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More than one in four Canadian children arrive at kindergarten with characteristics that mean they are more likely to fail in school, with most from middle- and upper-income homes.

We need a Canada that works for all generations

Investing an additional \$22 billion in the standard of living of Canadians is fiscally smart when the payback is huge

There is a silent generational crisis occurring in homes across the country, one we neglect because Canadians are stuck in stale political debates.

The crisis is clear when we consider a simple "Then and Now" story. Picture it: the mid-1970s in Canada. Boomers were moving beyond their sex, drugs and rock 'n' roll phase to start the more serious business of building families, communities and enterprises. The average household income for a young couple in their prime child-rearing years back then was \$65,160 a year, after adjusting for inflation and expressing it in current dollars. In the mid-70s, just 54 per cent of

young women contributed to household income.

Flash forward to the present, where the corresponding figure is 82 per cent of women, while young men's employment rate has remained stable. Despite all this extra adult time in the labour market, the average annual household income for a young couple today is \$68,300, just slightly higher than it was 35 years earlier.

Worrisome state of financial affairs

A generation that makes do with household incomes that have flattened despite a dramatic increase in the proportion of adult time devoted to earning is worrisome when measuring Canadians' standard of living. But the reality is bleaker still when we recognize that over the same period the primary cost of living — housing — has skyrocketed. In 1976, the average price for Canadian housing was \$192,390, again controlling for inflation and reporting in today's currency. Today, it is \$343,585.

When housing costs nearly double at the same moment that household incomes stall for a group of adults who are more committed to the labour market than any previous generation, we're talking about a massive social and economic change — one akin to a silent, but no less damaging, tectonic shift. Canadians aged 25 to 44 are now living as Generation Squeeze.



PAUL KERSHAW

They are squeezed for after-school income. And they are squeezed between an aging population, their parents and the next generation, their children.

Why care about Generation Squeeze? The answer is simple. They perform slightly more hours of paid work and more hours of unpaid caregiving than any other group of Canadians. Our economy depends on them, as do our frail seniors and developing children. Despite being essential, this generation can no longer count on an economy in which they can earn a standard of living that approximates what their parents enjoyed — unless, of course, we adapt.

Remember the beaver

When pondering adaptation, we do well to remember our national animal. The beaver may not be as regal as the eagle to the south. But the beaver is a builder to be proud of. Think about that creek or river you've passed by where beavers dutifully laboured to build a dam. The dam does not provide shelter to a single beaver or family. Beavers build the dam because it creates a reservoir. When the reservoir is deep enough, the beavers are efficient, able to swim faster than they can walk on land. When the reservoir is deep enough, the beavers gain security, further out of reach from bears and other predators. And when the reservoir is deep enough, it provides a safe home for beavers to build

lodges for their families.

Whenever the dam springs a leak, whether from wear, heavy run-off or an earthquake, busy beavers adapt, just as all good managers do. They fix the dam, renovating it to withstand the new challenges in their environment. No individual beaver stands to gain specifically. Beavers adapt because they know they all depend on the dam to safeguard their shared standard of living.

Like our national animal, Canadians have a proud tradition of building and adapting in response to our dynamic environment. Recall that in the late 19th century, we built public schools and universities, roads and railways, markets and banks. We then sent soldiers overseas to defend these accomplishments. When they returned home injured, we adapted again, building veterans' benefits. We soon extended these to citizens generally as workers' compensation and unemployment insurance. Then the busiest beavers in Canada's history — the parents of the Baby Boomers — set in motion old-age security benefits and health care insurance. By 1966, in one single year, they capped their accomplishments by launching the Canada Pension Plan and the Medical Care Act, which remain the cornerstones of our social commitments to one another as citizens.

This is an impressive history, one I'm proud of. But we can only rest on our laurels for so long. The key question to ask now is: What have we built since?

Sure we've continued to build roads and bridges (but not enough public transit!). We've expanded markets and strengthened our banks — achievements that helped us weather the recent global recession better than most countries, and position us as a strong member of the G8 despite our small population. On the other hand, we have been reticent to build new social architecture in response to the dramatically different circumstances that Generation Squeeze faces. International organizations like UNICEF and the Organization for Economic Cooperation and Development have pointed out this failing for years. They score us among the very bottom countries when it comes to supporting parents with young kids.

