

# Household Budgets of Wage Earners in Canadian Cities

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**F**AMILY living expenditures have presented a challenging question mark for many years to Canadian research workers in the social sciences. The first systematic and comprehensive attempt to remove some of the uncertainties connected with this subject came in 1938. During the fall months of that year a specially instructed field staff of the Dominion Bureau of Statistics collected detailed records from 1,439 wage-earner families located in twelve Canadian cities representing all nine provinces. These records represented an urban population of approximately 1,300,000 households, and although the sample was small, it compared favourably with the proportionate representation in similar surveys in the United States and Europe. Such data are among the most costly and the most difficult to collect in the fields of economic and sociological statistics.

The first step in the Bureau's survey was a preliminary study by the late M. C. MacLean, head of the Bureau's Social Analysis Branch. The purpose was to provide a basis for deciding which cities would be most representative of different areas in the Dominion. It led to the selection of Charlottetown, P. E. I., Halifax, N. S., Saint John, N. B., Quebec and Montreal in Quebec, Toronto and London in Ontario, Winnipeg, Man., Saskatoon, Sask., Edmonton, Alta., and Vancouver, B. C., to represent Canada's urban wage-earner homes. Ottawa was

added to this list because international living standard comparisons often are made in terms of records for capital cities.

Since it was necessary to concentrate all efforts upon families which were typical in composition and economic circumstances, only those with the following characteristics were sought, in order to maximize the significance of averages from records collected.

1. All families were to be of the wage-earner type with husband and wife living together as joint heads.
2. All families were to have from one to five children living in the home, with not more than one additional lodger or domestic (except for Quebec and Montreal where no limitation was made concerning numbers of children).
3. Family earnings during the survey year ending September 30, 1938, were to range from \$450 to \$2,500, and families were to be self-supporting during this period.
4. All families were to be living in self-contained dwelling units, not sharing bathroom or kitchen facilities with other families.

Families satisfying these conditions were located by a preliminary survey in which all households\* in the random selection of census sub-districts were approached for information concerning the composition of the household, racial origin, tenure, and earnings. From returns satisfying the sampling controls enumerated above, a random selection of families was made for the complete budgetary record.

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\*More than 45,000.



### Attributes of Urban Wage-Earner Families

A general idea of the attributes of urban wage-earner families contributing expenditure records can be obtained from an examination of survey data pertaining to family composition, conditions of tenure, etc. The typical family in the survey contained two or three children. Survey families with two children were greatest in number, while among British families there were more with one child, than with three. Families of French and other racial origins with three children, however, were more numerous than those with a single child. French families also showed a relatively high proportion of households with five or more children. Lodgers were present in about 10 per cent of the homes, and domestic servants in less than 2 per cent.

#### Survey Families with Specified Numbers of Children

(Expressed as a percentage of Total Families.)

Number of Children	1	2	3	4	5+	Total
1,135 British Families.	30.2	33.7	21.6	10.2	4.3	100.0
211 French Families..	21.8	18.0	23.2	14.7	22.3	100.0
93 Other Families....	19.4	32.2	24.7	15.1	8.6	100.0

The average age of the wage-earner family head centred around 40 years. More than 40 per cent of the fathers in British survey families ranged between 35 and 44 years of age, together with 48 per cent of those in families of foreign racial extraction. Families of French origin showed a relatively greater number between the ages of 25 and 34. Thirty-six per cent of the ages were within these limits, and only a slightly higher proportion of 38 per cent in the largest group between 35 and 44 years.

Approximately one-third of survey families of British racial origin lived in owned homes. Home tenure was influenced to a marked degree by the financial position of wage-earner families. Only 16 per cent of families with annual incomes between \$100 and \$199 per person, were home owners, but this proportion rose steadily to almost 43 per cent, for families having incomes of

\$600 or more per person. Racial origin appeared to exert some influence on tenure, but it was difficult to distinguish it from differences due to predominant types of dwellings. French families in Montreal and Quebec were mainly tenants, but so also were British families in Montreal, where flats outnumbered all other types of dwellings.

