



Canada needs more kids!

Or we can look forward to a smaller economy and fewer benefits

By Derek Miedema

(This eReview is a shorter version of a longer report released on February 15, 2013. [Click here](#) to read the report in full.)

With the current shape of demographics in Canada, we have before us one of two choices: More kids or fewer government benefits. The situation is such that having more children would only help cut our losses, not fix the problem.

Worried about overpopulation? Don't bother. The real issue before us is this: Canadians are not having enough kids and population aging is the problem.

It's been more than 40 years since Canadians had enough children to replace themselves.¹ In 2010, Canada was 109,000 babies short of replacement. Since 2002, we're behind a whopping 1,022,971.²

Fine, some may say. Who needs kids? They take up room and cost too much. Others argue they hurt the environment by requiring bigger cars, bigger houses and just generally, more "stuff."

However, the real questions, in the long view, are the following. Not "who needs kids?" but rather, who needs taxpayers to cover their healthcare costs when they're old? Who needs young employees to restock the employment pool while all the Baby Boomers are retiring? Who needs first time homebuyers to help the housing market keep afloat? How can we maintain our standards of living, no matter how high or low they might be, without a growing work force and more taxpayers?

The questions, as it turns out, go on and on. You may balk at the idea of birthing more Canadians, but certainly troubling is the reality that there will be needs we can't currently fill. We need doctors and nurses to care for us when we're sick. We need family to advocate for us when we can't speak for ourselves in the hospital. Individual choices have consequences, as it turns out.

Some will immediately jump to the extreme: What are you going to do? Force families to have children? Thanks for asking. The answer there is no. However, perhaps families could have the number of children they say they want. Canadians say in polls that they want to have more kids than they actually have.³ That they aren't is due to a number of different factors.

For one, it's expensive to raise kids and to upgrade that two bedroom condo into a house to fit them. Research shows, in fact, that finances are the top concern for families no matter how old or young the kids are.⁴

Another reason we aren't having more kids is that we're having kids later: Waiting to have kids means fewer kids for people who don't want to be a 50-year-old parent chasing a toddler. We're having kids later, in part, because we are marrying later. We're having kids later and marrying later, in part, because sex and babies are no longer connected, courtesy of oral contraceptives, aka the Pill.

So what's the solution? Many will say more immigration. And while immigration is a great part of what makes Canada tick, it will not be able to save us. The current age structure of immigrants is not slowing the aging process. The only way to balance things out would be to bring two to three times the number of children currently welcomed annually. That would mean bringing parents along, which would radically swell the overall number of immigrants every year. This is politically unrealistic and worldwide demographics also render this unlikely: As economies improve in Asia and India, will people still want to leave their homes and families to come here?

What then? Bigger baby bonuses? Perhaps we could have counted on government largesse to encourage having more kids in the past, when the economy was firing on all cylinders and strong economic growth looked permanent. Neither of those is true today.

Besides, whether or not to have children, or to have a second or third or more is an intensely personal decision between parents. And we know that government doesn't belong in the bedrooms of the nation.

Neither does government belong so deep inside our wallets. Governments should allow families to keep more of their money, since finances are a top concern for most. Income splitting, promised but not yet instituted federally, is a huge step in that direction.

There is, of course, no instant solution. How could there be? When governments have been beating the population control drum for more than 40 years, it'll take some time to change.

Reality calls all of us to make a choice: Have more kids or deal with lower healthcare coverage, lower pensions and a smaller economy. In that light, we might just consider having more kids. Either that, or the retirement of the baby boomers is going to mean that our federal and provincial governments will have to shrink their spending just to maintain what we have today.

Endnotes

¹ Statistics Canada. (2008). Report on the demographic situation in Canada 2005 and 2006. Ottawa: Minister of Industry, p. 29. Retrieved from <http://www.statcan.gc.ca/pub/91-209-x/91-209-x2004000-eng.pdf>

² Statistics Canada. (2012). Tables 102-4502 and Table 102-4505 with calculations by author .

³ World Values Survey Association. (2000). Four-wave aggregate of the values studies, Canada. Retrieved at <http://www.wvsevsdb.com/wvs/WVSAanalyzeIndex.jsp>

⁴ The Institute of Marriage and Family Canada. (2007). What's at the heart of the Canadian family? p. 9. Retrieved from <http://www.imfcanada.org/issues/whats-heart-canadian-family>