Canada and the U.S. are more similar to each other than any two other large countries on the planet today. We share a language, a continent, and a colonial history. Our two affluent and resource-rich countries, moreover, have forged the largest trading bond in the modern world. Since the implementation of NAFTA in 1993, of course, the volume of U.S.-Canadian trade has steadily increased; this economic integration is drawing the two economies ever closer.

Yet for all their similarities — and the unfolding forces pressing for still greater homogenization — Canada and the United States are remarkably distinct from one another. In recent years, government policies in these two similar countries have diverged recurrently, and conspicuously, on a number of issues: Think of Iraq, missile defense, lumber, gay marriage, and marijuana. And these highly visible differences may not be the biggest ones. A quiet and as yet largely unrecognized divergence may be even more fundamental. Its indicators are found in the relatively new but steadily increasing differentiation of demographic trends in North America.

Twenty-five years ago the population profiles of Canada and the United

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States were similar. Both were younger than their European allies, and their societies were more heterogeneous. In 1980 their populations had almost the same median age, fertility rates, and immigration rates. In the years since then, small changes in demographic variables have accumulated, ultimately creating two very different countries in North America by the end of the twentieth century.

Canadians now have half a child fewer than Americans during their lifetimes — their fertility level is roughly 2.5 percent lower than that of their neighbors south of the border — and they are living two years longer. Both populations are growing at about the same rate, but the components of growth have diverged. Immigration is relatively more important in Canada's growth rate, and fertility is more important in the United States.

Canadians marry later and less often than Americans. They enter common-law unions more often and their children are increasingly likely to be born out of wedlock. Canadians and Americans have similar labor force participation rates, but Americans work more hours per year. They have higher incomes but less leisure. And even though Canada's birth rate is now substantially lower than America's, the Canadian government provides more child services and benefits than the U.S. government.

Changes in patterns of marriage and fertility are the accumulated outcomes of millions of personal decisions by men and women. When couples, one at a time, make decisions that differ in aggregate from the couples in a neighboring country, it is a reflection of deliberate agency rather than mere chance. That's why the still-widening demographic gap that has opened up between Canada and the U.S. says even more about the two societies and their futures than public or policy differences on any single issue. It also demonstrates that macroeconomic integration since NAFTA may not have had a homogenizing effect at a household level. This exploration should make Canadians who fear becoming too much like the U.S. a bit less fearful.

Why fertility may change

One of the most important and interesting debates in demography today centers on the decline in fertility in developed countries. When the decline in total fertility rates begins and when it stops is of importance not only to demographers, but also to societies. Age structure changes that are caused by declining fertility have far-reaching ripple effects: They touch on all age-specific activities and programs throughout society.

Over the past generation, childbearing patterns in nearly all developed

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1 As of 2003, total trade turnover between the two nations amounted to nearly $400 billion U.S. (Foreign Trade Data, U.S. Census Bureau, 2004). This is an enormous sum under any circumstances, perhaps not least in relation to Canada's 2003 GNP of approximately $850 billion U.S. (WDI Database, World Bank, July 2004).
countries have changed significantly, falling to levels that (if continued indefinitely in the absence of immigration) would presage a steady shrinking of successive generations. This shift to markedly sub-replacement fertility patterns (and the accompanying changes in marital patterns) has been dubbed "the second demographic transition" by demographers. This "transition," however, constitutes a set of facts in search of a theory — the reasons for this dramatic demographic shift remain to be explained.

There are competing explanations in the fertility debates. The "Family Economics" hypothesis focuses on the changing value of women's time due to their labor force participation. It suggests that the opportunity cost of having children increases directly with women's education and income. According to this theory, fertility will be likely to fall as women become better educated and more employable, at least up to the point at which women's incomes become larger than their partners'. Beyond that point, the theory predicts, further increases in women's economic opportunity would become positively related to fertility.