As in the case of home ownership, the possession of motor cars appeared to depend primarily upon income. Percentages of families with motor cars mounted from 13.2 for the British group with incomes from \$100 to \$199 per person, to 73.8 in the \$600 and over income per person group. The percentage of home-owner families possessing motor cars was much higher than that of tenants. Almost 45 per cent of home-owner families operated motor cars, and 29 per cent of tenants. The greatest differences occurred among families at low income per person levels. In the \$100-199 income group, 22 per cent of home-owner families were also car owners, while less than 12 per cent of tenants at this income level had motor cars. This difference narrowed as incomes increased, and 73.1 per cent of owner households earning \$600 and over per person operated motor cars, while the number of tenant families with cars rose to an even higher percentage of 74.3 in this income group.

#### Home and Motor Car Ownership at Progressive Levels of Income per Person

Income per Person	\$100-199	\$200-299	\$300-399	\$400-499	\$500-599	\$600+
<b>Percentage of Families Owning Homes:</b>						
1,135 British Families	15.8	31.6	32.1	33.6	41.5	42.6
211 French Families..	3.4	5.4	7.7	10.5	— <sup>1</sup>	— <sup>1</sup>
<b>Percentage of Families Owning Motor Cars:</b>						
1,135 British Families	13.2	25.3	32.1	36.8	51.9	73.8
211 French Families..	3.4	9.5	9.6	21.1	— <sup>1</sup>	— <sup>1</sup>

(1) Insufficient records to form significant proportions. This was true also for the record of motor car ownership among French home-owners.

Home ownership was most prevalent among families in Western Canadian cities. Almost 48 per cent of survey



families in Winnipeg lived in their own homes, and similar proportions of 46 per cent and 44 per cent in Vancouver and Edmonton respectively. As already noted, tenancy was characteristic of families in Quebec City and Montreal. It was quite general also in Maritime cities where less than one-fifth of families were home-owners. The ratio of owners in Ontario cities was approximately one in four. The high percentage of owners in the West apparently was related to the prevalence of smaller and less expensive single houses than were characteristic of the eastern provinces. Car ownership was commonest among families in Ontario cities. Close to 45 per cent of Ontario survey families operated motor cars, as compared with approximately 30 per cent of the families in western cities, about 20 per cent in the Maritimes, and 10 per cent in Quebec.

### Urban Wage-Earner Family Living Expenditures

Underlying similarity was apparent in the living expenditure patterns of urban wage-earner families in all parts of the Dominion. The average survey family spent more than two-thirds of total living outlay on the basic items of food, clothing, shelter, fuel and light. In addition, an average of 9 per cent went for household operation expenses, including furniture, furnishings, supplies, etc. Health maintenance costs accounted for approximately 4 per cent of living expenditures, and personal care, 2 per cent. Annual outlays for transportation and recreation each amounted to nearly 6 per cent, while education and vocation, welfare and gifts comprised the remainder of about 4 per cent. Although living expenditures in different cities were basically similar to this pattern, appreciable contrasts were observed for several budget groups.

Annual food outlay ranged from 28 per cent of total living expenditure for survey families in Charlottetown, to 35 per cent for those in Montreal. Food costs per family were relatively high in the larger eastern cities, amounting to \$485 per British family in Montreal,

and \$450 in Toronto. In contrast, Charlottetown and Quebec City city families averaged a considerably lower amount of \$390. On a per person basis, annual food outlay ranged from \$106 in Toronto to \$80 in Quebec City. Food expenditures in western cities were quite uniform, and the average outlay varied between \$101 per person in Winnipeg, and \$98 in Edmonton. In the Maritimes, annual food costs of Halifax and Saint John survey families, averaging \$95 and \$94 respectively, were somewhat higher than those shown by Charlottetown families, at \$83 per person.

