

In the development of participation rates that would provide a basis for rates required for purposes of the financial estimates, 1961 Census data and Special Survey statistics for the period 1959 to 1963 were used interdependently to determine, for Canada excluding Quebec, "covered worker" populations for 1961 by sex and age group. The "covered worker" populations so determined included all paid workers (both wage-earners and self-employed workers) except members of the armed services, numbers of workers determined in accordance with assumed short-range and long-range rates of unemployment and numbers of workers determined in accordance with assumed proportions of workers who will not contribute because of earnings less than the minimums required for contribution purposes or for other reasons. These "covered worker" populations were then divided by corresponding total populations taken from 1961 Census data to obtain the basic participation rates shown in Schedule 2 below.

SCHEDULE 2

BASIC PARTICIPATION RATES FOR CANADA EXCLUDING QUEBEC

Age Group	Short-Range Unemployment Assumptions		Long-Range Unemployment Assumptions	
	Males	Females	Males	Females
	%	%	%	%
20-24.....	69.3	41.5	70.7	41.9
25-34.....	84.0	25.8	84.9	26.0
35-44.....	86.4	27.5	87.2	27.7
45-54.....	86.1	29.5	86.9	29.7
55-59.....	80.8	23.9	81.7	24.1
60-64.....	72.4	18.4	73.2	18.4

For males, for purposes of both the short-range and long-range estimates, and for females, for purposes of the short-range estimates and the long-range "high cost" estimates, it was decided to use participation rates for ages 20 to 64 that follow almost exactly the basic rates shown in Schedule 2 above. However, for purposes of the long-range "low cost" estimates, female participation rates were chosen to take account of a probable continuation of the trend to higher participation among females that is illustrated in Schedule 1 above.

Because customary Special Survey statistics do not apply directly to the age groups 18-19 and 65-69, the choice of participation rates for these age groups required special consideration.

For workers under age 20, the "Special Survey" participation rates have decreased over the years, particularly for males. Also, as might be expected, the seasonal variation is considerable. For example, for the age group 17-19, the rates for males and females for January, 1962, were 57% and 50%, respectively, and for July, 1962, were 80% and 60%, respectively. Yet again, a relatively high proportion of workers under age 20 fall into the categories of unpaid family workers and workers with annual earnings less than the minimums allowable for contribution purposes. While it is clearly difficult to predict what participation rates will apply in the future, the extent of participation at these young ages will not have any significant effect on either current contributions or eventual benefits. For the age group 18-19, therefore, it was decided to use the relatively low participation rate of 40% for both males and females for purposes of both the short-range and the long-range estimates.

For the age group 65-69, a special study indicated that, after taking account of workers who will not contribute under the Plan because of annual earnings less than the minimums required for contribution purposes and for other