuously throughout in 1997, and whether they were repeat or occasional claimants as defined in Chapter 1. The group that “worked continuously for one employer in 1997” consists of those who reported that their job with the first employer they mentioned started in January 1997, who reported that they still had a job with that same employer in December 1997, and who reported that they had not had a break from that employer in 1997 (see Footnote 1). The percentages shown were calculated using the population weights provided by Statistics Canada. See Table C.37 for the unweighted sample sizes for this figure.

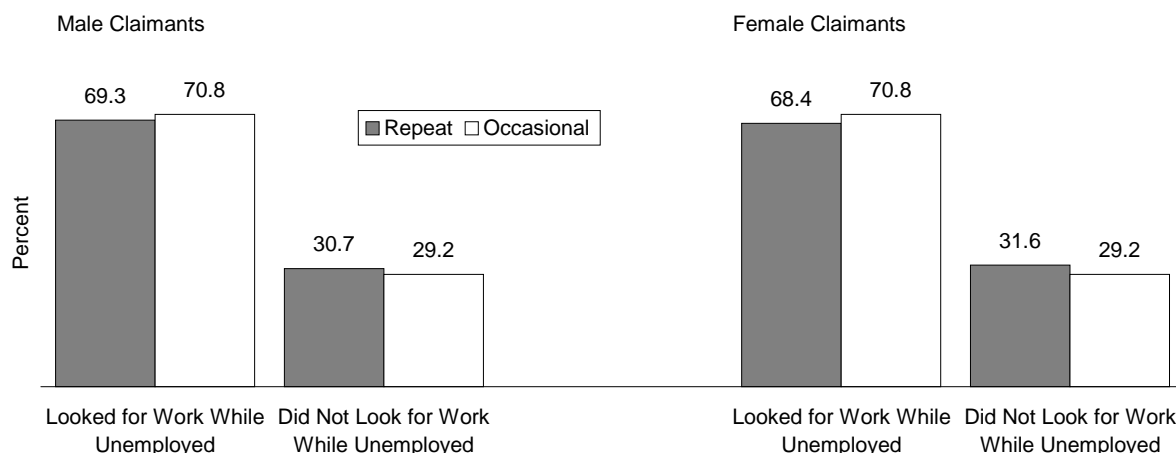
## THE JOB SEARCH

About 70 percent of the SRUEI respondents who were unemployed in 1997 said they had looked for work when unemployed (see Figure 5.2).<sup>2</sup> Those who looked for work were then questioned about their job search: What methods did they use to generate job leads? How intense was their search in terms of time spent looking?

<sup>2</sup>The 70 percent who looked for work while unemployed represents 7,515 of the 10,758 male respondents who were unemployed for all or part of 1997, and 4,987 of the 7,343 female respondents who were unemployed in 1997. EI recipients are required to look for work and this may have led some respondents to say that they looked for a job when they did not. However, many of those in the sample analyzed in this chapter did not receive EI benefits in 1997. Nonetheless, some of the 70 percent who reported looking for a job may not have done so. The 30 percent who reported that they did *not* look for work when they were unemployed are discussed in later in this chapter.



**Figure 5.2: Percentage of SRUEI Respondents Who Looked for Work While Unemployed for All or Part of 1997**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** The sample on which this figure is based consists of all those who were unemployed for all or part of 1997, as defined in Footnote 1. Such claimants are categorized by whether or not they looked for work while they were unemployed, and whether they were repeat or occasional claimants as defined in Chapter 1. The percentages shown were calculated using the population weights provided by Statistics Canada. Those who reported “don’t know” or refused to answer were excluded from the calculation of the percentages. See Table C.38 for the unweighted sample sizes, including those coded as “don’t know” or “refused.”

## Job-Search Strategies

Deciding to look for work is one thing; how to go about it is another and can play a large role in determining the success of a job search. Those respondents who said they looked for work while unemployed in 1997 were asked which specific strategies they had used when they looked for work: Where had they searched for job leads? How intensely had they looked for work in terms of time spent?

Some sources of job leads were used equally by all claimants, regardless of whether they had previously made frequent or occasional claims, and regardless of whether they were male or female. Contacting employers directly, whether by mail, in person or by telephone, was the most frequently used method, followed by appealing to personal networks of friends and relatives for job leads (see Table 5.1). In addition, roughly three quarters of all men and women in the survey said they checked for job leads with a government employment agency.

Claimants varied, however, in their use of three specific job lead sources: newspaper ads, private employment agencies, and unions. Occasional claimants were much more likely than repeat claimants to check the newspaper for job leads. For instance, while more than three quarters (77.1 percent) of female occasional claimants used this job source, this was true for just 57.3 percent of female repeat claimants. Similarly, 68.8 percent of male occasional users checked the newspapers, compared with only 46.0 percent of male repeat claimants.

Checking with private employment agencies was a relatively rare activity for all claimants, but male and female occasional claimants (26.3 percent and 27.1 percent respectively) were almost twice as likely to use this source as repeat claimants (12.5 percent of males; 14.5 percent of females).

**Table 5.1: Methods of Job Search**

Job-Search Method	Male Claimants		Female Claimants	
	Repeat	Occasional	Repeat	Occasional
<b>Percentage who said they used the following methods of job search</b>				
Contacting employers directly	89.1	92.2	89.5	91.3
Contacting friends or neighbours	76.9	81.9	79.3	83.7
Government agency	75.2	80.0	77.4	78.6
Newspapers	46.0	68.8	57.3	77.1
Private employment agencies	12.5	26.3	14.5	27.1
Union	26.4	10.8	6.2	2.9

**Source:** Calculations based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** The sample on which this table is based consists of all those who: (a) were unemployed for all or part of 1997, as defined in Footnote 1; and (b) looked for work while unemployed. Such claimants are categorized by whether or not they looked for work using each method and whether they were repeat or occasional claimants as defined in Chapter 1. The percentages shown were calculated using the population weights provided by Statistics Canada. Those who reported “don’t know” or refused to answer were combined into a single “missing” category and excluded from the calculation of the percentages. See Table C.39 for the unweighted sample sizes for this table, including those coded as “missing.”

And finally, although over one quarter (26.4 percent) of male repeat claimants said they checked with unions, this was true for only 10.8 percent of male occasional claimants, and even smaller proportions of women (6.2 percent repeat users; 2.9 percent occasional users).

The range of job-search strategies employed can be thought of as a measure of the “breadth” of job search and the results in Table 5.1 suggest that occasional EI claimants conducted a broader job search. A greater proportion of occasional claimants used each method (with the exception of unions), and the differences are large for newspapers and private employment agencies. Table 5.1 also shows that, in most cases, female claimants were more likely to use various job-search methods than male claimants.

Another indication of the greater breadth of the job search of occasional claimants can be seen in Table 5.2. Occasional claimants used more job-search methods than repeat claimants. Almost 60 percent of male occasional claimants used more than three techniques when searching for a job, compared with 43.6 percent of male repeat claimants. The corresponding percentages for female claimants were similar (60.3 percent for female occasional claimants; 45.1 percent for female repeat claimants).

One measure of the “depth” of job search is the amount of time spent looking for a job. Occasional claimants showed a greater depth in their job search, spending considerably more time carrying out various job-search activities than did repeat claimants (see Table 5.3). More than half of male occasional claimants (55.3 percent) reported spending more than 10 hours per week in job-search activities, compared with 36.8 percent of male repeat claimants; 45.9 percent of female occasional users searched for more than 10 hours per week as did 29.2 percent of female repeat users.<sup>3</sup>

<sup>3</sup>Readers should note that a relatively large percentage (about 15 percent) of respondents were “missing” on the question that asked about the number of hours spent on job-search activities.

**Table 5.2: Number of Job-Search Activities Utilized by Respondents Who Were Unemployed for All or Part of 1997 and Who Looked for Work While Unemployed**

	Male Claimants		Female Claimants	
	Repeat	Occasional	Repeat	Occasional
<b>Percentage who used the following number of job-search activities</b>				
One	6.7	4.1	6.9	3.9
Two	17.9	11.5	18.2	11.5
Three	31.8	25.5	29.9	24.3
Four	30.2	38.4	33.4	39.1
Five	11.6	19.7	11.0	20.6
Six	1.8	1.1	0.7	0.6

**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** The sample on which this table is based consists of all those who: (a) were unemployed for all or part of 1997, as defined in Footnote 1; and (b) looked for work while unemployed. Such claimants are categorized according the number of job-search techniques they used when looking for work, and whether they were repeat or occasional claimants as defined in Chapter 1. The percentages shown were calculated using the population weights provided by Statistics Canada. Those who did not report a value for this variable were categorized as "missing" and excluded from the calculation of the percentages. See Table C.40 for the unweighted sample sizes for this table, including those coded as "missing."

**Table 5.3: Time Spent on Job-Search Activities**

	Male Claimants		Female Claimants	
	Repeat	Occasional	Repeat	Occasional
<b>Percentage who spent the following number of hours on job-search activities</b>				
0–5	35.0	22.5	42.9	28.0
6–10	28.3	22.2	27.9	26.1
11–15	11.6	14.7	10.6	10.3
16–20	12.9	17.9	9.3	15.0
More than 20	12.3	22.7	9.3	20.6

**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** The sample on which this table is based consists of all those who: (a) were unemployed for all or part of 1997, as defined in Footnote 1; and (b) looked for work while unemployed. Such claimants are categorized according the numbers of hours per week they spent looking for work, and whether they were repeat or occasional claimants as defined in Chapter 1. The percentages shown were calculated using the population weights provided by Statistics Canada. Those who did not report a value for this variable were categorized as "missing" and excluded from the calculation of the percentages. See Table C.41 for the unweighted sample sizes for this table, including those coded as "missing."

Interestingly, while Table 5.2 shows that female claimants were more likely to use more than one job-search technique, Table 5.3 suggests that male claimants spent more time looking for a job.

In summary, it would seem that during times of unemployment, occasional EI claimants carried out a more active job search than did repeat EI claimants. This is true in terms of the range of activities undertaken and in terms of the amount of time spent on those activities.

There are many things that may influence the success of an individual's job search, or the amount of effort they are able, or willing, to expend in order to find new work. The next section examines several of these factors.

## FACTORS AFFECTING JOB SEARCH

The last section established that the depth and breadth of the job-search activities of repeat and occasional EI claimants were different. In this section, we examine several variables that may have influenced job search — recall expectations, receipt of Employment Insurance in 1997, family responsibilities, and community ties. We begin with the important question of recall expectations and their relation to job search.

### Recall Expectations

The intensity with which EI claimants look for new jobs is clearly affected by whether or not they expect to return to their last job. The analysis in Chapter 3 suggests that, for many repeat claimants, being laid off from a job and then recalled is a normal part of an ongoing employment relationship. For that reason, we might not expect such workers to look for work intensively during their annual period of unemployment. In contrast, an unemployed person who does *not* expect to be called back to a previous job faces the task of finding new work with a new employer, and we would expect this person to search more intensively.

In this section, we explore the relationship between recall expectations and job-search activities. We focus on one particular subgroup of the SRUEI respondents who were unemployed for all or part of 1997. That subgroup consists of those respondents who experienced a “break” of at least two weeks from their main 1997 employer.<sup>4</sup> A break in this context includes all layoffs (even if the break was not formally defined as a layoff) that lasted at least two weeks. We exclude those who did *not* experience a break: (a) those who did not work at all in 1997; and (b) those who found a new job in 1997 and then worked continuously, without a break, for the remainder of the year. Having identified the subgroup that experienced a break, we look at the job-search activity of those who expected recall and those who did not.

The nature of this subset is seen in the first line of Table 5.4. Among repeat EI claimants, roughly 80 percent of those who were unemployed for all or part of 1997 experienced a break in 1997 (80.3 percent of the men; 80.5 percent of the women); by contrast, only about 50 percent of occasional claimants experienced a break (54.2 percent of the men; 49.4 percent of the women).

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<sup>4</sup>The frequency of breaks for repeat and occasional EI claimants is first discussed in Chapter 3. Each respondent was asked about up to four breaks, of two weeks or more, for each of four employers. The categorization in Table 5.4 is based on only the first break from the respondents’ main employer. Of the 10,758 male claimants who were unemployed for all or part of 1997, 7,960 experienced a break; similarly, 5,200 of the 7,343 female claimants had a break.

**Table 5.4: Percentage of Respondents Who “Had a Break” in 1997 of Those Who Were Unemployed for All of Part of 1997, by Recall Expectations**

	Male Claimants		Female Claimants	
	Repeat	Occasional	Repeat	Occasional
<b>Had a break in 1997</b>	80.3	54.2	80.5	49.4
<b>Of those with a break, those who</b>				
Expected recall after break	80.4	58.8	84.1	64.0
Did not expect recall after break	19.6	41.2	15.9	36.0

**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** The sample on which this table is based consists of all those who were unemployed for all or part of 1997, as defined in Footnote 1. Such claimants are categorized by whether they were repeat or occasional claimants, as defined in Chapter 1. They are also categorized by whether or not they experienced a “break” and, if they did, by whether they expected to be recalled after that break. A break is defined in the text. The percentages shown were calculated using the population weights provided by Statistics Canada. Those who reported “don’t know” or refused to answer were combined into a single “missing” category and excluded from the calculation of the percentages. See Table C.42 for the unweighted sample sizes for this table, including those coded as “missing.”

### ***Possibility of Recall to Job Held Before 1997 “Break”***

Looking only at the group who experienced a break, Table 5.4 also shows that repeat EI claimants were far more likely to expect recall after a break than were occasional EI claimants. Of those who had a break, more than 80 percent of repeat claimants expected recall (80.4 percent of male repeat claimants; 84.1 percent of female repeat claimants). Among occasional claimants who experienced a break, however, 58.8 percent of male claimants and 64.0 percent of female claimants expected recall.<sup>5</sup> Compared with occasional claimants, then, many more repeat EI claimants were laid off in 1997 with an expectation of being recalled. Among male repeat claimants, roughly 80 percent experienced a break and 80 percent of that group expected to be recalled; this represented about 65 percent of all male repeat EI claimants. By contrast, only 54 percent of male occasional claimants experienced a break and only 59 percent of that group expected to be recalled; this represented about 32 percent of all male occasional claimants. If recall expectations lessen the breadth or depth of job search then, in general, repeat claimants should be much less likely to engage in job-search activities than occasional claimants.

Table 5.5 looks at the depth of the job-search activity of the claimants who experienced a break in their 1997 employment.

Comparing the top panel of Table 5.5 with the bottom panel, we see that those who expected to be recalled after their 1997 layoff searched less intensively for a new job while they were unemployed. For example, among male repeat claimants, 58.8 percent of those who expected recall either did not look for work (31.5 percent) or searched for five hours per week or less (27.3 percent); among male repeat claimants who did *not* expect to be recalled, 43.9 percent either did not look for work (19.7 percent) or looked for five hours per week or less (24.2 percent). The same pattern characterized male occasional claimants and both types of female claimants.

<sup>5</sup>In Chapter 3, Figure 3.6 showed the percentage of *all* SRUEI respondents who “had a break.” The percentages on line 1 of Table 5.4 are higher because this chapter (and therefore Table 5.4) excludes those who worked continuously in 1997 (and who therefore never had a break).

**Table 5.5: Hours Spent in Job-Search Activities for Those Who Experienced a Break From Their Main 1997 Employer, by Recall Expectations**

Hours Spent in Job Search	Male Claimants		Female Claimants	
	Repeat	Occasional	Repeat	Occasional
<b>Of those who expected recall after break, the percentage who</b>				
Did not look for work	31.5	30.8	32.6	29.7
Spent 0–5 hours	27.3	18.2	32.4	24.8
Spent 6–10 hours	19.8	19.4	18.8	21.8
Spent 11–15 hours	7.2	13.1	6.3	4.7
Spent 16–20 hours	7.5	8.5	5.6	8.2
Spent more than 20 hours	6.7	10.0	4.2	10.9
<b>Of those who did not expect recall after break, the percentage who</b>				
Did not look for work	19.7	13.8	20.2	16.5
Spent 0–5 hours	24.2	25.4	29.0	21.0
Spent 6–10 hours	22.2	18.2	20.2	20.4
Spent 11–15 hours	10.5	11.1	10.8	12.5
Spent 16–20 hours	11.6	14.2	8.7	11.7
Spent more than 20 hours	11.9	17.3	11.1	17.9

**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** The sample on which this table is based consists of all those who were unemployed for all or part of 1997, as defined in Footnote 1, and who experienced a “break” from their main 1997 employer. Such claimants are categorized by whether they were repeat or occasional claimants, as defined in Chapter 1. They are then categorized by whether or not they expected to be recalled from their 1997 break and by the number of hours they spent each week in job-search activities. Responses coded as “valid skip” represent respondents who reported that there was no period in 1997 when they were unemployed and looking for work; for that reason “valid skip” is labelled “did not look for work” in the table. The percentages shown were calculated using the population weights provided by Statistics Canada. Those who reported “don’t know” or refused to answer were excluded from the calculation of the percentages. See Table C.43 for the unweighted sample sizes for this table, including those coded as “don’t know” or “refused.”

### ***Responses to Specific Employment Scenarios***

In Chapter 4, we discussed the reactions of all SRUEI respondents to three scenarios that involved the offer of a new job while the respondent was unemployed and expecting to be recalled to his or her old job. The respondent was to consider how likely they would be to accept each offer. To reiterate, the three scenarios were as follows:

- They were offered a job by a new employer that was similar to their old job in terms of both pay rate and type of work;
- They were offered a job by a new employer that was similar to their old job in terms of pay, but involved a very different kind of work; and
- They were offered a job by a new employer that was similar to their old job in terms of pay and the type of work, but was located in a different province.

Responses to the three scenarios from all those who experienced unemployment in 1997 (see Table 5.6) were similar to those of the full report sample.<sup>6</sup> Roughly 90 percent of all four EI claimant groups were “very likely” or “somewhat likely” to accept a new job that was similar in the type of work required and the wages offered. If the job offered similar pay but a different kind of work, about 85 percent of all four groups were “very likely” or “somewhat likely” to accept the offer.

**Table 5.6: Percentage Very Likely or Somewhat Likely to Accept a Hypothetical New Job, by Work Status in 1997**

	Male Claimants		Female Claimants	
	Repeat	Occasional	Repeat	Occasional
<b>Scenario #1 – New employer but same type of work and same pay</b>				
All those unemployed for all or part of 1997	92.6	89.7	91.1	91.2
No break in 1997	90.9	89.0	89.4	90.0
Break in 1997				
Expected recall after break	92.7	90.6	91.7	93.3
Did not expect recall after break	93.7	89.9	90.4	91.0
<b>Scenario #2 – New employer, same pay, different type of work</b>				
All those unemployed for all or part of 1997	84.8	81.7	83.9	84.3
No break in 1997	82.6	81.8	83.6	85.1
Break in 1997				
Expected recall after break	85.3	82.1	83.8	83.0
Did not expect recall after break	84.8	80.8	83.9	84.3
<b>Scenario #3 – New employer same type of work and same pay but in another province</b>				
All those unemployed for all or part of 1997	29.6	31.2	11.0	15.2
No break in 1997	30.4	30.5	11.9	13.8
Break in 1997				
Expected recall after break	30.0	29.5	10.3	16.5
Did not expect recall after break	35.4	35.4	13.8	17.6

**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** The sample on which this table is based consists of all those who were unemployed for all or part of 1997, as defined in Footnote 1. Such claimants are categorized by whether they were repeat or occasional claimants, as defined in Chapter 1. The table shows the percentage of respondents who reported being “somewhat likely” or “very likely” to accept a new job offered to them under the conditions listed in the table. The percentage is reported for: (a) all those who were unemployed for all or part of 1997; and (b) all who were unemployed in 1997 and who had a break from their main 1997 employer. The percentage is then reported for the latter group, broken down into those who expected and did not expect recall to their main employer. The percentages shown were calculated using the population weights provided by Statistics Canada. Those who reported “don’t know” or refused to answer were excluded from the calculation of the percentages. See Table C.44 for the unweighted sample sizes for this table, including those coded as “don’t know” or “refused.”

With regard to the first two scenarios, Table 5.6 shows that a somewhat *higher* proportion of repeat claimants were likely or very likely to accept the new job offer, as compared with occasional claimants. For example, 92.6 percent of male repeat claimants said they would be likely to accept the new job under the first scenario; the corresponding percentage for male occasional claimants was 89.7 percent. This conflicts with a finding in Chapter 4 that

<sup>6</sup>The results for the full sample are reported on p. 51 of Chapter 4.

suggested repeat claimants might be slightly *less* willing to change than occasional claimants (pp. 48–51).

Differences among the types of claimants emerged in the third scenario, in which the hypothetical new job was similar in terms of pay and type of work, but involved a move to another province. As with the full sample discussed in Chapter 4, however, the differences are between men and women rather than between repeat and occasional users. About 30 percent of male claimants were very likely or somewhat likely to accept the new out-of-province job; that percentage drops to 15.2 percent for female occasional claimants and to 11 percent for female repeat claimants.

Table 5.6 also shows the percentage that reported they would be likely to accept the new job offer, classified by whether they had a break from their main employer and, if they had a break, by their recall expectations.

Recall status does not appear to make a difference in responses to the first two scenarios; in fact, those who expected recall were slightly *more* likely to take the hypothetical new job.

When respondents considered an employment opportunity that would require leaving their home province, however, those *not* expecting recall were more likely to say that they would take such a job. For example, among male occasional users, 35.4 percent of those not expecting recall from a break said they would be “very likely” or “somewhat likely” to take the new out-of-province job; the corresponding percentage among those who said they had expected to be recalled to a real job was 29.5. Among male repeat claimants, 35.4 percent of those not expecting recall said they would be “very likely” or “somewhat likely” to take the job as opposed to 30.0 percent of those expecting recall. Among female claimants, those not expecting recall were also more likely to say they would accept the hypothetical, new out-of-province job.

### ***Reasons for Not Looking for Work While Unemployed***

In examining the reasons respondents gave for not looking for work when they were unemployed, the possibility of recall would be expected to be important for repeat EI claimants and less important for occasional EI claimants.

First, we need to identify a group that was unemployed and not looking for work. As seen in Figure 5.2, roughly 30 percent of those who were unemployed for all or part of 1997 said that they did *not* experience a period of unemployment during which they looked for work. Paradoxically, about a quarter of these respondents also reported working in each of the 12 months of 1997. This group probably represents individuals who worked continuously for a variety of different employers or who experienced short periods of unemployment.<sup>7</sup> In order to explore the reasons for not looking for work, this 25 percent is excluded from the sample, and we analyze those who were unemployed in at least one month of 1997, and who reported that they did not look for work.

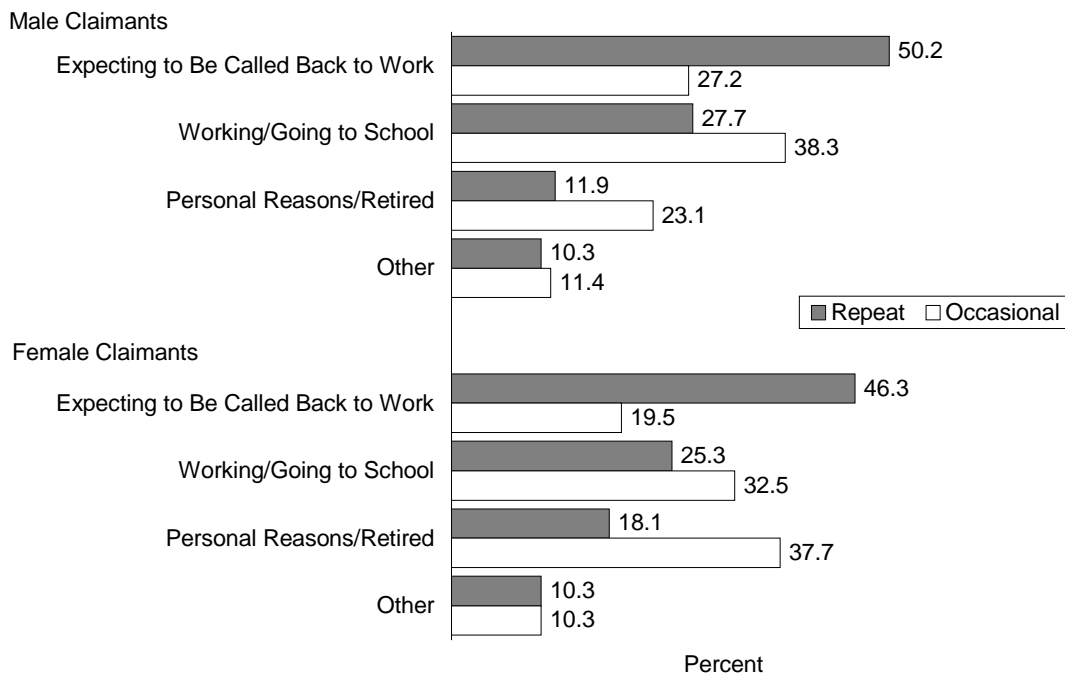
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<sup>7</sup>These are probably respondents who did not work continuously for a *single* employer throughout 1997 (and who, as discussed in Footnote 1, would have been included in the group who were unemployed for all or part of 1997) but who still reported working in each month of 1997. Such respondents might never have considered themselves “unemployed” and thus responded “no” when asked if they had ever experienced a period during which they were unemployed and looking for work.



