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- BALANCING CAREER AND CARE
- MEASURING HOUSING AFFORDABILITY

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..	not available for a specific reference period
...	not applicable
p	preliminary
r	revised
x	confidential
E	use with caution
F	too unreliable to be published

Highlights

In this issue

Balancing career and care

- In 2002, over one million employed people aged 45 to 64 provided informal care to seniors with long-term conditions or disabilities. One-third of male caregivers spent one hour or less per week, compared with less than a quarter of the women. Women were more likely to spend four or more hours per week.
- While the majority of low-intensity caregivers felt few or no socio-economic consequences, high-intensity caregiving had substantial effects for more than half of all women caregivers, regardless of hours of paid work. When higher degrees of caregiving and employment were combined, two-thirds of women experienced substantial employment-related consequences.
- The proportion of women experiencing substantial caregiver burden increased with hours of caregiving, regardless of employment intensity. For the most part, at each caregiving intensity level, higher levels of employment hours were associated with higher proportions of stress.
- Among women caregivers who had not retired, 21% reported that the need to provide care would be a likely reason for retirement, compared with 13% of non-caregivers. Among those already retired, 1 in 5 reported caregiving as a reason, twice the rate of those not providing care. Women were more than twice as likely to report this reason.

Measuring housing affordability

- In 2004, about 1 in 7 (1.7 million) households saw 30% or more of their spending go for shelter. Renters were much more likely than owners to fall into this category—31% compared with 6%.
- Renters spending 30% or more on shelter were more likely to be individuals living alone, and those spending 50% or more were more likely to be reliant on government transfers (81%).
- Spending on rent varied considerably across the country. For the most part, the larger the city, the higher the costs. In the largest cities, just under a third of renters spent 30% or more on shelter, compared with just 19% in rural areas. Even after taking into account income levels and other household characteristics, Toronto and Calgary renters had four times the odds of spending 30% or more on shelter than renters in rural areas.
- Regardless of whether the household consisted of an individual living alone, a lone-parent family, or a senior family, being in low income was a highly significant factor in shelter-cost burden. Renters with household income up to $19,190 a year had 18 times the odds of being cost-burdened compared with those in the top half of the income distribution.

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Balancing career and care

Wendy Pyper

Just as the responsibility of raising children is lifting, many families face a new challenge—providing care to aging parents, relatives or friends. In 2002, over 1.7 million adults aged 45 to 64 provided informal care to almost 2.3 million seniors with long-term disabilities or physical limitations (Stobert and Cranswick 2004). While seniors receive some help from formal sources such as agencies, organizations or paid individuals, almost three-quarters of the hours spent assisting them are provided by a network of family and friends (Lafrenière et al. 2003). This informal support system may be sufficient to delay their entry into care institutions.

Most informal providers of elder care are also in the labour market. In 2002, 70% of caregivers aged 45 to 64 were employed.[1] Many of these were women, who traditionally have provided much of the caregiving in our society. With the employment rate for women increasing substantially in the past two decades (from 44% in 1985 to 64% in 2005 for women aged 45 to 64) and concerns about labour shortages in the future, it is looking more likely that many men and women in this age group, particularly the upper end, will be pulled in two directions. The expectation may be not only to continue working, but also to act as caregiver for extended periods as life expectancy increases. At the same time, combining a heavy workload, family support and day-to-day tasks may lead to fatigue or quitting a job earlier than expected (Pitrou 2005).

Successfully combining elder care with employment requires a certain amount of juggling. The catchphrase 'work–life balance' refers to the many time demands that can "drain our energy, affect our health and undermine our productivity." (Hunsley 2006, 3). While the prevalence of caregiving and working provides a good starting point in the discussion of work–life balance, it does not shed any light on the amount of time spent on elder care or paid employment. In the same way that working longer hours relates to the time crunch faced by many, so too does the degree or intensity of caregiving. While previous studies have examined the incidence and impact of providing elder care (Habtu and Popovic 2006, Cranswick and Thomas 2005, Stobert and Cranswick 2004, Williams 2004, among others), little focus has been placed on the multidimensional aspects of demands on time. This article uses the 2002 General Social Survey (GSS) on aging and social support to examine the prevalence and impact of caregiving among middle-aged Canadians, looking at the hours they spend in both paid work and informal care of seniors.

The two sides of intensity

In 2002, some 1.2 million employed people aged 45 to 64 provided informal care to seniors with long-term conditions or disabilities (see *Data source and definitions*).[2] Just under half of these caregivers were women (Chart A). Most were between 45 and 54 (71%), married (78%), without children under 18 living at home (75%), and living in an urban area (75%) (Habtu and Popovic 2006).

Caregiving may entail occasional or regular assistance, and can include a wide array of activities. Helping inside the home includes meal preparation or cleaning; help outside the home includes house maintenance or cutting the lawn. Assistance with transportation, shopping and bill paying is often required. Tasks may also include personal care, such as bathing, toileting or dressing.

The median number of hours per week spent by caregivers in carrying out their tasks was 2.0, with women providing significantly more hours than men (3.0 versus 1.6).[5] To analyze the hours spent on elder care, women and men were divided into three categories of caregiving intensity.

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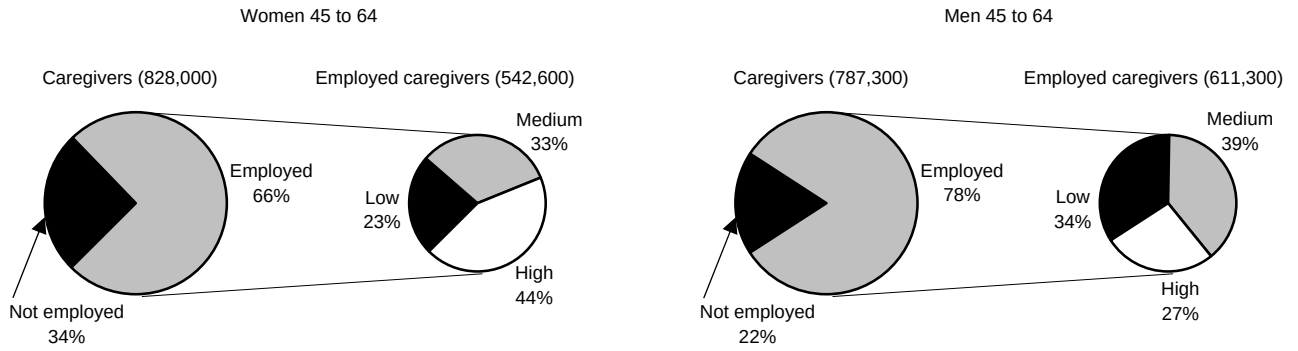
Chart A Caregiving men are more likely than women to be employed; they are also more likely to be low-intensity caregivers



Source: Statistics Canada, General Social Survey, 2002

Of the employed men who provided elder care, one-third (34%) spent an average of one hour or less per week (considered low intensity), compared with 24% of women. On the other hand, their female counterparts were more likely to be high-intensity caregivers (four or more hours per week)—44% versus 27%.

Some 80% of women caregivers who were employed usually worked 40 hours or less per week, with the rest working longer (Table 1).[6] In contrast, 53% of their male counterparts worked 40 hours or less, and 47% worked longer. Regardless of the intensity of caregiving, employed men were more than twice as likely as women to be working longer hours.

Some of these individuals are no doubt stressed because of conflicting demands on their time. Looking at the relationship between hours spent on paid work and caregiving will help address the issue of work–life balance for workers in the 45-to-64 age group.

