GENERATION | **squeeze**

The Generation Squeeze campaign is powered by a large network of partners determined to ensure younger generations have a chance. A chance to deal with lower wages, higher living costs, environmental change and an imbalance in government spending without compromising the family they have, or the family they want.

The Generation Squeeze campaign brings a generational lens to the study of inequality. Data show that median income for households of 55 to 64 year olds is up nearly 20 per cent compared to 1976. By contrast, household incomes for young adults age 25 to 34 have all but stalled since that time, despite the dramatic rise in young dual-earner couples compared to the past.

Income trends paint only part of the picture of generational inequality in Canada. Wealth and social spending patterns are also important. For instance, we all know housing prices have gone way up. It's great news for some. For those who bought homes decades ago, higher housing prices mean more wealth.

But what's been good for retiring parents is generally bad for their kids and grandchildren. High home prices squeeze generations under age 45 with crushing debt, which they must pay with wages that have fallen compared to a generation ago, and in jobs that rarely contribute pensions.

The national response? Governments spend just $12,000 on benefits and services per Canadian under 45, compared to around $45,000 for every retiree (see Appendices).

This is NOT a "good deal" if you are Gens X, Y or the Millennials. Despite Canada's economy producing more wealth than ever before, investments made in younger generations look a little scant, or unbalanced. And that's before talking about the larger government and environmental debts they inherit.

*Still, these generations are doing all they can to adapt***.** To compete for better employment, they squeeze in YEARS more of education and tuition. To buy a place, they accept jobs or contracts that require them to work YEARS more to save a down payment. And for many, this means they wait YEARS longer to move out of their parents' homes, or to establish their financial independence.

WORK and POSTPONEMENT are their coping mechanisms.

Problem is, most can't work their way out of this time and income squeeze *unless they give up something fundamental* – the opportunity to have the family they may want or the financial foundation they've patched together.

Since two earners barely bring home today what one breadwinner did in the 1970s, we've gone from 40 hour work weeks to closer to 80 hours. The result? Generations raising young kids are squeezed for time at home. They are squeezed for income because housing prices are nearly double, even though young people often live in condos, or trade yards for time-consuming commutes. And they are squeezed for services like child care, which are essential for parents to deal with rising costs, but are in short supply, and cost more than university.

WE CAN CHANGE THIS. While the deck may be stacked against younger generations now, we can get "A Better Generational Deal" – one that gives all generations a chance.

Generation Squeeze

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The Generation Squeeze campaign pinpoints **3 policies** to reduce the time, income and service squeeze for those who want or have young kids. We call it a New Deal for Families (see Appendices).

1. Make **18 months affordable for parents to share at home with a newborn** (Many today don't even have 12 months, whereas a generation ago it was common for a parent to stay home several years).

2. **Build $10/day child care** (Today the cost is often around $40/day, whereas the majority of families didn't incur these costs a generation ago when it was more affordable for a parent to stay home until kids started school, and there was less concern about gender inequality).

These two policies would save the typical family around $50,000 over their children's first five years, and support a third change.

3. Make **70 hour work weeks, down from 80, affordable for households, and help lone parents do better than they do now with just one earner** (A generation ago it was common to get by with one parent working 40 hours).

Saving young families $50,000 means they can also:

- Pay off the average student debt and reduce by four years the time it takes to save a 20% down payment on a home in average school district
- Or pay down the mortgage far faster
- Or invest as savings that will be worth $141,000 by the time young people retire.

By organizing policy to address the squeeze on entire generations of young people, the New Deal would build on Canada's impressive legacy of reducing poverty among seniors. In 1976, nearly 30% of seniors were poor. Today, the poverty rate for seniors is around 5% – lower than any other age group in the country. We didn't achieve this reduction by implementing policies specifically for low-income seniors. We reduced their poverty by building public medical care, the Canada public pension plan and old age security for entire generations of seniors, while ensuring the policy details in these programs lift most seniors above low-income levels regardless of their health status.