The "Relative Income" hypothesis suggests that large birth cohorts will have more trouble reaching their expected income goals than smaller cohorts. For relatively large birth cohorts, the theory conjectures that female labor force participation rates would rise and fertility rates would fall as women try to reach their income goals. A modification of this hypothesis suggests that women's participation in the labor force depends on how close males' wages are to their joint expectations: Females' wages would have either a net positive income effect on their future fertility or a net negative opportunity cost effect depending on their role in fulfilling the couple's income expectations.

The "Role Incomparability" hypothesis posits that the ability of women to combine childbirth and work is a strong determinant of how many children they will eventually have. Government policies, such as child care provisions, child-friendly labor practices and child benefits, are important in explaining fertility trends in specific countries. In addition to the hypotheses above, some researchers believe that a significant factor in fertility rates may be cultural values, such as religion.

The various hypotheses about why total fertility rates change are not necessarily incompatible. All of the factors they suggest may be important, and


5Diane Macunovich, Birth Quake: The Baby Boom and its Aftershocks (University of Chicago Press, 2002.)

their importance may vary over the life cycle of an individual or cohort. Family formation is a complex social phenomenon that has no single determinant or simple explanation. Comparing the fertility in two societies increases the complexity of the analysis. But following the question of why fertility differs between neighbors can be revealing of fundamental differences that may be unacknowledged — and of erstwhile similarities that have been forgotten.

Canadian and U.S. fertility divergence

Canadians have 25 percent fewer children than Americans today, though historically they have had more children. In 1945 Canadian women had a half child more than American women (a total fertility rate of 3.0 vs. 2.5). And the fertility rate in Quebec was even higher than the Canadian average. Each country had a major baby boom after World War II, but Canada’s boom was louder. Both booms peaked in 1959 and then declined. By 1966 the total fertility rates in both countries were equal (2.7), and they declined together to about 1.8 children in 1978. In the late 1970s the fertility rates began to diverge, with the Canadian rate sinking slowly to the current level of 1.49 and the U.S. fertility rate increasing back up toward the replacement rate; it has remained slightly above 2.0 for almost a decade and a half (see Figure 1).

**FIGURE 1**

**Total Fertility Rates (number of children per woman)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Canada</th>
<th>Quebec</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>1.3</td>
<td>1.3</td>
<td>1.4</td>
</tr>
<tr>
<td>1985</td>
<td>1.4</td>
<td>1.4</td>
<td>1.5</td>
</tr>
<tr>
<td>1990</td>
<td>1.5</td>
<td>1.5</td>
<td>1.6</td>
</tr>
<tr>
<td>1995</td>
<td>1.6</td>
<td>1.6</td>
<td>1.7</td>
</tr>
<tr>
<td>2000</td>
<td>1.7</td>
<td>1.7</td>
<td>1.8</td>
</tr>
<tr>
<td>2005</td>
<td>1.8</td>
<td>1.8</td>
<td>1.9</td>
</tr>
</tbody>
</table>


This slow but inexorable divergence over the past quarter-century can be accounted for by a number of factors (which are not additive; some categories overlap):

Americans have their babies earlier than Canadians. American teenagers have 2.5 times as many births as Canadian teenagers (52 per 1,000 vs. 41

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20). This represents about one third of the difference in fertility between the U.S. and Canada. Two-thirds of the difference is caused by earlier American births to women in their 20s.

Minorities in the U.S. have higher fertility rates than the non-Hispanic white population, especially in the younger age groups. If all American women had the fertility rates of non-Hispanic white women, it would reduce the fertility divergence with Canada by 0.2 children.7

Geography also matters in heterogeneous countries. If the non-Hispanic white fertility rates in American border states and neighboring Canadian provinces are compared, the divergence in the national fertility rates is reduced from 0.5 children per woman to 0.4 (0.38) children. That can explain about 20 percent of the difference in fertility, leaving 80 percent unexplained.8

The important point to underscore in these disaggregations is not what they can explain about current differences in Canadian-U.S. fertility differences, but rather what they cannot. The closest “apples to apples” comparison across the Canadian-U.S. borders would be for the ethnic majority populations of the two nations. In the United States today, period total fertility rates for the non-Hispanic white population are substantially higher than for their counterparts in Canada. That gap has steadily increased over the past generation, and by all indications it is continuing to increase. Disaggregating trends can’t tell us why the differences among ages, ethnic groups, and geography exist. But it can point to subsequent questions to ask. In this case, the differences in the timing of births lead to follow-up questions about patterns of marriage, divorce and other forms of unions.