Social activities and work–life balance

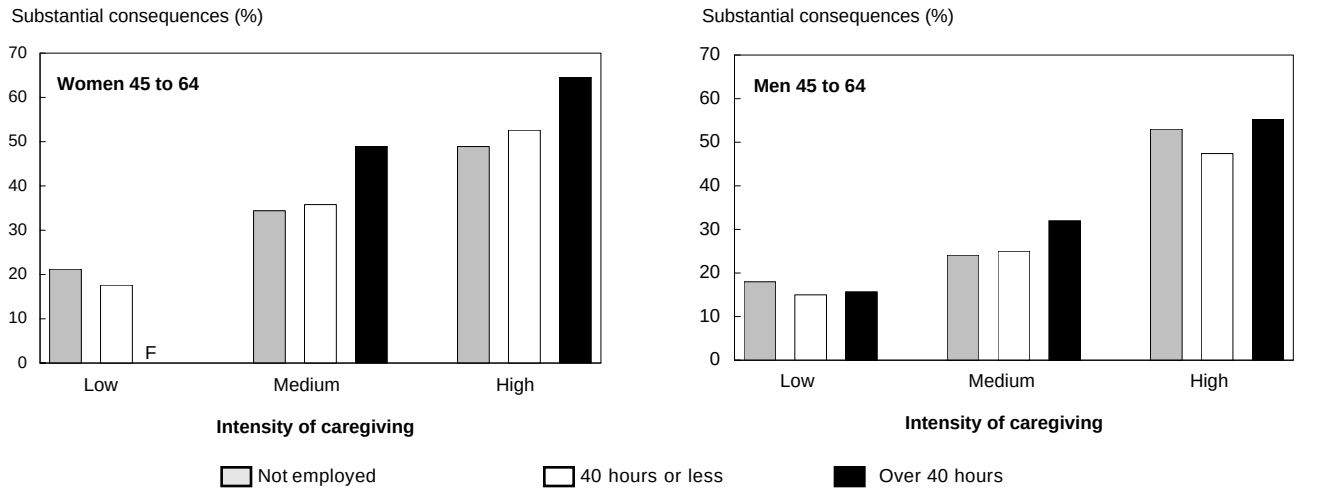
Caring for seniors can lead to changes in social activities, holiday plans or sleep patterns as well as extra expenses. These factors have been used to construct a socio-economic well-being index.[7] The majority of low-intensity caregivers felt little or no socio-economic consequences, with only 1 in 5 women and 1 in 6 men reporting substantial effects (two or more of the four) (Chart B). Furthermore, work intensity appears to have no relevance for these low-intensity caregivers. However, high levels of caregiving hours resulted in substantial consequences for more than 50% of all women caregivers, regardless of the number of hours of paid work.

Table 1 Employment and caregiving intensity

		Intensity of caregiving		
Aged 45 to 64	Caregivers	Low	Medium	High
		'000		
Women	828	188	273	367
		%		
Not employed	34	32	35	35
Employed	66	68	65	65
40 hours or less	80	85	78	79
Over 40 hours	20	15	22	21
		'000		
Men	787	265	301	221
		%		
Not employed	22	20	21	27
Employed	78	80	79	73
40 hours or less	53	55	49	56
Over 40 hours	47	45	51	44

Source: Statistics Canada, General Social Survey, 2002

Chart B More socio-economic consequences[1] for high-intensity caregivers, especially for those who work longer hours



1 Changes in social activities, holiday plans, or sleep patterns; extra expenses.
Source: Statistics Canada, General Social Survey, 2002

Women working longer hours were more likely to feel socio-economic consequences. For example, among women providing four hours or more of caregiving per week, 65% of those who worked longer hours reported substantial consequences, compared with 49% of those not employed. Interestingly, women combining longer work hours with medium levels of caregiving reported consequences similar to those who provided more caregiving hours but were not employed (roughly half).

For most combinations of caregiving and employment, men felt fewer socio-economic consequences than women, although generally the patterns were similar.

Many make employment-related changes as a result of their caregiving tasks

Respondents were asked if caregiving had caused them to reduce the hours they worked, change their work patterns, or turn down a job offer or promotion. They were also asked if caregiving had caused a postponement in education or training, or a reduction in income.[8] When the employment changes are combined into an index, caregivers providing relatively few hours of care per week were the least affected; at least three-quarters of women and an even higher proportion of men reported no job-related changes (Table 2).

Those providing between one and four hours of care per week experienced job-related changes more often. Among this group, 37% of women and 24% of men who were working over 40 hours were substantially affected (between one and three job-related effects). When higher degrees of caregiving and employment were combined, the percentage rose to 65% for women and 47% for men. Clearly, individuals who combined high levels of caregiving with paid employment had to make adjustments in their job.

Feelings of guilt common

To measure feelings of guilt arising from lack of time or inability, caregivers were asked if they felt they should be doing more to help or if they felt they should be doing a better job. Over 40% of the women reported substantial feelings of guilt (Chart C). For those in the medium- and high-intensity range, more hours of work were associated with a greater feeling of guilt—roughly 6 in 10 of those working over 40 hours reported higher levels. This is not surprising, since longer work hours may be preventing these women from doing as much caregiving as they would

Table 2 Employment changes index[1] by caregiving and work intensity

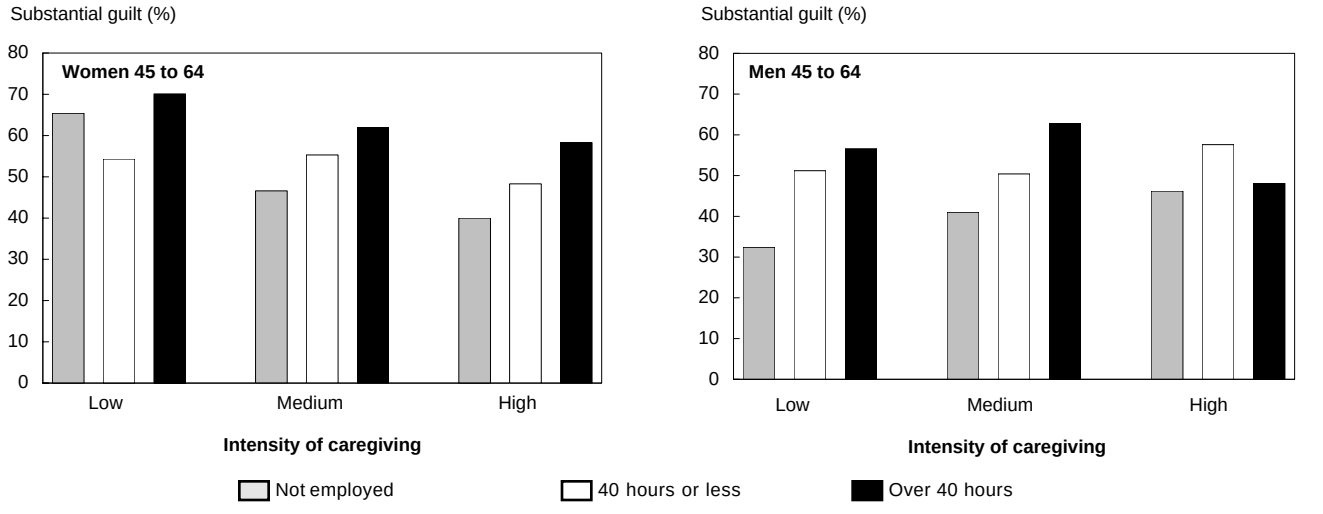
	Women 45 to 64		Men 45 to 64	
	None	Substantial	None	Substantial
Intensity of caregiving		%		
Low				
Not employed	89	F	96	F
40 hours or less	83	14	90	F
Over 40 hours	76	F	85	15
Medium				
Not employed	84	14	91	F
40 hours or less	71	27	84	15
Over 40 hours	62	37	76	24
High				
Not employed	72	25	81	17
40 hours or less	52	44	68	28
Over 40 hours	35	65	50	47

1 Reduced work hours, changed work patterns, turned down a job offer or promotion, postponed education or training, suffered a reduction in income.
Source: Statistics Canada, General Social Survey, 2002

like. Furthermore, for any level of work intensity, guilt levels tended to be greater for lower amounts of caregiving. Among women not employed, 65% of low-intensity caregivers indicated feeling substantial guilt, compared with 40% of high-intensity caregivers. Even among those providing many hours of caregiving and working longer hours, 58% reported substantial guilt levels. Interestingly, women who provided relatively few hours of care but who worked longer hours had the highest proportion with substantial guilt feelings (7 in 10).

Not surprisingly, for men caregivers in the low- and medium-intensity categories, longer work hours were associated with higher levels of guilt. Among the low-intensity group, 57% of those who worked longer hours felt substantial guilt, almost twice the rate of those not employed. In general, working longer hours was associated with increased guilt feelings among both men and women, but on average, men felt guilty to a lesser degree.

Chart C Working longer hours is often associated with higher levels of guilt[1]



1 Should be doing more or a better job.
Source: Statistics Canada, General Social Survey, 2002

Data source and definitions

The 2002 **General Social Survey Cycle 16: Survey on Aging and Social Support** covered persons aged 45 and over in private households in the 10 provinces. For this article, persons aged 45 to 64 were selected. Individuals were categorized by their employment intensity and their caregiving intensity. Those with missing information for main activity, employment or caregiving hours were excluded.

