



Update to the Rural Canada Profile

Revised: August 4, 1999

A project of the Canadian Rural Restructuring Foundation



Update to the Rural Canada Profile

A REPORT

for

**The New Rural Economy Project of
The Canadian Rural Restructuring Foundation**

August 4, 1999

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Update to the Rural Canada Profile¹

1. Introduction

This document provides a partial update to the publication entitled *Rural Canada: A Profile* produced by the Research Sub-Committee of the Interdepartmental Committee on Rural and Remote Canada (LM-347-02-95E). It examines the changes in selected rural indicators using 1986, 1991, and 1996 census data. Like the original publication, it focuses on indicators in five subject areas: demography, employment, economic well-being, social well-being, and aboriginal issues. There are three important differences, however.

First, we will focus on only a few of the original indicators. This limitation is largely the result of the resources at our disposal. We have selected those which are available through the facilities of the Data Liberation Initiative of Statistics Canada. We are thankful to Statistics Canada and Concordia University for making this possible.

The second difference is the level of analysis. Data for the original document was processed only at the level of Census Divisions (CD), following the OECD decision for identifying units of analysis. As a result, the designation of regions as "rural and remote", "intermediate" or "agglomerated" depended on the Census Division and the census consolidated sub-divisions (CCS) in it.² Our update, on the other hand, uses census subdivisions (CSDs) as the basic unit. This better approximates the community-level focus of the *New Rural Economy* Project (NRE) which has conducted most of the research, and it will permit subsequent comparisons to be more sensitive to local area variations with respect to the indicators.

Third, we use the five-fold classification of regions based on the CMA/CA divisions established by Statistics Canada. Using enumeration areas (Eas), Statistics Canada has classified EAs into the following types.

- Census Metropolitan Areas (CMA) and Census Agglomeration (CA) cores,
- the urban fringes of these cores,
- the rural fringes of these cores,
- *urban regions outside the commuting area of these cores, and*
- *rural regions outside the commuting area of these cores.*

Using the last two categories, this classification allows us to identify **Rural and Small Town areas as those which are outside the commuting zones of major urban centres**. It is slightly different than

¹ Support for this project has been provided by the Rural Secretariat of Agriculture and Agri-Food Canada. We would also like to thank Statistics Canada and Concordia University who have made much of this data available through the Data Liberation Initiative.

² A region was designated as "rural and remote" if more than 50% of the population in the CD lives in census consolidated sub-divisions (CCS) with a population density of less than 150 people per square kilometer. It was defined as "intermediate" if between 15% and 50% of its population lived in CCSs as identified above. "Agglomerated" regions had less than 15% of their population in such CCSs.

the OECD classification, however, so additional tabulations using the OECD classification for 1991 will be included where appropriate.

This document does not provide a full analysis of the data considered. Our objective is to provide a brief outline of rural indicators available as a contribution to the discussions in the NRE Project. Suggestions are welcome for additional analysis using these databases, particularly if they will advance our understanding of the structures and processes affecting the new rural economy.

Detailed tables are provided in several Appendices.

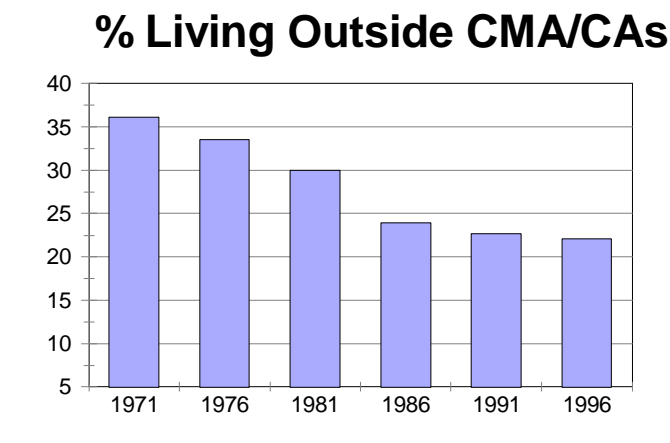
2. Population growth continues in metro and northern regions

Has the rural population grown? The answer to this question depends on what is meant by 'rural' and how it is measured. Using Statistics Canada's definition of rural as those areas outside of Census Metropolitan Areas (CMA) and Census Agglomerations (CA), the answer appears to be "no": there is a slight decline in absolute numbers (-1.0 % between 1991 and 1996).

However, some of this decline is the result of boundary changes in the identification of CMAs and CAs. If we remove these effects by using 1996 boundaries while comparing with 1991, we find that the answer is "yes": there is a slight increase of 3.8% in rural population figures between the two years. The boundary changes seem to reflect the territorial growth of cities at the expense of rural regions.

If we consider the question from a proportional point of view, the answer is less equivocal. The decline in proportion rural is consistent from 1971 to 1996 (cf. Figure 1). Although the proportion of people living in rural areas has declined over this period, the rate of the decline has diminished since 1986.