The findings in Figure 5.3 suggest that, because they had different recall expectations, occasional and repeat EI claimants had very different reasons for not looking for work while unemployed. Repeat claimants were much more likely than occasional claimants to say they did not look for a new job because they knew they were returning to their old job; this was true of 50.2 percent of male repeat claimants (and 27.2 percent of male occasional claimants). Almost half (46.3 percent) of female repeat claimants did not look for work because they expected recall; the corresponding percentage among occasional claimants was 19.5.

**Figure 5.3: Reasons for Not Searching for Work While Unemployed**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** To construct the sample for this figure, we begin with all those who were unemployed for all or part of 1997 (see Footnote 1). Such claimants are categorized by whether they were repeat or occasional claimants, as defined in Chapter 1. We then exclude the roughly 70 percent who reported that there had been a period in 1997 during which they were both unemployed and looking for work (see Figure 5.2). Next, from the remaining 30 percent, we exclude those who reported working in each month of 1997. This apparent contradiction — the existence of a group who worked in every month despite having reported that they experienced unemployment in 1997 — is discussed in Footnote 7. The remaining claimants are then categorized by the reason they gave for not looking for work. The percentages shown were calculated using the population weights provided by Statistics Canada. Those who reported “don’t know” or refused to answer were combined into a single “missing” category and excluded from the calculation of the percentages. See Table C.45 for the unweighted sample sizes for this figure, including the numbers coded as “missing.”

Occasional claimants were far more likely than repeat claimants not to have searched for a job because they were involved in some kind of educational or skills upgrading, or were otherwise employed. Among male occasional claimants, 38.3 percent gave this as their reason for not looking for work as did 27.7 percent of male repeat claimants. Female occasional claimants were also more likely involved in these kinds of activities (32.5 percent), or to be putting off a job search for personal reasons or because they had retired (37.7 percent). Among female repeat claimants, 25.3 percent were not looking because they were in school or training, and 18.1 percent did not search because they had retired or had personal reasons for not looking.

## The Availability of Employment Insurance Benefits

The pressure to find new employment quickly may be greater if the individual has no other means of financial support. In this section, we use administrative data available from Human Resources Development Canada to establish that repeat claimants were more likely than occasional claimants to file a new EI claim in 1997, were likely to have received greater benefits from the EI program in 1997, and were likely to have received EI benefits in a greater number of months (see Table 5.7).

**Table 5.7: Receipt of Employment Insurance in 1997**

	Male Claimants		Female Claimants	
	Repeat	Occasional	Repeat	Occasional
<b>Filed a new claim in 1997 (%)</b>	68.4	30.8	67.0	21.9
<b>Percentage receiving Employment Insurance in</b>				
January 1997	80.0	62.8	65.8	62.0
February 1997	72.2	53.9	53.2	53.1
March 1997	70.2	50.3	53.9	48.1
April 1997	61.5	43.1	41.7	39.2
May 1997	47.2	36.0	35.0	33.0
June 1997	30.0	26.7	30.4	28.8
July 1997	30.0	24.3	43.7	27.5
August 1997	27.2	21.1	44.5	24.6
September 1997	23.3	17.2	27.5	16.9
October 1997	28.0	16.5	28.3	14.1
November 1997	40.2	18.3	34.7	12.9
December 1997	50.3	19.7	42.5	12.9
<b>Number of months of Employment Insurance in 1997 (%)</b>				
0	7.5	24.2	10.7	23.5
1-3	17.3	25.2	25.5	29.9
4-6	35.5	27.5	28.9	25.0
7-9	29.3	16.2	25.7	15.0
9-12	10.4	6.8	9.2	6.6
<b>Median amount of benefit received in 1997 (\$)</b>	\$4,956	\$2,793	\$2,472	\$1,765
<b>Median amount of benefit (\$) for those who received at least \$1 in regular benefits</b>	\$5,369	\$4,046	\$2,836	\$2,637

**Sources:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI) and from the 10 percent Status Vector File maintained by Human Resources Development Canada (HRDC).

**Notes:** This table is based on the subsample that were unemployed for all or part of 1997 (see Footnote 1). Respondents are then divided by gender, and by whether they were repeat or occasional claimants as defined in Chapter 1. The percentages shown were calculated using the population weights provided by Statistics Canada. The bulk of the information in the table is derived from HRDC administrative data. Because a small number of SRUEI respondents did not have complete administrative records, the sample sizes in this table are slightly smaller than those on which the data in previous tables are based. See Table C.46 for the unweighted sample sizes for this table, including the number coded as "missing."

While every respondent included in the analysis for this chapter reported being unemployed for at least part of 1997, not all were equally likely to file a new EI claim in 1997. There are striking differences among our four groups of claimants in who did and did not file a new claim in 1997, with repeat claimants far more likely to have done so. Male repeat EI claimants, for example, were more than twice as likely to have filed a new claim as their occasional counterparts (68.4 percent versus 30.8 percent); the corresponding percentages for female claimants were 67.0 for repeat claimants and 21.9 for occasional claimants (see line 1, Table 5.7).

Among those who received EI benefits in 1997, the patterns of receipt over the months of the year and the number of months for which benefits were received also differed substantially for repeat and occasional users.

Among male repeat claimants, 80.0 percent were receiving EI benefits in January of 1997. Since we know many repeat claimants were working regularly in seasonal jobs, the receipt of Employment Insurance in January was probably related to a 1996 layoff. Among male occasional claimants, 62.8 percent were receiving EI benefits in January. The proportion of male repeat claimants receiving EI benefits then fell steadily, reaching a minimum of 23.3 percent in September 1997. As the weather turned colder, the proportion rose again, reaching 50.3 percent in December.

As with male repeat EI claimants, the proportion of male occasional claimants receiving EI benefits steadily declined over the course of the calendar year, falling to under 20 percent in September and October. Unlike male repeat claimants, however, the proportion rose only slightly in November and December.

The pattern of use over time for female EI claimants was quite different than that of male EI claimants, probably because of the very different industries and occupations in which they worked. Female occasional claimants began the year with roughly the same proportion in receipt of benefits as their repeat counterparts — 62.0 percent for occasional users and 65.8 percent for repeat users. For female occasional claimants, the proportion receiving Employment Insurance then declined steadily throughout the year, from the 62.0 percent in January to 12.9 percent in December. When female repeat claimants are compared with female occasional claimants, however, two important differences emerge. First, after falling from January to June, the proportion of female repeat claimants receiving Employment Insurance rose in July and August. Second, as with their male counterparts, the proportion receiving Employment Insurance was at a minimum in September (27.5 percent) before rising again to 42.5 percent in December.

In general, repeat claimants received EI benefits for more months than did occasional claimants. About three quarters of male repeat users received benefits for more than three months in 1997; 10.4 percent received benefits for nine months or more. This contrasts with the just over half (50.5 percent) of male occasional claimants who received benefits in more than three months during 1997, and the 6.8 percent who had received benefits for nine months or more.

A smaller proportion of women who made repeated claims received EI benefits for more than three months (63.8 percent) than did male repeat users, but this was considerably more than the proportion of female occasional claimants with spells of more than three months

(46.6 percent). In addition, 9.2 percent of female repeat claimants received benefits for nine months or longer, compared with only 6.6 percent of female occasional claimants.

Male repeat claimants also received greater amounts of money from the EI program in 1997 than did male occasional claimants; the median amount received was \$5,369 for repeat claimants and \$4,046 for occasional claimants. Similarly, although lower than the median amount received by men, female repeat users received more money from Employment Insurance (a median of \$2,836) than did female occasional claimants (\$2,637).

In summary, the greater propensity of repeat claimants to receive EI benefits in 1997 may be one of the factors that explains the relative lack of depth and breadth of their job search when compared with occasional claimants.

## Personal Constraints on Job Search

Personal circumstances can affect the extent to which an unemployed worker might search for a new job. Two such circumstances are considered here: having primary responsibility for childcare, and having a high level of attachment to home and community.

### *Responsibility for Childcare*

Respondents were asked whether they had children under the age of six, or between the ages of 6 and 12, inclusive (see Table 5.8). Few differences existed among the four groups of EI claimants: 14 to 18 percent of claimants had children under age six; 18 to 24 percent had children between the ages of 6 and 12. Of particular interest for this study was whether the claimant had primary responsibility for the care of these children, and whether there were differences in this regard between claimant types.

**Table 5.8: The Presence of Young Children, the Likelihood of Being a Primary Caregiver, and Job Search**

	Male Claimants		Female Claimants	
	Repeat	Occasional	Repeat	Occasional
Presence of children (%)				
Child under 6 years old in household	17.9	18.0	14.2	17.4
Child 6 to 12 years old in household	21.3	18.6	21.8	24.3
Primary caregiver for children under age 12 (%)				
Looked for work when unemployed <sup>a</sup>	10.3	9.3	16.7	19.8
Did not look for work when unemployed <sup>a</sup>	3.8	4.0	7.7	8.8
Not primary caregiver for children under age 12 (%)				
Looked for work when unemployed <sup>a</sup>	58.6	60.7	51.2	50.5
Did not look for work when unemployed <sup>a</sup>	26.7	24.8	23.6	20.0

**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** The sample on which this table is based consists of all those who were unemployed for all or part of 1997, as defined in Footnote 1. Such claimants are categorized by whether they were repeat or occasional claimants, as defined in Chapter 1. They are also categorized by whether or not they: (a) had a child less than age six; (b) had a child between the ages 6 and 12, inclusive; and (c) whether or not they were the primary caregiver for a child under age 12. The percentages shown were calculated using the population weights provided by Statistics Canada. Those who reported “don’t know” or refused to answer were combined into a single “missing” category and excluded from the calculation of the percentages. See Table C.47 for the unweighted sample sizes for this table, including those coded as “don’t know” or “refused.”

<sup>a</sup>The percentages shown in these subcategories do not add up to the percentage shown in the main category (“Primary caregiver for children under age 12” or “Not primary caregiver for children under age 12”). This is due to the fact that some respondents refused to answer the question “Did you look for work while unemployed” or answered “don’t know.”

While there were few differences between repeat and occasional EI claimants, large differences existed between men and women, with women much more likely than men to be the primary child caregiver — between 24 and 29 percent of women in the sample were the primary caregiver for at least one child under age 12, compared with about 14 percent of men. Somewhat surprisingly, Table 5.8 shows that being a primary caregiver did not affect the likelihood that a respondent would look for work when unemployed. Those who looked for work when unemployed outnumbered those who did not by a margin of 2 to 1, regardless of whether they were primary caregivers. For example, about 20 percent of the female occasional claimants were primary caregivers and looked for work when unemployed; the percentage that were primary caregivers and did not look for work was about nine percent. Among female repeat claimants the corresponding percentages were 17 and 8.

### ***Attachment to Home and Community***

One measure of attachment to home and community is the number of years EI claimants had lived within 150 kilometres of their current residence. Results using this indicator suggest that men and women who were repeat claimants had a stronger attachment to home and community than did occasional claimants. Repeat claimants were much more likely than occasional claimants to have resided within 150 kilometres of their current residence for a large portion, if not all, of their lives. About two thirds of repeat claimants (67.4 percent men; 63.3 percent women) had lived for 21 years or more in the vicinity of their current home (or had lived in the same area their whole life), compared with just over half of occasional claimants (52.5 percent men; 46.3 percent women).

A second, and related, measure is whether or not respondents had changed their residence in 1997. Changing the place of residence was more common among occasional claimants than among repeat claimants. Among male occasional claimants, 22.5 percent had moved in 1997, compared with 15.7 percent of repeat claimants. Among female occasional claimants, 19.5 percent had moved, compared with 11.6 percent of female repeat claimants.

A related measure is the number of respondents who not only changed residence but also moved more than 150 kilometres away from their previous residence. This number was quite small — less than six percent of each group of claimants. Because of the small numbers involved, we note only that repeat claimants, both male and female, were less likely than occasional claimants to have moved more than 150 kilometres.

The fact that repeat claimants seemed to be more rooted to their communities than occasional claimants is evidence that this was an area of their lives where they may be resistant to change. Moving for work is, however, never a popular option, independent of whether one is a frequent or occasional EI user, and resistance to geographic mobility does not preclude consideration of other kinds of employment change.

## **SUMMARY**

The analysis thus far suggests that, while repeat EI claimants may have more frequent periods of unemployment than occasional claimants, they were satisfied with their employment situation and seemed able to regain jobs without too much effort — at least without as much effort as occasional claimants appear to expend. During periods of unemployment, repeat claimants had Employment Insurance to rely on, and the prospect of recall to previous jobs.

Nevertheless, it would seem that while many repeat EI claimants, especially men, showed little motivation to change their employment behaviour, there was a minority who desired more stable, year-round work. This is evidenced by those who appeared open to the notion of employment change, even when recall was in the picture.

## Chapter 6: Putting the Results in Context

The previous chapters of this report provided a survey-based description of various characteristics, attitudes, and economic behaviour of 1996 repeat and occasional users of Employment Insurance (EI). In this chapter, we summarize important elements of the description and relate them to the findings of previous work on the repeat use of unemployment insurance.

### DEMOGRAPHIC AND SOCIOECONOMIC CHARACTERISTICS

Some of the demographic and socioeconomic characteristics described in the previous chapters — including gender, frequency of EI use, age, region of residence, and the industry of the insured job — have been presented in previous studies using administrative data. Notable among these analyses are those by Corak (1993a, 1993b, 1995), HRDC (1994), Lemieux and MacLeod (1995), and Wesa (1995). For these characteristics, the description of the Survey on Repeat Use of Employment Insurance (SRUEI) respondents is broadly consistent with previous analyses.

#### Demographic Characteristics

##### *Frequency of Use of Employment Insurance*

One of the central issues in the 1996 unemployment insurance reform that led to the creation of the EI program was the repeated use of the system by some workers and their employers. As discussed in Chapter 1, such frequent use was widely understood as evidence that the system was less the provision of insurance against unforeseen and undesired eventualities, and more a system for providing income support for workers who experienced temporary layoffs. The starting point for this argument was the observation that frequent use, by any definition, was indeed a common occurrence in the system.

For this report, we categorized SRUEI respondents, aged 25 and over, as repeat or occasional users, based on their use of unemployment insurance in the 1992–1996 period.<sup>1</sup> Those who received at least \$1 in regular EI benefits in three or more years were classified as repeat claimants while those who received benefits in only one or two years were classified as occasional claimants. This definition is similar to one used by Human Resources Development Canada (HRDC) for “policy purposes.”<sup>2</sup> Table 1.1 indicated that 52.5 percent of 1996 claimants who were 25 and over were repeat users, by our definition. While other

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<sup>1</sup>The sample for the SRUEI was drawn from 1996 claims appearing on HRDC’s Status Vector File, a 1-in-10 sample of all EI claims. These same administrative data were used in all of the analyses mentioned in this section. Unless otherwise mentioned, statements about SRUEI respondents in this chapter refer to respondents who were 25 years of age and older. Younger respondents are discussed in Appendix A.

<sup>2</sup>Wesa, 1995, p. 9, writes that “[f]or policy purposes, HRDC defines high frequency users as claimants with three or more *claims* in five years” (emphasis added). The only difference between that definition and the one adopted here is that a small number of claimants might have had more than one claim in each year.

analyses of the repeat use of Employment Insurance used different definitions, all found that a large fraction of EI beneficiaries were repeat users.

As part of the 1994 review of social security programs, HRDC (1994) dealt with some of the same issues that are addressed in this report. Based on 1991 Status Vector File (SVF) data, 38 percent of claimants were frequent claimants by the “three claims in five years” definition (HRDC, 1994, p. 15).

Wesa (1995, p. 11) also adopted the HRDC definition. Wesa, however, applied the definition to SVF data over a longer time period. Combining male and female claimants, Wesa reported that

*during the period 1981–1992, 46.8 percent of UI spells experienced by persons 25 years or older were held by high frequency claimants according to the HRDC definition (i.e. three [or more] spells in five years).<sup>3</sup>*

Lemieux and MacLeod (1995) analyzed male claimants, aged 15 to 65, over the period 1972 to 1992. They reported (p. 21) that

*... while 31 percent of claimants who had only one spell of UI over the 21-year period accounted for only 8 per cent of total spells, 7 per cent of claimants with 11 spells or more accounted for 22 per cent of total spells.*

Corak (1993a) analyzed those who experienced at least one EI claim in the period 1971 to 1989. He wrote (p. 164) that

*... 1,827,990 claims were initiated at some point during 1989, but ... only 20.1 per cent of these were initiated by individuals who were beginning their first claim. In other words, 80 per cent of the claims initiated during 1989 were initiated by individuals who had experienced at least one other claim since mid-1971. In fact, 39.2 per cent of the claims were initiated by individuals who were beginning their fifth or greater claim.*

Corak analyzed 1989 claimants in the same way that we analyze 1996 claimants. But instead of looking back to the 1992 to 1996 period and counting the number of years of benefit receipt in those five years, he looked back over the 1971 to 1989 period and counted the number of claims initiated in those 19 years.

Despite the variety of definitions of a “repeat claimant,” it is clear that repeat use is extremely common and that repeat claimants receive a large share of EI benefits in any time period.

### **Gender**

The large number of female repeat users among SRUEI respondents is also consistent with previous analyses. In Corak’s sample of those initiating a claim in 1989, 51.5 percent of the claims were initiated by men and 48.5 percent by women (Corak, 1993a, p. 164). In our data, 42.2 percent of 1996 claimants who received at least \$1 in regular benefits were women.

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<sup>3</sup>This report and Wesa, 1995, exclude claimants under the age of 25 whereas the above-mentioned analysis includes all claimants. Therefore, it is not surprising that the HRDC percentage is lower than ours.



The presence of such a large proportion of female repeat claimants should be enough to convince readers that the frequent use of Employment Insurance is common in occupations other than blue-collar, seasonal jobs. As shown in Chapter 3, female repeat claimants rarely work in construction or in the primary sector, but still make up a significant share of repeat claimants.

Even so, among SRUEI respondents, female claimants were less likely to be repeat users than male claimants. Among all male claimants, 57.3 percent were repeat users; among all female claimants, 45.9 percent were repeat claimants.

Corak (1993a, p. 164) reports a similar result:

*Males have a greater tendency to be UI repeaters: 82.2 per cent of the claims made by males were made by those beginning their second or higher claim, with 47.5 per cent beginning a fifth claim [over his 19-year period]. The comparable percentages for females are 77.5 and 30.3.*

Wesa reports that among male claimants during the 1981 to 1992 period, 50.8 percent were repeat claimants (three or more claims in a five year period). Over that same period, 37.3 percent of female claimants had three or more claims within a five year period.

### **Region**

The regional patterns observed in Figure 2.2 are also in line with past work. Corak (1993a, p. 166) reported that of all claims filed in 1989 in Newfoundland, PEI, Nova Scotia, and New Brunswick, large percentages (for example, 65 percent in Newfoundland) were filed by claimants who had filed at least four different claims since 1971. The next highest percentage was in Quebec (over 40 percent).

Wesa's findings with respect to region (Wesa, 1995, Figure 6, p. 19) are also quite similar to those in Figure 2.2, with the proportion of repeat users highest in the Atlantic provinces, followed by Quebec, British Columbia, the Prairies, and Ontario. Over the longer time period studied by Wesa, the relative ranking of the Atlantic region, Quebec, the Prairies, and British Columbia remained constant but Ontario fell from having the third highest proportion of repeat users in the early 1980s to having the lowest proportion in the early 1990s. Ontario had the lowest proportion of repeat users in our 1996 data as well.

Even though a high *proportion* of claimants in Atlantic Canada are repeat claimants, most repeat users do not live there. Because Quebec and Ontario have so many more workers, a greater *number* of repeat EI users live in these provinces than live in the Atlantic region. (see Table 2.1). This fact is also apparent in HRDC (1994, p. 34) which reported that in 1991, the 190,000 frequent claimants from the Atlantic provinces represented 60 percent of all claimants in those provinces. Nonetheless, Quebec had many more frequent claimants — 335,000 — even though they made up “only” 45 percent of all Quebec claimants.

### **Age**

In Figure 2.1 we saw that the share of repeat claimants was higher in older age groups and that this was especially true for female claimants. This finding is consistent with Wesa's analysis (Wesa, 1995, p. 18). To the extent that older workers have better jobs, this pattern suggests that the kinds of jobs that lend themselves to frequent use of Employment Insurance are not necessarily “bad” jobs. A clear example might be the group of seasonally employed,

skilled construction workers. These jobs may be highly desirable and held by only those with high seniority, thus accounting for the positive association of age with frequent EI use.

Thus, several of our demographic results are consistent with early research:

- Repeat use is very common in the Canadian unemployment insurance system.
- Not all repeat use is by men — female workers are also quite likely to make frequent use of the unemployment insurance system. Nonetheless, repeat use by female workers is less common than by male workers.
- Higher proportions of claimants in the Atlantic region are frequent users than in other regions, but the highest number of repeat claimants live in Ontario and Quebec.
- Repeat use of Employment Insurance is more common as age increases.

## **Socioeconomic Characteristics**

The survey allowed us to describe several factors that could not be described using the administrative data from the Status Vector File. One of these is household income, including a breakdown of the more important sources of household income beyond the respondents' labour market earnings. A second is educational attainment, which is important because the lack of formal education may make finding alternative employment more difficult.

### ***Household Income***

Because the EI program may be providing supplementary income to workers who expect temporary layoffs and who do not see these layoffs as undesirable, there have been proposals to provide lower benefits to workers with relatively high family or household income. As HRDC (1994, p. 46) put it:

*The rationale for income testing is that frequent claimants are using the UI system as a regular source of income supplementation rather than as a source of earnings replacement during occasional periods of unemployment. Income supplementation programs are generally designed to provide resources for those in need. Income testing would prevent frequent claimants who have adequate alternative sources of income from using the income support system simply because it is there rather than because it is needed.*

Defining family income as the combined income of the claimant and his or her spouse (if any), HRDC (1994, p. 47) reported that in 1991 about 20 percent of all claimants had family income above \$50,000. Roughly 18 percent had family income less than \$15,000.

Figure 2.4 showed the distribution of 1997 household income for the SRUEI respondents. Overall, Figure 2.4 suggested, perhaps not surprisingly, that the distribution of 1997 household income for EI claimants was somewhat lower than the distribution for all Canadians. Still, between 15 and 20 percent of claimants had household income exceeding \$60,000 per year. The latter are a group who presumably would see their benefits substantially reduced under income testing.

Since occasional claimants include a wide variety of workers, it was difficult to predict how their income would compare with that of repeat claimants. As Chapter 2 noted, however, the distribution of household income was more concentrated for repeat EI claimants than it was for occasional EI claimants. That is, occasional claimants were more

likely to have household income in the lowest category (less than \$20,000) and more likely to have household income in the highest category (\$60,000 or more). This was especially true for male claimants.

In Chapter 3, we looked more closely at household income. We did this in two distinct ways. First, we enumerated the proportions of households with household income arising from a variety of different sources. Table 3.1 showed the proportion of households with different numbers of workers and found that female EI claimants, whether repeat or occasional, were more likely to live in households in which a spouse (or another adult) also worked. Roughly 75 percent of female claimants lived in such a household, compared with about 62 percent of male claimants.

Table 3.2 presented the various sources of household income and showed that repeat claimants, both male and female, were more likely than occasional claimants to live in households that received income in 1997 from the EI program. As we later saw, in Chapter 5, this was probably due to the fact that repeat claimants were much more likely than occasional claimants to have filed a new EI claim in 1997 (see Table 5.7). Roughly the same proportion of repeat and occasional claimants received income from the other sources listed in Table 3.2.