Marriage, divorce, common-law unions

In 1975 both Canadians and Americans had relatively high rates of marriage. The Canadian rate of 9 per 1,000 was 90 percent of the U.S. rate of 10 per 1,000. Crude marriage rates in Canada have declined 40 percent since 1975, while the U.S. rate has declined 15 percent. Consequently the Canadian marriage rate today is only 60 percent of the U.S. rate.

7In 2002, when the U.S. total fertility rate was 2.0, Hispanic fertility was 2.7; Blacks, 2.0; and non-Hispanic Whites 1.8. (NVSR Vol. 52 No. 10). In Canada, total fertility rates are collected by immigrant status rather than race. Immigrants are 18.4 percent of the Canadian population (in the U.S., 11 percent). Immigrant women in Canada have a higher fertility rate (1.8) than native-born women, but their daughters have 1.4 children, less than the Canadian native-born average of 1.5.

8This demographic difference between Canadian provinces and U.S. border states is consistent with a recent economic study that also showed sustained economic differences in income redistribution on either side of the border despite NAFTA. This study did find that differences were smaller if Canadian provinces were compared only to the adjacent U.S. state rather than all border states. See Gerard Boychuk, "Redistribution, Social Protection and North American Linkages," Paper presented to HRDC/IC Workshop "Social and Labour Market Aspects of North American Linkages," (Montreal, November 10-22, 2003).
Historically, Canadians have married at an older age than Americans, and that difference has increased recently. The 3.9-year increase in age at first marriage for Canadian women since 1980 is higher than the 3.1-year increase for U.S. women. Not only do Canadian women get married later on average than American women, but they also wait longer to have their first child. In 1999, the age of a Canadian mother at her first birth was three years (2.9) older than the American mother. The increases in Canadian ages at first marriage and first births relative to U.S. are consistent with a relative decrease in Canadian fertility. But the U.S. increases in ages at first marriage and first birth seem at odds with the absolute increases in U.S. fertility since 1980.

Although Canadians enter marriage later than Americans, they have longer marriages because they divorce less often. The Canadian Divorce Act of 1968 for the first time provided “no-fault” divorce after a formal separation of three years. Two decades later, in 1986, the Divorce Act was amended to reduce the time of formal separation to a year. It also made divorce generally available in Quebec for the first time. Despite these changes in the divorce laws, Canadians still use this option only half as often as Americans. Of course, Americans, who marry earlier and divorce more often, have more time to have multiple marriages — and divorces. This marital optimism of Americans tends to increase their rates of marriage and divorce.

One of the reasons that the marriage rate is declining and age of first marriage increasing in both countries is because of the increase in common-law unions, which grew from 6 percent of all couples in Canada in 1981 to 14 percent in 2001 (see Figure 2). Increases in common-law unions, however, are not compensating for the decreases in marriage among Canadians aged 20-29.

The equivalent estimates of cohabitation for the United States are 3 percent and 9 percent. The majority of first unions in Canada are now common-law unions, as they are in the United States (in 1990-94, 57 percent and 54 percent respectively).

“Common-law union” is an imprecise term and an imperfect statistic. In some surveys, it includes a union of either opposite-sex or same-sex partners; in other areas it refers only to opposite-sex partners. In both Canadian and American Censuses, common-law unions or cohabitation is self-defined. Because the definition of cohabitation or common-law marriages is still a term of art and a state of mind, international comparisons should be made with caution.

