This Week:
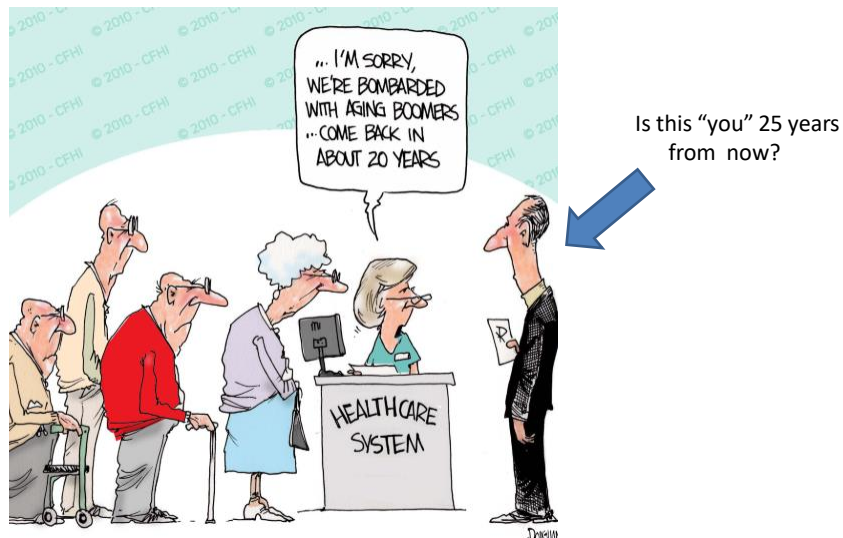
- Finish up with "Aging"..
- Move onto Family and Household Composition and Change
  - Why study this?
  - What is a household and what is a family?
  - Changes over time in:
    - Size
    - Number
    - Composition
    - Use and Meaning
      - Specifically Consider
        » Marriage/Cohabitation
        » Transitions to adulthood
        » Experience of Children

Is this "you" 25 years from now?

Rising Health Care Costs

Figure 2 Total health expenditure as a percentage of GDP, Canada, 1975 to 2017
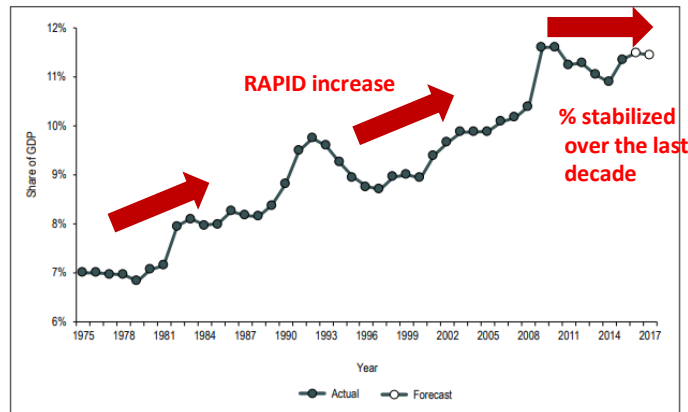
Source: Canadian Institute for Health Information (CIHI)

What does this mean? As a share of GDP, we have seen stabilization.. For the last decade, total expenditures have been growing roughly the same pace as our economy (GDP)
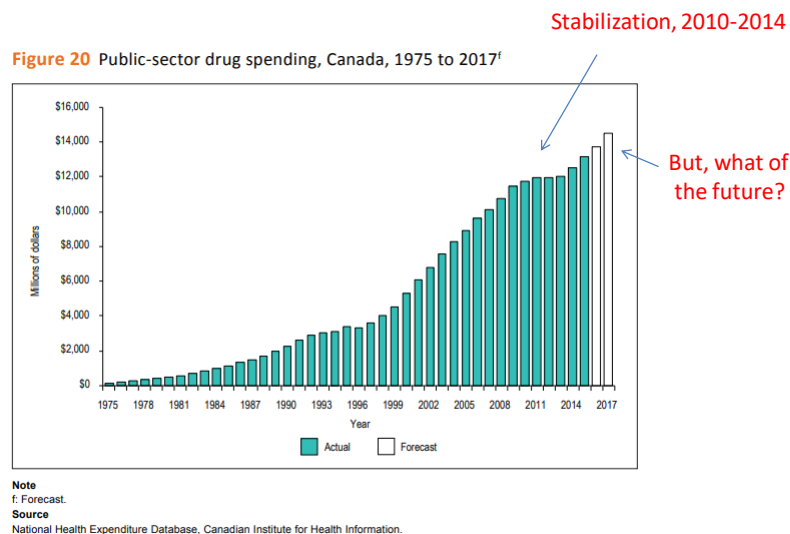
Rising Health Care Costs

- For example
  - Health Care Spending (1975-2004)
    - Total expenditures (+175%: after adjusting for inflation)
    - Population size up by 37%

  - Health Care Spending (2011-2018)
    - Total expenditures (+ 2.5%: after adjusting for inflation)
    - Population size (+7.0%)
    - Governments more recently, have had greater success in containing the costs of health care in Canada as of late
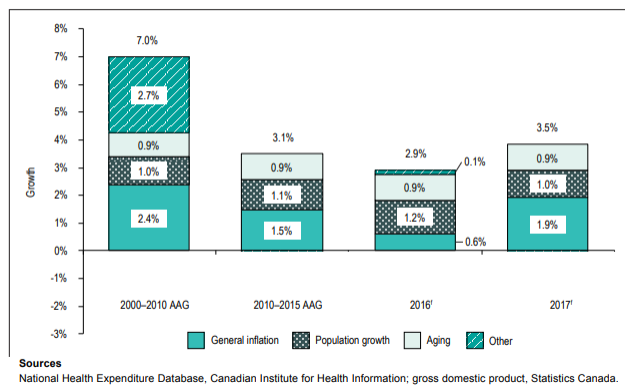
Rising Health Care Costs

- <u>HISTORICALLY: 1970s-2010</u>
- <u>Even without aging or pop growth</u>, we are spending more on:
  - Hospitals
  - Doctors
  - Drugs   Together account for 70% of all health spending

- Remember: This increase in costs has at least partially lead to better health care for Canadians,.. (1970: le=72.7 years/ 2010: le=81.2 years)

- Yet what of aging?
- More seniors has meant "increased demand", but:
  - historically:
  - Costs have tended to increase for other reasons…
  - By far the biggest issue
    - E.g. Drug companies (drug costs have sky rocketed)
    - Private physicians (very well paid in Canada, and gains have far outpaced inflation).
    - Expenditures on Hospitals have lagged behind

Stabilization, 2010-2014

Figure 20 Public-sector drug spending, Canada, 1975 to 2017[f]

But, what of the future?

