How Households Obtain Resources to Meet their Needs: The Shifting Mix of Cash and Non-Cash Sources

A Research Paper by

J. David Hulchanski, PhD
Joseph H. Michalski, PhD
Faculty of Social Work, University of Toronto

Prepared for the

Ontario Human Rights Commission

Background Paper #1

March 1994

Contents

The Authors

Dr. J. David Hulchanski is a professor of housing policy and community development at the University of Toronto's Faculty of Social Work and a Research Associate with the U of T's Centre for Urban and Community Studies. He was Director of the University of British Columbia's Centre for Human Settlements (1986-1991) and a professor of community planning and housing policy at UBC's School of Community and Regional Planning (1983-1991). Professor Hulchanski is the North American editor of the international journal *Housing Studies*. He is a member of the Canadian Institute of Planners and the Ontario Professional Planners Institute. His PhD is in urban and regional planning.

Dr. Joseph H. Michalski is a part-time instructor at the University of Toronto's Faculty of Social Work teaching courses in research methodology. His current research, funded by the Social Sciences and Humanities Research Council of Canada, examines the relationship between formal and informal economic sectors and the manner in which households secure their welfare. He holds a PhD in sociology from the University of Virginia. He has taught courses in social welfare and social research at the University of Virginia and James Madison University.

Research on Minimum Income Criteria for the Ontario Human Rights Commission

This is one of three research papers prepared for the Ontario Human Rights Commission on the use of minimum income criteria in tenant selection in Ontario's rental housing market. This is Background Paper #1.

The main report is:

> *Discrimination in Ontario's Rental Housing Market:*
> *The Role of Minimum Income Criteria,* by J. David Hulchanski

Background Paper #2 is:

> *The Use of Housing Expenditure-to-Income Ratios:*
> *Origins, Evolution and Implications*, by J. David Hulchanski

Introduction

In the market-based economies of western nations, the issue of securing adequate cash to obtain necessities in the marketplace has dominated theoretical and practical discussions of the manner by which households ensure, or fail to ensure, their survival and well-being. The *cash income* requirement has come to be seen as *the* method by which a household meets its needs. The lack of income or a low income relative to other households serves as the predominant method by which the public sector measures the need for social services, particularly income support. It is also the method used by the public and private sectors in defining “affordability” measures -- various “rules of thumb” about whether a household can afford to buy or rent housing.

While it is generally recognized that income, as a concept, is much more complex than just the sum of cash income sources, both theory and day-to-day practice often require the use of simplifying assumptions. The more inclusive definition of income refers to the total amount of *cash*, of *goods*, and of *services* received in a given period of time. It is, however, the money income and the cash resources which are easiest to measure and to use as indicators of need and affordability. This paper questions the conventional simplifying assumption that cash income appropriately measures a household's resources for meeting its needs.

Since households do not exist in isolation from the broader forms of societal organization, formal economic relations in the cash-based marketplace are but one method for meeting needs. While the reliance on the market may be quite extensive in western, advanced-industrial economies, households by no means rely exclusively upon financial resources in the marketplace to secure access to the goods and services they need. We suggest it is more appropriate for the public and private sectors to recognize that *a household's total resources consist of a range of sources and strategies for meeting needs*.

The first part of this paper focuses on the inadequacy of the conventional simplifying assumption which leads to various “rules of thumb” about need and affordability. Rather than the relatively simple concept of “household income” and the “household budget,” the concept of “total household resources” offers a more accurate method for describing and assessing the ability of a household to obtain life's necessities. The second part of the paper then outlines a typology of five economic spheres through which households can obtain cash and non-cash resources for meeting their needs. The five are:

(1) *the domestic economy*, internal to the household;
(2) *the informal economy,* the extended family and close acquaintances;
(3) *the social economy*, neighbourhood and community-based groups;
(4) *the market economy,* the formal marketplace; and
(5) *the state economy*, government.

This typology is drawn from the vast body of theory and research about how people meet their needs. The empirical evidence related to each of these economic spheres is reviewed in part three of the paper.

The fourth part uses household expenditure on housing as a case study. For many renter households and households with mortgages, the largest single cash outlay each month is the rent or mortgage payment. It is thus not only the largest budget category for most households, but it also must be paid in cash. Non-cash resources can only rarely be used in paying the rent, such as in the case of an agreement between the landlord and tenant to serve as the building's superintendent or carry out some share of maintenance in lieu of some or all of the monthly rent payment. The question here is whether any “rule of thumb” about a household's cash resources can serve as a valid indicator of the ability to pay rent.

The paper concludes with consideration of the policy implications of the “total household's resources” conceptualization of how households meet their basic needs. Policy here refers to public policy, such as the determination of appropriate levels for social assistance cash transfers, as well as the policy and procedures of private sector firms used in assessing “affordability.” Private firms, such as owners/managers of rental housing, in their dealings with lower and moderate income households, have policies based on various assumptions and "rules" about the adequacy of the cash income of households. The implication of the evidence that households meet their basic needs by shifting between the use of cash and non-cash resources and by drawing on all the economic spheres to which they have access, means that simple "rules of thumb," even when combined with other measures, are not valid and reliable measures of ability to pay. Furthermore, the use of such "rules" benefits higher than average income households which have significant cash resources and thereby easily satisfy the cash income criteria currently in use. Erroneous assumptions about their ability to pay result from the application of such measures and harms the well-being of lower than average income households by excluding them from certain options.

This paper does not address the equity and fairness issues associated with the need and ability of lower than average income households to forego some necessities and to go to great lengths to conserve cash resources for budget items requiring cash (such as the monthly rent payment). Higher than average income households seldom need to draw upon their non-cash resources for meeting their needs. In market economies, money may not buy happiness, but it does buy the full range of material resources required to meet a household's basic needs -- allowing individuals within relatively wealthier households to get on with the satisfaction of other needs, wants, and desires.

1. Concepts: "Household Budgets" vs "Total Household Resources"

1.1 Household Budgeting to Meet Basic Needs

The fundamental social unit in most social science analysis related to housing is the household. For our purposes we use the standard census definition of a household as a person or a group of persons occupying one dwelling unit (Statistics Canada, 1991). A dwelling unit is defined as a structurally separate set of living premises with a private entrance from outside the building or from a common hallway or stairway inside. A private dwelling unit is one in which a person, a family or other small group of individuals may reside, such as a single house or apartment. There are three basic types of private households: (i) a one-person household where the dwelling is occupied by one resident; (ii) a single-family household where the entire household is comprised of a single economic family, which is a group of individuals related by blood, marriage or adoption (there are no unrelated individuals living in that dwelling); and (iii) a multi-unit household that includes any household formed by two or more unrelated persons (unattached individuals), by two or more economic families, or by any combination of families and unattached individuals.

As individual independent units of consumption in a market society, households need to secure financial (i.e., cash) resources to obtain life's necessities. The principal means by which most households acquire their financial resources involves the sale of the household's human labour for cash. In fact, 70% of Canadians aged 15 years and older reported at least some *employment* income in 1990, with a median income of $20,486 (Statistics Canada, 1993a:68). Since these figures include many individuals (e.g., teenagers) who generally are *not* responsible for meeting their basic needs, the percentage would be considerably higher if only primary "breadwinners" were counted. Furthermore, those Canadians who reported income of *any* type included 91.2% of the population 15 years and over (Statistics Canada, 1993a:12).

These statistics clearly confirm the importance of cash as a medium of human exchange in Canadian society. Whatever other functions a market economy might serve, cash income allows households to secure the necessities of life.

The question of what constitutes "basic needs" invites further debate (cf. Doyal and Gough, 1991), although most can agree on the general parameters. Mingione (1983) classifies the "principal subsistence needs," or those essential to household reproduction, as housing, food, clothing, transportation, health, and recreation. The Social Planning Council of Metropolitan Toronto (1991) has identified these same categories plus a section for "personal care." Such bread-basket approaches to human needs have been perhaps the most common, wherein the total costs of these key items are related to a family or household income to determine their relative level of well-being or poverty. According to Duncan (1984:45):

> Poverty has been defined as a state in which resources are insufficient to meet basic needs. In turn, the definition of basic needs is primarily a function of family size and society's judgement about what constitutes a minimal living standard for families of different sizes, while the definition of resources is primarily a function of the cash income and noncash (in-kind) benefits received by family members.

Duncan's comments imply that the standards pertaining to the satisfaction of basic needs can vary cross-culturally and historically, which suggests further that the idea of defining minimum requirements has a certain degree of arbitrariness (cf. Fourastie, 1960; Sen, 1981). Governments nevertheless define some baseline figure of an adequate standard of living -- and what constitutes poverty -- for purposes of public policy. In the United States, that measure has been a threshold relating family income to some multiple of the cost of a nutritionally adequate diet for a family of a particular size and composition (Congressional Budget Office, 1985). In Canada, the government introduced the concept of "low income cut-offs" (LICOs) based on income data and family expenditure patterns. Families spending at least 20% more of their income on food, shelter, and clothing than the "average" Canadian family were considered to be financially strained. While the proportion spent on these basic necessities has changed over the years, the 20% difference criterion has remained intact and LICOs have been adjusted to account for different family sizes, degrees of urbanization, and changes in the Consumer Price Index (Statistics Canada, 1993a:268).

Thus the concept of *household income* serves as a building block both within conventional economic analysis and public policy debate (especially regarding the redistributive role of government). For our purposes, again, the census definition is adequate: "Household income is defined to consist of incomes received by all individuals 15 years of age and over who at the time of the survey formed one household." Individual income "consists of all money income receipts from the following sources: wages and salaries (before deductions for taxes, pensions, etc.), military pay allowances, net income from self-employment (including net income from farming, independent professional practice, and roomers and boarders), investment income (such as interest, dividends and rental income), government transfer payments (such as family allowances, old age security pension, retirement pensions, annuities and superannuation), and miscellaneous income (such as scholarships, alimony, etc.)" (Statistics Canada, 1991:21). Although income may be defined in a more inclusive fashion as the amount of funds, goods and services received in a given period of time, it is the money income, the cash resources, which are more readily measured. Much analysis, therefore, leaves behind the more inclusive definition and proceeds empirically with the cash income of the household.

