

### 6.2.2 Family expenditure patterns

In addition to trend comparisons it is useful to classify the expenditure patterns of families by a number of related variables (e.g. family income, size of family, sex and age of family head, and so on) to determine the influence and effects of these various factors on family spending habits. Such classifications are available in the report *Urban family expenditure, 1972* (Catalogue No. 62-541). This Section provides a brief trend comparison of expenditure patterns for 1969-72 and a classification of family expenditures in 1972 by income levels, the latter being the most influential of all factors bearing on most items of family spending.

**Expenditure trends, 1969-72.** While the average net income of survey families of two or more persons in eight Canadian cities rose from \$10,560 in 1969 to \$12,549 in 1972, Table 6.9 indicates that there were no significant shifts in the over-all expenditure patterns of these families during this period. The one possible exception arises from the foregoing increase in average incomes which resulted in personal income taxes forming 17.6% of total family expenditure in 1972 as compared to 15.6% in 1969. Food (17.1% in 1972), shelter (15.6%), clothing (7.4%), travel and transportation (12.1%) and other major items of expenditure were all within a fraction of 1% of the proportions which they consumed of the family budget in the earlier 1969 survey year.

**Expenditure patterns by income, 1972.** Table 6.10 shows the expenditure patterns in 1972 of survey families of two or more persons arranged by income quintiles (families ranked in ascending order of income size and then divided into five equal groups). For example, the average net income before taxes of the 20% of all families comprising the lowest quintile was \$5,035 as compared to an average of \$22,696 for the 20% of families forming the highest quintile.

As might be expected the percentages of total expenditure on specific items in the family budget showed some significant differences throughout the five income quintiles. The 20% of families in the lowest group spent on the average 47.2% of their total expenditures on food and shelter alone. The proportion ranged downward to only 26.9% for the 20% of families in the highest group. The latter group spent a slightly higher proportion of their total budget on such items as clothing, furnishings, travel and recreation. But the major offsetting difference was the amount for personal taxes which represented only 6.8% of total expenditures for families in the lowest group compared with 23.5% for those in the highest quintile. Evidence of the better financial position of families in the higher quintiles, despite their much larger tax expenditures, can be seen from the net change in assets and liabilities for 1972 which ranged from an average deficit of \$305 for families in the lowest quintile group to a gain of \$2,263 for those in the highest group. Other interesting differences in the characteristics of families over the low-to-high-income ranges as shown in Table 6.10 were the following percentages: home-owners, from 34.2% of all families to 72.6%; car or truck ownership, from 43.6% to 89.3%; and wife employed full-time in the labour force, from 3.9% to 31.6%. It should be noted also that the successive income classes are not homogeneous as a group with respect to family size or number of full-time earners; average family size rose from 2.80 persons in the lowest class to 4.07 persons in the highest, and the number of full-time earners from 0.32 to 1.53 persons.

### 6.3 Federal social security programs

A wide range of income security and social service programs is provided by the federal, provincial and local governments. The publicly funded and administered programs are complemented by the activities of voluntary agencies.

Federal agencies in this field include the Unemployment Insurance Commission, the Department of Veterans Affairs, the Department of Indian Affairs and Northern Development, the Department of Manpower and Immigration and the Department of National Health and Welfare. The latter administers the Canada Pension Plan, the Old Age Security and Guaranteed Income Supplement, the Family Allowances, and the Canada Assistance Plan.

The National Council of Welfare, consisting of 21 private citizens, represents consumers and providers of welfare services and forms a link between citizens' groups and the Department of National Health and Welfare.

Since the spring of 1973 there has been a continuing federal-provincial review of Canada's social security system highlighted by meetings of federal and provincial welfare ministers. For the first meeting, held in April 1973, the Minister of National Health and Welfare