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de Raaf, Shawn and Kapsalis, Constantine and Vincent,  
Carole

Data Probe Economic Consulting

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**Seasonal Work and Employment Insurance Use**

Shawn de Raaf

Social Research and Demonstration Corporation

Costa Kapsalis

Data Probe Economic Consulting Inc.

Carole Vincent

Social Research and Demonstration Corporation

**SOCIAL RESEARCH AND DEMONSTRATION CORPORATION**

## Introduction

One of the key insights stemming from recent research on the reliance on Employment Insurance (EI) benefits in Canada is the finding that many frequent claimants tend to make claims in a distinctly seasonal fashion, whether or not they are attached to a sector of economic activity that is seasonal in nature. With the growth in supply of part-time, non-permanent employment opportunities, particularly in service-based industries, many workers demonstrate seasonal patterns of employment even though they are not working in a typically “seasonal” industry. This creates confusion around the concept of seasonality, as there are various ways to define and measure seasonal work: some definitions of seasonality focus on measures of seasonal jobs while others focus on seasonal workers. Some measures of seasonality rely on “mechanical” definitions of seasonality (i.e., repeat period of employment around the same time every year) while others are based solely on respondents’ own perception of the nature of their jobs.

Seasonal work, no matter how it is defined, has long been an important aspect of the Canadian labour market. With a large resource sector and a climate that is one of the most varied in the world, it is natural to expect large seasonal fluctuations in output and employment in the economy. In recent decades, however, the contribution of seasonal work to the Canadian economy has gradually diminished as industries have become modernized and more diversified. In the most recent and comprehensive analysis of seasonality in employment in Canada, Marshall (1999) reports that the average monthly swings in employment due to seasonality have declined from 3.4 % in 1976 to 2.8 % in 1997.<sup>1</sup> She identifies two principal trends that contribute to this reduction in seasonality of Canadian industries. The first trend is a decrease in the degree of seasonality within traditionally seasonal industries due to the adoption of labour-saving technological advances. The second trend is an overall decrease in traditionally seasonal industries’ share of total employment in Canada due to increasing demand for services and decreasing demand for goods. As a result, the contribution of these industries to total seasonal variation in the Canadian economy has declined from 38 % in 1976 to 29 % in 1997.

Despite the overall decline in seasonality in Canada, seasonal jobs continue to account for a large share of employment in many regions across the country. Although seasonality has declined in most provinces, the Atlantic Provinces still remain well above the national average with regards to the degree of seasonality in employment, mainly due to the presence of highly seasonal industries in these provinces. Moreover, Canada remains quite dependent on seasonal work relative to other countries with a similar climate. Grady and Kapsalis (2001) find that among the Nordic countries of Finland, Sweden, Denmark, Iceland, and Norway – countries where we expect to see similar seasonal employment trends – only Finnish employment shows greater seasonal fluctuations in employment over the 1994 to 1998 period than that of Canada.

While a seasonal work schedule may be acceptable to some workers, such as students, who prefer temporary work, it has significant consequences for many workers who face uncertain work patterns from year to year. Since their financial resources may be uncertain for large parts of the year, many seasonal workers rely on the EI program to stabilize their income in the off-season. However, contrary to the commonly held assumption, not all seasonal workers resort to EI benefits following

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<sup>1</sup> HRDC (2001a) provides a more recent analysis of seasonality. However, this analysis looks at the extent of seasonal work among those who experienced a job separation using the Canadian Out-of-Employment Panel (COEP). It is thus an analysis of seasonality among the *unemployed* as opposed to among the employed workers.

their seasonal layoff, either by choice or because their seasonal employment does not provide them with enough work to qualify for benefits. In fact, little is known about the characteristics that distinguish seasonal workers who frequently rely on EI benefits from those who do not.

The objective of this paper is to gain a deeper insight into the nature of seasonal work in Canada and its current relationship with the EI program. We address the disparities in the measurement of seasonality by proposing alternative definitions of seasonality that properly distinguish between the concepts of seasonal workers and seasonal jobs. Using longitudinal data from the Survey of Labour and Income Dynamics (SLID), which covers the 1993 to 1998 period, we document the multi-dimensionality of seasonality in order to determine the extent to which seasonality contributes to the frequent reliance on EI benefits, and look at the differences between seasonal workers who regularly depend on EI benefits and those who claim infrequently or not at all. We find that although a majority of seasonal workers do rely on EI on a regular basis, almost one-fifth of them never rely on EI following their seasonal job spells. We also demonstrate the significant variation in the characteristics of seasonal workers according to their reliance on EI with the intention of informing future policies on the unique circumstances of seasonal claimants who must frequently rely on EI.

## **EI Program and Seasonal Work**

Since the Unemployment Insurance (UI) program first covered seasonal workers in 1946, their coverage has been a source of much debate about whether or not an insurance program should provide benefits to workers who have recurrent — often predictable or even planned — spells of unemployment. When the employment activities of seasonal workers first became insurable for UI purposes, the government imposed additional conditions on claimants in covered seasonal industries, including a rule that coverage only apply to the time period during which seasonal workers were normally employed. These measures were considered necessary to protect the rights and benefits of other workers in year-round employment and to keep the program actuarially sound. However, many of the special seasonal regulations were curtailed by the end of the 1950s to address the plight of primary industries, high unemployment and growing surpluses in the UI fund. Over the course of the following decades, there were repeated calls to move coverage of seasonal workers outside of the UI program in order to bring the program back to its original principles.<sup>2</sup>

When the UI program was significantly overhauled in 1971, new, more generous, eligibility rules treated seasonal workers the same as other claimants, with the proviso that the UI Commission could restrict benefits paid out to seasonal workers. The 1971 UI Act also introduced a new flexible benefit structure that varied according to both regional and national economic conditions and claimants' degree of attachment to the labour market. In 1977, variable entrance requirements were

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<sup>2</sup> In 1961, the federal government commissioned the first fundamental study of the UI program (known as the Gill Committee), whose mandate included a review of the program's seasonal employment provisions. Included with the Committee's recommendations were special regulations for seasonal claimants that would disqualify claimants who made repeated claims at the same time every year, with seasonal workers and workers in regions with high unemployment receiving income supplements outside the UI program. In 1970, the federal government tabled the White Paper on Unemployment Insurance in the House of Commons. Its proposals supported those of the Gill Committee, advising that other income security programs would be better suited for providing income support to workers collecting benefits on a fairly regular basis.

introduced, whereby eligibility rules for claiming EI would vary according to regional economic conditions.

By the early 1990s, the UI program was seen to be serving as an earned income supplement for workers with high earnings in short-duration employment spells coupled with long-duration unemployment spells. As such, the UI program was accused of discouraging claimants from searching for work in their off-season and strengthening their attachment to seasonal industries. In 1995, The Report of the Working Group on Seasonal and Unemployment Insurance warned that since seasonal workers comprised 60 per cent of frequent claimants, any efforts to reduce frequency of claims would greatly impact workers in seasonal industries.<sup>3</sup>

In 1996, Bill C-12 was introduced, creating the Employment Insurance (EI) system. One of the central objectives of this major reform was to foster greater independence and self-sufficiency among frequent users of the program. The program was changed from a weeks-based to an hours-based system, and a number of provisions were introduced to specifically limit frequent and systematic recourse to benefits. These provisions included the divisor rule, whereby claimants would maximize their entitled benefit if they work 70 hours more (or two 35-hour weeks) than the minimum entrance requirement, the intensity rule, whereby benefits were slightly reduced based on claim history, and a new clawback schedule, whereby higher-income claimants must pay back a portion of their EI benefits with a separate lower income threshold and higher clawback rate for repeat claimants. A number of these provisions, including the Intensity Rule and a separate clawback rate for frequent claimants, were repealed in 2001 by Bill C-2 on the grounds that they had not been effective in reducing the share of frequent claimants since their introduction.