Not employed: Main activity in the last 12 months was anything other than working at a paid job or business (for example, retired or looking for work)

Employed: Main activity in the last 12 months was working at a paid job or in self-employment. The employed were further split into two categories: those who worked **40 hours or less** at all jobs and those who worked **over 40 hours**.

Caregivers provided informal care to someone 65 or over with a long-term illness or disability**.** Caregivers were further categorized by the time spent doing one or more of the following: duties inside the house, duties outside the house, transportation, or personal care. Respondents reported the average number of hours spent on each of these activities over the previous 12 months, and these hours were combined and converted into an average number of hours per week. The caregiving population was then divided roughly into thirds: **low-intensity**: up to one hour per week; **medium-intensity**: between one and four hours; **high-intensity**: four hours or more.

Various indexes were calculated, based on the impact of caregiving questions.[3] Responses of *always*, *sometimes* or *never*, were given values of 2, 1 and 0 respectively. *Yes* and *no* responses were given values of 2 and 0 respectively.[4] To create the index, the values for each question were added together.

Socio-economic index
"Looking back over the past 12 months, has assisting persons over the age of 65 caused you to make changes in social activities, make changes in holiday plans, change sleep patterns, have extra expenses?"

The maximum value was 4. Values of 0 to 1 are referred to as *little or no* while values between 2 to 4 are referred to as *substantial*.

Employment changes index
"Looking back over the past 12 months, has assisting persons over the age of 65 caused you to reduce hours worked, change work patterns, turn down a job offer or promotion, postpone education or training, suffer a reduction in income?"

The maximum value was 5. Values of 0 are referred to as *none*, between 1 and 3 as *substantial*, and 4 or 5 as *severe*. While respondents were asked if they had quit their job because of caregiving, this was not included in the index because it is a drastic move, not equivalent to the other factors in this index, and the sample size is insufficient to analyze the question separately.

Guilt index
"How often do you feel you should be doing more for the people you help, or feel you could do a better job?"

The maximum value was 4. Values of 0 to 1 are referred to as *minimal*, and those over 2 as *substantial*.

Burden index
"Looking back over the past 12 months, has assisting persons over the age of 65 caused your health to be affected? How often do you feel that because of the time you spend helping people that you don't have enough time for yourself, feel angry when you are around the person(s) you are helping, wish that someone else would take over your helping responsibilities?"

The maximum value was 8. Values between 0 and 2 are referred to as *little or none*, and those between 3 and 8 as *substantial*.

Cells have been marked for quality, based on calculated CV using the bootstrap technique. Only statistically significant differences are discussed in the text.

Burden linked more to caregiving intensity than employment intensity

To measure caregiver burden, respondents were asked if caregiving had affected their health, led to not having time for themselves, or made them wish someone else would take over caregiving responsibilities. Respondents were also asked how often they felt angry when they were around the care receiver. When these measures of burden were combined into an index, it was clear that those providing lower amounts of care were less burdened (Table 3).[9] The vast majority of those providing up to one hour of care per week had low burden levels, regardless of the hours spent in paid employment (over 86% of women and over 94% of men). With increased hours of care, the proportion experiencing substantial burden also increased, regardless of employment intensity. Among women who provided over four hours of care, 31% of those not employed and 40% of those working longer hours experienced substantial burden. Indeed, among those with the same work intensity, the higher the caregiving intensity, the more likely they were to report substantial burden levels. Among women who worked 40 hours or less, only 10% of low-intensity caregivers felt substantially burdened, compared with 44% of high-intensity caregivers.

Table 3 Caregiver burden index[1] by caregiving and employment intensity

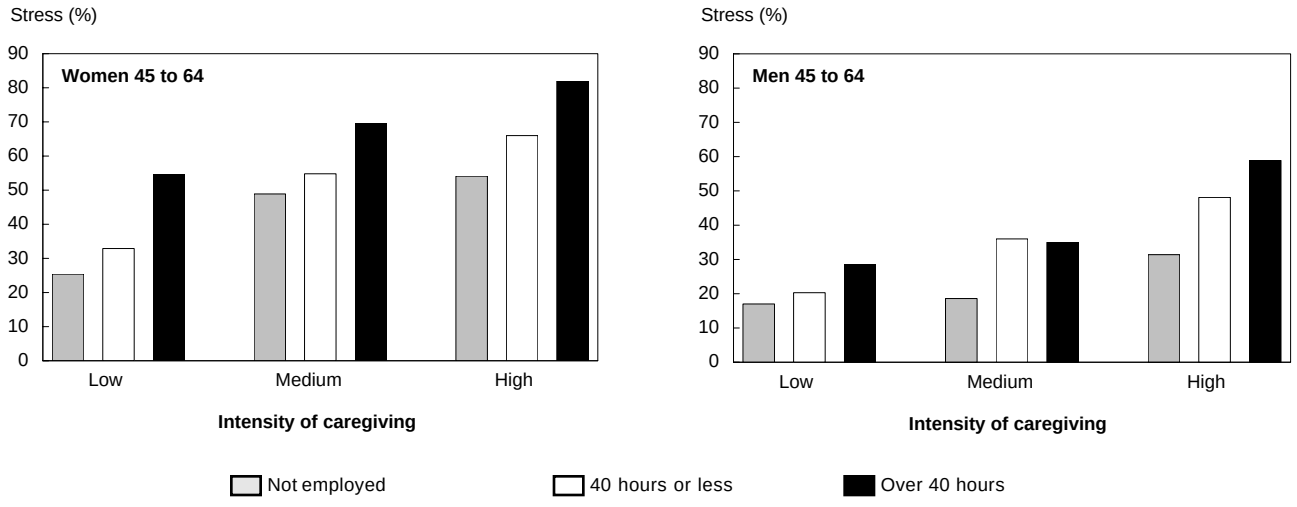
	Women 45 to 64		Men 45 to 64	
	Little or none	Substantial	Little or none	Substantial
	%			
Intensity of caregiving				
Low				
Not employed	86	14	97	F
40 hours or less	90	10	94	F
Over 40 hours	89	F	96	F
Medium				
Not employed	80	20	94	F
40 hours or less	80	20	94	F
Over 40 hours	70	30	91	F
High				
Not employed	69	31	85	15
40 hours or less	56	44	82	18
Over 40 hours	60	40	85	F

1 Caused health to be affected, lacked time for self, felt angry when around the person(s) being helped, wished someone else would take over helping responsibilities.
Source: Statistics Canada, General Social Survey, 2002

Longer work hours make juggling difficult

To measure work–life balance, respondents were asked how often they felt stressed between helping others and trying to meet other work or family responsibilities. Even among women not employed who provided no more than one hour of elder care per week, fully one-quarter sometimes or nearly always felt stressed dealing with both caregiving and other commitments (Chart D). However, those who were working (whether shorter or longer hours) were more likely to feel this way (33% and 55% respectively). Indeed, for each caregiving intensity level (for all women and some men), longer work hours were associated with higher proportions of stress. For women in the high-intensity caregiving group, 54% of those not employed and 82% of those working longer hours reported sometimes or nearly always feeling stressed balancing their responsibilities. While men showed a similar pattern, they generally reported stress less often than women. This may reflect other pressures on women, such as dealing with children or other unpaid household tasks (Williams 2004; Marshall 2006).

Chart D Juggling eldercare, work and family responsibilities can be stressful



Source: Statistics Canada, General Social Survey, 2002

Easing the strain

Respondents were asked what would be most useful in allowing them to continue helping others. Occasional relief was most often included in the wish list (Table 4). It was frequently mentioned as being useful by low-intensity caregivers, and even more by those who combined longer hours of work with high-intensity caregiving. While 6 in 10 high-intensity caregiving women who were not employed mentioned relief as desirable, the number was almost 8 in 10 for those who worked longer hours. Occasional relief can come from a variety of sources, including family members, paid formal help, or government-arranged home care.

Flexible work arrangements were also commonly reported as a way to ease the pressures of caregiving. This could take the form of allowing an employee to adjust regular work hours or allowing time off as needed—for example, to take someone to a doctor's appointment. As expected, the desire for flexibility varied with the number of hours worked, with those working longer hours more likely to consider this an important issue. Among women caregivers in the low-intensity category, 44% of those working 40 hours or less stated flexibility would help them, compared with 62% working longer hours. The desire for flexibility also increased with caregiving intensity.