This practical compromise has resulted in the concept of the "household budget," which is widely used in the public and private sectors for identifying a comprehensive list of a household's basic needs and for assessing its ability to pay for these. The Social Planning Council of Metropolitan Toronto (SPC), for example, has been compiling guidelines for family spending and living costs throughout the post-war era. The SPC's *Family Budgeting* guidelines provide: (i) "a reference on adequate standards of living for specific categories of family expenditures" intended for use by social agencies in money management counselling; (ii) "a statement of standards and costs" by which government agencies can assess the "adequacy of their programs;" (iii) "a basis for minimum adequate rates of social assistance;" and (iv) "a reference for social and health agencies in setting equitable fees" (SPC, 1991:5-6). Variations of the household budget are used in many ways in the private sector. The focus on the cash definition of household "income" thereby reinforces the logic that households have finite *cash* resources and that these must be properly allocated to meet their consumption needs within specific time frames (e.g., month-to-month). From such a perspective, the fiscally responsible household is one that enjoys a surplus or at least balances its books with respect to cash income and cash expenditures. "Rules of thumb" about what households *ought* to be paying for certain major expenditure categories form the basis of a great deal of public and private policy decisions about need and "affordability." This is particularly the case with the largest budget item for most households: housing.

1.2 The Household Budget and Housing Expenditures

Cross-national research has shown consistently that housing expenditure is the single largest budget item for households, a pattern replicated in Canada (Statistics Canada, 1992a; Social Assistance Review Committee, 1988:59). Statistics Canada (1992a) periodically surveys a sample of the population periodically to assess the distribution of their household expenditures for virtually every category of expense imaginable. Their latest national survey indicates that household spending for shelter consumed 17.9% of the household budget in 1992 (cf. Statistics Canada, 1994a). These "shelter costs" include payments for utilities, municipal services, and either mortgages (and property taxes) or rents. The figure compares favourably with the 1990 survey of selected metropolitan areas, which found that shelter costs accounted for 17.3% of households' expenditures (Statistics Canada, 1992a). The percentages varied in relation to the household's tenure status, such that shelter expenses totalled 19.8% of total spending for renters, 18.8% of homeowners with a mortgage, and 11.7% for homeowners without a mortgage.

A common "rule of thumb" regarding household budgets states that households should not spend more than about 30% of their income on housing expenditures. The figures cited in the preceding paragraph indicate that the "average" Canadian household tends to spend proportionately less than the 30% criterion. The aggregate data would *appear* to lend some empirical justification to the 30% rule. By the same token, however, the evidence indicates that households vary in the proportion of their income earmarked for shelter costs such that a strict reliance upon "average" figures distorts the reality of many Canadian households. Statistical means, which can be helpful as one type of descriptive or trend measure, homogenize the population of households by eliminating dispersion or variation along the characteristic(s) of interest (hence most journal articles tend to publish both means and standard deviations). Furthermore, such descriptive measures oversimplify a complex reality by isolating the characteristic from other potentially influential factors. For example, one factor that has relevance for shelter costs -- housing status -- has already been mentioned.

The general pattern of tenants spending proportionately more of their income on housing than homeowners receives empirical support. Yet homeowners with mortgages often have to spend a substantial proportion of their household income on shelter costs as well. In fact, whatever the absolute "average" spent on housing (17-18% in Canada), the majority of renters and owners with mortgages spend *more* than that. The lower mean percentage of household income spent on housing stems from the fact that the vast majority (89%) of the nearly 3 million households without mortgages spend *less* than 20% (Statistics Canada, 1991 Census).

An even more interesting trend concerns the proportion of households who defy the "rule of thumb" mandate by spending at least 30% of their household income on for shelter costs (cf. Bird, 1990). Among tenant households in Canada, 35% exceeded the 30% rule, while another 25% of owners with mortgages behaved in similar fashion in 1990. Stated another way, more than 30% of these nearly 6.8 million households violated the 30% rule. In total, approximately 2.2 million Canadian households reported spending at least 30% of their household income on housing costs.

This data gives us pause to consider how budgets are managed and how basic needs are met, especially by the more than 900,000 Canadian households spending *at least 50%* of their income on shelter costs. Other basic necessities such as food, clothing, transportation, and health care consume more than 30% of household expenditures across Canada, not to mention the 22.5% used to pay personal taxes (Statistics Canada, 1992a). These cumulative percentages already exceed 100% of the total household budget -- without considering other "luxuries" such as personal care, recreation, reading materials, education, alcohol and tobacco, gifts, security savings, and other miscellaneous expenditures. The question of *how households obtain resources to meet their needs* appears all the more perplexing in light of the financial constraints imposed by proportionately higher housing costs. The conundrum cannot be resolved by appealing to a purely economic logic, as the following discussion demonstrates.

1.3 Some Limitations of Neo-Classical Economic Analysis

As Blaug (1992:220-221) notes in his review of the methodology of economics, neo-classical economic theory views the family (or any multi-person household unit) as a one-person household, maximizing a utility function defined by goods and services bought in the marketplace. Most theory about the household (even in disciplines other than conventional economics) adheres to methodological individualism and the rationalistic notion that all household decisions, including the very decision to constitute a family unit, are the result of a conscious weighing of alternatives. The rationality postulate, the most fundamental building block of neo-classical economics, refers to *individual* motivation, with a multi-person household treated as one person who generally reacts to circumstances in the same basic manner (cf. Prais and Houthakker, 1971:8). In common language, “rationality means acting with good reasons and with as much information as possible or, in somewhat more formal terms, consistently applying adequate means to achieve well-specified ends” (Blaug, 1992:229). The irony is that the behaviour in which this approach is interested does not concern the behaviour of an individual household, but rather the behaviour of aggregates of consumers and producers in different markets. The problem of aggregation is waived off by the assumption that all individuals are alike and therefore have the same utility function (Blaug, 1992:231-232). Such logic leads to the simplifying assumption that the expenditure of household income (in practical terms, cash income) in the marketplace represents the main means by which a household obtains resources to meet its needs.

This conventional wisdom has powerful appeal due to its simplicity and elegance. But more than this, there is an implicit value judgement being supported, and in effect, advocated. The basic logic of the simplifying assumption -- that household cash income represents the main means by which a household acquires resources -- reinforces many of the core values that underlie the organization and the key institutions of market economies: the *efficiency* of exchange by cash transactions, the *autonomy* to choose work and to allocate resources as one believes appropriate or necessary, the *competitive drive* to work harder and wiser in order to secure resources above and beyond basic survival, and the emphasis on *individual self-reliance* to provide for one's well-being and that of one's dependents. In short, the values associated with the economic behaviour of a financially “rational” and “successful” household parallels and reinforces the logic and underlying values of the organization and institutions of the market economy. There is a nice fit, at least at the level of theory, beliefs and values, between this market conceptualization of the household and the conventional view of the economic system.

Households, however, do not exist in isolation from the broader forms of societal organization. Economic relations in the marketplace are but one method for securing life's necessities. While the reliance on the market may be quite extensive in advanced western market-based economies, households by no means rely exclusively upon financial resources in the marketplace to secure access to and the consumption of the goods and services they need and desire. "Total household resources" consist of a range of sources and strategies for meeting needs, which includes the cash income of the household, but also much more. There are several potential sources for both the cash and the non-cash portions of a household's resources. There is, furthermore, an ever shifting mix in the relative importance of each of these cash and non-cash sources. Rather than the relatively simple concept of "household income" and the "household budget," the concept of "total household resources" offers a richer and more accurate method for describing and assessing the ability of a household to obtain life's necessities.

What is the range of potential cash and non-cash sources which make up total household resources? In addition to selling household labour in the marketplace and buying goods and services with the cash obtained, there are family and friends, government, and community sources. The relationships of these different spheres to one another and the types of exchanges that occur between them call for a considerably more complex analysis than the conventional focus on just the cash transactions. Though the market transactions may indeed be the dominant manner in which households sustain themselves, the other sources play vitally important roles and provide flexibility when cash resources are limited. A more adequate theory and description of how households obtain resources to meet their needs, therefore, requires a fuller examination of the alternative cash and non-cash sources which comprise total household resources.

2. Theory: The Range of Options by which Households Meet their Needs

Analysts from several disciplines have studied the patterns of household production and reproduction for many years in societies at different levels of economic development (Ferman, Berndt, and Henry, 1993). At the most fundamental level, one can imagine a single-person household or one household of any type establishing a residence in complete isolation from other social life. In the extreme, the household produces the entire range of resources deemed necessary and distributes these to the individual members, who then consume sufficient amounts to ensure their basic needs are met and hence achieve some level of well-being (cf. Magrabi, Chung, Cha, and Yang, 1991). In a limited fashion, every household participates in some form of unilateral production, distribution, consumption, and social reproduction of the type just mentioned. Such "self-reliance" has declined in response to the imperatives of urbanized and industrialized society: the division of labour, technological innovations, specialization, growth in the use of cash and credit, improved transportation, and a host of other factors. These have resulted in the growth of the market as a key mechanism -- but not the only mechanism -- for guiding the ebb and flow of economic life.

The manner in which households obtain resources to meet their basic needs in advanced-industrial societies includes both the *market economy* (labour for cash, cash for goods and services) and the *domestic economy* of household production activities. Yet even this description of how households meet their basic needs grossly oversimplifies social reality. Quite apart from domestic production and market exchanges, a variety of extra-household and non-market sources influence the manner in which households obtain their resources. These additional sources include the *informal economy* of kith and kin, the *social economy* of the community that encompasses the household, and the *state economy*, or the government's capacity for production and (re)distribution. Mingione (1983:314) similarly argued that "services provided free of charge or at a political price by the state, and various forms of private or public assistance and solidarity, like gifts or charity from relatives or friends, unions or associations" should be considered in a more comprehensive assessment of how households meet their subsistence demands. A household can even meet subsistence needs through inheritance or direct capital expenditure.

Households certainly vary in the extent of their social relations and the intensity of interaction within each of these realms, but to understand the nature of how households ensure their survival and well-being requires an examination of the shifting mix of cash and non-cash sources of support. In short, there are several means by which households may obtain their resources, including both internal and external forms of production and exchange. A typology of the general spheres of economic activity and their accompanying sources of social welfare provision appears in Table 1.