Second, because some claimants may have had low individual earnings while living in households with high income, we compared individual earnings with household income. Because female claimants were more likely to live in households in which other adults worked, we expected to find a greater proportion of female claimants with low earnings living in high-income households.

We began by describing individual earnings levels in isolation and found that male repeat claimants generally had higher wage rates and higher annual earnings than male occasional claimants. The average wage for male repeat claimants was \$16.06 per hour, compared with \$14.57 per hour for occasional claimants. By contrast, the wage rates and earnings of female claimants were about the same for repeat and occasional claimants, and were quite a bit lower than those of male claimants; the average wage for female repeat claimants was \$12.71 per hour and the average for female occasional claimants was \$12.39 per hour.

Because of the presence of other sources of household income, the lower earnings for female claimants did not necessarily mean that female claimants had a lower standard of living than male claimants. Figure 3.20 showed the distribution of household income *within* various earnings categories. If we think of those with annual earnings of less than \$20,000 as “low earners,” we see that a significant minority of female “low earners” lived in relatively high-income households. For example, among female claimants who earned between \$10,000 and \$20,000 in 1997, roughly 30 percent lived in households with income greater than \$50,000. Female claimants with relatively high earnings — \$30,000 or more — were very likely to live in households with high incomes (60.0 percent for female repeat claimants; 69.5 percent of female occasional claimants).

Among male claimants, those with low earnings were much more likely than their female counterparts to live in households with low income. Almost 60 percent male repeat and occasional claimants who earned less than \$10,000 in 1997 lived in households in which annual income was less than \$30,000.

### ***Educational Attainment***

Repeat and occasional EI claimants differed significantly in their educational attainment. In particular, occasional claimants were much more likely to have graduated from high school. Almost half of male repeat claimants (48.5 percent) had not completed high school; the corresponding percentage for occasional claimants was 28.4 (see Figure 2.5). Similarly, female repeat claimants were far more likely to have “less than high school” compared with female occasional claimants. Occasional claimants, both male and female, were more likely than repeat claimants to have graduated from universities and colleges.

### ***Industrial Composition***

More than one third of male repeat claimants worked in the construction industry. The importance of the construction industry as a source of repeat EI claimants was noted previously by Corak, Lemieux and MacLeod, and Wesa, so that this finding comes as no surprise. The 14.4 percent share of male claimants who worked in the primary sector — including fishing, forestry, and agriculture — is equally unsurprising. All of these industries are seasonal, operating primarily during warmer months.

The industries in which female repeat users worked have not received much attention in the past. Among female claimants — 45.9 percent of whom were repeat users — no industrial sector was as important as the construction and primary sectors were among male repeat users. The most common industry for female claimants was “community services,” an amalgam of education, health, and social services. These are not areas in which the weather is an important factor, so it is perhaps surprising that 54.0 percent of claimants were repeat users (see Figure 3.13).<sup>4</sup> While this percentage of repeat users is larger than the overall proportion of 45.9 percent, there is not the same disproportion between repeat and occasional EI use as existed among male claimants in the construction and primary sectors.

Considered as broad industrial categories, the “construction industry” and “primary industries” contain disproportionate numbers of male frequent EI claimants. Nonetheless, *within* these sectors, there is substantial variation in the extent to which specific firms employ frequent claimants. While no analysis of specific firms can be easily done using the SRUEI data, Corak and Pyper (1995) show that even within the “construction industry” and within “primary industries,” some *firms* “use” EI benefits more than others.

## **FREQUENT USE OF EMPLOYMENT INSURANCE, IMPLICIT CONTRACTS, AND ESP**

From the analysis of the repeat users component of the Earnings Supplement Project (ESP) experiment, we know that repeat claimants were not particularly excited about the possibility of receiving an earnings supplement if they found a new lower-paying job within a relatively short time period.<sup>5</sup>

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<sup>4</sup>An exception is employment in primary and secondary education which drops off when such schools are closed for the summer.

<sup>5</sup>The ESP experiment paid an earnings supplement to repeat claimants who found a lower-paying job within 13 weeks of the ESP offer. The definition of “repeat claimant” was different than that used in this report. Participation was offered to claimants who had received EI benefits in each of the previous three years and who were receiving benefits for the fourth year when they were asked to be in the experiment.

One likely explanation for this disinterest is the “implicit contracts” theory. Corak (1995) applies this idea to the repeat use of the unemployment insurance in Canada. We summarize Corak’s work and then point out the survey results that are consistent with that work.

### **Corak on Temporary Layoffs and the Repeat Use of Employment Insurance**

In principle, the frequent use of unemployment insurance could result solely from the economic behaviour of individual workers, acting independently of their employers. For example, the prospect of receiving Employment Insurance after working for only three or four months each year might lead some workers to undertake an annual search for jobs that yield enough “stamps” to qualify for benefits. Such an interpretation is not uncommon and is what Corak had in mind when he wrote that observed patterns of repeat use “have more often than not been given a labour supply side interpretation, to the point where demand side issues have not been raised at all” (Corak, 1995, p. 16).

Nonetheless, Corak’s 1995 work strongly supports the alternative idea that decisions by employers are a crucial component of any explanation of the frequent use of Employment Insurance. Economic theory predicts that an insurance system that is not perfectly “experience-rated” — one in which premiums are not related to the extent to which benefits are received — will be overused.<sup>6</sup>

As far as employers are concerned, the Canadian unemployment insurance system is not experience-rated at all. If a worker is laid off and later receives EI benefits, the premiums paid by the firm that ordered the layoff are not affected. Beginning with the EI reform of 1996, however, workers who frequently use Employment Insurance receive lower benefits than otherwise similar workers who are infrequent users. This is a form of experience rating, but it is one that will be long in taking effect and that does not impose very large penalties on repeat users (see HRDC, 2000).

In the absence of complete experience rating, firms and workers, acting together, will have an incentive to use temporary layoffs when the demand for the firm’s output (and thus the firm’s need for workers) is low. If demand does not require the presence of workers (or if their work is made impossible by weather conditions) the firms can lay off the workers and avoid paying them during the work slowdown. The firm need not worry that its EI premiums will rise as the result of its actions.

Moreover, if the layoff has been arranged so that those laid off qualify for Employment Insurance, the affected workers will be less likely to be forced to seek other work, meaning the firms need not worry about losing valuable employees because of the temporary layoff. Thus, for both firms and workers, a temporary layoff, with workers’ income supported by Employment Insurance, may be an effective business strategy.

To take advantage of the absence of experience rating, firms and workers must act in concert. Firms lay off workers, and workers accept the layoff, with the unspoken understanding that the workers will be re-hired by the same firm when they are again needed. These kinds of arrangements are called “implicit contracts” — unspoken agreements that the workers still “belong” to the firms, even though they have been laid off.

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<sup>6</sup>On this point, Corak, 1995, p. 16, writes: “. . . temporary layoff and recall decisions of firms may be part of the explanation for the high degree of repeat use. It is certainly implied by Feldstein, 1976, that not only does the use of temporary layoffs increase, but that the same individuals are prone to repeated layoffs when a UI program is less than perfectly experience-rated.”

Empirically, it is known that temporary layoffs are quite common. Statistics Canada (1998b) estimates that there were 1.1 million permanent layoffs in 1994 and 1.7 million temporary layoffs.<sup>7</sup>

If the implicit contracts theory is correct, no agreement between firms and workers will be *directly* observable — such contracts are implicit, not explicit. If, however, we observe frequent claimants working for the same firm year-after-year, we will have evidence that is consistent with the implicit contracts idea.

Corak's 1995 analysis provides an important piece of empirical evidence supporting the implicit contracts theory of repeat EI use. Using administrative data, Corak was able to identify the worker and the firm associated with each layoff that had occurred over a long time period. For example, his data allow him to note that Worker A was laid-off by Firm B in year *t*. Armed with that link, Corak then observed whether the same firm laid off the same worker in a number of different years, exemplifying the kind of economic behaviour predicted by the implicit contracts theory. Corak shows that it is very likely that workers who have repeatedly used Employment Insurance have qualified by repeatedly working for the same employer (Corak, 1995, p.11):

*It is always the case among extensive repeaters (those with 5 or more claims over the 12 years . . . ) that over 40 percent support their claims with employment from three or fewer employers.*

Another clear implication of the existence of an implicit contract between workers and employers would be that workers expect to be recalled when they are laid off. Corak used administrative data to determine whether or not each laid-off worker had reason to expect recall. When Canadian workers are laid off, their employers are required to provide a Record of Employment (ROE) to both the federal government and to the laid-off workers. On the ROE, the employer checks off a box indicating whether a recall was expected, and if so, whether a date for recall could be specified. By collecting the ROE for each layoff, Corak had a measure of recall *expectations*. He wrote (p. 13) that “at the peak of the business cycle in 1988, . . . 76 to 83 percent of all layoffs can be attributed to those expecting to be recalled . . . .”

Corak then notes that recall *expectations* are not the same as recall *outcomes*. The anticipated upswing in demand may never occur and workers who thought they would be recalled may not be. Alternatively, firms that believe that they are laying off workers permanently may find themselves able to recall them after all.

Using tax information, Corak determined whether or not laid-off workers had earnings in the calendar year following the layoff from the same firm that laid them off. If so, he concludes that the workers' layoff ended in a recall, a measure of recall *outcomes*.

As Corak (1995, pp. 14–15) put it:

*. . . recall expectations often prove not to be fulfilled . . . about 20 percent of those laid-off with a definite date of recall are not ultimately recalled. This percentage more than doubles for those expecting recall without a definite date. Even a significant percentage of those with no expectation of recall end up being incorrect in their expectation: 25 percent return to the employer that laid them off.*

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<sup>7</sup>To ascertain whether a person was temporarily or permanently laid off, Statistics Canada looks at the person's tax returns in the calendar year following the calendar year in which they were laid off. If the person has earnings in year *t*+1 from the same firm that laid them off in year *t*, the layoff is defined as “temporary.”

## Evidence From the SRUEI

While not specifically designed to test the implicit contracts view of EI use, the SRUEI data provide a number of results that bear directly on that theory. The relevant results include those pertaining to

- recall expectations;
- attachment to particular employers over time;
- number of employers within a given year;
- attitudes toward respondents' employment situation; and
- job-search behaviour.

### ***Recall Expectations***

The implicit contracts view of the repeat use of Employment Insurance suggests that 1996 repeat claimants will be more likely than occasional claimants to be laid off with recall expectations in 1997. As noted above, Corak (1993a, 1993b, 1995) used administrative information reported on workers' ROEs to ascertain whether or not laid-off workers had recall expectations. The SRUEI allows us to assess recall expectations directly because all respondents who were laid off from a 1997 job were asked whether or not they expected to be recalled to that job.

That 1996 repeat claimants were more likely to have recall expectations after being laid off in 1997 was established in Chapter 3 of this report. Because of the focus of the survey, we were particularly interested in breaks of two weeks or more from the respondents' main 1997 employer. Such a break is the functional equivalent of a temporary or permanent layoff. Note that typical repeat claimants had received Employment Insurance because of a layoff in 1996 and would, thus, be likely to be laid off again in 1997.<sup>8</sup>

Figure 3.6 showed that almost three quarters of repeat claimants experienced a break of two weeks or more from their main 1997 employer. By contrast, only about 40 percent of occasional claimants had a break. In addition, 80 percent of repeat claimants reported that their break was one that they expected to end when they were recalled to their job (see Figure 3.7). A significantly smaller, but still large, proportion of occasional claimants thought their 1997 break would end in recall. Combining the results in figures 3.6 and 3.7 suggests that about 60 percent of repeat claimants (58.7 percent for both men and women) had a 1997 break from which they expected recall while only about 25 percent of occasional claimants (26.5 percent of men; 25.9 percent of women) had similar recall expectations.<sup>9</sup>

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<sup>8</sup>Several groups of workers might *not* have experienced a "break" in 1997: (a) those who worked continuously through 1997; (b) those who never worked in 1997; and (c) those who found work at some point in 1997 and then stayed on that job continuously for the remainder of year.

<sup>9</sup>These numbers are slightly different from similar numbers presented in Chapter 5, p. 63 because of the narrower focus, in that chapter, on those who were unemployed for all or part of 1997.

### ***Attachment to Particular Employers***

The implicit contracts view also suggests that the 1997 employer of the 1996 repeat claimants would likely be the same employer as in 1996. SRUEI respondents were asked when they first started working for their main 1997 employer.<sup>10</sup> Their responses, summarized in Figure 3.4 of this report, support the notion that many repeat users of Employment Insurance worked for the same employer year after year.

Indeed, 22.5 percent of male repeat claimants and 24.2 percent of female repeat claimants reported that they first worked for the main 1997 employer more than 10 years before the survey date. Most EI claimants apparently worked in 1997 for an employer with whom they had a fairly long association. Only a small proportion of repeat claimants — 21.3 percent of male repeat claimants and 14.1 percent of female repeat claimants — were working for their main 1997 employers for the first time.

### ***Number of Employers in 1997***

SRUEI respondents were asked to report on the number of employers they had in 1997. If repeat claimants were more likely to work for only one employer, this would constitute additional empirical evidence in support of the implicit contracts view. If workers view themselves as working in a steady job that happens to involve a regular period of unemployment, then they should be less likely to work for other employers when laid off by their main employer. Figure 3.5 showed that, among male claimants, a greater share of repeat claimants worked for one employer in 1997 (70.2 percent among repeat claimants; 62.2 percent among occasional claimants). Male occasional claimants, however, were more likely not to have worked at all in 1997; both repeat and occasional claimants were just as likely to have worked for more than one employer. Thus, among male claimants, there is little support from these results for the implicit contracts view. Among female claimants, we see that a greater proportion of repeat claimants worked for only one employer in 1997 *and* a smaller proportion of repeat claimants worked for more than one employer. This result is consistent with the implicit contracts view.

### ***Attitudes Toward Employment Situation***

The attitudinal questions discussed in Chapter 4 allowed us to examine another kind of empirical data that might shed light on the importance of demand-side factors. As we noted at the beginning of that chapter, men and women who made frequent EI claims were more satisfied with their employment situation than were occasional claimants.

Figure 4.1 showed that almost two thirds of repeat claimants — 65.9 percent for men and 67.8 percent for women — were somewhat or very satisfied with their overall employment situation. Such satisfaction is consistent with the implicit contracts theory that firms and workers have mutually agreed to the pattern of employment that the workers experience.

Another relevant attitudinal question asked respondents whether they believed that they were entitled to EI benefits because of the nature of their work (see Figure 4.6). The results suggest that many repeat claimants felt, given the kind of work they did, that EI receipt was just “a fact of life.” Consistent with the implicit contracts view of repeat EI use, repeat claimants were more inclined to feel this way than were occasional claimants.

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<sup>10</sup>The question “was your main 1997 employer the same as your main 1996 employer” was not asked on the SRUEI.



## **Job Search**

The survey asked a large number of questions about the job-search activities of EI claimants. Respondents' answers to these questions are of interest in their own right, but they also shed light on potential explanations for the repeat use of Employment Insurance and on the low take-up rate of the ESP supplement among those who volunteered for the experiment.

Even if the implicit contracts view of repeat EI use is valid, repeat claimants might still look for work while they are laid off.<sup>11</sup> After all, as noted above, recall expectations are not the same as recall outcomes, and workers no doubt realize that recall is uncertain.

Still, we would expect the job search of repeat claimants to be less intensive than the job search of occasional claimants.

Chapter 5 identified the large subset of respondents — 85.6 percent of the sample analyzed in the first four chapters — who were unemployed for all or part of 1997. This subset consisted of all those who were *not* employed continuously for a single employer for the entire year.<sup>12</sup>

Of those who were unemployed for all or part of 1997, 70 percent looked for a new job whereas 30 percent did not. Surprisingly, we observed this 70–30 split among both occasional and repeat claimants; that is repeat claimants were just as likely as occasional claimants to look for a job while unemployed. When we looked specifically at the 30 percent who said they did not look for work while unemployed, however, we saw that repeat claimants were far more likely than occasional claimants to report that the reason they did not look for work was the expectation of being recalled by their previous employer (see Figure 5.3).

Turning to the 70 percent of respondents who experienced a period in 1997 during which they were unemployed and looking for work, Chapter 5 demonstrated the greater breadth and depth of the job search undertaken by occasional claimants, as compared with repeat claimants. Table 5.1 showed that occasional claimants were more likely, but only slightly more likely, to look for new jobs by contacting employers directly, contacting friends and neighbours, and using a government agency. Occasional claimants, however, were considerably more likely to use other job search methods such as newspapers and private employment agencies. Table 5.2 showed that occasional claimants were likely to have used a greater number of job-search methods than repeat claimants.

This greater breadth of the job search of occasional claimants is accompanied by a greater depth of search, as indicated by a greater amount of time spent searching. Just over half of male occasional claimants (55.3 percent) reported spending more than 10 hours per week in job-search activities, compared with 36.8 percent of male repeat claimants. The corresponding percentages for female occasional and repeat claimants were 45.9 and 29.2 (see Table 5.3).

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<sup>11</sup>Many workers look for new jobs while already employed. The survey contained several questions about job search while employed, but this report deals only with job search while unemployed.

<sup>12</sup>The survey did not collect a job history for each claimant, a history consisting of the start and end dates of each 1997 job. We therefore had to choose among several imperfect ways of defining the subset that experienced unemployment in 1997 (see Chapter 5, Footnote 1).

## THE INCOMPLETENESS OF THE IMPLICIT CONTRACTS VIEW OF REPEAT USE

Despite the evidence presented above, there is little doubt that the repeat use of Employment Insurance by some individuals is explained by other factors. Clearly, the implicit contracts view does not account for all repeat use.

First, many repeat claimants do not seem to have implicit contracts with particular employers. Table 5.7 showed that, of repeat claimants who were unemployed for all or part of 1997, about one third did not file a new EI claim in 1997. Moreover, another group of repeat claimants were employed continuously throughout 1997.

And even though a very large fraction of repeat users worked in 1997 for an employer for whom they had previously worked, we noted above that 21.4 percent of male repeat claimants were working for their 1997 employer for the first time.

In terms of attitudes, a very large percentage of repeat claimants were satisfied with their employment situation. Nonetheless, about 30 percent of repeat claimants were somewhat or very *dissatisfied* with their situation. Repeat claimants were, by and large, open to the alternative employment scenarios presented to them, as discussed in both Chapter 4 and Chapter 5.

Finally, Chapter 5 showed that repeat users, and especially repeat users with recall expectations, looked for worked less actively than occasional claimants. Still, repeat claimants reported significant amounts of job-search activity, both in terms of breadth and depth.

### Seasonality

The range of possible explanations for the repeat use of Employment Insurance is so wide that not all can be pursued here. It is worthwhile, however, to consider one common explanation — the seasonality of available employment. Many Canadian workers are employed in seasonal industries in which the only available jobs involve annual periods of unemployment. EI use can thus arise on a regular basis without any implicit contract between workers and their employers.

Many repeat users reported that their main 1997 job was seasonal. Figure 3.8 showed that 61.6 percent of male repeat claimants and 49.9 percent of female repeat claimants reported that their main 1997 job was seasonal. These percentages were quite a bit lower for occasional claimants — 27.6 percent for male occasional claimants and 20.1 percent for female occasional claimants.

As noted in HRDC (1994, p. 37), “while seasonal workers and frequent UI claimants exhibit many of the same characteristics, they also differ in many respects.” Because not all seasonal workers are frequent claimants, HRDC (1994) recommended that policy reforms be based on the frequency of use rather than the seasonality of insured jobs. Nonetheless, “virtually any approach to structural reform of UI will have a large effect on seasonal workers. The way in which reform is implemented must therefore be sensitive to their circumstances.”

Using similar information as collected in the SRUEI, HRDC (1994, p. 38) suggested that about two thirds of all 1989 frequent claimants had seasonal jobs. This would seem to be

higher than the proportions reported above.<sup>13</sup> Moreover, about 40 percent of seasonal workers were not frequent claimants.

One weakness in attributing frequent EI use only to seasonality lies in the patterns of EI usage by women. Very few women work in industries that are seasonal in the sense that employment is a function of the weather. The main industries for female claimants are community services (defined above), business and personal services, and manufacturing. To the extent that these industries are seasonal, the seasonality probably does not depend on the weather. Indeed, the seasonality of the work provided by firms in these industries may simply be a manifestation of the temporary layoffs that are common in an unemployment insurance system that is not perfectly experience-rated.

## **IMPLICIT CONTRACTS AND THE ESP EXPERIMENT**

The existence of implicit contracts — and the associated idea that laid-off workers will expect to be recalled after temporary layoffs — would be consistent with repeat users' lack of interest in the ESP experiment. As Corak (1995, p. 41) observed, the implicit contracts theory has implications for the effectiveness of any “active” labour market policy such as ESP.

*A very high proportion of laid-off individuals have a recall expectation. In the first instance, this will influence the desire of many individuals to participate in a program that, if successful, will break the bond between claimants and their previous employers. Those with an expectation of recall will be less inclined to participate in such programs.*

The offer of an earnings supplement, as an active labour market policy, was not at all effective in convincing repeat claimants to move off benefits and into new employment. The implicit contracts view of the world suggests that many repeat claimants would not have been interested in ESP because they expected to be recalled to their previous employer and were not looking for new employment. If so, then an incentive to search *harder* for new work was unlikely to be effective. Stated differently, many of those who were approached with the ESP offer may have been uninterested because, as far as they were concerned, their job situation was already quite satisfactory.

## **SUMMARY**

On the basis of the above discussion, it seems evident that the empirical evidence presented in previous analyses and in the current report lend some support to the implicit contracts explanation for the frequency of EI use in Canada. If so, that theory also provides a possible explanation for the lack of interest by repeat claimants in the ESP experiment. For policy purposes, the implication is that “repeat use . . . should not be evaluated solely from the supply side of the labour market, as it may be the consequence of joint decisions by workers and their employers” (Corak, 1995, p. 45).

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<sup>13</sup>The proportions above are for male and female claimants separately, but both percentages are less than two-thirds. The HRDC included all claimants, however, and not just those age 25 and older.

Not all repeat claimants are “covered” by implicit contracts, however. The survey also provides evidence that some 1996 repeat claimants did not return to previous employers, did not again receive EI benefits in 1997, and searched quite diligently for new jobs.

Perhaps the best lesson to draw from this analysis, and from the repeat users component of ESP, is that there is a wide variety of workers and firms who use unemployment insurance for a wide variety of purposes. Any “active” labour market policies adopted within the framework of the existing EI legislation should acknowledge this complexity.

Rather than viewing the repeat users component of ESP as a failure because almost half of those asked to volunteer failed to do so, it should be regarded as another piece of empirical evidence about implicit contracts. That percentage, and the results presented in this report, suggest that a large proportion of repeat claimants — not the vast majority, but not an insignificant fraction either — are in long-term working relationships with particular employers or in particular industries, and that these relationships are quite satisfactory to both employers and workers. Any active labour market policy must, therefore, focus on the remaining groups, including those with no recall expectations and those who indicate a desire to find permanent year-round work.

## **Appendix A: Young Workers and the Frequent Use of EI**

The main body of this report discusses the demographic characteristics, labour force experience, attitudes, and job-search behaviour of all adult claimants in the Survey on Repeat Use of Employment Insurance (SRUEI) who were 25 years of age and older. This appendix looks specifically at claimants in the SRUEI who were under 25 years of age.<sup>1</sup>

This analysis is limited to a descriptive comparison of age groups based on variables examined in the main report. It does not engage in multivariate analysis or extensive interpretation.

The analysis has revealed that young<sup>2</sup> claimants are surprisingly similar to their older counterparts. Some of the findings suggest that some young claimants may be developing an “implicit contract” with their employer where frequent spells of unemployment are an accepted part of this relationship. These findings include the following:

- A higher proportion of young repeat users had recall expectations following a temporary or permanent layoff in 1997, when compared with young occasional users.
- Young repeat users were significantly more likely to be attached to their employer for more than two years than were young occasional users.
- Young repeat users were considerably more likely to work exclusively for one employer during 1997 than were young occasional users; in particular, three quarters of young female repeat users reported working for one employer only, compared with just over half of young female occasional users.
- The level of satisfaction that young repeat users had with their employment and income during 1997 was significantly higher than that reported by young occasional users.
- Young repeat users were less open to changes in their employment situation than were young occasional users, and appeared to conduct less active job searches in terms of breadth (job-search strategies used) and depth (time spent on job-search activities).