Note
f: Forecast.
Source
National Health Expenditure Database, Canadian Institute for Health Information.

Discussions of Pharmacare in Canada: concern with containing these costs.

Figure 16 Cost driver shares of average annual growth in public-sector health spending, 2000 to 2010 and 2010 to 2015, compared with annual growth in 2016 and 2017

Sources
National Health Expenditure Database, Canadian Institute for Health Information; gross domestic product, Statistics Canada.

2000-2010: estimates that roughly 1.9% of the annual growth in expenditures out of a total of 7% was due to demography (aging/population growth)

This has remained consistent through to the present..
In 2017, half of the increase has been inflation (1.9%), the other half demography (1.9%)..

Figure 14 Provincial/territorial government health expenditure per capita, by age group, Canada, 2015
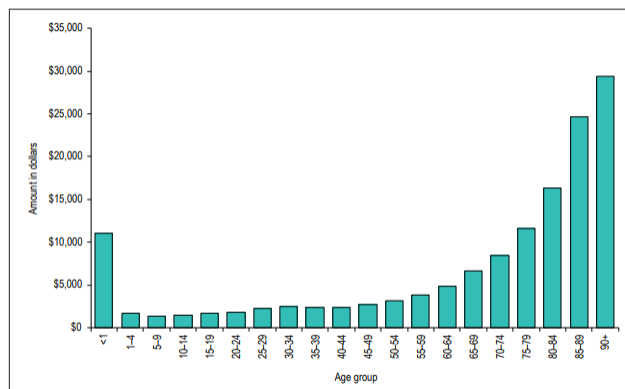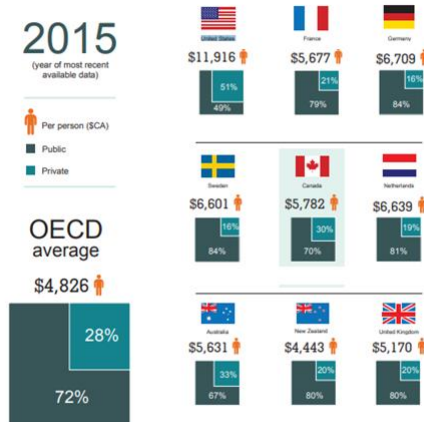

Note
See data table E.1.18.2 in the companion Excel file.
Source
National Health Expenditure Database, Canadian Institute for Health Information.

Given this pattern of expenditures think of the importance of aging as particularly Important as the age groups 80+ increase,..

Into the future, the contribution of demography will DEFINITELY increase!!
particularly in terms of "aging".. currently impact is 1.9% a year..
IT WILL BE MUCH MORE!!!

4

Figure 4   How does Canada's health spending compare?

2015
(year of most recent available data)

Per person ($CA)
■ Public
■ Private

United States
$11,916
51%
49%

France
$5,677
21%
79%

Germany
$6,709
16%
84%

Sweden
$6,601
16%
84%

Canada
$5,782
30%
70%

Netherlands
$6,639
19%
81%

OECD average
$4,826
28%
72%

Australia
$5,631
33%
67%

New Zealand
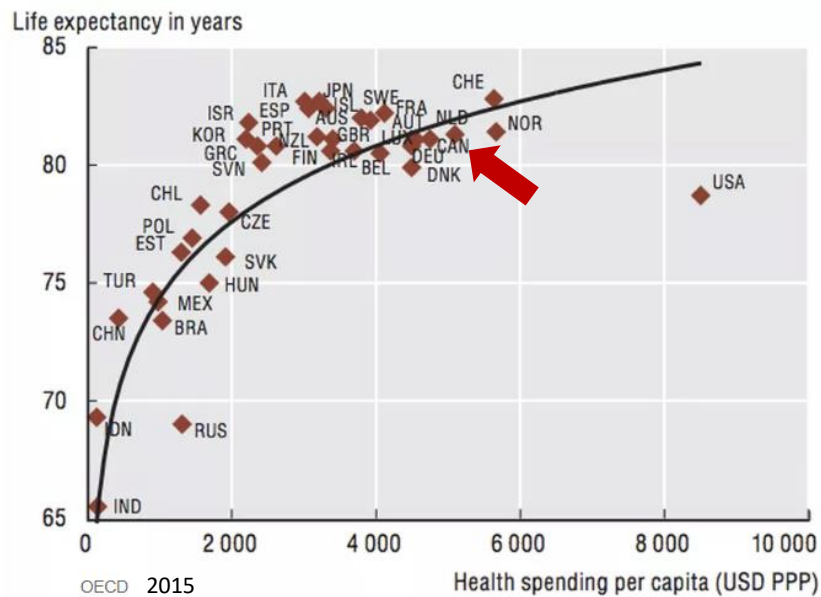$4,443
20%
80%

United Kingdom
$5,170
20%
80%

Notes
Total current expenditure (capital excluded).
Expenditure data is based on the System of Health Accounts.
Source
Organisation for Economic Co-operation and Development. OECD Health Statistics 2017. 2017.

Life expectancy in years

Health spending per capita (USD PPP)

OECD 2015

Care Costs

- Projected growth size of the 'Old-Old'
  - major implications for health care costs as well
    - End of life is clearly most expensive
      - Acute care
      - Expensive treatments
      - Prevention of pain
- Often require long term care
  - In nursing homes in 2016:
    - about 1.5% of Canadians 65-69
    - about 30% of Canadians 85+
      - This will only increase
    - Seniors in these kinds of institutions tend to be women, very old and very frail (multiple conditions)