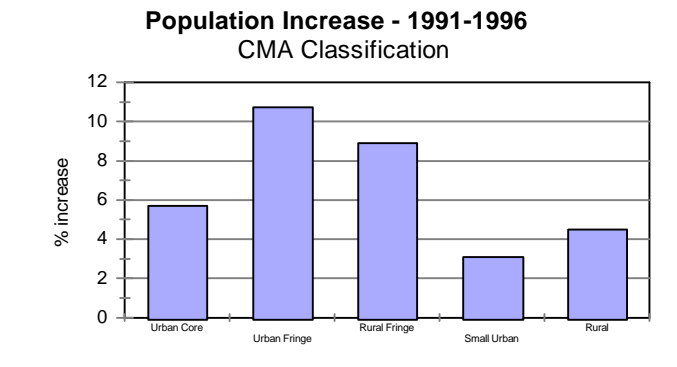
Figure 1: % Rural Continues to Decline



Using the CSD level of analysis we find a similar pattern. There are absolute increases in the number of people in rural CSDs from 1991 to 1996. The largest percentage increases occur in the urban and

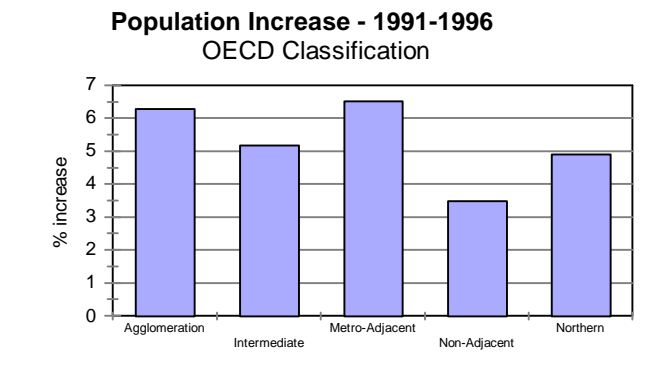
rural fringes of CMAs along with their urban cores (Figure 2). Urban CSDs outside the CMAs appear to have relatively low rates of growth.

Figure 2: Rural Communities Have Slowest Growth



There are important qualifications to this pattern, however. Using the OECD classification, we discover that Northern CSDs have high rates of growth between 1991 and 1996 (Figure 3).³ This suggests that a large part of the population increase in the most rural areas is found in the northern regions.

Figure 3: Northern Regions Show Moderate Growth



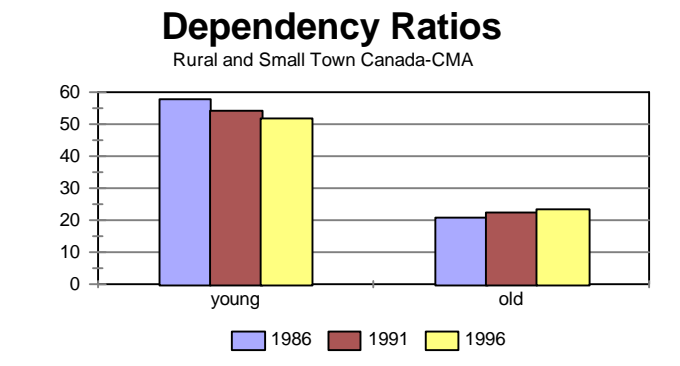
In summary, the population growth patterns identified in the Rural Canada Profile continue in 1996. Absolute numbers continue to increase in both urban and rural areas, but the relative share of rural areas continues to decline. Northern areas are a striking exception to that generalization since they show growth rates between 1991 and 1996 which are close to the urban fringe of the largest centres.

3. Rural areas continue to age

The population in rural areas continues to age. The old dependency ratio increased while the young dependency ratio declined from 1986 to 1996 (Figure 4). These patterns are not consistent throughout all parts of rural Canada, however.

³ This analysis standardizes the 1991 populations to 1996 CSD boundaries.

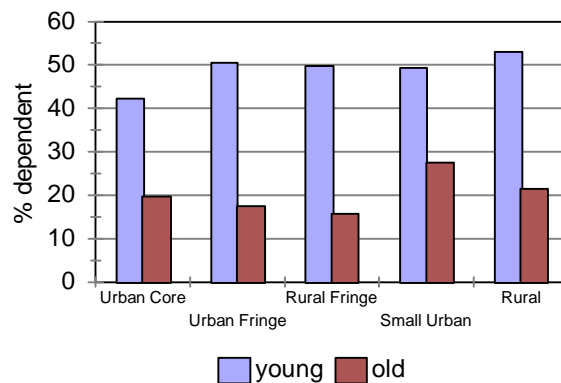
Figure 4: % Young Decreases; % Old Increases



Looking at the figures for 1996, we see that the young dependency ratios remain highest in rural areas outside CMA/CAs and in the urban fringe of these areas (Figure 5). This is not surprising since these are two locations which are attractive to young families. The high proportion of young people in Aboriginal communities is also likely to increase the ratios in many rural regions.

