



# Brown's Economic Damages Newsletter

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Brown Economic offers 5 user-friendly, economic loss calculators for quick, accurate, and cost-effective damages estimates, available @ [www.browneconomic.com](http://www.browneconomic.com):

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Cara Brown, M.A., Principal  
Maureen Mallmes, B.Sc., SEMC  
Dan Clavelle, M.Ec.  
Rachel A. Rogers, B.A., J.D.  
Genevieve Peters, Ph.D.  
Kris Julie  
Elda Figueira, MLS  
J.C.H. Emery, Ph.D.  
Frank Strain, Ph.D.  
Stephen Clark, Ph.D.

## 2016 Housekeeping Hourly Rates:

- 1] *used in court-ready assessments*
- 2] *used in the online Housekeeping Damages Calculator™ @ [www.browneconomic.com](http://www.browneconomic.com)*
- 3] *plus 4 recent cases awarding housekeeping damages*

By Cara L. Brown, M.A. and Rachel A. Rogers, B.A. (Economics), J.D.

On a periodic basis, we publish the *hourly* replacement rates that can be used to value housekeeping claims, for both injury and fatality cases. These hourly rates are the same rates utilized in our *Housekeeping Damages Calculator™* and in our “court-ready” reports.<sup>1</sup>

### Prior issues of **Brown's Economic Damages Newsletter** related to this topic:<sup>2</sup>

- ◆ 2015 housekeeping hourly rates: used in court-ready assessments & for the online *Housekeeping Damages Calculator™* @ [www.browneconomic.com](http://www.browneconomic.com)
- ◆ “Housekeeping & Cost of Care Awards: 2013 hourly rates & 2012-13 cases”, August 2013, vol. 10, issue #7
- ◆ “Time Use: Average Time spent on Activities & Utilization for the **Housekeeping Damages Calculator™** (“HDC”), September/October 2012, vol. 9, issue #8
- ◆ “Housekeeping Claims: Time Use Data from Statistics Canada’s 2010 *General Social Survey (GSS)*, cycle 24” July/August 2011, vol. 8, issue #6
- ◆ “Housekeeping claims: 2010 hourly replacement rates”, March 2010, vol. 7, issue #3
- ◆ “Housekeeping award by Ontario Court of Appeal: *McIntyre v. Docherty* [2009]”, May 2009, vol. 6, issue #4
- ◆ “Housekeeping claims: Time use statistics from Statistics Canada’s 2005 *General Social Survey (GSS)* cycle 19” October 2006, vol. 3, issue #9

<sup>1</sup> The exception to this would be if there is a cost of care expert who has done a cost of care report (in injury cases) or valuable services assessment (in fatality cases). In these instances, we use the rate recommended by the cost of care expert.

<sup>2</sup> To request back issues of our newsletter, go to: [www.browneconomic.com](http://www.browneconomic.com) > **RESEARCH & PUBLICATIONS** > *Brown's Economic Damages Newsletter* > click on “Newsletter index” to view issues extending back to 2000, by topic. To request prior issues, click on the “Back issues” on the left-hand side menu and complete the email request.

Table 1 below shows the hourly replacement rates to use for quantifying loss of housekeeping capacity awards. This data is shown for each province and territory in Canada, based on the 2006 Census, *2011 National Household Survey* data, the federal government's **Working in Canada** website, and provincial wage and salary surveys<sup>3</sup>

*Table 1: Hourly replacement rates for housekeeping / valuable services, by province and territory in Canada (rates expressed in 2016 dollars), based on wage statistics*