  - Expect increases in 'assisted living' facilities
    - Both for most younger old and for some older old
    - Expect increased social pressures on women and families to provide care too
    - In the context of increased labour force pressures, smaller, more independent families
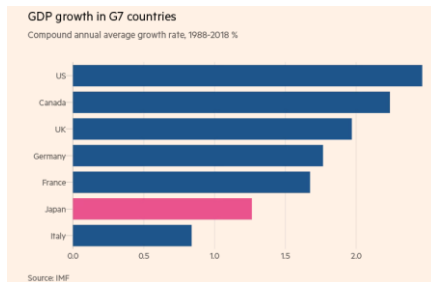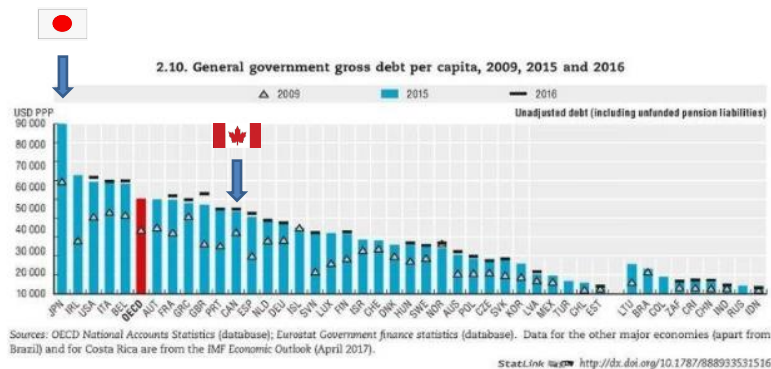
Economy/labour force

- Inevitable:
- Projection on age structure suggest:
  - Growth in labour force <u>will not</u> keep up with growth in retirees

- As growth in our Labour force continues to slow (or even shrinks), what will be the implications in terms of economic growth?
  - Very uncertain

Population growth in G7 countries
2000-2018 % change
■ Total population ■ Working age population

Canada   US   UK   France   Italy   Germany   Japan

Working age= 20 to 64 years old
Source: IMF

Japan has lagged behind other countries as of late, and some suggest that it is due to its shrinking labour force and population aging..

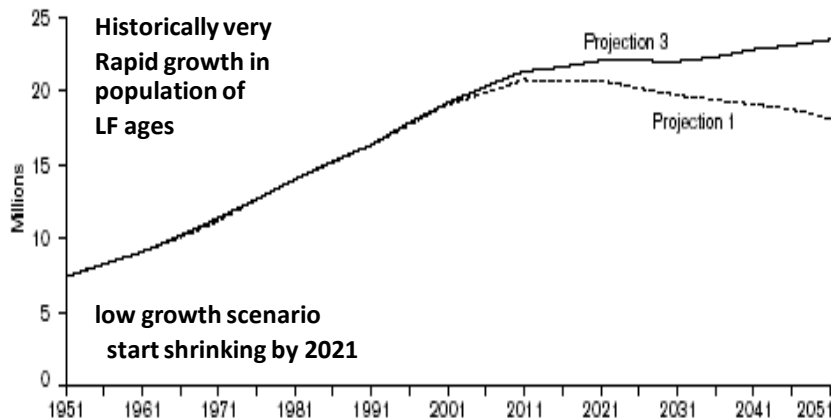**GDP growth in G7 countries**
Compound annual average growth rate, 1988-2018 %

US
Canada
UK
Germany
France
Japan
Italy

0.0   0.5   1.0   1.5   2.0

Source: IMF

There have been major consequences in other countries with regard to population aging..

2.10. General government gross debt per capita, 2009, 2015 and 2016

△ 2009   ■ 2015   — 2016

USD PPP   Unadjusted debt (including unfunded pension liabilities)
90 000
80 000
70 000
60 000
50 000
40 000
30 000
20 000
10 000

JPN IRL USA ITA BEL OECD AUT FRA GRC GBR PRT CAN ESP NLD DEU ISL SVN LUX FIN GRC DNK HUN SWE NOR AUS POL CZE SVK KOR LVA MEX TUR CHL EST   LTU BRA COL ZAF CRN IND RUS IDN

Sources: OECD National Accounts Statistics (database); Eurostat Government finance statistics (database). Data for the other major economies (apart from Brazil) and for Costa Rica are from the IMF Economic Outlook (April 2017).

StatLink http://dx.doi.org/10.1787/888933531516

Japan not only has one of the lowest "labour force participation rates in the world, due to both population aging, and traditional gender roles, but also: is now the most "indebted" country in the world..

Note: obviously other factors responsible: e.g. U.S. economic mismanagement..

Figure 7.5 Growth of Population Aged 20–64, 1951–2051

Historically very Rapid growth in population of LF ages

low growth scenario start shrinking by 2021

Projection 3

Projection 1

Source: Statistics Canada (2001d: 149, 151, 169, 171, 183, 185).

**All scenarios suggest a markedly slower rate of growth in the working age population**

Economy/labour force

- What can we do about slowing labour force growth?
  - Immigration will be important
    - Fill holes in labor market
    - PART OF CURRENT GOVERNMENT'S PLANNING..
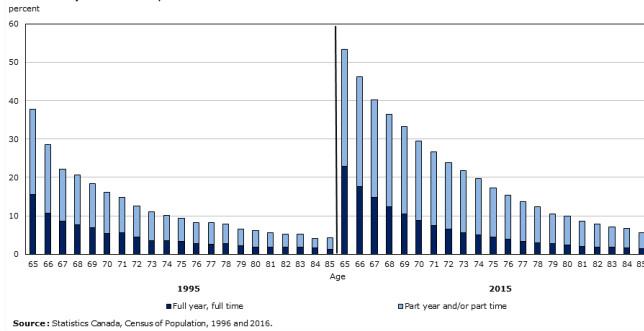   - REMEMBER: NO PANACEA…
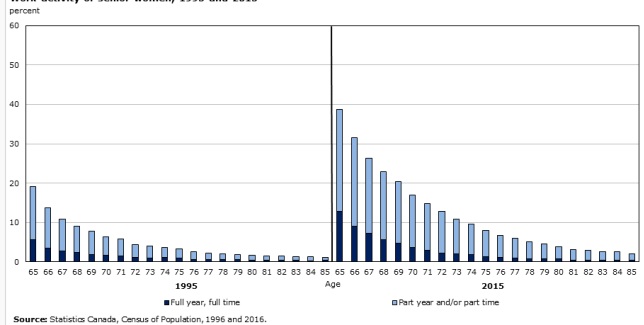 - Increase participation of older workers

Older workers?

