

Thriving in the City for families: What does it cost to live a healthy life?

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Introduction

Wellesley Institute's *Thriving in the City* research works towards a reality where all residents in the Greater Toronto Area (GTA) have the resources to achieve a healthy life. Thriving means that residents have the resources to meet their physical, social, and psychological health needs now and in the future. It includes having resources to meet health needs related to food and nutrition, physical activity, personal care, and shelter. But it also goes beyond this to consider the resources needed to meaningfully connect with others, access quality care such as child or seniors' care, and adequately save for one's future.

Thriving in the City has three research aims: 1) clarify what a sub-group of the population needs for health and well-being; 2) identify the goods, resources, and services that would allow the sub-group to meet those needs; 3) estimate the costs of the identified goods, resources, and services. In doing so, it estimates the income range needed to thrive in the GTA, which can be used to help consider and discuss how programs and policies can better support the health and well-being of GTA residents. Previously, Wellesley Institute applied this approach to establish thriving frameworks and income thresholds for two population groups in the GTA – single working-age adults (age 25-40)^{1,2} and older adults (age 65-74).^{3,4} It is now expanding the *Thriving in the City* work by applying the approach to families with young children.

The *Thriving in the City for families: A framework for income and health* report⁵ clarifies and identifies what goods, resources, and services a family with young children in the GTA needs for health and well-being. This report builds off the framework and aims to estimate the costs of the goods, resources, and services to estimate the level of income required for families to thrive. This will provide a starting place for broader conversation about what can be done (i.e., through wages, income support, and investments in social determinants of health such as housing, child care, and health care) to ensure all families in the GTA have the opportunity to live healthy, thriving lives.

Methods

*Thriving in the City for families: A framework for income and health*⁵ was developed through a review of health guidance and evidence-based recommendations (e.g., from Health Canada, Canada Mortgage and Housing Corporation), use of national and local survey data (e.g., Canadian Census, Transportation Tomorrow Survey), and interviews with parents with young children in the GTA. It consists of ten components of health and well-being: 1) food and nutrition; 2) shelter; 3) transportation; 4) health care; 5) personal care; 6) physical activity; 7) social participation; 8) education and professional development; 9) child care; and 10) savings and debt. For each component, a description of what families need to be healthy was presented, and the goods, resources, and services that would allow a family to meet those needs were listed.

The initial *Thriving in the City for families: A framework for income and health* was based on a reference family of four, including two adults (same-sex or opposite-sex) between the ages of 25-49 years old, one preschool-age child (age 2.5-5), and one school-age child (age 6-12). It was assumed that this family does not have any disabilities or chronic health conditions. A family of four was selected to align with the reference families used in similar income benchmark work including the national Market Basket Measure (MBM)⁶ and Living Wage.⁷ It was also selected because the 2016 Census indicates it is most common for couples with children in the Toronto census metropolitan area (CMA) (i.e., Toronto, Peel, York, and parts of Halton and Durham) to have two children.⁸ The framework provides a baseline for understanding what families may need to be healthy and thrive in the GTA. The goods, resources, and services included were informed by what is most common or preferred in the GTA.⁵ To account for differences in the experiences of families living in urban and suburban regions (e.g., for housing, transportation), scenarios for the City of Mississauga and City of Toronto were used to help capture the differences.

The current report estimates the costs of the goods, resources, and services listed in the framework to estimate the range of household income needed to thrive in the GTA. The cost estimates are informed by the interviews with parents of young children conducted during the development of the *Thriving in the City for families: A framework for income and health*. When making the cost estimates, it is assumed that families have access to broad public programs (e.g., OHIP, Canada Education Savings Grant), but do not have access to means-tested benefits (e.g., Ontario Drug

Program, child care fee subsidies) or employer benefits that are not universally available. It is also presumed that families have access to publicly available amenities (e.g., parks, libraries, community centres), which allow them to access some goods, resources, and services at low-to-no cost.

A variety of data sources were used to estimate the costs. The aim was to use estimates that were modest, local, and up-to-date to reflect current costs in the GTA. Where possible, the cost of goods and services were estimated directly using online prices or online price estimator tools (e.g., *CMHC Mortgage Calculator*, *CAA Car Calculator*, insurance quotes), and applicable taxes were included. When direct costing was not possible due to the variability or complexity of the item (e.g., furniture costs, school supplies), costs were estimated using average prices or spending data. Data about average spending was only used to estimate costs when no other up-to-date data sources were available. This is because average spending data may reflect spending patterns that are constrained by inadequate income and are insufficient to meet health needs. When spending data was used, it was primarily drawn from the *2019 Survey of Household Spending* (SHS), and was occasionally drawn from other sources (e.g., Market Basket Measure, *Deloitte Holiday Spending Outlook*). A custom tabulation of the SHS was requested from Statistics Canada to allow for a breakdown of average spending by geography (i.e., Ontario, Canada), housing tenure (i.e., renter, owner), and household type (i.e., couples with children).⁹ Where possible, average spending was reported for couple households with two children in Ontario. But, in some cases the data was not available and there was a need to use Canada-wide SHS data, or couple households with any number of children.