Financial compensation was mentioned by more than half of high-intensity caregivers and somewhat less by other care providers. This assistance could help cover costs faced by caregivers or counterbalance reductions in employment income. Among medium- and high-intensity caregiving men, those working fewer hours or not at all were more likely than those working longer hours to desire financial compensation (57% for high-intensity caregivers not employed versus 43% for those working longer hours).

Information on how to be a more effective caregiver or the long-term illness of the care recipient can help the care provider understand requirements and perhaps help them provide better care. Such information may also help to allay guilt feelings regarding inadequacy, thereby improving the emotional well-being of the caregiver. This coping strategy was mentioned as desirable by more than 40% of women and more than 30% of men.

Table 4 Caregivers' wish list

	Intensity of caregiving								
	Low			Medium			High		
	Not employed	40 hours or less	Over 40 hours	Not employed	40 hours or less	Over 40 hours	Not employed	40 hours or less	Over 40 hours
	%								
Women 45 to 64									
Occasional relief	39	43	63	39	55	58	60	66	77
Flex work/study arrangements	21	44	62	16	47	52	30	53	53
Financial compensation	40	34	48	43	44	38	56	49	58
Information on effective caregiving	40	45	54	37	44	45	52	49	46
Information on long-term illness	44	45	58	43	47	50	57	48	54
Counselling	28	27	F	23	25	29	37	43	36
Men 45 to 64									
Occasional relief	23	43	39	49	42	52	60	58	57
Flex work/study arrangements	F	30	41	22	37	37	37	45	44
Financial compensation	28	21	27	43	37	33	57	46	43
Information on effective caregiving	29	35	38	43	38	39	49	36	47
Information on long-term illness	33	34	32	43	42	38	54	49	48
Counselling	F	17	23	20	28	19	35	39	23

Source: Statistics Canada, General Social Survey, 2002

Employed caregivers providing over one hour of care per week, regardless of the number of hours they worked, mentioned the importance of having a break from their caregiving duties more often than flexibility, information, or even financial compensation.

Yet life is good

Despite the stress and burden that caregiving sometimes brings, especially when combined with employment, it seems that life for caregivers is generally good. Indeed, regardless of caregiving intensity, over 70% of employed caregivers reported their life satisfaction level as very good to excellent. This was in fact somewhat higher than for those not employed and the non-caregivers (Table 5).[10] Even among those combining over 40 hours of employment with over 4 hours of caregiving, 73% reported very good to excellent life satisfaction—similar to those who provided less caregiving. However, caregivers who were not employed were the least likely to report higher levels of life satisfaction. For example, only 63% of low-intensity caregivers who were not employed felt their life satisfaction was very good to excellent, substantially less than those working shorter hours (81% for women and 71% for men) or longer hours (76% for women and 79% for men). This seems to indicate that despite the stresses and strains that caregiving can bring, having a job at the same time does not necessarily reduce life satisfaction—it may even improve it.

Table 5 Proportion responding very good to excellent life satisfaction

Aged 45 to 64	Not employed	40 hours or less	Over 40 hours
		%	
Non-caregivers			
Women	60	74	70
Men	51	69	74
Intensity of caregiving			
Low			
Women	63	81	76
Men	63	71	79
Medium			
Women	70	79	73
Men	59	79	68
High			
Women	70	78	73
Men	66	74	73

Source: Statistics Canada, General Social Survey, 2002

While this may suggest that employment provides a helpful diversion for care providers, it may also reflect differences in the characteristics of those not employed. Perhaps other aspects of their life such as personal health or lack of income have led to lower levels of satisfaction.

Summary

As the baby-boom generation reaches the traditional retirement age and the potential for labour shortages increases, pressure to keep older workers in the labour force may mount. In addition, boomers are better educated and many may wish to continue working longer (Duchesne 2004). However, they may also face conflicting demands on their time as older relatives and friends require care. Maintaining a healthy balance between paid employment and caregiving will be a priority for many.

Roughly equal numbers of men and women aged 45 to 64 are involved in informal caregiving to seniors. Women are more likely to be high-intensity caregivers, while men work longer hours at paid employment. It seems that both men and women are being pulled but in different fashions.

Changes in social activities, holiday plans and sleep patterns are more common among high-intensity caregivers, no matter how many hours of paid work are involved. Yet for high-intensity caregiving women, more of those working longer hours reported substantial socio-economic consequences.

Workers aged 45 to 64 include both those advancing in their careers and those approaching retirement. Depending on the time they devote to caregiving and to employment, caregivers may find their work affected. Two-thirds of women and nearly half of men who combined more than 40 hours of employment with 4 or more hours of caregiving per week experienced substantial job-related consequences such as a reduction in hours or income or a change in work patterns.

For women providing over one hour of care per week, more hours of employment were associated with high levels of guilt. More than 6 in 10 of those working longer hours felt substantial guilt. Indeed, longer working hours may be preventing these women from providing as much care as they would like. However, caregiver burden seems to be more strongly associated with intensity of caregiving than with intensity of employment.

Retirement decisions and caregiving

Retirement is a personal decision and can be taken for many reasons. All currently employed respondents were asked the reasons that would most likely cause them to retire, while those already retired were asked why they had done so. Multiple responses were permitted, including the need to provide care to a family member.

For those who had never retired, anticipated reasons were often financially related. The common expression Freedom 55 implies having adequate financial resources to cease work. Indeed, having adequate retirement income was very often stated as a reason to retire, second only to simply wanting to stop work. Roughly two-thirds of women and men stated adequate retirement income, regardless of whether they were providing elder care or not.

While other job-related issues were also mentioned, so was the anticipated need to provide care to a family member. Some 21% of women caregivers reported that the need to provide care would be a likely reason for retirement, compared with 13% of women who were not providing care at the time. However, for men, non-caregivers mentioned this reason only slightly more often than caregivers (11% versus 9%). Although not known for sure, this does suggest that upwards of 1 in 5 women and 1 in 10 men could retire sooner than planned because of a caregiving responsibility.

For those who had already retired, financial considerations were also in the forefront, with 62% of women caregivers and 69% of men having felt that retirement was financially possible. While other reasons such as wanting to stop working or wanting to do other things also played a prominent role, the need to provide care was often mentioned.[11] Indeed, 1 in 5 caregiving women reported this as a reason for their retirement, twice the rate of those not providing care at the time of the survey. However, the sharp difference between caregivers and non-caregivers does not exist for men (8% and 6% respectively). Among caregivers, women were more than twice as likely as men to report caregiving as a reason (21% versus 8%).

Reasons for retirement

	Women 45 to 64		Men 45 to 64	
	Caregiver	Other	Caregiver	Other
	%			
Not retired[1]				
Want to stop working	73	72	75	69
Have adequate retirement income	68	63	71	66
Desire to start different career or part-time work	38	34	41	39
Health	30	34	29	30
Mandatory retirement	30	28	24	23
Job ending and unable to find other work	24	27	22	24
Need to provide care to a family member	21	13	9	11
Company early retirement plan	19	23	26	23
Retired				
Wanted to stop working	56	46	50	41
Retirement financially possible	62	46	69	53
To do other things	47	36	47	36
Health	30	36	34	38
Mandatory retirement	4	6	8	9
Unemployed and couldn't find new job	5	7	7	6
Needed to provide care to a family member	21	10	8	6
Company early retirement plan	15	13	37	27
Completed required years of service	27	19	50	40
No longer enjoyed work	23	14	20	14

1 Also includes those who retired before age 30.
Source: Statistics Canada, General Social Survey, 2002

For each level of caregiving intensity, longer employment hours were associated with higher stress. In the high-intensity category, 82% of women working longer hours reported sometimes or often feeling stressed balancing their responsibilities, compared with 54% of women not employed.

Despite the juggling, life is generally good for most employed caregivers. For both women and men, even among those combining over 40 hours of employment with over 4 hours per week of elder care, nearly three-quarters reported very good to excellent life satisfaction. This is a positive finding, especially considering that more and more older workers will likely have aging parents who may be living on their own. While previous research has centred around the struggle to combine paid work and child care, future concern may be more on paid work and elder care.

As with child care, employers may help ease the strain by offering special leave, flexible work arrangements, or other workplace assistance.