Appreciable variations were seen also in family shelter costs, some of which could be attributed to differences in rental levels, and others to relatively larger payments made on purchases of homes. Average shelter costs per family varied from \$234 for survey families in Charlottetown, to \$357 in Ottawa and represented 16.9 per cent and 23.3 per cent of total living outlay in these cities. Shelter costs of Vancouver families were slightly above those shown for Prairie Cities. This resulted mainly from the fact that a number of families in Vancouver purchased homes during the survey year, and consequently their shelter expenditure included unusually large payments of principal. However, average differences in these regions were not substantial, expenditures per family on shelter amounting to \$278 for Vancouver, \$276 for Winnipeg British families, and \$270 for those in Saskatoon and Edmonton. Average shelter costs of owner families were generally higher than those of tenants, and amounted to \$297 per family as compared with \$279 for tenants. Tenant families spent an annual average of \$49 per room in the Maritimes and Quebec, \$62 in Ontario, \$56 in the Prairies, and \$54 in Vancouver.

Clothing purchases constituted almost 12 per cent of the average wage-earner family budget. City variations were comparatively slight and proportions of expenditure ranged from 13.7 per cent for families of French racial origin in Montreal, to 10.5 per cent for British families in Vancouver. Actual expend-



iture averages varied from \$190 for Montreal families to \$142 for those in Saint John and Quebec. These differences were related quite definitely to variations in the size of survey families. A difference of less than \$10 per person separated the clothing expenditures of families in all cities. The averages per family, noted above, ranged from \$39 per person for Toronto families, to \$29 for those in Quebec City.

Annual fuel and light costs varied from \$120 and \$117 for families in Charlottetown and Halifax, to \$71 and \$61 for families of foreign racial origin in Montreal, and French families in Quebec City. Coal and coke were employed for heating to the greatest extent by survey families in Maritime and Ontario cities, as well as in Winnipeg and Saskatoon. Families in Quebec City and Vancouver showed relatively heavy purchases of wood, and less of coal. Vancouver families made extensive use of sawdust blocks for heating purposes. Fuel and light purchases averaged 8.1 per cent of living expenditures for families in Maritime cities, as compared with 5.6 per cent in Quebec and 5.3 in British Columbia.

The most pronounced regional contrasts in other budget groups were noted in the amounts spent on transportation. Outlays for this item were relatively high among families in Ontario survey cities, viz., Ottawa, Toronto, and London. Proportionate amounts spent on trans-

portation by urban wage-earner families in these cities averaged almost 9 per cent of total living expenditures. This was double the proportion shown by families in Quebec cities, with an average outlay representing a little more than 4 per cent of their total living expenditure. As already noted, differences in motor car ownership were quite appreciable, and these were closely related to variations in transportation costs. Purchases and maintenance of motor cars formed over two-thirds of the average family's cost of transportation.

City and regional variations in most other budget groups were not substantial. Only fractional differences separated the proportionate amounts allotted to health maintenance, personal care, education and vocation. Annual outlay for household operation expenses, including furniture, furnishings, supplies, etc., varied within the narrow range between 10 per cent of total expenditure for survey families in Quebec, and 8 per cent for those in the Maritime and Prairie Provinces. Differences in proportions spent on recreation were slight also, ranging between 6.4 per cent for families in Prairie cities and 5.3 per cent for survey households in Quebec.

