

Submission to the House of Commons Standing Committee on the Status of Women regarding the challenges faced by senior women

Katherine Scott

Senior Researcher, Canadian Centre for Policy Alternatives, National Office

April 4 2019

Introduction

Poverty and economic insecurity present a unique hardship for senior women, particularly when combined with the many overlapping challenges of aging: chronic disease, loss of mobility, declining health, loss of a spouse and other friends, ageism, and vulnerability to abuse and neglect. Given that Canada's population is aging, the gaps in our system of public supports for seniors directly affect ever widening circles of people.¹

Seniors are sometimes portrayed as a well-off generation that benefits from generous government supports at the expense of younger people. But this account ignores the reality of large inequalities in income and wealth in Canada, including among seniors—many of whom remain in poverty despite the positive impact of seniors benefits. And it ignores the reality of large disparities between men and women.

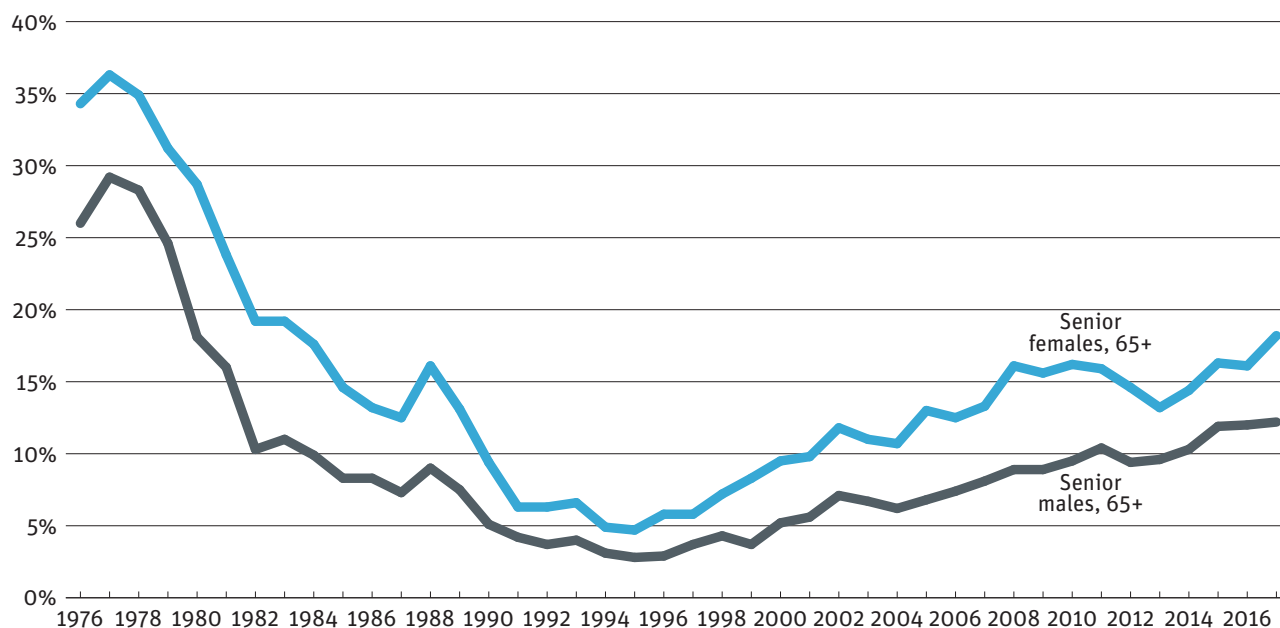
Age and gender are only two of many intersecting factors—such as race, living arrangements, education and employment, disability, sexual identity and immigrant



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FIGURE 1 Low income among seniors by sex and family status, 1976–2017
(After-tax Low Income Measure)



Source: Statistics Canada, Low income statistics by age, sex and economic family type.

status—that affect economic security. It is the intersections of these experiences and identities that reveal the challenges that different groups of senior women face and what’s needed by way of solutions that meet their unique needs.