The following section provides the itemized cost estimates for each of the ten components in *Thriving in the City for families: A framework for income and health* report. For each component, a more detailed description of the assumptions and methods used to calculate the costs was included. A rationale for the decisions and cost estimates used is also provided.

Cost estimates

1 Food and nutrition: \$9,509 per year

The cost estimate for groceries was determined using Toronto Public Health's *Nutritious Food Basket Calculator*.¹⁰ This calculator measures the minimum cost of healthy eating for a person or family and is informed by *Canada's Food Guide*.^a The estimate is based on the yearly cost of healthy eating for a family with two adults aged 31-50, one preschool-age child (aged 2-3 years), and one school-age child (aged 4-13). Male and female food costs were averaged for each age group. The cost of food preparation supplies (i.e., plastic, foil) is drawn from the *Survey of Household Spending*, 2019.⁹ The cost of a one-year supply of multi-vitamins with 0.4 mg of folic acid is drawn from a major Canadian store¹¹ and is included for female parents as per Health Canada guidelines.¹²

Groceries	\$9,152 (\$176 per week)	Nutritious Food Basket Estimate, Toronto Public Health, 2019. Two adults (age 31-50), one preschool-age child (2-3), and one school-age child (4-13).
Food preparation supplies	\$303	"Plastic and foil supplies" and "Other paper supplies" in SHS, 2019. Ontario, couple households with children.
Multivitamin with 0.4 mg folic acid for female parents (if they are planning to become pregnant)	\$54	One A Day Women Multivitamin Tablets (90) from major Canadian store. One-year supply.

^a At the time of costing the Nutritious Food Basket Calculator was informed by Eating Well with Canada's Food Guide (2007). The Food Guide and Nutritious Food Basket have since been updated. This may affect the minimum cost of healthy eating in Toronto, although it is anticipated that the cost will not change significantly.

Cost estimates

2 Shelter: \$23,583 - \$47,020 per year

The shelter component includes three scenarios: *A*) owner of three-bedroom house in Mississauga; *B*) renter of a two-bedroom apartment in Toronto; and *C*) renter of three-bedroom apartment in Toronto. These three scenarios are included to reflect the variation in housing arrangements across the GTA as well as housing norms in urban and suburban regions.^{13,14} Two of these scenarios account for three bedrooms to ensure suitability for families who have children of the opposite sex (based on the Canada Mortgage and Housing Corporation's (CMHC) *Housing Standards*).¹⁵

For scenario A, mortgage payments, property taxes, and home insurance estimates were calculated using the average owner-estimated value of a three-bedroom detached, semi-detached, and row house in Mississauga in 2016, which is estimated to be \$580,633.¹⁶ An estimate from 2016 was used as it was the best publicly available data at the time of writing the report. Statistics Canada data also shows that over 40 per cent of first-time homebuyers in the Toronto CMA are under the age of 35,¹⁷ therefore it is reasonable to assume that the reference family purchased their first house before or around 2016. However, housing prices have risen significantly since 2016, therefore a family purchasing a house in Mississauga after 2016 would likely have much higher shelter costs than what is reflected here. The homeowner's insurance estimate is based on a low-end quote from Rates.ca¹⁸ for a semi-detached house bought in Mississauga in 2016. This house has a moderate walk score (i.e., a 50+/100 walk score from *WalkScore* real estate tool), which means some amenities can be reached by foot (i.e., parks, schools, shops).¹⁹

For scenarios B and C the rent estimates are based on the average 2020 rents for a two and three-bedroom apartment in the city of Toronto and are drawn from the CMHC's 2021 *Rental Market Report*.²⁰ It is assumed that maintenance costs, but not utility costs, are included in the rent. The tenant insurance estimates are based on low-end quotes for a two-bedroom, and three-bedroom high-rise apartment in Toronto that has a moderate walk score (i.e., 50+/100 walk score).¹⁹

For all three scenarios, costs for utilities, equipment, appliances, and furnishings are based on the average expenses of couples with children in Ontario (either owners or renters) and are drawn from the 2019 *SHS*.⁹

