

The trouble with Gen-X and Gen-Y families

Why starting a family today is harder than it was for the Baby Boomers

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EXECUTIVE SUMMARY

Gen-X and Gen-Y, the generations following the Baby Boomers, are raising their own children today. As they do so, they face a more difficult financial reality than the Baby Boomers. The reasons for this include longer periods in school, the declining value of higher education, higher home prices and a changing economy.

However, in assessing the financial struggles of raising a family in this generation, one factor must not be overlooked. This is changing family norms: Cohabitation instead of marriage and higher rates of family breakdown. Some, like the author of *Marriage and Caste in America*, Kay Hymowitz, refer to this as the absence of a “life script.”

It is not enough to merely agree that the post-Baby Boom generations are stretched; we must consider why this is the case. Financial insecurity is not always simply about a lack of money. If we fail to address family breakdown, no amount of financial transfers will alleviate the problems of familial—often leading to financial—instability.

Public policy should allow Gen-X and Gen-Y to be more self-sufficient as they raise their families, needing neither to rely on funds from family, nor on government largesse.

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In light of these realities, we recommend that:

- The federal government should offer family taxation, also known as income splitting, to all families with children. This reduces a family's tax burden. Currently such income sharing is only allowed for retirees who receive pension income from the government
 - Parents with children need to keep more money in their own pockets. Income splitting between spouses lowers the family tax bill
 - Families with young children would be better supported by lowering taxes than some currently are through childcare benefits

- Communities, families and schools should work to restore the life script which puts love, marriage and children in the best order for life-long family stability
 - Schools, secondary and post-secondary, should teach the social science research showing there is a difference in outcomes between marriage and cohabitation
 - Based on the social science research of outcomes of marriage versus cohabitation, families, churches and broader communities should encourage children to see lifelong marriage as realistic and attainable

INTRODUCTION

Gen-X and Gen-Y face a new reality compared with their Baby Boomer parents and grandparents in raising families.¹

Finances are a major concern for families today compared with the past.²

Having spent years in costly schooling, young adults find education loans must be repaid, only to find the value of that education is diminished.³ Housing

1. Gen-X and Y are the children of the Baby Boomers. For more information on who Gen-X, Y and the Baby Boomers are, see Statistics Canada. (2011). Generations in Canada: Age and sex, 2011 Census. Retrieved from http://www12.statcan.gc.ca/census-recensement/2011/as-sa/98-311-x/98-311-x2011003_2-eng.cfm

2. Institute of Marriage and Family Canada. (2007). What's at the heart of the Canadian family? See Chart 3. Retrieved from <http://www.imfcanada.org/issues/what-is-heart-canadian-family>

3. A survey of graduates in the Maritimes found that students with a BA in the humanities were markedly less likely to have a permanent job two years after graduation than graduates with a BA in applied arts and science. See Maritime Provinces Higher Education Commission. (2011). Two years on: A survey of class of 2007 Maritime university graduates, Table 1. Retrieved from http://www.mphec.ca/resources/TwoYearsOn_GFU_2009En.pdf

prices are high across Canada.⁴ Other factors include increased taxes and expenditures.

But are simple finances the only concern these Gen-X and Gen-Y face?

Family breakdown and the lack of a “life script,” alongside changing economic realities, help create additional struggles for young Canadian families.⁵ We need to identify changes to public policy that might help families obtain financial self-sufficiency, whilst simultaneously avoiding greater debt and deficit problems for the economy as a whole.

If further redistributing taxpayer funds could make the problem of struggling families go away, we would have achieved nirvana by now, given how taxes and public expenditures have risen over the years.

CLEARLY IDENTIFYING THE PROBLEM

In the past, the life script was more predictable. Generally, Baby Boomers completed school, got married and had children, in that order. Today Statistics Canada shows fewer young adults are following this path, and when they do, they are doing so much later in life.