While much debate has occurred throughout the history of the UI/EI over the inclusion of seasonal workers in the unemployment insurance regime, what has not been debated is that seasonal workers are a major contributor to EI frequent use. In its latest Monitoring and Assessment Report, HRDC finds that the share of seasonal workers among all frequent claimants now stands at 80 %. In a recent special survey on frequent users of EI, The Survey on Repeat Use of Employment Insurance, 62 % of male frequent claimants and 50 % of female frequent claimants in 1996 reported that they worked in a seasonal job in the following year. Gray and Sweetman (2001) find that while only 15 % of 1996 frequent claimants establish claims in a seasonal fashion over the 1992 to 1997 period, there is a high degree of seasonality to the claim patterns of all frequent claimants when aggregated together.<sup>4</sup>

While there is a growing body of evidence of the relationship between seasonal work and EI use, very little research has examined the direct link between seasonal jobs and frequent EI claims. One of the reasons why there has been a dearth of research in this area has been the lack of suitable data.

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<sup>3</sup> In this Report, the Working Group on Seasonal Work and Unemployment Insurance identifies frequent claimants as those who made a claim three or more years in five years on p. 13 and those who have received UI benefits at least three times in the past five years on p.25.

<sup>4</sup> In its EI Monitoring and Assessment report, HRDC identifies frequent claimants as claimants who made three or more claims in the five years preceding their current claim. This definition differs significantly from the SRUEI definition, where frequent claimants are defined as 1996 claimants who received at least \$1 in benefits in at least two of the previous four years (1992 to 1995). Using the SRUEI sample, Gray & Sweetman (2001) determined frequent claimants as 1996 claimants who initiated a claim in each year during the 1992 to 1997 period, while “mostly frequent” claimants are those who initiated a claim in four or five of the six years, one of which had to be 1996 due to the sampling frame.

Understanding the relationship between seasonal work and long-term EI use requires longitudinal data, which is often missing in surveys or cross-sectional instruments. In some cases, longitudinal administrative data can be linked to survey data, such as the Canadian Out of Employment Panel (COEP) or the Survey on Repeat Use of Employment Insurance, providing a longitudinal dimension to the research analysis.<sup>5</sup> While this data has great potential for uncovering long-term behaviour, it is often restricted to one dimension of claimants' labour market activity – their EI use over the period – and does not fully capture their labour market experiences while off-claim.

Another major challenge facing the analysis of seasonal workers is lack of a standard measure of seasonal work being performed in Canada. Most widely used measures enumerate seasonal workers based on their working in a particular industry, occupation, or geographic region.<sup>6</sup> However, with the decline in overall importance of seasonal work in Canada, the traditional concept of a typical seasonal worker has changed very much from what it was a quarter century ago. Few workers can be employed in one seasonal job that will provide enough work and compensation to support them and their families throughout the off-season. For instance, in a recent study of seasonal workers in New Brunswick, L'Italien et al (1999) estimated that the average length of seasonal jobs in 1996 was 17 weeks, compared to 35 weeks for all jobs.

As an illustration, consider a typical worker living in the Northwest New Brunswick where the unemployment rate often exceeds 13 %. If this worker has a seasonal job that lasts only 17 weeks, and works on average 35 hours per week (for a total of 595 hours), EI eligibility and entitlement rules determine that this worker would be eligible for 28 weeks of benefits, for a total of 45 weeks with employment earnings and EI benefits, leaving a “gap” of 7 weeks for that year with no source of income from work or EI. To avoid having to resort to social assistance or other sources of financial support, this worker would need to work more than one job. It is thus not surprising that L'Italien et al (1999) found that nearly one third (29 %) of seasonal workers in New Brunswick worked more than one job in 1996, most of whom were workers in non-seasonal industries where a growing proportion of seasonal workers are found.

## Measuring Seasonality in Employment and EI Use

Measuring seasonality on an individual basis is challenging as seasonal jobs currently account for only a small fraction of the millions of hiring and job separations that give rise to seasonal patterns in total employment. It is therefore easier to classify a job, rather than a worker, as seasonal. By definition, seasonal jobs provide temporary work that is only expected to last until the end of a “season” – with season defined as a period where a certain type of service is in demand due to such factors as weather conditions or holiday periods. In contrast, seasonal workers are individuals who face annual spells of unemployment due to regular fluctuations in demand of work for workers with their sets of skills and experience. They may work one or more jobs, not all of which may necessarily be considered seasonal, in such a way that there is a seasonal pattern to their annual employment situation.

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<sup>5</sup> The COEP, which was designed primarily for analyzing the impact of EI reforms on unemployed individuals, is an example of a data set that, due to its sampling of individuals using their Record of Employment (ROE), is well-suited for linkage to EI administrative files. It should be noted, however, that out of respect for individual privacy concerns, it is becoming increasingly difficult to link data from administrative files for monitoring and research purposes, placing into question future research using these sources of linked data.

<sup>6</sup> See for example Wesa (1995).

To provide some perspective on the challenges of measuring seasonal workers on an individual basis, we review a variety of measures that have been used to identify the extent of seasonal work in Canada. We classify the measures under three general headings –seasonal employment, seasonal unemployment, and seasonal reliance on EI benefits – to reflect the variety of ways that seasonality is measured. We summarize the measures under each of the three headings in Table 1, providing aggregate and disaggregate figures where possible.

### **Seasonal Employment**

One of the more traditional methods for identifying seasonal workers is to use survey instruments that ask workers about the nature of their employment. One of the more common surveys that provide a measure of self-identified seasonal workers is the Labour Force Survey (LFS). The LFS is a monthly household surveys aimed at providing information on individuals who are employed, unemployed and out of the labour force. To estimate the extent of seasonal work in Canada, the Survey includes two questions about a respondent's current job by which seasonal workers can be identified:

- (i) Is your job permanent, or is there some way that it is not permanent (e.g. seasonal, temporary, term, casual, etc)? and;
- (ii) In what way is your job not permanent (seasonal job, temporary, casual, other)? (Answered if respondent answered that the job was not permanent in the previous question)

According to the LFS, 5.1 % of all paid workers in July 2000 reported that their main job was seasonal. Since young workers have a greater tendency to work in non-permanent positions, we separate workers under 25 years of age from older workers. We find that young workers indeed have a much higher incidence of seasonal work, with 14.6 % reporting that their current job is seasonal in nature, compared to 2.8 % of workers 25 years and older.

One problem with the above LFS methodology for calculating the number of seasonal workers is that it asks workers to self-identify the nature of their jobs. While most workers in seasonal jobs may be aware that their jobs are temporary, some may not be aware that their jobs are temporary for seasonal reasons. As well, the fact that the LFS is conducted on a monthly basis may lead to an underestimation of the number of seasonal jobs throughout a particular year. Seasonal jobs occur at different points throughout the year, therefore an estimation of seasonal employment in a given month will represent an underestimation of total seasonal employment throughout a given year.

An indication of the problems with respect to self-identification to measure seasonal work is our finding that a high percentage of self-identified seasonal workers in the LFS have been with their employer for longer than 12 months. If a worker is truly working a seasonal job, then the duration of continuous employment in that job could not, by definition, be longer than a one-year cycle. Figure 1 illustrates the distribution of seasonal workers by the length of their job.