**Table 1: Housekeeping Rates Across Canada**

Province/Territory	Source(s) of data	Average rate in 2016 Dollars <sup>1</sup>
Northwest Territories*	Statistics Canada's 2001/2006 Census (NOC-S G811)	\$27.68
Yukon*	Statistics Canada's 2006 Census (NOC-S G811), Job Bank <sup>2</sup> (NOC 6471)	\$24.76
<b>Average NWT &amp; Yukon</b>		<b>\$26.22</b>
British Columbia	Statistics Canada's 2006 Census/2011 National Household Survey (NOC-S G811), 2009 British Columbia Wage and Salary Survey (NOC 6471), Job Bank <sup>2</sup> (NOC 6471)	\$18.48
Ontario	Statistics Canada's 2006 Census/2011 National Household Survey (NOC-S G811), Job Bank <sup>2</sup> (NOC 6471)	\$17.46
Alberta	Statistics Canada's 2006 Census/2011 National Household Survey (NOC-S G811), Job Bank <sup>2</sup> (NOC 6471), 2015 Alberta Wage and Salary Survey (2011 NOC 4412)	\$18.75
Saskatchewan	Statistics Canada's 2006 Census/2011 National Household Survey (NOC-S G811), Job Bank <sup>2</sup> (NOC 6471), Saskatchewan Job Futures (NOC 6471), 2011 Saskatchewan Wage Survey (NOC 6471)	\$16.15
Manitoba	Statistics Canada's 2006 Census/2011 National Household Survey (NOC-S G811), Job Bank <sup>2</sup> (NOC 6471)	\$15.60
<b>Average Prairies</b>		<b>\$16.83</b>
New Brunswick	Statistics Canada's 2006 Census/2011 National Household Survey (NOC-S G811), Job Bank <sup>2</sup> (NOC 6471), New Brunswick Wage Report 2003 (NOC 6471)	\$12.81
Prince Edward Island	Statistics Canada's 2006 Census/2011 National Household Survey (NOC-S G811), Job Bank <sup>2</sup> (NOC 6471), Service Canada's PEI Wage Survey 2006 (NOC 6471)	\$16.82
Nova Scotia	Statistics Canada's 2006 Census/2011 National Household Survey (NOC-S G811), Job Bank <sup>2</sup> (NOC 6471)	\$17.92
Newfoundland	Statistics Canada's 2006 Census/2011 National Household Survey (NOC-S G811), Job Bank <sup>2</sup> (NOC 6471)	\$13.69
<b>Average Atlantic Canada</b>		<b>\$15.31</b>

<sup>1</sup> Figures are adjusted to 2015 dollars using Statistics Canada's *Estimates of Average Weekly Earnings and Survey of Employment, Payrolls and Hours, NAICS 5617 (services to buildings and dwellings)*, Canada (when provincial or territorial data not available for index 5617), Ontario, Alberta, and Saskatchewan. We assume 2.0% wage inflation from 2015 to 2016 based on the Bank of Canada's inflation target of 2.0%.

<sup>2</sup> [www.jobbank.gc.ca](http://www.jobbank.gc.ca), data for each respective province and territory (formerly "workingincanada.gc.ca" and "labourmarketinformation.ca").

\* We rely on data from the 2006 Census for the Northwest Territories and Yukon as data from the 2011 National Household Survey is insufficient for the territories. Note that the only relevant case we are aware of in the territories is Fallowka et al (2004). The hourly housekeeping rate in the judge's decision in this case was \$14.91 (equivalent to \$21.72 in 2016 dollars).

<sup>3</sup> To view the hourly wages for NOC-S G811/NOC 6471 (visiting housekeepers), click on [www.workingincanada.gc.ca](http://www.workingincanada.gc.ca) > click on "Compare wages or outlooks" and search either by NOC code or job title. (This Internet site was formerly known as "www.labourmarketinformation.ca"). The provincial wage and salary surveys include the 2009 British Columbia Wage and Salary Survey, 2015 Alberta Wage and Salary Survey, Saskatchewan Wage Survey 2013, 2003 New Brunswick Wage Report, and PEI Wage Survey 2006.

The hourly rates shown above are used in our court-ready assessments, and in our online *Housekeeping Damages Calculator*<sup>TM</sup> at [www.browneconomic.com](http://www.browneconomic.com).<sup>4</sup> These hourly rates are combined either with the plaintiff's or decedent's record of time spent on household activities before the incident; or from time use studies by government agencies. As Cushing and Rosenbaum state,

"...time use surveys are the most popular method for recording the number of hours devoted to household production. After statistics are collected on time spent in nonmarket production, a dollar value is assigned to each activity and multiplied by the number of hours to estimate value."<sup>5</sup>