In addition to the above findings, other interesting parallels between the young cohort and their older counterparts include the following:

- Young men were more likely to be repeat users of Employment Insurance than were young women.
- Quebec is home to the largest proportion of young repeat users.

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<sup>1</sup>This appendix presents some of the key data for SRUEI respondents who were under 25 years of age. More detailed information is available from the authors on request.

<sup>2</sup>References to “young” claimants refer specifically to those SRUEI respondents who were under 25 years of age.

- Young repeat users were less likely to have completed high school or some form of post-secondary education, when compared with young occasional users.
- Young male repeat users were most likely to work in the construction industry, followed by manufacturing and primary industries, and were over-represented in these industries relative to young male occasional users.
- Even more than in the older sample, young repeat users were over-represented in unskilled positions compared with young occasional users.
- Although they earned less than their older counterparts, young male repeat users were likely to earn a higher wage than young male occasional users, while young female claimants — both occasional and repeat users — had similar wage rates, which were substantially lower than those of their male counterparts.

Although young claimants exhibit many similarities to their older counterparts, there are also some striking differences. These differences will not only help to inform the discourse on the frequent use of Employment Insurance but, in some cases, they may also be an indication of an underlying inequity that particular young claimants face as users of Employment Insurance. The differences include the following:

- Most claimants under the age of 25 were not considered repeat users of Employment Insurance.
- Claimants under the age of 25 were predominantly male.
- Repeat claimants in the older sample were equally likely to reside in Ontario and the Atlantic provinces, however young repeat users were significantly more likely to reside in the Atlantic provinces than in Ontario.
- Repeat users 25 years of age and older were more likely to reside in rural as opposed to urban areas; young repeat users, however, were equally likely to reside in rural and urban areas.
- The seasonal pattern of employment of young female repeat claimants was similar to that of young male repeat claimants, rather than that of older female repeat claimants.
- As in the older sample, the construction and primary industrial sectors were particularly important in accounting for repeat use among young men; however young female repeat users were more likely to work in manufacturing than older female repeat users.
- A great majority of young claimants were paid low wages in 1997, particularly young female repeat users who received significantly lower earnings than all other claimant groups.
- Compared with the other claimant groups, a higher proportion of young female occasional users who had low individual annual earnings also had low household income, possibly indicating a higher degree of financial hardship.
- Female occasional users under 25 years of age were less familiar with the current EI system and the legislative changes that were made in 1997, than any other type of claimant.

- Young claimants, particularly female occasional users, were more likely to look for work while unemployed than their older counterparts — young female repeat users were the exception, as they were the least likely of all claimant groups to conduct a job search.

As we learned in the main body of this report, the proportion of repeat EI users grows larger with age. Therefore, it is no surprise that there were proportionately fewer repeat users in this youngest group of claimants than in the older group: only 17.1 percent of the claimants who were under 25 in 1997 had received benefits in three of the five years from 1992 to 1996, compared with 52.5 percent of all claimants 25 years of age and older. This is undoubtedly related to the fact that many of these claimants had limited workforce experience and had not had time to build up their claims use to the point where they would meet the definition of a repeat EI user.

## **YOUNG CLAIMANTS: DEMOGRAPHIC CHARACTERISTICS**

We begin by looking at young repeat and occasional claimants according to their gender, where they lived in Canada, whether they lived in an urban or rural area, their household income, their highest level of academic achievement, and their place of birth.

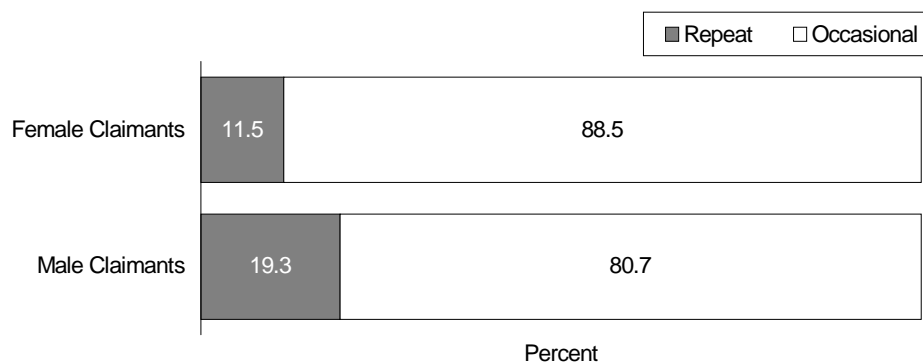
### **Gender**

Overall, a larger proportion of SRUEI respondents under 25 years of age were men, compared with the older sample (71.4 percent of the younger sample versus 57.7 of the older sample). Men made up over four fifths (80.7 percent) of young repeat claimants, compared with just 63.0 percent in the older sample. Men represented a little more than two thirds (69.4 percent) of young occasional claimants, compared with roughly half (51.9 percent) among those 25 and older.

The fact that men dominate the under-25 sample is perhaps the most striking finding related to gender, but there are similarities between the 25-and-older sample and this group that are worth mentioning. Figure A.1 presents a breakdown of gender, by frequency of EI use, for the under-25 sample. Although both genders were more likely to be occasional users of Employment Insurance, men were still more likely to be repeat users than were women (19.3 percent of young men were repeat users versus 11.5 percent of young women). This fact was evident in each of the age groups in the 25-and-older sample, and it is also true for those under 25 years of age.

Because the employment experiences of men and women were so different, this appendix will attempt to explore gender-related differences in employment experience wherever possible, but the small female sample size prohibits subgroup analysis in many cases.

**Figure A.1: Gender and Frequency of EI Use**



**Source:** Calculations were based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** The percentages shown were calculated using the population weights provided by Statistics Canada. See Table C.48 for the unweighted sample sizes for this figure.

## Regional Distribution

As with those 25 years of age and older, young EI users lived mostly in Quebec (35.7 percent) and Ontario (22.6 percent). Although Quebec was home to the largest proportion of young repeat users (39.1 percent), young repeat users were more likely to reside in the Atlantic region (27.2 percent) than in Ontario (13.7 percent). (See Table A.1.)

**Table A.1: The Percentage of SRUEI Respondents Under 25 Years of Age in Each Region**

Regions	Repeat	Occasional	All Claimants
Atlantic Provinces	27.2	14.0	16.3
Quebec	39.1	35.0	35.7
Ontario	13.7	24.5	22.6
Prairies	10.1	14.2	13.5
British Columbia	9.8	12.3	11.9

**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** The Atlantic provinces are Newfoundland, Nova Scotia, New Brunswick, and Prince Edward Island; the Prairies include Manitoba, Saskatchewan, and Alberta. The percentages shown were calculated using the population weights provided by Statistics Canada. See Table C.49 for the unweighted sample sizes for this figure.

## Urban/Rural Location

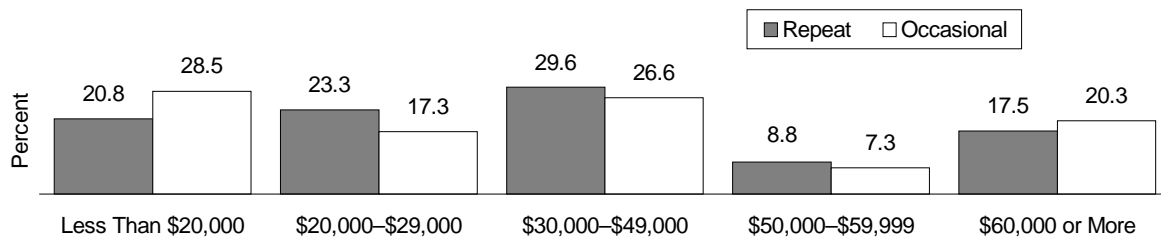
Like their older counterparts, young claimants were generally more likely to be living in urban areas than rural (64.3 percent urban and 35.7 percent rural for young male and female claimants combined). This reflects the fact that young occasional users were more likely to reside in urban areas (66.9 percent of young male occasional users and 68.7 percent of young female occasional users). Young repeat users, however, were just as likely to reside in urban and rural areas (50.8 percent of male repeat users and 48.5 percent of female repeat users were urban dwellers).



## Household Income

The distribution of household income for claimants who were under 25 years of age (see Figure A.2) appears to be similar to their older counterparts. Young occasional users were more likely than young repeat users to be in the lowest income categories. Young occasional users were slightly more likely to be in the highest income category. Young repeat users were over-represented in all of the middle income categories. This provides further support for the analysis presented in Chapter 3 — that repeat users may be in a slightly better financial situation than occasional users.

**Figure A.2: Household Income in 1997 and Repeat Use of Employment Insurance**



**Source:** Calculations were based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** EI claimants in the five annual household income groupings are categorized by whether they were repeat or occasional claimants, as defined in Chapter 1. Caution should be used in interpreting the information in this figure because a fairly large percentage of respondents — approximately 25 percent of both men and women — did not report household income. The percentages shown were calculated using the population weights provided by Statistics Canada. Respondents who were coded as “not stated” on this variable are excluded from the calculation of the percentages. See Table C.50 for the unweighted sample sizes for this figure.

As expected, a higher proportion of young repeat and occasional users were in the lowest income category relative to their older counterparts. However, one might still be surprised by the relatively high income of households in which many young claimants resided (just over one in four of both repeat and occasional claimants lived in households with annual incomes of \$50,000 or more). This is perhaps explained by the fact that claimants under 25 years of age were more likely than older claimants to live in households with more than one adult. As a result, it is more likely that they were not the sole contributors to their household income. In fact, 90 percent of the under-25 claimant population lived in households with two or more adults, while just over half (51.9 percent) lived in households with three or more adults. It would appear, then, that the vast majority of claimants under the age of 25 lived with other adults, likely parents, who may have also contributed to household income.

## Education

Young claimants tended to be slightly better educated than those in the older sample. A third (33.8 percent) of older claimants had not completed high school compared with just under a quarter (23.7 percent) of young claimants. In other ways, however, the two age groups show similar educational patterns, with young repeat users being less likely to have completed high school than young occasional users (36.1 percent of young repeat users did not complete high school versus 21.2 percent of young occasional users). Furthermore, young occasional claimants were much more likely to have completed some form of education beyond a high school diploma than were young repeat claimants (43.8 percent versus 27.3 percent) and young repeat claimants were more likely to have received an

apprenticeship or trade/vocational diploma than were young occasional users (28.6 percent versus 23.0 percent).

In the older population, women generally had higher levels of education than their male counterparts. The same was true only among young occasional claimants. For example, young female occasional EI users were considerably more likely than their male counterparts to have at least some post-secondary education (36.9 percent of young male occasional claimants versus 59.6 percent of young female occasional claimants) as well as some university education (8.7 percent of young male occasional claimants versus 18.4 percent of young female occasional claimants). Almost 12 percent of young female occasional claimants had a university degree, compared with only four percent of young male occasional users. However, there was little difference by gender among young repeat users (36.7 percent of young male repeat users had not completed high school compared with 32.5 percent of young female repeat users). Among young female repeat users, 28.1 percent had completed some post-secondary education compared with 27.5 percent of young male repeat users.

### **Birthplace**

Claimants under the age of 25 were significantly more likely to have been born in Canada than were older claimants (92.8 percent of young claimants versus 83.7 percent of older claimants). Interestingly, there was little difference between young repeat and occasional users with regard to the proportions who were born in Canada (93.8 percent of young repeat users and 92.6 percent of young occasional users). This is in contrast to claimants 25 years of age and older, where repeat users were considerably more likely to have been born in Canada than were occasional users (89.7 percent of older repeat users versus 77.8 percent of older occasional users in Figure 2.6).<sup>3</sup>

## **LABOUR FORCE ATTACHMENT**

As in the main body of this report, we can examine a number of variables that indicate the degree to which workers are connected to the labour force: whether or not they worked as a paid employee in 1997, when they had started working for their main employer that year, and their work patterns over the 12 months of 1997. With a few notable exceptions, young claimants had similar patterns to their older counterparts. The exceptions are that young male and female occasional claimants were more likely to have worked in 1997 than their older counterparts, and young female repeat claimants did not follow the same annual pattern of employment as seen among their older counterparts.

### **Full-Time Work in 1997**

The vast majority of young claimants worked at some point during 1997. The percentage of young repeat users working in 1997 was very similar to the percentage of their older counterparts (96.4 percent of young male repeat users and 96.0 percent of older male repeat users; and 91.9 percent of young female repeat users and 92.7 percent of older female repeat users). However, an important difference between those under 25 years of age and the older sample arises for occasional users. Young occasional users were more likely to have worked

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<sup>3</sup>Unfortunately, a subgroup analysis similar to that in Chapter 2 is not possible for the eight percent of young claimants who immigrated, as the sample sizes are too small.

during 1997 than were occasional users 25 years of age and older — both for males and females (95.4 percent of young male occasional users versus 87.9 percent of older male occasional users; and 91.3 percent of young female occasional users versus 80.8 percent of older female occasional users). Again, it is interesting to note that there were no differences by gender among young claimants in this regard.

### **Attachment to Particular Employers**

Surprisingly, a large proportion of young claimants reported that they had started working for their main 1997 employer two or more years before 1997. This was particularly common among young repeat claimants, with both men and women far more likely to have worked for the same employer for more than two years than their occasional counterparts (52.3 percent of young male repeat users versus 31.1 percent of young male occasional users; 56.6 percent of young female repeat users versus 26.6 percent of young female occasional users). These results strongly suggest that the high employer stability found among older repeat claimants is already well established among the younger repeat claimants. In sharp contrast, close to half of both young male and young female occasional claimants (47.8 percent of young male occasional claimants and 42.8 percent of young female occasional claimants) were new to their 1997 employers. Another 21.1 percent of young male occasional users and 30.6 percent of young female occasional users had worked for their primary 1997 employer for only a year.

With regard to the number of employers that young claimants reported having during 1997, young repeat users were more likely to have had only one employer (65.5 percent of young repeat users compared with 57.3 percent of young occasional users). Over one quarter of young claimants had two employers (30.4 percent of occasional users and 25.1 percent of repeat users), while approximately 10 percent had three or more employers (9.5 percent of young repeat users and 12.3 percent of young occasional users). However, these differences are largely reflective of the disparity between young female repeat and occasional users. Over three quarters (76.8 percent) of young female repeat users reported having only one employer in 1997, while just over half (56.9 percent) of young female occasional users worked for only one employer. Similar proportions of young male repeat and occasional users reported working for one employer (58.2 percent of young male repeat users and 62.3 percent of young male occasional users).

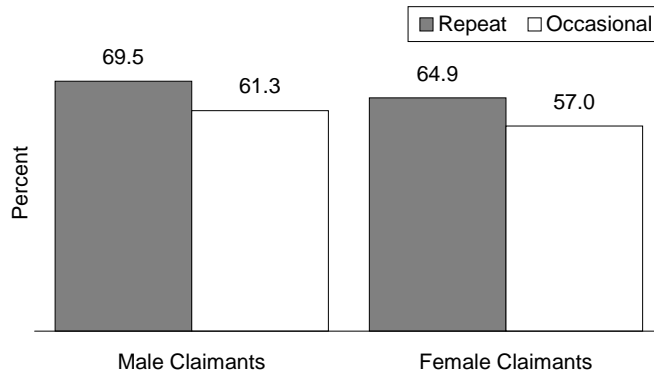
### **“Breaks” in the 1997 Job**

In Chapter 3, we look at the kinds of work breaks experienced by SRUEI respondents who worked in 1997. We discover that both male and female repeat claimants were much more likely to have had a work break in that year, and that the vast majority of those breaks were “extended absences” after which the employee expected to be recalled. An extended absence means that the respondent expected to return to work for the same employer; this is interpreted as an expectation of recall. We also learn that many occasional claimants who were laid off also expected to be recalled.

A similar pattern arises for young claimants (see Figure A.3); young repeat users were more likely than young occasional users to have experienced a “break” in employment (69.5 percent of young male repeat users versus 61.3 percent of young male occasional users; 64.9 percent of female repeat users versus 57.0 percent of female occasional users).

However, important differences arise when we compare these figures with those from the older sample. Young repeat users were less likely to have experienced a work break than older repeat users, but young occasional claimants were significantly more likely to have experienced a work break than occasional users 25 years of age and older.

**Figure A.3: Percentage of Respondents With Breaks in Their 1997 Employment**



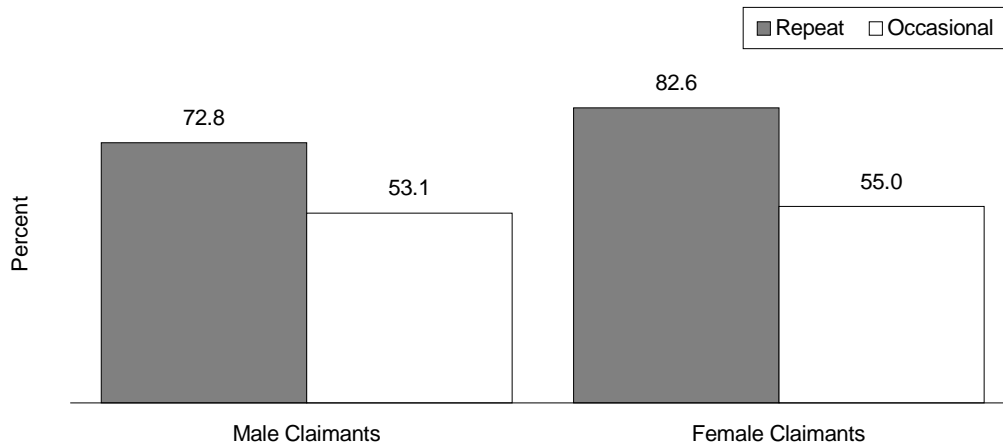
**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** Claimants were categorized by whether or not they had a “break,” lasting at least two weeks, from their main 1997 employer, and by whether they were repeat or occasional claimants as defined in Chapter 1. A break is defined as an absence from the main employer of two weeks or more. Both temporary and permanent layoffs of two weeks or more would be considered breaks. Those with missing values were excluded from the calculation of the percentages. The percentages shown were calculated using the population weights provided by Statistics Canada. See Table C.51 for the unweighted sample sizes for this figure, including those coded as “not stated.”

### “Extended Absence” or “Work Interruption”

Those respondents who experienced a break in their 1997 employment were asked whether their break was an “extended absence” or a “work interruption.” As with their older counterparts, young repeat users were more likely than young occasional users to have expected recall to previous employment (see Figure A.4). A notable difference between claimants under 25 years of age, and those 25 years of age and older, is that a smaller proportion of young occasional users, both male and female, had expectations of recall compared with occasional users 25 years of age and older (53.1 percent of young male occasional users versus 59.0 percent of older male occasional users; 55.0 percent of young female occasional users versus 63.9 percent of older female occasional users). In addition, young male repeat users were less likely to expect recall than were older claimants (72.8 percent of young male repeat users versus 80.4 percent of older male repeat users). However, female repeat users had similar expectations of recall regardless of their age (82.6 percent of young female repeat users and 83.9 percent of older female repeat users). Combined with the results of strong employer attachment, which are reported earlier, the presence of recall expectations among repeat users provides further support for the notion of an “implicit contract” between repeat users and their employers — even at this young age.

**Figure A.4: Percentage Who Experienced an Employment Break That Was an Extended Absence**



**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** Claimants were categorized by whether or not they had a “break,” lasting at least two weeks, from their main 1997 employer, and by whether they were repeat or occasional claimants as defined in Chapter 1. A break is defined as an absence from the main employer of two weeks or more. Both temporary and permanent layoffs of two weeks or more would be considered breaks. These breaks are then classified according to whether or not the respondent expected to be recalled to the same job after the break was over. Those with missing values were excluded from the calculation of the percentages. The percentages shown were calculated using the population weights provided by Statistics Canada. See Table C.52 for the unweighted sample sizes for this figure, including those coded as “not stated.”

## Seasonality

Although almost all worked at some point in 1997, young claimants like their older counterparts were more likely to have worked in some months of the year than in others. In fact, there is greater evidence of seasonality in the employment of young claimants than among older workers.

Seasonality is measured in two ways in this report. First, respondents were asked directly if their work was seasonal or non-seasonal. Second, we are able to see whether a pattern of seasonal work emerges when the pattern of full-time work for all 12 months of 1997 is considered.

When considering monthly full-time employment, the results for young claimants show a work pattern throughout the year that is similar to that of older claimants, with the exception that young claimants were more likely to be working in the summer months of July and August. This undoubtedly reflects student employment over the summer. This difference was more evident among women than among men, as women 25 years of age and older show a dip in employment during the summer months. The difference is most dramatic when comparing older and younger groups of women who make frequent claims — the proportion of young female repeat users who worked in the summer months is 15 percent higher than their older counterparts. This likely reflects the smaller proportion of young women employed in the education sector, a possible cause of the summer dip in employment for older female repeat users.

With regard to the self-reporting of seasonality, the analysis for the under-25 sample also confirms that the proportion of repeat users who report that their jobs are seasonal is significantly larger than that of occasional users, for all claimant groups. Interestingly,

differences between the two age groups in self-reported seasonality were only present for occasional users. For example, the proportions of male repeat users in the two age groups who reported working in seasonal jobs in 1997 were similar (57.4 percent of male repeat users under age 25 and 61.6 percent of male repeat users 25 years of age and older). However, a higher proportion of young male occasional users reported that their jobs were seasonal than did older male occasional users (35.5 percent of male occasional users under age 25 versus 27.6 percent of male occasional users 25 years of age and older).

A similar pattern was found for female users, although the proportions of seasonality reported was lower in all cases when compared with their male counterparts. The proportion of female repeat users reporting seasonality was similar in both age groups (52.0 percent of female repeat users under age 25 and 49.9 percent of female repeat users 25 years of age and older). Among female occasional users, however, young women have a larger proportion reporting seasonality (26.4 percent of female occasional users under age 25 versus 20.1 percent of female occasional users 25 years of age and older).

## **RELATION OF INDUSTRY AND OCCUPATION TO LEVEL OF EI USE**

### **Industry**

Chapter 3 uses two criteria to decide if an industry is important in explaining the repeat use of Employment Insurance: (1) if a large proportion of claimants work in that industry; and (2) if a large proportion of claimants who worked in that industry were repeat users. Similar criteria will now be employed for an analysis of those respondents who were under 25 years of age, first for young men, then for young women.

#### ***Male Claimants***

With regard to the first criterion, three industries accounted for two thirds (66 percent) of all male claimants 25 years of age and older — construction, manufacturing, and primary industries. The same industries also account for over half (54.5 percent) of all male EI claimants in the younger sample.

Looking specifically at repeat users, similar percentages of young and older male repeat users worked in the construction industry (37.7 percent of male repeat users under age 25 and 35.3 percent of male repeat users 25 years of age and older). However, young male repeat users were more likely to have worked in manufacturing or primary industries than were older male repeat users (in manufacturing, 30.7 percent of young male repeat users versus 16.3 percent of older male repeat users; and, in primary industries, 19.1 percent of young male repeat users versus 14.4 percent of older male repeat users). Still, it is only in the construction and primary industries that young repeat users appear to be disproportionately represented relative to young occasional users (in the construction industry, 31.0 percent of young male repeat users versus 14.7 percent of young male occasional users; in primary industries, 23.3 percent of young male repeat users versus 12.4 percent of young male occasional users).

In terms of the second criterion — the proportion of the total claimants who worked in these industries who were repeat users — young male repeat users did not predominate any industry, whereas their older counterparts did. However, this is simply because so few young

respondents were repeat users to begin with. Young male repeat users still represent one third (33.5 percent) of all young claimant workers in the construction industry and over one quarter (27.1 percent) in primary industries, even though repeat users represent under one fifth (19.3 percent) of all young male claimants. Given the above discussion, it is clear that these two sectors are important in explaining the prevalence of repeat use of Employment Insurance in young male workers, as they were in the older sample. This provides some evidence that the foundation for repeat use among claimants in these industries is established from an early age.

### ***Female Claimants***

The results for the older female sample revealed that there was no one industry that satisfied both the criteria being considered. That is, there was no one industry where a large proportion of female claimants worked, and which had a large proportion of all its female claimant workers who were repeat users.