The age of first marriage increased five years between 1970 and today.⁶ Furthermore, for the first time since it began collecting marriage data, Statistics Canada found in the 2006 census that more of us are single than married.⁷ The stabilizing of divorce rates may be the result of increased cohabitation, which results in a higher probability of a breakup than marriage, but no divorce statistic. Even so, in 2008 a relatively high number of marriages ended in divorce, approximately 211 for every 1000 people.⁸ Contrast with the rate for Baby Boomers marrying in the 60s, when the number was a mere 51 for every 1000 people.⁹

This amounts to tremendous social upheaval in a short period of time.

WHY CARE ABOUT CHANGING LIFE SCRIPTS?

Why does this matter? Living common-law is, for many, a step toward commitment, not commitment itself. Under these circumstances, having a family is delayed. Delaying child bearing may not always work with women’s biology, which oftentimes runs contrary to women’s desires.¹⁰

There are other factors: Older parents have less energy for the sleep deprivation and energy of infants and toddlers. Grandparents may pass away before experiencing the joy of grandchildren.

4. MLS. (2012, June). Home Price Index. Retrieved from http://homepriceindex.ca/hpi_tool_en.html

5. The concept of “life script,” applied to marriage and class by American intellectual Kay Hymowitz refers to the lack of family norms, and the changing path to adulthood that delays marriage and children. Hymowitz, K. (2006). *Marriage and caste in America: Separate and unequal families in a post-marital age*. Chicago: Ivan R. Dee

6. Statistics Canada. (2008). Report on the demographic situation in Canada, 2005 and 2006. Ottawa: Minister of Industry, p. 68. Retrieved from <http://www.statcan.gc.ca/pub/91-209-x/91-209-x2004000-eng.pdf> “In the late 1970s, the average age at first marriage was roughly 23 years for women and 25 years for men. By 2003, this had increased by about five years to approximately 28 years for women and 30 years for men.”

7. Milan, A., Vézina, M., and Wells, C. (2007). 2006 Census: Family portrait. Continuity and change in Canadian families and households in 2006. See National portrait: Individuals. Retrieved from <http://www12.statcan.ca/census-recensement/2006/as-sa/97-553/p10-eng.cfm>

8. Statistics Canada. (2008). Cansim Table 101-6501: Divorces and crude divorce rates, Canada, provinces and territories, 2006 to 2008.

9. This is the 1966 divorce rate. See Statistics Canada, Table B75-81. Number of marriages and rate, average age at marriage for brides and bridegrooms, number of divorces and rate, net family formation, Canada, 1921 to 1974. Retrieved from http://www.statcan.gc.ca/pub/11-516-x/sectionb/B75_81-eng.csv

10. Surveys show Canadian women would like to have more children than they are having. See World Values Survey. (2000). Ideal number of children. Retrieved from http://www.worldvaluessurvey.org/index_findings

For society at large, there are likewise serious consequences. Fewer children further deepens the demographic quandary of the western world. We have a growing cohort of seniors and few young people to support them. This has troubling implications for a country dependent upon a generous social safety net.

CHICKEN OR THE EGG: WHICH CAME FIRST?

It is impossible to establish conclusively whether the poor economy changed families, or whether changed families affected the economy.

That said, it is highly unlikely that family breakdown has nothing to do with the financial stresses facing Canadian families today. Yet if you read the work of leading Canadian academics on the subject of stresses facing families, family breakdown is never mentioned.¹¹

The reality is, around the world today there is compelling evidence that strong families make for a stronger economy.¹² Conversely, family breakdown costs all of us money.¹³ Family breakdown represents

“the effects of having given up on the ideal of a man and a woman marrying, raising children together and staying together to watch their grandchildren grow. Family breakdown is not just one act, such as a divorce or the break-up of a couple with children who

have been co-habiting for a long time. It also includes the growing category of single mothers who have never been married or never lived with the father of their babies. As such, family breakdown involves the creation of families broken from the start.”¹⁴

It is, or rather should be, impossible to consider the financial welfare of the Canadian family without contemplating the significant factor of family breakdown.