Expenditure averages and percentages for the principal budget groups, classified according to regions, may be observed from the following table. It should be noted, however, that in addition to these

Urban Wage-Earner Family Living Expenditures Classified  
According to Regions

	Maritimes		Quebec		Ontario		Prairies		British Columbia (Vancouver)	
Average Number of Persons per Family	4.6		5.3		4.3		4.3		4.4	
	\$	p.c.	\$	p.c.	\$	p.c.	\$	p.c.	\$	p.c.
Food .....	428	30.9	465	34.0	443	29.1	434	30.9	440	31.0
Shelter .....	282	20.4	250	18.3	317	20.8	267	19.0	278	19.6
Fuel and Light .....	112	8.1	76	5.6	102	6.7	101	7.2	75	5.3
Clothing .....	153	11.0	182	13.3	167	11.0	158	11.3	149	10.5
Household Operation, Furnishings, etc. ....	107	7.7	133	9.7	131	8.6	115	8.2	136	9.5
Health Maintenance .....	66	4.8	58	4.2	63	4.1	61	4.3	63	4.4
Personal Care .....	23	1.7	23	1.7	26	1.7	25	1.8	24	1.7
Transportation .....	65	4.7	58	4.3	131	8.6	93	6.6	103	7.3
Recreation .....	80	5.8	73	5.3	87	5.7	90	6.4	86	6.1
Education and Vocation .....	14	1.0	22	1.6	16	1.1	25	1.7	25	1.8
Community Welfare and Gifts .....	54	3.9	28	2.0	39	2.6	37	2.6	40	2.8
Total Expenditure .....	1,384	100.0	1,368	100.0	1,522	100.0	1,406	100.0	1,419	100.0



dispositions of family income, a sizeable proportion went into various forms of savings. These included bank savings and investments, life insurance premiums, and repayments of debts incurred during the survey year. This last item was considered as being saved from current income. Gross savings accounted for about 10 per cent of the average net income of wage-earner families, with amounts ranging between \$181 per family

in Ottawa and \$96 for Montreal families of foreign racial origin. However, balanced against these amounts were such debit items as loans and credit outstanding, sales of property, reductions in bank balances, trade-in allowances, etc. For more than one-third of survey families, debit items exceeded those of credit. Practically all the remainder ended the year with a net increase in credits. For survey families as a whole, there was a credit balance of approximately \$20.

## The Quest for Income in Rural Cape Breton

By S. C. HUDSON AND J. N. LEWIS

THE struggle for existence under our modern economy results in a multiplicity of income patterns of varying degrees of complexity. The development of a new area is based on the exploitation of some natural resource and is directly or indirectly associated with agriculture. During these early stages of development the economy is usually one of almost complete self-sufficiency. Each household is an accumulation of inherited skills which enables it to feed, clothe and educate itself by the manipulation of its immediate environment.

As the advantages of the division of labour appear, individuals come to specialize in one skill or another, and perform that function for all other members of the community. The butcher, the baker, the shoemaker and the trader begin to appear as specialized occupations and an occupational pattern emerges in the community. The shift towards specialization, however, is not by any means uniform as between communities. While developed to a high

degree in large cities, the degree of specializations attainable in many rural communities is often limited by environment and available resources. Thus a study of the income pattern of a community and of the individuals making up that community may give a great deal of information regarding the potentialities of the particular area in question.

Cape Breton is one of the oldest settlements in Canada and as such its development is of great interest to the historian, the economist and the sociologist. Although visited from time to time by Spanish, Portuguese, French and English fishermen during the period following its discovery by John Cabot, little was done by way of settling Cape Breton until 1713 when the French established a military fort at Louisburg. Under the French the population of the island increased to 3,800 in 1738, the majority of whom were engaged in fishing, administrative or military pursuits. When permanently taken over by the English in 1757 the fort at Louisburg was destroyed and the French population entirely removed. Little real development occurred under the English regime until the beginning of the nineteenth century when, as a result of the enclosure laws and the introduction of sheep to the Highlands of Scotland, Cape Breton was

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The data upon which this article is based, were obtained in a survey of the economic and social status of Cape Breton County rural families, carried on by the Economics Division, Marketing Service, Dominion Department of Agriculture in co-operation with the Nova Scotia Department of Agriculture, and is part of a study of land utilization problems in Cape Breton County. The article is preliminary in nature. Additional details will be available as the work of analysis progresses.