Canadian judges (and likely juries) have preferred to have specific evidence given by the plaintiff or the decedent's family as to his/her time spent on household activities. This can be accomplished by having the plaintiff or the survivor complete a form such as the *Diary of Household Activities*.<sup>6</sup> The *Diary* has been created by this author using research about such diaries from Statistics Canada, and has gone through more than six iterations after feedback from numerous counsel. The main asset of the *Diary* compared to many self-made forms is that **it constrains the user to a 168-hour week**. If instead you ask someone an open-ended question such as "How much time did you [or your spouse] spend on housework?" the user will often *overestimate* the housework time and on occasion will not leave enough time in the week for other activities, such as sleeping, eating, paid work, personal care, and leisure/spiritual activities.<sup>7</sup>

If it is not possible to obtain the plaintiff-specific time use information, courts have accepted time use data from Statistics Canada's *General Social Surveys* (GSS). There have been five cycles since 1986 that have surveyed the time use of Canadians; the most recent was in 2010 (cycle 24).<sup>8</sup> For detailed information on the results of this GSS survey for the purpose of housekeeping damages awards, see **Brown's Economic Damages Newsletter**, "Housekeeping Claims: Time Use Data from Statistics Canada's 2010 *General Social Survey* (GSS), cycle 24" July/August 2011, vol. 8, issue #6.

Once the time use information is gathered, the mathematical exercise is, as Cushing and Rosenbaum describe above, is to multiply the number of hours by the statistics regarding replacement rates for "nonmarket production" (household work). That is the purpose of the rates in Table 1 above. Note that this procedure follows the **replacement cost method**, which is the accepted method in Canadian jurisprudence, and the most frequently used one by forensic economists in the US.<sup>9</sup> As the above authors remark,

"The replacement wage method values household production time at the wage of a hired worker who performs the work. *The replacement wage method compensates tort victims for the work they or their deceased would have performed as if they were domestic workers in their own employment.* This approach is more widely used in studies of household time."<sup>10</sup> (emphasis added)

<sup>4</sup> To access the hourly rates used in the HDC, click on the "Housekeeping (pay per use)" link on the home page, and then click on "Click [here](#) for a summary of hourly replacement rates used in this calculator".

<sup>5</sup> Matthew J. Cushing and David I. Rosenbaum. 2012. "Valuing Household Services: A New Look at the Replacement Cost Approach." *Journal of Legal Economics* 19(1): p. 38.

<sup>6</sup> To access the *Diaries*, go to [www.browneconomic.com](http://www.browneconomic.com) > **PRODUCTS & SERVICES** > Checklists & Diaries > click on "Diaries" on the left-hand menu. Alternatively, contact our head office on our HELP line at **1-888-BEC-ASST** (1-888-232-2778) or email us at [help@browneconomic.com](mailto:help@browneconomic.com).

<sup>7</sup> For data on how much time Canadians spend on these activities, see **Brown's Economic Damages Newsletter**, "Time Use: *Average Time spent on Activities & Utilization for the Housekeeping Damages Calculator*<sup>TM</sup> ("HDC"), September/October 2012, vol. 9, issue #8.

<sup>8</sup> There was a GSS pilot survey done in 2014, but the results have not yet been released, so the 2010 data is still the most recent available to quantum experts. The next time use survey to be produced by the GSS is in the fall of 2017 according to Statistics Canada representatives.

<sup>9</sup> Matthew J. Cushing and David I. Rosenbaum. 2012. "Valuing Household Services: A New Look at the Replacement Cost Approach." *Journal of Legal Economics* 19(1): p. 39.

<sup>10</sup> Matthew J. Cushing and David I. Rosenbaum. 2012. "Valuing Household Services: A New Look at the Replacement Cost Approach." *Journal of Legal Economics* 19(1): p. 38.

The replacement cost approach typically used by quantum experts in Canada (or, as coined by Cushing and Rosenbaum, the “market wage approach”) is not the same one used by future cost of care experts. Rather, cost of care experts employ what Cushing and Rosenbaum call the “*retail market price*” approach. In this method, cost of care experts “develop a series of hourly retail prices that consumers would pay if they were to purchase equivalent services on a retail market”. As Cushing and Rosenbaum assert, “valuing services at retail prices may be more reflective of how an individual claiming damages would replace lost household services.”<sup>11</sup>

The ***Housekeeping Damages Calculator***<sup>TM</sup> at [www.browneconomic.com](http://www.browneconomic.com) allows the user to enter the plaintiff’s time use on all activities, then calculates the remaining time for household services. A PDF report is generated by the HDC which details all of the calculations and the yearly computations. The fee for the HDC is \$190.00 + GST.