Scenario A: Owners, three-bedroom house in Mississauga: \$47,020 per year

Mortgage payments for three-bedroom house	\$30,864 (\$2,572 per month)	Estimate for three-bedroom house (detached, semi, or row) in Mississauga. Assume \$580,633 purchase price, 10% down payment, 25-year amortization period and 3% fixed, five-year interest rate. Canada Mortgage and Housing Corporation, Housing Calculator, 2021. ²¹
Utilities	\$4,073	“Water, fuel, and electricity for principal accommodation” in SHS, 2019. Ontario, owners with mortgage, couple households with two children.
Equipment and appliances	\$2,015	“Household equipment” in SHS, 2019. Ontario, owners with mortgage, couple households with two children.
Furnishings	\$1,854	“Household furnishings” in SHS, 2019. Ontario, owners with mortgage, couple households with two children.
Repairs and maintenance	\$2,498	“Repairs and maintenance” in SHS, 2019. Ontario, owners with mortgage, couple households with two children. Note -this excludes expenditures related to alterations and improvements as they are considered an increase in assets, rather than expenses. ²²
Property taxes	\$4,564	Estimate for three-bedroom house with property value of \$580,633 in Mississauga. WOVA Mississauga Property Tax Calculator, 2021. ²³
Homeowners insurance	\$1,152 (\$96 per month)	Quote for a three-bedroom semi-detached house in Mississauga. Assumes \$255,000 building coverage, \$30,000 personal property coverage, \$10,000 additional living expenses, \$1 million liability insurance, \$500 deductible. Square One Insurance.

Scenario B: Renters, three-bedroom apartment in city of Toronto: \$26,403 per year

Rent for three-bedroom apartment	\$22,752 (\$1,896 per month)	Average rent for private apartments with three or more bedrooms in the City of Toronto. Canada Mortgage and Housing Corporation, 2020. ²⁰
Utilities	\$1,688	“Water, fuel, and electricity for principal accommodation” in SHS, 2019. Ontario, renters, couple households with children.
Equipment and small appliances	\$504	“Household equipment” in SHS, 2019. Ontario, renters, couple households with children.
Furnishings	\$1,231	“Household furnishings” in SHS, 2019. Ontario, renters, couple households with children.
Tenant insurance	\$228 (\$19 per month)	Quote for three-bedroom high-rise apartment in Toronto. Assumes \$30,000 personal property insurance, \$5,000 additional living expenses, \$1 million liability insurance, and \$500 deductible. Square One Insurance.

Scenario C: Renters, large two-bedroom apartment in city of Toronto: \$23,583 per year

Rent for two-bedroom, 969 ft²/90 m² apartment	\$19,932 (\$1,661 per month)	Average rent for private apartments with two bedrooms in the City of Toronto. Canada Mortgage and Housing Corporation, 2020. ²⁰
Utilities	\$1,688	“Water, fuel, and electricity for principal accommodation” in SHS, 2019. Ontario, renters, couple households with children.
Equipment and small appliances	\$504	“Household equipment” in SHS, 2019. Ontario, renters, couple households with children.
Furnishings	\$1,231	“Household furnishings” in SHS, 2019. Ontario, renters, couples households with children.
Tenant insurance	\$228 (\$19 per month)	Quote for large two-bedroom high-rise apartment in Toronto. Assumes \$30,000 personal property insurance, \$5,000 additional living expenses, \$1 million liability insurance, and \$500 deductible. Square One Insurance.

Cost estimates

3 Transportation: \$11,706 - \$16,099 per year

The transportation component includes two scenarios: *A*) A two vehicle scenario in Mississauga; and *B*) a one vehicle scenario for Toronto. These two scenarios are included because survey data suggests there are distinct differences in vehicle ownership and use between suburban and urban areas of the GTA.²⁴ Parents who were interviewed for the *Thriving in the City for families: A framework for income and health* report⁵ also indicated that the need for vehicles varies based on access to other modes of transportation (i.e., public transit) and amenities, which tends to differ between suburban and urban regions of the GTA.

For both scenarios, vehicle costs are based on a used, 2015 Honda Civic LX model. A Honda Civic was selected as it is one of the top selling cars in Canada in 2019²⁵ and has good used vehicle safety ratings.²⁶ Car payments were calculated using the Autotraders.ca²⁷ payment calculator with the assumption that the parents have a good credit rating. Vehicle insurance costs are based on a low-end quote from Rates.ca¹⁸ for two 37-year-old drivers with over ten years of driving experience and no accidents or tickets. The *CAA Driving Costs Calculator*²⁸ was used to calculate maintenance and fuel costs. Average spending data and direct pricing was used to calculate other costs associated with driving, including parking, licence and registration fees, and child safety restraints.

