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Canada's Family Erosion

OTTAWA, ON (May 7, 2024):

In a new report, *Decline and fall: Trends in family formation and fertility in Canada since 2001*, jointly published by the **Macdonald-Laurier Institute** and the **Centre for the Study of Living Standards**, Tim Sargent ask three questions: (1) do people gain significantly from being part of a family? (2) What are the trends in family formation in Canada over the past two decades? And (3), what factors explain these trends?

The report finds that being part of a family provides incredible benefits, both in terms of income and broader well-being. A few highlights:

- Adjusting for economies of scale (recognizing that couples require only 1.5 the income of a single person to have the same standard of living) the average single 35-45-year-old has only 49.2 percent of the income of their coupled counterpart.
- Single parent homes have approximately 35-40 percent less income per family member relative to a two-parent family.
- Married people have significantly lower incidence of, and better survival rates from both cancer and cardiovascular disease, are less stressed, and are less likely to suffer from depression and other emotional pathologies.

Yet despite the overwhelming benefit Canadians are now significantly less likely to form families, and when they do, fewer are choosing to have kids.

• The proportion of those aged 25-29 who are in a couple dropped by 10.9 percentage points between 2001-2021; younger people are increasingly delaying marriage or common-law

relationships into the late 30s or early 40s, with a growing fraction of people remaining single well into middle age.

• Canada's fertility rate was only 1.3 in 2022, down from 1.6 in 2016.

"Governments have every reason to worry," writes Sargent.

Policies that make housing more affordable, use the tax system to incentivize family growth and the raising of children, subsidize daycare, and address the rising problem of credentialism by finding ways to reduce the formal educational requirements for jobs will allow young people to marry, afford a house, and have children earlier.

"The most important step in addressing these problems is perhaps... to recognize that the declining family formation, dropping marriage rates, and deteriorating fertility are serious problems facing our society, and they should be a top priority for policymakers in our country," concludes Sargent.

To learn more, read the full paper at <u>https://www.csls.ca/reports/csls2024-04.pdf</u>

Tim Sargent is the Deputy Executive Director of the Centre for the Study of Living Standards and a Distinguished Fellow at the Centre for International Governance Innovation. He holds a Ph.D. in Economics from the University of British Columbia.

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