### ***Recent case law awarding housekeeping damages***

#### ***Jones v. Stepanenko***<sup>12</sup> - ALBERTA

Loss of housekeeping capacity: \$15,000 (\$5,000 for past loss and \$10,000 for future loss)

Total award: \$282,683.65

At the time of the August 2009 motor vehicle accident, the plaintiff was a 19 year old nursing student about to enter her second year at Mount Royal College (now Mount Royal University).<sup>13</sup> Although the plaintiff claimed \$25,000 for loss of housekeeping capacity, Justice Eidsvik stated a more general award of \$5,000 for past losses and \$10,000 for future losses was appropriate.<sup>14</sup> At the time of the accident the plaintiff was living in her parent’s basement, in 2013 she moved into a small apartment with her friend and in 2014 she bought a house and moved in with her boyfriend. The plaintiff and her boyfriend hired the plaintiff’s mother to help out with the housekeeping; however, the plaintiff conceded that despite the incident they probably would have hired help anyway given her busy lifestyle.<sup>15</sup> Justice Eidsvik stated at paras. 131 and 132 that there had been an economic loss over the last seven years since the incident and that “the defendant should pay for the economic loss because of the Plaintiff’s inability to do the heavier housework.” However, the plaintiff’s “responsibilities were not very great, so her housekeeping losses were also not very acute until perhaps the last year or so.”

#### ***Manoharan v. Kaur***<sup>16</sup> - BRITISH COLUMBIA

Loss of housekeeping capacity: \$27,500 (\$2,500 for pass loss and \$25,000 for future loss)

Total award: \$984,167

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<sup>11</sup> Matthew J. Cushing and David I. Rosenbaum. 2012. “Valuing Household Services: A New Look at the Replacement Cost Approach.” *Journal of Legal Economics* 19(1): p. 39.

<sup>12</sup> 2016 ABQB 295, 2016 CarswellAlta 1003.

<sup>13</sup> *Ibid* at para. 2.

<sup>14</sup> *Ibid* at paras. 6 and 133.

<sup>15</sup> *Ibid* at paras. 129 to 130.

<sup>16</sup> 2016 BCSC 692, 2016 CarswellBC 1069.

The plaintiff was in the process of obtaining her certification as a certified general accountant when the 2010 motor vehicle accident occurred.<sup>17</sup> Following the July 2010 accident, Justice Affleck pointed out that the plaintiff had not hired anyone to assist her with housekeeping but “that this is not a reason for refusing compensation” (para. 57). The plaintiff’s expert quantified the cost of two hours each week for housekeeping and an additional 12 hours annually at \$57,500 to age 80, however Justice Affleck awarded \$27,500 to account for the fact that the plaintiff had recovered some capacity to perform housework (approximately 50% of the indoor housekeeping she did prior to the accident).<sup>18</sup>

***Ur-Rahman v. Mahatoo*<sup>19</sup> - ONTARIO**

Loss of housekeeping capacity (handyman services): \$39,200 (\$2,800 for services provided and \$36,400 for future loss)

Total award: \$274,616.10

At the time of the January 2003 slip and fall the plaintiff was renting a room from the defendant, however following the incident resided with a friend for approximately 6-7 months who assisted him with his activities of daily living. While residing with his friend the plaintiff promised to pay him \$100 per week for his assistance. Justice Firestone determined that the plaintiff was unable to do the heavier household and maintenance tasks for a period of time following the incident and awarded the plaintiff \$36,400 (\$5,200 per year for 7 years).<sup>20</sup> Despite a medical report that stated the plaintiff “has substantial disability with respect to the heavier/repetitive housekeeping tasks and home maintenance tasks at the present time” and that “he continues to require housekeeping assistance and home maintenance assistance” (para. 60) it was not stated in the judgment why the plaintiff’s loss of housekeeping/handyman services award ceased after 7 years.