Figure 5: Rural Still Young, Small Towns Still Old.

Dependency Ratios by CMA/CA Class
1996



The highest old dependency ratio can be found in urban regions outside the major centres. This is likely to be the result of relatively high levels of younger outmigration from these regions and the desire for services among those elderly who have moved into these small towns, most often from more remote areas.

In summary, we find that rural places are experiencing important changes in the proportion of both young and old populations. Relatively high levels of young people continue to be found in the most rural and urban fringe regions, but the dynamics for their presence is likely to be very different between these two places. In rural places, the contribution of Aboriginal peoples is most important,

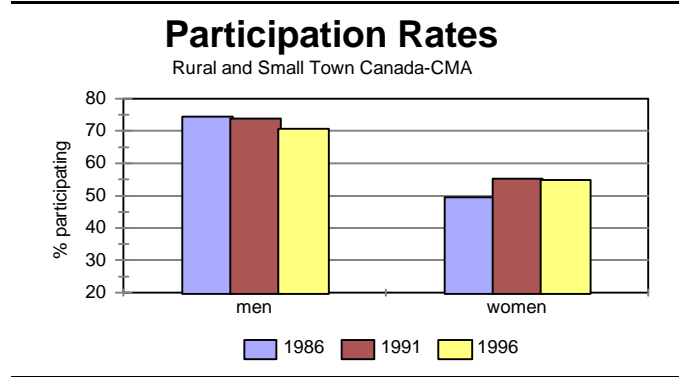
whereas in the urban fringe, the presence of young people is most likely tied to the presence of young families.

At the same time, the aging of the rural population continues. Their need and desire for a wide range of services, from health to recreation is likely to play an important role in their preference for living close to the city - but not too close.

4. Labour Force participation rates remain steady for women, decrease for men

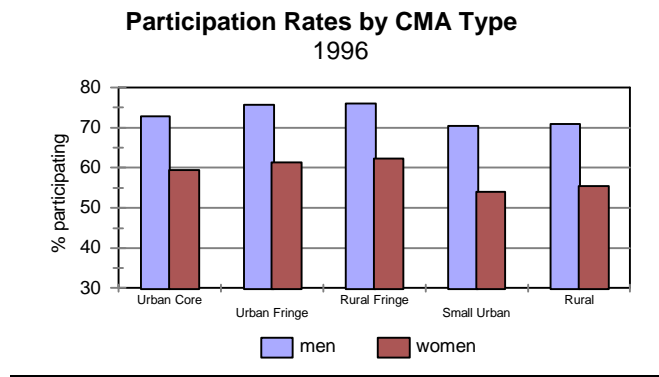
Labour force participation rates show that the increase in women's participation occurred within rural regions just as it has in urban centres (Figure 6). The rate has decreased slightly over the last five years, however, most likely due to the lack of job opportunities. The rate for men, on the other hand, has fallen more during the same period.

Figure 6: Women's Rate Increases, Men's Falls



The data from 1996 illustrates how participation rates continue to be lower in rural areas by comparison to urban regions (Figure 7). Both rural men and rural women participate less in the labour force than their urban counterparts, but the reasons are likely to be complex. Detailed investigation of the population characteristics will be necessary before we are able to establish whether the lower levels of participation are due to the lack of employment, higher levels of retirement, more participation in the informal economy, or a greater reliance on subsistence production.

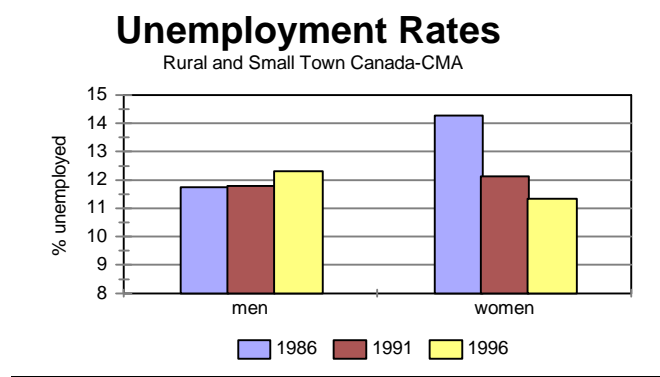
Figure 7: Participation Rates Lower in Rural Areas



5. Unemployment levels continue to increase

Unemployment levels in rural areas are increasing for men but decreasing for women (Figure 8). The