Average retirement age in Canada

SOURCE: STATSCAN
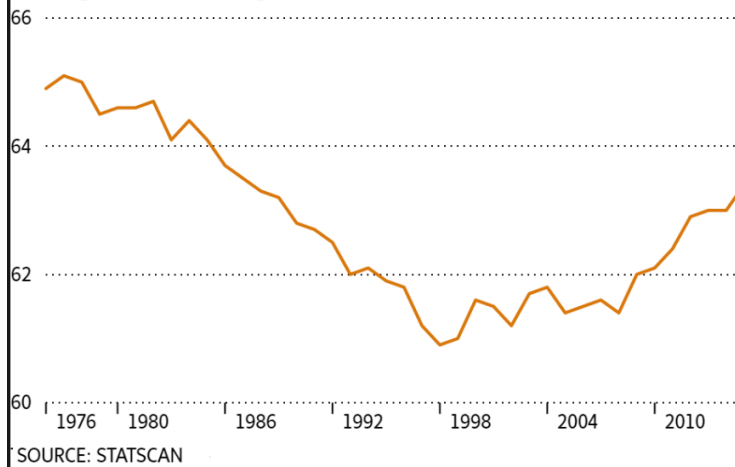
Work activity of senior men, 1995 and 2015

Work activity of senior women, 1995 and 2015

- What can we do about slowing labour force growth? (continued)
  - Immigration
  - Delay retirement
  - Increase productivity (technological innovation)
  - Increase hours of 'work week'
  - Increase participation of underrepresented groups
    - Example: increase the participation rate of women
      - LFP ages 15-64   (2014)
        - Men 81.3%
        - Women 74.2%
      - Remember women work part-time more often
      - Also retire earlier
      - Lots of room for improvement here

  Other underrepresented groups:
    specific minorities; indigenous population; disabled Canadians, etc.

IN SUM

- Canadian aging situation is potentially a serious problem for both individuals and for our social institutions.
  - If nothing is done problems could potentially become dire
  - So far, gov't and individuals have arguably not done enough to prepare
  - yet there are some reasons for optimism and many possible solutions – some individual, some social
    - But we must move quickly and decisively

Families and Households

- Basic units of analysis in all social sciences
  - As important as the individual unit in some ways

- Family background factors at least partially explain almost everything!!!
  - Exs. health, income, religion, employment prospects, education.

    - 'Fundamental social institution'
    - 'The beginning of human social experience'
    - 'Strongest engine of human socialization'

Family

- What is a family?

- What is a sociological definition of family?
  - Family ties (blood, marriage, adoption)
  - Sharing of resources
    - 'eating out of the same pot'
  - Mutual caring

    - N.B. Definitions often limited to those living in the same dwelling

Family

Statistics Canada Definition:

- **Census Family**: '*A married or cohabitating couple, with or without never-married children, or a lone parent with at least one never-married child, living in the same dwelling.*'

Family

Statistics Canada Definition:

- **Economic Family**: '*A group of two or more persons who live in the same dwelling and are related to each other by blood, marriage, common-law or adoption.*'
  - Broader of the two definitions
  - overwhelming majority of economic families are census families

Households

- ***Household*:**
  - a person or a group of persons, who occupy the same dwelling
    - Not limited to family relations

  - Can distinguish between:
    - ***Private hhlds:***
      - 98.1% of all hhlds in Canada
    - ***Collective hhlds:***
      - Most are nursing homes and hospitals (75%)
      - Rooming houses, military bases, jails, etc. also 'collective'

Population, dwellings and households (8)	1986 [3]	1991 [2]	1996 [1]	2001	2006	2011	2016
Total population [5]	25,309,331	27,296,859	28,846,760	30,007,095	31,612,895	33,476,690	35,151,730
Total - Dwellings occupied by usual residents	9,011,472	10,039,287	10,842,665	11,588,730	12,463,435	13,349,450	14,099,860
Average household size in private dwellings	2.8	2.7	2.6	2.6	2.5	2.5	2.4

Canada's population has grown at a slower rate than # of households

Population + 38.9% (1986-2016)
# of hhlds +56.5%

Hence, average household size has declined somewhat..

2.8 persons/hhld in 1986 down to 2.4 persons/hhld in 2016

Why?

Households

- Why more hhld growth than pop growth?

- Pop Aging
  - Fewer children and more adults
    - Children are in hhlds with at least 1 other person (usually 2)

- Social shifts
  - Lower propensity to share accommodation
    - increase in the propensity to live alone
    - increase in the propensity to live in non-family hhlds

Most people are living in "private households"   (98.3% in 1986 -> 98.1% in 2016)

Population, dwellings and households (8)	1986 [3]	1991 [2]	1996 [1]	2001	2006	2011	2016
				Census year (8)			
Total - Population in dwellings [6]	25,283,915	27,178,745	28,839,680	30,001,820	31,606,350	33,470,095	35,145,545
Population in private dwellings [7]	24,849,545	26,731,860	28,390,680	29,522,300	31,072,420	32,856,980	34,460,060
Average household size in private dwellings	2.8	2.7	2.6	2.6	2.5	2.5	2.4
Population in collective dwellings	434,370	446,885	449,000	479,520	533,930	613,115	685,480

Number of Canadians living in "collectives" has been growing more rapidly than the population overall,

Hence, the proportion living in Collectives has risen slightly.
In 1986, 1.7% of Canada's population lived in Collectives
In 2016, 1.9% did so..

Why?
Population aging, the impact of persons moving into "nursing homes"/ "collectives for the elderly

Households

- ***Family households***
  - at least 1 family relationship between co-residents
  - Roughly two thirds of all private hhlds (2016)

- ***Non-family households***
  - Unrelated persons
  - Individuals living alone
  - About 1/3 of all hhlds (2016)

- A lot of change here!