9The ambiguity of the term is unfortunate, given the importance of the increasing trend toward “unmarried unions.” See Larry L. Bumpass, R. Kelly Raley, “Redefining Single Parent Families: Cohabitation and Changing Family Reality,” *Demography* 32:1 (February 1995). In 1981 and 1986, Canadian censuses for the first time let respondents define their relation to the “reference person” in the household. But if they said they were living unmarried with the reference person, they were then asked to consider themselves married for the subsequent questions. Subsequent censuses were more direct, asking specifically about common-law status.
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**FIGURE 2**
Common-Law Unions (percent of all couples)

![Graph showing Common-Law Unions in Canada, Quebec, and the U.S.]


The General Social Survey in Canada also asked about common law status defined as "a sexual relationship while sharing the same usual address." This survey was done by telephone where the interviewer could provide clarification. It therefore presumably measured the number of such unions better than the Canadian Census, which was a self-report without clarification.

In the United States, indirect estimation techniques have been used on Decennial Census and Current Population Survey results to estimate the number of "cohabiting adults." In the late 1970s, researchers at the Census Bureau developed a new measure to help them estimate indirectly the number of cohabiting adults. The measure is fondly referred to as POSLQ, "Persons of the Opposite Sex Sharing Living Quarters." POSLQ is a term only a statistician could love. The problem with this measure is that it wouldn't necessarily capture the cohabiting couple that was living with other adults in the same living quarters. It would, however, mistakenly capture two adults living together as roommates platonicallly. And it never included a couple living with children, which is not unusual with cohabiting couples. An attempt to correct this undercount was made by researchers at the Census Bureau with an "Adjusted POSLQ" measure that did include households with unmarried couples and children. This adjusted measure suggests that the original POSLQ undercounted the cohabiting couples by between 12 percent and 19 percent historically. In 1990 the U.S. Decennial Census for the first time provided the option of "unmarried partner" with respect to the relationship to the householder. The Current Population Survey did not provide this option until 1995. Four recent U.S. surveys also provide direct measurement of cohabitation. The National Survey of Family and Households, the National Survey of Family Growth, the National Longitudinal Survey of Youth, and the Survey of Income and Program Participation. The surveys focused on family growth, and families and households give higher estimates of cohabitation than estimates based on the decennial Census or Current Population Survey. For example, in 1995 the POSLQ estimate based on Current Population Survey is about 6 percent; the estimate from the National Survey of Family Growth is about 12 percent. See Larry Bumpass and Hsien-Hen Lu; "Trends in Cohabitation and Implications for Children's Family Contexts in the United States," Population Studies 54:1 (March 2000). Unfortunately, estimates from the surveys cover a much shorter period of time, truncating any historical trends. Therefore, this paper uses the historical estimates of cohabitation from the CPS and Census but cautions readers that it is almost certainly underestimating the true number.

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The kinds of women entering common-law unions are quite different in Canada and the U.S. In 1995, Canadian women whose first union was common-law were more likely to have been to university than to have dropped out of high school, although the differences were not statistically significant. In the United States in 1995 American women who had ever cohabited were more likely not to have graduated from high school than to have had some college education. And the American women were as likely to be white as black (45 percent); in Canada they were most likely to be Francophone Quebecois.

**Figure 3**

*Out of Wedlock Births (percent of all births to unmarried mothers)*


Among Canadians in the same age groups, common-law unions are almost twice as likely to dissolve as marriages. This may be one of the reasons that the fertility rate of women in common-law unions is much lower than in marriages. In the 1985-94 period, the total fertility rates of Canadian women in common-law unions for their entire fertile years was 1.44, whereas it was over two children for those who were married.

One reason common-law unions may be more prevalent in Canada than in the U.S. is because they are legally recognized more explicitly there. The Income Tax Act of Canada treats a common-law union as a marriage if the parties have a child together or have lived together for at least one year.


Canadian Pension Plan benefits pass on to the partner at death, though partners cannot share property unless it is jointly owned. In contrast, most U.S. states have abolished common-law marriage by statute. Ten states continue to have varying forms of recognition; five recognize such unions only if they began prior to a certain date. New Hampshire recognizes common-law unions for inheritance only.