**Table 1: Measurements of Seasonal Workers, Seasonally Unemployed and Seasonal EI Claimants**

<b>Data Source</b>	<b>Aggregate measurement of seasonality</b>	<b>Disaggregated indicators</b>
<b>Seasonal Employment</b>		
Labour Force Survey, 2000	5.1 % of all paid workers reported having a non-permanent, seasonal job	<i>Age</i> 14.6 % of paid workers under the age of 25 reported having a non-permanent, seasonal job compared to 2.8 % of paid workers 25 years of age and older
New Brunswick Seasonal Workers Survey, 1996	20.1 % of paid and self-employed workers in New Brunswick reported having a full- or part-time seasonal job	<i>Gender</i> 23.3 % of male paid and self-employed workers reported having a full- or part-time seasonal job compared to 16.3 % of female workers <i>Employment Income</i> 53.6 % of those who reported having a full- or part-time seasonal job earned \$ 5,000 or less per year and only 8.2 % of them earned \$ 20,000 or more
Survey on Repeat Use of Employment Insurance, 1997	57.3 % of 1996 EI claimants who were working in 1997 reported having a seasonal job	<i>Gender and Intensity of EI Use</i> 61.6 % of male claimants and frequent beneficiaries of EI reported having a seasonal job in 1997 compared to 27.6 % of male occasional beneficiaries of EI 49.9 % of female frequent beneficiaries of EI reported having a seasonal job in 1997 compared to 20.1 % of female occasional beneficiaries of EI
<b>Seasonal Unemployment</b>		
Canadian Out of Employment Survey, 1995 to 1997	15.5 % of all workers who experienced a job separation reported that this separation was due to seasonal factors	<i>Circumstances of Job Separation</i> Among workers who reported a job separation due to seasonal factors: 72.0 % also reported the separation was due to a layoff compared to 39.2 % of workers reporting their job separation was not due to seasonal factors 73.0 % expected to return to employer compared to 47.1 % of workers reporting their job separation was not due to seasonal factors 57.0 % had a recall date compared to 41.6 % of workers reporting their job separation was not due to seasonal factors 23.1 % received a severance package compared to 32.7 % of workers reporting their job separation was not due to seasonal factors 52.9 % claimed EI compared to 53.5 % of workers reporting their job separation was not due to seasonal factors

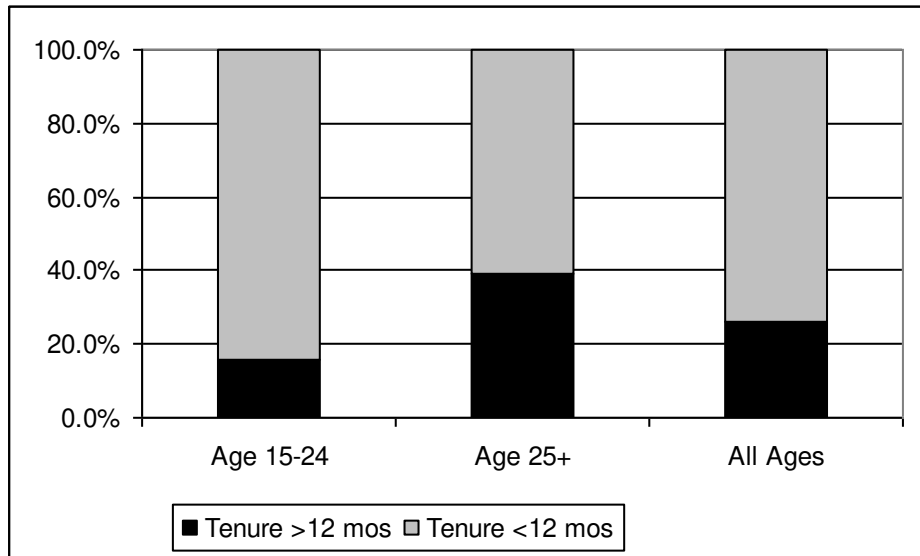


**Table 1: Measurements of Seasonal Workers, Seasonally Unemployed and Seasonal EI Claimants (Cont'd)**

<b>Data Source</b>	<b>Aggregate measurement of seasonality</b>	<b>Disaggregated indicators</b>
<b>Seasonal Unemployment</b>		
Employment Insurance Coverage Survey, 1997 to 1999	18.5% of unemployed reported that their last job was seasonal	<p><i>Age</i></p> <p>21.6 % of unemployed under the age of 25 reported that their last job was seasonal compared to 17.3 % of unemployed 25 years of age and older</p> <p><i>Reliance on EI</i></p> <p>48.2 % of unemployed who reported that their last job was seasonal received EI benefits compared to 41.4 % of unemployed who reported that their last job was not seasonal</p>
<b>Seasonal Reliance on EI Benefits</b>		
Employment Insurance Coverage Survey, 1997 to 1999	20.9 % of EI beneficiaries reported their last job was seasonal	<p><i>Age</i></p> <p>26.5 % of EI beneficiaries under the age of 25 reported their last job was seasonal compared to 20.1 % of EI beneficiaries 25 years of age and older</p>
HRDC EI Monitoring and Assessment Report, 2000/2001	29.8 % of EI beneficiaries have seasonal claim patterns	<p><i>Intensity of EI Use</i></p> <p>80 % of frequent beneficiaries of EI have seasonal claim patterns</p>
Survey on Repeat Use of Employment Insurance and EI Administrative Data, 1996	15 % of 1996 EI claimants have seasonal claim patterns	<p><i>Gender and Degree of Seasonality of Claims</i></p> <p>4.1 % of male of 1996 EI claimants have "strictly seasonal" claim patterns compared to 6.3 % of female 1996 EI claimants</p> <p>10.8 % of male of 1996 EI claimants have "mostly seasonal" claim patterns compared to 10.5 % of female 1996 EI claimants</p>

Sources: Gray and Sweetman (2001), HRDC (2002, 2001a, 2001b), Lapointe (2002), L'Italien et al. (1999), Marshall (1999) and Schwartz et al. (2001).

**Figure 1: Length of Seasonal Workers' Jobs**

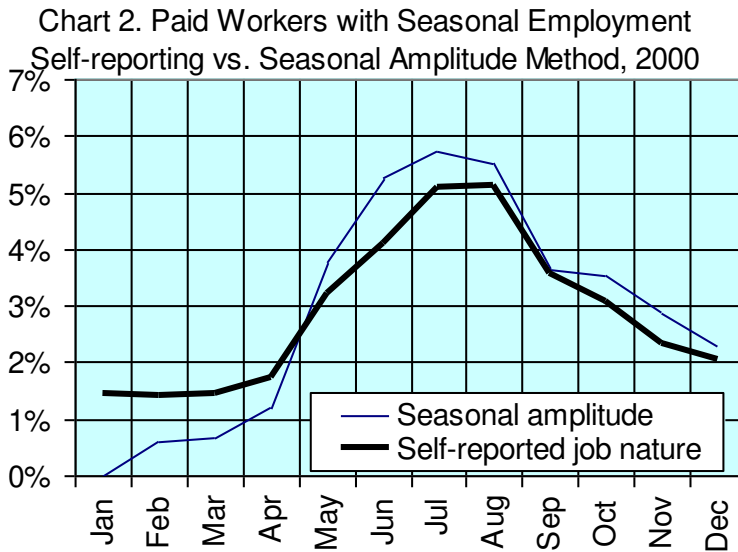


The figure shows that a fairly high percentage of workers who identify themselves as seasonal workers are working in jobs that last for over one year with 16 % of young workers, 39 % of workers of 25 years of age and older for an average of 26 % of workers of all ages who reported that their seasonal job last for more than twelve months. This discrepancy could be attributed to two factors: (a) Respondents are incorrectly substituting their tenure with their current employer for the duration of their current employment spell with a particular employer; or (b) they are confusing their temporary jobs with seasonal work. Either way, this anomaly indicates the pitfalls of relying on self-identification when attempting to arrive at an exact measure of seasonal work.