Source: Statistics Canada, Census of Population, 2016.
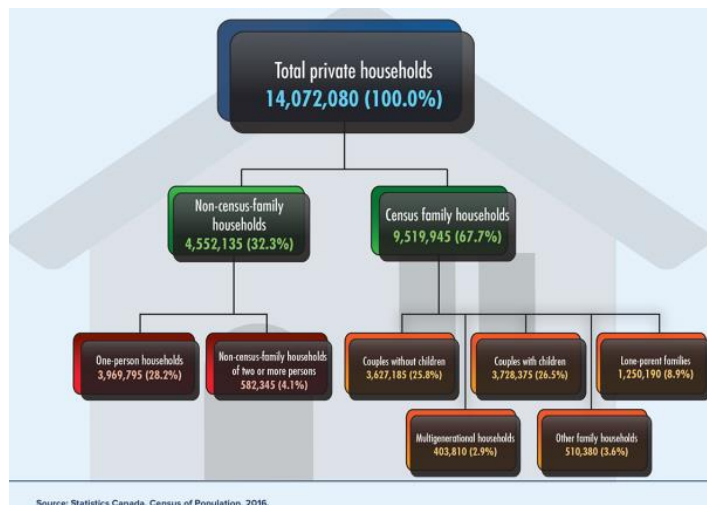
Overall we've seen a 60% growth in the number of households over the 1981-2011 period

Household type	% Change in number of hhlds 1981-2011
Family hhlds	46.10%
Non-family hhlds	105.70%
One person hhlds	118.5%

- Yet Some types are growing faster than others:
  - *Family hhlds* had lower than average growth
  - *Non-family hhlds* grew more than twice as fast as family hhlds
  - *One person hhlds* grew twice as fast as the average, and much faster than any other hhld type

Households

- Why such increase in non-family hhlds and one person hhlds?
  - population aging
    - more persons widowed
  - higher divorce/ separation
  - delaying marriage/cohabitation/fertility

- This shift has all sorts of implications:
  - housing industry
  - social services
 - consumption patterns

Change in Families

- Patterns of Home leaving
- Cohabitation
- Marriage
- Union Dissolution
- Experience of children in families

- Same sex families
- Multigenerational families

Home leaving

- Before 1970s:
  - Average age of home leaving decreasing
  - Returning home is rare

- From 70s to present:
  - Age is increasing
    - Example 20-24 year olds still living at home
      - 1981: women – 33.6%, men – 51.4%
      - 2016: women – 59.2%, men – 66.8%
  - Returning home is also increasingly common

Home Leaving

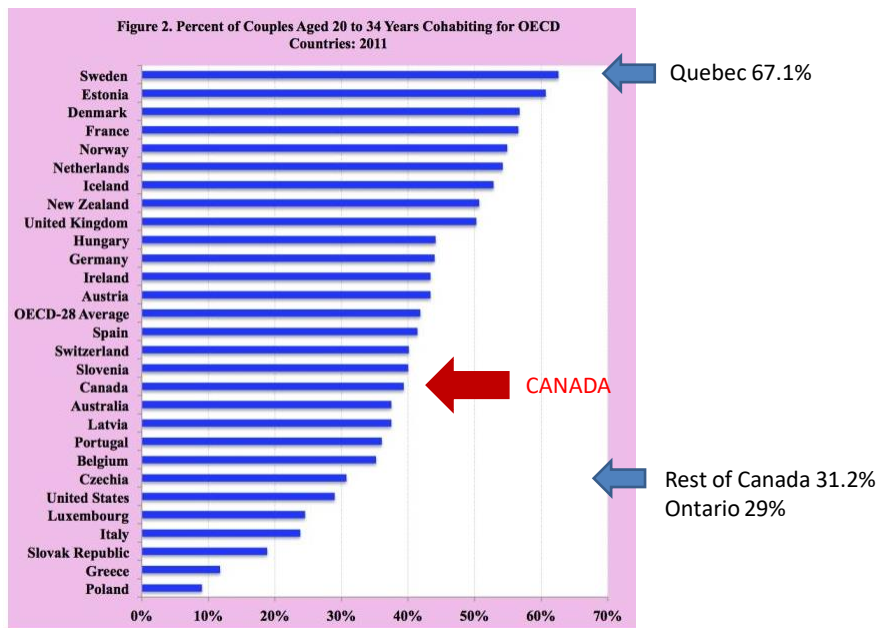- Percentage of young adults aged 20-24 and 25-29 living in the parental home, 1981-2011
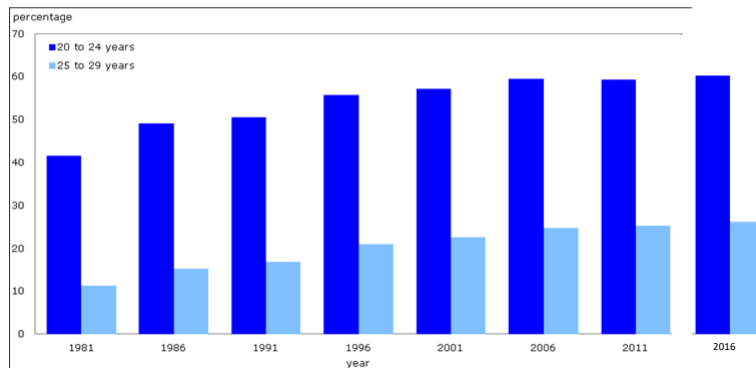
In 2016, now more than 6 in 10 20-24 year olds (62.6%); for ages 25-29, now approaching 3 in 10 (27.2%)

Home leaving

- Why delay home leaving or return home?

  - *Economic*
    - Getting established in labour market is hard
    - Increased number of years in school
      - More going to school close to home

  - *Cultural*
    - Reduced generation gap
    - More 'intensive' parental investment in their kids
    - Less stigma for late leavers and returners

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Cohabitation

- Popular among university students starting in 1960s
- Legally recognized as 'common law'
- Now majority of first unions are common law..
- Why?
  - Can be seen as:
    - A less committed coupling
    - A prelude to marriage
    - A replacement for marriage (rejection of tradition)

Figure 2. Percent of Couples Aged 20 to 34 Years Cohabiting for OECD Countries: 2011

Quebec 67.1%

CANADA

Rest of Canada 31.2%
Ontario 29%

Source: OECD.

Cohabitation

- Are cohabiting unions different than marriages?
- More likely than marriage to dissolve
- Marriage following cohabitation more likely to dissolve than direct marriage
- Yet cohabiting is becoming more stable/serious over time (particularly in Quebec)
  - Longer relationships
  - More children born to these relationships

Reasonable to suggest that in Quebec: Cohabitation has really become an "alternative" to marriage.. Less so elsewhere it continues to be a less committed coupling, and typically a prelude to marriage

Marriage

- Beginning of 20th C:
  - Older ages (mid to late 20s)
  - High proportion who never marry

- From 1900 to 1970s:
  - Age of marriage decreasing
  - Proportion who never marry decreasing
  - BABY BOOM ERA IN CANADA: very early & near universal marriage