PROBLEMS FACING GEN-X AND GEN-Y

Many Gen-X and Gen-Y children of Baby Boomers face a financial reality that is starkly different from their parents for some of the following reasons:

Housing costs

The cost of buying your first home in Canada has risen exponentially since the 1970s. Data from the Canadian Real Estate Association shows the rise in prices has well outpaced the rate of inflation across the country. See the chart showing the average cost of housing in Canada on page five for more details.

The explosive growth in housing costs has changed the ability of Gen-X and Gen-Y to save. Statistics Canada notes that “in 1977, the median net worth was \$30,100 per adult, falling to \$23,700 in 1984, \$20,000 in 1999 and \$17,400

11. Kershaw, P., Anderson, L. (2011). Does Canada work for all generations? A report for Canadians in Ontario. Retrieved from <http://earlylearning.ubc.ca/documents/167/>

12. Wilcox, W.B., Sharpe, K. (2011). Marriage and the baby carriage, in *The sustainable demographic dividend*. New York: The Social Trends Institute. Retrieved from <http://sustaindemographicdividend.org/articles/marriage-and-the-baby-carriage> See also Warner, M. and Baran-Rees, R. (2012). The economic importance of families with children. p. 3. Retrieved from http://knowlton.osu.edu/ped/price.644/2012_Webcasts/March_9th/Economic_Importance_of_Families_with_Children_Final.pdf

13. Walberg, R. and Mrozek, A. (2009). Private choices, public costs: How failing families cost us all. Ottawa: Institute of Marriage and Family Canada.

14. *Ibid*, p. 7.

Average cost of housing in Canada adjusted for inflation, in 2011 dollars

LOCATION	1976	2011	PER CENT CHANGE
Canada	\$195,713	\$362,894	185 per cent
Fraser Valley ¹⁵	\$190,088	\$502,562	264 per cent
Vancouver	\$239,823	\$779,730	325 per cent
Calgary	\$249,653	\$402,851	161 per cent
Toronto	\$236,475	\$466,352	197 per cent
Montreal ¹⁶	\$134,860	\$313,997	233 per cent

Source: Canadian Real Estate Association, except data for Montreal, which is from the Québec Federation of Real Estate Boards

When the first Baby Boomers entered university in the mid to late 1960s, in many provinces tuition was free or almost free and post secondary education was not nearly as common as it is today.²²

At the same time, universities have allowed for an

in 2005.”¹⁷ The authors note that “the decline in median household wealth was primarily due to housing factors.”¹⁸

Education

Statistics Canada notes that the average cost of tuition in Canada has risen by almost \$800 per year since only the 2007/2008 academic year.¹⁹ Adjusted for inflation, tuition costs are slightly more than \$500 higher over that time period.²⁰ In fact, Herb Emery, a professor of Health Economics at the University of Calgary notes, “tuition costs for students have climbed to the point that tuition costs per student today are in real terms higher than at any time since 1950.”²¹

exponential increase in students, which means the value of a university degree is lower.²³ Gen-X and Gen-Y may find themselves with years of debt to pay off for a degree that no longer gives them a leg up in the job market. And full-time post secondary schooling delays entry into the work force, thereby delaying the start of paying down that debt.

Changing nature of the economy

In the 1990s, Canadians witnessed a large increase in the number of contract employees in the labour force.²⁴ The nature of contract work means less job security and fewer health or pension benefits during its length. Winning a

15. Available data for the Fraser Valley is from 1977 and 2011.

16. Available data for Montreal is from 1980 and 2011

17. LaFrance, A., LaRochelle-Côté, S. (2012, June 22). The evolution of wealth over the life cycle. p. 8. Retrieved from <http://www.statcan.gc.ca/pub/75-001-x/2012003/article/11690-eng.pdf>

18. *Ibid.*

19. Statistics Canada. (2011). Undergraduate tuition fees for full time Canadian students, by discipline, by province. Retrieved from <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/educ50a-eng.htm>