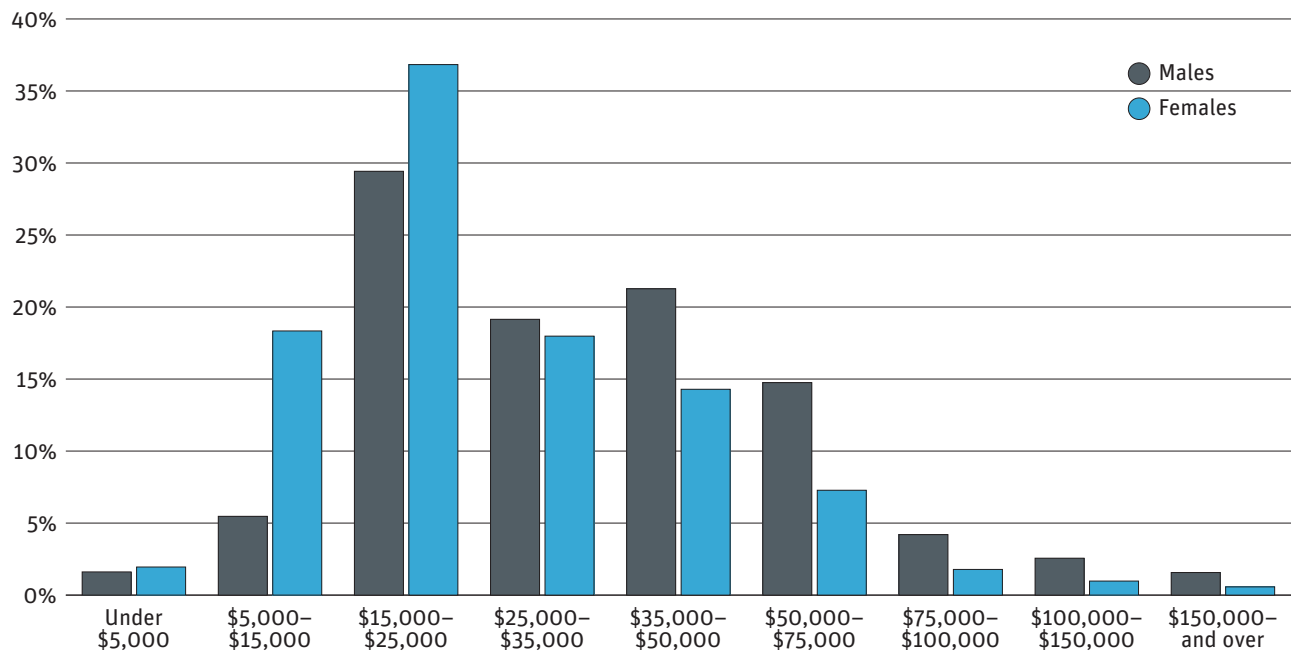
Poverty and income security among older women

Poverty and lack of income security pose a significant barrier to quality of life for older women. The high cost of housing and medications eat into even modest incomes, leaving little for food, transportation and other needs. At age 65, women can expect to live another 21 years, and increasing numbers are living to age 90 and beyond. Many will be widowed, many will live with one or more disabilities, but most will have only limited savings and pension income to sustain them through this period of their lives.

Rates of poverty are higher among senior women than among senior men

After dramatic declines in the 1980s and 1990s, the seniors’ poverty rate started to rise around 2000, reaching 15.4% in 2017.² Almost 600,000 women over the age of 65 lived in poverty in 2017—representing 18.2% of this group—as compared to

FIGURE 2 Distribution of after-tax income by income group, taxfilers aged 65+ years, by sex (2016)



Source: Statistics Canada, Tax filers and dependents with income by after-tax income, sex and age

341,000 senior men (or 12.2%). Indeed, senior women make up roughly two-thirds (63%) of all seniors living in poverty, and over 70% of all poor single seniors (72%).