***Gordon v. Sexton*<sup>21</sup> - NEWFOUNDLAND**

Loss of housekeeping capacity (valuable services): \$20,708.55 (\$9,000 for past losses and \$11,708.55 for future losses)

Total award: \$228,421.98

Following a motor vehicle accident in April 2002, the plaintiff’s expert stated his ability to perform usual household work had been impaired, he could no longer do heavier household tasks and that he had sustained a loss of capacity of about one-third. The plaintiff claimed \$49,026 for past loss of housekeeping (valuable services);<sup>22</sup> however Justice Handrigan awarded \$9,000 for services lost (\$750 per year). He noted that the plaintiff was unable to say how much time he spent on tasks before the accident or how much he spent on them since the accident, against which he could test the reliability of the plaintiff’s expert’s calculations.<sup>23</sup> In regards to future loss of valuable services, Justice Handrigan accepted the expert’s 200% mortality factor to account for the plaintiff being a chronic cigarette smoker and life expectancy of approximately age 74, which equated to a further 21 years of care. He utilized the expert’s multiplier of 15.6114 at arriving at a loss of valuable services to age 74 ( $\$750 \times 15.6114 = \$11,708.55$ ).<sup>24</sup>

<sup>17</sup> *Ibid* at para. 10.

<sup>18</sup> *Ibid* at para. 57.

<sup>19</sup> 2014 ONSC 2636, 2014 CarswellOnt 5854.

<sup>20</sup> *Ibid* at paras. 59 to 64.

<sup>21</sup> 2013 NLTD (G) 127, 2013 CarswellNfld 504.

<sup>22</sup> *Ibid* at para. 63 to 64.

<sup>23</sup> *Ibid* at para. 67 to 68.

<sup>24</sup> *Ibid* at para. 95.