The New Deal is organized around the same logic. Reduce the time, income or service squeeze with which the vast majority of younger generations struggle, while ensuring the policy details eliminate poverty for families with young children. In the process, the New Deal will also promote early child development, population health, gender equality, truth and reconciliation between Aboriginal and non-Aboriginal communities, and business profitability in the near and long-term.

The New Deal for Families requires narrowing the generational spending gap only slightly. It would raise government spending per Canadian under age 45 from $12,000 to 13,000, while safeguarding medical care and retirement income security programs by keeping spending around $45,000 per retiree.

The fact is, small changes can make a BIG difference – giving all in Gens X, Y and the Millennials (who we call Generation Squeeze) a chance to deal with lower remuneration, higher student debts, and far higher housing prices without compromising either the families they have, or the families they may one day want. We invite you to join us in making this New Deal a reality.

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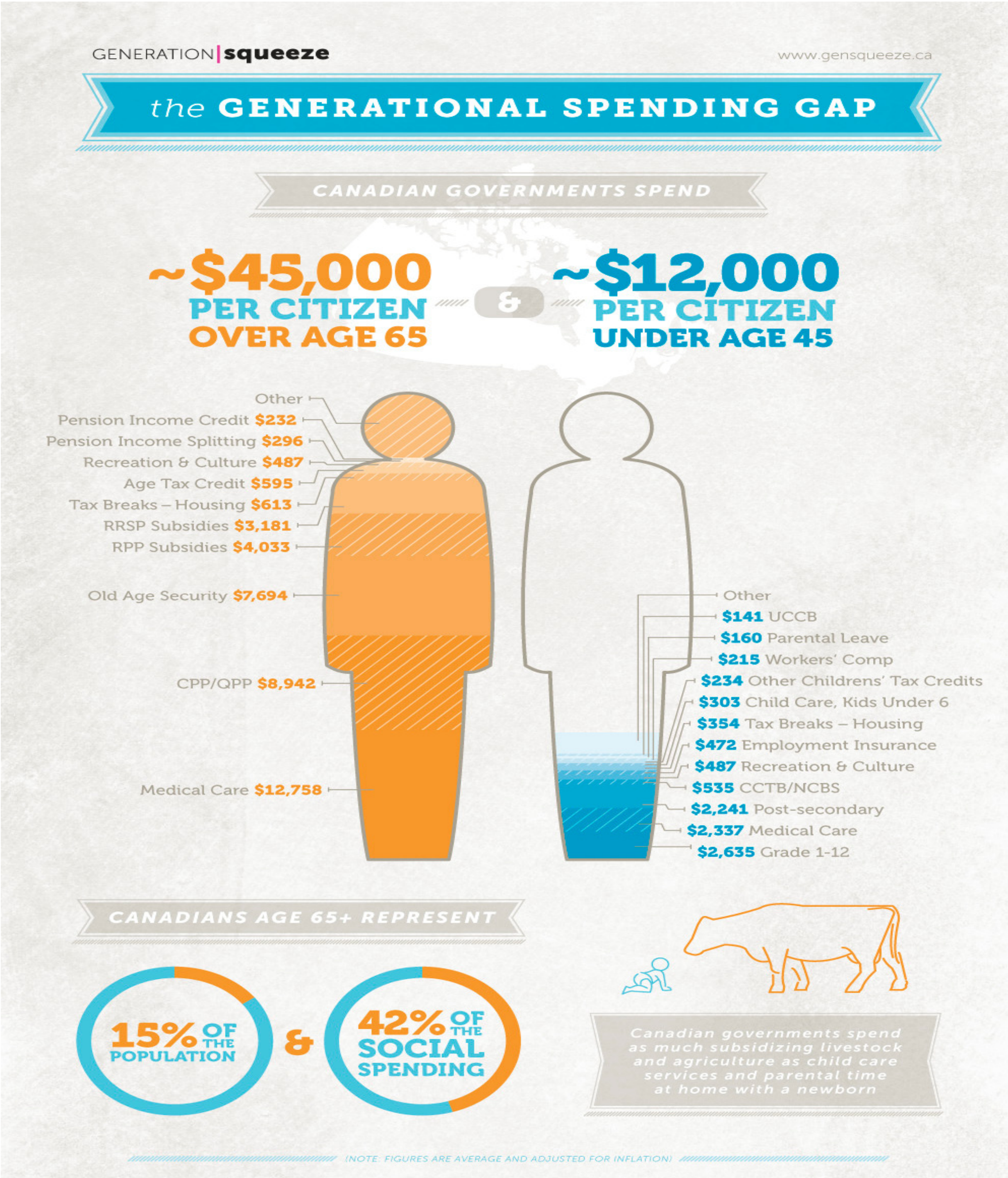