- From 1970s to present:
  - Age of marriage increasing
  - Proportion who never marry increasing
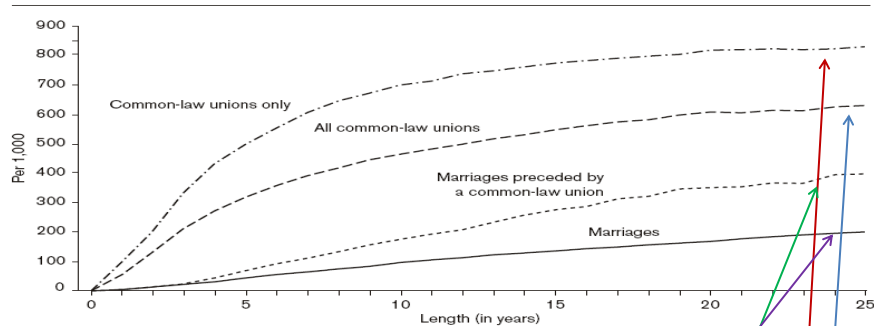
Marriage

- Why current trends in Marriage?
  - 1. Cohabitation is part of it
    - Yet proportion living in unions of any kind has declined and age of entry has increased
  - 2. Change in the status/expectations of women
    - Getting education, occupation delays or replaces marriage
    - Women are economically independent
      - Changes meaning and need for marriage
  - 3. Not as important to socially defining adulthood
    - For men and women
      - Finishing school, getting economically established, leaving home all more important to defining

Union Dissolution

- Divorce rate increasing since 1940s

- Very fast increase especially in early 70s and again in mid-80s
  - Changes to divorce laws in 1968 and 1986

- Relatively stable from late 80s to present
  - Marriage now less common, more selective
  - Majority of union dissolutions are common law

Union Dissolution

**Figure 9.1** Cumulative Proportions of Separations by Length of Union, per 1,000 Unions of Each Type, Canada, 1995

Common-law unions only

All common-law unions

Marriages preceded by a common-law union

Marriages

Per 1,000

Length (in years)

Source: Bélanger and Dumas (1998: 41); Statistics Canada, *1995 General Social Survey*.

- More than 60% of all common law unions dissolved in 25 years
  - If stay common law and never marry, 80% dissolved
  - If marry after common law, 35% dissolved
  - If direct marriage, 20% dissolved

Union Dissolution

Figure 9.1 Cumulative Proportions of Separations by Length of Union, per 1,000 Unions of Each Type, Canada, 1995

Common-law unions only

All common law unions

Marriages preceded by a common-law union

Marriages

Per 1,000

Length (in years)
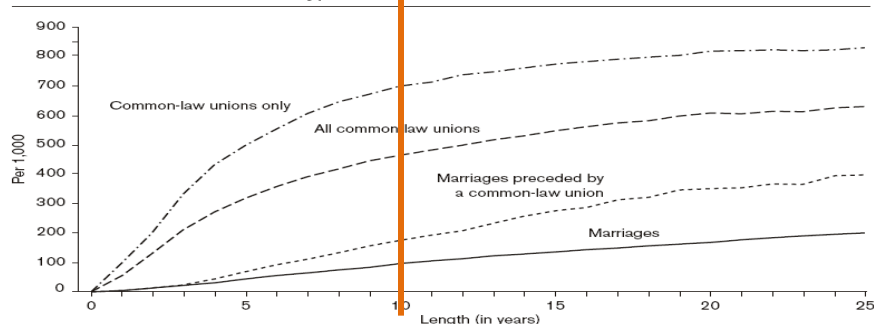
Source: Bélanger and Dumas (1998: 41); Statistics Canada, *1995 General Social Survey*.

- Most of the difference between marriage and common law union dissolution happened in the first 10 years
  - Longer term, cohabitation and marriage are more similar and more stable

Union Dissolution

- Who is most likely to see a union dissolution?
  - Common law couples
  - 'Childless couples'
    - Before children
    - After children are grown
  - Couples with low SES
  - Young couples
  - New couples
  - When one member has had at least one previous union

Union Dissolution

- Why increases in union dissolution?
  - *Instrumental Causes*
    - Less economic interdependence
    - Social status of women no longer tied to unions
    - Fewer children

  - *Expressive Causes*
    - Unions now more selective for mutual personal gratification
      - Intimacy, love, interpersonal affect
      - Unions expected to fulfill individual needs rather than the other way around

Union Dissolution

- Why increases con't …
  - ***Nature of marriage commitment***

    - Fewer legal restrictions
      - Divorce act 1968:
        » Allowed fault-based divorces including abuse and addiction
        » Before this could only divorce if adultery
      - 1986:
        » Allowance for no fault divorce
        » Merely live apart for one year and file

    - Shift in attitudes toward separation/divorce
      - Reduced social stigma
      - Considered relatively 'normal'

Union Dissolution

- Increases both good and bad
  - Good:
    - Partly the result of rising status of women
    - Reduction of abuse, conflict in unions
  - Bad:
    - Increasing instability in the lives of both adults and children

  - Current debate:
    - Which is worse for children – the instability and possible economic deprivation of parental separation, or witnessing long term conflict/ lack of personal satisfaction between their parents?

# Union Dissolution

- *Widowhood*
  - Very rare at younger ages, very common at oldest ages
    - Becoming more common with aging
  - Affects men and women very differently
    - Estimated that more than 60% of men will be married when they die, but only 20% of women
      - Women much more likely to be widowed
    - Men spend roughly 9 years as widowers, women spend 15 years as widows
    - Widowhood almost always ends in death
      - Only 1 in 25 remarry

So what about the living arrangements of kids?

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Living arrangements of Children

Figure 13 Proportion of children aged 14 and under living with married parents continues to decrease

These basic trends have continued through to the present..
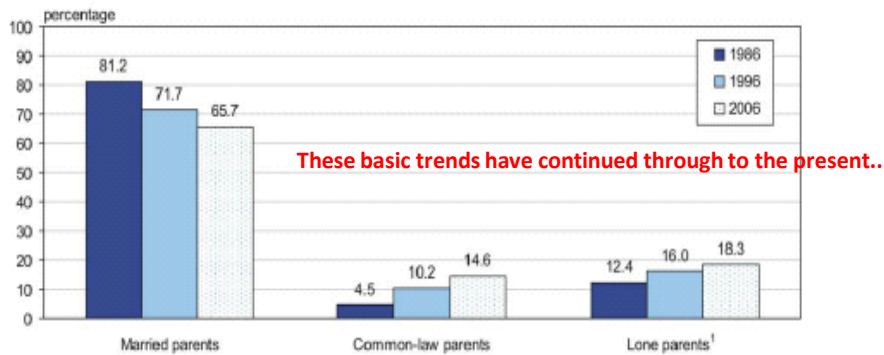
1. Historical comparisons for census families, particularly lone-parent families, must be interpreted with caution due to conceptual changes in 2001.
Note: For each census year, 2.1% or a smaller percentage of children are counted in the 'other' category.
Sources: Statistics Canada, censuses of population, 1986, 1996 and 2006.