Five distinct economic spheres are identified that arguably capture the entire array of the sources of productive activities and resource exchanges. These spheres are not arbitrarily chosen, but rather are based upon a reconceptualization of the long-standing debates about the fundamental bases of economic activity (cf. Dallago, 1990; Ferman, Berndt, and Henry, 1993; Gershuny, 1979; Gershuny and Miles, 1983; Offe and Heinze, 1992; Pahl, 1984; Redclift and Mingione, 1985). Scholars have attempted to divide economic activity into discrete spheres both for analytical and empirical purposes. Among the many different typologies that have been advanced, some of the more common include the divisions between and among *formal* and *informal economy* (e.g., Rosanvallon, 1980; compare Connolly, 1985), *official*, *unofficial*, and *domestic economy* (e.g., Rose, 1985), *formal*, *underground*, and *household economy* (e.g., Gershuny, 1979) *wage* (including both official and unofficial), *domestic*, and *non-household spheres of work* (e.g., Pahl and Wallace, 1985) and *regular*, *informal*, *irregular*, and *criminal economies* (e.g., Dallago, 1990).

Table 1

A Typology of the Sources of Economic Activities and Welfare Provision

Economic Sphere	**Social Sphere**	**Actors**	***Examples of*** **Unilateral Resource (Welfare) Exchange**	***Examples of*** **Bilateral Resource (Wealth) Exchange**
1. Domestic Allowance Economy	Household	Individual Nuclear Family Co-habitants	Cash: Inheritance Noncash: Child Care	Cash: Noncash: Child Labor
2. Informal Economy	Kith and Kin	Extended Family Friendships Acquaintances	Cash: Gifts Noncash: Informal Help	Cash: Loans/Interest Noncash: Trading
3. Social Society	Civil Society	Neighborhood Associations Charitable Organizations Collectives/Cooperatives	Cash: Voluntary Donations Noncash: Community Service	Cash: Tax Benefits Noncash: Small Goods
4. Market Economy	Marketplace	Businesses Companies	Cash: Pension Noncash: Company Perks	Cash: Paycheck Noncash: Maintenance
5. State Economy	Government	Legislators Public Servants Agencies	Cash: Tax Deductions Noncash: In-Kind Services	Cash: Unemployment Noncash: Infrastructure

SOURCE: Compiled by J.D. Hulchanski and J.H. Michalski, March 1994.

The typology presented in Table 1 highlights several key components that underlie the present reconceptualization. Most important, each of the spheres identified encompasses a corresponding *social sphere* of relations with particular actors. The conceptual framework reinforces the notion that the economics of social life cannot be divorced from some consideration of the social structure and organization of production processes and the actors who are involved in creating and sustaining these arrangements (cf. Cornuel and Duriez, 1985; Michalski, 1993). For instance, if the locus of production was situated entirely within the household or the *domestic economy*, then that would imply a distinct social structure of human interaction. The domestic economy in the pure form consists of a self-sustaining household that does not participate in any type of external exchange with other economic or social spheres. Whatever the human composition of the household, these individuals engage exclusively in unilateral or bilateral exchanges of resources.

Such reasoning further implies that both wealth and welfare exchanges can be viewed as *complementary* rather than antagonistic processes. Indeed, in the case of the social unit consisting of one individual (the simplest household) which produces all the resources consumed, then the distinction between wealth and welfare disappears altogether. The economic activities in which that individual engages ideally supply him or her with sufficient resources to ensure survival (at some level of comfort), thus obviating the distinction between wealth and welfare production.

Although welfare can have a variety of definitions and apply to different conditions of being, in terms of economic activities and the production of basic material necessities, “welfare” simply refers to any type of unilateral transfer of resources between human actors. Whatever the underlying rationale or motivation (obligation, altruism, guilt, control, etc.), one social entity provides another with resources that in principle are consumed to help enhance or ensure survival. If the transfer entails some type of reciprocity in the form of a bilateral exchange, then the resources constitute a type of “wealth” with an implicit social value that transcends an exclusive focus upon human survival.

Households are not usually the self-contained entities described above, but rather interact to some degree with multiple economic and social spheres. Households secure their basic needs through a combination of "internal" domestic labour geared toward daily self-maintenance and "external" market and non-market transactions in an economy predicated upon, but not limited to, the exchange of labour for cash and cash for resources. The predominance of the cash nexus requires that virtually every household must enter into external exchanges to varying degrees to purchase basic necessities which have been commodified in the modern world (cf. Esping-Andersen, 1990). As indicated in the typology, these other economic spheres include the informal, social, market, and state economies. The resources exchanged within any of these spheres may either be the *cash* or *non-cash* variety; hence that factor does *not* adequately differentiate among the different spheres. Once more, the economies are distinguished primarily by the corresponding social spheres that are implicated, or the social relationships that are maintained wherever individual households engage in exchanges of wealth and welfare.

The five economies are explored further in the next chapter, along with some of the empirical data pertaining to these economies in the Canadian context. For analytical purposes, these spheres have been distinguished as "ideal types," each encompassing a unique social sphere and set of exchange relations. In reality, the spheres tend to overlap in such large measure that any attempt to draw sharp boundaries may prove futile. Yet such an attempt still has merit, especially in light of the fact that boundaries *are* drawn in computing composite measures of the social economy (such as total charitable contributions) or the market economy (such as gross domestic product).

3. Evidence: The Patterns by which Households Obtain Resources

The following discussion highlights the inter-relationship between the economic and social spheres in producing and distributing the basic resources that households obtain for their survival. Although sociologists have tended to focus on the expressive components of the household at the expense of the productive dimension (see Berk, 1985:130), most economic analyses have been equally guilty of stressing an economic paradigm to the exclusion of the "social." In effect, the "non-rational" bases for production and exchange have been sacrificed to the shrine of market logic and utility maximization. Issues such as informal support networks, cultural expectations, gender inequality, and prejudice and discrimination tend to be ignored in evaluating the manner in which households obtain resources to meet their needs. In short, the conditions under which households increase or decrease domestic productivity, as well as the extent to which households multiply or restrict external exchanges are highly variable and subject to a variety of non-economic factors. The analysis presented here does not purport to advance a general theory of these matters, but rather attempts to document the empirical complexity of the multiple economies into which households can and do enter into relationships to obtain essential resources.

3.1 The Five Economies

Domestic Economy

The most basic unit of production historically and cross-culturally has been the household. Indeed, Rose (1985) argues that the *domestic economy* has been the dominant source of goods and services consumed by household members throughout history. The changes wrought by the social reorganization of production that accompanied industrialization have reduced the importance of the household as a resource-generating entity. Yet to argue that households no longer obtain resources to meet needs through their own efforts defies both common sense and the available empirical evidence.

In the first place, many domestic services and household maintenance tasks continue to be performed by individuals on a daily basis. Mingione (1983) describes such work as labour for self-consumption, or the range of activities (such as cooking, cleaning, mending, etc.) in which most households engage on a regular basis. Eisner (1989:12) points out that "...the value of nonmarket household product, if it were purchased on the market, would be huge." As an example, despite the growth of the fast-food industry, most meals continue to be prepared by individuals for themselves and other household members (cf. Statistics Canada, 1992b). Only a tiny fraction of the population can afford (or would be willing) to surrender completely the chore of daily food preparation to outside paid labour. Although most households in Western nations no longer produce the essential foodstuffs consumed, the labour involved in preparing meals has been shifted to non-household sources to only a limited degree (Evers, Clauss, and Wong, 1984).

In empirical terms, the total value of the domestic economy cannot be as readily computed as in the case of the formal economy in which national income accounts measure outputs through standardized techniques (cf. Eisner, 1989; Hawrylyshyn, 1976). Analysts have great difficulty in translating the activities of the domestic economy into quantifiable values in part because household goods and services are neither recorded in government departments nor involve (in most cases) the exchange of cash (Bonke, 1992). Despite these difficulties, time budget studies have attempted to estimate the production and leisure activities of households (Andorka, 1987; Gershuny et al., 1986; Szalai, 1972). The evidence clearly indicates that household members continue to produce a variety of resources through their own efforts even in the absence of official cash measurements. Eisner (1985) estimates that the contribution of household production to total income has varied from roughly 35-39% in the United States during the post-war era. More recently, Bonke (1992) has estimated that household production accounts for more than 40% of the gross national product in many Western nations. According to Offe (1992:19), "Depending on the method of calculation, the value of home production equals between 30 and 50 per cent of the national product" (cf. Goldschmidt-

Clermont, 1982). In terms of the actual labour devoted to different spheres of economic activity, Rose (1985) reports that households spend slightly *more* time engaged in the domestic economy than the formal economy.

Households, then, continue to engage in many varieties of subsistence production. The degree of "self-provisioning" varies at least in part with the level and scope of industrialization, such that studies of more rural and isolated regions reveal comparatively high levels of subsistence production (Gershuny, 1985; Hill, 1983). Felt and Sinclair (1992), for example, studied communities of the Great Northern Peninsula in Newfoundland. These researchers created a nine-item index of subsistence production that included activities such as household repairs, making clothes, provision of home fuel (in the form of wood), and simple food production. More than 60% of their sample scored seven or higher, indicating an extensive domestic economic sphere that involved most of the households in the region.

Perhaps less obviously, suburban and urban households continue to maintain thriving domestic economies as well. While the types of subsistence production may differ from that of more rural locales, a great many activities nevertheless consume labour power within the household. The time budget studies cited earlier confirm the enormous importance of domestic labour in sustaining households of all types (cf. Andorka, 1987). Indeed, the evidence regarding the scope of the domestic economy indicates that households have a variety of means at their disposal for substituting self-consumption labour activities for monetary consumption. Rose (1985) points out that goods and services such as alcoholic beverages, catering and accommodations, basic household maintenance, and other domestic services such as cooking and cleaning are highly amenable to substituting domestic labour. Other activities that have a more moderate degree of substitutability include, for example, some types of food production, clothing, travel, and car maintenance. Such activities can be crucial in maintaining financial solvency to meet the more inelastic demands such as rents and mortgages. In effect, doing more for oneself or one's household frees up cash to pay for basic necessities (e.g., rent, hydro, pharmaceuticals, telephone, insurance) that for the most part cannot be subjected to self-provisioning.

Hence many basic needs are met through the efforts of household members themselves, some of which can be satisfied through nonmonetary means under conditions of scarcity (i.e., where incomes or cash reserves are depleted). Mingione (1983) hypothesized that such work for self-consumption would tend to increase during recessionary periods and in those areas with higher unemployment. Research appears to support that view (cf. Felt and Sinclair, 1992; Offe and Heinze, 1992:15; Pahl and Wallace, 1985). Yet despite the fact that an abundance of activities can be performed by individuals within their own households, the domestic economy must engage in economic -- and by definition, social -- spheres *external* to the household. The predominance of a cash economy necessitates that households enter into either unilateral or bilateral, *extra-household* exchanges to obtain resources. The importance of these different economies in helping households to meet their needs varies across individual households, but in the aggregate, each of these different economic spheres contributes enormously to the social welfare of households in advanced-industrial societies.

