

Smartphone trends in Canada:

CELL PHONES AND SMARTPHONES BECOME UBIQUITOUS

Introduction

In a discussion paper published on this website in 2018 (“Finding The News 2.0”¹), we referred to Statistics Canada’s 2016 General Social Survey and asked this question: Has the smartphone emerged as a news “medium”?

The 2016 General Social Survey had asked respondents about ownership of a number of devices with computing power and Internet connectivity, and the results indicated that the most ubiquitous computing device in Canada was the smartphone – small, portable, and powerful.

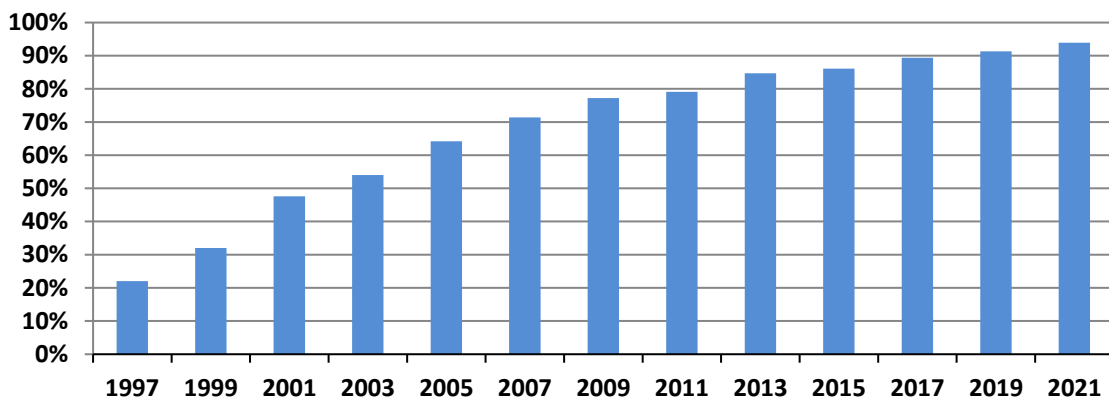
The 2016 General Social Survey also found that Canadians with smartphones were more likely to consume news online than through traditional print media.

With that in mind, we have continued to track the increasing percentages of Canadians that have smartphones, because that is another important indicator of a) how Canadians communicate with each other, and b) how Canadians consume the media.

Key findings in the latest survey data from Statistics Canada and other sources

The latest data available from Statistics Canada’s Survey of Household Spending (SHS) are for 2021, and it is possible to track SHS results back to 1997, to establish a basic trend line for the growth in the percentage of Canadian households with cell phones. (See Figure 1.)

Figure 1. Percentages of Canadian households with cell phones, 1997 to 2021:



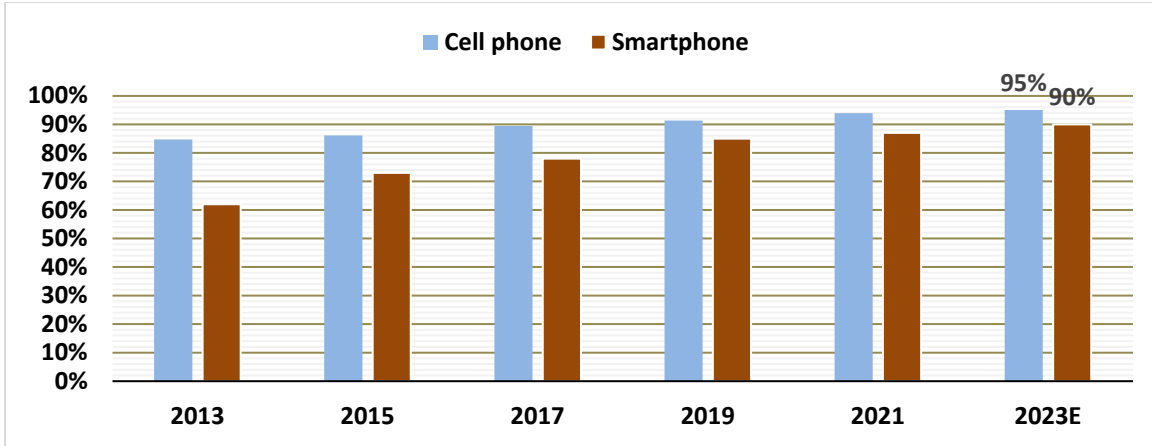
SOURCE: Statistics Canada, Survey of Household Spending.

¹ Available at http://media-cmi.com/downloads/CMI_Discussion_Paper_Finding_The_News_2.0_103018.pdf.

Percentages of Canadians with cell phones and with smartphones

In Figure 2, we have combined data from Statistics Canada and the CRTC, to indicate the growth in the percentage with smartphones, as a subset of the overall cell phone totals.