Female repeat users under the age of 25 were most likely to work in the community services or business and personal finance industry, but to a lesser extent than their older counterparts (33.3 percent of young female repeat users versus 38.1 percent of older female repeat users). However, young female repeat users were considerably more likely to work in the manufacturing industry than older female repeat users (25.9 percent of young female repeat users versus 15.2 percent of older female repeat users). Manufacturing is also the industry that contains the second largest proportion of young female repeat users.

With respect to the second criterion, although no industry had a majority of all its young female claimant workers as repeat users (again, not surprising given the smaller proportion of young female repeat users overall), the manufacturing industry had a much greater proportion relative to the overall proportion of female claimants (23.2 percent of young female claimant workers in the manufacturing industry were repeat users, while only 11.5 percent of young female claimants overall were repeat users). The only other industries that had a significant portion of repeat users among all its young female claimant workers were primary industries (39.8 percent). However, these industries had only 14.8 percent of all young female repeat users.

### **Occupational Prestige**

Young repeat users, of both genders, were much more likely to have worked in unskilled positions than were young occasional users (40.5 percent of young male repeat users versus 33.9 percent of young male occasional users; 35.7 percent of young female repeat users versus 17.7 percent of young female occasional users). This pattern was more pronounced than that seen among older claimants. Young female occasional users were least likely to fall into the unskilled category; they were also more likely to be in skilled positions than were young male occasional users (54.6 percent of young male occasional users versus 61.1 percent of young female occasional users), young female repeat users (56.4 percent) or young male repeat users (53.3 percent). In general, young female respondents were more likely to be in middle management and managerial or professional positions than were young male respondents (10.5 percent of young male claimants versus 19.6 percent of young female claimants).

## EARNINGS AND HOUSEHOLD INCOME

This section compares the hourly wages, individual annual earnings, and household incomes of young SRUEI respondents during 1997. As in Chapter 3, hourly wages were reported for the respondents' main employer of 1997.

### Wages and Annual Earnings<sup>4</sup>

#### *Male Claimants*

There are some broad similarities between the distinction of hourly wages within the samples of young and older male claimants. Among young male claimants, for example, repeat users were more likely than occasional users to earn more than \$12 per hour — with an even larger gap at wages above \$16 per hour (25.2 percent of young male repeat users versus 12.7 percent of young male occasional users). Not surprisingly, when we compare young and older male claimants, young men were more likely to earn wages in the lowest category — less than \$8 per hour (11.6 percent of young male repeat users and 24.4 percent of young male occasional users versus 5.3 percent of older male repeat users and 8.5 percent of older male occasional users). Young male occasional users seem particularly likely to earn low wages relative to the other groups of male claimants.

An important difference between young and older male respondents arises when we consider annual earnings. For men 25 years of age and older, occasional users were more likely to have both lower hourly wages and lower annual earnings than were repeat users. However, among young male claimants the pattern is not consistent. Although young occasional users were more likely to have low hourly wages, they were less likely than repeat users to have annual earnings in the lowest category — less than \$10,000 (69.1 percent of young male repeat users versus 58.3 percent of young male occasional users).

#### *Female Claimants*

As described in Chapter 3, older female claimants were significantly more likely to receive both lower hourly wages and lower annual earnings than were their male counterparts. This was also the case for young female claimants, as more than two fifths of both repeat and occasional users (43.4 percent of young female repeat users and 44.8 percent of young female occasional users) fall into the lowest wage category.

Differences between young repeat and occasional users arise when considering their annual earnings. Female repeat users were more likely to have low annual earnings than were female occasional users (93.0 percent of young female repeat users versus 82.9 percent of young female occasional users). In fact, over 93 percent of young female repeat users earned under \$20,000 per year, a greater proportion than any other group of claimants.

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<sup>4</sup>The wage categories are as follows: less than \$8.00 per hour; \$8.00 to \$11.99 per hour; \$12.00 to \$15.99 per hour; and \$16.00 or more per hour. The annual earnings categories are as follows: less than \$10,000; \$10,000 to \$19,999; \$20,000 to \$29,999; and \$30,000 or more.



## Individual Earnings and Household Income

One of the motivations for considering household income along with individual earnings is to assess the extent to which they are related. A higher correlation of low household income and low individual earnings in one group of claimants than in another may be interpreted as evidence of inequality and higher financial hardship. In the case of young claimants, this is important since, as we have just seen, they were much more likely to have low wages and annual earnings than were claimants 25 years of age and older.

To illustrate the relationship between individual annual earnings and household income, Chapter 3 presents individual earnings categories that are cross-tabulated with household income categories.<sup>5</sup> These same earnings and household income categories were applied to the under-25 sample; however, this discussion is limited to those who had low individual earnings and low household income, as too few young claimants fall into the other categories to have reliable sample sizes.<sup>6</sup> Moreover, in assessing the likelihood of financial hardship, it is this category — low individual annual earnings combined with low household income — that is of particular interest.

Among young repeat users with low individual annual earnings, the proportion that also had low household income is only slightly higher than that observed for older repeat users (57.5 percent of young repeat claimants versus 54.8 percent of older repeat claimants). The proportion of young occasional users with low individual earnings who fell into this category was, however, much larger than among older occasional users (60.6 percent of young occasional claimants versus 52.1 percent of older occasional claimants). This is an indication that young occasional users may have a higher degree of financial hardship than young repeat users and their older counterparts. However, these results mask some striking gender differences in the youth sample.

Although, among young men, similar proportions of repeat and occasional users with low individual earnings appear also to have had low household income (52.1 percent and 51.6 percent respectively), these proportions were lower than for their older counterparts (61.2 percent of older male repeat users and 59.3 percent of older male occasional users). However, young female claimants with low individual annual earnings, in particular young female occasional users, were considerably more likely to have had low household income than any other claimant group (65.7 percent of young female repeat users versus 73.6 percent of young female occasional users).

This is a significant departure from the results that were observed in the older sample. There we saw that female claimants with low individual earnings were significantly *less* likely also to have low household income than their male counterparts (61.2 percent of older male repeat users and 59.3 percent of older male occasional users versus 48.7 percent of older female repeat users and 46.2 percent of older female occasional users). Clearly, this is not the case for young female claimants, who appear to have a higher degree of financial hardship than any other group of claimants.

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<sup>5</sup>The individual earnings categories are as follows: less than \$10,000; \$10,000 to \$19,999; \$20,000 to \$29,999; and \$30,000 or more. The Household Income categories are as follows: less than \$30,000; \$30,000 to \$49,999; and \$50,000 or more.

<sup>6</sup>Although the sample size for this group is sufficient to allow for the reporting of statistically reliable results, these results should be viewed with caution as approximately one quarter of young male and female respondents did not report household income and are therefore not considered in this analysis.

## ATTITUDES

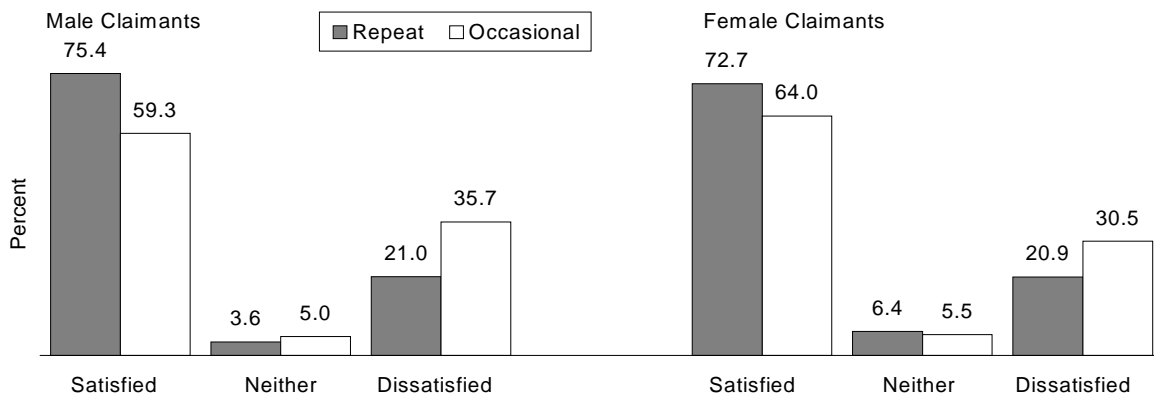
In Chapter 4, we examine a number of attitudes related to employment and the use of Employment Insurance during periods of unemployment. Specifically, we look at respondents' satisfaction with their current employment status in terms of earnings, hours worked, and the kinds of work they do. We also look at several questions designed to measure respondents' likelihood of changing their current employment patterns, and specifically examine three scenarios that offered the prospect of new work during a time of unemployment when there was a high chance of recall to the previous job. Finally, we look at attitudes toward receiving unemployment insurance and toward confidence in the sustainability of the EI system.

In this section, we look at these same questions when considered by those under the age of 25 and compare their responses with those of the older sample. We learn that young claimants differed from their older counterparts on a number of attitudinal measures. They were, for instance, slightly more satisfied with their overall employment situation, yet also more willing to consider changing the kind of work they do. They also held different views on EI entitlement, and seem to be less concerned about the future viability of the EI program.

### Satisfaction With 1997 Employment and Income

Although, generally speaking, repeat claimants in both the young and older samples were more satisfied with their overall employment situations than were occasional claimants, young claimants show a slight tendency to be more satisfied than older claimants (see Figure A.5). Notably, among men, young repeat claimants were much more likely to be satisfied than were older repeat claimants (75.4 percent versus 59.3 percent).

**Figure A.5: Satisfaction With Overall Employment Situation**



**Source:** Calculations were based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** Claimants are categorized by their level of satisfaction, with their overall employment situation, and by whether they were repeat or occasional claimants as defined in Chapter 1. The percentages shown in the figure were calculated using the population weights provided by Statistics Canada. Those who said "don't know" or who refused to answer were excluded from the calculations. See Table C.53 for the unweighted sample sizes for this figure, including those coded as "don't know" or "refused to answer."

Young claimants were also somewhat more satisfied with their overall income in 1997 than were older claimants. Within the younger sample, repeat users were more satisfied with their income than were occasional claimants by roughly 10 percentage points. There was no difference between young and older claimants in terms of satisfaction with the kind of paid work done in 1997. The majority of claimants in all groups examined were satisfied with this aspect of their work, with repeat claimants being generally more satisfied than occasional claimants.

When compared with young occasional users, the higher levels of satisfaction that young repeat users had with their employment and income are clear indications that repeat users were generally satisfied with the circumstances of their employment, even though it meant frequent spells of unemployment.

## **Predisposition to Change — In General and in Employment**

### ***Change in General***

Claimants under the age of 25 were considerably less likely than were older claimants to think “everything is changing too fast today.” This was particularly true of young repeat claimants, and especially of women (20.6 percent of young repeat female claimants versus 37.5 percent of older repeat female claimants). Young claimants were, overall, roughly 10 percentage points more likely than were older claimants to indicate a willingness to be “the first to try something new.” Within the two samples, however, similar patterns were seen, with occasional claimants more willing than repeat claimants, and men more likely than women, to take on this challenge.

Young claimants were roughly 10 to 12 percentage points more likely than those claimants 25 years of age and older to disagree with the statement “There is little I can do to change many of the important things in my life,” suggesting a greater sense that they can affect change in their lives. Young female repeat users, however, responded similarly to their older counterparts on this measure, with the result that young female occasional claimants were at least 20 percentage points more likely to disagree with the statement than young female repeat users (88.7 percent versus 68.5 percent).

### ***Change in Employment***

Young claimants, particularly women, were more likely to agree with the statement “There will always be enough work available for people with my skills.” The responses were similar for repeat and occasional users (65.4 percent of young men and 62.2 percent of young women versus 62.6 percent of older men and 55.7 percent of older women).

Young claimants were less likely to agree with the statement “When it comes to what I do to earn a living, I prefer to stick with what I know.” This was particularly true of young occasional claimants (31.6 percent of young men versus 49.4 percent of older men; 27.5 percent of young women versus 43.9 percent of older women).

Young women were far more likely to be seeking a change in their employment, with 55.9 percent of repeat claimants and 54.0 percent of occasional claimants agreeing with the statement “I want to change the kind of work I do,” compared with 32.4 percent of older repeat claimants and 38.3 percent of older occasional claimants.

## **Attitudes Toward the EI System and EI Receipt**

A number of measures tapped respondents' views regarding their use of Employment Insurance now and in the future. Respondents were also questioned with regard to their familiarity with the current EI and previous UI system, and with the changes that were implemented in January of 1997. As reported earlier, older male and female repeat claimants tended to be more aware of EI policy, more likely to feel that their use of the system is inevitable, and more likely to worry about system sustainability than were their occasional counterparts. Young claimants displayed similar sentiments but with particular patterns that were distinct from those observed in the older sample.

### ***Familiarity With the System***

Among young claimants, female repeat users were most likely to indicate they were familiar with the current EI system, while female occasional users were least likely (53.3 percent of male repeat users; 46.1 percent of male occasional users; 63.4 percent of female repeat users; 37.1 percent of female occasional users). In fact, young female occasional users were the least likely of all claimant groups, of either age category, to indicate familiarity with the current system, while young female repeat users were the most likely.

Young female repeat users were also much more likely to indicate they were aware of the previous UI system than were young female occasional users (80.1 percent of young female repeat users versus 57.9 percent of young female occasional users). Much the same pattern was seen among young male claimants (77.5 percent of young male repeat users versus 56.3 percent of young male occasional users) and among older female claimants (80.3 percent of older female repeat users versus 57.1 percent of older female occasional users).

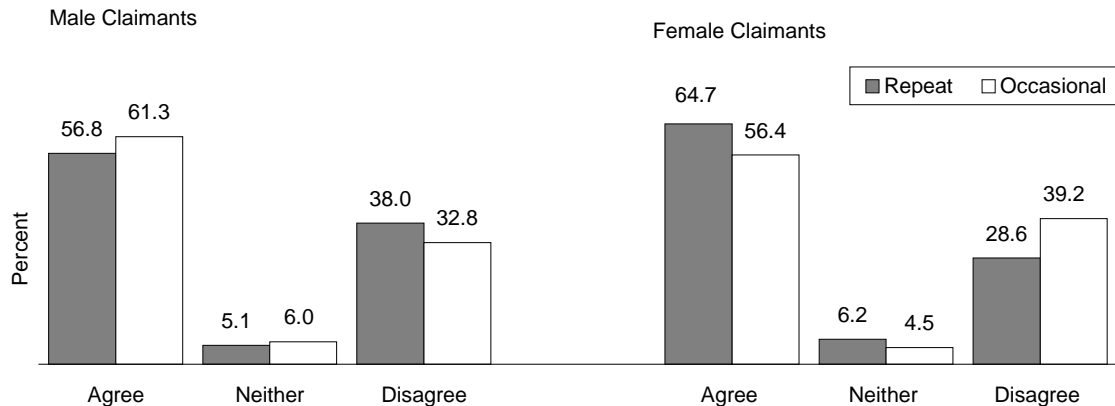
Young female occasional users were the least likely of all claimant groups to report that they were aware of the changes to the EI system implemented in January 1997 (77.4 percent of young male repeat users; 65.9 percent of young male occasional users; 76.6 percent of young female repeat users; 60.3 percent of young female occasional users).

### ***Employment Insurance as an Entitlement***

As shown in Figure A.6, similar to older male claimants young male repeat users were less likely than were young male occasional users to agree with the statement "I deserve to collect all my weeks of EI benefits because I paid into it" (56.8 percent of young male repeat users versus 61.3 percent of young male occasional users). However, unlike their older female counterparts, young female repeat users were more likely to agree with the same statement than were young female occasional users (64.7 percent of young female repeat users versus 56.4 percent of young female occasional users). In fact, young female repeat users were the most likely of all claimants in either age group to agree with this statement.

However, young claimants, both repeat and occasional, were considerably less likely than their older counterparts to feel they deserved to collect all eligible benefits "because there are no jobs around" — seven percentage points less for occasional users and just over 10 percentage points less for repeat users.

**Figure A.6: Agreement With the Statement “I Deserve to Collect All My Weeks of EI Benefits Because I Paid Into It”**



**Source:** Calculations were based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** Claimants are categorized by their level of agreement with the statement, and by whether they were repeat or occasional claimants as defined in Chapter 1. “Somewhat agree” and “strongly agree” were combined into a single “agree” category. Similarly, “somewhat disagree” and “strongly disagree” were combined into a single “disagree” category. The percentages shown in the figure were calculated using the population weights provided by Statistics Canada. Those who said “don’t know” or who refused to answer were excluded from the calculations. See Table C.54 for the unweighted sample sizes for this figure, including those coded as “don’t know” or “refused to answer.”

Many young claimants indicated that they believe the type of work they do means having to depend on Employment Insurance from time to time. More than occasional claimants, young repeat claimants were very likely to think this way, with more than two thirds of both young men and women who were repeat users linking employment expectations to future EI receipt (73.1 percent of men and 68.5 percent of women).

Young male repeat claimants were considerably less likely than their older counterparts to agree with the statement “There’s not much I can do to avoid using EI in the future” (42.8 percent of young male repeat users versus 53.0 percent of older male repeat users).

### System Sustainability

Interestingly, young repeat users of both genders appeared to be less worried about the existence of the Employment Insurance system than were their older counterparts, as indicated by their agreement with the statement “I am worried that it may not be too long before there is no EI program” (52.2 percent of young male repeat users versus 58.9 percent of older male repeat users; 57.8 percent of young female repeat users versus 62.5 percent of older female repeat users). This is not to say, however, that they had no concerns about the future viability of the EI program, since a majority of young repeat users indicated that they were concerned.

On the other hand, young male occasional users appeared to be more concerned with the system’s viability than were their older counterparts (51.2 percent of young male occasional users versus 46.2 percent of older male occasional users), while the view of young female occasional users was similar to that of women 25 years of age and older (52.8 percent of young female occasional users and 53.9 percent of older female occasional users). Still, of all young claimants, female repeat users seemed to be the most concerned for the EI program’s future viability.

## JOB SEARCH IN 1997

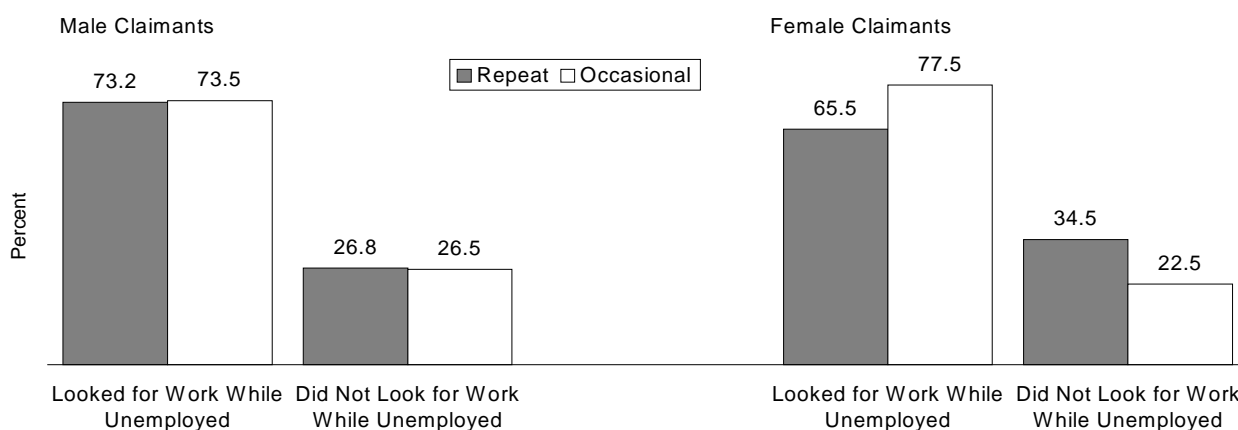
In an effort to understand how income support for the unemployed might affect job-search behaviour, Chapter 5 compares the job-search efforts of repeat and occasional users. This section also considers job-search issues, but only for claimants under the age of 25. The focus is on those claimants under the age of 25 who were also unemployed at some point during 1997. This excludes individuals who worked continuously for one employer throughout 1997 without having a work break.<sup>7</sup>

This section first considers the job-search strategies used by young claimants and the depth of their job-search efforts. It then discusses the factors that could have influenced those efforts including recall expectations, the availability of other income sources, attitudes toward change, and other factors relating to work, school, or personal circumstances.

### Job Search

Just over 74 percent of the under-25 SRUEI respondents who were unemployed in 1997 said they looked for work while unemployed. This is slightly higher than the 70 percent that was reported in the older sample. As shown in Figure A.7, male repeat and occasional users under 25 years of age were equally likely to have looked for work in 1997 (73.2 percent of young male repeat users and 73.5 percent of young male occasional users). Female occasional users were the most likely to have conducted a job search, while female repeat users were the least likely (65.5 percent of young female repeat users versus 77.5 percent of young female occasional users). In fact, female repeat users were the only group of claimants in the under-25 sample that were less likely to have engaged in a job search when compared with their older counterparts.

**Figure A.7: Percentage of SRUEI Respondents Under the Age of 25 Who Looked for Work While Unemployed for All or Part of 1997**



**Source:** Calculations were based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** The sample on which this table is based consists of all those who were unemployed for all or part of 1997, as defined in Footnote 1 of Chapter 5. Such claimants are categorized by whether or not they looked for work while they were unemployed, and whether they were repeat or occasional claimants as defined in Chapter 1. The percentages shown were calculated using the population weights provided by Statistics Canada. Those who reported “don’t know” or refused to answer were excluded from the calculation of the percentages. See Table C.55 for the unweighted sample sizes for this figure, including those coded as “don’t know” or “refused to answer.”

<sup>7</sup>As a result, the sample for this section is smaller than those used in previous sections of this appendix. Unless otherwise stated, the unweighted sample sizes for this section are as follows: male repeat users 379; male occasional users 730; female repeat users 101; and female occasional users 349.

### ***Breadth of Job Search***

Claimants under 25 years of age appear to employ job-search methods similar to their older counterparts. However, they appear to make less use of secondary sources of job leads — newspapers, government agencies, and private employment agencies. Not surprisingly, those under 25 years of age were also less likely to use a union’s services as part of their job search (see Table A.2).

**Table A.2: Methods of Job Search**

<b>Job-Search Method (%)</b>	<b>Male Claimants</b>		<b>Female Claimants</b>	
	<b>Repeat</b>	<b>Occasional</b>	<b>Repeat</b>	<b>Occasional</b>
Contacting employers directly	90.2	93.4	91.9	91.0
Contacting friends or neighbours	75.5	84.8	81.4	82.9
Government agency	73.8	76.0	70.2	80.5
Newspapers	50.4	61.4	43.6	72.8
Private employment agencies	9.2	15.2	13.1	17.4
Union	13.3	6.6	8.1	9.0

**Source:** Calculations were based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** The sample on which this table is based consists of all those who: (a) were unemployed for all or part of 1997, as defined in Footnote 1 of Chapter 5; and (b) looked for work while unemployed. Such claimants are categorized by whether or not they looked for work using each method, and whether they were repeat or occasional claimants as defined in Chapter 1. The percentages shown were calculated using the population weights provided by Statistics Canada. Those who reported “don’t know” or refused to answer were combined into a single “missing” category and excluded from the calculation of the percentages. See Table C.56 for the unweighted sample sizes for this table, including those coded as “missing.”

The range of job-search strategies that were used by claimants can be viewed as an indication of the breadth of their job searches. Among young claimants, similar to their older counterparts, occasional claimants appeared to conduct broader job searches than repeat users. For most job-search strategies, a greater proportion of occasional claimants employed each method, however the magnitude of the difference between repeat and occasional users was smaller among young claimants.

### ***Depth of Job Search***

In addition to considering the methods employed as a way of assessing the breadth of one’s job search, we can also consider the depth of search efforts by looking at the amount of time spent on job-search activities (see Table A.3).

Young repeat users were more likely than their occasional counterparts to search less than five hours per week (30.3 percent of young repeat users versus 23.4 percent of young occasional users). However, although young occasional users were slightly more likely than young repeat users to search between 11 and 20 hours, they were equally likely to search over 20 hours per week. This is in contrast to those 25 years of age or older, where occasional users were more likely than repeat users to search more than 20 hours per week.