Informal Economy

A second sphere of economic activity has been referred to as the *informal economy* for the present analysis. Pahl and Wallace (1985) describe the sphere as one in which extended family and friends engage in productive activities that benefit directly or indirectly a household of interest. Studies have confirmed that non-household kith and kin provide a variety of resources, services, and other types of social support (Martin and Martin, 1985; Parish, Hao, and Hogan, 1991; Wellman and Wortley, 1990; Wilmott, 1986). Outside of the immediate household, the informal web of social relations may in fact be the most pervasive source of support for most households, including family and extended kin relations, friends, neighbours, and co-workers (cf. Wellman, 1992).

The empirical evidence suggests that the informal economy may provide crucial linkages for households to sustain themselves on a monthly or even daily basis. Wellman and Wortley (1990:583) note that such informal networks "are important to the routine operations of households, crucial to the management of crises, and sometimes instrumental in helping respondents change their situations." Their research in East York, Ontario revealed that most households were linked to support networks that provided small services (e.g., assisting for minor projects, loaning items), large services (e.g., major household repairs, regular housework, children's day care), and financial aid (e.g., loans, gifts, housing assistance). Parent-child relationships tended to be the strongest in terms of the exchanges of the types of resources defined above, although substantial minorities of those providing financial support were siblings (8%), extended kin (4%), neighbours (15%), friends (15%), and others with whom the household member shared an organizational tie (such as a co-worker or a member of the same voluntary organization).

Several studies have shown that extended family and kinship networks regularly provide resources and other types of social support in many different contexts (Hollinger and Haller, 1990; Montgomery and Hirshorn, 1991). The informal support networks appear to be especially important as safety nets for impoverished households (Martin and Martin, 1985; Mutran, 1985; Taylor, 1986). Since many of these households almost by definition are headed by individuals who either work in low-paying jobs or receive public assistance of some type or another, such extra-household (or non-nuclear familial) support can be crucial to their survival (Angel and Tienda, 1982). Stack's (1974) research from two decades ago now ranks as a classic in documenting the survival strategies of poor households within a black community in the United States. In contrast to the mainstream conception of the autonomous household, Stack (1974) reported that the responsibility for providing the basic necessities of life might be spread over several households.

> The material and cultural support needed to absorb, sustain, and socialize community members in The Flats is provided by networks of co-operating kinsmen. Local coalitions formed from these networks of kin and friends are mobilized within domestic networks; domestic organization is diffused over many kin-based households which themselves have elastic boundaries (Stack, 1974:93).

More recently, Uehara (1987, 1990) has documented the nature of informal sources of support among unemployed, poor, urban, black women in the United States. Her research offers an in-depth examination of the nature of the informal economy maintained by households headed by such women and the manner in which such households obtained their resources.

Several women in Uehara's (1990:546) research were able to tap into networks that provided or exchanged material resources: "These networks are essentially kin based, although they encompass other types of quasi-kin relations - for example, 'close family friends,' 'pretend cousins,' and godparents." Uehara provides several interesting case examples of kin, friends, and even neighbours helping with basic necessities during periods of financial strain for low-income households.

Regardless of economic status, the research suggests that kith and kin potentially provide many resources to households (Wellman, 1992). The transfers may be literally be a matter of survival for those at the lower end of the socio-economic scale whereas for those who are better off the transfers tend to help more in terms of major purchases or capital accumulation. Although no one can state with any degree of certainty the size and scope of the informal economy, Cheal's (1983, 1988) research on Canada and the United States concerning familial gifts of money, goods, and services demonstrates that family transfers are quite extensive. Intergenerational patterns of resource transfers have been mapped and continue to have a significant impact in terms of the well-being of many individuals within households across the life cycle (Hollinger and Haller, 1990; Parish, Hao, and Hogan, 1991; Stoller, 1985). Finally, Wellman and Wortley (1990) have found that the types of support tend to differ partly with respect to whether the relationships can be characterized as "strong ties," the accessibility of the actors involved, and whether the sources of support are kinship- or friendship-based.

Social Economy

A third sphere of economic activity might best be described as the *social economy*, which includes the many forms of voluntary and charitable organizations, neighbourhood associations, community groups, collectives and co-operatives, namely, non-profit sector groups located between the government and the private sectors (Quarter, 1992). The concept captures the entire array of voluntary work undertaken by individuals who donate their time, money, skills, and knowledge without remuneration for a diverse range of social and cultural purposes. The social economy also includes direct charitable contributions which would include the donations of those who do not otherwise participate in community work or other volunteer activities.

As with the domestic and informal economies, the social economy of advanced-industrial countries such as Canada generates and distributes vast resources to households and individuals (not to mention businesses). One substantial component of the social economy consists of the *voluntary sector*. Statistics Canada's 1987 *Survey of Volunteer Activity* estimated that there were 5.3 million Canadians working for voluntary organizations for an average of 191 hours per year (Ross, 1990). Duchesne (1989:9) notes that the more than one billion volunteer hours "were equivalent to over half a million full-time, full-year jobs." Ross (1990) places the figure at 616,615 full-time equivalent jobs in 1987, or 6% of the total full-time jobs available in the Canadian labour force. If these hours were translated into a standard service sector wage, the value of such work totalled some $12 *billion* in 1987. Moreover, the voluntary sector bears an enormous financial burden in the form of non-reimbursed expenditures for volunteer activities. The value of expenses incurred by volunteers totalled $841 million in 1986/87, or an average of $158 per volunteer. Finally, these estimates do *not* include the efforts of some 13.2 million Canadians who perform other types of informal volunteer activities, namely, those who were not affiliated with a specific voluntary organization.

In terms of charitable donations, Lucaciu (1992) reports that roughly 5.3 million tax-filers in Canada reported contributions of some $3 billion in 1990. The Canadian Centre for Philanthropy published 1990 figures indicating that individuals ($4.72 billion) and businesses ($406 million) contributed nearly $5.2 billion in charitable donations in 1990 (see Quarter, 1992). Despite the discrepancy in the figures, charitable donations clearly total in the billions of dollars annually.

These volunteer activities and charitable contributions may not appear to be connected directly to the issue of how households obtain resources to meet their needs. Yet the confederated fundraising activities of organizations such as the United Way, Sharelife, and the United Jewish Appeal, as well as those of the many unaffiliated charities at some point must be translated into the distribution of real goods and services for their various target populations (beyond the salaries of administrators, the costs of overhead, etc.). While most households are not by any means dependent on the social economy for survival, there are many sources available that can help to provide certain essentials for needy families. Consider the case of *food banks*.

The first food bank was founded in Edmonton in 1981 and one decade later, "there were 292 food banks affiliated with the Canadian Association of Food Banks, operating in 300 communities across Canada, meeting the needs of two million people (7.5% of the population), including 700,000 people under the age of 18" (Quarter, 1992:58; cf. Oderkirk, 1992a). Whatever the opinion one might hold of food banks, clearly these have been an important non-cash source of meeting basic needs for a significant proportion of the Canadian population over the past decade. By the same token, churches and other organizations have further expanded the opportunities for the needy to obtain such a basic necessity as food.

More generally, Quarter (1992) estimates that as of 1992 there were approximately 175,000 non-profit corporations in Canada, of which roughly 66,000 had the status of a *charitable organization* (i.e., required to spend at least 80% of the donations received upon their objectives). The most commonly supported of such charities were providing medical/health services (29%), religious services (29%), social and welfare services (11%), civic/social/community/civil rights (11%), and youth services (10%). While not everyone in the Canadian population has equal access to these services, the extensive scope of the voluntary support network suggests that many households have been and continue to be affected by the organizational arrangements of civil society (cf. Cohen and Arato, 1992). A variety of mutual non-profit organizations exist such as ethno-cultural organizations, religious groups, mutual self-help groups, and neighbourhood associations, that may be organized at least in part to help meet the needs of households within a particular community.

Market Economy

The domestic economy, the informal economy, and the social economy describe three highly prominent spheres that shape the manner in which households obtain resources in advanced-industrial societies. In many respects, though, the "market economy" (the "formal" or "official" economy) dominates the economic activity of most households. The market economy may be defined in terms of taxable economic exchanges, recorded in the forms of labour for compensation (paid employment or *income*) and cash for goods and services (*expenditures*). The market economy represents the norm in terms of the moral value that people assign to such participation and the fact that the vast majority of adult men (typically 90% or more) and more than half of adult women under the age of sixty-five participate in the paid labour force (cf. Offe and Heinze, 1992:chapter 1; Rose, 1985). In Canada, 12.2 million people were employed in 1992 and another 1.6 million were captured by the official unemployment statistics (Statistics Canada, 1993c). Women's participation rate in the paid labour force has hovered around 58% for the last few years, registering 57.6% in 1992. According to the 1990 General Social Survey, 71% of couples with children under 19 in the household were *dual earners* for that year (Marshall, 1993). Among two-parent families in 1990, both the husband and wife were employed full-time in 51% of the cases.

Such extensive participation in the paid labour force has a direct linkage with national wealth as currently measured. The standard measure of national wealth production, the *gross domestic product* (GDP), includes not only labour income, but a host of other factors such as corporate profits, interest and investment income, and accrued net farm income. The 1992 Canadian GDP at market prices was $688.5 billion (Statistics Canada, 1994b:3). Clearly the market economy has the potential to provide the lion's share of disposable cash for many households.

In 1991, the median family income in Canada was $46,742 (Statistics Canada, 1993c). Labour income alone totalled more than $392 billion in 1992, or roughly $13,800 per capita (Statistics Canada, 1994b). The total personal income (labour income + farm production + unincorporated business + interest/investments) less government transfers was $514 billion, or more than $18,100 per capita (Statistics Canada, 1994b:5). One should recognize, however, that such per capita figures in no way reflect the tremendous diversity in household situations or the skewed wealth distribution across Canada. For example, the 13.1% of families and the more than one-third of unattached individuals classified as “low income” in 1991 generally have less disposable income from paid employment than their counterparts. The figures are skewed even more dramatically if one considers the role of gender. The incidence of low income among female-headed families jumps to 44.7%, while 40.6% of single females fell below the 1990 LICO (Statistics Canada, 1993b:248).

