

## TWO INCOMES THE NORM...AND THE NECESSITY

For two-parent families, two earners is the norm, and it has been that way for many years. Even in 1980, only about one-third of these families (31%) relied on a single earner. By 1990, this had fallen to just 19%, and in 2007, to 14%. If we include older children with employment earnings, and other income-earning relatives that may be in the family, a remarkable 85% of today's two-parent families have at least two earners in the household.

The significance of two income earners is clear. The median income (one-half of families with lower incomes, one-half higher) of single earner two-parent families, before government transfer payments, was \$45,200 in 2007, \$6,500 less than it was in 1980. This is due to the deterioration of wages over this period and the four-fold increase in the proportion of female single

	1980	2007	Change 1980-2007
Percent of Two-parent Families	100.0%	100.0%	-
No earners	1.3	1.0	-0.3
One earner	30.8	14.4	-16.4
Two earners	47.8	63.6	+15.8
Three or more earners	20.1	21.0	+0.9
Median Income before transfers and income tax <sup>2</sup>			
No earners	na	na	na
One earner	\$51,700	\$45,200	-\$6,500
Two earners	69,400	78,600	+9,200
Three or more earners	88,800	104,100	+15,300
Median Income after transfers and income tax <sup>3</sup>			
No earners	\$21,400	\$24,300	+\$2,900
One earner	47,100	49,300	+2,200
Two earners	62,100	73,000	+10,900
Three or more earners	79,100	92,100	+13,000

na= not available  
<sup>1</sup> Refers to families in which the major income earner is less than 65 years of age and at least one child less than 18 lives at home. Other relatives may also be in the family.  
<sup>2</sup> Includes income from earnings, investments, retirement pensions and other non-government sources, before income taxes.  
<sup>3</sup> Refers to income after receipt of all government income transfers (e.g. Child tax benefit, social assistance, etc.) and after income taxes paid.  
 Source: Prepared by the Vanier Institute of the Family based on Statistics Canada, <http://www.statcan.gc.ca/cgi-bin/af-fdr.cgi?l=eng&loc=t/702.ivt>

earner household heads. Government income transfers and the redistributive effects of income taxes have kept these families from falling even further behind.

### FAMILY LENS

The general increase in the number of income earners per family has no doubt contributed to higher family incomes over the past several decades. But regardless of the number of earners, many of today's families are walking a financial high wire, as increases in spending and debt loads have far outpaced gains in income. For more information on these trends, read

[\*The Current State of Canadian Family Finances – 2009 Report.\*](#)