Occasional relief was a common desire for those providing care, regardless of hours of employment. Increased work hours magnified this desire, especially for women. For high-intensity caregiving women who were not employed, 6 in 10 mentioned relief as desirable, compared with 8 in 10 who worked longer hours.

Notes

1 In this study, 'work' or 'employment' also includes self-employment.

2 This leaves out some caregivers who are younger than 45, but the survey included only those 45 and over. Also, many caregivers are 65 or older, but because many are likely to be retired, the employment aspect would not apply.

3 Indexes in this study were constructed similarly to those in *Eldercare in Canada* (Statistics Canada 1999). However, that study was based upon a previous cycle of the GSS, which had different questions. The weighting of the answers within each index also differed. Indexes were used instead of individual questions to allow more results to be shown since using individual questions resulted in many cells being suppressed due to small sample sizes.

4 For indexes containing both yes/no and never/sometimes/always questions, a yes response was given the value of 2. For indexes containing only yes/no questions, a yes response was given the value of 1.

5 Median values are reported because of the highly skewed nature of the data, with some caregivers providing many hours of care per week. The average values are substantially higher (9.5 hours for women and 5.2 hours for men).

6 Ideally, a further breakdown into full- and part-time work would be made, but sample size does not permit this level of detail when the population is also divided into caregiving intensities.

7 This index excludes economic consequences related to employment. These factors are part of the employment-related changes index.

8 They were also asked if caregiving had caused them to quit their job. While this question is certainly a strong consequence of caregiving, it has been excluded from the employment changes index. Because quitting is such a drastic consequence, combining it with other less severe consequences in the index would downplay its importance. Indeed, this consequence is a very rare event and as such, results for this question cannot be presented for the breakdown of the population used in this study.

9 A direct burden question asked, "Overall, how burdened do you feel in helping people over 65?" Results from this question were generally similar to the index so are not shown.

10 Williams (2004) found that virtually the same proportion of non-caregivers and sandwiched workers (those providing both child care and elder care) reported being satisfied with life.

11 It is not known if the respondent was a caregiver at the time of the retirement.

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Measuring housing affordability

Jacqueline Luffman

Shelter is a major cost in most family budgets. The amount a household is able or willing to pay for housing determines not only the quality of the dwelling but also the choice of community or neighbourhood. Indeed, housing costs affect disposable income, access to jobs, health status, and general inclusion in society (Carter and Polevychok 2004). However, housing costs are not uniform, with owners and renters differing sharply. A little over 20% of the household budget goes to shelter costs among renters but only 13% among homeowners.[1]

Determining housing affordability is complex. For example, some households may choose to spend more on housing because they feel they can afford to, while others may not have a choice. Traditionally, affordability has been based on a ratio of housing costs to total household income. A household paying 30% or more of its pre-tax income for housing is considered to have affordability problems. However, many researchers are beginning to use detailed spending data to assess affordability since this reflects all household spending priorities (Pendakur 2001; Miron 1984). This article proposes an alternative measure of housing affordability based on household expenditure, which highlights the attributes of the Survey of Household Spending (SHS) (see *Data source and definitions*).

While rental and housing prices doubtless affect affordability, their impact will be tempered by many other factors. These are the focus of the analysis here. Affordability problems are subdivided into moderate and severe (see *Methodology*), and differences between the two are examined. Multivariate analysis was used to assess the significant factors associated with housing affordability problems. Although both the income and expenditures measures of housing affordability are presented, the focus is on the expenditure approach.

Core housing need and housing affordability

According to Canada Mortgage and Housing Corporation (CMHC), acceptable housing is in adequate condition (does not require major repairs), of suitable size, and affordable (costs less than 30% of before-tax household income).[4] A household is said to be in core housing need if its housing fails to meet one of these standards and if it is unable to pay the median rent for alternative local housing meeting all standards without spending 30% or more of its before-tax income. This paper focuses strictly on households that spend 30% or more of their budget on housing and does not look at the concept of core housing need.[5]

Housing that is not affordable is more common than housing that is overcrowded or needs repair. In 2001, 20.2% of households did not meet the classic affordability standard (less than 30% of before-tax household income spent on shelter). Of these households, 7.9% were deemed to have access to acceptable housing because they had enough income to pay the median rent in their local area, leaving 12.3% in core housing need (CMHC 2005).

Most families live in affordable, adequate and suitable housing

Ninety-five percent of households lived in suitable housing and 93% lived in adequate housing in 2004, according to the Survey of Household Spending and the CMHC definition. Renters, however, were more likely than owners to live in overcrowded dwellings (8% versus 3%). Owners and renters were equally likely (about 7%) to live in housing in need of repair.

Affordability is generally a greater challenge. About 14% (or 1.7 million) of households spent 30% or more of their budget on shelter costs in 2004. Of these, 12% spent between 30% and 50%, and 2% spent 50% or

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Data source and definitions

The **Survey of Household Spending** (SHS) has been conducted annually since 1997. It gathers detailed information about household spending during the previous calendar year. The survey covers about 98% of the population in the 10 provinces. People living in residences for senior citizens (such as nursing homes) as well as those in all types of institutions (including hospitals and prisons) are excluded. Data for the territories were collected for the years 1997 to 1999, but sampling variability precludes release.

The SHS samples over 20,000 households. The analysis here focuses exclusively on full-year households. Households that both rented and owned during the year (mixed tenure) are excluded.

A **full-year household** is a person or group of persons occupying one dwelling unit. The number of households, therefore, equals the number of occupied dwellings. A full-year household has at least one full-year member.

Total household income before taxes includes income from earnings, investments, government transfers, and other sources. Households reporting zero or negative income are excluded.

Investment income includes dividends, interest, net rental income, and interest from loans or mortgages.

Government transfers are the Child Tax Benefit, Old Age Security, Guaranteed Income Supplement, the Allowance, Canada or Quebec Pension Plan benefits, Employment Insurance benefits, the GST credit, provincial tax credits, social assistance, provincial income supplements, workers' compensation benefits, veterans' pensions, Civilian War Pensions and Allowances, and other income from government sources.

Other income covers pensions, annuities, RRIF withdrawals, and other money income such as alimony, separation allowance, child support, retirement allowance, severance pay, income maintenance plan payments, scholarships, bursaries, and income from outside Canada.

Other money receipts include money gifts received from persons outside the household, cash inheritances, life insurance settlements, and net winnings from games of chance.

Total household expenditures are expenses incurred during the year for food, shelter, household operations, household furnishings and equipment, clothing, transportation, health care, personal care, recreation, reading materials, education, tobacco products and alcoholic beverages, games of chance, and miscellaneous items. Also included are personal taxes, personal insurance payments and pension contributions, and gifts of money and contributions to persons outside the household.

Shelter costs consist of rent, regular mortgage payments (principal and interest), property taxes, condominium fees, as well as electricity, fuel, water, and other municipal services.

Severely shelter-cost burdened households spend 50% or more of their income or expenditures on shelter. **Moderately burdened households** spend 30% to 49.9%.

A **census metropolitan area** (CMA) has a population of at least 100,000 and consists of one or more adjacent municipalities situated around a major urban core. A large CMA is defined here as having a population of at least 500,000, and a small CMA as 100,000 to 499,999. **Towns** are defined as urban centres having a population less than 100,000. **Rural areas** include all territory lying outside urban areas.

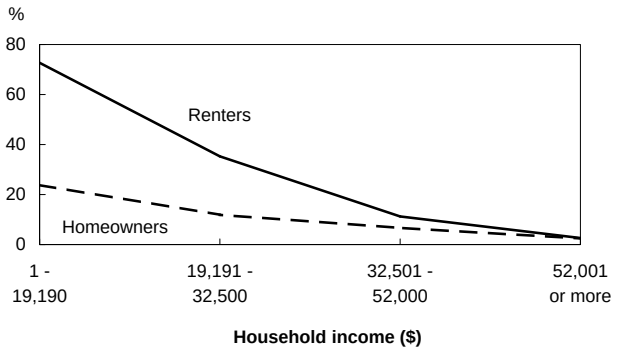
Based on the **low-income measure**, a family is deemed to be in low income if its income is less than 50% of median family income adjusted for family composition.

more. Households spending 50% of their income can be considered severely cost-burdened and those spending 30% to 50% moderately cost-burdened (Pomeroy 2001).