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A New Deal for Families. Summary of the Policy Recommendations.

1 Make it affordable for parents to share 18 months at home with a new baby	**2 Build $10 a day Child Care Services**	**3 Make 70 hour work weeks, down from 80, affordable for households, and help lone parents do better than they do now with just one earner**
WHY? To transform the uneven access to parental leave into a benefit system that ensures all parents, including the self-employed, have the time and resources to be home with their newborns. HOW? Extend parental leave from 12 months to 18 months, generally reserving the extra six months for dads (with exceptions for lone parents and same-sex couples). Introduce a healthy child check-in and parenting support program during a child's first 18 months to monitor for early developmental delays and to answer parents' questions regarding children's feeding, sleeping, crying, etc. DETAILS Benefits would be available to ALL single- and dual-earner households regardless of parents' attachment to the labour market (including the self-employed). Moms and dads who currently do not qualify for leave would see their after-tax income increase by at least $13,500 in the 12 months following the birth of their child. Leave would be made affordable by insuring 80% of parents' income up to $60,000/year. This increase will double the existing maximum benefit. **The new minimum benefit will be $440 weekly, enough to eradicate child and family poverty for this age group.**	WHY? To remedy the current system of unregulated, unaffordable child care services, thus ensuring that parents can spend enough time in employment to manage the rising cost of housing and stalled household incomes. HOW? Reduce child care service fees to no more than $10/day (full-time) and $7/day (part-time), making it free for families earning less than $40,000/year. Ensure quality services by providing funding for ample caregivers on site to ensure that kids spend their time in developmentally stimulating activities and play, including children with extra support needs. Caregivers will have appropriate training in child development, and will be paid pay equity wages. DETAILS Universal, affordable child care services would support healthy child development by supplementing, but never replacing, the care that families provide directly. Families would be able to choose to use the services regardless of parental employment. Families would be able to access parenting support even if they do not choose to enroll their child in non-parental services. Where numbers permit, families could choose programs that feature a language other than English or French in recognition that Canadian families speak many languages at home. For Indigenous citizens, funding is allocated to enrich services that prioritize exposure to the languages and cultures of First Nations, Métis and Inuit as part of Canada's commitments to Truth and Reconciliation.	WHY? To remedy workplace standards that ignore the family by ensuring all employees can choose to combine work and family successfully. HOW? Adapt overtime, Employment Insurance, and Canada Public Pension premiums paid by employers to make it less costly for businesses to use employees up to 35 hours per week, and more costly for hours thereafter. Overtime will kick in at 35 hours a week (averaged over a year). Overtime premiums will be paid either as cash or earned time away from work. DETAILS With new incentives, employers would reduce the work week by 3-5 hours on average for the half of men and the third of women who currently work more than 40 hours/week. These employees would trade some after-tax wages (or future wage increases) in order to gain 4 more weeks of time per year. In negotiation with employers, this time could be taken in chunks, or as earned hours away from work each week throughout the year. Changes to the National Child Benefit Supplement will ensure any reduction in employment hours does not reduce income in low-earning families. This may be especially important for some lone parent households. Employees who currently work part-time hours would gain opportunities for more employment. Within two-parent homes, flex-time may not change the total hours that parents work, but redistribute them more evenly between dads and moms.

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