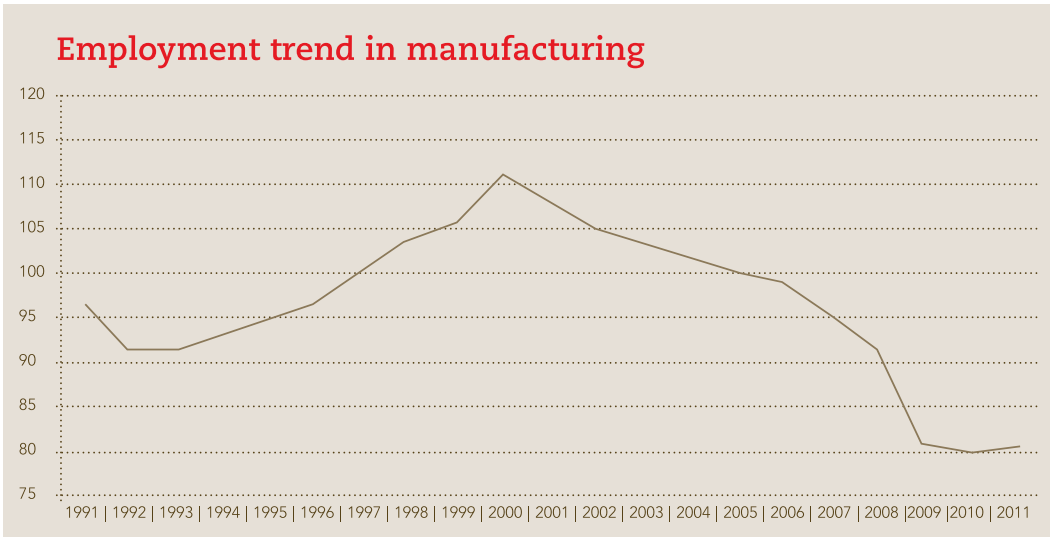
20. Bank of Canada. Inflation calendar. Retrieved from <http://www.bankofcanada.ca/rates/related/inflation-calculator/> using 2008 numbers from the above chart.

21. Emery, H. (2004). Total and private returns to university education in Canada: 1960-2030 and in comparison to other post-secondary training, p. 2. Retrieved from <http://jdi-legacy.econ.queensu.ca/Files/Conferences/PSEconferencepapers/Emeryconferencepaper.pdf>

22. For tuition levels, see Canadian Federation of Students British Columbia. Tuition fees. Retrieved from <http://cfs.bc.ca/section/49> For commonality of university see Emery, H. (2004). Total and private returns to university education in Canada: 1960-2030 and in comparison to other post-secondary training.

23. Bradshaw, J. (2011, May 9). When a university degree just isn't enough. *The Globe and Mail*. Retrieved from <http://www.theglobeandmail.com/news/national/time-to-lead/when-a-university-degree-just-isnt-enough/article579230/>

24. Beaupré, P., Turcotte, P. and Milan, A. (2008). When is junior moving out? Transitions from the parental home to independence. *Canadian Social Trends*, Statistics Canada, p. 13. Retrieved from <http://www.statcan.gc.ca/pub/11-008-x/2006002/pdf/9274-eng.pdf>



Source: Human Resources and Skills Development Canada, Labour Market Bulletin, 2012 http://www.brsdc.gc.ca/eng/workplaceskills/labour_market_information/bulletins/qc/qc-lmb-2012summer.shtml

contract position also requires a level of proficiency that is difficult for recent graduates to obtain.²⁵

As the manufacturing sector in Canada has declined, Gen-X and Gen-Y face the reality that it is more difficult to start a job out of high school and immediately earn a wage that would allow for home purchase and starting a family. In the graph above, 2005 is the base year for employment trends in manufacturing. One therefore sees the decline in the industry for young people starting work today.