Renters more likely to experience affordability problems

About one-third of households in 2004 were renters, many of whom lived alone. Compared with owners, they are more likely to be in large census metropolitan areas and to be living in low income.[6] Renters and owners differ considerably, with owners having at least twice the income of renters and substantially more wealth (Hulchanski and Shapcott 2004, 5). As a result, renters are more likely to experience housing affordability problems. In fact, 31% of renters spent 30% or more of their budget on shelter compared with only 6% of owners (Chart A). The gap was particularly evident in the lowest quarter of the income distribution. Here almost three-quarters of renters did not meet the affordability standard compared with only a quarter of owners. In the top income quarter, the difference between the two disappeared, with neither renters nor owners in this position. The majority of renters are non-subsidized and are the focus of this article (for a discussion of subsidized renters, see *Subsidized housing not necessarily synonymous with affordability*).

Chart A Renters spending 30% or more of their budget for housing decreases sharply as income increases



Source: Statistics Canada, Survey of Household Spending, 2004

Shelter costs eat up most of the budget for renters, less so for owners

Generally speaking, average and median household expenditures for renters are considerably lower than for owners (with or without a mortgage). This was true for all categories in the SHS, including food, shelter, clothing, and recreation. Although those in subsidized housing had lower shelter costs, they also had lower expenditures in all categories. Since renters and those in subsidized housing tend to have lower incomes, they spend mainly on necessities. The former spent just under 40% of their budget on food, shelter and clothing while the latter spent 49% (Chart B). Owners without a mortgage spent the smallest portion of their household budget on basic necessities (24%).

Québec has lowest shelter costs, Toronto the highest

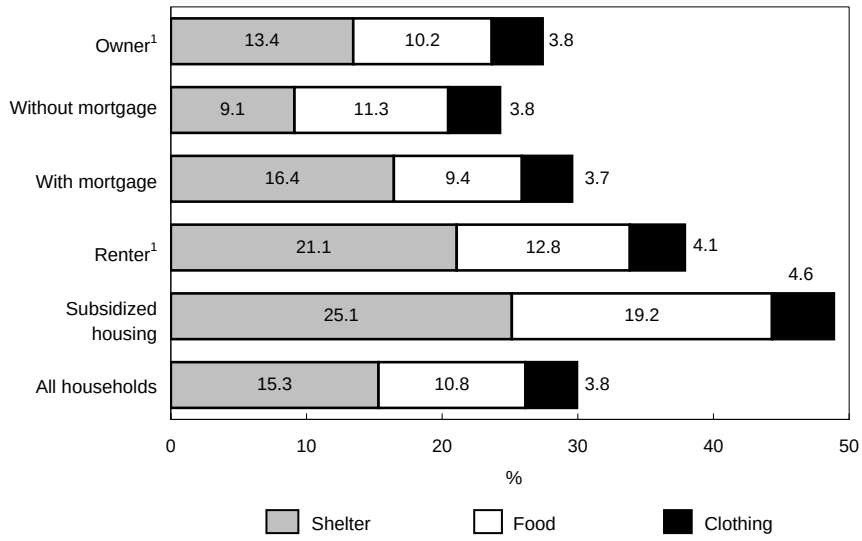
According to CMHC, basic shelter costs consist of rent or regular mortgage payments, condominium fees, utilities (water, fuel, and electricity), and property taxes (Table 1). The average shelter cost in 2004 was $9,400, about 15% of the average household budget. Large metropolitan areas, particularly Toronto and Vancouver, had the highest spending on rents. About one-third of Toronto renters spent 30% or more of their budget on shelter (Table 2). Montréal had the highest proportion of renters (46%), but they were slightly less likely than average to have shelter affordability problems (28%). Québec had the lowest annual mortgage payments, but also a lower proportion of owners than the national average (55% versus 65%). Toronto posted the highest average spending on utilities ($3,200 annually) and the highest property taxes ($3,200). Households in Atlantic region CMAs spent the least on property taxes, particularly Saint John ($1,400).

Table 1 Average annual expenditures on shelter components in select CMAs

	Rent	Mortgage	Water, fuel, electricity	Property taxes	Annual shelter costs	Proportion of renters[1]
			$			%
Toronto	9,370	12,080	3,210	3,170	12,730	28.1
Calgary	7,820	10,190	2,680	1,880	11,640	24.3
Vancouver	8,790	12,180	1,970	2,230	11,520	33.3
Ottawa	F	9,460	2,510	3,060	10,950	F
Victoria	7,740	12,130	1,320	2,030	10,880	33.9
Edmonton	7,430	8,320	2,680	1,930	9,790	24.0
Canada	**7,040**	**8,680**	**2,330**	**2,190**	**9,390**	**28.1**
Saskatoon	5,950	7,210	2,620	2,450	9,280	26.3
Halifax	6,930	7,640	2,230	1,780	8,930	29.7
St. John's	5,280	7,700	2,580	1,470	8,540	20.9
Regina	5,470	5,960	2,520	2,310	8,470	23.9
Montréal	6,430	6,850	1,670	2,750	8,310	45.5
Saint John	5,410E	7,560	2,470	1,430	7,970	28.0E
Winnipeg	5,810	5,610	2,350	2,300	7,940	24.9
Québec	6,770	5,250	1,520	2,190	7,530	40.8
Towns (under 100,000)	5,620	7,110	2,220	1,700	7,750	19.2
Rural areas	5,260	6,820	2,370	1,360	6,870	4.7

1 Excludes those in subsidized housing.
Source: Statistics Canada, Survey of Household Spending, 2004

Chart B Mortgage-free owners spent proportionately the least on basics



1 Excludes those in subsidized housing.
Note: Based on average costs and expenditures, after adjusting for household size.
Source: Statistics Canada, Survey of Household Spending, 2004

Table 2 Households spending 30% or more of their budget on shelter

	Expenditures	Owners only
	%	
Canada	**30.7**	**5.6**
Toronto	31.7	8.7[E]
Calgary	31.6	9.1[E]
Vancouver	30.4	11.5
Victoria	32.2[E]	F
Edmonton	32.7[E]	5.1[E]
Montréal	28.5	5.9[E]
All other CMAs 100,000 and over	36.2	6.9[E]
Towns (under 100,000)	31.3	3.4[E]
Rural areas	18.7	2.9

Note: Excludes those in subsidized housing.
Source: Statistics Canada, Survey of Household Spending, 2004

Renters with a severe shelter-cost burden earn substantially less

The 30% threshold of housing affordability is a rather arbitrary measure (CRA 1997; Miron 1984; Hulchanski 2005). This section examines differences between renters with moderate (30% to 49%) and severe (50% or more) shelter-to-expenditure ratios. Renters with a severe shelter-cost burden are a diverse group, although one-person households have a greater tendency to fall into this category. About 40% were non-seniors living alone, and 33% were seniors living alone (Table 3). Renters with a severe shelter-cost burden also tended to be dependent on government transfers as their main source of income (81%), and were highly likely to be in the bottom quarter for income and expenditure (80% and 82% respectively). About 44% had a physical disability compared with only 16% of households without an affordability problem. Households with a severe shelter-cost burden also had very little employment earnings ($1,300 annually) compared with households with no affordability problem ($40,200 annually on average).

One-person renter households were the most common household type among those with a moderate cost burden, but many families were also found in this category. About 8% of renters with a moderate shelter-cost burden were lone-parent families, 17% were non-senior families, and 10% were senior families. While those with a severe shelter-cost burden were for the most part in the bottom quarter for household income (up to $19,190 per year), those with a moderate burden showed a more even distribution by income. The latter tended to be slightly larger households (1.7 persons) than their counterparts with a severe burden (1.4).