In addition to driving costs, both scenarios account for public transit use. The two-vehicle scenario accounts for occasional public transit use for both parents and children, whereas the one-vehicle scenario accounts for a public transit pass for one parent and more frequent public transit use by the other parent and children compared to the two-car scenario. Costs are based on the listed fare prices of municipal transit agencies (i.e., MiWay²⁹ and TTC³⁰) and could be used for regional transit (i.e., GO Transit) instead, depending on the family's needs. Occasional taxi trips are also included for the one-car scenario (i.e., for when public transit is not available, during inclement weather etc.), and are based on the 2019 SHS.⁹

Scenario A: Two vehicles in Mississauga: \$16,099

Car payments, two vehicles	\$4,512 (\$376 per month)	Estimate for two used 2015 Honda Civic LX vehicles. Assumes purchase price of \$9,200, 10% down payment, 5-year term with 6.99% interest rate. Calculated using Autotraders.ca payment calculator.
Car insurance, two vehicles, two drivers	\$4,296 (\$358 per month)	Quote for two used 2015 Honda Civic LX vehicles, two drivers aged 37 in Mississauga. Standard Coverage, Pembridge Insurance.
License and registration, two vehicles, two drivers	\$276	Cost of Ontario licence plate sticker renewal fees for Southern Ontario (\$120 per year) and driver's license renewal (\$90 every 5 years) ³¹ for two drivers.
Car repairs and maintenance	\$2,952	Annual maintenance cost for two 2015 Honda Civic LX vehicles. Calculated using CAA Driving Costs Calculator, 2020.
Gas	\$3,415	Fuel cost per year (gas) for two 2015 Honda Civic LX vehicles. Assumes 20,000 km per year, 60% city mileage, 40% highway mileage, \$1.19/L fuel price. Calculated using CAA Driving Costs Calculator, 2020.
Safety restraints for children	\$134	Cosco convertible car seat (\$106) and booster seat (\$28) from major Canadian store. ³²
Occasional street or lot parking	\$419	"Parking (excluding parking fees included in rent and traffic and parking tickets)" in SHS, 2019. Ontario, couple households with two children.
Occasional public transit fare for adults	\$74	12-round-trip MiWay fares, split between two adults (\$3.10 for a one-way trip). Could also be used for GO transit trips (\$9 for a one-way trip).
Occasional public transit fare for children	\$21	6-round-trip MiWay fares for school-age child (\$1.75 for a one-way trip). Children ages 5 and under are free.

Scenario B: One vehicle in city of Toronto: \$11,706

Car payment, one vehicle	\$2,256 (\$188 per month)	Estimate for 2015 Honda Civic LX vehicle. Assumes purchase price of \$9,200, 10% down payment, 5-year term with 6.99% interest rate. Calculated using Autotraders.ca payment calculator.
Car insurance, one vehicle, two drivers	\$1,896 (\$158 per month)	Quote for one 2015 Honda Civic LX vehicle, two drivers aged 37 in Toronto. Standard Coverage, Pembridge Insurance.
License and registration, one vehicle, two drivers	\$156	Cost of Ontario licence plate sticker renewal fees for Southern Ontario (\$120 per year) and driver's license renewal (\$90 every five years) ³¹ for two drivers.
Car repairs and maintenance	\$1,476	Maintenance cost for 2015 Honda Civic LX vehicle calculated using CAA Driving Costs Calculator, 2020.
Gas	\$1,707	Fuel cost per year (gas) for 2015 Honda Civic LX vehicle. Assumes 20,000 km per year, 60% city mileage, 40% highway mileage, \$1.19/L fuel price. Calculated using CAA Driving Costs Calculator, 2020.
Safety restraints for children	\$134	Cosco car seat (\$106) and booster seat (\$28) from major Canadian store. ³²
Apartment parking	\$1,800 (\$150 per month)	Typical cost of renting an apartment parking spot in Toronto.
Occasional street or lot parking	\$419	"Parking (excluding parking fees included in rent and traffic and parking tickets)" in SHS, 2019. Ontario, couple households with two children.
Public transit pass, one adult	\$1,716 (\$143 per month)	12-Month TTC Pass for one adult.
Occasional public transit fare, other adult	\$77	12-round-trip TTC trips for one adult (\$3.20 for a one-way trip).
Occasional public transit fare for children	\$0	TTC is free for children ages 12 and under.
Occasional taxi fare	\$69	"Taxi (including tips)" in SHS, 2019. Ontario, couple households with children.