Although this data indicates that market-based income remains the primary means of obtaining cash in advanced-industrial economies, one cannot estimate from the gross figures the percentages of such income exchanged for the basic necessities of life. Furthermore, even if one were to examine budget guidelines or mean expenditures for certain categories, one could not determine whether *labour income* was the primary source used in meeting basic needs (although that might be a relatively safe assumption in many cases). Finally, recent research has called attention to a parallel economy to that of the "official" market economy: the *unofficial economy*.

The *unofficial economy* has been described variously as the subterranean, underground, hidden, black, shadow, illegal, cash only, and criminal (among other terms) economy (cf. Dallago, 1990). The exchanges in the unofficial economy involve bartering or cash transactions not included in national income accounts but used as a strategy for tax evasion (Dallago, 1990; Freige, 1989). The social relationship typically involves an exchange of cash for labour, much as in the case of the official economy except that the transaction remains "hidden" or unrecorded. Hence the unofficial economy reasonably can be treated as an offshoot of the official economy. According to Pahl and Wallace (1985:197): "Where wages and salaries are exchanged for labour, we argue that the nature of work is intrinsically the same whether or not that work is formally recorded in the national accounts." In principle, these exchanges can be readily calculated in terms of their economic or cash value; in practice, such estimates are extremely difficult.

A recent Ontario legislature report has estimated business transactions intended to avoid taxes should be valued at between $70 billion and $120 billion annually, or between 9.5% and 16.5% of the official economy in Canada (Mittelstaedt, 1994). Lemieux (1994) has argued that the staggering scope of "tax evasion is a response to tax invasion," which consumes a significant proportion of the Canadian gross domestic product. Whatever the motivation, most households engage to a limited extent in such exchanges, although analysts such as Rose (1985) argue that the unofficial economy has limited significance in that studies indicate that perhaps

3% of labour hours are devoted to such activities. On the other hand, no less than eighteen articles and editorials on the "underground economy" and "tax evasion" appeared in *The Globe and Mail* in the five-month period from mid-September, 1993 to mid-February, 1994. Such coverage reaffirms the growing public concern about such activities and the tax policies of the Canadian government.

Regardless of one's household income status, the unofficial economy can be an alternative system for securing basic necessities (and, of course, non-essential items), especially through unreported cash-only exchanges and in terms of an informal barter system. Some would draw a distinction between legal means of obtaining resources by circumventing the market and criminal exchanges, or those that involve tax evasion. While such a distinction has significance in terms of the law and the politics of taxation, it has less importance as a means of differentiating unofficial market activities from other economic spheres. Quite simply, business is business -- regardless of whether or not one can legally circumvent the tax codes.

State Economy

The fifth and final economic sphere is labelled the *state economy*. In the pure form of a state-controlled or "socialist" economy, the state would own the means of production and co-ordinate the distribution of the resources produced. In the advanced-industrial democracies of the world, the relative degree of state involvement in the economy varies, as well as in terms of public transfers and services. In North America, the state does not typically *own* the means of production as such, but rather is more concerned with regulating and subsidizing various types of productive activities. The governments of these nations nevertheless have a significant redistributive capacity and contribute substantially to how households obtain their resources to meet their needs. In the United States, for example, the welfare state has developed with a great deal of resistance, yet the costs of the welfare system (combined federal, state, and local spending) have almost doubled in the post-war era as a proportion of the GNP to 18.6% in 1989 (U.S. Bureau of the Census, 1992:356). In Canada, social welfare spending accounted for 35.1% of government spending in 1989, a figure that far exceeds the levels of spending prior to the passage of the Canada Pension Plan, Canada Assistance Plan, and the Medical Care Act of the mid-1960s (International Monetary Fund, 1992). Although the proportionate figures have levelled off in the past fifteen years, social welfare expenditures continue to consume a much greater share of public spending than in any other period since the inception of nation-state systems.

Moreover, social welfare transfers are considerably higher if one were to broaden the definition of what constitutes "welfare benefits" to include the form of tax benefits and credits ("fiscal welfare") and employee fringe-benefit programs or "occupational welfare" (see Titmuss 1976[1955]; 1965). Abramovitz (1989) demonstrates that these latter types of welfare disproportionately have favoured the nonpoor in the United States. Tax expenditures in the forms of exclusions, exemptions, deductions, special credits, preferential tax rates, and so forth result in greater savings/transfers for the wealthy and for those in particular who could itemize their returns. Likewise the working population benefits from tax codes and fiscal policies aimed at meeting their basic needs (whatever the social control functions might be). Corporations and agricultural interests alike receive welfare through tax codes, government subsidies, contracts, and other methods of lowering production costs.

More recently, Huff (1992) has demonstrated that welfare spending for poverty programs in the United States totalled $117 billion in 1990 (Medicaid, AFDC, Supplemental Security Income, Food Stamps, etc.), while welfare benefits for the middle-class and businesses in the form of social security and Medicare, tax expenditures and fringe benefits, accounted for $1,148 billion. Huff concludes that welfare spending for those in poverty accounted for less than 10% of the total "welfare spending" in 1990. Nevertheless, most people probably do not consider these transfers to be part and parcel of the social welfare system. State policies supporting business, labour, and the productive sphere typically are defined as *incentives*, while those aimed at social reproduction are labelled and often stigmatized as *welfare*. Titmuss' (1976[1955]) essay on the *social division of welfare*, however, implies that such a separation may not be justified in that the provision of welfare through social policies has direct parallels in both the realm of both the state fiscal policies and corporate-benefit policies. Others have pursued a similar line of inquiry to demonstrate empirically the social division of welfare in various Anglo-American countries (Abramovitz, 1989; Goodin and LeGrand, 1985; Townsend, 1979).

Since similar data are virtually impossible to obtain in the Canadian context, simply the state transfers in the form of traditional social welfare programs demonstrates that the government can have a significant redistributive capacity. The Canadian government spent more than $175 billion on social programs in 1990, which translates into 56.7% of total expenditures and 26.3% of the gross domestic product (Statistics Canada, 1993c). Although the entire population benefits from universal health coverage and seniors benefit from pension expenditures, the group of households that relies significantly upon government transfers to meet their needs are those with low income. As Oderkirk (1992b) reports, in 1990 almost half (48%) of all low income families with children received government transfer payments as their main source of income. Single-parent families at least $1,000 below the LICOs were especially in need of the state's assistance. The majority of both female-headed and male-headed households reported state assistance as their primary income source (Oderkirk and Lochhead, 1992). Of all single-parent families, however, the majority reported that wages and salaries provided their major income sources.

Not surprisingly, then, household composition and labour force status have an impact in determining the extent to which the state serves as an important sphere through which households obtain their basic resources. In fact, both the state and the market economies generally have the most direct impact upon households in terms of disposable household income on a regular basis. Yet the domestic, informal, and social economies have important influences as well and may have more of an impact at various stages of the life cycle and for households enmeshed in different webs of social relationships. The flows of resources can be quite diverse indeed, as households maintain various linkages with other actors in each of the five economies and as they respond to their own dynamic life situations (e.g., a primary breadwinner losing one's job, a college graduate returning home to live with one's parents, a recently divorced single mother, a newly arrived immigrant or refugee, etc.). The present paper does not pretend to offer a general explanation of which of the different economic spheres will predominate for the many households in diverse circumstances, but instead lays out the general parameters and, in the next section, the scope of these economies in the Canadian context.

3.2 The Five Economies in Canadian Context

The previous discussion has examined the conceptual basis and some of the empirical evidence documenting the existence of five economic spheres. While estimates of the domestic, informal, and social economies are problematic at best, the magnitude and scope of the market and state economies have been estimated more routinely and with more standardized measures. Whether or not one can ever provide a truly accurate accounting of economic activity within *any* of these spheres remains questionable, at least in part because of the continuous nature of many activities that overlap into more than one realm simultaneously. In general, though, *there seems to be a direct relationship between the location of the economic sphere and the degree of formal accounting that occurs.* Stated differently, the movement from the domestic economy of non-cash, non-taxable sources of self-provisioning to the more formalized, contractual economic spheres correlates with a more systematic accounting of the scope of the economic activity.

The attempt to quantify the total scope of economic activity would surely provide a different picture of wealth and well-being than currently presented in the national product accounts and government spending ledgers of most nations. As argued above, a more complete description of "total household resources" should include an assessment of the resources produced and exchanged within multiple economies: *the resources available to a household (including cash income) can be obtained through many different sources and social relations.* Indeed, only by considering in combination the five economies can one understand why by most "objective" measures the thousands of Canadian households with almost no market income (some of which do not avail themselves of government support) can nevertheless continue to survive -- even while spending more than half of their income on housing. *The total household resources available are linked to production and distribution schedules that transcend the outmoded dichotomy of market versus state transfers.*

In the Canadian context, the market and the state transfers combine to provide Canadians with more than $700 billion of disposable income annually (official market transactions, unofficial market transactions, and direct government transfers) and, by most accounts, a relatively high standard of living. Still the domestic, informal, and social economies in combination arguably provide a comparable amount of resources in terms of both direct cash transfers and the exchange of services. The research indicates that households engage in a substantial amount of self-provisioning, as well as rely upon informal networks of extended kinship, friendships, neighbours, and acquaintances to secure necessary resources. In addition, resources can be obtained through linkages established in the social economy and nurtured in civil society, including charitable organizations, community groups, collectives, and co-operatives. For the most part the exchanges in these non-market, non-governmental spheres are not formally recorded, although some segments of the social economy tend to have a somewhat more formalized system of accounting.

The attempt to document the general scope of the five economies serves several purposes. The analysis reveals that the contemporary view that links “productive” activities with the market economy distorts reality. Not only are there several spheres of economic activity, but the total range of resources and services produced far exceeds what most standard measures (such as GDP) can capture. In addition, the analysis implies that a household's resources and general well-being can vary dramatically over time, depending upon several factors that may affect the nature and extent of exchanges within these multiple spheres. Finally, a household can, in principle, substitute certain types of self-provisioning and non-cash exchanges under situations of financial duress, especially to ensure that basic needs are met. While the issue of housing has been mentioned occasionally thus far, the implications of such a reconceptualization of “total household resources” for the manner in which households secure adequate housing have not been fully developed. The next section addresses the question of the manner in which the dynamic situation of households can affect their capacity to ensure that their basic housing needs are met.