Renters with a severe shelter-cost burden have little room for discretionary spending

Renters in the severe burden category spent 53% of their total budget on basic necessities compared with 28% among renters with no affordability problem (Chart C). The proportion of the budget going toward food was similar for all groups. Clothing expenses were also fairly similar. However, although severely

Table 3 Renter households by shelter-cost burden

	Severe		Moderate		None	
	Expenditures	Income	Expenditures	Income	Expenditures	Income
			%			
Renters	**7.3**	**12.2**	**23.3**	**23.1**	**69.4**	**64.8**
Household type						
Senior living alone	33.4	24.9	22.5	21.0	5.5	5.8
Other senior	9.4	4.6	10.3	10.0	16.0	13.3
Non-senior living alone	40.0	41.6	38.0	34.3	29.7	28.9
Non-senior couple	7.9[E]	15.0	15.1	18.7	42.5	42.9
Other non-senior	F	F	2.2[E]	1.9[E]	3.0	3.2
Lone-parent family	F	8.0[E]	7.9	8.6	6.6	6.2
Disability						
Yes	44.1	37.1	32.5	30.0	15.5	16.0
No	55.9	62.9	67.5	70.0	84.5	84.0
Major source of income						
Wages and salaries	F	19.8	30.7	36.5	77.1	78.6
Self-employment	3.2	4.3[E]	4.8	5.9	6.0	5.5
Investments	F	F	1.8[E]	F	1.2	0.9
Government transfers	80.8	67.9	54.6	47.8	10.6	10.1
Other	F	6.3[E]	7.0	7.5	4.9	5.0
Household income						
Up to $19,190	80.1	83.4	53.7	44.6	10.0	5.1
$19,191 to $32,500	16.9	15.1	32.5	42.8	23.3	21.2
$32,501 to $52,000	3.0	1.5	11.1	10.4	31.8	35.2
Over $52,000	F	F	2.8	2.2	34.9	38.5
Total expenditure						
Up to $22,135	81.9	65.3	57.6	47.9	7.7	8.7
$22,136 to $34,409	15.1	21.7	31.4	30.9	24.0	22.7
$34,410 to $52,361	3.0	9.1	8.9	15.9	32.9	32.0
Over $52,361	0.0	4.0	2.2	5.4	35.4	36.6
Average household size	1.4	1.6	1.7	1.8	2.2	2.2
			$			
Shelter costs	9,440	8,980	8,280	8,340	8,340	8,280
Total expenses	15,860	22,960	22,640	26,490	49,530	49,710
Income before taxes	15,050	14,030	21,390	22,560	47,990	51,050
Earnings	1,280	3,050	8,520	10,190	40,160	43,010
Government transfers	11,160	9,350	9,570	9,090	4,640	4,810
Other money receipts	580	3,730	1,070	770	1,350	570

Note: Excludes those in subsidized housing.
Source: Statistics Canada, Survey of Household Spending, 2004

Table 4 Odds ratios of logistic regression models

	Renters spending 30% or more on shelter	
	Expenditures	Income
Household type		
Senior living alone	1.41	0.56
Senior couple	1.10	0.30*
Other senior	0.88	0.27
Non-senior living alone	1.25	0.65
Couple with or without children (ref)	1.00	1.00
Lone-parent family	1.38	1.18
Other non-senior	2.42	1.21
Place of residence		
Toronto	4.13*	3.08*
Vancouver	3.16*	2.43*
Montréal	1.23	0.90
Calgary	4.07*	3.01*
Edmonton	2.28	1.91
Victoria	1.29	1.96
CMA 100,000 to 499,999 other than above	1.42	1.24
Town (under 100,000)	0.91	0.80
Rural area (ref)	1.00	1.00
Major source of income		
Self-employment	1.63	2.44*
Government transfers	5.52*	6.38*
Investments	2.09*	7.28*
Other	3.46*	3.32*
Wages and salaries (ref)	1.00	1.00
Number of earners		
One	0.73	0.69
Two or more	0.41*	0.34*
None (ref)	1.00	1.00
Disability		
Yes	1.41	1.06
No (ref)	1.00	1.00
Other money receipts		
Yes	0.86	2.63*
No (ref)	1.00	1.00
Total household income		
Up to $19,190	18.42*	...
$19,191 to $32,500	4.79*	...
Over $32,500 (ref)	1.00	...
Total expenditure		
Up to $22,135	...	14.08*
$22,136 to $34,409	...	3.76*
Over $34,409 (ref)	...	1.00

* Significant difference from the reference group (ref) at the .05 level.
Notes: Full-year households only, subsidized households excluded.
Source: Statistics Canada, Survey of Household Spending, 2004

burdened households managed to find the money to cover their basic needs, they had little left for discretionary spending.

Renters in Toronto, Vancouver and Calgary have higher odds of affordability problems

Many factors combine to explain why some renter households have a higher shelter-cost burden than others. Logistic regression was used to single out the factors most affecting housing affordability. The model tested the effects of each variable on the probability of spending 30% or more on shelter while holding all other variables constant.

Rents vary considerably across the country, and for the most part, the larger the city, the higher the costs. In the largest cities, just under a third of renters spent 30% or more of their household budget on shelter, compared with just 19% in rural areas. Even after taking into account income levels and other household characteristics, Toronto and Calgary renters had four times the odds of spending 30% or more on shelter than renters in rural areas (Table 4). Those in Vancouver also had higher odds.

Household income is key

Some households simply may not have the capacity to reduce their housing expenditures. Others may spend a large proportion of their income on housing because they have chosen to live in a larger home or a particular neighbourhood. Nonetheless, renters with income up to $19,190 per year had 18 times the odds of being cost-burdened compared with those in the top half of the income distribution. The odds were 5 times for those with income between $19,190 and $32,500. No matter whether the household consisted of an individual living alone, a lone-parent family, or a senior family, being in low income was a highly significant factor in being shelter-cost burdened.

The main source of household income was also important. Renters with housing affordability problems who had government transfers as their main source of income had almost 6 times the odds of being cost-burdened compared with wage and salary earners. Having two earners in the household compared with no earners reduced the odds significantly.

Methodology

Because of differences in methodology, the proportion of those with housing affordability problems varies with different sources. The census is the most common source for determining housing affordability ratios. However, the Survey of Household Spending (SHS), in addition to being annual, has other advantages.

First, unlike the census, the SHS collects information on income and shelter expenditures for the same reference period. Second, in the SHS, households moving between rental and owned accommodation during the reference year are asked about both rent and mortgage payments. In the census, those who are renting on the day of the census are asked about their rent while owners are asked about their mortgage and other payments. Third, the SHS collects more detailed housing information—for example, utility expenses, vacation home expenses, insurance premiums, maintenance and repairs, and deductions from expenses for owning a business or farm (see *Data source and definitions).*

When it comes to calculating the shelter-to-income ratio, the SHS provides a choice of denominators: income or expenditure. Income may not always represent the full range of resources a household has at its disposal. For example, it does not consider asset liquidations, other money receipts, or expected future changes in income (Miron 1984, 147). Some households have investment losses that reduce income even though their cash flow remains steady. Similarly, households with a self-employed principal earner may have incomes that fluctuate from year to year. Such households may compensate by using savings, cashing in investments, or borrowing—none of which are income. However, these strategies even out cash flow to pay for daily expenses.

Comparing shelter costs with expenditures instead of income may represent a more realistic picture of a household's standard of living. Even with zero or negative income, a household may still have the necessary money to meet their needs. On the other hand, a household with high income may spend very little because of large debts or the anticipation of a drop in income. In 2004, 92,000 full-year households (0.8% of all households) had shelter costs that exceeded their income. Of these, 50% received money gifts from persons outside the household, cash inheritances, life insurance settlements, or winnings from games of chance. Another 9% relied on self-employment income.

Using the traditional income-based approach, about 163,000 households are eliminated from the sample because their income is either zero or negative.[2] Using the expenditure base, only 59,000 households are eliminated because of unreported expenditures or shelter costs exceeding total expenditures.

	Income based	Expenditure based
		'000
All full-year households	11,790	11,893
Households excluded	163	59
Housing affordability ratios		%
Less than 30%	83.1	86.0
30% or more	17.0	14.0
30% to less than 50%	12.4	11.6
50% or more	4.6	2.4

Source: Statistics Canada, Survey of Household Spending, 2004

The income-based affordability ratio is slightly higher (3.0 percentage points) than the expenditure measure for those spending 30% or more on shelter costs.[3] The main difference lies with households spending 50% or more, likely because the expenditure denominator eliminates a number of income outliers. That is, the expenditure method gives a more realistic picture of standard of living. The differences between the two methods are much less pronounced for those who spent 30% to less than 50% (a difference of only 0.8 percentage points).

