

## New Estimates of the Value of Unpaid Household Work for Canada, 2015-2019

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Measuring the economic performance or wellbeing of a country is not a simple task. While core economic measures, like Gross Domestic Product (GDP) and labour productivity often get a lot of attention in the news, researchers and economists have long been advocating for more comprehensive and nuanced measures that take into account issues such as income and wealth inequality, pay gaps, and the contribution of unpaid productive activities, like household work.

Statistics Canada has taken a step forward to advance the measurement and valuation of the System of National Accounts (SNA) by producing updated estimates of the economic value of unpaid household work in Canada for 2015 to 2019. The concepts, sources and methods used in this study follow international guidelines and proposals for estimating the economic value of unpaid household work and are aligned with the general measurement approaches used within the System of National Accounts 2008 (SNA 2008).

While the estimates produced in this study are broadly consistent with previous studies done by Statistics Canada to measure unpaid household work, some enhancements to the valuation approaches were made in order to improve alignment with international guidelines and to include comprehensive representation of wage rates in the country.

The study includes both the opportunity cost and replacement cost valuations for measuring unpaid household work and highlights how differences between the results can signal inequalities in the economic value assigned to different sexes, jobs, and activities within a society. The study also includes some estimates and discussion surrounding the sensitivity of wage rates used, in particular the decision to use specialist wage rates as opposed to a generalist wage rate in estimating replacement costs. The study provides a good overview of the different measurement approaches and it could be used to develop further international guidance around which occupations to use in valuing unpaid household work.

While there is no doubt that the day to day tasks that people do, such as cleaning, cooking, and caring for dependent children and adults, are productive activities, assigning economic importance to these things can be challenging as they are often done outside of the market and therefore do not have an observable monetary value. Taking effort to estimate monetary value for the unpaid household activities that we all do each day is important for understanding the true economic

output or performance of a country and for highlighting inequalities within the society, such as gender pay gaps and the contribution of various domestic and caregiving activities between sexes, which are often invisible to the broader society.

The Covid-19 pandemic has heightened the need for broader measures of economic performance and well-being. In particular it has highlighted how important household and domestic activities are to the overall functioning of the Canadian society and economy, and to the well-being of individuals and households. The way we spend our time, the division of household work, as well as the balancing of work and caregiving activities have changed since the start of the pandemic. Although this study does not include estimates for the pandemic period, it provides a good pre-pandemic baseline of the value of unpaid household work which we can be compared with pandemic and post-pandemic data as it becomes available.

By providing timely estimates of the economic value of unpaid household work, this study aids the discussion surrounding inclusive economic performance and inequalities in the assigned economic value of certain people, jobs and activities in society. Furthermore, the study can be used as an example of how national statistical agencies can advance the measurement and valuation of the SNA by indicators of inclusive economic performance and broader socio-economic well-being.