Statistics Canada notes that, between 2005 and 2008, the manufacturing sector in Canada had annual job losses

at the rate of 3 per cent.²⁶

The manufacturing sector includes everything from cars to clothing to computers, and just as many in between.²⁷ Canada’s manufacturing sector has declined as a percentage of Gross Domestic Product since 1961, even though the 1980s and 1990s saw growth.²⁸

Taxes

Rising taxes as a portion of income constitute a major challenge. The average family

income for families of two or more individuals in 2012 was \$94,259.²⁹ The average tax bill for such families was \$41,627, or 44.2 per cent of income.³⁰ The Fraser Institute, a Vancouver-based public policy think tank, notes “the average Canadian family now spends more of its income on taxes than it does on basic necessities such as food, shelter, and clothing.”³¹

By contrast, in 1961, average family income was \$5000.³² Taxes made up an average of only 33.5 per cent of family income.³³

25. *Ibid.*
 26. Bernard, A. (2009). Trends in manufacturing employment. Statistics Canada: *Perspectives on Labour and Income*. Vol. 10, No. 2, p. 7. Retrieved from <http://www.statcan.gc.ca/pub/75-001-x/2009102/pdf/10788-eng.pdf>
 27. For a full list of included industries, see Statistics Canada. (2012). North American Industry Classification (NAICS) 2012. See the details of manufacturing in section 31-33, p. 117. Retrieved from <http://www.statcan.gc.ca/pub/12-501-x/12-501-x2012001-eng.pdf>
 28. Baldwin, J.R. and Macdonald, R. (2009). The Canadian manufacturing sector: Adapting to challenges. Ottawa: Statistics Canada. Chart 2. Retrieved from www.statcan.gc.ca/pub/11f0027m/11f0027m2009057-eng.pdf
 29. Palacios, M., Veldhuis, N. and Lammam, C. (2012, June). Canadians celebrate tax freedom day on June 11, 2012. Table 2. Retrieved from <http://www.fraserinstitute.org/uploadedFiles/fraser-ca/Content/research-news/research/publications/tax-freedom-day-2012.pdf>
 30. *Ibid.*, p. 7.
 31. Palacios, M., Veldhuis, N. (2012). Taxes versus the necessities of life: The Canadian consumer tax index. Retrieved from <http://www.fraserinstitute.org/uploadedFiles/fraser-ca/Content/research-news/research/publications/canadian-consumer-tax-index-2012.pdf>
 32. *Ibid.*
 33. *Ibid.*

One hundred years ago, government spending, on everything, stood at 10 per cent of national income. Today, it's roughly 42 per cent.³⁴ This increase in taxes is related to the increasing size of government.

Daycare

High taxes, rising housing prices, less employment stability and family breakdown all contribute to a need—real or perceived—for both parents to work full time outside the home. This results in a need for childcare, which is an additional cost for families. High taxes and housing costs require greater family income. A second income can serve as insulation against job loss of one spouse. And family breakdown leads to lone parenthood; children must be watched while a lone parent works to support the family. Statistics Canada notes that “in 1976, only 47 per cent of husband–wife families were dual–income; by 2008, 64 per cent of husband–wife families were dual–earner.”³⁵

Recent proposals in British Columbia call for \$10 per day full-time and \$7 per day part time³⁶ institutional daycare in that province. Roughly speaking, if a child is in full-time daycare, 12 months of the year, 20 days a month, the parent pays roughly \$2400 annually. This does not remotely reflect the true costs of daycare, which,

depending on the age of the child, the quality and location of the care and the pay rates of staff can run as high as USD\$25,000 annually.³⁷

Subsidized daycare appears cheap, but someone pays for it eventually: taxpayers today or our children tomorrow. It's also worth mentioning that the type of care governments subsidize does not reflect parental desires.³⁸

Loss of life script

Yet the problems of the rising cost of raising families, the cost of education and the changing economy are accompanied by another serious problem, one that is exacerbated for the failure to recognize it. Young adults wanting to start a family today are handicapped by the loss of a life script.