Out-of-wedlock births, including those in common-law unions, have increased in both countries — i.e., the drop in total marital fertility rates has been offset to a degree by the total nonmarital fertility rates. In Canada the percentage of children born out of wedlock has grown from 13 in 1980 to 28 in 2002. The equivalent numbers for the United States are 18 and 34 (see Figure 3). In both countries the increase since 1980 in out-of-wedlock births is largely because of the increasing number of births of common-law unions. And nearly all of that increase in the U.S was among non-Hispanic white women. In Canada, however, the increase in out-of-wedlock births has not offset the decrease in births in wedlock.

Other factors influencing fertility

Research suggests several other possible influences that may help suggest why Canada and U.S. fertility rates have diverged: income and labor force trends, government programs and policies, and values and the role of religion.

Income and labor force influences. In both the New Family Economics and the Relative Income hypotheses, fertility is affected by income and women's labor-force participation rate. At a macro level, gross national income in both countries has increased substantially since 1975. But the national fertility rates went in opposite directions. Canada's national fertility rate declined as gross national income (GNI) grew and the U.S.'s national fertility rate increased (see Figures 4 and 5). This suggests that growth in national income will not be a discriminating factor in explaining the opposite fertility trends.

Women's labor-force participation rates are also very similar in each country. Since 1980 women's civilian employment rates (16 years and older) in Canada and the United States started at just below 50 percent and climbed to 56-57 percent in 2001. Canadian women aged 15-24 were employed at slightly higher ratios than in the U.S. in 1990, but the U.S. rate was higher in 2000. The ratio of women's employment to the population 25-54 years old has been almost the same in both countries since 1983. The labor-force participation rates for women with no children, one child, and two or more are also very similar to each other, differing by no more than three percentage points over the period. And the number of women 16 and over who work part time has not changed much in either country and remains within one percentage point of each other.
Although the part-time labor-force participation rates are similar between Canada and the United States for all ages, they differ for women in their childbearing and child-caring years. Part-time employment is much more prevalent in Canada for women 25-54, and the percentage increases with the number of children they have (as it does in the U.S.). The increased prevalence of part-time work in Canada for women 25-54 might make it easier to juggle the roles of parent and worker.
Although labor force participation rates between the two countries are similar, since 1980 the economic uncertainties have not been. Canadian unemployment rates have been 50 percent to 75 percent higher than in the United States as officially reported and as adjusted for comparability. Over the period 1973-90, the adjusted Canadian unemployment rates averaged 8.1 percent, while the rate was 6.9 percent in the U.S. Between 1990 and 2000, the average rates increased to 8.6 percent and 5.6 percent respectively. On the other hand, Canadian job stability (four-year retention rate) increased slightly between 1987 and 1995, while U.S. stability declined slightly.

American women work more hours than Canadian women, partly because Canada has higher unemployment rates and higher part-time work rates. The difference in hours worked has increased from two weeks in 1979 to three weeks in 2000. In 2001, employed Americans, both men and women, worked 10 percent more hours than employed Canadians, and they were 10 percent more productive. Part of the reason Americans were more productive was because Canadians took twice as much vacation leave as Americans. The result of these and other factors was that Americans had 17 percent more real income per capita than Canadians in 2001.

The lower incomes of Canadians may have a positive effect on female labor-force participation rates; it may also make Canadian women feel that they can't afford to have children as early as American women with higher household incomes. On the other hand, American women are working more hours than Canadians, which would make bearing and raising children in the U.S. more difficult according to the Role Incompatibility hypothesis.

Another way that unmet income expectations could affect fertility is if they resulted in a lack of affordable housing for young people. The homeownership rates (including cooperative housing) by age of household head are slightly higher before 50 years of age in Canada than in the U.S.; American homeownership rates of older household heads are higher than Canada's. The down payment ratio average from 1970 to 1995 was higher in Canada (23.3 percent) than in the U.S. (17 percent), and the Canadians cannot deduct their mortgage interest from their income tax as the U.S. homeowner can. (However, the U.S. tax deduction makes the owning of a U.S. home cheaper, and therefore may tend to bid up the price of U.S. homes, which at least partly offsets the tax benefit.)