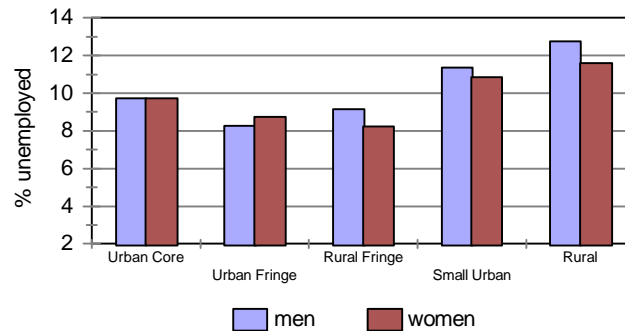
Figure 8: Unemployment Increasing for Men, Decreasing for Women



highest levels for men and women are found in rural and small town locations (Figure 9). A comparison of 1991 and 1996 levels shows that for men, the levels of unemployment are decreasing only in the urban fringe of the larger metropolitan areas. For women, however, decreases between 1991 and 1996 are found in all locations except the urban core.

Figure 9: Unemployment Levels High in Rural Areas

Unemployment Levels by CMA Types
Small Town and Rural 1996



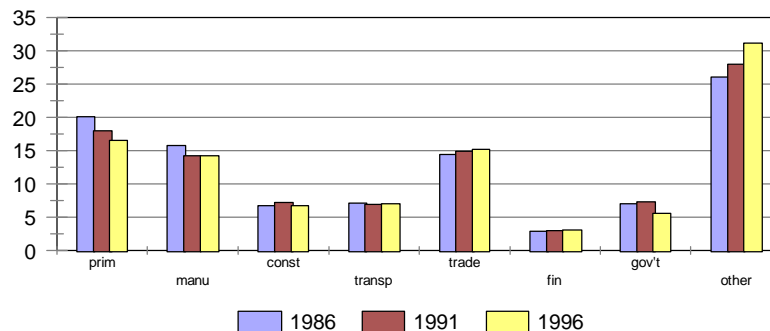
In summary, employment continues to be a serious problem in rural areas for both men and women. Further analysis of the longitudinal data at our disposal will provide important information for identifying how much of this unemployment is cyclical, how much is an inevitable feature of rural areas, and how much is open to change through local action or policy.

6. Service industries grow, government services decline

Service industries continue to dominate the employment structure of rural Canada, with important contributions from primary, trade, and manufacturing. Comparing 1986, 1991, and 1996 we find that the declines in % employment for primary and manufacturing continue through 1996, although the extent of the decline from 1991 to 1996 has diminished for manufacturing (Figure 10). At the same time, the major increase in service (the major component of the “other” category) continues along with slight increases in trade and transportation.

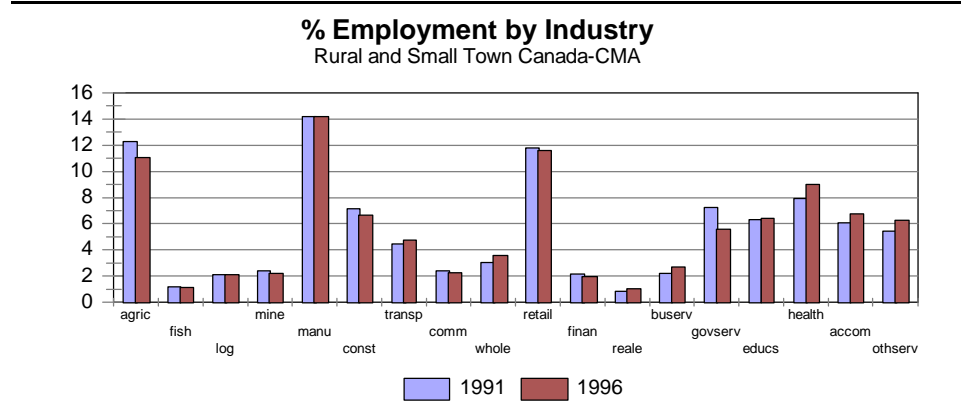
Figure 10: Services and Primary Employment Dominate Rural CSDs

% Employment in Industries
Rural and Small Town Canada-CMA



A noticeable change in the level of government employment is visible, however. The increase from 1986 to 1991 has been reversed from 1991 to 1996, most likely a reflection of the cutbacks in government employment felt throughout the country. The more detailed information available for 1991 and 1996 make it clear that the major decline occurred in government services, while health, education, accommodation, and other services increased their proportional share slightly (Figure 11).