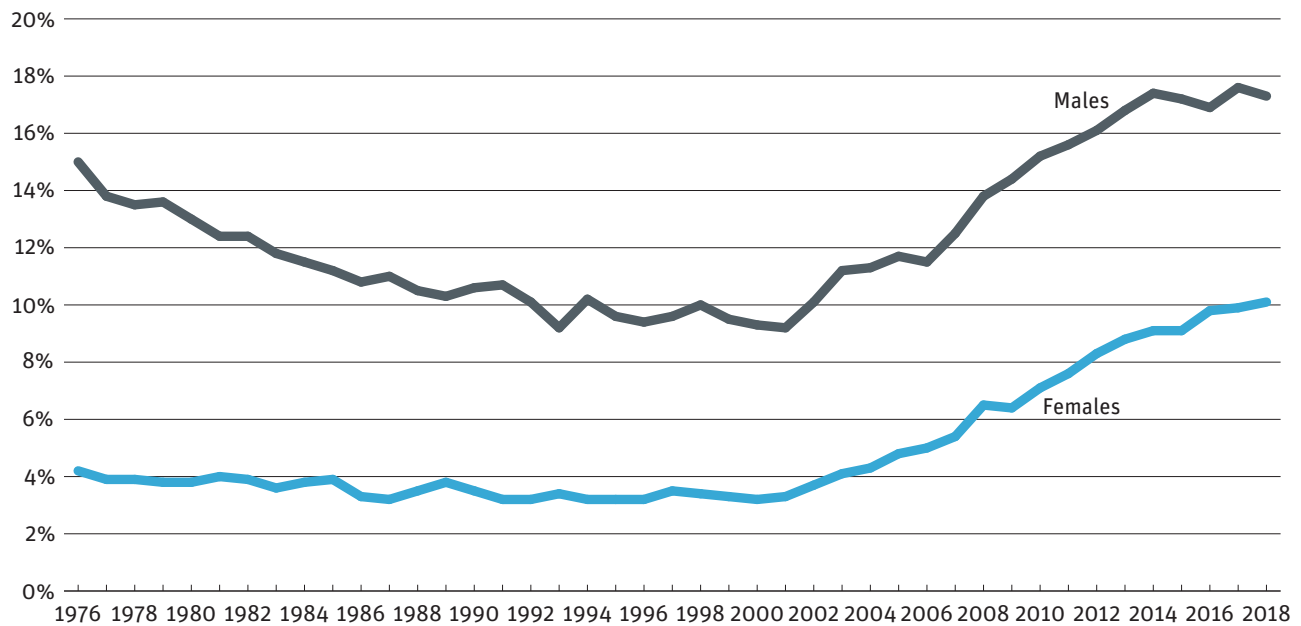
Rates of poverty are even higher among marginalized groups. For example, 24% of Indigenous women over the age of 65 lived in low income in 2015; the percentage was 22.6% among older women who immigrated to Canada within the last 10 years.³

Another very large group of seniors has incomes just above the poverty line

The focus on poor seniors is incredibly important, but there is another very large group of seniors living on incomes very close to the poverty line. More than half of all senior women (57%) had after-tax incomes of \$25,000 or less in 2017, compared to 37% of senior men. Of this group of women, two-thirds had incomes between \$15,000 and \$25,000.

This tells us that many senior women have little income above the basic public pension provided by OAS/GIS and a modest CPP. It also explains why the rate of core housing need is so high among seniors, especially single women living on their own, and why so many face untenable choices each day, juggling with the high cost of housing, medications, food and other basics.⁴

FIGURE 3 Employment Rates among men and women, aged 65+ years (1976–2018)



Source: Statistics Canada. Labour force characteristics by sex and detailed age group, annual

The proportion of seniors carrying debt has been trending up

Debt is on the rise among seniors according to Statistics Canada. In 2016, four in 10 older households (42%) reported debt, up from one-quarter (27%) in 1999, driven largely by increases in mortgage debt. More than one-third of senior families (36%) now have a debt-to-income ratio of at least 1.0, which means their debt exceeds their annual income—often time to a large degree.⁵

The increase in seniors' debt speaks to the challenge of those who may be “property rich but cash poor.” They may own their home, but if their annual incomes are low, as is the case for the majority of women, they still wrestle with paying their bills, covering debt charges and meeting their basic needs.