A life script focuses individuals on how to get to the future they desire.³⁹ Traditionally, marriage acts as a marker of adulthood. Author and public intellectual at the Manhattan Institute Kay Hymowitz emphasizes this point writing, “traditional marriage gives young people a map of life that takes them step by step from childhood to adolescence to college or other work training... to workplace, to marriage and only then to childbearing.”⁴⁰

34. Milke, M. (2006). *A Nation of Serfs*. Mississauga: John Wiley & Sons Canada, Ltd. p. 223.

35. Williams, C. (2010). Economic well-being. Retrieved July 30, 2012 from <http://www.statcan.gc.ca/pub/89-503-x/2010001/article/11388-eng.htm>

36. Kershaw, P. (2011). Does Canada Work for All Generations? A Report for Canadians in Ontario, p. 3

37. It is difficult to find the real costs of daycare in Canada. In the United States, the pro-daycare Rand Corporation writes: “Yearly costs for full-time care (calculated using the programs' own definitions of full-time) ranged from \$7,000 to just over \$25,500.” Retrieved from http://www.rand.org/pubs/research_briefs/RB9581/index1.html

38. An IMFC poll published in 2006 and a Compass poll conducted in 2003 found that a majority of parents prefer that a relative care for their children if they are unable to stay home. Seventy-seven per cent thought it was better for children if a parent stayed home, including 83.9 per cent of families with annual income below \$30,000. Both married and never married/single Canadians strongly preferred this arrangement (86 per cent and 76 per cent respectively). See Institute of Marriage and Family Canada. (2006). Canadians make choices on childcare. Canadian Family Views. Retrieved from <http://www.imfcanada.org/sites/default/files/canadiansmakechoicesaboutchildcare.pdf>

and
COMPAS Inc. Public Opinion and Customer Research. (2003). Ontario Provincial Election Report for Global TV, National Post, Ottawa Citizen and Windsor Star, Table 17, Q.12. Retrieved from <http://www.compas.ca/data/030521-GlobalOnProvElection-E.pdf>

39. For aspiration to marry, see Bibby, R.W. (2009). *The emerging millenials: How Canada's newest generation is responding to change & choice*. Lethbridge: Project Canada Books. Table 10.7, p. 199.

40. Hymowitz, K. (2006). *Marriage and caste in America: Separate and unequal families in a post-marital age*. Chicago: Ivan R. Dee, p. 29.

This is a part of the reason why young people are in a transient state for a longer period of time.⁴¹ Research shows that getting married and having children are hallmarks of maturing into adulthood. Young people today are not hitting these markers, in spite of their desires.

Private cost to the loss of life script

The loss of marriage from our life scripts costs families and individuals alike, financially and socially.

Part of the cost is that the loss of marriage does not mean individuals cease to find partners. They instead attempt to find life-long partners through cohabitation, which is statistically less stable than marriage.⁴² Therefore, the loss for individuals is clear: No one ever desired the demise of multiple, long or short term relationships, each one involving deep, emotional heartbreak.

For women and men who want to become parents, cohabiting may increase the risk of becoming a single mother or father once a child has been born compared to those who marry without previously cohabiting.⁴³

Losing the marriage life script does increase the possibility of single parenthood, with or without cohabitation. Statistics

Canada shows that the percentage of families headed by a single parent has increased from nine per cent in 1971 to 15 per cent in 2010.⁴⁴ No one understands the difficulty of raising children alone better than single parents and we can be very grateful that the children of single parents do thrive.

Nonetheless, we cannot ignore the fact that statistically, children of lone parents are more likely than those in two parent homes to live below the Low Income Cut-Off.