Consequences for kids

Notwithstanding the impressive hours of employment and caregiving that Generation Squeeze performs, our failure to adapt now has significant consequences for their kids. Data show across the country that more than one in four Canadian children arrive at kindergarten with characteristics that mean they are more likely to fail in school and not be job ready if they graduate; are more likely to be incarcerated; and more likely to become sick as adults. Most of the vulnerable kids are not income poor. They reside in middle- and upper-income households and neighbourhoods.

Why is there so much vulnerability across the socioeconomic spectrum? Because Canadians sit idly, ignoring that poor young families have household incomes that are little better than four decades ago; all the while housing, the primary source of wealth for Boomers today, is the primary source of debt for the Squeeze Generation.

Canada is clearly no longer working for all generations.

Now what?

But there is a solution. It requires us to put the family back into Canadian values. Akin to our public schools, health care and old-age security, we now require a new national agenda for families.

What must this agenda look like? It means rejecting uneven access to parental leave that is unaffordable and ignores dads by building a system that embraces dads and makes it affordable for all parents to care personally for their children.

It means remedying the epidemic of unregulated, unaffordable child care services by supporting the many families that want or need these services to shift into programs that are regulated, affordable and high quality.

In addition, it means rejecting workplace standards that can only be seen as a standard if you don't have a family in favour of workplace norms that support employees to balance earning and caring.

In short, a new national agenda must honour and adapt our family values to today's realities by supporting dads and moms alike to enable them

to find enough time with children and families; enough time in the labour market to make ends meet; and an openness to support neighbours to achieve these basics when circumstances otherwise conspire.

Can we afford it?

In recent articles in the *Canadian Journal of Public Health and Pediatrics* and *Child Health*, I have published with colleagues that the cost of such an agenda will be \$22 billion annually.

Yes, you read correctly: \$22 billion, with a 'b'. The magnitude of the time, income and service squeeze endured by today's young parents cannot be solved with less. And we certainly can't solve it with a simple income-splitting tax cut that may someday deliver \$1,300 a year for about one in seven families — but only after we have met other priorities. Even for the lucky few who may benefit down the road, \$1,300 won't make it financially feasible for parents to share 18 months caring full-time for an infant. That \$1,300 doesn't pay for the regulated child care services that parents require to work in the labour market — services that cost as much as a second mortgage. Nor will \$1,300 position parents who work long hours to negotiate with their employers better balance while they have young kids, knowing full well that members of their Squeeze Generation will work more years anyhow as formal retirement is likely deferred from age 65 to closer to 70.

But neither will a \$500-million annual investment in child care services, since a national system alone will cost the federal, provincial and territorial governments 20 times more.

A little context

There is no doubt that a \$22-billion price tag is substantial. But let's put this figure in context. Canada has a \$1.6-trillion economy. We're talking about a little over one per cent of our economy for a new national agenda for families. Per adult, that is \$2.20 per day. This money has to come from somewhere. We can and should have a lively debate about where to find it, especially during an election campaign.

If we are talking about taxpayers, \$2.20 a day is less

than a cup of coffee and doughnut at Tim Hortons.

If we're talking about health care, it means a new debate about how many hip replacements we deserve.

If we're talking about pensions, it means renewing debate about how generous an RRSP subsidy we want.

If we are talking about deficits, it means renewing debate about how generous our national fiscal debt by a ratio of 4:1.

If we are talking about prisons, we ought to talk about keeping our kids out of jail by investing in their families.

And if we're talking about what is doable, never forget that Boomers' parents launched medical care and the Canada Pension Plan in one single year. By contrast, the new agenda for families will cost less than one-fifth of our health care system, and less than half of our subsidies for old-age security and RRSPs.

How do we get there?

We must recommit to a Canada that works for all generations, all of us — the electorate and politicians alike. This means Generation Squeeze needs to get out and vote for parties that commit to a new agenda for families. It is foolhardy and lazy to claim that politics are irrelevant, or not about you.

Boomers, remember your parents built medical care and pensions for your benefit. Ask yourself whether your generation can lay claim to a similarly impressive legacy for your children and grandchildren when heading to the ballot box.

Political leaders, we need you to get off the broken record, where the needle is stuck on Boomers. It may be politically expedient to focus more on old-age security, but the result is you only plug leaks while ignoring the breach in the dam.

The breach can be plugged. Canadians just increased public investment in medical care by \$22.3 billion between 2002 and 2009. Clearly, investing an additional \$22 billion in the standard of living of Canadians is fiscally feasible, when the policy area is a public priority.

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