Figure 11: Government Services and Agriculture Decline



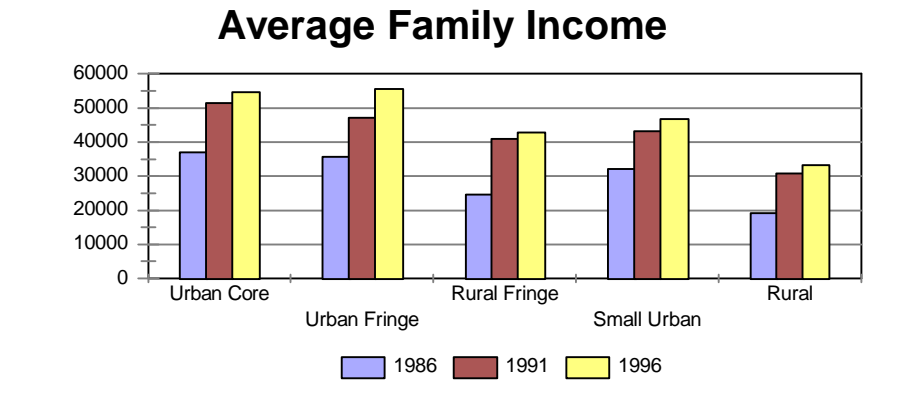
In sum, we find that the domination of service industries in rural areas continues unabated in spite of a decline in those specific to government administration.

7. Income differences remain

Only two indicators of economic well-being are available in our database: average family income and the percentage of families below the low income cutoff (LICO). Over the fifteen years considered, there has been a consistent increase in family income, as might be expected under conditions of inflation (from \$20,887 in 1986 to \$35,083 in 1996). Standardization of these figures is necessary before they can be used for analysis.

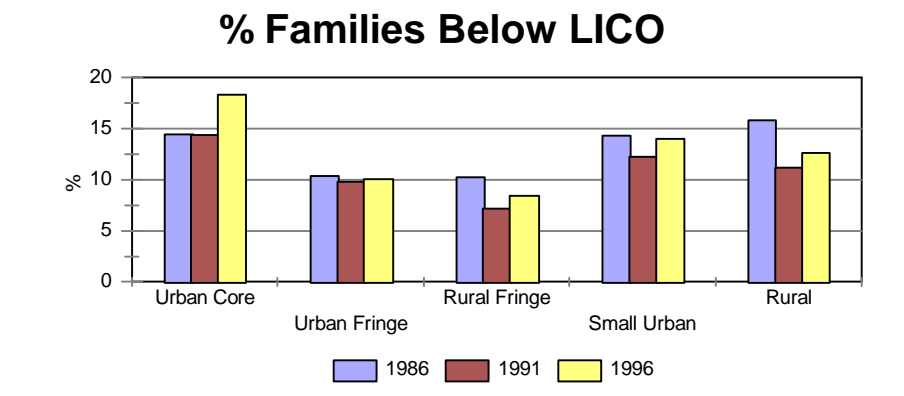
A comparison by CSD classes shows relatively low levels of income for rural families by comparison to those in more urban centres with the exception of the rural fringe of CMAs and CAs (Figure 12). This pattern is most likely a reflection of the migration of the poor to this fringe, where they have access to the urban labour markets, but can still take advantage of lower housing costs.

Figure 12: Rural Incomes Relatively Low



Variations in the cost of living by the size of community are assumed in the construction of the Statistics Canada Low Income Cutoff. As a result, rural areas are judged to be better off once this indicator is used (Figure 13). Comparing figures 12 and 13 shows that the relative disadvantage of the

Figure 13: Rural Areas Have High % Below LICO



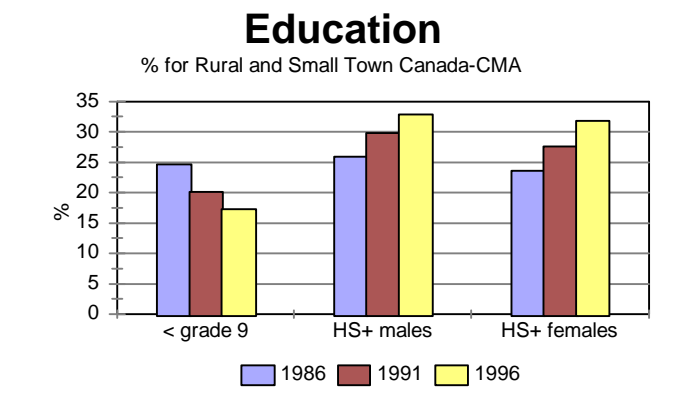
small town and rural locations is changed due to the way in which need is assessed through the calculation of the LICO. More detailed work needs to be done before the key assumptions of the LICO can be evaluated, however.

In summary, the usual income differences between urban and rural areas are found in the 1996 data. The validity problems of the indicators for economic well-being suggest that these results must be verified with more detailed field work information, however.