## UPDATING NON-PECUNIARY AWARDS FOR INFLATION (APRIL 2016, CANADA)

Year of Accident/ Year of Settlement or Trial	"Inflationary" Factors*	Non-Pecuniary Damages - Sample Awards				
		\$10,000	\$25,000	\$50,000	\$75,000	\$100,000
Avg. April 2015-April 2016	1.013	\$10,131	\$25,328	\$50,657	\$75,985	\$101,314
Avg. 2014-April 2016	1.017	\$10,165	\$25,413	\$50,827	\$76,240	\$101,654
Avg. 2013-April 2016	1.036	\$10,359	\$25,898	\$51,795	\$77,693	\$103,591
Avg. 2012-April 2016	1.046	\$10,456	\$26,140	\$52,281	\$78,421	\$104,561
Avg. 2011-April 2016	1.061	\$10,615	\$26,537	\$53,074	\$79,612	\$106,149
Avg. 2010-April 2016	1.092	\$10,924	\$27,310	\$54,619	\$81,929	\$109,238
Avg. 2009-April 2016	1.112	\$11,119	\$27,796	\$55,593	\$83,389	\$111,186
Avg. 2008-April 2016	1.117	\$11,171	\$27,928	\$55,857	\$83,785	\$111,713
Avg. 2007-April 2016	1.142	\$11,416	\$28,540	\$57,079	\$85,619	\$114,159
Avg. 2006-April 2016	1.166	\$11,660	\$29,149	\$58,298	\$87,447	\$116,596
Avg. 2005-April 2016	1.189	\$11,893	\$29,732	\$59,464	\$89,197	\$118,929
Avg. 2004-April 2016	1.216	\$12,157	\$30,391	\$60,783	\$91,174	\$121,565
Avg. 2003-April 2016	1.238	\$12,382	\$30,956	\$61,912	\$92,869	\$123,825
Avg. 2002-April 2016	1.272	\$12,724	\$31,811	\$63,621	\$95,432	\$127,243
Avg. 2001-April 2016	1.301	\$13,012	\$32,530	\$65,059	\$97,589	\$130,119
Avg. 2000-April 2016	1.334	\$13,339	\$33,348	\$66,696	\$100,045	\$133,393
Avg. 1999-April 2016	1.370	\$13,703	\$34,257	\$68,514	\$102,771	\$137,027
Avg. 1998-April 2016	1.394	\$13,940	\$34,850	\$69,700	\$104,550	\$139,400
Avg. 1997-April 2016	1.408	\$14,079	\$35,197	\$70,394	\$105,591	\$140,788
Avg. 1996-April 2016	1.431	\$14,307	\$35,767	\$71,534	\$107,301	\$143,068
Avg. 1995-April 2016	1.453	\$14,532	\$36,331	\$72,661	\$108,992	\$145,323
Avg. 1994-April 2016	1.484	\$14,844	\$37,111	\$74,221	\$111,332	\$148,442
Avg. 1993-April 2016	1.487	\$14,869	\$37,171	\$74,343	\$111,514	\$148,685
Avg. 1992-April 2016	1.515	\$15,146	\$37,866	\$75,732	\$113,598	\$151,464
Avg. 1991-April 2016	1.537	\$15,372	\$38,429	\$76,858	\$115,286	\$153,715
Avg. 1990-April 2016	1.624	\$16,237	\$40,592	\$81,183	\$121,775	\$162,366
Avg. 1989-April 2016	1.701	\$17,014	\$42,535	\$85,070	\$127,604	\$170,139
Avg. 1988-April 2016	1.786	\$17,862	\$44,655	\$89,309	\$133,964	\$178,619
Avg. 1987-April 2016	<b>1.858</b>	\$18,579	\$46,448	<b>\$92,896</b>	\$139,344	\$185,791
Avg. 1986-April 2016	1.939	\$19,389	\$48,472	\$96,945	\$145,417	\$193,889
Avg. 1985-April 2016	2.020	\$20,202	\$50,504	\$101,008	\$151,512	\$202,017
Avg. 1984-April 2016	2.100	\$21,002	\$52,505	\$105,010	\$157,515	\$210,020
Avg. 1983-April 2016	2.191	\$21,906	\$54,765	\$109,530	\$164,295	\$219,060
Avg. 1982-April 2016	2.319	\$23,192	\$57,979	\$115,959	\$173,938	\$231,918
Avg. 1981-April 2016	2.569	\$25,687	\$64,219	\$128,437	\$192,656	\$256,875
Avg. 1980-April 2016	2.890	\$28,896	\$72,241	\$144,481	\$216,722	\$288,962
Avg. 1979-April 2016	3.182	\$31,823	\$79,559	\$159,117	\$238,676	\$318,234
Jan. 1978-April 2016	<b>3.625</b>	\$36,248	\$90,620	\$181,239	\$271,859	<b>\$362,479</b>

\$92,896= \$50,000 x 1.858 represents the dollar equivalent in April 2016 of \$50,000 based on inflation increases since 1987. Similarly, \$362,479 (= \$100,000 x 3.625) represents the dollar equivalent in April 2016 of \$100,000 in 1978 based on inflationary increases since the month of January 1978.  
\* Source: Statistics Canada, Consumer Price Index, monthly CPI release, rolling average (except for Jan. 1978).

### Consumer Price Index Unemployment Rate

From April 2015 to April 2016* (rates of inflation)		For the month of April 2016	
Canada**	1.7%	Canada:	7.1%
Vancouver:	2.2%	Vancouver:	6.0%
Toronto:	2.3%	Toronto:	7.5%
Edmonton:	1.7%	Edmonton:	7.0%
Calgary:	1.4%	Calgary:	8.3%
Halifax:	1.2%	Halifax:	7.0%
St. John's, NF:	2.0%	St. John's, NF:	7.5%
Saint John, NB:	2.2%	Saint John, NB:	8.4%
Charlottetown:	1.7%	Charlottetown (PEI):	11.5%

\* Using month-over-month indices. Source: Statistics Canada  
\*\* 12 month rolling average up to April 2016 is 1.3% (see table above).

### Brown Economic Consulting Inc.

#### HEAD OFFICE

#216, 5718-1A Street South West  
Calgary, AB T2H 0E8  
T 403.571.0115 F 403.571.0932

#907, 1128 Sunset Drive  
Kelowna, B.C. V1Y 9W7  
Toll 1.800.301.8801

1701 Hollis Street Suite 800  
Halifax, NS B3J 3M8  
Toll 1.800.301.8801

Email [help@browneconomic.com](mailto:help@browneconomic.com)  
Web [www.browneconomic.com](http://www.browneconomic.com)

