

unincorporated businesses, professional practice and farming, investment income including interest, dividends and rents; government transfer payments, for example old age pensions, family allowances; and such income as retirement pensions and alimony. It does not include the value of farm products produced and consumed on the farm. The survey income concept is broader than the income defined for the calculation of income tax since it includes such non-taxable money income as the Guaranteed Income Supplement and pensions to the blind.

Low income cut-offs are used to delineate low income family units from other family units. These cut-offs were determined separately for families of different size and living in areas of different degrees of urbanization, based on 1978 family expenditure data. Cut-offs were set at income levels where family units on average spent 58.5% or more of their income on food, shelter and clothing. The cut-offs are rebased when more recent national family expenditure data become available; between these revisions they are updated annually by the consumer price index.

5.9.2 Income trends, 1961-81

Tables 5.32 and 5.33 present family incomes in Canada over a period of years. Although sample coverage changed in 1966 to include farm families, this does not seriously affect the comparability of the data with earlier years. The first part of Table 5.32 shows that the average income (in current dollars) rose from \$5,317 in 1961 to \$30,440 in 1981, but these changes do not reflect the decrease in the purchasing power of the dollar. The second part of Table 5.32 and Table 5.33 take this into account and give the average income in constant 1971 dollars.

Average family income in Canada (total money income before taxes and deductions) moved over \$30,000 for the first time in 1981. Regionally, Ontario, the Prairies and British Columbia had average family incomes above the national average in 1981. Average family incomes ranged from a low of \$24,659 in the Atlantic provinces to a high of \$32,835 in British Columbia (Table 5.34).

In 1981 the average income of families with male heads was nearly \$31,884 and that of families with female heads was just over \$18,264 (Table 5.35). In the younger groups, families headed by males had more than twice the income of those headed by females.

Table 5.36 indicates the incidence of low incomes among families and unattached individuals and compares selected characteristics of families and unattached individuals with low incomes vis-à-vis those with higher incomes. In 1981 the incidence of low income among families (or the percentage of families below the low income cut-offs) was 12.0% and among unattached individuals it was 37.8%. Families with female heads, the majority of them

single parent families, constituted 33.8% of low income families. About 67% of low income unattached individuals were females.

5.10 Family spending

Household surveys of family spending provide consumer information that can be related to characteristics such as geographic location, family size and income level. In general, the Statistics Canada survey program has consisted of two phases: the collection, by means of monthly record-keeping surveys throughout the reference year, of detailed information on family food expenditures; and the collection of information by annual recall of all family expenditure, income and changes in assets and liabilities. The record-keeping phase was not featured in all the survey programs.

A primary use of such surveys is to provide information for constructing, reviewing and revising the weights of the consumer price index. Initially these small-scale sample expenditure surveys carried out in selected Canadian urban centres since 1953 were designed to follow changes in the patterns of a well-defined group of middle-income urban families known as the "target group" of the consumer price index. In recent years, demand for expenditure statistics to serve other needs of government, business, welfare organizations and academic research has resulted in a widening in the scope and size of the surveys.

The most recent survey, carried out in February and March 1979, refers to calendar year 1978. This survey was the first since 1969 to cover both urban and rural areas in the 10 provinces.

5.10.1 Family (spending unit) concept

In the family expenditure surveys the family or spending unit is defined as a group of persons dependent on a common or pooled income for major items of expense and living in the same dwelling, or one financially independent individual living alone. Never-married sons or daughters living with their parents are considered part of their parents' spending unit. In most cases the spending units of two or more are persons related by blood, marriage or adoption, and are thus consistent with the economic family definition used in surveys of family income. However, according to this definition, unrelated persons living in the same household would be counted as unattached individuals. Under expenditure survey definitions two or more unrelated persons may comprise one family or spending unit.

5.10.2 Family expenditure patterns

Income is the most influential of all factors bearing on most items of family spending.

Expenditure trends, 1969-78. Average income of survey families of two or more persons in Canada rose from \$9,031 in 1969 to \$21,694 in 1978 (Table