**Table A.3: Time Spent on Job-Search Activities**

<b>Hours Spent in Job Search (%)</b>	<b>Repeat</b>	<b>Occasional</b>
Five hours or less	30.3	23.4
Six to ten hours	22.4	23.5
Eleven to fifteen hours	11.7	14.8
Sixteen to twenty hours	11.4	17.5
Over twenty hours	13.0	14.7

**Source:** Calculations were based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** The sample on which this table is based consists of all those who: (a) were unemployed for all or part of 1997, as defined in Footnote 1; and (b) looked for work while unemployed (see the notes to Figure 5.2). Such claimants are categorized according to the number of job-search techniques they used when looking for work, and whether they were repeat or occasional claimants as defined in Chapter 1. The percentages shown were calculated using the population weights provided by Statistics Canada. Those who did not report a value for this variable were categorized as “missing” and excluded from the calculation of the percentages. See Table C.57 for the unweighted sample sizes for this table, including those coded as “missing.”

## **Factors Affecting Job Search**

As in Chapter 5, this section considers several variables that could influence the possible re-employment decisions of young claimants, namely, recall expectations, and the receipt of EI benefits and other sources of household income.

### ***Recall Expectations***

Respondents were asked three kinds of questions, each relating in a different way to the relationship between recall expectations and job-search efforts. To reiterate the methods outlined in Chapter 5, three approaches were used in an effort to understand the role played by recall expectations: (1) respondents were asked directly if they had a break in their 1997 employment and if they expected recall; (2) respondents were asked to consider three scenarios of recall to employment in an effort to assess their willingness to accept changes in employment (these are the three scenarios referred to later in this section); and (3) those who did not search for work while unemployed were asked to provide the reasons (including expecting to be recalled) for not engaging in job search.

#### **Possibility of Recall to a Job Held Before 1997 “Break”**

The results of the first approach reveal that, as with to those 25 years of age and older, the proportion of young workers (unemployed for all or part of 1997) who experienced a break in employment and expected to be recalled was substantially higher among repeat users than among occasional claimants (72.5 percent of young male repeat users versus 53.7 percent of young male occasional users; 79.1 percent of young female repeat users versus 55.7 percent of young female occasional users). Young occasional claimants were more likely than their older counterparts to have had a break, but were less likely to have expected recall. Although a similar proportion of young repeat users experienced a break, compared with the sample of older repeat users, young repeat users were much less likely to have expected recall (see tables A.4 and 5.4 for comparison).



**Table A.4: Percentage of Respondents Who “Had a Break” in 1997 of Those Who Were Unemployed for All or Part of 1997, by Recall Expectations**

	Male Claimants		Female Claimants	
	Repeat	Occasional	Repeat	Occasional
Had a break in 1997	76.8	68.2	80.9	63.8
Expected recall after break	72.5	53.7	79.1	55.7
Did not expect recall after break	27.5	46.3	20.9	44.3

**Source:** Calculations were based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** The sample on which this table is based consists of all those who were unemployed for all or part of 1997, as defined in Footnote 1 of Chapter 5. Such claimants are categorized by whether or not they experienced a “break” and, if they did, by whether they expected to be recalled after that break. A break is defined in the text. The percentages shown were calculated using the population weights provided by Statistics Canada. Those who reported “don’t know” or refused to answer were combined into a single “missing” category and excluded from the calculation of the percentages. See Table C.58 for the unweighted sample sizes for this table, including those coded as “missing.”

### Responses to Specific Re-employment Scenarios<sup>8</sup>

Similar to claimants 25 years of age and older, male repeat users in the younger sample were more likely than male occasional users to respond positively (“somewhat likely” or “very likely”) to the first two scenarios. This is in contrast to female repeat and occasional users under 25 years of age who were equally likely to respond in a positive manner. Gender differences also arise in responses to scenario 3. Young female respondents, in particular female repeat users, were more likely to respond negatively to an offer of employment out of province than were their male counterparts (64.8 percent of young male repeat users and 64.9 percent of young male occasional users declined; 88.7 percent of young female repeat users and 78.9 percent of young female occasional users declined). However, most groups of young claimants appeared to be more willing than their older counterparts to accept a job offer in any of the three scenarios.

### Reasons for Not Looking for Work While Unemployed

Respondents who stated they were unemployed during 1997 but did not search for work were asked to provide their reasons for not doing so. Overall, young claimants were most likely to report involvement with school or other employment as their reasons for not looking for work (45.4 percent of young repeat users and 58.5 percent of young occasional users). Young claimants also reported that they were not looking for work because of expectations of recall to previous employment. Similar to their older counterparts, young repeat claimants were considerably more likely than occasional claimants to report recall expectations as the reason for not conducting a job search (33.9 percent of young repeat claimants versus 20.3 percent of young occasional claimants).

<sup>8</sup> Respondents were asked to imagine a situation where they have been laid off from their current, or most recent job, although there is a chance that they will be recalled; then, while they are unemployed, they are offered a job. They are then asked how they would react to the following three kinds of offers: (1) a job with a new employer that is similar to their old job in terms of both pay rate and type of work; (2) a job with a new employer, similar to their old job in terms of pay, but involving a very different kind of work; and (3) a job with a new employer, similar to their old job in terms of pay and type of work, but located in a different province.

## ***The Availability of Other Income Sources***

### **Employment Insurance**

For respondents 25 years of age and older, striking differences between claimant types were previously presented with regard to the receipt of Employment Insurance during 1997. Recall that repeat users were much more likely than occasional users to receive Employment Insurance in most months. Furthermore, male and female repeat users displayed particular patterns of receipt through the year. Male repeat users displayed a slow decline in the percentage that received Employment Insurance through most of the year, only to be followed by an increase during the winter months. Among female repeat users, on the other hand, there was a large increase in the proportion receiving Employment Insurance during the summer months.

A similar analysis of EI receipt was undertaken for those SRUEI respondents under the age of 25 who were unemployed during 1997.

Similar to those in the older sample, young repeat users were considerably more likely to file a new EI claim in 1997 than were young occasional users (60.6 percent of young male repeat users versus 39.5 percent of young male occasional users; 62.6 percent of young female repeat users versus 24.0 percent of young female occasional users). Young male repeat users also followed a similar monthly pattern of EI receipt to that of their older counterparts, displaying a tendency to increase receipt during the winter months. However, unlike their older counterparts, female repeat users under the age of 25 did not demonstrate an increase in EI receipt during the summer months of July and August. Furthermore, an increase in EI receipt by young female repeat users was observed during the months of November and December that was not only larger than that of older female repeat users, but also larger than that of male repeat users of any age.

Considering the median dollar amount of benefits received during 1997 by young claimants, repeat users collected more than occasional users, with men receiving more than women (\$4,263 for young male repeat users; \$3,126 for young male occasional users; \$3,060 for young female repeat users; and \$2,206 for young female occasional users). Young claimants tended to receive less in benefits than their older counterparts, the only exception being young female repeat users (\$3,060 for female repeat users under the age of 25 versus \$2,836 for female repeat users 25 years of age and older).

### **Other Potential Sources of Household Income**

As was observed for claimants 25 years of age and older, young repeat users were more likely than occasional users to reside in households where someone was receiving Employment Insurance (81.9 percent of male repeat users versus 70.5 percent of male occasional users; 85.0 percent of female repeat users versus 69.1 percent of female occasional users). However, young repeat users were less likely to be in receipt of Income Assistance than their occasional counterparts.

Gender differences arise with respect to sources of income from investments and other government programs. Both male repeat and occasional users were more likely than their young female counterparts to report that they resided in households where someone was in receipt of interest, dividends, or RRSP income. Furthermore, female repeat users under the age of 25 were the most likely of any group of SRUEI respondents to report that their household had sources of income from other government programs (e.g., Child Tax Benefit). Over 53 percent of young female repeat users reported receiving this type of assistance, almost double that of any other group of claimants.



## Appendix B: Volunteering

Volunteering can be defined as freely performing a job or providing a service without pay. Society benefits greatly from the efforts of volunteers. For example, community programs and services are highly dependent on their support. According to results from the National Survey on Giving, Volunteering and Participating (NSGVP),<sup>1</sup> volunteers in Canada annually contribute just over 1.1 billion hours of their time to help in a variety of activities and for a variety of organizations and individuals.<sup>2</sup>

For the volunteer there can also be benefits. Some undertake volunteer activities for altruistic reasons; that is, they want to feel they are making a worthwhile contribution to their community or to the welfare of others. Others may view volunteer activities as a way to facilitate career advancement by increasing skill levels and work experience, and by expanding their network of potential work contacts.

Some have speculated that, during periods of unemployment, EI recipients make substantial contributions to the economy through non-market activities such as volunteer work. This includes both formal volunteer work through an organized charity or community organization and informal volunteer work such as helping out neighbours or friends in need. One might expect the volunteer rate of people with “free” time to be relatively high; hence the commonly held belief that the unemployed and retired are more likely than the employed to volunteer. If this assumption is true, one might think that those who had more frequent periods of unemployment — the repeat EI users in this survey — were more likely to volunteer than those who made occasional claims. Because the Survey on Repeat Use of Employment (SRUEI) collected data on the volunteer behaviour of EI recipients, these questions can be addressed in this appendix.

This appendix looks at the volunteer activities of regular EI claimants, aged 25 and older, during the period of January through December 1997. We present the results from the SRUEI, showing the volunteer rates of respondents in various activities. Then, we address the question of whether EI recipients tend to increase their participation in volunteer activities during periods of unemployment. Finally, we assess the volunteer rate of SRUEI respondents according to selected characteristics, including area of residence, age, educational attainment, immigrant status, marital status, the number of children in the household, occupational prestige, industry, household income, housing status, and years at current residence. As in the main body of the report, tabulations are presented for the following groups: male repeat EI users, male occasional EI users, female repeat EI users, and female occasional EI users. As with the preceding chapters and Appendix A, the results are

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<sup>1</sup>The 1997 NSGVP was an extensive survey conducted by Statistics Canada as a supplement to the Labour Force Survey. The NSGVP was administered during a three-week period in November and December 1997 to Canadians aged 15 years and older. The Survey collected data on ways in which respondents supported one another and their communities through giving, volunteering, and participating during the 12-month period ending October 31, 1997.

<sup>2</sup>In the report *Caring Canadians, Involved Canadians: Highlights from the National Survey on Giving, Volunteering and Participating*, Statistics Canada (1998a) estimates that 1.1 billion hours is equivalent to roughly 578,000 full-time jobs, assuming 40 hours each week for 48 weeks of the year.

based on simple cross-tabulations and the text is descriptive in nature with very limited speculation on causal relationships. Where possible, this appendix also uses results from the NSGVP to compare rates of SRUEI respondents with those for the Canadian population.<sup>3</sup>

## **PARTICIPATION IN VOLUNTEER ACTIVITIES**

Traditionally, the term “volunteer activity” is used to refer only to activities that are conducted through a recognized organization, group, or charity. However, the SRUEI classifies volunteer activities into two types: formal and informal. *Formal* volunteering refers to the more traditional definition — activities that are performed for a recognized organization, group, or charity. Activities that involve providing help or support for others outside of one’s household, but not as part of any organization, group, or charity, are defined as *informal* volunteer activities.

The distinction is made between formal and informal volunteer activities because of an underlying assumption that formal volunteer activities are more likely to build human capital since they occur within an organizational setting. By contrast, informal volunteer activities typically involve helping friends and family members in more routine tasks. Given these assumptions, these two types of volunteer activities — formal and informal — are quite different.

However, the available SRUEI data limit our ability to explore the extent to which activities were undertaken with regard for the welfare of others, the desire to build human capital, or a sense of obligation to help out friends and family. Respondents to the SRUEI were not asked why they volunteered, why they chose a particular activity, or whether the informal activities they reported were to help family members not living in their household. Notwithstanding these shortcomings of the data, we think readers will find the results for both types of activities interesting. Hence the appendix presents results for formal and informal volunteer activities of EI users.

### **Overview**

As indicated in Table B.1 and Table B.2, whether one makes frequent or only occasional EI claims does not seem to make much difference in overall participation in volunteer activities. This homogeneity is surprising given the known differences between frequent and occasional claimants in terms of occupation, industry, and education. However, differences *were* observed between male and female claimants. Looking at the first line of Table B.1 and Table B.2 we see that, among both repeat and occasional claimants, the proportion that participated in volunteer activities was higher for female claimants. This gender difference was also observed for many of the individual activities.

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<sup>3</sup>Although comparisons are made, where possible, with results from the NSGVP, readers should be aware that the sample used in the NSGVP has a number of shortcomings as a comparison group. These include the following: the NSGVP sample is from among Canadians who were 15 years and over, whereas the SRUEI sample is 25 years and older; and the SRUEI sample was selected from among recipients of Employment Insurance in 1996. Despite these caveats, we thought that a comparison with the results from the NSGVP would help the reader place the results from the SRUEI, with regard to volunteer activity, in their proper context.

**Table B.1: Percent of EI Claimants Who Participated in Volunteer Activities Through Formal Avenues, During 1997**

	Male Claimants		Female Claimants	
	Repeat	Occasional	Repeat	Occasional
<b>Participated in any formal volunteer activity</b>	31.4	35.8	41.0	41.2
<b>Participation rates for formal activities, including:</b>				
Canvassing, campaigning, and fundraising	10.9	11.9	18.4	16.2
Being an unpaid member of a board	8.2	10.3	13.6	12.2
Helping to educate/influence public opinion	4.9	7.8	7.7	8.2
Helping to organize/supervise activities	12.8	14.7	18.6	17.3
Consulting, executive, or administrative work	3.7	6.7	7.0	7.9
Teaching or coaching	6.2	8.6	5.7	7.8
Counselling or friendly visits	4.8	4.9	7.2	7.9
Providing health care services	1.4	1.4	2.4	3.3
Providing help to self-help mutual aid group	2.8	2.7	3.0	3.1
Delivering food or other goods	5.2	6.5	7.3	7.1
Maintaining, repairing, or building facilities	5.6	5.5	3.0	3.2
Being a volunteer driver	4.8	4.9	6.1	4.8
Being a volunteer firefighter or search and rescue worker	4.2	3.1	1.4	1.8
Being a volunteer environmental worker	4.0	3.9	3.0	2.5
Providing other volunteer help (such as for schools and religious organizations)	6.8	9.1	13.9	15.7

**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** The percentages shown were calculated using the population weights provided by Statistics Canada. Those categorized as “not stated,” “refused,” or “don’t know” were excluded from the calculation of the percentages. See Table C.59 for the unweighted sample sizes for this table.

### Participation in Formal Volunteer Activities

During 1997 EI claimants, like many Canadians, engaged in volunteer activities through formal avenues (see Table B.1). The rates of formal volunteering were 31.4 percent for male repeat claimants, 35.8 percent for male occasional claimants, and approximately 41 percent for both repeat and occasional female claimants. The NSGVP revealed a similar pattern among the general Canadian population, with 29 percent of males volunteering versus 33 percent of females.

EI users who volunteered through formal avenues took part in a wide range of activities. Among these activities, however, claimants were most likely to be involved in organizing or supervising activities, and canvassing, campaigning, or fundraising.

### Participation in Informal Volunteer Activities

Overall (see Table B.2), repeat and occasional users of Employment Insurance appear to prefer volunteering through informal rather than formal avenues. The rates of informal volunteering, for both repeat and occasional users of Employment Insurance, were almost double those observed for formal volunteering. Men were just as likely as women to participate in informal volunteer activities. Using data from the NSGVF, Statistics Canada observed a similar pattern of volunteering among the general Canadian population (31 percent in formal versus approximately 70 percent in informal volunteer activities).

**Table B.2: Percent of EI Claimants Who Participated in Volunteer Activities Through Informal Avenues, During 1997**

	Male Claimants		Female Claimants	
	Repeat	Occasional	Repeat	Occasional
<b>Participated in any informal volunteer activity</b>	64.0	65.0	66.3	65.1
<b>Participation rates for informal activities, including:</b>				
Helping with housework such as cooking and cleaning	15.5	17.8	29.4	27.2
Yard work, maintenance, gardening, painting, etc.	33.8	34.2	16.8	16.1
Helping with shopping or driving	28.5	30.2	34.9	32.8
Providing support to the sick or elderly	14.4	13.7	25.6	21.5
Visiting the elderly	31.2	27.2	36.4	30.4
Providing free baby-sitting services	18.9	22.6	33.5	34.5
Helping with writing letters, finding information, or filling out forms	15.7	23.9	25.6	26.8
Teaching or coaching	5.3	7.3	5.5	6.1
Operating a business or farm	6.2	6.8	3.0	4.1
Other (non-financial)	7.1	6.8	5.0	4.8

**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** The percentages shown were calculated using the population weights provided by Statistics Canada. Those categorized as “not stated,” “refused,” or “don’t know” were excluded from the calculation of the percentages. See Table C.59 for the unweighted sample sizes for this table.

Of all the informal volunteer activities, the most common choice among female repeat and occasional claimants was visiting with the elderly — 36.4 and 30.4 percent respectively. Helping out with yard work, maintenance, and painting, was the preferred informal volunteer activity for male claimants (about 34 percent for repeat and occasional claimants).

It is not surprising that there is a difference between male and female claimants in their participation in activities such as helping with housework, maintenance work, and baby-sitting. These results reflect the roles that are traditionally associated with men and women in society. For example, male claimants were considerably more likely than female claimants to engage in maintenance work, while female claimants were much more likely to participate in activities such as helping with housework or providing free baby-sitting services.

These results do not support the claim that the unemployed or those with “free” time are more likely to volunteer. The SRUEI volunteer rates are only slightly higher than the NSGVP rates for volunteering. In addition, the differences in volunteer rates between repeat users of EI and occasional users were not large.

## **VOLUNTEERING WHILE EMPLOYED OR UNEMPLOYED<sup>4</sup>**

The results in Table B.3 provide evidence that unemployed people are no more likely to volunteer than the employed. The table shows that the volunteer rates, through formal avenues, of male and female claimants (both repeat and occasional) were significantly lower during periods of unemployment. Whereas roughly one quarter of repeat and occasional users of Employment Insurance, both male and female, participated in formal volunteer activities during periods of employment, only about 16 percent of male claimants (repeat and

<sup>4</sup>The variables used in this section are those that indicated the employment status and volunteering behaviour of respondents for each month in 1997. Respondents were considered to have volunteered while employed if they indicated that they had volunteered during a month in which they were also counted as having worked for at least one employer.



occasional), and about one fifth of female claimants (repeat and occasional) volunteered during periods of unemployment.<sup>5</sup>

There is also a pattern of lower rates for *informal* volunteer activities during periods of unemployment.

**Table B.3: Percent of EI Claimants Who Participated in Volunteer Activities While Employed or Unemployed, During 1997**

	Male Claimants		Female Claimants	
	Repeat	Occasional	Repeat	Occasional
<b>Ever participated in any formal volunteer activity during periods of:</b>				
Employment	23.9	26.8	32.2	27.9
Unemployment	16.3	16.1	20.9	21.5
<b>Ever participated in any informal volunteer activity during periods of:</b>				
Employment	44.6	43.0	46.4	41.1
Unemployment	34.7	28.9	35.6	33.0

**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** The percentages shown were calculated using the population weights provided by Statistics Canada. Those categorized as “not stated,” “refused,” or “don’t know” were excluded from the calculation of the percentages. See Table C.59 for the unweighted sample sizes for this table.

## VOLUNTEER RATES BY SELECTED DEMOGRAPHIC CHARACTERISTICS

Table B.4 and Table B.5 show rates, by selected characteristics, of formal and informal volunteer activities.

**Region of residence.** Volunteer rates among claimants differ by their region of residence and, within each region, by whether the claimants volunteered through formal or informal avenues. Looking first at the rate of volunteering through formal avenues among women, we see that female repeat and occasional claimants who reside in the Prairies (60.8 and 53.5 percent respectively) and in the Atlantic provinces (49.0 and 47.6 percent respectively) have higher rates of volunteering than those who reside in other regions of the country. Those residing in Quebec were the least likely to volunteer — 31.4 percent of female repeat claimants and 32.6 percent of female occasional claimants.<sup>6</sup>

Among male claimants, the pattern of formal volunteering by region of residence is slightly different and generally much lower when compared with their female counterparts. Male repeat claimants residing in British Columbia, the Prairies, and the Atlantic provinces were more likely to volunteer through formal avenues (and to do so at very similar rates —

<sup>5</sup>At this time, one can only speculate as to why the employed are more likely to volunteer than the unemployed. One possible explanation begins with a finding of the NSGVP. Using data from the NSVGP, Statistics Canada found that most people volunteer simply because they are asked to do so by other individuals. If we assume that, on average, an employed person has a larger social network than an unemployed person, then it is possible that the employed have a higher probability of contact with someone who may ask them to volunteer.

<sup>6</sup>These findings are similar to those found using the NSGVP data. The NSGVP reported that persons residing in the Prairie provinces were more likely to have engaged in formal volunteer activity — 40 percent. The remaining provinces, except Quebec, had a volunteer rate that ranged between 32 and 38 percent. About 22 percent of Quebec population engaged in volunteer activities.

35.2, 34.6, and 34.2 percent respectively). Similarly, the rates of formal volunteering among male occasional claimants were also higher in the same three regions. Notably, across all regions, male repeat claimants in Ontario were the least likely to volunteer (28.0 percent).

The rate of volunteering through informal avenues tended to be higher in the Atlantic and Prairie provinces for both male and female claimants. Among male claimants residing in the Atlantic provinces, 68.2 percent of repeat and 68.7 percent of occasional claimants engaged in informal volunteer activities; and, in the Prairies, the rates were 65.4 percent for repeat and 70.6 percent for occasional claimants. Among female claimants from these regions, the rates of volunteering through informal avenues were even higher than among men — 74.4 percent among female repeat claimants in Atlantic and 77.1 percent in the Prairies; and 75.1 and 73.3 percent for female occasional claimants in these two regions.

**Urban/Rural residence.** EI users living in rural areas were much more likely to participate in volunteer activities through formal avenues than were their urban counterparts. Notably, male repeat claimants residing in urban areas were the least likely to volunteer through formal avenues (28.9 percent). In comparison, over one third of male repeat rural dwellers engaged in formal volunteer activities. Among male occasional claimants, the rate of volunteering in formal activities was 34.2 percent for urban dwellers compared with 41.6 percent for those residing in rural areas. Similarly, among women, almost two fifths of EI users (both repeat and occasional) who resided in urban areas volunteered in formal activities, compared with 46.0 and 49.9 percent respectively for repeat and occasional claimants from rural areas.

There were few differences between men and women in the urban-rural patterns of participation in informal volunteer activities. And, as Table B.5 shows, rural dwellers were more likely to be volunteers than those residing in urban areas.

**Age.** Among the three age groups examined, those 35 to 44 years of age were most likely to volunteer through formal avenues; and female claimants (both repeat and occasional) were more likely to volunteer than their male counterparts. The group least likely to volunteer through formal avenues was male repeat claimants who were 45 years of age and older.

Claimants who were 35 to 44 years of age were also more likely to volunteer through informal avenues (male repeat claimants were an exception).

**Education.** Claimants who had at least a high school diploma were more likely to volunteer both through formal and informal avenues than were those without a high school diploma. Male claimants (repeat and occasional) with a high school diploma (or higher education) volunteered through formal avenues at rates that were approximately 10 to 12 percentage points higher than those without a high school diploma. The difference in participation rates between female claimants with and without a high school diploma who volunteered through formal avenues were also quite large (48.0 versus 27.4 percent for repeat claimants and 44.6 versus 30.0 percent for occasional claimants).

Similar patterns were seen for those who volunteered through informal avenues.

**Immigrants.** EI users who identified themselves as immigrants were less likely to have engaged in formal volunteer activities than those who were born in Canada. The volunteer rate reported by male repeat claimants who were born in Canada and participated in formal activities was 32.1 percent (compared with 25.1 percent for immigrants). A similar difference

was observed between native-born and foreign-born male occasional claimants (37.9 percent for those born in Canada versus 28.5 percent for immigrants). Among women, over two fifths of native-born claimants (42.4 percent of repeat and 44.8 percent of occasional claimants) volunteered through formal avenues compared with less than one third of female immigrants (31.3 percent of repeat and 27.3 percent of occasional claimants).

Among claimants participating in informal activities, Canadian-born respondents volunteered at rates ranging from 65.5 percent to 68.5 percent. In comparison, immigrants participated at rates ranging from 50.4 to 55.1 percent.<sup>7</sup>

**Marital status.** Claimants who were living with a spouse or partner were more likely to engage in formal volunteer activities. Notably, female claimants (repeat and occasional) living with a spouse or partner participated in formal avenues at rates higher than any other group — 42.5 percent for repeat claimants and 42.2 percent for occasional claimants. Among female claimants without a spouse or partner, the rates of participation in these activities were 36.0 percent for repeat claimants and 38.7 percent for occasional claimants. Male repeat claimants without a spouse or partner were less likely to have engaged in activities through formal avenues (29.3 percent). Participation rates through formal avenues among other groups of male claimants are 32.2 percent for male repeat claimants with a spouse or partner, 37.0 percent of male occasional claimants with a spouse partner, and 33.5 percent of male occasional claimants without a spouse or partner.