Labour force rates are increasing among seniors and near-seniors

It is perhaps not surprising that we have seen an uptick in employment among seniors, especially women. Women still tend to have shorter work histories than men due largely to their caregiving responsibilities, but this gap has narrowed considerably, even now among seniors. In 2018, one in 10 women (10.1%) over age 65 were employed, up from 3.2% in 2000.⁶

As importantly, there has been a significant increase in the proportion of women aged 55 to 64 who are in the paid labour market. The real change again has been

The unequal burden of caring labour

In 2012, more than one-third of the Canadian workforce was providing informal care to a family member or friend: about 1.6 million caregivers took leave from work; nearly 600,000 reduced their work hours; 160,000 turned down paid employment; and 390,000 had quit their jobs to provide care. Women provide the majority of this care at all stages of their lives.⁹

since 2000. Employment is up 18 percentage points among women aged 55 to 59 (to 68.2%) and up 22 percentage points among women aged 60 to 64 (to 48.1%), still well below male rates but closing.

Rising labour force rates will not be enough to offset inadequate pension coverage and low levels of retirement savings

The difference in incomes at retirement between those seniors with and without a pension is stark. Forty per cent of seniors have no RRSPs or similar assets, while 24.9% have no private pension assets at all. And the median asset holdings of those who do have private retirement savings is \$240,600—a very modest amount to cover off a potentially long retirement.⁷

Women are doubly disadvantaged because of their work histories and the sizeable and persistent gender pay gap

Women are still more likely to take time out of the paid workforce to care for young children, ill or disabled family members and/or elderly parents, *and* are more likely to work fewer hours, at lower wages, for the same reasons. Recent research on the motherhood wage penalty paints a grim picture. Women's earnings fall steeply after having a child and never fully recover, influencing pension coverage and benefit levels down the road.⁸

This situation is compounded further by the lack of recognition and support for older women in their continuing role as primary caregivers for spouses, children, grandchildren and other friends through their senior years. This is a particular challenge for Indigenous seniors who are raising their grandchildren and supporting other family members.

Inadequate public funding for prescription medication and lack of community services ensure a life in poverty for many

The high cost of medication and need for care and other supports represent a significant drain on women's income as they age, especially for those with chronic illnesses or other disabilities.¹⁰ The Canadian Centre for Elder Law reports that older women are taking second and third mortgages against their homes to pay for prescriptions and access to oral health care, hearing aids and mobility devices, or they are simply not purchasing essential medication.¹¹

Our own research on the need for a national universal (single-payer) pharmacare plan shows that, on average, Canadians spent \$763 on prescription medication and private/workplace health insurance premiums in 2016. The poor spend less in absolute terms—because they don't have the funds to pay for needed medications in the first place—but a much larger share of their incomes overall.¹²

Options for reform

Current public policy is failing to meet the needs of a significant number of older women, particularly those who live alone; who are Indigenous, immigrant or part of a racialized group; who live with chronic health problems and disabilities; who have intermittent work histories and/or significant caregiving responsibilities; or who are gay, lesbian and transgender seniors.

Promoting labour market participation of women nearing age 65 and beyond is one strategy that has garnered some attention at the OECD and here in Canada.¹³ But without a strong infrastructure of public supports such as elder care, affordable housing and pharmacare—as well as strategies to address working conditions and employment standards in the low wage labour market—increased labour force participation can't possibly deliver on the promise of greater economic security.

Policies designed to improve the lives of older women must also embrace an intersectional approach and prioritize poverty reduction and reforms to close the gender gap in paid and caring labour across all generations. That's the only way to help today's struggling working-age adults avoid becoming tomorrow's struggling seniors.

To this end, the CCPA recommends the federal government take action in the following three areas:

1. Enhance home and community care, including accessible transportation, to help more seniors stay healthy and independent in their homes, targeting those households most in need.