Since the LFS is a monthly survey, it is also possible to estimate seasonal employment based on the seasonal amplitude of employment over a given year. Instead of relying on respondents' perceptions of their employment and therefore avoid the inaccuracies associated with self-reporting measures highlighted above, the seasonal amplitude measures the difference between the maximum employment and minimum employment levels during the year. Figure 2 compares how the two different ways of measuring seasonal work using the LFS. As can be seen from this graph, the seasonal amplitude measure produces monthly estimations of seasonal work that are fairly consistent with the self-reporting approach.

A number of recent special surveys have covered the topic of seasonal work. The New Brunswick Seasonal Workers Survey (SWS) was conducted for HRDC-New Brunswick Region in early 1997 to better understand the socio-economic situation of seasonal workers in New Brunswick. Based on a sample of 5,014 New Brunswick households, the survey asked household members retroactively about all jobs held in 1996, amounting to 10,881 individuals. The survey sample for the SWS is similar to that of the LFS in that it looked at only working-aged individuals (aged 15 and older) and does not include people living on native reserves or in institutions, or members of the Canadian Forces. Unlike the LFS, which is a monthly survey, the SWS asked questions on the basis of an entire calendar year. As such, the SWS sample is the total number of workers who had at least one job for at least one week during the year, while the LFS measures the average number of seasonal

workers over the course of the year. As well, the SWS includes self-employed seasonal workers, while the LFS does not.<sup>7</sup>



Source: LFS

According to the SWS, 20.1 % of all workers in New Brunswick had at least one full- or part-time seasonal job during 1996. A seasonal job is defined here as having a predetermined ending for seasonal reasons. According to the survey, men are more likely than women to be seasonal workers, as 23.3 % of male workers reported that they were working in a seasonal job, compared to 16.3 % of women. The SWS also asked workers a series of questions about the nature and compensation of their employment. For instance, L'Italien et al.(1999) report that on average, seasonal jobs paid \$8,548 in 1996, much lower than the average of \$18,654 for all jobs. Excluding bonuses and overtime pay, over half (53.6 %) of seasonal jobs provided \$5,000 or less per year, compared with 30.7 % of all jobs. At the top end of the pay scale, only 8.2 % of seasonal jobs paid \$20,000 or more per year, compared to 36.0 % of all jobs.

Another special survey of interest to the study of seasonal workers is the Survey on Repeat Use of Employment Insurance (SRUEI). A special survey conducted by Statistics Canada in 1998, the SRUEI was designed to understand the circumstances, attitudes, and job-search activities of all 1996 Employment Insurance claimants. The SRUEI was a nationally-representative survey, and its target population was a sample of all claimants who made a claim for and received at least \$1 in regular EI benefits in 1996. Due to the special interest in frequent claimants, those claimants who made three or more claims over the 1992 to 1996 period were over-sampled, which is taken into account in the survey's weighting scheme.

The SRUEI collected a wide range of demographic and economic information on claimants and their households. Claimants were asked about their attitudes towards work and the EI program, as well as any job-search activities undertaken in 1997. Respondents were also asked about their

<sup>7</sup> See L'Italien et al. (1999) for more details.

employment experience in 1997, the year after their 1996 claim. Based on this information, it is possible to determine how many 1996 claimants described their main 1997 job as seasonal. However, since this information is cross-sectional in nature, it is not possible to determine if the seasonal work being observed is part of a long-term history of seasonal work patterns or is merely a one-time occurrence. As well, respondents' seasonal jobs cannot be linked directly to their EI claims and therefore cannot be used to investigate the relationship between their seasonal work and long-term EI use.

Since the SRUEI asks respondents about their employment in the year following their 1996 claim, it does show what kind of work that different types of claimants pursue following their claims. From their responses, 57.3 % of frequent claimants (those who claimed and received EI benefits in at least three out five years from 1992 to 1996) described their main job in 1997 as being seasonal. This is in marked contrast to occasional claimants (those who claimed EI in one or two years over the same period), of whom only approximately one-quarter described their main 1997 job as seasonal. Male claimants were the most likely to pursue seasonal employment in the year following their 1996 claim: 61.6 % of male frequent claimants described their main 1997 job as seasonal, compared to 49.9 % of female frequent claimants, and 27.6 % of occasional claimants described their 1997 job as seasonal, compared to 20.1 % of female occasional claimants.

### **Seasonal Unemployment**

Another method for estimating seasonality in the Canadian workforce is to estimate the number of workers who experienced job loss due to seasonal reasons. A benefit of this approach over measuring seasonality among currently employed workers is that it better reflects those who have actually experienced a break in their employment due to seasonal reasons. It is also possible to then link the seasonal job loss to EI receipt, providing some indication of the relationship between seasonal work and EI use is available. One of the more prominent data sources for calculating seasonal work among the unemployed is the Canadian Out of Employment Panel (COEP). The COEP has been conducted three times under sponsorship by HRDC and its primary purpose is to evaluate the impact of various EI reforms on individual EI claimants. The COEP survey sample is based on a stratified random sample of Records of Employment (ROE) over a series of quarters. The EI Act requires an employer to complete a ROE any time an employee stops working due to pregnancy, injury, illness, adoption leave, layoff, leave without pay, or dismissal. The ROE is then used by HRDC to determine if individuals qualify for EI benefits, and if so, the benefit rate and the duration of their claim. The ROE must be issued even if the employee has no intention of filing a claim for EI benefits.

The COEP therefore does not sample the entire population but only those who have just left a job and are potentially eligible for EI (including self-employed fishers). To identify seasonality, the COEP includes a question on the reasons for job loss, with one of the possible reasons being "seasonal factors". A second question asks about the characteristics of the job from a list of choices that includes "seasonal." Research has shown that results do not vary greatly using either of the two responses (HRDC, 2001a). Based on COEP data for the 1995 to 1997 period, 15.5 per cent of Canadian workers experienced a job loss due to seasonal reasons.

The COEP provides some interesting characteristics of the relationship between seasonal workers and the individuals' experience with the job market. While seasonal workers are nearly twice as likely to have been laid off from their job than non-seasonal workers (72.0 % of seasonal workers vs. 39.2 % of non-seasonal workers), nearly three-quarters (73.0 %) expected to be recalled by their employer

at a later date, compared with fewer than half (47.1 %) of non-seasonal workers. Similarly, seasonal workers were much more likely than non-seasonal workers to have a firm recall date (57.0 % vs. 47.1 %). While these findings suggest some relative advantages for seasonal workers when compared with other workers, seasonal workers do face a disadvantage in that they were less likely to receive some financial compensation, such as severance, when they became unemployed.

One stereotype of seasonal workers is that they are more dependent on EI in their off-season than other types of unemployed workers. In fact, evidence from the COEP suggests that this is not the case, since seasonal workers are actually less likely than non-seasonal workers to collect EI, as seasonal workers were actually 0.6 percentage points less likely than non-seasonal workers (52.9 % vs. 53.5 %) to collect EI following their job loss. This finding suggests that seasonal workers comprise a larger percentage of frequent EI claimants because they experience layoffs more frequently and not necessarily because they have a higher propensity to collect EI than other laid-off workers.

Another survey that examines the link between unemployment and EI use is the EI Coverage Survey (EICS). The EICS is a supplementary survey to the LFS that has been conducted four times per year since 1997. Unlike the LFS, the EICS surveys the unemployed and those who are not currently in the labour force with the condition that they have worked in the past two years. In addition to covering the unemployed, the EICS has the advantage that it collects information on unemployed individuals' use of EI benefits, which the LFS does not.