4. Housing Case Study: Paying for Housing by Shifting the Mix of Cash and Non-Cash Sources

The question of how households obtain resources to meet their needs cannot be understood without careful consideration of how households meet their *housing* needs. Although individual households have their own perceptions of their housing needs, governments as well establish differing baseline measures that vary cross-nationally (Canada Mortgage and Housing Corporation, 1992). These measures of housing need help to determine housing policies and the allocation of social housing assistance. More generally, housing subsidies can have enormous distributional impacts in both the social and private housing sectors. Housing policies have such an important effect in large measure because, for most households, the single largest cash outlay each month consists of the rent or mortgage payment. The focus of this chapter is the manner in which households manage to secure enough cash resources to meet their shelter costs, especially if their household income does not appear to be "adequate."

At issue here is whether or not any "rule of thumb" or general policy regarding a household's market income resources can serve as a valid indicator of a household's ability to pay for their shelter costs. The fact that households are situated within multiple economies and often have a variety of non-market sources of support challenges the logic of relying solely upon a household's market income to assess housing affordability. We argue that the use of general "rules" regarding housing affordability for public policy or for other purposes is problematic at best and possibly even injurious to those who do not measure up to the rule or standard.

4.1 Measuring Housing Affordability: The Use of Expenditure-to-Income Ratios

In Canada, the Canada Mortgage and Housing Corporation (CMHC) explains that the definition of housing needs has changed over the years (CMHC, 1991). Housing need is currently determined by a combination of indicators that measure housing adequacy (structural features), suitability (crowding), and *affordability*. The latter issue of "housing affordability" is especially relevant to the present discussion. The concept has stimulated a great deal of debate in neo-classical economic research on housing, for the manner in which one defines affordability directly affects the analysis undertaken and the policy implications that might follow (cf. Linneman and Megbolugbe, 1992; Rothenberg, Galster, Bulter, and Pitkin, 1991). Even though a variety of factors relate to the affordability issue, the total range of macroeconomic and microeconomic factors cited in discussions of housing affordability often *reduces* to a matter of whether or not households are spending more than a certain percentage of their income on shelter costs.

The measure of the appropriate housing expenditure-to-income ratio used in conventional policy analysis to determine whether a household has an "affordability problem" has varied over time as well. The conventional wisdom currently sets the standard upper limit for housing expenditures at about 30%: "As a general rule, households spending 30% or more of their income on shelter have a potential affordability problem" (Bird, 1990:9). The basic rationale suggests that if households must devote more than 30% for housing, then there may be insufficient resources to secure the other necessities essential to the operation and maintenance of a household (Social Assistance Review Committee, 1988). Both Canada and the United States employ the 30% rule as a determinant of housing need, although Canada relies much more heavily upon the measure (CMHC, 1992). In fact, the 30% criterion has been incorporated directly into Canadian public policy:

> In 1986, CMHC and the provinces agreed to use 30 per cent to measure affordability for the purposes of defining need for social housing. This agreement was reached during the development of the Federal/Provincial Social Housing Programs (CMHC, 1991:4).

The 30% measure of affordability then helps to determine which households are located in the "core housing need" sector. These are households which are "unable to obtain unsubsidized market housing meeting suitability and adequacy norms without spending 30 per cent or more of their income on rent" (CMHC, 1991:6). A means test determines whether households are able to afford the "norm rent income," or the income necessary to meet current norms for suitable, adequate, and affordable dwellings in different locations for households of different sizes. By CMHC standards, household incomes were insufficient for 14% of Canadian households in 1988 to obtain appropriate housing and were classified as in "core housing need." The bulk of these households (72%) were renters, despite the fact that only 37% of Canadian households were tenant households (CMHC, 1991:9).

The determination of core housing need, however, depends upon an important distinction between two different groups: those households living *voluntarily* in dwellings considered crowded, inadequate, and/or too expensive and those who are *simply unable* to obtain market housing meeting suitability and adequacy norms without spending at least 30% of their household income. Even so, those households that must spend at least 30% of their income are defined *a priori* as having an "affordability problem." By such a standard, a great many households in Ontario and in the Toronto region in particular have an "affordability problem," even if these households do not otherwise qualify for the "core housing need" category.

In 1990 (based on the 1991 Census) more than 30% of owners with mortgages and renters in both Ontario and Metropolitan Toronto spend at least 30% or more of their household income for housing costs. For these same categories, between 10-15% spend at least *50% or more* of their household income. By the conventional measure, then, approximately one-third of these households in Ontario have an "affordability problem," while more than one-tenth have a *severe* affordability problem. The figures for rental costs among social assistance recipients in particular are staggering. The Social Assistance Review Committee (1988) reports that in Toronto, Ottawa, Hamilton, and Waterloo, 70% or more of social assistance recipients were devoting *40% or more* of their incomes to rental payments in 1986.

In summation, roughly one-third of the total households in Ontario either renting or paying mortgages spend 30% or more of their household income to cover their shelter costs. A much higher percentage of low-income households has to spend proportionately more of their gross income for housing (Preston, Murdie, and Fallis, 1989). If the housing expenditure-to-income ratio being used by the public and private sectors is indeed a valid and reliable measure of affordability and ability to pay, these figures should be indicating that the country is facing a huge default rate in rent and mortgage payments. This should be especially so for the early 1990s if one considers the broader social and economic trends affecting the housing sector (slow growth, economic restructuring, high unemployment, net declines in real wages). Why is there no huge housing default crisis? This is an example of how a simple "rule of thumb" measure, when confronted with empirical testing, begs the question of how it is possible that households (especially those with lower than average incomes and those in receipt of social assistance) can survive and continue to meet their housing needs when their shelter costs amount to 30%, 40%, 50% or even more of their monthly household income. The answer lies in recognizing the inadequacy of "household income" and "household budgets" as a measure of a household's ability to pay. Measures of ability to pay must recognize the multiple economies and shifting mix of resources discussed previously.

4.2 Housing and the Shifting Mix of Sources

In fact, there is no huge eviction crisis resulting in Ontario or elsewhere in Canada which the 30% "rule" on housing affordability would predict. There are a number of specific reasons why we are not experiencing such a massive social and economic crisis relating to rental housing. In the first place, even the users of the 30% rule about housing consumption recognize the possibility that households can choose housing on the basis of "permanent income" rather than strictly on annual income. According to CMHC:

> A household may choose to shoulder a higher than normal shelter cost-to-income ratio calculated from current income because it bases its decision on permanent income. It expects its income to rise as it progresses through its lifetime earnings stream, and at the same time expects its equity to build up through rising real estate values. In this case, it has voluntarily decided to

temporarily pay a higher percentage of its income than the norm ... " (CMHC, 1991:5)

This example illustrates that even on the basis of traditional economic reasoning, households may have good reasons to consume housing far in excess of what an "objective" measure such as the 30% criterion might assume. Furthermore, economists do recognize that "income and wage data understate the real resources available to many households, since cash incomes do not account for in-kind transfers, which have risen appreciably since the 1960s" (Gyourko and Linneman, 1993:44). The benefit packages attached to employment can considerably increase the *real* resources available to a worker, such as through special health, dental, recreational, pension, stock, and other plans. Those households that calculate their long-term or expected future earnings may further consider their work-related benefits in deciding what types of housing may be "affordable."

Consistent with such reasoning, one should recognize that resource transfers are by no means limited to market income and related benefits. The typology of the five economies presented in chapter two indicates that households have varying linkages with a variety of other actors in different economic spheres. A more comprehensive measure of total household resources would provide an estimate of the resources that one accesses regularly in each of the other economies, including the domestic, informal, social, and state economies. In principle, the "rational" household of neo-classical economics could estimate the total resources available from these multiple spheres to determine what constitutes affordable housing. Since this total exceeds market income (and often by a considerable degree), a household may indeed be able to consume housing far in excess of the 30% shelter-to-income ratios of affordability.

The above analysis does not mean to imply that households always make the "right" decision regarding housing affordability. Clearly there are instances where households err in their estimations. Yet most households arguably would prefer to avoid moving, if for no other reason than the economic costs involved (not to mention the psychological and social costs). Many households may choose to tap into other sources of material support to continue to secure their tenancy. For instance, among the many interesting case examples that Uehara (1987:140) provides, consider the situation of two sisters, Doris and Sharlene:

> Doris lost her job at Kennedy-King college on the Friday before her rent was due. Sharlene arrived that evening with groceries and $250 for rent. Doris offered to pay Sharlene back; but Sharlene countered, "No; this is not a loan. I'm giving you this and I said I don't want to hear any more about it!"

A network linkage in the informal economy of kinship relations provided the necessary resources that allowed Doris to retain occupancy. This example also highlights the theme of certain unpredictable and catastrophic life circumstances (death of a breadwinner, serious illness, loss of a job) which may wreak havoc upon a household's ability to keep up with their shelter costs, much as these factors have been previously linked to a household's shifting economic fortunes in falling in and out of poverty (cf. Duncan, 1984). Under certain extreme circumstances, a household may confront a situation where their rent-to-income ratio exceeds 100%, indicating that the household must spend more than their total cash income for rent. Preston, Murdie, and Fallis (1989:77) explain this possibility accordingly:

> They may be young households who are being assisted by parents or borrowing against future income. Old households with low incomes may be paying from savings. Alternatively, households whose incomes have been reduced temporarily may not have reduced their housing consumption.

During periods of financial hardship, those most at risk for defaulting on their housing payments are those who are either unable or unwilling to tap into the other systems of economic exchange. A recent story in the *Toronto Star* demonstrates the importance of unpredictable circumstances that can lead to a housing eviction. Wong (1993) reports the case of "Michael," "Michelle," and their children, who were evicted for failing to pay the rent. Upon delving further into the circumstances that led to the eviction, Wong learned that Michael had lost his job of seventeen years *and* experienced the death of his wife's mother, for whom they had to bear the funeral expenses (and pay for airfare out of the country to bury Michelle's mother). Furthermore, Michael and Michelle refused to be identified by their full names in the interview "for fear of relatives and friends knowing of their situation." In other words, two unpredictable, life-shattering events *plus* the couple's reluctance to utilize their informal social networks resulted in their default on rental payments. That particular story has an interesting footnote as well: although Michael and his family were evicted for owing $3500 in back rent, Michael showed receipts to the reporter to prove that he paid the landlord anyway, stating that "I don't want to owe anybody anything."

