Estimating the Value of Unpaid Household Work in Canada

Brenda Bugge, National Economic Accounts
May 2022
What is the Value of Unpaid Household Work in Canada in 2019?

The value of unpaid household work, gross opportunity cost basis, was $860.2 billion; equivalent to 67% of Household disposable income.

On a replacement cost basis, the value was $581.6 billion.

Gross Opportunity Cost: 37.2% of GDP

Replacement Cost: 25.2% of GDP

$34,370 per capita: GOC

$23,240 per capita: RC
What is needed to estimate a value of unpaid work?

**UNPAID WORK HOURS**
- By type of activity
- By sex and age group
- By presence of a partner/children
- By province of residence

**HOURLY WAGE RATES**
- By occupation
- By sex and age group
- By province of residence
What activities are included?

Two key elements:

- Services produced for “own final use”
- Third party criterion

Household chores and maintenance
- Meal preparation
- House cleaning, maintenance
- Garbage, recycling, unpacking
- Organizing, paying bills

Caring for children
- Personal care
- Helping with homework
- Reading, playing
- Accompanying

Caring for adults
- Washing, dressing
- Accompanying

Shopping
- Shopping for goods
- Shopping for services
- Researching for goods or services

Caring for adults
- Accompanying

Caring for children
- Accompanying
How can you value Unpaid household work?

**Opportunity Cost:**
forgoing paid work to do unpaid household work

**Replacement Cost:**
hire someone to complete those activities

Hours of unpaid work multiplied by Hourly wage rates (*person doing the unpaid activities*)

Gross (before tax)  Net (after tax)

Hours of unpaid work multiplied by Hourly wage rates (*market-based ‘replacements’*)
How do the hours worked compare?

*Average annual hours, by sex and by age; by sex and by presence of partner/children. Difference in hours in orange.
How are those hours spent?

Who completes the activities?

<table>
<thead>
<tr>
<th>Activity</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household chores or maintenance</td>
<td>41.2</td>
<td>58.8</td>
</tr>
<tr>
<td>Shopping</td>
<td>40.1</td>
<td>59.9</td>
</tr>
<tr>
<td>Caring for children in the home (under 15 years)</td>
<td>33.5</td>
<td>66.5</td>
</tr>
<tr>
<td>Caring for children in the home (15 to 17 years)</td>
<td>27.9</td>
<td>72.1</td>
</tr>
<tr>
<td>Caring for adults in the home</td>
<td>26.6</td>
<td>73.4</td>
</tr>
</tbody>
</table>

*Percent of time.

Split of hours for women and for men, by activity

- **Women**
  - Caring for adults in the home: 1.1%
  - Caring for children in the home: 14.5%
  - Household chores or maintenance: 69.9%
  - Shopping: 14.5%

- **Men**
  - Caring for adults in the home: 0.5%
  - Caring for children in the home: 10.9%
  - Household chores or maintenance: 73.8%
  - Shopping: 14.7%

*Percent of time.*
What is the value based on different methods and by sex?

<table>
<thead>
<tr>
<th>$millions, 2019 Ref year</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net opportunity cost</td>
<td>437,447</td>
<td>317,496</td>
</tr>
<tr>
<td>Gross opportunity cost</td>
<td>489,736</td>
<td>370,414</td>
</tr>
<tr>
<td>Replacement cost</td>
<td>341,336</td>
<td>240,310</td>
</tr>
</tbody>
</table>

Women do the majority of household work, 60.1% of the hours; however their share of the total value of unpaid work is less.

- Opportunity cost valuation is higher as it reflects substituting paid work for unpaid household work: wage rates of higher professions are included.
- Replacement cost is lower as it reflects the cost of hiring a person to do that task.
Why is the share for women on an RC basis less than hours share?

- Replacement cost assumes you can hire someone to do a household work activity, regardless of sex
- Men completed the majority of hours on these activities: Outdoor maintenance, repair or renovation; Taking out garbage, recycling; and Unpacking goods
- Which have higher value on the market economy compared to those tasks typically done by women

![Diagram showing the share for men and women on an RC basis and hours share]

- Men: Hours, 39.9%, RC, 41.3%
- Women: Hours, 60.1%, RC, 58.7%

![Bar chart showing weighted average replacement cost per hour]

- Men: $23.74
- Women: $17.62
Why is the share on an opportunity cost lower than RC and hours?

- Opportunity cost reflects forgoing paid work to do unpaid household work.
- Due to persistent differences in the average wages of men and women in Canada, the valuation of women’s effort is lower proportion of the total valuation than hours worked.
Moving forward:

• No Canadian Time Use survey for RY2020,2021; therefore will model time use from United States estimates on household time use
• Seek additional feedback on methods used (replacement cost vs opportunity cost); also occupations used within the RC method

Further information:

• Estimating the economic value of unpaid household activities in Canada, 2015 to 2019
  https://www150.statcan.gc.ca/n1/daily-quotidien/220317/dq220317b-eng.htm
• Latest Developments in the Canadian Economic Accounts
  https://www150.statcan.gc.ca/n1/pub/13-605-x/13-605-x2022001-eng.htm