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rates in Canada and the U.S. are not different enough to appear to be a cause of the differences in their fertility.

And homeownership costs within Canada do not explain the variance in total fertility rates within Canada. The Royal Bank of Canada's Housing Affordability Index is the percentage of pretax household income taken up by homeownership costs. The index for the last quarter of 2003 ranges from 26.8 percent in the Atlantic Provinces to 42.9 percent in British Columbia. The provinces had the same fertility rate in 2001 (1.4). Housing affordability and fertility are uncorrelated both in 1990 and 2003, suggesting that homeownership costs are unrelated to the patterns of fertility within Canada as well as between Canada and the United States.

Government policies on children. The lower household incomes in Canada compared with the United States could be partly offset by government policies. Public policies, such as cash benefits, services, or tax policy may change income incentives for having children if they reduce the cost of raising them. In terms of the percentage of Gross Domestic Product (GDP), the U.S. spent about 0.23 percent on family cash benefits in 1999. It had been twice that level in 1980 but had slowly declined to the 0.2 percent range by 1986 and had stayed there. It also provided another 0.28 percent of GDP in family services in 1999. The two forms of U.S. government programs combined were 0.51 percent of GDP. The equivalent numbers for Canada were 0.74 percent of GDP, provided in family cash benefits. (The last year of OECD data on Canadian family services was 1990, and it was then only 0.08 percent). These data suggest that the Canadian government spends about 50 percent more of their GDP for their family benefits than the U.S. provides for benefits and services combined.

The Canadian government also provides a much more generous parental leave policy. Maternity leave of 15 weeks began in 1971; in 1990, ten more weeks were added for either parent to claim. In 2000, parent leave benefits were increased again to 35 weeks of paid leave (up to 55 percent of prior weekly insurable earnings up to a maximum of $413 a week.) The percentage of mothers taking between nine and 12 months of leave went from 8 percent in 2000 to 47 percent in 2001. Ten percent of fathers participated in parental leave in 2001, up from three percent the year before.\textsuperscript{16}

The generosity of the Canadian parental leave system stands in contrast to the American system. The U.S. 1993 Family Medical and Leave Act allows employees to take up to 12 weeks of unpaid leave a year for family or medical reasons. Canadian public policies are more generous in both cash benefits and in parental leave benefits than the U.S. system — which should make having children easier and encourage higher Canadian fertility. But larger Canadian government programs are not enough incentive to offset the decrease in total fertility rates, nor are the smaller U.S. government pro-

\textsuperscript{16}Statistics Canada; "Benefiting from Extended Parental Leave," Perspectives on Labour and Income 4:3 (March 2003), Catalogue No. 75-001-XIE.
grams a disincentive to offset U.S. increases in fertility.

_Values and religion._ The role of values in explaining social trends such as fertility is harder to quantify than personal income or government services. But changing values may still hold insights that the better-quantified variables cannot. A number of studies have documented differences in some core values between Canada and the United States. And other studies have shown how some values may be related to birthrates.¹⁷

One value that is correlated with fertility is the role of the man in the family. A recent survey asked people in Canada and the U.S. whether they agreed that “The father of the family must be master in his own house.” The percentage of people agreeing with that statement was highly correlated with total fertility rates across Canadian provinces and U.S. regions in 2000. The lowest agreements were in the Canadian provinces, with the lowest being in Quebec, at 15 percent, and the highest being in Alberta, which was only six percentage points higher. All of the U.S. regions were higher than any of the Canadian provinces.¹⁸ And the variance among the U.S. regions was much higher than in Canada. The percentage of households surveyed in the South agreed with the statement more than twice as much as in New England.