From a financial standpoint, in 2010 the median total family income for lone-parent families was \$37,050. The corresponding figure for couple families was \$76,950.⁴⁵

The challenges reach well beyond a lack of financial resources, however. The Centre for Social Justice in the United Kingdom, a group dedicated to studying and eradicating poverty, notes in a recent report that there are five characteristics of child poverty that are unrelated to income. They include poor parenting, unstable family structures (like cohabitation), unemployment in the family, poor education, addiction and high levels of debt in the household. The more factors that are present, the lower the likelihood that a child can escape poverty.⁴⁶

The loss of a permanent marriage as part of the life script also affects those who separate or divorce later in life. Relationship breakdown in later life can have profound financial

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41. See Settersten, R.A., Jr. and Ray, B. (2010). What's going on with young people today? The long and twisting path to adulthood. *Transition to Adulthood*, Vol. 20, No. 1. Retrieved from http://futureofchildren.org/futureofchildren/publications/docs/20_01_02.pdf
42. Le Bourdais, C. and Lapierre-Adamcyk, É. (2004). Changes in conjugal life in Canada: Is cohabitation progressively replacing marriage? *Journal of Marriage and Family*, vol. 66, pp. 937.
43. *Ibid.*
44. For 1971 to 2006 numbers, see Statistics Canada. (2006). Census families, number and average size. With author's calculations. Retrieved from <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/famil40-eng.htm> For 2000 to 2010 numbers, see Statistics Canada, Table 111-0011 Family characteristics, by family type, family composition and characteristics of parents, annual (number unless otherwise noted), CANSIM (database).
45. Statistics Canada. (2012). *Family characteristics, by family type, age of older adult, and family income*. CANSIM, table 111-0012. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=1110012&paSer=&pattern=&stByVal=1&p1=1&p2=37&tabMode=dataTable&csid=>
46. Centre for Social Justice. (2012, May). Rethinking child poverty, p.9. Retrieved from http://www.centreforsocialjustice.org.uk/client/flash/CSJ_Child_Poverty_second%20version.pdf

repercussions for women in particular. Statistics Canada found that “women who remained married had a median family income at age 78 to 80 that was 83 per cent of their family income at age 54 to 56. Among women who became widowed after age 55, the ratio was 79 per cent, while among those who became divorced or separated, it was 73 per cent.”⁴⁷

Research also shows that stable marriages have benefits for both parents and their children which singleness, cohabitation and single parenthood lack.⁴⁸ There are health benefits for married individuals, which do not accrue to those who are single,⁴⁹ and married parents are more likely to have good relationships with their children than are parents who divorce or who were never married.⁵⁰

Public cost to the loss of life script

Marriage breakdown, relationship breakdown and single parenthood means more broken families. And broken families more often need additional support and, as a result, are more likely than intact families to rely on government support.

The annual cost of family breakdown in Canada can be conservatively estimated to be \$7 billion.⁵¹ This is roughly the amount of money spent to host the Vancouver Olympics in

2008, accrued annually.

Conversely, research shows that strong families encourage a strong economy.⁵² Poverty, besides being a burden for the individuals involved, has ramifications for the economy as a whole, for the obvious reasons.

BABY BOOMERS ARE NOT “THE ONE PERCENT”

Money from parents or grandparents is not the solution to the self-sufficiency of Gen-X and Y. Demographics show that such help may not be desirable or even beneficial in the big picture. Baby Boomers need to save for retirement, just as Gen-X and Y need to save for the future themselves.

The numbers drive home this need: By about 2030, the oldest Boomers will be in their early eighties. In fact, Statistics Canada notes that the number of people over 65 will outnumber the number of children 14 and under sometime between 2015 and 2021.⁵³

Canada’s workforce itself is getting older: Statistics Canada labour force projections predict that “in the labour force in 2021, according to three of five scenarios, close to one in four [workers] (roughly 24 per cent) could be 55 years of age or over, a proportion never seen before in Canada.”⁵⁴