Volunteer rates for informal activities also tended to be slightly higher for claimants living with a spouse or partner (although this was not the case for male repeat claimants). Male repeat claimants not living with a spouse or partner were almost just as likely to volunteer through informal avenues as those who had a spouse or partner — 64.2 percent and 63.9 percent.

**Number of children.** As shown in Table B.4, among repeat claimants (male and female), there was a positive correlation between the presence of children in the household and volunteering through formal avenues.<sup>8</sup> However, this pattern of volunteering is not evident for occasional claimants (male and female) who volunteered through formal avenues.

There is also no clear pattern of volunteering relative to the number of children in the household when we examine those who volunteered through informal avenues.

**Occupational prestige and industry.** Given the previous evidence that claimants across all groups who had completed high school were considerably more likely to volunteer, it is perhaps not surprising that volunteer activity through formal avenues was more common among persons in managerial, professional, and middle management occupations. Male repeat claimants employed as unskilled workers were less likely to volunteer through formal avenues (28.9 percent) than any other group of workers. Conversely, female occasional claimants in managerial or professional occupations were the most likely to do so (61.2 percent).

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<sup>7</sup>Given the limitations of the data, we can only speculate that perhaps immigrants are not as settled in their surroundings and, therefore, do not have as many social contacts. This is especially apparent in the large immigrant-native differences for informal avenues, which includes help given to friends and family. It may be that immigrants were less likely to have family close by to whom such help could be extended.

<sup>8</sup>This positive correlation between the presence of children in the household and volunteering may also be explained by the NSGVP finding that most people volunteer because they are asked. People with children enrolled in activities might be asked to participate in these activities.

With the exception of male occasional claimants, a similar pattern occurred for those engaged in informal volunteer activities. While persons in managerial, professional, and middle management occupations generally tended to participate through informal avenues at higher rates than skilled and unskilled workers, among male occasional claimants, skilled workers were more likely to volunteer than were managers.

Among the various industry groups listed in Table B.4, with few exceptions, claimants working in community services, public administration, and miscellaneous services were more likely to be involved in volunteer activities through formal avenues.

Similarly, male occasional claimants working in community services, public administration, and miscellaneous services were more likely to be engaged in informal volunteer activities. However, this was not true for either male repeat claimants or female repeat and occasional claimants. Male repeat claimants working in manufacturing were more likely to volunteer through informal avenues (67.2 percent) than those in community services (66.1 percent), public administration (64.2 percent), or miscellaneous services (63.6 percent). Among female claimants, equally high proportions of repeat and occasional claimants working in the transportation, communication, and utilities industry participated in informal voluntary activities (70.9 percent of repeat claimants and 73.2 percent of occasional claimants) as did those working in community services (72.3 and 72.2 percent respectively).

**Household income.** SRUEI respondents (male and female) with a household income of \$50,000 or higher were more likely to have engaged in volunteer activity through formal avenues than those with household income less than \$50,000. Given the positive correlation between education, occupation, and income, this result is not surprising.

Similarly, claimants living in high-income households were more likely to have volunteered through informal avenues than those living in households with incomes under \$50,000.

**Community attachment.** Most researchers on community attachment suggest that length of residence is the key variable that accounts for community attachment because of its effect on local social bonds. Persons who own their residence are also more likely to be concerned about the well-being of their community. Therefore, housing tenure and ownership of residence are expected to be positively correlated with volunteering.

In general, the proportion of claimants who were engaged in formal volunteer activities tended to be higher for those who had resided at their residence for longer periods, but this was not consistently so. Claimants who had resided at their residence for between 11 and 20 years tended to volunteer at higher rates than those living at their residence for either shorter or longer periods.

Surprisingly, there is no clear pattern of volunteering through informal avenues by the number of years at current residence.

When we consider housing status, claimants who owned their residence tended to volunteer through formal avenues more than those who did not own their home. Among male repeat claimants, 33.2 percent of homeowners volunteered through formal avenues versus 28.7 and 26.9 percent for renters and others respectively. Similarly, for male occasional claimants, 38.3 percent of homeowners were involved in formal volunteer activities compared with 34.1 percent of renters and 32.4 percent of others. Female homeowners were

involved in formal volunteer activities at much higher rates than their male counterparts (and at higher rates than female renters and female claimants with other types of housing arrangements). Close to 45 percent of female repeat claimants who were homeowners volunteered through formal avenues (versus 29.5 percent for renters and 38.3 percent for others); and among female occasional claimants, 46.8 percent of homeowners were involved in formal volunteer activities.

No consistent pattern was observed, however, among those who volunteered through informal avenues. For instance, male repeat claimants who were renters were more likely to volunteer than were male repeat claimants who were homeowners. And male occasional claimants who were homeowners or renters were both less likely to volunteer than those with other housing arrangements. Female repeat claimants who were homeowners were more likely to volunteer than either female renters or those with other housing arrangements; but female occasional claimant homeowners and renters were both less likely to volunteer than those with other housing arrangements.

## SUMMARY

The rate of participation in volunteer activities among those who were EI claimants in 1997 was only slightly higher than the national rate for Canadians in that year. Among EI claimants, both repeat and occasional users were roughly twice as likely to volunteer through informal than through formal avenues. There were no systematic differences in the volunteer behaviour of repeat versus occasional claimants, and all claimant groups were less likely to volunteer during times of unemployment.

Like the NSGVP, the SRUEI showed that women were more likely than men to engage in volunteer activities. Likewise, both surveys showed that persons with higher levels of education, those in managerial positions, and those with higher household incomes were more likely to volunteer.

**Table B.4: Percent of EI Claimants Who Were Engaged in Formal Volunteer Activities During 1997, by Characteristics**

Characteristics	Male Claimants		Female Claimants	
	Repeat	Occasional	Repeat	Occasional
<b>Region</b>				
Atlantic	34.2	40.2	49.0	47.6
Quebec	29.8	34.5	31.4	32.6
Ontario	28.0	33.7	43.8	40.9
Prairies	34.6	37.0	60.8	53.5
British Columbia	35.2	39.8	39.5	41.0
<b>Urban/Rural residence</b>				
Urban	28.9	34.2	37.6	38.5
Rural	34.6	41.6	46.0	49.9
<b>Age</b>				
25–34 years	30.9	33.6	37.4	41.3
35–44 years	33.8	37.4	46.1	43.1
45 years and older	29.7	37.4	38.9	38.9

(continued)

**Table B.4: Percent of EI Claimants Who Were Engaged in Formal Volunteer Activities During 1997, by Characteristics (Cont'd)**

Characteristics	Male Claimants		Female Claimants	
	Repeat	Occasional	Repeat	Occasional
<b>Education</b>				
No high school diploma	25.8	29.1	27.4	30.0
High school diploma or higher	37.5	39.2	48.0	44.6
<b>Immigrant status</b>				
Born in Canada	32.1	37.9	42.4	44.8
Immigrant	25.1	28.5	31.3	27.3
<b>Marital status</b>				
Spouse or partner	32.2	37.0	42.5	42.2
No spouse or partner	29.3	33.5	36.0	38.7
<b>Number of children</b>				
None	28.8	34.0	35.8	37.8
One	30.0	38.5	40.9	36.7
Two	36.2	40.5	49.9	51.4
Three	43.4	30.4	56.7	46.5
Four or more	44.8	42.0	56.5	60.7
<b>Occupation</b>				
Managerial/professional	50.5	48.3	54.7	61.2
Middle management	43.4	57.3	57.2	50.8
Skilled worker	30.9	33.9	38.6	36.8
Unskilled worker	28.9	30.4	31.6	32.2
<b>Industry</b>				
Primary industries	32.7	42.0	34.6	23.8
Manufacturing	31.7	31.4	28.1	25.4
Construction	27.8	29.6	41.3	16.6
Transportation, communication, utilities	29.7	23.6	43.2	43.9
Trade	30.3	35.9	36.7	36.1
Business and personal finance	35.8	35.8	34.8	36.8
Community services	44.0	61.9	52.1	56.2
Public administration	39.3	66.1	41.6	56.2
Miscellaneous	36.7	47.6	49.5	36.9
<b>Household income</b>				
Less than \$30,000	30.1	34.8	33.7	34.5
\$30,000–\$49,999	31.9	37.1	41.4	43.1
\$50,000 or more	35.4	41.0	52.5	51.4
<b>Years at current residence</b>				
1 year or less	28.7	32.9	35.9	41.1
2–5 years	31.2	36.6	35.6	38.3
6–10 years	33.0	32.9	42.3	42.2
11–20 years	33.7	42.6	46.6	45.3
More than 20 years	30.9	37.5	44.5	45.4
<b>Housing status</b>				
Own	33.2	38.3	44.8	46.8
Rent	28.7	34.1	29.5	32.3
Free/other	26.9	32.4	38.3	44.4

**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** The percentages shown were calculated using the population weights provided by Statistics Canada. Those categorized as “not stated,” “refused,” or “don’t know” were excluded from the calculation of the percentages. See Table C.59 for the unweighted sample sizes for this table.

**Table B.5: Percent of EI Claimants Who Were Engaged in Informal Volunteer Activities During 1997, by Characteristics**

Characteristics	Male Claimants		Female Claimants	
	Repeat	Occasional	Repeat	Occasional
<b>Region</b>				
Atlantic	68.2	68.7	74.4	75.1
Quebec	60.9	58.6	57.6	53.7
Ontario	64.0	67.3	71.0	66.8
Prairies	65.4	70.6	77.1	73.3
British Columbia	65.2	65.7	63.8	67.6
<b>Urban/Rural residence</b>				
Urban	62.7	62.2	63.1	63.7
Rural	65.6	74.8	71.1	69.8
<b>Age</b>				
25–34 years	67.3	65.8	67.0	64.4
35–44 years	64.6	67.2	67.4	68.2
45 years and older	60.4	61.9	65.0	62.4
<b>Education</b>				
No high school diploma	60.8	64.7	61.8	58.6
High school diploma or higher	67.6	65.4	68.7	67.3
<b>Immigrant status</b>				
Born in Canada	65.5	67.8	68.5	68.5
Immigrant	50.4	55.1	51.5	52.5
<b>Marital status</b>				
Spouse or partner	63.9	65.1	66.4	65.8
No spouse or partner	64.2	64.8	65.7	63.5
<b>Number of children</b>				
None	63.9	65.5	65.4	63.5
One	63.5	64.4	65.7	62.4
Two	65.1	63.5	67.8	70.4
Three	63.1	64.7	70.3	71.4
Four or more	69.2	71.0	72.3	66.9
<b>Occupational prestige</b>				
Managerial/professional	70.4	66.4	71.4	73.8
Middle management	68.9	65.5	71.9	71.1
Skilled worker	64.7	68.9	65.0	64.4
Unskilled worker	61.0	60.6	63.6	61.0
<b>Industry</b>				
Primary industries	63.7	68.8	60.2	51.2
Manufacturing	67.2	67.6	57.1	61.8
Construction	62.6	64.5	67.9	44.4
Transportation, communication, utilities	61.5	66.6	70.9	73.2
Trade	65.7	62.6	65.0	60.4
Business and personal finance	65.0	59.4	64.1	65.8
Community services	66.1	74.4	72.3	72.2
Public administration	64.2	73.9	66.2	73.6
Miscellaneous	63.6	72.5	63.0	67.1
<b>Household income</b>				
Less than \$30,000	65.3	62.9	64.7	65.3
\$30,000–\$49,999	63.9	67.4	67.7	65.1
\$50,000 or more	67.9	68.8	70.1	68.6

(continued)

**Table B.5: Percent of EI Claimants Who Were Engaged in Informal Volunteer Activities During 1997, by Characteristics (Cont'd)**

Characteristics	Male Claimants		Female Claimants	
	Repeat	Occasional	Repeat	Occasional
<b>Years at current residence</b>				
1 year or less	67.3	64.5	64.6	64.3
2–5 years	62.5	65.3	62.2	64.9
6–10 years	64.5	63.9	68.8	66.7
11–20 years	63.4	67.0	66.0	65.5
More than 20 years	62.9	65.5	71.3	65.4
<b>Housing status</b>				
Own	63.7	65.7	67.7	67.4
Rent	64.7	64.0	62.7	61.4
Free/other	63.4	69.1	61.5	68.5

**Source:** Calculations are based on the Survey on Repeat Use of Employment Insurance (SRUEI).

**Notes:** The percentages shown were calculated using the population weights provided by Statistics Canada. Those categorized as “not stated,” “refused,” or “don’t know” were excluded from the calculation of the percentages. See Table C.59 for the unweighted sample sizes for this table.



## Appendix C: Unweighted Sample Sizes

This appendix contains the unweighted sample sizes for the tables and figures in this report.

**Table C.1: Age and Repeat Use of Employment Insurance (Unweighted Sample Sizes for Figure 2.1)**

Age	Male Claimants	Female Claimants
25–34	4,071	2,363
35–44	3,924	2,891
45–54	2,507	2,309
55+	1,577	969
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.2: Number of Repeat Users of Employment Insurance in Each Region (Unweighted Sample Sizes for Table 2.1)**

Region	Male Claimants	Female Claimants
Atlantic	2,891	1,902
Quebec	1,820	1,158
Ontario	1,532	981
West	3,044	1,577
<b>Total</b>	<b>9,287</b>	<b>5,618</b>

**Table C.3: Region and Repeat Use of Employment Insurance (Unweighted Sample Sizes for Figure 2.2)**

Region	Male Claimants	Female Claimants
Atlantic	3,685	2,805
Quebec	2,117	1,417
Ontario	1,952	1,397
West	4,325	2,913
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.4: Urban/Rural Residence and Repeat Use of Employment Insurance (Unweighted Sample Sizes for Figure 2.3)**

	Male Claimants	Female Claimants
Urban	6,812	4,999
Rural	5,250	3,513
Not stated	17	20
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.5: Household Income in 1997 and Repeat Use of Employment Insurance (Unweighted Sample Sizes for Figure 2.4)**

Household Income	Male Claimants	Female Claimants
Less than \$20,000	1,710	1,377
\$20,000–\$29,999	2,370	1,362
\$30,000–\$49,999	3,795	2,205
\$49,999–\$59,999	1,048	764
\$60,000 or more	1,531	1,323
Not stated	1,625	1,501
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.6: Education and Repeat Use of Employment Insurance (Unweighted Sample Sizes for Figure 2.5)**

Education	Male Claimants	Female Claimants
Less than high school	5,265	2,252
High school	3,430	2,382
Some non-university post-secondary education	624	569
Completed non-university post-secondary education	1,406	1,414
Some university education	394	519
Completed university education	724	1,199
Other	121	132
Don't know, refused	115	75
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.7: Birthplace and Repeat Use of Employment Insurance (Unweighted Sample Sizes for Figure 2.6)**

Birthplace	Male Claimants	Female Claimants
Native born	10,637	7,366
Immigrant		
Immigrated 10 years ago or less	414	293
Immigrated more than 10 years ago	958	819
Missing	70	54
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.8: Number of Repeat and Occasional Claimants Not Born in Canada, by Gender and Frequency of EI Use (Unweighted Sample Sizes for Table 2.2)**

Birthplace	Male Claimants	Female Claimants
Immigrant		
Immigrated 10 years ago or less	414	293
Immigrated more than 10 years ago	958	819
Missing	70	54
<b>Total</b>	<b>1,442</b>	<b>1,166</b>

**Table C.9: Number of Respondents Who Worked in 1997 (Unweighted Sample Sizes for Figure 3.1)**

	Male Claimants	Female Claimants
Repeat claimants	9,287	5,618
Occasional claimants	2,792	2,914
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.10: Number of Respondents Who Worked in 1997, by Age (Unweighted Sample Sizes for Figure 3.2)**

Age	All Claimants
25–34	6,434
35–44	6,815
45 and older	7,362
<b>Total</b>	<b>20,611</b>

**Table C.11: Number of Hours Worked in 1997, by Category (Unweighted Sample Sizes for Figure 3.3)**

	Male Claimants	Female Claimants
Less than 1,000 hours	2,964	3,104
1,000–1,499 hours	2,704	1,968
1,500–1,999 hours	2,665	1,467
2,000–2,499 hours	1,624	527
2,500 or more hours	448	77
Did not work or missing	1,674	1,389
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.12: Year First Employed by Main 1997 Employer (Unweighted Sample Sizes for Figure 3.4)**

	Male Claimants	Female Claimants
First employed in 1997	2,889	1,695
First employed in 1996	1,361	911
First employed between 1993 and 1995	2,104	1,449
First employed between 1987 and 1992	2,542	2,083
First employed before 1987	2,298	1,472
Did not work or missing	885	922
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.13: Number of Employers (Unweighted Sample Sizes for Figure 3.5)**

	Male Claimants	Female Claimants
None	681	829
One	8,178	5,982
Two	2,309	1,343
Three or more	911	378
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.14: Number of Respondents With Breaks in Their 1997 Employment (Unweighted Sample Sizes for Figure 3.6)**

	Male Claimants	Female Claimants
Had a break	8,067	5,239
Did not have a break	3,808	3,189
Missing	204	104
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.15: Number of Respondents Who Expected to Be Recalled, Among Those Who Experienced an Employment Break From Their Main Employer (Unweighted Sample Sizes for Figure 3.7)**

	Male Claimants	Female Claimants
Had a break	8,067	5,239
Expected to be recalled after the break	6,222	4,153
Did not expect to be recalled after the break	1,845	1,086
Did not have a break	4,012	3,293
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.16: Number of Respondents Whose Main Job in 1997 Was Seasonal (Unweighted Sample Sizes for Figure 3.8)**

	Male Claimants	Female Claimants
Seasonal	6,230	3,159
Non-seasonal	4,594	4,222
Not working or not stated	1,255	1,151
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.17: Number of Respondents Working for at Least One Week in Each Month of 1997  
(Unweighted Sample Sizes for Figure 3.9)**

	Male Claimants	Female Claimants
January		
Worked	4,897	4,701
Did not work	6,690	3,615
Not stated	492	216
Total	12,079	8,532
February		
Worked	5,308	4,939
Did not work	6,279	3,377
Not stated	492	216
Total	12,079	8,532
March		
Worked	6,075	5,169
Did not work	5,512	3,147
Not stated	492	216
Total	12,079	8,532
April		
Worked	7,260	5,514
Did not work	4,327	2,802
Not stated	492	216
Total	12,079	8,532
May		
Worked	8,581	6,053
Did not work	3,006	2,263
Not stated	492	216
Total	12,079	8,532
June		
Worked	9,340	6,306
Did not work	2,247	2,010
Not stated	492	216
Total	12,079	8,532
July		
Worked	9,359	5,541
Did Not Work	2,228	2,775
Not Stated	492	216
Total	12,079	8,532
August		
Worked	9,399	5,411
Did not work	2,188	2,905
Not stated	492	216
Total	12,079	8,532

(continued)

**Table C.17: Number of Respondents Working for at Least One Week in Each Month of 1997  
(Unweighted Sample Sizes for Figure 3.9) (Cont'd)**

	Male Claimants	Female Claimants
September		
Worked	9,668	6,389
Did not work	1,919	1,927
Not stated	492	216
Total	12,079	8,532
October		
Worked	9,380	6,256
Did not work	2,207	2,060
Not stated	492	216
Total	12,079	8,532
November		
Worked	8,551	5,854
Did not work	3,036	2,462
Not stated	492	216
Total	12,079	8,532
December		
Worked	7,273	5,560
Did not work	4,314	2,756
Not stated	492	216
Total	12,079	8,532

**Table C.18: Distribution of Male Repeat and Occasional Claimants Across Industrial Categories (Unweighted Sample Sizes for Figures 3.10 and 3.11)**

Industrial Category	Repeat	Occasional	Total
Public administration	425	99	524
Miscellaneous	182	82	264
Community services	605	231	836
Business and personal finance	432	316	748
Trade	525	380	905
Transportation, communication, utilities	846	233	1,079
Construction	3,151	436	3,587
Manufacturing	1,353	454	1,807
Primary industries	1,388	237	1,625
Total with valid industry	8,907	2,468	11,375
Valid skip or not stated	380	324	704
<b>Total</b>	<b>9,287</b>	<b>2,792</b>	<b>12,079</b>

**Table C.19: Distribution of Female Repeat and Occasional Claimants Across Industrial Categories (Unweighted Sample Sizes for Figures 3.12 and 3.13)**

<b>Industrial Category</b>	<b>Repeat</b>	<b>Occasional</b>	<b>Total</b>
Public administration	285	128	413
Miscellaneous	106	83	189
Community services	2,049	774	2,823
Business and personal finance	901	591	1,492
Trade	427	386	813
Transportation, communication, utilities	232	103	335
Construction	133	43	176
Manufacturing	750	258	1,008
Primary industries	348	88	436
Total with valid industry	5,231	2,454	7,685
Valid skip or not stated	387	460	847
<b>Total</b>	<b>5,618</b>	<b>2,914</b>	<b>8,532</b>

**Table C.20: Distribution of Occupational Prestige for Males Working in 1997 (Unweighted Sample Sizes for Figure 3.14)**

<b>Occupational Prestige Category</b>	<b>Repeat</b>	<b>Occasional</b>	<b>Total</b>
Managerial/Professional	217	142	359
Middle management	568	325	893
Skilled workers	5,318	1,314	6,632
Unskilled workers	2,802	684	3,486
Valid skip	361	320	681
Not stated	21	7	28
<b>Total</b>	<b>9,287</b>	<b>2,792</b>	<b>12,079</b>

**Table C.21: Distribution of Occupational Prestige for Females Working in 1997 (Unweighted Sample Sizes for Figure 3.15)**

<b>Occupational Prestige Category</b>	<b>Repeat</b>	<b>Occasional</b>	<b>Total</b>
Managerial/Professional	242	450	692
Middle management	512	1,084	1,596
Skilled workers	1,089	2,170	3,259
Unskilled workers	607	1,526	2,133
Valid skip	453	376	829
Not stated	11	12	23
<b>Total</b>	<b>2,914</b>	<b>5,618</b>	<b>8,532</b>

**Table C.22: Distribution of Wages for All Male Claimants Who Worked in 1997  
(Unweighted Sample Sizes for Figure 3.16)**

<b>Earnings Category</b>	<b>Male Claimants</b>
Less than \$8.00 per hour	755
\$8.00–\$11.99 per hour	2,624
\$12.00–\$15.99 per hour	2,809
\$16.00 or more per hour	3,966
Missing or valid skip	1,925
<b>Total</b>	<b>12,079</b>

**Table C.23: Distribution of Total Annual Earnings for All Male Claimants Who  
Worked in 1997 (Unweighted Sample Sizes for Figure 3.17)**

<b>Earnings Category</b>	<b>Male Claimants</b>
Less than \$10,000	2,960
\$10,000–\$19,999	2,918
\$20,000–\$29,999	2,105
More than \$30,000	2,466
Not working or missing	1,630
<b>Total</b>	<b>12,079</b>

**Table C.24: Distribution of Wages of Female Claimants (Unweighted Sample Sizes  
for Figure 3.18)**

<b>Earnings Category</b>	<b>Female Claimants</b>
Less than \$8.00 per hour	1,686
\$8.00–\$11.99 per hour	2,303
\$12.00–\$15.99 per hour	1,504
\$16.00 per hour or more	1,240
Missing or valid skip	1,799
<b>Total</b>	<b>8,532</b>

**Table C.25: Distribution of Total Earnings for All Female Claimants Who Worked in  
1997 (Unweighted Sample Sizes for Figure 3.19)**

<b>Earnings Category</b>	<b>Female Claimants</b>
Less than \$10,000	3,590
\$10,000–\$19,999	2,169
\$20,000–\$29,999	1,028
More than \$30,000	447
Not working or missing	1,298
<b>Total</b>	<b>8,532</b>



**Table C.26: Numbers of Workers in Household (Unweighted Sample Sizes for Table 3.1)**

	Male Claimants	Female Claimants
No household member worked	328	254
Only respondent worked — one-person household	1,463	660
Only respondent worked — multiple-person household	2,728	1,091
Other household member worked	7,560	6,527
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.27: Sources of Household Income (Unweighted Sample Sizes for Table 3.2)**

