

Many Canadians too cash-strapped to raise children

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2/15/2017



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April 14, 2017 February 15, 2017

Mike Neudorf and his wife Melissa always hoped to have two children, spaced two years apart.

"I have a younger brother who is two years apart and that seemed to work fairly well," he says.

The Surrey, B.C., couple had their first child, a daughter named Chloe, in the winter of 2015. That joy was followed nearly a year later by some sobering number-crunching.

"As we were coming up on Chloe's first birthday we looked at what we were spending on everything that was not discretionary and I realized, I don't think we can double this and still make a reasonable life for ourselves here," Neudorf says. He and his wife don't know when they'll be able to have a second child, if ever.

First comes love, then comes baby, then comes the crushing financial realities of raising children in Canada – and that's assuming you can even afford to have one child.

Faced with exorbitant daycare fees, skyrocketing housing costs and a declining standard of living (not to mention student-loan debt many people have to shoulder well into their 30s), many Canadians say they simply can't afford to start a family or have more than one child. It is a situation that should trouble us all, experts say.

Although raising a child has never been cheap, the bill today is eye-popping. South of the border, the latest estimate from the Department of Agriculture says that a middle-income, married couple will shell out \$250,200 (U.S.) to raise a child born in 2015. That covers from the day they are born until they turn 18, and works out to \$13,900 a year.

Here in Canada, two years ago MoneySense magazine put the annual cost at \$13,366.

The three biggest factors that account for these numbers are housing, child care and food.

On the housing front, the average price of a house in Canada as of last November was \$491,509. That's more than six times higher than the average in 1984.

It's likely one reason people are delaying starting families.

"Whereas it took five years of full-time work to save a 20-per-cent down payment on an average home in 1976, it now takes from coast to coast over 13 years," says Paul Kershaw, a professor at the University of British Columbia. The founder of Generation Squeeze, a group that highlights generational inequities, Kershaw likes to use 1976 as a comparison because that's when many baby boomers were buying their first homes and having children.

Chris Jappert has a mortgage on the Calgary home he bought with his wife three years ago, as well as more than \$40,000 in student-loan debt. He works for Alberta Health Services; his wife works for a company that makes analyzers for natural-gas pipelines.

They have been married for five years and want to have kids but can't afford to, Jappert says.

"Right now we're barely getting by," he says. "People tell me, 'If you wait until you can afford a kid you'll never have a kid.' But I also don't want to have a kid starve to death because I can't afford to buy food."

For many couples who have one child, the financial drain of housing and daycare makes contemplating a second child impossible, at least for the time being.

Daycare costs across the country have risen by 8 per cent since 2014 – more than three times the rate of inflation, according to a study released last year by the Canadian Centre for Policy Alternatives.

In most big cities across the country, it is fairly common to spend \$1,000 a month on a licensed daycare spot, says David Macdonald, an economist who conducted the study.

That number is even higher in Toronto.

"Once you've got two children ... it wouldn't be uncommon for you to pay \$30,000 a year in child-care fees in Toronto," Macdonald says.

That's more than university tuition. And it's certainly enough to influence family-planning decisions.

"For some, it's not a matter of choice. It's a matter of circumstance. You have no choice," says Nora Spinks, CEO of the Vanier Institute of the Family, an Ottawa-based charitable organization. "And that may also mean somebody stays home or doesn't return to work after parental leave. Or it means that you either postpone or choose not to have a second or subsequent children."

But it also has broader implications, she says. "If families are choosing not to have children because they can't afford care or they can't find care, that's going to come back to us as a society," Spinks says.

Statistics Canada puts the country's current fertility rate at 1.6 children per woman. This could jeopardize the country's social safety net in the future, as there will be fewer people paying taxes to pay for it.

Daycare may be the biggest cost for new parents, but there are also rising food prices, hydro bills and all the other costs of getting by, while wages are hardly keeping pace with the demands of pocket books.

"The typical 25- to 34-year-old earns around \$4,500 less [annually] for full-time work once you adjust for inflation compared to 1976," Kershaw says. "It's just a plummeting standard of living."

The standard objection is to point out how much people in that age group spend on coffee or tattoos or eating out. Kershaw hears this all the time.

But, he says, our standard of living is driven by two factors. "How much can you sell your labour power for and what's your primary cost of living? One is deteriorating dramatically ... and the other is skyrocketing even at a more frightening pace."

Isaac Otway once thought he'd have four or more kids. Instead, the Edmonton father, who works as a payroll and benefits consultant, has one. Feeling "squeezed from all sides," he has accepted that it is better to be able to provide for his three-year-old son than to risk barely scraping by, or worse, with a second child.

"If he comes to me one day and says, 'Dad, I want to play hockey,' if I have two kids I probably couldn't afford to put him in hockey. But maybe with only one I can," Otway says. "Even that's a maybe because hockey is expensive."

For Neudorf and his wife, not having to be able to have a second child is still frustrating. "We've done a lot of things leading up to this point that we thought would set us up for living the kind of life that we wanted to live," he says.

"Put it another way. What else could we have done to make this easier?"

Whatever some people's objections might be – that there are already too many people on this planet, that you should be happy to have one child – the Neudorfs' situation should be deeply troubling to us all, Kershaw says.

Canada is a wealthy nation and yet members of a younger demographic feel as if they can't afford to provide for the children they'd like to have, he says.

"That has to grab all of us in the gut and make us wonder what's going on with the standard of living in Canada."