For young Canadian families, the financial pressures have never been greater [1]

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EXCERPTS

When Tricia Grant was pregnant with her first child five years ago, she and her husband Sean were both self-employed. He is a barber, she was an athletic therapist. But that meant she couldn't take a year-long maternity leave because she hadn't been paying into the Employment Insurance for self-employed workers — a cost which may not have made sense for her family anyway.

She worried about losing the clients she had worked so hard for, and the career she is still paying off post-secondary debt training for. She worried they wouldn't be able to pay the mortgage on the home in Oshawa. They saved and scrimped for years to afford the 20-per- cent down payment.

"Am I going to even be able to afford this child," she remembered thinking.

Young families in Canada, like Grant's, want many of the same things previous generations did — home ownership, children, stable jobs — but achieving these dreams is more difficult than ever before, experts say.

Compared to four decades ago, young people going into debt for increasingly expensive post-secondary education to get jobs where they work hard but are paid less, says Paul Kershaw, a University of British Columbia professor and founder of the Generation Squeeze advocacy group. They are then paying hundreds of thousands of dollars more to get into an average home — more likely a condo. If not, they are paying more and more in rent.

It takes a typical person between 25 and 34 years of age 13 years to save a 20 per cent down payment on an average priced home in Canada (this jumps to 29 years in Metro Vancouver and 21 years in the GTA), compared to the five years it took for young adults around 1976, according to a report from Generation Squeeze.

The cost of living has gone up and as people delay having a family until they can't wait any longer, they then face monthly child-care costs that amount to another rent or mortgage payment, Kershaw says. Parents in Toronto pay the highest median fees in the country, with infant care topping $1,685 a month or $20,220 a year, according to the Canadian Centre for Policy Alternatives.

"Then there are the existential questions that didn't really exist in my parents' generation," says David Coletto, CEO of Abacus Data, which researches Canadian millennials. "We've got climate change. And a fast-moving, evolving economy where it isn't clear which jobs will be here in ten years. … It's no surprise that you do see a level of anxiety with young families about what they are supposed to achieve and what is expected of them given all these constraints."

And while the focus on the struggles young families face now tends to be on major expenditures like housing and childcare, there are also more expenses and ways to spend money than ever before, says personal finance expert Rubina Ahmed-Haq. Not only are there the additional costs of cellphone and internet bills, there are increasing numbers of monthly subscriptions to be had from Netflix to meal kits on top of the ease of one-click online shopping.

"You don't have to go a mall to spend money," she says. The ease of consumerism may be tempered with a shift towards minimalism and sustainability, but it all impacts how much money young families are able to put into savings.

"I definitely think things are more difficult now — the prices of houses are insane," Grant says. "And the cost of living has increased tremendously."

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