Based on average monthly estimates from the EICS over the 1997-1999 period, 18.5 % of all unemployed workers reported that their last job was seasonal and among these seasonal workers, 48.2 % reported that they received EI benefits since becoming unemployed. Among the unemployed who did not last work in a seasonal job, 41.4 % stated they had received EI benefits since losing their job. That the EICS estimate of seasonal workers is somewhat higher than that of the COEP is to be expected; while both surveys measure seasonality among the unemployed, the COEP identifies seasonal workers according to the reasons for their job loss while the EICS asks workers about the seasonal nature of their last job. Not all workers in seasonal jobs end up losing their jobs for seasonal reasons, resulting in more seasonal jobs than seasonal layoffs.

An interesting finding from the EICS is that the differences in the incidence of seasonal unemployment between young workers and older workers is not as pronounced as that found in other measures of seasonality from other data sources. When youth aged between 15 and 24 are separated from older workers, 21.6 % of unemployed youth reported that their last job was seasonal, compared to 17.3 % of older workers. There is however a marked disparity between younger and older unemployed workers in their use of EI: while 60.1 % of older workers received EI since their job loss, only 22.4 % of younger workers collected EI (49.9 % vs. 17.0 % of non-seasonal workers). This sizable difference may be due in large part to EI eligibility rules since young people in summer jobs may have greater difficulty gaining enough hours to qualify for EI and/or may be more likely to be classified as *new-entrants* to the labour market and therefore face more stringent eligibility requirements.

### **Seasonal Reliance on EI Benefits**

A final measure of seasonality examined here is seasonality in EI benefit receipt. Since seasonality is linked so closely to frequent EI use, it is instructive to discern the extent to which EI claimants

establish claims for benefits in a distinctly seasonal fashion. One of the major disadvantages of using this measure is that most of the studies here rely on EI administrative data which tracks claimants' claim behaviour over time and therefore do not reflect seasonal workers' behaviour while off claim.

One exception is the previously mentioned Employment Insurance and Coverage Survey (EICS). Since the EICS asks respondents about their use of EI since becoming unemployed, it provides an estimate of the extent to which seasonal jobs lead to EI claims. According to the EICS, of unemployed workers who stated that they had received EI, 20.9 % said that their last job was seasonal. Similar to the above findings from the EICS on all unemployed workers, seasonality is more prevalent among younger EI claimants, as 26.5 % of beneficiaries aged 15 to 24 last worked in a seasonal job, compared to 20.1 % of older workers.

Of late, a comprehensive source of information on EI claimant behaviour is the EI Monitoring and Assessment Report (M&A). The M&A is an annual publication published by HRDC since 1997 that provides a detailed analysis of the EI program, particularly the impact that the 1996 reform have had on EI use. As such, the analysis of seasonal work is restricted to the number of seasonal claims in a particular year, based on the pattern of claims made by a claimant over the course of two years. Using EI administrative records, the report classifies claimants as seasonal if the claimant has frequently relied on EI in the past, having made three or more claims in the five years preceding the current claim, and if the current claim has been initiated within the same eight-week window as previous claims. Only claimants who are receiving regular or fishing benefits are included in the analysis.

According to the latest M&A report, 80 % of frequent claimants in 2000/2001 were classified as seasonal according to their claim patterns. Since frequent claimants accounted for 37.3 % of all claimants in that year, seasonal claimants represented 29.8 % of all claimants in 2000/2001. Unlike other studies, this figure does not present the extent of seasonal work in Canada, since it only includes individuals who experienced a spell of unemployment and successfully claimed EI benefits. It does, however, indicate that most frequent claimants of regular and fishing benefits establish claims on a seasonal basis, suggesting that seasonal work is a major contributor to frequent reliance on EI benefits.

In a separate study on seasonal EI claimants in Quebec in 2000, the eight-week window used for identifying seasonal claim patterns in the M&A report is extended to 12 weeks. Also using EI administrative records, this study finds that among frequent regular and fishing claimants, 90 % of EI claimants in Quebec establish their claims in a seasonal fashion, meaning that they filed their current claims within the same 12-week window as their previous claims (figure not shown in Table 1). By extending the window to now include a three-month "season", this study finds that all but a small minority of frequent claimants establishes claims in a seasonal fashion.

A growing number of studies have begun to link EI administrative records to other data sources such as special surveys, expanding the scope of analysis beyond the information that is captured in the administrative data. For instance, Gray & Sweetman (2001) linked EI data to the Survey on Repeat Use of Employment Insurance (SRUEI) to classify frequent claimants into typological categories according to their historic use of EI, with seasonal frequent claimants as one of the categories. EI records were used to determine the initiation of historical EI claims and these claims were compared with the 1996 reference claim made by all SRUEI respondents. Claimants with claims in other years that began within the same eight-week window as their 1996 claim were

identified as seasonal claimants, regardless of the type of industry in which they worked or whether or not the respondents self-identified as seasonal workers.

According to this typology, only a small fraction (approximately 15 %) of 1996 claimants can be considered seasonal. Gray and Sweetman divided seasonal claimants into two categories, “strictly seasonal” and “mostly seasonal”. “Strictly seasonal” claimants made a claim in every year from 1992 to 1997 that began within the same eight-week window as their 1996 claim, while “mostly seasonal” claimants met this criteria in four or five of the six-year window. Interestingly, their analysis shows that female claimants are only slightly less likely than male claimants to be classified as “mostly seasonal” (10.5 % of women vs. 10.8 % of men) but are more likely than male claimants to be classified as “strictly seasonal” (6.3 % of women vs. 4.1 % of men). This finding stands in sharp contrast with prior research on the SRUEI sample where male claimants are found to be more likely to report working in a seasonal job following their claims. Although this approach of mechanically defining seasonal claimants is instructive, the study remains an analysis of EI claimants and therefore does not account for those seasonal workers who do not rely on EI, either due to their inability to qualify for EI benefits or their ability to secure other employment in the off-season.

### **Measuring Longer-Term Seasonality Using SLID**

While the previous measures give some indication of the incidence of EI use among seasonal workers or the seasonality of frequent claimants’ EI patterns, they do not measure directly the relationship between seasonal work and EI frequent use. This type of analysis requires the use of a longitudinal data source, such as the Survey of Labour and Income Dynamics (SLID), which captures both respondents’ work patterns and EI use patterns over time.

The SLID, introduced in 1993, is a novel survey that is well suited to the study of recurrent or “long-term” seasonal workers as it is designed to track the economic well being of respondents over time. Similar to the LFS, the SLID targets working-aged individuals who do not live on Reserves, in institutions or are not serving in the Canadian Forces. Individuals are interviewed for a period of six years, with a new panel of respondents selected every three years (second panel introduced in 1996), effectively doubling the sample size. Each panel contains approximately 15,000 households representing approximately 31,000 individuals aged 16 years and older.

Information is collected for the SLID in the form of two annual interviews, the labour interview in January and the income interview in May. The labour interview collects such information as the person’s employment during the past year, household composition, and educational activity. The income interview collects information on an individual’s income and its sources during the previous year. This interview is not necessary if the respondent gives Statistics Canada release to use his or her tax records for the purposes of the survey. As a result, most respondents do not have to complete the income interview.