Figure 2. Percentages of Canadians with cell phones and smartphones, 2013 to 2021, and estimates for 2023:

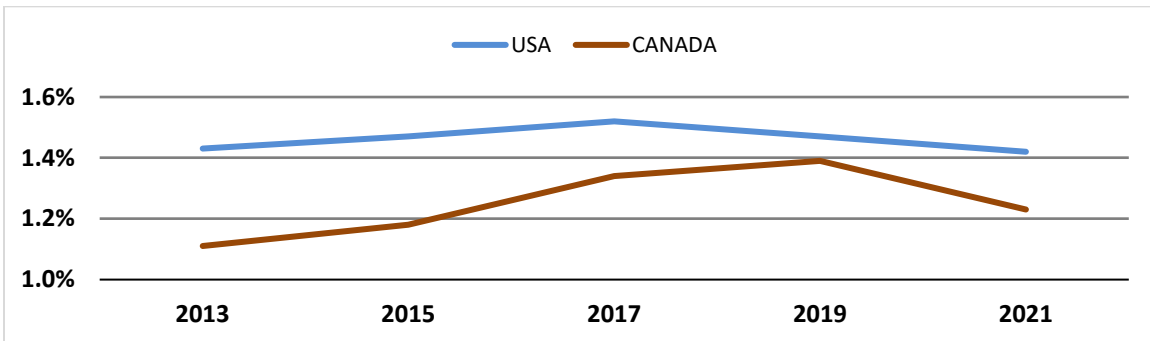


SOURCE: Statistics Canada (based on SHS data); CRTC (based on data from MTM); Communications Management Inc. (estimates for 2023).

Mobile phone affordability – Canada vs. the United States

In Figure 3, we have compared Canadian and U.S. data for spending on cell phones (which include smartphones), as a function of income. As indicated in Figure 3, Canadians spend a lower percentage of their income on this service than do Americans.

Figure 3. Expenditures on cellular phone service, as a percentage of average household income, Canada and U.S.A., 2013 to 2021:



SOURCE: Statistics Canada; U.S. Bureau of Labor Statistics; Communications Management Inc.

Comparisons can also be done by income groups, and that has been done in Table 1 (based on Statistics Canada’s 2021 Survey of Household Spending) and Table 2 (based on the 2021 Consumer Expenditure Survey from the U.S. Bureau of Labor Statistics).

Table 1. Spending on cell phone service as a percentage of household income, by income groups, Canada, 2021:

(In C\$, except for %)	All quintiles	Lowest quintile	Second quintile	Third quintile	Fourth quintile	Highest quintile
Average income before taxes	106,366	25,610	52,532	83,765	125,232	244,556
Spending on cell phone and pager services	1,308	663	945	1,333	1,600	1,998
As % of income	1.2%	2.6%	1.8%	1.6%	1.3%	0.8%

SOURCE: Statistics Canada, Survey of Household Spending, 2021.

Table 2. Spending on cell phone service as a percentage of income, by income groups, United States, 2021:

(In US\$, except for %)	All consumer units	Lowest 20 percent	Second 20 percent	Third 20 percent	Fourth 20 percent	Highest 20 percent
Average income before taxes	87,432	13,165	34,767	61,214	100,527	226,386
Spending on cellular phone service	1,244	646	957	1,262	1,534	1,814
As % of income	1.4%	4.9%	2.8%	2.1%	1.5%	0.8%

SOURCE: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, 2021.

One can also compare Canada and the U.S. by adjusting for currency differences, which has been done in Table 3.

Table 3. Spending on cell phone service, Canada and U.S.A., 2021, with U.S. data converted to Canadian dollars:

CANADA: (In Canadian dollars)	All quintiles	Lowest quintile	Second quintile	Third quintile	Fourth quintile	Highest quintile
Spending on cell phone and pager services	1,308	663	945	1,333	1,600	1,998

UNITED STATES: (In Canadian dollars)	All consumer units	Lowest 20 percent	Second 20 percent	Third 20 percent	Fourth 20 percent	Highest 20 percent
Spending on cellular phone service	1,559	810	1,200	1,582	1,923	2,274

SOURCE: Data from Tables 1 and 2; currency exchange rate from the Bank of Canada.

As indicated in Tables 1 and 2, in 2021, spending on cell phone service as a percentage of income was lower in Canada than it was in the United States. That was true overall, and in the four lowest income quintiles.

As indicated in Table 3, when adjusted for currency differences, U.S. households pay more for cell phone service than do Canadian households, overall, and in every income quintile.

Substitution effects

While this brief note has documented economic and demographic factors relating to smartphones, we should also note that smartphones bring with them a significant set of substitution effects, not just for content often associated with traditional media, but also for what we might call “personal” media – for example, the photography functions that are also associated with smartphones.

Sources and methodology

As indicated above, the data used in this note come from Statistics Canada, the CRTC, and the U.S. Bureau of Labor Statistics.

In the case of Statistics Canada’s Survey of Household Spending, it should be noted that, in some years, the data at the Canada level are based on the 10 provinces, but do not include the territories.

In tables that contain data by income quintiles, it should be noted that income before taxes for lower income groups may in some cases be supplemented by additional sources of funds that are used to help with expenditures (e.g., loans or family assistance for students).