Cost estimates

4 Physical activity: \$1,483 per year

This component accounts for two adult memberships to a local recreation centre and organized physical activities for children to help families meet physical activity guidelines and achieve health benefits.³³ The cost estimate for two adult gym memberships is based on the rate of a City of Toronto Type B Fitness Centre Membership which provides access to a range of fitness classes and equipment at select City-run recreation centres and is comparable to the rate of a fitness membership through the City of Mississauga (\$484 per adult).^{34,35} The cost estimate for children’s physical activities is based on the cost of swimming lessons for a preschool-age child and recreational soccer for a school-age child in Toronto, which are also comparable in the price of activities in Mississauga. These activities were selected as research evidence on sport participation suggests they are popular physical activities among children in Canada.³⁶ However, they could be substituted for other vigorous physical activities such as basketball, baseball, dance, or karate.

Membership to local recreation centre, two adults	\$1,090	One-year, adult membership to City of Toronto Type B Fitness Centre (\$545 per adult).
Swimming lessons, preschool-age child	\$93	Nine-week, preschool swimming lessons at City of Toronto Type B Fitness Centre.
Recreational soccer league, school-age child	\$300	Typical cost of recreational (house league) soccer program in city of Toronto.

Cost estimates

5 Health care: \$5,353 per year

The health care component includes a comprehensive health insurance package to ensure families can meet their health care needs and follow Canadian recommendations for vision care,³⁷ dental care,³⁸ and prescription medication adherence.³⁹ The cost estimate for a comprehensive package is based on a quote from Manulife Insurance for a *ComboPlus Enhanced Plan*⁴⁰ for a healthy family with two adults (35 years) and two dependents (3 and 7 years). This plan includes enhanced coverage for prescription drugs, dental care, vision care, extended health care, and travel insurance (first nine days of each trip). The cost of over-the-counter drugs and other health products is also accounted for and is based on *SHS*, 2019.⁹

Extended health coverage, two adults, two children	\$4,908 (\$409 per month)	Quote for two healthy adults and dependents in Ontario. ComboPlus Enhanced Plan, Manulife insurance.
Over-the-counter drugs and other health products	\$445	"Non-prescribed medicines, pharmaceutical products, health care supplies and equipment" in <i>SHS</i> , 2019. Ontario, couple households with children.

Cost estimates

6 Personal care and hygiene: \$3,961 per year

The personal care and hygiene component includes a variety of items required to maintain physical health and facilitate social inclusion. The cost estimate for clothing is based on the Market Basket Measure clothing threshold for a family of four in the Toronto CMA, and includes clothing and footwear for work, school, and special occasions.⁴¹ All other cost estimates are based on the average expenses of Ontario families and are drawn from the 2019 SHS.⁹

Clothing	\$1,876	Clothing threshold. Market Basket Measure, 2019. Reference family of two adults and two children in the Toronto CMA. ⁴²
Haircuts	\$700	“Hair grooming services” in SHS, 2019. Ontario, couple households with two children.
Toiletries	\$1,111	“Personal care products” in SHS, 2019. Ontario, couple households with two children.
Laundry	\$62	“Laundromats, dry-cleaning, and laundry services” in SHS, 2019. Ontario, couple households with two children. Assumes family has a washer and dryer.
Household cleaning supplies	\$212	“Household cleaning supplies and equipment” in SHS, 2019. Ontario, couple households with two children.

Cost estimates

7 Social participation: \$10,035 per year

The social participation component includes a range of social and leisure activities that support well-being and allow families to connect with each other, family, friends, and their community. It includes hobbies, social outings, giving to others, telecommunication services, and travel. Many of the cost estimates are drawn from the 2019 SHS⁹ or are based on the direct listed prices of goods and services. The type and frequency of items were informed by previous *Thriving in the City* work^{2,4}, interviews with parents⁵ as well as survey data.

The frequency of restaurant and social outings is meant to allow for occasional outings throughout the year, for special occasions, and/or while on vacation. The occasional frequency of these items was informed through interviews with parents of young children in the GTA who explained that occasional, paid outings are important for family health and well-being, but could also be supplemented through low-to-no cost social activities (e.g., visiting and sharing meals with family and friends, going to the library, attending a community event). To account for some of the lower cost means of socializing with family and friends, this component also includes occasional food costs for hosting others.