The earliest releases of the SLID from 1993 to 1998 do not include information on the seasonal nature of a respondent’s employment. If a worker has lost a job in a particular year, the reasons for job loss include “seasonal nature of work.” Therefore, it is not possible to identify if the job itself is seasonal in nature.<sup>8</sup> As mentioned above, relying on self-identification raises concerns about the

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<sup>8</sup> Future releases of the SLID will include information on the seasonal nature of respondents’ jobs. If a respondent indicates that a job is not permanent, one explanation given for non-permanency is “seasonal job.” This information, however, is not available for the purposes of this study.

accuracy of respondents' perceptions of the seasonal nature of their work. For instance, respondents may incorrectly identify the seasonal nature of their jobs if they work in seasonal employment, yet their jobs do not end for seasonal reasons. Or, they may simply not be aware that their jobs have ended for seasonal reasons and therefore incorrectly indicate that their job ended for other reasons. As well, a seasonal worker may work a variety of temporary jobs, not all of which end for seasonal reasons.

The longitudinal nature of the SLID provides us with an opportunity to move beyond relying on respondent's self-identification of the seasonal nature of their employment to identifying seasonal workers according to the respondents' employment patterns over the course of several years. By comparing respondents' job separations and absences from year to year, we are able to identify long-term seasonal workers and then link their seasonal employment patterns to any EI claims they may have. In this way, we are able to identify workers who exhibit employment patterns with seasonal employment spells as opposed to workers who simply work in seasonal jobs. Since our interest is seasonal workers who experience regular unemployment spells that can potentially qualify them for EI use, this is a more satisfactory approach to identify our sample for analysis than simply workers who indicate that their layoff was due to seasonal reasons.

For the purposes of this study, we define seasonal workers as adult workers aged 18 to 59<sup>9</sup> who had at least three paid job spells (or engaged in fishing if self-employed) that ended within the same three-month "season" over a five-year period, either from 1993 to 1997 or from 1994 to 1998. These job spells could not last more than nine months as, by definition, seasonal jobs do not last year-round and therefore should at least involve one off-season with no available work. In order to identify workers with a seasonal pattern of unemployment, our definition of seasonal worker requires a minimum of three potentially job spells and each of these three spells had to end within the same 92-day window – the equivalent of a season – to be considered seasonal. Using this "mechanical" definition of seasonal work, approximately 4.4 % of all paid workers or self-employed fisher can be classified as seasonal workers based on their employment patterns over the entire 1993 to 1998 period. This percentage is not shown in Table 1 because our measure is significantly different from any other measure of seasonality. Since we base our sample on the 1993 to 1998 SLID panel, our sample of seasonal workers is all workers in 1993 who had recurring job spells that ended at the same time in any three years over the 1993 to 1998 period. It should therefore be seen only as an attempt to identify seasonal workers for the purposes of comparing EI usage patterns among those who experience recurring layoffs or job separations, rather than an attempt to provide an estimation of seasonality.

### **Comparison of Alternative Measures of Long-term Seasonal Workers**

Before proceeding with an analysis of seasonal workers as defined above, we first compare our mechanical estimation of seasonal workers with two of the more typical measures of seasonal workers: the number of workers in a traditionally seasonal industry and the number of workers who report that they experienced job loss or an absence from their jobs for seasonal reasons. We choose these two definitions for comparison since they represent the only other data on seasonal work captured by the SLID. SLID is now collecting information on the seasonal nature of respondents'

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<sup>9</sup> The maximum age in 1993 is 59 years old so that all workers in our study will be under the age of 65 throughout the period of analysis.



jobs where respondents can choose “seasonal job” as an explanation for jobs that are not permanent; however, this data was not available for our analysis period.

In order to compare the mechanical definition with the other two definitions of seasonal work, we narrow the mechanical definition to including only workers who had one of their job spells end in 1998. Admittedly, this definition is very restrictive and therefore most likely underestimates the extent of seasonal work during this period since it only includes workers who have one of their job spells end in a given year. However, narrowing the definition in this way is necessary for comparing it to estimates of seasonal work given by the other two measures.

Table 2 provides a comparison of the three definitions of seasonal work, expressed as a percentage of all workers with a paid job (or a self-employed fisher) in 1998. First, a comparison is given of the self-reporting and industry-based definitions. The self-reporting definition of seasonal work counts individuals as seasonal workers if their job spell ended for seasonal reasons. The industry-based definition identifies seasonal workers by their jobs’ industry classifications. According to this measure, workers are identified as seasonal if they had a job spell that ended in 1998 that was in one of the traditional industries, including agriculture, forestry and logging, fishing (and processing), hunting, trapping, and construction. Similar to our requirement for jobs included in the mechanical definition, these job spells could not have lasted more than nine months.

To compare these two definitions with our mechanical definition, we use these definitions to estimate long-term seasonal workers by adding the criteria that they have met the respective definitions in at least two of the previous four years (1994 to 1997) as well. Estimates for these three definitions of long-term seasonal workers are given in Table 2, with the mechanical definition identifying the highest percentage of workers in 1998 as seasonal, at 2.2 %, followed by the self-reported definition, at 1.0 %, and then the industry-based definition, at 0.9 %. Of all paid workers in 1998, 2.6 % met at least one of the above definitions of seasonal workers.

Although these estimates of seasonal work are low, most likely due to the fact that they are based on the stringent criteria that seasonal workers must have at least two seasonal jobs spells in 1992 to 1997 in addition to their spell in 1998, this study is concerned with providing a mechanical method for identifying seasonal workers that will give the best estimate of the link between seasonal work and EI use. To compare the relative advantages of using the mechanical definition over the self-reported and industry-based approaches, we examine in Table 3 the extent to which the three definitions overlap in identifying seasonal workers. From the table, our proposed mechanical definition identifies the largest pool of seasonal workers, as it accounts for 84.9 % of the total sample. The measure that provides the next largest estimate is that of the self-reported definition, which identified 38.5 % of the seasonal workers, followed by the industry-based definition, which identified 34.1 % of all the seasonal workers.

From the table, it is possible to see that there is a significant proportion (41.6 %) of seasonal workers that satisfy the mechanical definition alone; therefore selecting long-term seasonal workers using only self-identification and/or the industry-based definition would have failed to capture two-fifths of potential seasonal workers. The downside of using the mechanical definition is that we will be excluding 15.1 % of workers who only satisfy either the self-reporting and/or industry-based definitions. However, relying on the mechanical definition of seasonal work is the best way to identify the commonalities shared by workers who face regular seasonal layoffs and must consequently rely on EI benefits, regardless of their industry or perception of their nature of work.

**Table 2: Alternate Estimates of Long-Term Seasonal Workers, 1998**

<b>Definition</b>	<b>Incidence</b>
Had a paid job or was a fisher	100.0 %
Estimates of all seasonal workers:	
Self-reported	2.6 %
Industry-based	2.1 %
Estimates of long-term seasonal workers	
Self-reported	1.0 %
Industry-based	0.9 %
Mechanical definition	2.2 %
At least one of the three definitions	2.6 %

Note: Long-term seasonal workers are workers who have had experienced a job loss in at least three of the five years from 1994 to 1998, one of which was in 1998.

Source: Survey of Labour and Income Dynamics, 1994-98

**Table 3: Overlap Among the Three Seasonal Definitions Using the SLID**

<b>Measure</b>	<b>Incidence</b>
Satisfy the self-reported definition	38.5 %
Satisfy the industry-based definition	34.1 %
Satisfy the narrow mechanical definition	84.9 %
but neither of the other two definitions	41.6 %
and only the self-reporting definition	18.3 %
and only the industry definition	12.6 %
and both of the other definitions	12.5 %
Do not satisfy the narrow mechanical definition	15.1 %
Satisfy at least one of the three definitions	100.0 %

Note: Long-term seasonal workers are workers who have had experienced a job loss in at least three of the five years from 1994 to 1998, one of which was in 1998.