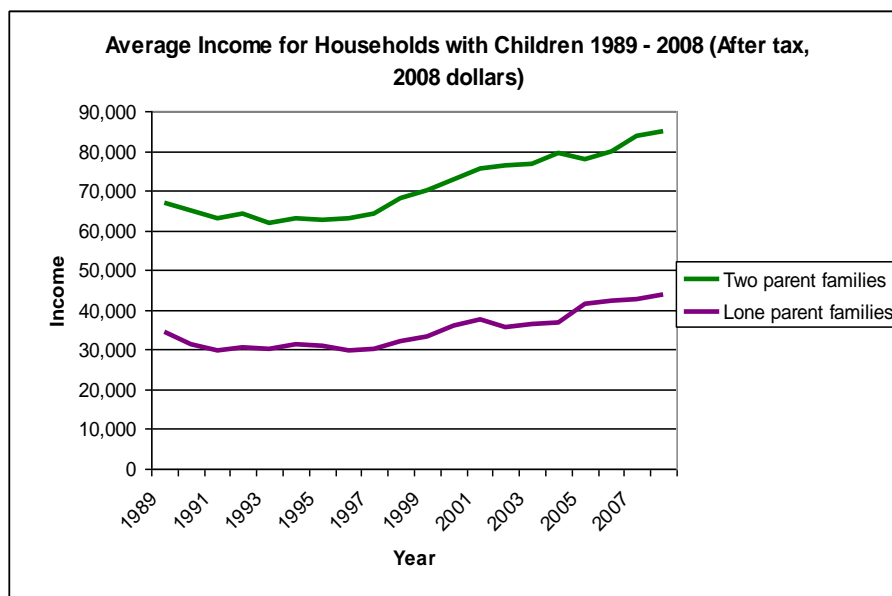# Living arrangements of Children

'Non Intact Families'

- **Lone parent families**
  - Almost 20% of children aged 0-14 (2016)
  - High levels of growth
  - Mostly female led
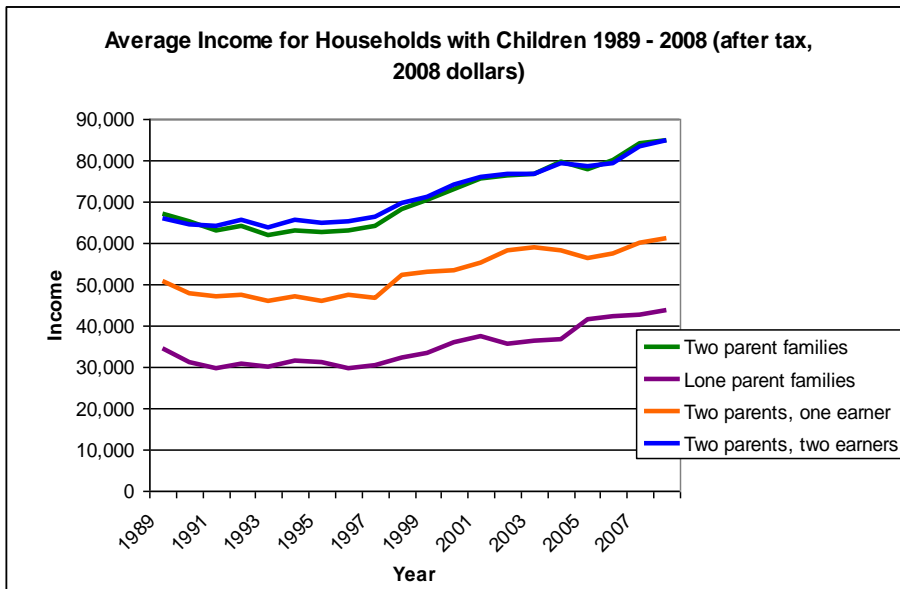   - 15.7% of children
    - Male led: 3.4% of children

Children

'Non Intact Families'

- ***Step parent families*** (common law and married)
  - one parent is not biological (usually the father)
  - Includes blended families
    - Includes more than one child who do not share the same two parents
  - About 10% of children (2016)

- Hence about 30% of children total live in non-intact families.. i.e. not in lone or step families..

Children

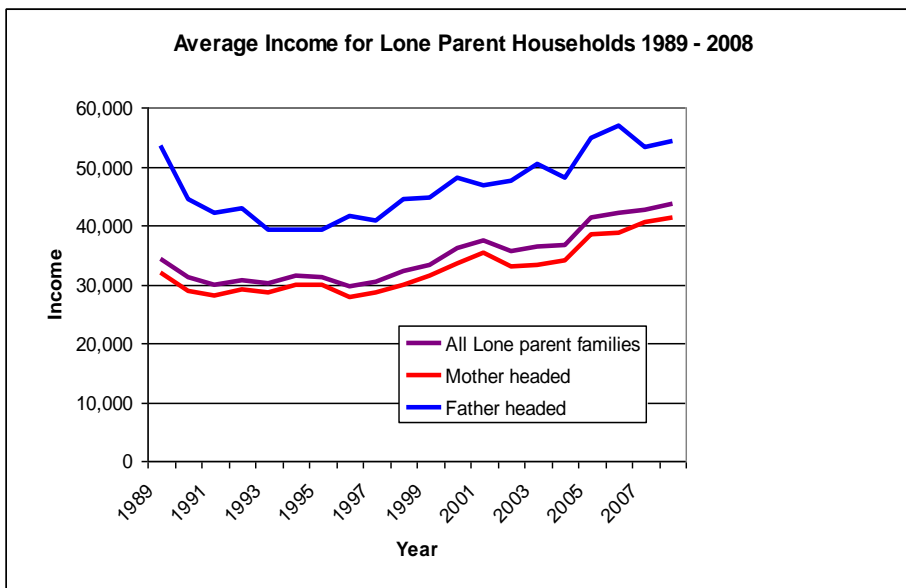**Average Income for Households with Children 1989 - 2008 (After tax, 2008 dollars)**