- Increase the existing transfer to the provinces and territories for home care and establish a national care strategy to ensure equitable services and supports across the country.
- Review and enhance existing benefits under employment insurance for caregivers (e.g., exploring options for the self-employed) and expand the child rearing provision under the CPP to cover all years of full-time family caregiving (or introduce a parallel adult caregiving drop-out provision).

2. Strengthen Canada's income security system for seniors.

- Index OAS to the average industrial wage and salary (instead of the CPI all-items index) to ensure the retirement benefit keeps up with earned incomes.
- Increase the GIS and the GIS top-up for low income single seniors and senior couples and expand the income exemption for determining eligibility for the GIS by exempting the first \$1,500 in CPP benefits. (Budget 2019 raised the earning exemption from \$3,500, but this will only affect a limited number of women as noted above.)
- Explore options for reducing the 10-year waiting period for poor newcomers over age 65 for those in failed sponsorship agreements and/or who have no other means of financial support.

3. Enhance the National Housing Strategy.

- Allocate additional funds over and above what has been committed to the National Housing Co-investment Fund to increase the number of units and scale of repair work planned.
- Provide new funds for supportive housing to expand the units on offer and professional staff support for groups in need including senior women.
- Expedite the new Canada Housing Benefit to deliver immediate assistance to poor renters in public and private housing.

Notes

- 1 See: Igluka Ivanova. Poverty and Inequality among British Columbia's Seniors. Vancouver: Canadian Centre for Policy Alternatives, 2017.
- 2 Unless otherwise noted, poverty rates are based on the after-tax low income measure (LIM). All figures from Statistics Canada's Canadian Income Survey. The income gap between seniors and other families narrowed initially due mainly to improvements in public and private pensions, but in recent years the incomes of many seniors have been falling behind those of working age families in relative terms—as measured by the low income measure defined as half of median household income, adjusted for family size.
- 3 Statistics Canada. 2016 Census of Population.
- 4 Over one-quarter (27.3%) of all single senior women living on their own were in core housing (compared to 23.3% of single senior men). This group made up over half (53.8%) of senior households in core housing need in 2016. Richard Cho. Senior Households Living in Core Housing Need: *Socio Economic Analysis*. Ottawa: Canada Mortgage and Housing Corporation, February 2019.
- 5 Sharanjit Uppal. Debt and assets among senior Canadian families. Statistics Canada, Insights on Canadian Society, Catalogue no. 75-006-X, April 3, 2019.
- 6 Statistics Canada. Labour Force Survey (2018). A third of this group worked part-time (34.2%) and a large proportion were self-employed.
- 7 Statistics Canada. Table 11-10-0016-01, Survey of Financial Security (SFS), assets and debts held by economic family type, by age group, Canada, provinces and selected census metropolitan areas.
- 8 OECD. Employment Outlook 2018. Paris: OECD Publishing.
- 9 Employer Panel for Caregivers. *When Work and Caregiving Collide: How Employers Can Support Their Employees Who Are Caregivers*. Ottawa: Employment and Social Development Canada, 2015.
- 10 For example, 8% of older Canadians have reported not taking prescribed medication because of cost. Cited in Steven G. Morgan and Augustine Lee, "Cost-related non-adherence to prescribed medicines among older adults: a cross-sectional analysis of a survey in 11 developed countries," *British Medical Journal*, Vol. 7, No. 1 (2017): e014287.
- 11 Raissa Lea Dickinson and Krista James. *We are not all the same: Key law, policy and practice strategies for improving the lives of older women in the lower mainland*. Vancouver: Canadian Centre for Elder Law, 2017.
- 12 David Macdonald and Toby Sanger. *A prescription for savings: Federal revenue options for pharmacare and their distributional impacts on households, businesses and governments*. Ottawa: Canadian Centre for Policy Alternatives, 2018.
- 13 Federal/Provincial/Territorial Minister Responsible for Seniors Forum. *Promoting the labour force participation of older Canadians*. Ottawa: Employment and Social Development Canada, 2018.



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