The logistic regression points out differences between the income and expenditure approach. For example, using the income measure, self-employment as the main source of income and receiving money from gifts and inheritances significantly affected affordability. This was not so using the expenditure measure, suggesting that the income-based measure may exaggerate the degree to which self-employed households incur a burden. Many self-employed individuals do not have steady income every month. The income

Homeowners and shelter affordability

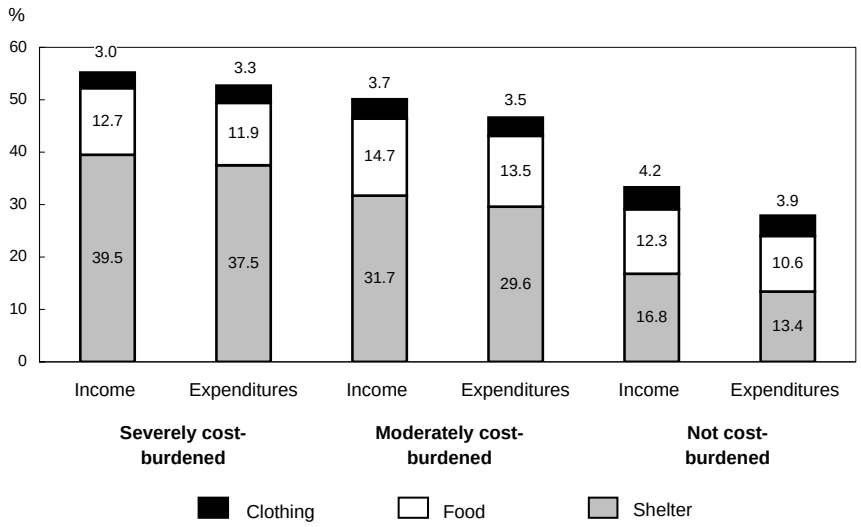
The number of homeowners spending 30% or more of their income on shelter was relatively small compared with renters (6% versus 31%) (Table 2). For these owners, the situation may have been temporary or a matter of lifestyle choice—for example, in the case of young families who are likely to have large mortgage payments or debts. In fact, according to the CMHC definition of core housing need, about half of owners who spent 30% or more of their income on shelter in 2001 had sufficient income to rent affordable housing in their area (CMHC 2005).

Table 5 Distribution of select characteristics by household tenure type

	Total households	Subsidized housing	Renters[1]	Mixed[2]	Owners: With mortgage	Owners: No mortgage
			%			
Household type						
Senior living alone	8.8	30.6	11.4	6.7	1.2[E]	13.0
Senior couple	12.5	F	5.3	16.3	6.6	27.4
Other senior	2.3	F	2.2	2.5	1.5[E]	3.6
Non-senior living alone	17.0	29.5	32.5	9.5	10.7	8.2
Couple with or without children	50.1	14.2	33.7	58.8	72.7	42.8
Lone-parent family	5.5	15.8	7.0	4.3	4.6	3.9
Other non-senior	1.8	F	2.6	1.5	1.4[E]	1.6[E]
Place of residence						
Large CMA (500,000 and over)	51.0	59.6	59.6	46.7	49.8	43.1
Small CMA (100,000 to 499,999)	17.6	17.5[E]	16.5	18.3	19.5	17.0
Town (under 100,000)	19.9	18.1[E]	19.2	20.1	18.5	21.8
Rural area	11.5	4.8	4.7	15.0	12.2	18.2
Major source of income						
Self-employment	7.7	F	5.6	9.1	9.4	8.6
Government transfers	20.1	66.8	25.9	15.3	4.3	27.8
Investments	1.5	F	1.3	1.6	0.3[E]	3.2
Other	7.6	4.3[E]	5.5	8.8	3.4	15.2
Wages and salaries	62.8	27.3[E]	61.0	65.1	82.5	45.2
Low-income measure (after tax)						
In low income	12.5	58.7	23.0	5.4	2.5	8.7
Not in low income	87.6	41.3	77.0	94.6	97.5	91.3
Other money receipts						
Yes	19.0	20.4[E]	22.5	17.0	19.5	14.1
No	81.0	79.6	77.5	83.0	80.5	85.9
Living in unsuitable housing	4.6	6.9[E]	8.1	2.9	4.3	1.4[E]
Living in inadequate housing	7.3	F	7.9	7.1	7.7	6.5
Housing affordability ratio – income-based						
Under 30%	83.1	57.6	64.8	92.2	89.5	95.2
30% to less than 50%	12.4	35.2	23.1	6.6	8.9	3.9
50% and over	4.6	7.3[E]	12.2	1.3	1.5[E]	0.9[E]
Housing affordability ratio – expenditure-based						
Under 30%	86.0	59.1	69.4	94.4	92.6	96.4
30% to less than 50%	11.6	37.4	23.3	5.3	7.1	3.3
50% and over	2.4	F	7.3	0.3[E]	F	F
Average household size	2.6	1.9	2.0	2.9	3.2	2.4
			$			
Shelter costs	9,370	5,160	8,330	9,980	13,990	5,380
Income before taxes	64,710	20,000	39,350	78,330	87,090	68,300
Earnings	51,950	8,040	29,920	63,920	78,670	46,970
Government transfers	6,660	10,200	6,230	6,740	4,350	9,480
Income from other sources	4,180	1,490	2,340	5,210	2,880	7,910
Income from investments	1,770	270	620	2,390	1,060	3,910
Personal taxes	12,900	1,320	6,340	16,480	18,450	14,220

1 Minus those in subsidized housing.
2 Refers to households that both rented and owned in the same year.
Source: Statistics Canada, Survey of Household Spending, 2004

Chart C Regardless of their shelter costs, renters spent similar proportions on food and clothing



Note: Based on average costs and expenditures, adjusted for household size.
Source: Statistics Canada, Survey of Household Spending, 2004

measure may therefore not reflect their management of regular expenses whereas their total expenditure information would.

Summary

Measuring housing affordability is difficult. In some households, a high shelter-cost ratio stems from a choice based on spending priorities; in others, it is a valid indicator of housing affordability problems. Using the expenditure-based methodology, renters were found to be more susceptible to affordability problems. Although the majority live in affordable housing, 31% spent 30% or more of their budget on shelter. These households consist mostly of individuals living alone, those relying on government assistance, and those in low income. Somewhat surprisingly, food and clothing expenses took up a similar proportion of the budget for all groups, regardless of their ability to afford housing.

Although shelter costs vary considerably across Canada, income is the major factor affecting affordability. Non-subsidized renter households in the bottom quarter of the income distribution had 18 times the odds of having an affordability problem, even taking into account the age structure of the household and place of residence. A number of factors may be at play, including the major source of household income. Reliance on government transfers was significantly associated with having an affordability problem. Having two earners reduced the odds significantly.

Housing policy has long used one single indicator of affordability based on the census. Using the Survey of Household Spending, the expenditure ratio can provide a timelier and richer understanding of the concept of housing affordability.

Subsidized housing not necessarily synonymous with affordability

The vast majority of households living in government-subsidized housing (about 470,000 households in 2004) are renters. Social or subsidized housing generally refers to housing that receives ongoing public subsidies to reduce rents to 25% to 30% of household income (Chisholm 2003). Households were asked whether they lived in government-subsidized housing, but not the amount or type of subsidy they received. These households made up about 6% of all renters in 2004. Many different types of households were involved, although most were individuals living alone (the likelihood of being a senior or a non-senior living alone and in subsidized housing is the same at about 30%). Two-thirds relied on government transfers as their main source of income (Table 5).

Although renters in subsidized housing had considerably lower average shelter costs than others ($5,200 versus $8,300), they also had lower household income and expenses. As a result, many were still paying 30% or more of their income or expenses on shelter costs. (About 18% were spending 30% to 34.9% of their budget on shelter costs, and 12% were spending 35% or more.)

Perspectives

Notes

1 Excludes those in subsidized housing.

2 CHMC relies mostly on census data for affordability calculations. As a result, they exclude farms and on-reserve housing.

3 Using the 2001 Census, CMHC's calculation of those spending 30% or more on shelter was 20.2%.

4 Affordability was originally set at 25%, its origin dating back to the 19th century when the accepted underwriting standard was one week's wages in four going for housing.

5 The core-need approach is useful because it considers affordability in the context of adequacy and suitability by eliminating households that could afford to pay the median rent in the same local area (Miron 1984, 121). In other words, it separates out those over-consuming or under-consuming housing. Although this paper does not look at core housing need, of the 14% of households spending 30% or more of their budget on shelter, about 7% lived in inadequate dwellings and 5% in unsuitable dwellings.

6 Based on the low-income measure. See *Data source and definitions*.

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