Income

Average Income for Households with Children 1989 - 2008 (after tax, 2008 dollars)

Income

Average Income for Lone Parent Households 1989 - 2008

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Children

- Family and hhld change:
  - Change in children's experience of family
    - Increasing instability
      - Both good and bad conditions can be temporary
    - Increasing diversity
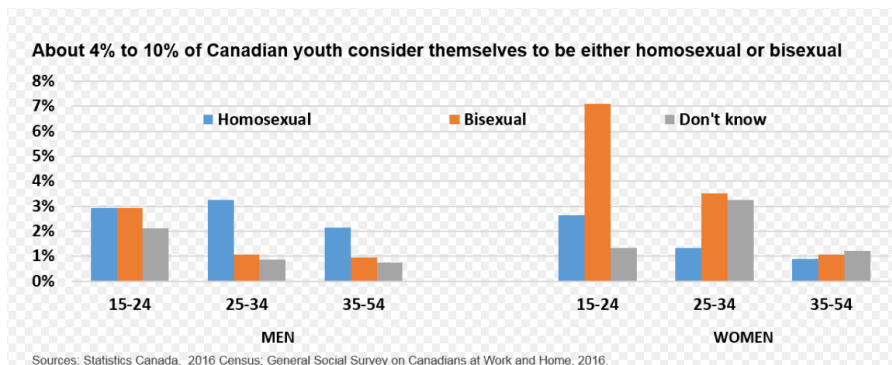   - Increased possibility of economic hardship

Table 9.1 Summary Statistics on Family Change, Canada, 1941-2011

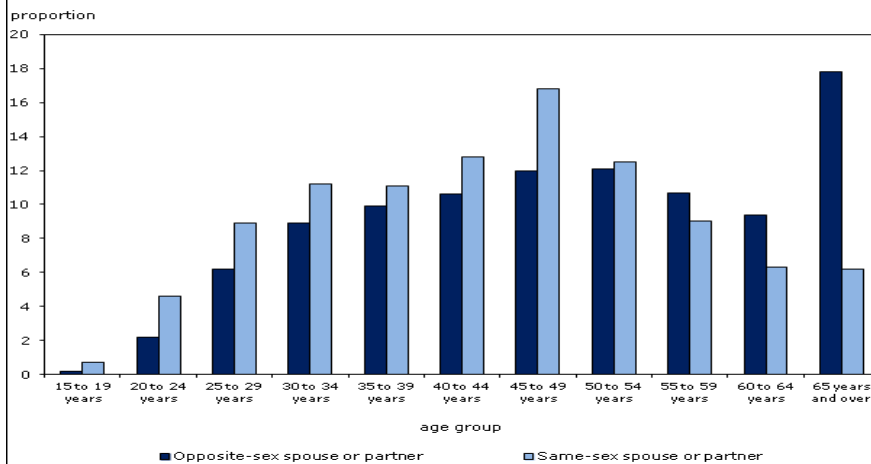|	1941	1951	1961	1971	1976	1981	1986	1991	1996	2001	2006	2011
Divorces per 100,000 married couples — **Divorce Act, 1968** **1986 "no fault"**	- -	180	180	600	990	1129	1220	1110	1130	1100	1140	1086
Common-law couples as a percent of all couples — **dramatic change, esp. in Quebec**	- -	- -	- -	- -	0.7	6.4	8.2	11.2	13.7	16.4	18.6	19.9
Lone-parent families as a percent of all families with children — **greater instability in the lives of children**	9.8	9.8	11.4	13.2	14.0	16.6	18.8	20.0	22.3	24.7	25.8	27.1
Births to non-married women as a percent of all births — **mostly to cohabiting couples**	4.0	3.8	4.5	9.0	- -	16.7	18.8	28.6	36.9	38.2	37.7	39.8
Mean age at first marriage — **people are delaying "legal" marriage**												
Brides	24.9	23.4	22.6	22.6	22.9	23.7	24.7	25.8	26.7	27.7	28.9	29.1
Grooms	28.1	26.3	25.3	25.0	25.3	25.9	27.0	27.8	28.6	29.7	30.9	31.1
Births to women aged 30+ as a percent of all births — **older parents**	35.6	36.2	34.1	21.6	19.6	23.6	29.2	36.0	43.7	46.9	48.9	52.1
Mean age at first birth	25.2	24.3	23.6	23.9	24.4	25.0	25.6	25.9	26.5	27.3	28.0	28.5
Total fertility rate (average births per women) — **High fertility** **fewer dependants & siblings**	2.8	3.5	3.8	2.1	1.8	1.7	1.6	1.7	1.6	1.5	1.6	1.6

Same Sex Families

- No reliable historical data

- Stats Can began counting same sex common law couples in 2001 Census
  - Common Law:
    - 2001: 34 200
    - 2006: 37 885
    - 2011: 43 560
    - 2016: 97 020
      - Now represent 2.8% of all CL couples   **DO WE HAVE UNDERREPORTING HERE?**
  - Same sex married couples (legalized in 2005)
    - 2006: 7 500
    - 2011: 21 015
    - 2016: 48 740
      - Now represent .4% of all married couples

- Growth in same-sex couples has outpaced both population growth generally and couples growth specifically

- In total, in 2016 about .9% of all couples were same sex couples
  - About 55% of same-sex couples are male

- Children:
  - 18% of people in same sex married couples live with children.
  - 9% of people in same sex comlaw couples do so

About 4% to 10% of Canadian youth consider themselves to be either homosexual or bisexual

Homosexual   Bisexual   Don't know

MEN: 15-24, 25-34, 35-54   WOMEN: 15-24, 25-34, 35-54

Sources: Statistics Canada, 2016 Census; General Social Survey on Canadians at Work and Home, 2016.

Again, recall that according to the census, about 1% (0.9%) of all couples that live together self identify as "same-sex" couples,..

so either most "gay" Canadians are living outside of a relationship, or don't report that they are "same sex couples" in the Census (merely roommates, and considered to be non-family households).

Figure 6
Distribution (in percentage) of married spouse or
common-law partner by opposite-sex or same-sex status
and age group, Canada, 2011

Multigenerational hhlds

- Is this type of family common in Canada?

  – Less than 3% of all households in Canada..
  – Only about 5% of children have an extended family member in same hhld
  – increases to about 12% among recent immigrants
  – Historically decreasing in Canada

  – Do you think this will change in the future?