

Canada urged to calculate how much it costs to raise children ^[1]

Author: Monsebratten, Laurie

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And it is time Ottawa invested in official estimates to guide public policy and help parents with planning, argues the report by Campaign 2000, a national coalition committed to ending child poverty across the country.

“Everyone who cares about the quality of life of Canada’s children should be concerned about the cost of raising them because it is one of the key determinants of children’s economic well-being,” the report says.

“The importance we place on this information demonstrates how our country values its families, its children and its future prospects,” it says. “The services we provide to families hinge on the accuracy of these numbers.”

Toronto’s Rebekka Unrau, 31, who works as an office administrator for a Montessori school, knows the cost of infant child care is as high as her rent. But she’s not sure about the other costs she should expect.

She and her partner, a supply teacher with the Toronto District School Board, rent a small two-bedroom apartment in a house in the city’s east end and both work second jobs on weekends to make ends meet. They don’t own a car and don’t expect they will ever be able to afford to buy a house.

“Certainly the cost of living in Toronto is very high,” she said. “Having a better idea of what we can expect definitely will help us plan when and if we can have a child.”

Accurate estimates are also needed to help parents decide whether to have children or if they can afford others, for family court decisions around child support and compensation for foster parents, Campaign 2000’s national co-ordinator, Anita Khanna, said.

Many western countries regularly calculate the cost of raising children, the report notes. For example, in January, the U.S. Department of Agriculture pegged the cost of raising a child born in 2015 to age 18 at \$233,610, or almost \$13,000 a year, including the cost of food, shelter and other necessities, but not post-secondary education.

In 2011, Canada’s Moneysense magazine estimated the average annual cost at \$12,824.

The right-wing Fraser Institute released a report in 2013 claiming that it was possible to raise a child in Canada for between \$3,000 and \$4,500 a year. But the report was roundly criticized for excluding the cost of shelter and child care, two of the largest expenses families face.

Although there are methodological problems with all the estimates, Khanna said it was the Fraser Institute paper that prompted the coalition to take a deeper look at the issue.

“This is a really relevant gap in public policy that could influence a number of important initiatives, including child benefits, child care and planning for the federal government’s first anti-poverty strategy,” she said. “With reliable estimates we can set effective targets and timelines to wipe out poverty.”

“It is time to fill this gap in public knowledge,” she said. “We must ensure the realities of families’ real-time expenses, such as food, housing, child care, transit, schools fees and even saving for post-secondary education, inform policy directions and help level the uneven playing field for families.”

In the course of researching the report, Karen Duncan, one of the report’s three authors, said many people expressed surprise that Canada doesn’t have any official estimates on what it costs to raise a child.

“You would think the answer should be obvious, but it’s not,” said Duncan, a family economist and associate professor of community health sciences at the University of Manitoba.

The answer depends on whether economists calculate what parents “need” to spend on their child, what they “want” to spend or what they “actually” spend, she said.

But for public policy purposes, such as addressing poverty, the report recommends using a “market basket” approach. This method looks at the cost of a basket of goods and services that is representative of what parents would need to buy to raise a child in different regions of the country. Ideally this list would be updated annually and account for different ethnic or cultural practices or a child with a disability or health issue.

For financial planning or court-ordered child support, the report recommends a second approach that calculates what families of different income levels actually spend on their children.

“Creating state-of-the-art estimates of the cost of raising children is within reach,” Duncan said. “Statistics Canada already collects data on what families spend and on the costs of goods and services, so it’s a matter of building on these foundations to create valid and reliable estimates.”

-reprinted from The Toronto Star

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