For travel, annual domestic travel and occasional international travel are included. This is to account for the variation of preferences for travel destinations and durations reflected through travel survey data and interviews with parents. According to travel survey data, domestic travel is most common amongst Canadian residents.⁴³ However, there is a large population of first and second-generation immigrants in the GTA, and interviewed parents, as well as past *Thriving in the City* participants, communicated that it important for them to be able to visit family outside Canada. The cost estimate for international travel is based on the cost of a trip to the top three countries of birth for immigrants in the GTA – India, China, and the Philippines.⁸ The costs of flights and accommodations for these countries were averaged and divided by three to account for an international trip once every three years.

Books for adults and children	\$133	"Books and E-books (excluding school books)" in SHS, 2019. Ontario, couple households with two children.
Magazine or newspaper subscription for adults	\$203	One-year Toronto Star Digital Subscription, monthly payment option. ⁴⁴
Music downloads for adults and children	\$23	"Pre-recorded media, music downloads, and blank audio and video media" in SHS, 2019. Canada, couple households with two children.
Arts and crafts supplies for adults and children	\$56	"Art and craft material" in SHS, 2019. Canada, couple households with two children.
Blocks, puzzles, and games for children	\$289	"Children's toys" in SHS, 2019. Canada, couple households with two children.
Occasional restaurant outings	\$1,440	Cost of 18 meals out (one meal per month plus six meals for vacation) for a family of two adults and two children at a low-to-mid priced restaurant (\$80 per meal).

Occasional social outings	\$1,284	Cost of 12 social outings (one per month) for a family of two adults and two children. Based on tickets to Toronto Island (\$25); movie theatre (\$43); Ontario Science Centre (\$71); Toronto Zoo (\$96); Canada's Wonderland (\$190); children's concert (\$217). Multiplied by two to account for six other outings of similar or lesser cost.
Gifts	\$485	Average Canadians plan to spend on holiday gifts and gift cards, 2019. 2019 Deloitte Holiday Retail Outlook. ⁴⁵
Additional food for hosting	\$360	Cost of hosting family or friends at home once per month (\$30).
Charitable donations	\$638	"Charitable donations" in SHS, 2019. Ontario, couple households with two children.
Smartphone plan for two adults	\$1,080 (\$90 per month)	Rogers Infinite Plan – 15GB max speed, shareable data. ⁴⁶
Home internet	\$912 (\$76 per month)	TekSavvy DSL 50 unlimited plan (50/10Mbps). ⁵⁷
Basic cable or video streaming subscription	\$276 (\$23 per month)	TekSavvy TV Basic plan. ⁴⁷ Could also be used for video streaming subscription (e.g., Standard Netflix, \$15 per month)
Computer upgrade or repairs	\$85	"Rental, maintenance, repair, and services related to computers, phones, audio, video, and other electronic equipment" in SHS 2019. Ontario, couple households with children.
Local accommodation, six nights per year	\$878	Cost of accommodations at a three-star hotel room, Ottawa Ontario (\$125 per night plus taxes and fees).
International flight fare, accommodations, and additional travel insurance, once every three years	\$1,893 per year	Average of typical cost of round-trip airfare to India, China, and Philippines for four people. Google Flights ⁴⁸ (\$5,250). Average of typical cost of three-star hotel stay in India, China, and Philippines for seven nights. Google Hotels ⁴⁸ (\$400). Assumes the family will stay with family or friends for the remainder of the trip. Quote for Single Trip Emergency Medical (five days). Family Coverage, Manulife insurance (\$30). ⁴⁹ Other nine days covered by health insurance.

Cost estimates

8 Education and professional development: \$1,963 per year

The education and professional development component includes costs related to children’s participation in school activities as well as training and networking opportunities for parents. Costs related to children’s education are drawn from the 2019 SHS⁹ and align with the cost estimates of similar work, including the Living Wage.⁵⁰

Parents’ professional development costs include one continuing education course (price based on University of Toronto course)⁵¹ and an annual professional association membership (price based on a Toronto Board of Trade membership).⁵² These opportunities were selected as examples based on the previous *Thriving in the City* work² and Statistics Canada data on common occupations in the Toronto CMA.⁸ However, these costs could be allocated to different professional development opportunities based on parents’ careers and aspirations (e.g., courses at a college, professional memberships of lesser cost, certification, conference).