8. Education improves but housing problems remain

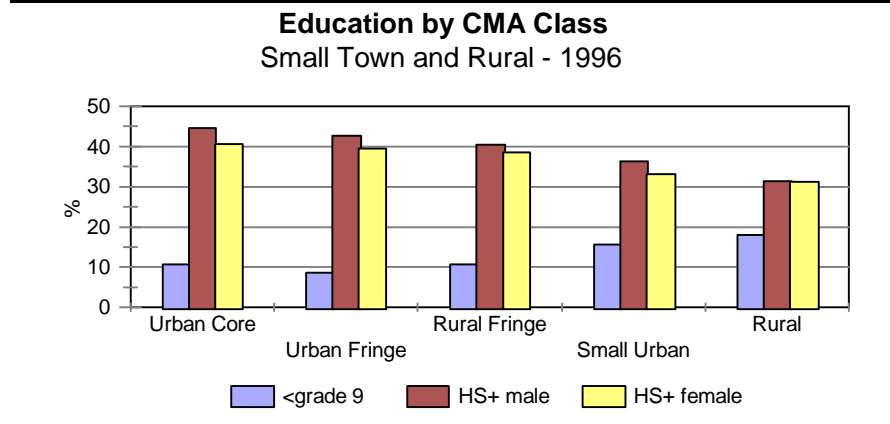
Education levels have improved considerably from 1986 to 1996. The proportion of people with less than grade 9 education has decreased significantly, and the proportion with post-secondary education has increased (Figure 14). Women have made important gains in post-secondary education.

Figure 14: Education Levels Have Improved



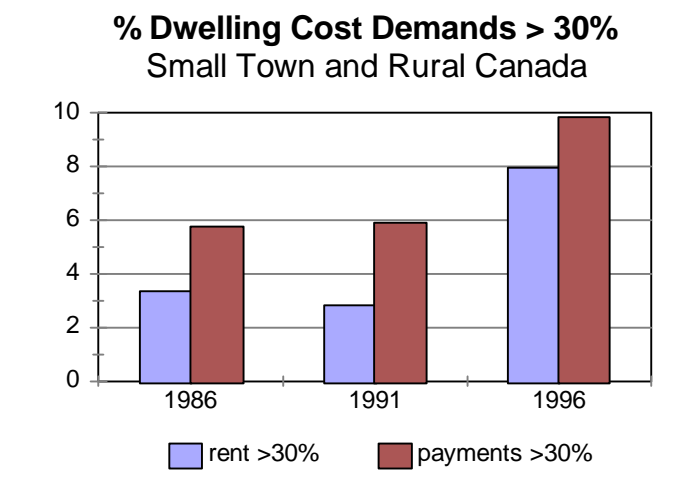
The gains of women are particularly important in rural areas. In these areas, women are just as likely to have post-secondary education as men in 1996 (Figure 15). Combined with their increased participation in the labour force, this data suggest that their changing circumstances will be a significant factor in the future of rural areas.

Figure 15: Women's Post-Secondary Levels Relatively High in Rural Areas



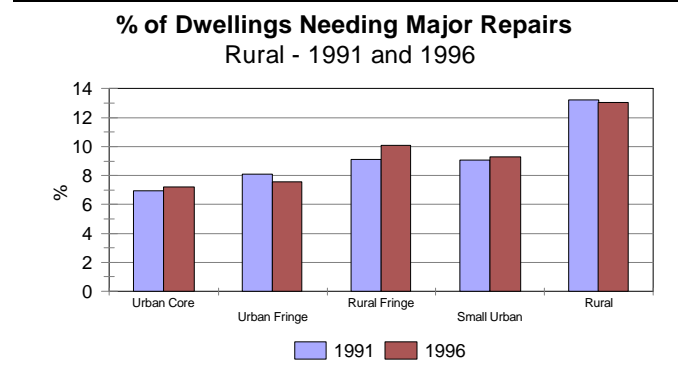
Housing costs have increased over the period considered. As shown in Figure 16, both rents and home ownership costs have increased as a proportion of the household income. At the same time, the quality of housing has deteriorated.

Figure 16: Relative Housing Costs Increased



Housing quality is a problem for rural areas. As shown in Figure 17, rural areas, the rural fringes of metropolitan centres, and small towns have a relatively high proportion of housing requiring major repairs. In addition, these conditions have deteriorated between 1991 and 1996 especially in the rural fringe of CMAs and CAs. Only in the urban fringe of these centres and the most rural areas has there been a slight improvement in the proportion of housing needing major repairs.

Figure 17: Rural Housing Deteriorating

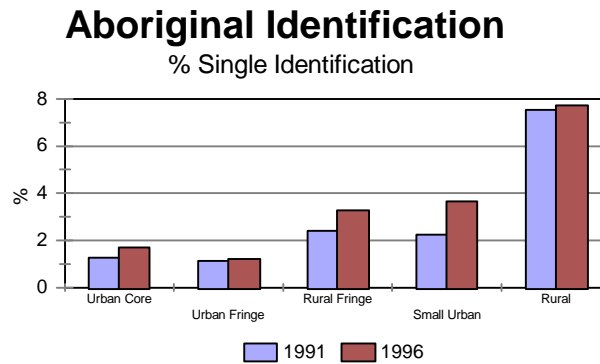


The proportion of lone-parent families can also be used as an indicator of social well-being. Without adequate social support, raising children can be a source of considerable stress for both parents and offspring. From 1986 to 1996 the proportion of lone-parent families has increased. In 1986 it was 10%, in 1991 it remained virtually the same, but in 1996 it rose to just over 11%. This is sufficiently large to warrant appropriate attention for services and support.