Source: Survey of Labour and Income Dynamics, 1994-98

### Long-term Seasonal Work and Reliance on EI Benefits, 1993 to 1998

To determine the relationship between seasonal workers' job separations and EI use, we revert back to our original mechanical definition of seasonal workers that includes all workers who had three seasonal job spells over a five-year period.<sup>10</sup> We then identify the number of times the end dates of

<sup>10</sup> In this section, we rely on a less restrictive definition of seasonal work to select our sample since we relaxed the restriction that one of the unemployment spells occurred in 1998. SLID respondents are classified as being seasonal

their three most recent seasonal jobs spells have been followed by a spell of EI receipt. A job spell is determined to be associated with an EI spell if we observe receipt of EI benefits within the three months following end date of the job spell.<sup>11</sup> Having identified the number of times seasonal job spells lead to EI receipt, we are able to classify seasonal workers according to their EI use over a five-year period. Table 4 provides the distribution of seasonal workers according to their number of seasonal job spells that led to receipt of EI benefits.

**Table 4: The Number of Long-term Seasonal Workers' Jobs that Led to EI Spells**

	<b>Number of seasonal workers</b>	<b>Proportion of all seasonal workers</b>	<b>Number of job spells that lead to EI</b>	<b>Job spells that lead to EI as proportion of all job spells</b>
No seasonal job lead to an EI spell	89,300	17.3 %	0	0.0 %
One seasonal job led to an EI spell	104,500	20.2 %	104,500	6.7 %
Two seasonal jobs led to EI spells	128,600	24.9 %	257,200	16.6 %
All three seasonal jobs led to EI spells	194,600	37.6 %	583,800	37.6 %
Total	517,000	100.0 %	945,500	61.0 %

Note: Long-term seasonal workers are workers who experienced a job loss in at least three of the five years from 1993 to 1997 or 1994 to 1998.

Source: Survey of Labour and Income Dynamics, 1993 to 1998

The table above indicates that 17.3 % of seasonal claimants identified in the SLID sample did not receive EI at all following their seasonal job spells. Of the seasonal workers who did claim EI at least once, most claimed EI three times while the fewest claimed EI only once. With 61 % of observed seasonal job spells leading to EI receipt, this estimate indicates an even stronger link between seasonality of employment and EI receipt than previously estimated by other measures. The closest comparison using other data are our estimates based on self-reported data from the EI Coverage Survey reported above, where we find that the incidence of EI use is 48.2 % among unemployed workers who identified their last job as seasonal.

That almost two-thirds of observed seasonal job spells lead to EI receipt indicates that seasonal workers face significant barriers in transitioning from one job to another after job loss. To

if they had three unemployment spells occurring in the same "season" in one of two five-year periods, January 1993 to December 1997 or January 1994 to September 1998. The last three months of 1998 are not included to avoid producing a biased estimate of EI receipt among seasonal workers whose job spells ended in these months.

<sup>11</sup> The monthly EI variables are self-reported and are based on the respondent's recollection of EI receipt during the past year collected in the January labour interview. Due to reporting errors, approximately 10 % of cases are missing the monthly EI information. In these cases, we have relied on annual information that is collected during the income interview in May. In almost all cases, the respondent's income tax records are the source of this information. To reconcile instances where annual information indicates receipt of EI during a given year while monthly variables do not, we consider the respondent to have collected EI in the same year if the job ends by September 30<sup>th</sup> and EI was received in the same year. If the job ends after September 30<sup>th</sup>, then we look for EI receipt in the following year.

understand the circumstances of these workers, we look at a range of demographic characteristics to illustrate who they are, where they live, and how they are faring in our current economy. We provide a set of basic characteristics in Table 5, with seasonal workers grouped by the number of times they have relied on EI following their three seasonal jobs spells: 0, 1, 2 or 3 times.

The table indicates that the typical seasonal worker is an older worker, male, less educated, lives in a region with a high unemployment rate, married or living in common law, and lives in Quebec or the Atlantic Provinces. While previous research has shown that seasonal workers in general tend to be younger, the third column in the table shows that seasonal workers who rely on EI the most frequently tend to be older than other types of EI users. Among workers who claimed EI three times, the percentage of claimants 40 years and older is nearly double that of those who never claim or claim only once (39 % vs. 21 %).

The gender composition of seasonal workers when disaggregated according to their EI usage is very interesting. Workers who never claim or claim only once are nearly evenly divided between males and females while males comprise over two-thirds of seasonal workers who claim two or three times. Another marked trend is the relationship between educational attainment and EI use among seasonal workers. The majority of long-term seasonal workers in the sample have not received their high school diploma; however, those who claim EI after each of their three seasonal jobs are much less likely to have completed high school, with less than one-third (32 %) having completed high school or pursued post-secondary education, compared to 45 % of workers who never rely on EI at all.

The figures for the unemployment rate of the region in which seasonal workers live gives some indication that the use of EI by seasonal workers is related to their local job opportunities as well as the EI eligibility rules for their region. The EI program has variable entry requirements that fluctuate according to local labour market conditions, meaning that a seasonal worker living in a region with lower unemployment rates will not only be required to have more hours of work to qualify for EI, but will also receive fewer weeks of benefits for a given amount of work than seasonal workers living in high unemployment regions. It is not surprising then that nearly half (49 %) of seasonal workers who never claim EI live in low unemployment regions while over two-thirds (68 %) of workers with three years of receipt live in regions with unemployment rates of 9 % or higher. This finding reflects regional differences in terms of both the availability of off-season work and the generosity of the EI program.

Also not surprising is that seasonal workers who rely on EI the most are more likely to live in Atlantic Canada and Quebec where unemployment rates tend to be higher and seasonal work is more integral to the economy. That the majority of workers who claim EI in two or fewer years live in Ontario or the western provinces indicates that there does exist a significant population of seasonal workers in these provinces. However, either due to stricter EI eligibility rules or the availability of off-season work, the end of a seasonal spell of employment for these workers does not necessarily lead to a claim for EI benefits.

The family circumstances of seasonal workers tend to vary somewhat according to their use of EI benefits. While the majority of seasonal workers is married or living common law, this share becomes even larger as the number of EI claims increases. However, this does not mean that seasonal workers who claim EI more frequently are better off financially. Although there exist only slight variations in the distributions of family income among the four types of EI users, seasonal

workers with one or no EI claims associated with their seasonal employment spells are more likely to be in the highest family income category (\$60,000 plus) while workers with the two or three claims are more likely to be in the lowest income category (under \$35,000). This finding suggests a higher quality of employment for seasonal workers who do not rely on EI frequently, for even though they are less likely to be living in households where there is potentially another adult income earner, they still report higher overall family income.