Thus we argue that to assess the problem of "ability to pay" for housing requires a more accurate accounting of the shifting mix of sources available to households in diverse situations. One might reasonably distinguish further between the many *actual* sources of cash and non-cash transfers of resources and the *potential* sources of support under times of duress. Although some might argue that these sources are more "unreliable" than those associated with employment, that conclusion does not necessarily follow. The security of job tenure cannot be accepted as necessarily more reliable because jobs are not stable by any means, as indicated by the high unemployment rates, the trend of government and corporate downsizing, and so forth. Moreover, one could argue that other informal sources of social support -- especially certain "life-long" social relationships -- are indeed *more* stable and dependable than one's job (see Stack, 1974:107).

As a final consideration, the same evidence implies that households tend to pay their rent and mortgage first, assess what resources remain, and then adjust their consumption accordingly (cf. Social Assistance Review Committee, 1988; Uehara, 1990). Because rent must often be paid in full at the first of the month, households generally know what cash resources are left over for the rest of the month and must then gauge their consumption in the marketplace accordingly. In most cases, for those at the lower end of the income scale and for social assistance recipients, their substantial spending to cover shelter costs does not result in defaults. Instead, these households must often endure real hardships by consuming less of the basic necessities and by attempting to secure resources through non-market mechanisms:

> [The poor] must often go without other essential items and cut back even on the basics of food and clothing in order to cover the high cost of housing. It is hardly surprising, therefore, that hundreds of the submissions made to this committee strongly emphasized the need to tackle the housing affordability problems of low-income renters. Several submissions noted that the failures of

> the present system are leading to the creation of a secondary welfare system in the voluntary sector. (Social Assistance Review Committee, 1988:60)

To be sure, the welfare system linked to the voluntary sector or social economy has grown in the past decade to help deal with real economic hardship among the poor. Some may argue on political grounds that either the state or the voluntary sector *should* be the primary source for insuring that basic necessities are obtained by lower income households. Quite apart from these political debates, however, the shifting mix of sources extends further still insofar as households increase their degree of self-provisioning (domestic economy) and tap into their kith and kin (informal economy) to insure that their basic needs are met.

There is virtually an infinite variety of combinations of strategies that households employ to insure that their shelter costs are paid and that other essential resources are secured. A head of a household may hold a part-time job (in addition to a primary source of income), purchase clothing at thrift shops and obtain food through food banks, share meal preparation and other resources with extended family in the neighbourhood, undertake basic repairs on their own, and restrict their cash-linked leisure activities (including eating out). The efforts expended in these multiple economies clearly indicate that a strict reliance upon household income (defined as market-based cash income) to determine a household's ability to afford the housing unit they want and to meet their other needs oversimplifies and distorts the reality of the shifting mix of resources available to most households.

It is for these many reasons, then, that households often can “afford” to spend such a high proportion of their “income” for shelter costs and still manage to survive. Lower than average income households may literally have to be much more *resourceful*: their reliance upon other forms of resource exchanges may be more extensive than households with a comfortable market income. Yet the vast majority of those with “affordability problems” nevertheless cover their shelter costs and thereby avoid the legal, economic, and social costs associated with eviction. By the same token, even though many of these households are creative in devising strategies to insure that their basic needs are met, one should not be cavalier in dismissing the real hardships that many households must of necessity endure in situations where their rents consume a high proportion of their income. The present analysis has simply questioned the legitimacy of using a 30% "rule of thumb" -- or any such simplistic rule -- as a valid and reliable predictor of a household's ability to pay for housing and otherwise meet its basic needs. That is, this is an analysis of existing realities, *an analytic assessment*, of the ability of households to make ends meet, not a *normative judgement* about whether this is how things *ought* to be.

Conclusion

The cash income requirement has come to be seen as the method by which a household meets its needs even though it is generally recognized that income, as a concept, is much more complex than just the sum of cash income. Theory and day-to-day practice often require the use of simplifying assumptions. The question must always be asked: how valid and reliable are these simplifying assumptions? In the case of *household income* it is the *money* income, the *cash* resources which are easiest to measure and, as a result, the easiest to use as a convenient "rule of thumb" to measure need and affordability. This convenient measure, however, goes much too far in simplifying reality to the point that it does not reflect the reality of most households.

This paper has outlined a typology of the five economic spheres by which households can obtain resources (cash and non-cash) for meeting their needs: the *domestic economy*, internal to the household; the *informal economy*, the extended family and close acquaintances; the *social economy*, neighbourhood and community-based groups and agencies; the *market economy*, the formal marketplace; and the *state economy*, government. The empirical evidence indicates that households survive and even thrive through a complex intermingling of these different economic spheres with their attendant webs of social relationships. When households find themselves in temporary situations of financial duress, most have numerous options for substituting certain types of self-provisioning and non-cash exchanges, especially to ensure that their basic needs are met. Indeed, the one general proposition that seems to emerge from the many studies of sources of social and economic support may be stated as follows: *net of market earnings (wages, interest, investments, etc.) and government transfer payments, households rely upon an extensive network of socio-economic relations to insure that their basic needs are met.*

The vast body of existing research about how households obtain resources to meet their basic needs indicates that they indeed rely on a substantial amount of self-provisioning and upon informal networks of extended kinship, friendships, neighbours, and acquaintances. In addition, resources are often obtained through linkages established in the social economy and nurtured in civil society, including charitable organizations, community groups, collectives, and co-operatives. For the most part the exchanges in these non-market, non-governmental spheres are not formally recorded, although some segments of the social economy tend to have a somewhat more formalized system of accounting.

The more inclusive definition of income might reasonably be based on an assessment of how households *actually* obtain resources to meet their needs. By identifying the full range of methods by which households meet their needs, this paper points out why it is essential to not only keep in mind the severe limitations of the conventional measure of affordability but to also begin to develop improved measures. The concept proposed here of *total household resources*, representing the total amount of *cash*, of *goods*, and of *services* received in a given period of time (e.g., monthly), is a much better starting point for defining and measuring need and affordability.

The policy and program implications of the fact that households obtain their basic needs by shifting between the use of cash and non-cash resources and by drawing on all the economic spheres to which they have access means that simple “rules of thumb,” even when combined with other measures, are not valid indicators of ability to pay. Furthermore, the use of such “rules” benefits higher than average income households which have significant cash resources and thereby easily satisfy the cash income criteria currently in use. By making erroneous assumptions about a household's ability to pay, such “rules” harm the general well-being of lower than average income households by excluding them from certain options. In the case of housing, it means their search for a place to live is extended and their options are much fewer not as a result of some objective or “fair” criteria, but on the basis of using an invalid measure.

Bibliography

Abramovitz, Mimi (1989) "Everyone is on Welfare: 'The Role of Redistribution in Social Policy' Revisited." *Social Welfare Policy*, edited by Ira C. Colby. Chicago: Dorsey, 34-46.

Andorka, Rudolf (1987) "Time Budgets and Their Uses." *Annual Review of Sociology* 13:149-164.

Angel, Ronald and Marta Tienda (1982) "Determinants of Extended Household Structure: Cultural Pattern or Economic Need?" *American Journal of Sociology* 87:1360-1383.

Berk, Richard A. (1987) "Household production," *Social Economics: The New Palgrave*, edited by J. Eatwell, M. Milgate & P. Newman, London: Macmillan Reference Books, 130-135.

Bird, Tom (1990) "Shelter Costs." *Canadian Social Trends* (Spring):6-10.

Blaug, Mark (1992) *The Methodology of Economics, or, How Economists Explain*. Cambridge: Cambridge University Press.

Bonke, Jens (1992) "Distribution of Economic Resources: Implications of Including Household Production." *Review of Income and Wealth* 38(3):281-293.

Canada Mortgage and Housing Corporation (1991) *Core Housing Need in Canada*. Ottawa: Public Affairs Centre, CHMC.

Canada Mortgage and Housing Corporation (1992) "A Comparison of Housing Needs Measures Used in Canada, the United States and England." *Research and Development Highlights*, June, Issue 7.

Cheal, David J. (1983) "Intergenerational Family Transfers." *Journal of Marriage and the Family* 45:805-813.

Cheal, David J. (1988) *The Gift Economy*. London: Routledge.

Cohen, Jean L. and Andrew Arato (1992) *Civil Society and Political Theory*. Cambridge, MA: MIT Press.

Congressional Budget Office (1985) *Reducing Poverty Among Children.* Washington, D.C.: The Congress of the United States Congressional Budget Office.

Connolly, Priscilla (1985) "The Politics of the Informal Sector: A Critique." Pp. 55-91 in *Beyond Employment: Gender, Household and Subsistence*, edited by Nanneke Redclift and Enzo Mingione. Oxford: Basil Blackwell.

Cornuel, Didier and Bruno Duriez (1985) "Local Exchange and State Intervention." Pp. 165-188 in *Beyond Employment: Household, Gender and Subsistence*, edited by Nanneke Redclift and Enzo Mingione. Oxford: Basil Blackwell.

Dallago, Bruno (1990) *The Irregular Economy: The 'Underground' Economy and the 'Black' Labour Market*. Aldershot, Hants: Dartmouth.

Doyal, Len and Ian Gough (1991) *A Theory of Human Need*. London: Macmillan.

Duncan, Greg J. (1984) *Years of Poverty, Years of Plenty: The Changing Economic Fortunes of American Workers and Families*. Ann Arbor: University of Michigan.

Duchesne, Doreen (1989) *Giving Freely: Volunteers in Canada*. Ottawa: Minister of Supply and Services Canada.

Eisner, Robert (1985) "The Total Incomes System of Accounts" *Survey of Current Business* 65(1):24-48.

Eisner, Robert (1989) *The Total Incomes System of Accounts*. Chicago: University of Chicago Press.

Esping-Andersen, Gosta (1990) *The Three Worlds of Welfare Capitalism*. Princeton, NJ: Princeton University Press.

Evers, Hans-Dieter, Wolfgang Clauss, and Diana Wong (1984) "Subsistence Reproduction: A Framework for Analysis." Pp. 23-36 in *Households and the World-Economy*, edited by Joan Smith, Immanuel Wallerstein, and Hans-Dieter Evers. Beverly Hills: Sage Publications.