	Male Claimants	Female Claimants
<b>Employment Insurance</b>		
Yes	9,237	645
No	2,603	1,946
Missing	239	171
<b>Income Assistance</b>		
Yes	841	536
No	11,106	7,865
Missing	222	131
<b>Other government programs (e.g., Child Tax Benefit)</b>		
Yes	4,339	3,508
No	7,299	4,833
Missing	441	191
<b>Pensions</b>		
Yes	1,305	1,021
No	10,562	7,394
Missing	212	117
<b>Interest and dividends</b>		
Yes	1,717	1,365
No	9,976	6,906
Missing	386	261
<b>Miscellaneous sources</b>		
Yes	421	634
No	11,435	7,751
Missing	223	127
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.28: Total Household Income by Earnings Group (Unweighted Sample Sizes for Figures 3.20 and 3.21)**

Earnings Group	Household Income									
	Male Claimants					Female Claimants				
	Less Than \$30,000	\$30,000–\$50,000	More Than \$50,000	Missing	Total	Less Than \$30,000	\$30,000–\$50,000	More Than \$50,000	Missing	Total
Less than \$10,000	1,574	681	297	408	2,960	1,480	911	600	599	3,590
\$10,000–19,999	1,337	901	383	297	2,918	635	653	578	303	2,169
\$20,000–29,999	513	936	463	193	2,105	192	270	440	126	1,028
More than 30,000	177	894	1,206	189	2,466	39	121	251	36	447
Not working or missing	479	383	230	538	1,630	393	250	218	437	1,298
<b>Total</b>	<b>4,080</b>	<b>3,795</b>	<b>2,579</b>	<b>1,625</b>	<b>12,079</b>	<b>2,739</b>	<b>2,205</b>	<b>2,087</b>	<b>1,501</b>	<b>8,532</b>

**Table C.29: Satisfaction With Overall Employment Situation (Unweighted Sample Sizes for Figure 4.1)**

	Male Claimants	Female Claimants
Very dissatisfied	2,011	1,343
Somewhat dissatisfied	1,779	1,131
Neither	473	400
Somewhat satisfied	3,626	2,288
Very satisfied	3,730	3,078
Don't know	244	145
Refused	216	147
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.30: Satisfaction With 1997 Income (Unweighted Sample Sizes for Figure 4.2)**

	Male Claimants	Female Claimants
Very dissatisfied	2,221	1,723
Somewhat dissatisfied	2,167	1,462
Neither	260	294
Somewhat satisfied	4,297	2,763
Very satisfied	2,700	1,988
Don't know	216	150
Refused	218	152
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.31: Satisfaction With the Kind of Paid Work Done (Unweighted Sample Sizes for Figure 4.3)**

	Male Claimants	Female Claimants
Very dissatisfied	587	433
Somewhat dissatisfied	653	498
Neither	363	429
Somewhat satisfied	3,647	2,217
Very satisfied	6,329	4,578
Don't know	270	203
Refused	230	174
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.32: Predisposition to Change, in General (Unweighted Sample Sizes for Table 4.1)**

	Male Claimants	Female Claimants
<b>“I don’t like to try anything new . . . ”</b>	328	254
Strongly agree	1,361	713
Somewhat agree	1,862	1,015
Neither	284	197
Somewhat disagree	3,642	2,769
Strongly disagree	4,298	3,442
Don’t know	400	234
Refused	232	162
Total	12,079	8,532
<b>“Everything is changing too fast.”</b>		
Strongly agree	2,167	1,517
Somewhat agree	1,886	1,345
Neither	405	318
Somewhat disagree	3,521	2,458
Strongly disagree	3,545	2,538
Don’t know	315	184
Refused	240	172
Total	12,079	8,532
<b>“There is little I can do to change the important things . . . ”</b>		
Strongly agree	1,497	846
Somewhat agree	1,734	959
Neither	436	301
Somewhat disagree	2,594	1,901
Strongly disagree	5,105	4,079
Don’t know	469	279
Refused	244	167
Total	12,079	8,532

**Table C.33: Agreement With the Statement “There Will Always Be Enough Work Available for People With My Skills” (Unweighted Sample Sizes for Figure 4.4)**

	Male Claimants	Female Claimants
Strongly agree	4,305	2,474
Somewhat agree	2,612	1,823
Neither	343	319
Somewhat disagree	1,922	1,610
Strongly disagree	2,232	1,825
Don’t know	436	322
Refused	229	159
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.34: Agreement With the Statement “I Deserve to Collect All My Weeks of EI Benefits Because I Paid Into It” (Unweighted Sample Sizes for Figure 4.5)**

	Male Claimants	Female Claimants
Strongly agree	3,688	2,798
Somewhat agree	2,066	1,612
Neither	633	487
Somewhat disagree	2,059	1,460
Strongly disagree	2,965	1,728
Don't know	392	253
Refused	276	194
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.35: Agreement With the Statement “The Kind of Work I Get Means That Having to Depend on EI From Time to Time Is Just a Fact of Life” (Unweighted Sample Sizes for Figure 4.6)**

	Male Claimants	Female Claimants
Strongly agree	4,344	2,532
Somewhat agree	3,561	2,393
Neither	416	392
Somewhat disagree	1,421	1,193
Strongly disagree	1,711	1,542
Don't know	358	294
Refused	268	186
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.36: Agreement With the Statement “I Am Worried That It May Not Be Long Before There Is No EI Program” (Unweighted Sample Sizes for Figure 4.7)**

	Male Claimants	Female Claimants
Strongly agree	3,863	2,912
Somewhat agree	2,941	2,115
Neither	903	703
Somewhat disagree	1,807	1,245
Strongly disagree	1,671	930
Don't know	633	444
Refused	261	183
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.37: Number of All SRUEI Respondents Who Were Unemployed for All or Part of 1997 (Unweighted Sample Sizes for Figure 5.1)**

	Male Claimants	Female Claimants
Employed continuously for one employer in 1997	1,321	1,189
Unemployed for all or part of 1997	10,758	7,343
<b>Total</b>	<b>12,079</b>	<b>8,532</b>

**Table C.38: Number of SRUEI Respondents Who Looked for Work While Unemployed for All or Part of 1997 (Unweighted Sample Sizes for Figure 5.2)**

	Male Claimants	Female Claimants
Looked for work while unemployed	7,515	4,987
Did not look for work while unemployed	3,163	2,297
Don't know	37	26
Refused	43	33
<b>Total</b>	<b>10,758</b>	<b>7,343</b>

**Table C.39: Methods of Job Search (Unweighted Sample Sizes for Table 5.1)**

Job-Search Method	Male Claimants	Female Claimants
<b>Contacting employers directly</b>		
Yes	6,709	4,434
No	788	537
Missing	18	16
Total	7,515	4,987
<b>Contacting friends or neighbours</b>		
Yes	5,968	4,092
No	1,528	884
Missing	19	11
Total	7,515	4,987
<b>Government agency</b>		
Yes	5,854	3,963
No	1,647	1,010
Missing	14	14
Total	7,515	4,987
<b>Newspapers</b>		
Yes	3,970	3,213
No	3,510	1,744
Missing	35	30
Total	7,515	4,987
<b>Private employment agencies</b>		
Yes	1,209	933
No	6,272	4,034
Missing	34	20
Total	7,515	4,987
<b>Unions</b>		
Yes	1,791	289
No	5,707	4,687
Missing	17	11
Total	7,515	4,987

**Table C.40: Number of Job-Search Activities Utilized by Respondents Who Were Unemployed for All or Part of 1997 and Who Looked for Work While Unemployed (Unweighted Sample Sizes for Table 5.2)**

Number of Techniques Utilized	Male Claimants	Female Claimants
1	417	269
2	1,153	754
3	2,177	1,360
4	2,483	1,796
5	1,071	725
6	160	43
Missing	54	40
<b>Total</b>	<b>7,515</b>	<b>4,987</b>

**Table C.41: Time Spent on Job-Search Activities (Unweighted Sample Sizes for Table 5.3)**

Number of Hours	Male Claimants	Female Claimants
0-5	2,091	1,741
6-10	1,770	1,165
11-15	811	451
16-20	949	481
More than 20	911	477
Missing	983	672
<b>Total</b>	<b>7,515</b>	<b>4,987</b>

**Table C.42: Number of Respondents Who “Had a Break” in 1997 of Those Who Were Unemployed for All of Part of 1997, by Recall Expectations (Unweighted Sample Sizes for Table 5.4)**

	Male Claimants	Female Claimants
Experienced a break		
Expected recall from break	6,136	4,129
Did not expect recall from break	1,824	1,071
Did not experience a break	2,594	2,039
Missing	204	104
<b>Total</b>	<b>10,758</b>	<b>7,343</b>

**Table C.43: Hours Spent in Job-Search Activities for Those Who Experienced a Break From Their Main 1997 Employer, by Recall Expectations (Unweighted Sample Sizes for Table 5.5)**

	Male Claimants	Female Claimants
<b>Expected recall from break</b>		
0–5 hours	1,441	1,221
6–10 hours	1,123	690
11–15 hours	435	215
16–20 hours	464	225
More than 20 hours	398	167
Valid skip	1,670	1,194
Not stated	605	417
Total	6,136	4,129
<b>Did not expect recall from break</b>		
0–5 hours	408	252
6–10 hours	329	197
11–15 hours	182	109
16–20 hours	202	99
More than 20 hours	216	109
Valid skip	295	198
Not stated	192	107
Total	1,824	1,071

**Table C.44: Number Very Likely or Somewhat Likely to Accept a Hypothetical New Job, by Work Status in 1997 (Unweighted Sample Sizes for Table 5.6)**

	Male Claimants	Female Claimants
<b>Scenario 1</b>		
All those unemployed in 1997		
Likely to accept new job	9,287	6,268
Not likely to accept new job	855	656
Don't know	420	303
Refused	196	116
Total	10,758	7,343
Unemployed in 1997 and experienced a break		
Likely to accept new job	6,926	4,502
Not likely to accept new job	616	435
Don't know	284	189
Refused	134	74
Total	7,960	5,200
Expected recall from break		
Likely to accept new job	5,335	3,575
Not likely to accept new job	487	349
Don't know	213	151
Refused	101	54
Total	6,136	4,129

(continued)



**Table C.44: Number Very Likely or Somewhat Likely to Accept a Hypothetical New Job, by Work Status in 1997 (Unweighted Sample Sizes for Table 5.6) (Cont'd)**

	Male Claimants	Female Claimants
<b>Scenario 1</b>		
Did not expect recall from break		
Likely to accept new job	1,591	927
Not likely to accept new job	129	86
Don't know	71	38
Refused	33	20
Total	1,824	1,071
<b>Scenario 2</b>		
All those unemployed in 1997		
Likely to accept new job	8,118	5,526
Not likely to accept new job	1,607	1,087
Don't know	835	613
Refused	198	117
Total	10,758	7,343
Unemployed in 1997 and experienced a break		
Likely to accept new job	6,077	3,950
Not likely to accept new job	1,156	774
Don't know	592	401
Refused	135	75
Total	7,960	5,200
Expected recall from break		
Likely to accept new job	4,698	3,133
Not likely to accept new job	889	626
Don't know	447	315
Refused	102	55
Total	6,136	4,129
Did not expect recall from break		
Likely to accept new job	1,379	817
Not likely to accept new job	267	148
Don't know	145	86
Refused	33	20
Total	1,824	1,071
<b>Scenario 3</b>		
All those unemployed in 1997		
Likely to accept new job	3,067	820
Not likely to accept new job	6,756	6,097
Don't know	740	306
Refused	195	120
Total	10,758	7,343
Unemployed in 1997 and experienced a break		
Likely to accept new job	2,265	559
Not likely to accept new job	5,035	4,372
Don't know	525	192
Refused	135	77
Total	7,960	5,200

(continued)

**Table C.44: Number Very Likely or Somewhat Likely to Accept a Hypothetical New Job, by Work Status in 1997 (Unweighted Sample Sizes for Table 5.6) (Cont'd)**

	Male Claimants	Female Claimants
<b>Scenario 3</b>		
Expected recall from break		
Likely to accept new job	1,632	412
Not likely to accept new job	4,018	3,511
Don't know	384	150
Refused	102	56
Total	6,136	4,129
Did not expect recall from break		
Likely to accept new job	633	147
Not likely to accept new job	1,017	861
Don't know	141	42
Refused	33	21
Total	1,824	1,071

**Table C.45: Reasons for Not Searching for Work While Unemployed (Unweighted Sample Sizes for Figure 5.3)**

	Male Claimants	Female Claimants
Expecting to be called back to work	1,088	679
Working/going to school	697	480
Personal reasons/retired	327	410
Other	232	171
Missing	14	14
Total who did not experience a period of unemployment during which they looked for work and who did not work in every month	2,359	1,754
Total who did not experience a period of unemployment during which they looked for work	3,163	2,297
Total who were unemployed for all or part of 1997	10,758	7,343

**Table C.46: Receipt of Employment Insurance in 1997 (Unweighted Sample Sizes for Table 5.7)**

	Male Claimants		Female Claimants	
	Repeat	Occasional	Repeat	Occasional
Received Employment Insurance in 1997 <sup>a</sup>	8,396	2,338	4,914	2,409
Received at least \$1 in regular benefits <sup>b</sup>	7,687	1,813	4,359	1,841

<sup>a</sup>These sample sizes correspond to the top three sections of Table 5.7.

<sup>b</sup>These sample sizes correspond to the bottom section of Table 5.7.

**Table C.47: The Presence of Young Children, the Likelihood of Being a Primary Caregiver, and Job Search (Unweighted Sample Sizes for Table 5.8)**

	Male Claimants	Female Claimants
Child less than age 6 in household	8,836	6,198
No children less than age 6 in household	1,922	1,145
<b>Total</b>	<b>10,758</b>	<b>7,343</b>
Child age 6–12 in household	8,387	5,615
No children age 6–12 in household	2,371	1,728
<b>Total</b>	<b>10,758</b>	<b>7,343</b>
No children under age 12	9,250	5,371
Of those with no children under age 12, number who		
Looked for work	6,420	3,632
Did not look for work	2,757	1,686
Missing	73	53
Primary caregiver for a child under age 12	1,483	1,963
Of primary caregivers for children under age 12, number who		
Looked for work	1,079	1,351
Did not look for work	398	606
Missing	6	6
Missing	25	9
<b>Total</b>	<b>10,758</b>	<b>7,343</b>

**Table C.48: Gender and Frequency of EI Use (Unweighted Sample Sizes for Figure A.1)**

	Male Claimants	Female Claimants
<b>Total</b>	<b>1,246</b>	<b>522</b>

**Table C.49: The Number of SRUEI Respondents Under 25 Years of Age in Each Region (Unweighted Sample Sizes for Table A.1)**

	Male and Female Claimants Combined
Atlantic	758
Quebec	237
Ontario	166
Prairies	463
British Columbia	157
<b>Total</b>	<b>1,781</b>

**Table C.50: Household Income and the Repeat Use of Employment Insurance  
(Unweighted Sample Sizes for Figure A.2)**

Household Income	Number of Repeat Users
Less than \$20,000	357
\$20,000–\$29,999	265
\$30,000–\$49,999	355
\$49,999–\$59,999	109
\$60,000 or more	235
Not stated	447
<b>Total</b>	<b>1,768</b>

**Table C.51: Respondents With Breaks in Their 1997 Employment (Unweighted Sample Sizes for Figure A.3)**

	Male Claimants	Female Claimants
Had a “break”	816	305
Did not have a “break”	367	168
Valid skip	48	42
Missing	15	7
<b>Total</b>	<b>1,246</b>	<b>522</b>

**Table C.52: Number Who Experienced an Employment Break That Was an Extended Absence (Unweighted Sample Sizes for Figure A.4)**

	Male Claimants	Female Claimants
Had a “break”		
Expected to be recalled after the “break”	518	184
Did not expect to be recalled after the “break”	298	121
Did not have a “break”	415	210
Not stated	15	7
<b>Total</b>	<b>1,246</b>	<b>522</b>

**Table C.53: Satisfaction With Overall Employment Situation (Unweighted Sample Sizes for Figure A.5)**

	Male Claimants	Female Claimants
Very dissatisfied	162	87
Somewhat dissatisfied	189	77
Neither	44	24
Somewhat satisfied	467	189
Very satisfied	360	136
Missing	24	9
<b>Total</b>	<b>1,246</b>	<b>522</b>

**Table C.54: Agreement With the Statement “I Deserve to Collect All My Weeks of EI Benefits Because I Paid Into It” (Unweighted Sample Sizes for Figure A.6)**

	Male Claimants	Female Claimants
Strongly agree	418	169
Somewhat agree	281	132
Neither	52	26
Somewhat disagree	217	81
Strongly disagree	245	99
Missing	33	15
<b>Total</b>	<b>1,246</b>	<b>522</b>

**Table C.55: Number of SRUEI Respondents Under the Age of 25 Who Looked for Work While Unemployed for All or Part of 1997 (Unweighted Sample Sizes for Figure A.7)**

	Male Claimants	Female Claimants
Looked for work while unemployed	796	329
Did not look for work while unemployed	304	120
Don't know	2	1
Refused	7	0
<b>Total</b>	<b>1,109</b>	<b>450</b>

**Table C.56: Methods of Job Search (Unweighted Sample Sizes for Table A.2)**

	Male Claimants	Female Claimants
<b>Contacting employers directly?</b>		
Yes	791	313
No	82	45
Valid skip	235	91
Don't know	1	1
<b>Total</b>	<b>1,109</b>	<b>450</b>
<b>Contacting friends/neighbours?</b>		
Yes	734	306
No	139	52
Valid skip	235	91
Don't know	1	1
<b>Total</b>	<b>1,109</b>	<b>450</b>
<b>Government agency?</b>		
Yes	653	282
No	217	75
Valid skip	235	91
Don't Know	4	2
<b>Total</b>	<b>1,109</b>	<b>450</b>
<b>Newspapers?</b>		
Yes	507	242
No	361	114
Valid skip	235	91
Don't know	6	3
<b>Total</b>	<b>1,109</b>	<b>450</b>

(continued)

**Table C.56: Methods of Job Search (Unweighted Sample Sizes for Table A.2) (Cont'd)**

	Male Claimants	Female Claimants
<b>Employment agencies?</b>		
Yes	114	51
No	758	306
Valid skip	235	91
Don't know	2	2
<b>Total</b>	<b>1,109</b>	<b>450</b>
<b>Unions?</b>		
Yes	77	5
No	791	353
Valid skip	235	91
Don't know	6	1
<b>Total</b>	<b>1,109</b>	<b>450</b>

**Table C.57: Time Spent on Job-Search Activities (Unweighted Sample Sizes for Table A.3)**

	Male Claimants	Female Claimants
One	417	269
Two	1,153	754
Three	2,177	1,360
Four	2,483	1,796
Five	1,071	725
Six	160	43
Missing	54	40
<b>Total</b>	<b>7,515</b>	<b>4,987</b>

**Table C.58: Respondents Who "Had a Break" in 1997 of Those Who Were Unemployed for All or Part of 1997, by Recall Expectations (Unweighted Sample Sizes for Table A.4)**

	Male Claimants	Female Claimants
Experienced a break		
Expected recall from break	509	182
Did not expect recall from break	292	117
Did not experience a break	293	144
Missing	15	7
<b>Total</b>	<b>1,109</b>	<b>450</b>

**Table C.59: Unweighted Sample Sizes for the SRUEI**

Male Claimants		Female Claimants		All Claimants		
Repeat	Occasional	Repeat	Occasional	Repeat	Occasional	Total
9,287	2,792	5,618	2,914	14,905	5,706	20,611

## Appendix D: Characteristics of EI Claimants

Table D.1 shows the complete set of demographic variables used in the Survey on Repeat Use of Employment Insurance.

**Table D.1: Characteristics of EI Claimants (%)**

Characteristics	Male Claimants		Female Claimants		All Claimants		
	Repeat	Occasional	Repeat	Occasional	Repeat	Occasional	Total
<b>Age</b>							
25–34 years	31.5	40.9	23.1	34.6	28.4	37.9	32.9
35–44 years	33.0	28.6	33.6	34.2	33.2	31.3	32.3
45–54 years	21.6	18.9	30.1	21.9	24.7	20.3	22.6
55 years and older	14.0	11.6	13.2	9.3	13.7	10.5	12.2
<b>Region</b>							
Atlantic	21.5	8.4	22.1	9.3	21.7	8.8	15.6
Quebec	36.9	29.7	39.2	26.9	37.7	28.3	33.3
Ontario	21.0	33.5	21.4	35.8	21.1	34.6	27.5
West (British Columbia and Prairies)	20.7	28.4	17.3	28.0	19.5	28.2	23.6
<b>Urban/Rural residence</b>							
Urban	56.4	78.2	60.6	76.8	57.9	77.5	67.2
Rural	43.5	21.8	39.2	23.2	41.9	22.5	32.7
Not stated	0.2	0.0	0.3	0.1	0.2	0.0	0.1
<b>Household Income</b>							
Less than \$20,000	12.4	19.5	14.8	17.1	13.3	18.3	15.7
\$20,000–\$29,999	20.3	16.7	16.5	14.4	18.9	15.6	17.3
\$30,000–\$49,999	33.5	26.2	26.9	23.3	31.1	24.8	28.1
\$50,000–\$59,999	9.2	8.3	9.4	10.0	9.3	9.1	9.2
\$60,000 or more	12.8	14.7	16.4	17.1	14.2	15.9	15.0
Not stated	11.9	14.6	15.9	18.2	13.4	16.4	14.8
<b>Education</b>							
Highest educational attainment							
Did not complete high school	48.1	27.9	30.5	18.4	41.6	23.3	32.9
Graduated from high school	27.6	25.8	27.3	26.7	27.5	26.2	26.9
Some post-secondary education	5.2	7.6	6.5	8.4	5.7	8.0	6.8
Completed post-secondary education	10.0	16.5	14.8	18.8	11.8	17.6	14.5
Some university	2.5	5.4	5.6	6.3	3.7	5.9	4.7
Graduated from university	4.6	13.8	12.9	18.3	7.7	15.9	11.6
Other	1.2	1.4	1.5	2.3	1.3	1.8	1.6
Don't know/refused	0.9	1.6	0.9	0.9	0.9	1.2	1.0
Have an apprenticeship diploma							
Yes	21.4	16.0	4.3	5.6	15.1	11.0	13.2
No	78.1	82.9	95.2	93.6	84.4	88.0	86.1
Don't know/refused	0.5	1.1	0.6	0.8	0.6	0.9	0.7

*(continued)*

**Table D.1: Characteristics of EI Claimants (%) (Cont'd)**

Characteristics	Male Claimants		Female Claimants		All Claimants		Total
	Repeat	Occasional	Repeat	Occasional	Repeat	Occasional	
<b>Education</b>							
Have a trade/vocational diploma							
Yes	36.8	34.6	27.4	30.0	33.3	32.4	32.9
No	62.6	64.2	71.9	69.1	66.0	66.6	66.3
Don't know/refused	0.6	1.2	0.7	1.0	0.7	1.1	0.9
<b>Immigrant status</b>							
Born in Canada	89.3	76.9	86.5	78.4	88.2	77.6	83.2
Immigrated less than 10 years ago	2.6	10.2	2.5	8.2	2.6	9.2	5.7
Immigrated over 10 years ago	7.6	11.7	10.5	12.8	8.7	12.2	10.5
Missing	0.5	1.2	0.6	0.6	0.5	0.9	0.7
<b>Housing status</b>							
Own	62.8	46.9	72.3	57.9	66.3	52.2	59.6
Rent	30.5	44.8	23.3	37.8	27.8	41.4	34.3
Free/other	6.1	7.1	3.5	3.7	5.1	5.5	5.3
Don't know/refused	0.7	1.2	0.9	0.6	0.8	0.9	0.8
<b>Years at current residence</b>							
1 year or less	19.9	27.4	14.9	27.1	18.0	27.3	22.4
2–5 years	27.9	35.3	25.8	34.4	27.1	34.9	30.8
6–10 years	17.7	14.8	18.8	16.8	18.1	15.8	17.0
11–20 years	16.9	12.1	22.7	13.0	19.1	12.5	16.0
More than 20 years	16.7	9.0	17.0	8.1	16.8	8.5	12.9
Not stated	0.9	1.4	0.8	0.6	0.9	1.0	0.9



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