Rural areas have a high concentration of Aboriginal peoples and their proportion of the population is growing. Looking at those people who self-identify only as Aboriginal, for example, we find that their percentage of the rural population has increased from 5.9% in 1991 to 6.4% in 1996. Figure 18

provides some indication of their presence by CMA/CA status, confirming the important relationship between Aboriginal peoples and rural regions. More detailed analysis is necessary to clarify these changes and to evaluate the extent to which their living conditions have improved.

Figure 18: Rural Areas Have a High Concentration of Aboriginal Peoples



In sum, there are some signs of improvement in the social well-being of rural Canadians. Education levels are improving, especially for women. Housing remains a problem, however. In order to assess the extent of this problem, more detailed information and analysis is required. A similar conclusion can be made for the analysis of the two vulnerable groups identifiable with the available data: lone parent families and Aboriginal Peoples.

Appendix 1: Selected Values from 1986, 1991, and 1996 Rural and Small Town CSDs

	1986	1991	1996
Population	6094224	6229645	6390030
% increase in pop. from 5 years previous	0.70	3.41	4.03
young dep. ratio - below 20 yrs	57.85	54.35	51.78
old dep. ratio - over 20-64 yrs	20.83	22.50	23.37
% of pop 0-14, 1991	24.14	23.20	22.10
% of pop 15-44, 1991	45.58	44.25	42.82
% of pop 45-64, 1991	18.54	19.59	21.74
% of pop 65+, 1991	11.65	12.69	13.34
% < grade 9 educ: 91	24.61	20.16	17.27
% males with post-secondary education - 91	25.90	29.79	32.88
% females with post-secondary education - 91	23.60	27.61	31.88
% pop 15+ with post sec ed - 91		57.41	64.76
Industry Classification I			
% primary industry, 1991	20.11	17.97	16.56
% manufacturing, 1991	15.78	14.19	14.19
% construction, 1991	6.69	7.17	6.68
% transportation, 1991	7.08	6.87	7.01
% trade, 1991	14.42	14.88	15.19
% finance, insurance, real estate, 1991	2.85	3.00	3.03
% government, 1991	7.01	7.24	5.57
% other industries, 1991	26.09	27.99	31.15
Industry Classification II			
% agriculture - 91		12.29	11.06
% fishing & trapping - 91		1.18	1.14
% logging & forestry - 91		2.10	2.14
% mining, quarry, oil - 91		2.40	2.23
% manufacturing - 91		14.19	14.19
% construction - 91		7.17	6.68
% transportation & storage - 91		4.47	4.77
% communication & utilities - 91		2.40	2.24
% wholesale trade - 91		3.06	3.58
% retail trade - 91		11.82	11.61
% finance & insurance - 91		2.18	1.97
% real estate & insurance - 91		0.82	1.05
% business service - 91		2.22	2.69
% government service - 91		7.24	5.57
% educational service - 91		6.32	6.43
% health & social service - 91		7.94	8.99
% accommodation, food, beverage serv. - 91		6.10	6.78
% other services - 91		5.41	6.25
Industry Classification III			
% industry - agriculture, 1991		12.29	11.06
% industry - other primary, 1991		5.68	5.51
% industry - manufacturing, 1991		14.19	14.19
% industry - construction, 1991		7.17	6.68
% industry - distributive services, 1991		21.75	22.20

	1986	1991	1996
% industry - producer services, 1991		5.22	5.72
% industry - social services, 1991		21.50	20.99
% industry - personal services, 1991		6.10	6.78
% no dwelling change - 5 yr, 91	65.38	64.49	66.47
% of lone-parent families	10.03	10.01	11.13
% of dwellings needing major repairs - 1991		11.84	11.78
% of hh where gross rent >=30% of hh inc - 1991	3.37	2.82	7.95
% of hh where owner paym >=30% of hh inc - 1991	5.77	5.91	9.83
% of workers self-employed -1991	12.57	15.33	16.95
% part-year or part-time workers - 1991	54.75	52.45	52.03
unemployment rate - males 15+	11.76	11.79	12.31
participation rate - males 15+	74.36	73.84	70.75
unemployment rate - females 15+	14.28	12.14	11.34
participation rate - females 15+	49.37	55.31	54.90
% EF below LICO	15.30	11.50	13.10
% aboriginal single ethnic group		5.91	6.43
% who work in diff. CSD - 1991		47.14	43.05
% no religious affiliation - 1991		9.39	

Sources: Statistics Canada Census Profile Series for CSDs and Eas (1986, 1991, 1996). These data have been made available through the Data Liberation Initiative.

NOTE: Rural and Small Town refers to the population living outside Census Metropolitan Areas and Census Agglomerations. This definition is applied for each year independently.

