

Chapter 6

Incomes and social security

This Chapter brings together material relating to the economic well-being of the Canadian people and their families. Summary statistics on the size and distribution of family incomes and expenditures are presented in Sections 6.1 and 6.2, federal and provincial social security programs are described in Sections 6.3 to 6.6 and veterans services in Section 6.7.

Income data in Section 6.1 are those obtained in recent sample Surveys of Consumer Finances now conducted annually by Statistics Canada. A wide range of income statistics for families and individuals is also available in the reports of the decennial 1971 Census of Canada, which are particularly useful for smaller geographical areas where annual sample surveys cannot provide reliable information at these levels. However, the income distributions of the Surveys of Consumer Finances at broad regional and provincial levels are shown in the tables of this Chapter since they are available for a later year (1971 data from the 1972 survey, rather than incomes for 1970 from the 1971 Census), and they can be compared with a number of earlier surveys for selected years over the past two decades. Information on consumer spending is obtained through household surveys of family expenditure, as described in Section 6.2. Their primary use is to provide the basis of weighting in the construction of the consumer price indexes. The reader is referred to Chapter 21 for details on this important economic indicator.

6.1 Family incomes

Statistics on the distributions of income are an essential measure of the extent to which families and individuals have command over goods and services in their daily lives and of their relative freedom from want. Income statistics have many research and policy uses. They have been used, for example, by the Senate Committee on Aging in evaluating the adequacy of incomes of the older population, by the Economic Council in delineating the nature and characteristics of the poor, and by the Senate Committee on Poverty. Different government departments require these statistics to determine the need for social welfare measures as well as to evaluate and study the effects of existing and proposed measures on income distributions. Manufacturers, marketing agencies and others in the private sector make extensive use of income data to assist in estimating and projecting the demand for many types of goods and services.

Because of the importance and need for statistics on income distributions, Statistics Canada conducted its first Survey of Consumer Finances in the spring of 1952. The survey was restricted to the non-farm population in the 10 provinces. Individuals in about 7,500 households were questioned on the size and source of their cash income in 1951. Following this initial experience the survey was conducted periodically, usually once every two years. The 1966 survey extended coverage to the farm population so that the survey sample became representative of practically all private households in Canada. The only continuing exceptions are the Yukon Territory and Northwest Territories and individuals living in institutional and collective dwellings such as military camps, hospitals and prisons. Since 1972, the Surveys of Consumer Finances have been conducted in the spring of each year. A more detailed description of the survey and classifications of income (including data for unattached individuals and for all income recipients individually), will be found in the annual report *Income distributions by size in Canada*, Statistics Canada Catalogue No. 13-207.

6.1.1 Family and income concepts

Due to the various meanings and interpretations that concepts such as "family", "unattached individuals", and "income" convey in different situations, these terms are defined here as they are employed in the annual Surveys of Consumer Finances.

Family. For the purposes of the survey, a family is defined as a group of individuals sharing a common dwelling unit and related by blood, marriage or adoption. This definition, often refer-