Another value that is both measurable and germane to fertility is the importance of religion. People who are actively religious tend to marry more and stay together longer.¹⁹ To the extent that time spent married during reproductive years increases fertility, then religion would be a positive factor in fertility rates. For example, in Canada women who had weekly religious attendance were 46 percent more likely to have a third child than women who did not.²⁰

Over time, several different nationally representative surveys have asked about church attendance in both Canada and the U.S. The World Value Survey, taken periodically in both countries, found that in 1981, 62 percent of Americans and 45 percent of Canadians attended church monthly. A decade later American attendance had decreased by 6 percent, but Canadian attendance had fallen by 16 percent. And the number of people who rated the “importance of God in their lives” as ten out of ten was 48 percent of Americans and 28 percent of Canadians. An index of religiosity based on the European Value Survey showed that the U.S. was considerably more religious than Canada in 1981, and by 1990, Canadian religiosity had decreased and U.S. had increased. This happened at the same time that the


²⁰ Alain Belanger and Cathy Oikawa; “Who Has a Third Child?” _Canadian Social Trends_ 53 (Statistics Canada, Summer 1999).
number of people not attending church at all increased in both countries. Despite the drop in church attendance, women of childbearing age were much more likely to have attended church weekly in the U.S. (34 percent) than in Canada (18 percent) in 1995. (And in Canada’s three largest metropolitan areas the foreign-born were much more likely to have attended religious services at least once a month than the Canadian-born.)

Religiosity, as defined by importance of God and church attendance, is also significant for fertility because it is the most powerful predictor of attitudes toward abortions. In 1980, the World Value Survey found 42 percent of Americans and 38 percent of Canadians responding that abortion “can never be justified.” Ten years later, that percentage had dropped to 33 and 21 respectively. This represented a 20 percent drop in the U.S., but a 46 percent drop in Canada. The larger value change in the acceptance of abortion in Canada has been correlated with a significant increase in Canadian abortions since 1980, at a time when the U.S. abortions were declining (see Figure 6).

![Figure 6: Total abortion rate per woman](image)

The change with respect to abortions arises partly from the change in the legal climates of the U.S. and Canada. Abortions were outlawed in both countries for most of the twentieth century. In 1969, Canada passed a law making therapeutic abortions possible if approved by a committee of doctors; similar conditions prevailed in the U.S. In 1973, abortions for any purpose were legalized in the U.S. In 1988, the Canadian law that only allowed abortions for therapeutic reasons was declared unconstitutional. Therefore, Canadian and American women had the same legal protection for abortions by the late 1980s, but they responded differently. The Canadian abortion rate began to rise and the American rate, which had always been higher than Canada’s, and had been at 0.8 abortions per woman for 20 years, began to fall.
The total abortion rate is an estimate of how many abortions a woman is likely to have over her reproductive life. It is, in concept and in calculation, consistent with the total fertility rate. In both cases, the event (either a birth or an abortion) is calculated for each five-year age-group of reproductive-age women, and aggregated for a particular year to estimate how many “events” a woman would have over her reproductive live if she followed the age-specific patterns of current cohorts. Because the concepts and the estimate of the total fertility rate and the total abortion rate are consistent, it is possible to estimate how much the total abortion rates per woman are affecting the total fertility rate per woman.

Since 1975, abortions per Canadian woman have increased from 0.3 to 0.5. This was at the same time that abortions per American woman decreased from 0.8 to 0.7. Therefore the trend in abortions is converging while the total fertility rate trend is diverging. If the total abortion rates per woman in both countries had not changed, the divergence in fertility would be 60 percent lower than it was in 2000 (see Figure 7). The rise in the Canadian total abortion rate would explain 35 percent of the divergence by itself. The drop in the U.S. total abortion rate per woman is not unambiguously related to the increase in American fertility over that time, as the reduction may have been because of fewer unwanted pregnancies. (U.S. pregnancy rates dropped 7 percent over the same time). But the increase in the Canadian total abortion rate is unambiguously related to the decline in total fertility rate.