Appendix 2: Selected Values from 1996 CSDs by CMA/CA Type

	Urban Core	Urban Fringe	Rural Fringe	Small Urban	Rural
Population	19641405	1610545	1197190	2048265	4341765
% CFam couples with 2+ people in LF	53.44	58.51	60.37	51.64	54.58
% increase in pop - 1991 to 1996	5.68	10.74	8.90	3.08	4.49
young dep. ratio - below 20 yrs	42.28	50.49	49.78	49.29	52.94
old dep. ratio - over 20-64 yrs	19.75	17.42	15.71	27.46	21.46
% of pop 0-14	19.58	22.93	22.76	20.75	22.73
% of pop 15-44	46.92	45.23	44.62	43.37	42.56
% of pop 45-64	21.31	21.47	23.14	20.34	22.40
% of pop 65+	12.19	10.37	9.49	15.54	12.30
% < grade 9 educ	10.75	8.56	10.68	15.62	18.05
% males with post-secondary education	44.58	42.76	40.48	36.30	31.34
% females with post-secondary education	40.61	39.49	38.49	33.19	31.22
% pop 15+ with post sec ed	85.18	82.25	78.97	69.49	62.56
Industry Classification I	9881730	817795	620335	948625	2039920
% primary industry	1.97	5.48	10.09	8.23	20.44
% manufacturing	14.30	14.48	13.21	15.36	13.65
% construction	5.14	7.55	8.31	5.79	7.09
% transportation	7.30	7.69	7.80	7.03	7.00
% trade	18.03	18.23	16.76	17.47	14.13
% finance, insurance, real estate	6.41	4.64	3.81	3.65	2.74
% government	6.27	6.85	6.99	6.01	5.37
% other industries	40.56	34.96	32.74	36.09	28.85
Industry Classification II					
% agriculture	0.82	3.36	7.22	2.62	14.98
% fishing & trapping	0.07	0.24	0.36	0.44	1.46
% logging & forestry	0.25	0.69	1.23	1.82	2.29
% mining, quarry, oil	0.83	1.20	1.28	3.34	1.71
% manufacturing	14.30	14.48	13.21	15.36	13.65
% construction	5.14	7.55	8.31	5.79	7.09
% transportation & storage	3.91	4.61	4.90	4.57	4.86
% communication & utilities	3.39	3.07	2.90	2.46	2.14
% wholesale trade	5.35	5.37	4.84	3.61	3.57
% retail trade	12.68	12.86	11.92	13.86	10.56
% finance & insurance	4.27	2.94	2.47	2.35	1.80
% real estate & insurance	2.13	1.70	1.34	1.29	0.94
% business service	7.91	5.43	4.77	3.05	2.53
% government service	6.27	6.85	6.99	6.01	5.37
% educational service	7.24	6.80	6.53	7.00	6.17
% health & social service	10.15	9.60	9.07	10.70	8.19
% accommodation, food, beverage serv.	7.10	5.91	5.36	8.29	6.08
% other services	8.16	7.22	7.01	7.05	5.88
Industry Classification III					
% industry - agriculture	0.82	3.36	7.22	2.62	14.98
% industry - other primary	1.15	2.12	2.87	5.61	5.46
% industry - manufacturing	14.30	14.48	13.21	15.36	13.65
% industry - construction	5.14	7.55	8.31	5.79	7.09

	Urban Core	Urban Fringe	Rural Fringe	Small Urban	Rural
% industry - distributive services	25.33	25.91	24.56	24.50	21.13
% industry - producer services	14.32	10.06	8.58	6.70	5.27
% industry - social services	23.66	23.26	22.59	23.71	19.73
% industry - personal services	7.10	5.91	5.36	8.29	6.08
% no dwelling change - 5 yr	52.73	59.38	65.67	58.36	70.24
% of lone-parent families	16.26	11.31	8.87	13.75	9.91
% of dwellings needing major repairs	7.21	7.55	10.06	9.27	13.06
% of hh where gross rent >=30% of hh inc	18.82	8.56	4.73	13.08	5.31
% of hh where owner paym >=30% of hh inc	10.30	13.10	12.31	8.73	10.40
% of workers self-employed	10.37	12.78	16.25	11.11	19.67
% part-year or part-time workers	45.93	46.60	47.89	51.97	52.06
unemployment rate - males 15+	9.73	8.28	9.14	11.37	12.73
participation rate - males 15+	72.82	75.65	75.97	70.45	70.89
unemployment rate - females 15+	9.73	8.73	8.23	10.86	11.58
participation rate - females 15+	59.34	61.30	62.36	53.95	55.37
% EF below LICO	18.32	10.06	8.42	14.03	12.64
% aboriginal single ethnic group	1.69	1.22	3.27	3.65	7.72
% who work in diff. CSD	38.65	57.91	67.49	28.30	50.00