Schools supplies	\$235	“Textbooks and school supplies” in SHS, 2019. Ontario, couple households with two children.
Field trips, school photos, school activity fees, fundraising	\$138	“Other educational services” in SHS, 2019. Ontario, couple households with two children. This includes tutoring, outings and field trips, school application fees, textbook rental, and fees charged by the school for learning materials.
Continuing education or professional development course(s)	\$800	Typical cost of one continuing education course at the University of Toronto. Could also be allocated towards two continuing education courses offered through a Toronto-based college.
Professional association or trade association membership(s)	\$790	Annual individual membership to Toronto Board of Trade (example membership).

Cost estimates

9 Child care: \$18,267 per year

This component assumes that both parents work full-time and require child care for their preschool and school-age children. The cost estimates are based on daily rates specifically for licensed, non-profit child care and are drawn from a YMCA child care centre in Toronto which has similar rates to YMCA child care centres in Mississauga. The YMCA was selected as it is one of the largest licensed child care providers in the GTA with a curriculum designed to enhance children’s development.⁵³ It is also a non-profit provider which tends to be more affordable than for-profit providers.⁵⁴ While child care rates differ across the GTA based on the provider and type of care (i.e., profit/non-for-profit, licensed/unlicensed, home/centre-based)⁵⁴, this estimate provides a general sense of the cost of licensed, non-profit, centre-based child care in the GTA.

Full-time child care for the preschool-age child was calculated for 260 days (days per year minus the weekends). Before and after school care for the school-age child was calculated for 196 days (number of available school days in 2020-21).⁵⁵ And, full-day child care for the school-age child was calculated for 11 weeks of break care (i.e., March Break, Winter Break, Summer Break). It is assumed that the family will take a one-week of vacation together during a school break and will not require child care during that time. PA days are included within the before-and-after school care rate, therefore are not included as a separate, full-day child care cost.

Full-time licensed child care centre, preschool-age child	\$11,700	Cost of 260 days of care at a YMCA child care centre in Toronto (\$45 per day).
Before and after school care, school-age child	\$4,312	Cost of 196 days of care at a YMCA child care centre in Toronto (\$22 per day).
PA day and school break care, school-age child	\$2,255	Cost of 11 weeks of break care at a YMCA child care centre in Toronto (\$41 per day).

Cost estimates

10 Savings and debt: \$17,172 - \$22,738 per year

The savings and debt component includes cost estimates for general savings and retirement savings. The amount of general savings was informed by guidance from the Financial Consumer Agency of Canada.⁵⁶ It recommends saving three to six months of one’s expenses or income for emergencies (e.g., car breakdown, job loss, health issues).⁵⁷ It also suggests the common guidance of saving at least ten per cent of one’s take-home pay and more if possible.⁵⁸ Based on this guidance, ten per cent of overall expenses (i.e., the sum of all other categories) was calculated to be used for general savings. These general savings can be put towards a variety of short and long-term savings goals depending on the family’s needs and priorities. For example, it could be put towards building or maintaining their emergency fund, saving for major purchases, saving more for retirement, or saving for their children’s future education. Saving for children’s post-secondary education may be a particularly important saving goal for families. Many interviewed parents⁵ thought it was important to save for their children’s future education and expressed the desire to support their children financially if post-secondary education was pursued.

It is important that parents also save specifically for their retirement. Calculating how much to save for retirement is complex and varies based on a variety of individual factors such as the age you start saving, anticipated age of retirement, sources of income, and retirement spending. While there is no clear and consistent Canadian guidance on how much you should save, some financial institutions^{59,60} and the Centre for Retirement Research in the United States⁶¹ suggest saving 10-15 per cent of one’s take-home pay for retirement (assuming one starts saving in their mid 20’s). Therefore, an additional ten per cent of overall expenses was calculated for retirement savings. Further retirement savings may be required for those who rent as they do not have home equity to rely on for retirement. In this case, a greater proportion of one’s general savings could be allocated towards retirement savings.

The savings and debt component includes two scenarios: one for homeowners and one for renters. This is to account for differences in their expenses. Overall, both scenarios allocate 20 per cent of expenses to savings goals: ten per cent for the parents’ retirement savings, and ten per cent for the family’s general savings. This approach recognizes the range of savings priorities and needs of families while recognizing the importance of families having savings in order to be financially resilient and met current and future needs.

Scenario A: Homeowner in Mississauga: \$22,738

General savings	\$11,369	10% of total annual expenses.
Retirement savings	\$11,369	10% of total annual expenses.

Scenario B: Renter in city of Toronto: \$17,172

General savings	\$8,586	10% of total annual expenses.
Retirement savings	\$8,586	10% of total annual expenses. Additional savings may be required to account for lack of home equity.

