

Fast Facts for a New Deal

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A New Deal for Families: Fast Facts to Consider

1. The Canadian economy has grown 108% since 1976, controlling for inflation. On average, the economy now produces an extra \$35,000 per household compared to 1976.
2. Controlling for inflation, average household income for young Canadian couples has flat-lined since the mid-1970s. It used to be \$65,160. Today, it is \$68,300.
3. Household incomes are stagnant for young couples even though far more young women earn employment income today. In the mid-1970s, 54% of Canadian women age 25-44 contributed to household income. Today, the figure is 82%.
4. Average housing prices in Canada have skyrocketed since the mid-1970s. Adjusting for inflation, the average cost of housing in 1976 was \$192,390. Today it is \$339,045. That's an increase of 76%.
5. Canadians age 25-44 perform more employment hours and more unpaid caregiving than any other age group.
6. Baby Boomers approach retirement today with higher incomes and more wealth in housing than did Canadians retiring in the mid-1970s.
7. Canada's national debt has increased 114% since the majority of Baby Boomers came of age as adults in the mid-1970s.
8. International Energy Association Data reveal that Canada is among the very highest per capita emitters of Carbon Dioxide in the OECD. While our emissions remain constant since 1976, 15 other countries including the France, Germany, the UK and the US have successfully reduced their emissions.
9. In 1976, the poverty rate for seniors in Canada was 29%. Now, it is less than 6%. By contrast, the poverty rate for families with young children is more than double that of seniors.
10. UNICEF ranks Canada last today when it comes to investing in families with kids under age six. The Organization for Economics, Cooperation and Development (OECD) ranks Canada last for investing in child care services for children under six.
11. A typical Canadian couple will go without \$10,000-\$12,000 in after-tax income when parents share a year of parental leave to care for a newborn. People in Sweden and Germany make different policy choices which mean the same couple does not lose any after-tax income in those countries.
12. Workplace standards in Canada mean the typical employee works 300 hours per year (that's over 8 weeks) more than the typical Dutch, Norwegian and German employee.
13. For children under age six, child care services cost most parents the equivalent of a second mortgage, even though researchers raise concerns about the quality of many services. The cost of regulated child care services erodes take-home pay for employed parents more than taxes do.
14. Although labour force participation rates for men and women have converged, women spend 70% more time doing unpaid housework than men, and 100% more time providing child care.
15. The decline in the standard of living for the Generation raising young kids means it doesn't get its share of economic growth. This is a Bad Deal. Canada needs a New Deal for Families.

16. The New Deal would pay a Time Dividend. Just as the average dividend paid by Dow Jones Industrial stocks is 2.8%, a Time Dividend should support the generation raising young kids with 2.8% of the economic prosperity produced today compared to the mid-1970s. This equals \$22 billion annually.
17. The Time Dividend will deliver New Mom and New Dads benefits so that all parents have enough time to care for their newborns personally; 10\$/day child care services so that moms and dads can afford enough employment time to manage the rising cost of housing and stagnant household incomes; and flex-time so that women and men can successfully balance work and family.
18. Canadian government spending on old age security and RRSP benefits is \$60 billion annually.
19. Total government spending on medical care in Canada is \$135.1 billion in 2010. Generally, Canadians use more medical care as they get older.
20. Between 2002 and 2009, Canadians increased our public spending on medical care by more than \$22 billion annually, after adjusting for inflation. Clearly, \$22 billion can be found for priorities.
21. KPMG, a firm specializing in taxation, ranks countries in terms of their competitiveness for attracting businesses. The 2010 report shows only Mexico has lower corporate taxes than Canada. Canada has lower corporate taxes than the US, the UK, Australia, Germany, the Netherlands and Japan. KPMG ranked Vancouver first among 41 of the world's industrial international cities when it comes to having low corporate taxes.
22. The OECD measures which countries collect more taxes than others. In industrialized countries, the average rate of taxation is 34.8% of the country's economy. Canadians pay less than this average – 31.1% of our economy – although the Irish, Greeks, Americans and Australians pay lower taxes than Canadians. Three of these four are currently at risk of defaulting on debt payments.
23. Work-life conflict among adults with children under age six costs Canadian employers at least \$5 billion annually because of employee turnover, absenteeism, and health insurance premiums.
24. The stress from work-life conflict among adults with young kids costs the Canadian health care system 2.5 billion annually, and the child welfare system another 1.2 billion per year.
25. 27% of Canadian kids reach kindergarten vulnerable in terms of their physical development, social maturity, or ABCs/123s. These kids are more likely to go to jail, and less likely to earn grades to go to post-secondary schools. At least two-thirds of this early vulnerability could be avoided.
26. Although poor kids are more likely to be vulnerable, most vulnerable kindergarten children reside in the more populous middle- and upper- income households and neighbourhoods. Early vulnerability stretching into the majority is not surprising given the decline in the standard of living.
27. A 2009 study commissioned by the Business Council of BC reports that unnecessary vulnerability among the Generation raising young kids is the real brain drain, costing the BC economy \$401 billion. The pan-Canadian cost is closer to \$2 trillion.

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