**Table 5: Demographic Characteristics of Long-Term Seasonal Workers**

Demographic Characteristic	Number of Jobs Associated with EI claims									
	None		One		Two		Three		Total	
	'000	%	'000	%	'000	%	'000	%	'000	%
<b>Age</b>										
Under 30	40.5	45	51.1	49	47.3	37	52.8	27	<b>191.7</b>	37
30-39	29.9	33	31.7	30	40.3	31	65.3	34	<b>167.2</b>	32
40+	18.9	21	21.7	21	41.0	32	76.5	39	<b>158.1</b>	31
<b>Gender</b>										
Male	45.4	51	55.7	53	88.0	68	140.2	72	<b>329.3</b>	64
Female	43.9	49	48.8	47	40.6	32	54.4	28	<b>187.7</b>	36
<b>Education</b>										
High school or less	47.9	55	53.8	53	71.0	56	131.5	68	<b>304.2</b>	60
More than high school	39.5	45	46.8	47	56.4	44	62.1	32	<b>204.8</b>	40
<b>Regional Employment Rate</b>										
7 % or less	44	49	44.5	43	31.5	24	29.0	15	<b>149.0</b>	29
Over 7 % - 9 %	15.2	17	28.5	27	28.2	22	33.0	17	<b>104.9</b>	20
Over 9 %	30.1	34	31.6	30	68.9	54	132.6	68	<b>263.2</b>	51
<b>Marital Status</b>										
Single/Divorced/Widowed	35.7	40	34.9	33	40.3	31	46.4	24	<b>157.3</b>	30
Married/Common Law	53.6	60	69.6	67	88.3	69	148.2	76	<b>359.7</b>	70
<b>Family Income</b>										
Under \$35,000	28.9	32	27.8	27	54.9	43	68.1	35	<b>179.7</b>	35
\$35,000 - < \$60,000	36.3	41	35.1	34	43.8	34	80.5	41	<b>195.7</b>	38
\$60,000 plus	24.1	27	41.6	40	29.9	23	45.9	24	<b>141.5</b>	27
<b>Region</b>										
Atlantic and Quebec	25.4	28	26.3	25	57.6	45	136.7	70	<b>246.0</b>	48
Ontario and West	63.9	72	78.2	75	71.0	55	57.9	30	<b>271.0</b>	52
<b>All</b>	<b>89.3</b>	<b>100</b>	<b>104.5</b>	<b>100</b>	<b>128.6</b>	<b>100</b>	<b>194.6</b>	<b>100</b>	<b>517.0</b>	<b>100</b>

Note: Long-term seasonal workers are workers who experienced a job loss in at least three of the five years from 1993 to 1997 or 1994 to 1998

Source: Survey of Labour and Income Dynamics, 1993 to 1998

Special mention should be given to the seasonal workers who claim EI after only one of their three seasonal job spells. When compared with other seasonal workers — even those who never claim EI at all — they appear to experience less financial hardship as they are much more likely to be living in households with higher family incomes. This may in large part reflect their personal circumstances, as they tend to have the highest educational attainment and are the least likely to be living in regions with high unemployment rates. It would appear that seasonal workers who claim EI only once, when compared to other seasonal workers, evidence greater flexibility in their decision to claim EI due to better work opportunities available to them.

These findings illustrate that seasonal workers can be found across Canada in regions with a diversity of economic conditions. Our finding that a large percentage of seasonal workers live in regions with relatively low levels of unemployment is in contrast with the stereotype of a seasonal claimant, where seasonal claimants are seen as living in regions with poor economic conditions that are heavily dependent on traditionally seasonal industries. It is when we link their seasonal work to EI spells that we see seasonal workers who rely on EI more frequently tending to live in regions with fewer employment opportunities. From our analysis, it would appear that it is seasonal workers' economic circumstances and personal characteristics, rather than the seasonal nature of their work, that appear to be key factors in determining their ability to find reemployment and consequently, their long-term reliance on EI benefits.

## Conclusion

An important motive for achieving a better understanding of the relationship between seasonal work and EI use is that seasonal workers continue to comprise a large and growing proportion of EI beneficiaries. Despite a general decrease in the proportion of frequent claimants among all claimants from 1999/2000 to 2000/2001, frequent, seasonal claims declined by only 3.7 %, compared to 5.6 % for frequent, non-seasonal claims. According to HRDC (2002), the relative stability of seasonal claims during an economic upturn is “not surprising, as the nature of some seasonal work does not necessarily lead to a decline in claims in periods of strong economic growth”.

One of the reasons why seasonal workers may be a growing proportion of all EI frequent claimants is that the change in 1996 from a weeks-based system to an hours-based system for determining eligibility may have had a positive impact of their EI eligibility and entitlement. The switch to an hours-based system was made in part to address concerns that a large and growing proportion of the employed workforce was not eligible for EI benefits should these workers become unemployed. However, it also meant that weeks worked by seasonal workers – who tend to work more hours per week – would now be insured to a greater extent under the new regime, allowing many seasonal workers to qualify sooner for benefits due to their working schedules. Indeed, evaluative evidence of the reforms on EI eligibility shows that the move to an hours-based system has resulted in a marginal increase in eligibility and an increase of 1.6 weeks of entitlement among seasonal claimants (HRDC, 2001a).

However, an important point to note is that not all seasonal workers were positively affected by the reforms. HRDC (2001a) estimated that seasonal claimants who have fewer than 30 hours of work per week have lost significant amounts of eligibility in comparison to other claimants, being 21 percentage points less likely to qualify for EI, and for those who do qualify they receive 2.6 fewer weeks of entitlement. This finding emphasizes the significant heterogeneity of the impacts of EI

reforms among seasonal workers, as those with fewer hours of work were adversely affected in a significant way after the switch to an hours-based system.

A worrisome trend among seasonal claimants is the existence of a large percentage of seasonal workers who are experiencing a “gap” in their annual working schedule. A gap occurs when a claimant has exhausted benefits and experiences a period of time with no income before securing another job. Recent research by HRDC (2001b) has shown that experiencing a gap is more common among seasonal workers since their working schedules imply that they have less flexibility in their employment patterns; while one-fifth of all claimants exhaust their benefits, one-third of seasonal claimants do so. HRDC estimates that the reforms have had the largest impact on workers who would normally work less than a typical full week.<sup>12</sup> Although the proportion of seasonal claimants who experienced a gap declined from 37.4 % in 1995 to 29.4 % in 1997 after the 1996 EI reforms, the proportion of seasonal workers who experience regular spells with no source of income remains alarmingly high, warranting further research.

Until recently, few research studies have focused exclusively on seasonal workers and the link between long-term seasonal employment and long-term reliance on EI benefits. Past research has compared seasonal workers with non-seasonal workers to assess their ability to cope in periods of unemployment; however, few studies have examined the heterogeneity of EI use among seasonal workers. In this study, we provide a more multifaceted picture of seasonal workers and their reliance on EI benefits by first identifying workers through their employment patterns and then determining the extent to which their layoffs have led to EI claims. By categorizing seasonal workers in this manner, we are able to more fully capture the extent of seasonal work in Canada and the contribution seasonal employment makes to EI frequent use. We are also able to compare the characteristics and circumstances of seasonal workers according to their reliance on EI, providing a much richer picture of the diversity of seasonal workers in Canada.

Our findings serve to dispel the myth that all seasonal workers are naturally frequent EI claimants. We find that although a majority of seasonal workers do rely on EI on a regular basis, a significant proportion (17 %) never rely on EI following their seasonal job spells. We also show that the group of claimants who rely on EI the most frequently are those who face significant barriers to securing year-round employment, being older, less educated and living in regions with the poorest employment opportunities. They also appear to be worse off financially than other types of seasonal workers, being the most likely to have lower family incomes.

Any future policy work on seasonal workers must take into account the changing face of seasonal work in Canada. Seasonality in Canadian employment appears to be declining not only due to a shrinking of employment in seasonal industries, but also because of the general trend away from part-year employment towards full-year employment among both full-time and part-time workers. Another potentially related trend is the declining share of youth employment. Youth aged 15 to 24, who typically experience higher seasonality in their work schedules, now make up a smaller share of total employment than they did 20 years ago, the result of an aging population. Marshall (1999) suggests that with fewer youth available for part-year employment, employers may be offering more full-year employment opportunities to their other part-year employees.

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<sup>12</sup> A full week is defined as one where the claimant works 35 hours because at that point, the claimant would receive the same number of weeks of benefit under the old and new programs.

Ongoing policy research will need to take into account the changing nature of seasonal employment by recognizing that it can be found across Canada in every industry and occupation, making it more difficult to identify seasonal workers using traditional methods. We have illustrated one way to identify seasonal workers according to their employment patterns instead of their EI use, industry or geographic location. Our findings emphasize the need to further address the circumstances of many seasonal workers who face considerable barriers to year-round employment.



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