



TD Economics

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Data Release: The changing nature of families in Canada

- Statistics Canada released another snippet of Census information this morning. The data series included families, households and marital status. While this trio might seem like an odd combination, the collective data provide insight on the family dynamic in Canada.
- The number of total private households increased by 7.1% between 2006 and 2011. This pace is slightly slower than the 7.6% rate seen from 2001-2006.
- Married couples, as a share of all census families, declined from 2006-11, but still represented 67% of all families in 2011. Increases in common-law couples and lone-parent families were also noted and for the first time, the former exceeded the latter. Same-sex couples also tripled between 2006 and 2011 and accounted for 0.8% of all couple families in 2011.
- Couples without children (29.5%) continue to outnumber couples with children (26.5%). This trend was first noted in 2006 and the gap between the two segments widened in the 2011 Census edition.
- During recessionary times, we usually see an uptick in the number of adult children who move in with their parents. This behaviour did not seem to take place to a large extent during or after the global financial 2008-09 crisis, although we do not have the annual data to confirm this hypothesis. About 42% of all people aged 20-29 lived in their parental home in 2011, roughly the same as what was seen in the 2006 Census.
- Living as a couple is the most common family arrangement for seniors. In 2011, 56% of seniors lived as a couple, slightly more than 54.1% share seen in 2001. Longer life expectancies and better medical care likely contributed to the increase in two-person households. In addition, the vast majority of seniors live in private dwellings as opposed to collective dwellings like nursing homes.

Key Implications

- The Census data reaffirm that the nature of families in Canada is indeed changing. Over the past fifty years, the share of married couples has steadily decreased, whereas common-law couples have increased in number and popularity. In fact, the number of common-law couples now exceeds the number of lone-parent families.
- Canadian families are becoming smaller in size: the average number of children per family has decreased from 2.7 in 1961 to 1.9 in 2011. Also, couples without children continue to pull away from their couple with children counterparts. There is also a growing societal acceptance towards lone-person households. Low fertility rates and/or the decision to have fewer children may also help explain the trend towards smaller households. Last, the Census documents argue that higher divorce rates seen of late split families into smaller units.
- The trend towards one and two-person households helps explain why new houses and condo units are being built smaller than they once were. There is also growing demand for furniture for urban living and/or tight spaces. High home and land prices and reduced home affordability also help explain why living spaces are getting smaller.

- The growth in private households between 2006 and 2011 corresponds to a household formation rate of about 189,000 net new households per year. This number is much lower than the 218,000 annualized homebuilding starts seen in Canada so far in 2012. This reaffirms TD Economics' long-standing notion that that the pace of homebuilding in Canada is getting ahead of housing demand and underlying demographic fundamentals.

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