**Figure 7**

Total fertility rates (TFR) and TFR if total abortion rate per woman had not changed since 1975

These data cannot indicate whether the increase in Canadian abortions is the result of changes in values or other conditions, such as the legal or economic context. What it does suggest, however, is that the change in the total
abortion rate per woman and the change in values it may represent are important in explaining between 35 and 60 percent of the divergence in the total fertility rate between Canada and the United States.

Implications of diverging fertility

In summary, there are clues to why there is such a divergence in fertility between Canada and the U.S., but there are no definitive answers. The levels of Canadian and American long-term trends in age of first marriage, first births, and common-law unions are consistent with the divergence in total fertility rates in the two countries. But the divergence in none of these proximate variables is large enough to explain the much larger divergence in fertility. Higher unemployment rates and lower incomes in Canada may also be consistent with lower fertility rates in Canada than in the U.S. But the more generous cash and maternity benefits in Canada would tend to offset some of the U.S. economic advantage. And the longer working hours in the U.S for women are inconsistent with their increase in fertility since 1980 according to the role incompatibility hypothesis.

Finally, changing values in the U.S. and Canada may be contributing to the fertility divergence. The stronger notional role of men in U.S. families and the greater religiosity of Americans are positively associated with fertility, and the latter is also a strong predictor of negative attitudes toward abortion. Increased total abortion rates per woman in Canada may be the result of changes in values, which are also reflected in the changes in the Canadian legal context. An increase in Canadian abortions can explain 35 percent of the fertility divergence with the U.S. The decline in the U.S. abortion rate combined with the Canadian increase would explain more.

The divergence in fertility may continue to increase in the near future. But once the delay in age of fertility in both countries stops, as it inevitably will, then there may be a slight increase in fertility, at least in Canada, because of what is described as the tempo effect. This is because the calculation of the total fertility rate does not accurately reflect the outcomes of delays in births, and therefore underestimates fertility while the transition to births at later ages is in process.

What declining fertility does do in societies such as Canada’s is make them age more rapidly. Canada is becoming an older country than the U.S. because Canadians have fewer children and live two years longer. In 2000, the median age in Canada was 36.9; in the U.S. it was 35.2. But in 25 years the difference will be larger (43.5 vs. 39.0). That means that Canada will

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22U.S. Census Bureau, International Data Base projections (2005).
The Northern America Fertility Divide

have an older labor force and relatively more people 65 and over. In 2000, 12 percent of the Canadian and American populations were 65 years old or older (12.7 vs. 12.4). But in 25 years there will be an increasing divergence (22.9 percent vs. 19.6 percent in 2030). The aged dependency burdens will be higher, but the total dependency burdens will not. The aging population will put more pressure on the Canadian health care system than on the U.S. system. But the higher fertility rates in the U.S. will put continuing pressure on school systems, especially since school-age children are becoming increasingly diverse ethnically.

As countries age at different rates the financial flows between them may be affected. An aging society is likely to save more, both privately and through pension funds, and therefore have more to invest. Younger countries with lower savings rates may offer better rates of return. But there is no evidence of this kind of movement yet in developed countries. And between Canada and the U.S. there is already so much cross-investment that the aging differential may have only a marginal effect.

Ultimately, the differences in fertility rates between Canada and the United States may say less about the future than they say about the present. The societies of these two countries are becoming different at the same time as their economies integrate and become more interdependent. The basic rhythms of private lives are diverging as women in Canada enter common-law unions more often, wait longer than American women to marry, and have children later and less often. Abortion is the one demographic trend that is converging, but this accentuates the underlying difference in fertility rather than reducing it.

Many people worry that as the world becomes more economically integrated it will produce a homogenized culture with similar values and social behavior. This concern is even greater in North America, where the U.S. economy and population are much larger than those of Canada. The divergence in fertility, however, suggests an alternative. It raises the possibility that economic integration in North America may not necessarily result in a homogenized culture with similar values and behavior. Fertility is a leading indicator of other changes taking place in society. If the North American fertility divergence continues, it may become an example of how countries can converge at the macroeconomic level while diverging at the micro level of individuals and families.

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