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47. Statistics Canada. (2012, June 20). Study: Impact of widowhood and divorce on income replacement among seniors, 1983 to 2007. *The Daily*. Retrieved from <http://www.statcan.gc.ca/daily-quotidien/120620/dq120620b-eng.htm>
48. Institute of Marriage and Family Canada. (2011). Benefits of marriage for adults. Retrieved from <http://www.imfcanada.org/fact-sheet/benefits-marriage-adults>
49. Lichter, D.T., Roempke, D., Brown, B.J., (2003). Is marriage a panacea? Union formation among economically disadvantaged unwed mothers. *Social Problems* 50, pp. 60–86.
50. Wilcox, W.B. et al. (2005). *Why marriage matters, second edition. Twenty-six conclusions from the social sciences*. New York: Institute for American Values, p. 12. Retrieved from http://americanvalues.org/pdfs/why_marriage_matters2.pdf
51. Walberg, R. and Mrozek, A. (2009). Private choices, public costs: How failing families cost us all. Ottawa: Institute of Marriage and Family Canada.
52. Wilcox, W.B., Sharpe, K. (2011). Marriage and the baby carriage, in *The sustainable demographic dividend*.
53. Statistics Canada. (2010). Population projections for Canada, provinces and territories, 2009 to 2036. Ottawa: Minister of Industry. p. 46, see section 3.4.2. Retrieved from <http://www.statcan.gc.ca/pub/91-520-x/91-520-x2010001-eng.htm>
54. Martel, L., Malenfant, E.C., Morency, J-D., Lebel, A., Bélanger, A., Bastien, N. (2011). Projected trends to 2031 for the Canadian labour force. See section 3.5. Retrieved from <http://www.statcan.gc.ca/pub/11-010-x/2011008/part-partie3-eng.htm>

In a short time a large mass of Canadian workers will be retiring.

Whereas in 1981 there were six people in the work force for every retiree, by 2031 there will be only three.⁵⁵

In other words, by 2031 each worker will be carrying twice the proportion of the taxes needed to support a greater number of retirees than did a worker in 1981.

In light of these demographic realities, policies that will result in increased taxes for Gen-X and Gen-Y are short-sighted. Paul Kershaw at the University of British Columbia argues that the Baby Boomers are rich while families today are poor.⁵⁶ This fails to recognize the bigger picture of how Baby Boomers achieved their wealth over the course of a lifetime of hard work.⁵⁷ If we want to give Gen-X and Gen-Y the opportunity to do the same, the last thing they need are higher taxes eating up more of their earnings. At the same time, Baby Boomers need to save for their retirement, because limited government resources for seniors are going to be stretched by the sheer size of their generation. We cannot rely on governments to create new institutions to solve the financial issues of both generations.

RECOMMENDATIONS

What can be done to improve the financial self-sufficiency of Gen-X and Gen-Y?

A spotlight on stable families, which benefit both individuals and the economy is sorely lacking. A starting point is paying attention to the harsh reality of family breakdown, which is a large factor in keeping families and children in poverty as well as making it harder for them to leave poverty behind.

Family income splitting lowers the tax burden for parents raising children today. Income splitting means that spouses can decide to shift income from higher earner to lower earner and thereby lower their tax liabilities and keep more of their own money. In Canada, seniors have been able to split their income since 2007. The federal government promised to extend this ability to younger Canadians in their 2011 election platform and they must act on this promise sooner than later.

The tax savings could tip the balance to allow one parent to stay home. They could make it possible for families to pay down debt faster. They could make tax rebates for art and sports activities unnecessary. In short, the savings incurred through family income splitting could make finances less of a stress on marriages.

Restoring the life script which says that children come after marriage will take time and effort.

Married parents can model this to their children's friends who come from broken homes. Schools, secondary and post-secondary, should teach the social science research showing there is a difference in outcomes between marriage and cohabitation and showing the benefits of marriage for men and women.⁵⁸ 🍁

55. *Ibid.*

56. See Kershaw, P. (2011). A new deal for families. At an Ottawa presentation of his work on February 8, 2012, Dr. Kershaw referred to Baby Boomers as "the one percent."

57. Kershaw, P. (2011). Does Canada Work for All Generations? A Report for Canadians in Ontario, p. 3

58. Institute of Marriage and Family Canada. (2009). Benefits of marriage for adults. Retrieved July 30, 2012 from <http://www.imfcanada.org/fact-sheet/>

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