Discussion

Based on the estimates in this report, the annual cost of thriving for a family of four in the GTA is estimated to be between \$103,032 - \$136,428 after-tax. This estimate accounts for the goods, resources, and services needed for a family to achieve good physical, mental, and socio-emotional health now and in the future. It includes costs related to ten components of health and well-being: food and nutrition, shelter, transportation, health care, personal care, physical activity, social participation, education and professional development, child care, and savings and debt. The most expensive costs are: 1) shelter; 2) savings and debt; and 3) child care. Collectively these three components make up over half the thriving income cost for families.

Compared to previous *Thriving in the City* costs for single working-age adults (\$46,186 - \$55,432 after-tax)² and older retired adults (\$32,947 and \$33,509 after-tax)⁴, the cost estimate for families is significantly higher. This is expected as it accounts for the distinct and collective health needs of four family members (e.g., larger housing, greater savings, child care). Compared to other income-related measures, including the MBM, and median after-tax income, the thriving income estimate was also found to be high. In 2019, the MBM for a family of four in the Toronto CMA was \$49,304⁴² and the median after-tax income for couple households with children was \$114,100.⁶² This shows that there is a large gap between the level of income needed to meet one's basic needs compared to one's health needs, and suggests that close to half of couple households with children in the GTA may not have enough income to thrive.

To thrive with our current social programs and safety net, one or both parents would need to earn substantially more than the minimum wage (\$14.25 per hour) with full-time hours (i.e., 37.5 hours per week). A parent who works in a full-time, minimum wage job would earn approximately \$27,788 per year before-tax. Two parents working minimum wage jobs would earn just \$55,575 per year before tax. Although they may receive considerable financial support from the government (e.g., the Canada Child Benefit), they would likely still fall short of the estimated income needed for a family of four to thrive. Even with a living wage of \$22 per hour⁶³ (\$85,800 per year), a family would still likely fall short of a thriving income, and may not be able meet all their health needs.

Increases to the minimum wage and an expansion of government-provided direct income supports would help more families reach a thriving income. But thriving could also be achieved through enhanced investments by multiple actors – all levels of government, employers, institutions, and communities – in resources, services, and benefits that improve the health and well-being of families while reducing family expenses. For example, ensuring affordable, quality housing and child care would reduce two of the greatest expenses for families. If all employers provided employees with comprehensive health benefits and professional development opportunities, parents would no longer have to pay for these expenses out of pocket. Reducing or eliminating tuition costs, as well as providing lower-income students with bursaries, would reduce the amount parents need to save for their children's education. Enhancements to retirement security programs would reduce the need to self-fund retirement. And the expansion of safe, affordable, and accessible amenities by municipal governments (e.g., parks, libraries, community centres) could help to decrease family spending on recreation, leisure, and physical activity.

Moving forward there is a need to further consider and discuss how various programs and policies can be improved to support the health and well-being of families. The *Thriving in the City* work can help us to do so. By identifying and costing the goods, resources, and services needed for a family to be healthy in the GTA, it provides a shared understanding of the resources needed for family health and well-being. Further, it helps us to understand where we are currently at and where we need to go in order for all families to thrive. Governments, employers, institutions, and communities all have a role to play. Through the investments, contributions, and support of all actors we can advance towards a reality where all families are healthy – and this, rather than the minimum necessity, should be our shared goal.

Limitations

The *Thriving in the City for families* estimate is based on a reference family of four living in the GTA, without any disabilities or chronic health conditions. This does not capture the diversity of families in the GTA, but it is a start to understanding the level of income families need to be healthy and thrive. The estimate is also reflective of current costs, context, and trends in the GTA (2020-21). Costs and contexts change over time; therefore, this estimate will need to be updated in subsequent years to be reflective of the cost of thriving. The cost of some items may also vary based on personal preferences (i.e., type of vehicle, number of social outings, destination for vacation). However, such preferences are expected to have a limited impact on the cost estimate as they tend to represent a small proportion of the total cost.

Conclusion

Through costing the goods, resources, and services needed for a family to be healthy in the GTA, it is estimated that families need between \$103,032 - \$136,428 after-tax to thrive. This is a considerable amount of financial resource that close to half of families in the GTA may not have. As such, there is a need to further consider and discuss how programs and policies can be improved to support the health and well-being of families through income and other means (e.g., increasing affordability of goods and resources, expansion of public programs, benefits, and amenities). As highlighted in Wellesley Institute's previous *Thriving in the City* work, the responsibility for supporting families' ability to thrive can be shared between individuals, employers, communities, institutions, and government. Through the involvement and action of multiple and diverse actors we can ensure that all families have the opportunity to be healthy.

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