Felt, Lawrence and Peter Sinclair (1992) "'Everyone Does It': Unpaid Work in a Rural Peripheral Region." *Work, Employment & Society* 6:43-64.

Ferman, Louis, Louise E. Berndt, and Stuart Henry, eds. (1993) *Work Beyond Employment in Advanced Capitalist Countries: Classic and Contemporary Perspectives on the Informal Economy*. Volume I: *Concepts, Evidence and Measurement*. Volume II: *Revisions and Criticism*. Lewiston: Edwin Mellen Press.

Fourastie, Jean (1960) *The Causes of Wealth*. Glencoe, Illinois: Free Press.

Freige, Edgar L. (1989) *The Underground Economies: Tax Evasion and Information Distortion.* Cambridge, UK: Cambridge University Press.

Gershuny, J. I. (1979) "The Informal Economy: Its Role in Post-Industrial Society." *Futures* 11:3-15.

Gershuny, J. I. (1985) "Economic Development and Change in the Mode of Provision of Services." Pp. 128-164 in *Beyond Employment: Household, Gender and Subsistence*, edited by Nanneke Redclift and Enzo Mingione. New York: Basil Blackwell.

Gershuny, J. I. and Ian D. Miles (1983) *The New Service Economy: The Transformation of Employment in Industrial Societies*. London: Frances Pinter.

Gershuny, J. I., I. D. Miles, S. Jones, C. Mullings, G. Thomas, and S. Wyatt (1986) "Time Budgets: Preliminary Analyses of a National Survey." *Quarterly Journal of Social Affairs* 2(1):13-39.

Goldschmidt-Clermont, Luisella (1982) *Unpaid Work in the Household: A Review of Economic Evaluation Methods*. Geneva: International Labour Office.

Goodin, Robert E. and Julian LeGrand (1985) *Not Only the Poor: The Middle Classes and the Welfare State*. London: Routledge and Kegan Paul.

Gyourko, Joseph and Peter Linneman (1993) "The Affordability of the American Dream: An Examination of the Last 30 Years." *Journal of Housing Research* 4(1):39-72.

Hawrylyshyn, Oli (1976) "The Value of Household Services: A Survey of Empirical Estimates." *Review of Income and Wealth* 22(2):101-131.

Hill, R. H. (1983) *The Meaning of Work and Unemployment*. St John's: Community Services Council.

Hollinger, Franz and Max Haller (1990) "Kinship and Social Networks in Modern Societies: A Cross-Cultural Comparison among Seven Nations." *European Sociological Review* 6(2):103-124.

Huff, Daniel D. (1992) "Upside-Down Welfare." *Public Welfare* 50(1):36-47.

International Monetary Fund (1992) *Government Finance Statistics Yearbook*. Washington, D.C.: International Monetary Fund.

Lemieux, Pierre (1994) "A Few Words in Support of Tax Evasion." *The Globe and Mail*, February 16.

Linneman, Peter D. and Isaac F. Megbolugbe (1992) "Housing Affordability: Myth or Reality?" *Urban Studies* 29(3/4):369-392.

Lucaciu, Daniela (1992) "Charitable Donations." *Canadian Social Trends* (Summer):23-25.

Magrabi, Frances M., Young Sook Chung, Sanghee Sohn Cha, and Se-Jeong Yang (1991) *The Economics of Household Consumption*. New York: Praeger.

Marshall, Katherine (1993) "Dual Earners: Who's Responsible for Housework?" *Canadian Social Trends* (Winter):11-14.

Martin, Joanne M. and Elmer P. Martin (1985) *The Helping Tradition in the Black Family and Community*. Silver Spring, MD: National Association of Social Workers.

Michalski, Joseph H. (1993) "The Social Division of Labour and Life: Implications for Federal and Provincial Cash Transfer Policies." Paper presented at the Sixth Biennial Social Welfare Policy Conference, Memorial University, St. John's, Newfoundland, June 27-30.

Mingione, Enzo (1983) "Informalization, Restructuring and the Survival Strategies of the Working Class." *International Journal of Urban and Regional Research* 7(3):311-339.

Mittelstaedt, Martin (1994) "Tax-evading Transactions Estimated at $70-Billion." *The Globe and Mail*, February 3.

Montgomery, Rhonda J. V. and Barbara A. Hirshorn (1991) "Current and Future Family Help with Long-Term Care Needs of the Elderly." *Research on Aging* 13(2):171-204.

Mutran, Elizabeth (1985) "Intergenerational Family Support among Blacks and Whites: Response to Culture or to Socio-economic Differences?" *Journal of Gerontology* 40:382-389.

Oderkirk, Jillian (1992a) "Food Banks." *Canadian Social Trends* (Spring):6-14.

Oderkirk, Jillian (1992b) "Parents and Children Living with Low Incomes." *Canadian Social Trends* (Winter):11-15.

Oderkirk, Jillian and Clarence Lochhead (1992) "Lone Parenthood: Gender Differences." *Canadian Social Trends* (Winter):16-19.

Offe, Claus and Rolf G. Heinze (1992) *Beyond Employment: Time, Work and the Informal Economy*. Translated by Alan Braley. Cambridge, UK: Polity Press.

Pahl, R.E. (1984) *Divisions of Labour*. Oxford: Basil Blackwell.

Pahl, R.E. and Claire Wallace (1985) "Household Work Strategies in Economic Recession." Pp. 189-227 in *Beyond Employment: Household, Gender and Subsistence*, edited by Nanneke Redclift and Enzo Mingione. New York: Basil Blackwell.

Parish, William L., Lingxin Hao, and Dennis P. Hogan (1991) "Family Support Networks, Welfare, and Work among Young Mothers." *Journal of Marriage and the Family* 53:203-215.

Prais, S. J. and H. S. Houthakker (1971) *The Analysis of Family Budgets*. Cambridge, England: Cambridge University Press.

Preston, Valerie, Robert A. Murdie, and George Fallis (1989) *A Profile of Housing in Ontario: Trends in Renter Affordability and Physical Characteristics*. North York, Ontario: York University, Institute for Social Research.

Quarter, Jack (1992) *Canada's Social Economy*. Toronto: James Lorimer & Company.

Redclift, Nanneke and Enzo Mingione, eds. (1985) *Beyond Employment: Household, Gender and Subsistence*. Oxford: Basil Blackwell.

Rosanvallon, P. (1980) "Le D'développement de l'économie souterraine et l'avenir des sociétés industrielles. *Le Débat* 2(June):15-27.

Rose, Richard (1985) "Getting By in Three Economies: The Resources of the Official, Unofficial and Domestic Economies." Pp. 103-141 in *State and Market: The Politics of the Public and the Private*, edited by Jan-Erik Lane. London: Sage Publications.

Ross, David P. (1990) *Economic Dimensions of Volunteer Work in Canada*. Ottawa: Department of the Secretary of State.

Rothenberg, Jerome, George C. Galster, Richard V. Butler, and John Pitkin (1991) *The Maze of Urban Housing Markets: Theory, Evidence, and Policy*. Chicago: University of Chicago Press.

Sen, Amartya (1981) *Poverty and Famines: An Essay on Entitlement and Deprivation*. Oxford: Clarendon Press.

Social Assistance Review Committee (1988) *Transitions: Executive Summary*. Toronto: Queen's Printer for Ontario.

Social Planning Council of Metropolitan Toronto (1991) *Guides for Family Budgeting*. Toronto: Social Planning Council of Metropolitan Toronto.

Stack, Carol B. (1974) *All Our Kin: Strategies for Survival in a Black Community*. New York: Harper & Row.

Statistics Canada (1991) *Household Facilities by Income and Other Characteristics*. Ottawa: Ministry of Industry, Science and Technology.

Statistics Canada (1992a) *Family Expenditure in Canada*. Ottawa: Minister of Industry, Science and Technology.

Statistics Canada (1992b) *Family Food Expenditures in Canada*. Ottawa: Minister of Industry, Science and Technology.

Statistics Canada (1993a) *Selected Income Statistics*. Ottawa: Minister of Industry, Science and Technology.

Statistics Canada (1993b) *Housing Costs and Other Characteristics of Canadian Households*. Ottawa: Minister of Industry, Science and Technology.

Statistics Canada (1993c) "Social Indicators." *Canadian Social Trends* (Winter):31.

Statistics Canada (1994a) *Family Expenditure in Canada*. Ottawa: Minister of Industry, Science and Technology.

Statistics Canada (1994b) Statistical Tables in *Canadian Economic Observer* (January).

Stoller, Eleanor Palo (1985) "Exchange Patterns in the Informal Support Networks of the Elderly: The Impact of Reciprocity on Morale." *Journal of Marriage and the Family* 47:335-342.

Szalai, Alexander, ed. (1972) *The Use of Time: Daily Activities of Urban and Suburban Populations in Twelve Countries*. The Hague: Mouton.

Taylor, Robert J. (1986) "Receipt of Support from Family among Black Americans: Demographic and Familial Differences." *Journal of Marriage and the Family* 48:67-77.

Titmuss, Richard M. (1965) "The Role of Redistribution in Social Policy." *Social Security Bulletin* 39(June):15-20.

Titmuss, Richard M. (1976) [1955] "The Social Division of Welfare: Some Reflections on the Search for Equity." Pp. 34-55 in *Essays on 'The Welfare State'*, edited and with an introduction by Brian Abel-Smith. London: George Allen & Unwin.

Townsend, Peter (1979) *Poverty in the United Kingdom: A Survey of Household Resources and Standards of Living*. Harmondsworth: Penguin.

Uehara, Edwina (1987) "Job Loss and Support Mobilization among Poor, Urban Black Women." Doctoral dissertation. University of Chicago, School of Social Service Administration.

Uehara, Edwina (1990) "Dual Exchange Theory, Social Networks, and Informal Social Support." *American Journal of Sociology* 96:521-557.

United States Bureau of the Census (1992) *Statistical Abstract of the United States: 1992* (112th edition). Washington, D.C.: U.S. Government Printing Office.

Wellman, Barry (1992) "Which Types of Ties and Networks Provide What Kinds of Social Support?" *Advances in Group Processes* 9:207-235.

Wellman, Barry and Scot Wortley (1990) "Different Strokes from Different Folks: Community Ties and Social Support." *American Journal of Sociology* 96:558-588.

Wilmott, Peter (1986) *Social Networks, Informal Care, and Public Policy*. London: Policy Studies Institute