

The Impact of Seniors to a Productive & Competitive Economy in Canada

Submission to the House of Commons Standing Committee on Finance

2018 Pre-budget Consultations

August 4, 2017

On Behalf of Canada's Home Instead Senior Care Franchise Owners



Executive Summary

Home Instead Senior Care (HISC) is the world's trusted provider of non-medical, in-home care services for seniors. With operations in over a dozen countries worldwide, Home Instead Senior Care provides an estimated 60 million hours of service per year. Across Canada, Home Instead has 38 offices - in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Prince Edward Island, and Nova Scotia.

The company's mission is to enable seniors to live happy, healthy, and independent lives in the comfort of their homes. Home Instead is also committed to giving back to the communities in which we operate. Home Instead owners feel a strong responsibility not only to care for, but to make this a better world for, seniors and families. We believe that it is time to change the aging stereotypes and to increase the world's capacity to care. On behalf of the HISC owners across Canada, we are pleased to make this submission to the House of Commons Standing Committee on Finance.

Canadians are more productive when supported to work – either as older employees or as family caregivers. Therefore, our recommendations are for the Government of Canada to:

- ***Introduce measures to support employees who are also family caregivers***
 - ***Modernize Tax Policy to Support Families*** who provide care and support of dependent seniors at home either directly and/or through private pay.
 - ***Incentivize employers*** who have family caregiver friendly practices.
 - ***Undertake a national education program*** to inform and prepare Canadians for extraordinary¹ caregiving responsibilities.
- ***Create an Advisory Panel to encourage workplace practices that are friendly to, and respectful of, older employees.***
 - ***Develop employment equivalency opportunities***, such as care credits, for seniors who are willing and able to continue as members of the workforce.
 - ***Develop a 'seniors as employees' transition*** fund expressly for testing employer initiatives to better accommodate older people in the workplace.

Discussion

The Government of Canada is working to build a prosperous economy and provide Canadians with “a real and fair chance at success”ⁱ. Integral to achieving this goal, are policy actions that recognize and respond to the changing demographics across the country. In 2015, for the first time, the number of persons aged 65 years and older exceeded the number of children aged 0 to 14 years.ⁱⁱ

An older population is a testament to our success as a society. However, as a country, we have not yet come to terms with how we want to support our seniors. Canadians want to age at home,ⁱⁱⁱ and therefore Canada must establish a cohesive clear strategy to enable families, communities and businesses to realize their goals. The needs of seniors are where innovation must occur; where health

¹ The criteria for extraordinary caregiving should be defined by a panel of experts.

care systems must continue to evolve; and, where society must shift.^{iv} The federal government must provide the leadership through policy and funding to address the new social context.

Family caregivers are more productive at work when supported at home

The federal and provincial/territorial governments have achieved a new multi-year health accord, of which a key element is increased investment in home care. Home is where Canadians want to remain and few understand that government funded home care is intended to only supplement care provided by family.

Notwithstanding, caring for older family members is not new. In Canada, we assume, and expect, that families and/or friends will provide the necessary support when a loved one needs care. It is typically only when needs escalate to a crisis that the formal health care system intervenes. Otherwise, family members are balancing the health, physical and social needs of those who are vulnerable while working, raising a family and caregiving. Therefore, concurrent to home care funding, the government should introduce measures to support those family caregivers who have extraordinary caregiving responsibilities.

Family caregiving is an obligation that can increase gradually over time or, in the case of a crisis, become an overnight requirement. The long-term consequence of family caregiving includes declining health and high rates of depression.^v The imputed costs of unpaid care, by family caregivers over the age of 45 years, to the elderly was conservatively estimated to be \$25-\$26 billion per year in 2009.^{vi} Additionally, family caregivers incur out-of-pocket expenses.

Productivity impacts to business of family caregiving obligations by working Canadians are significant – estimated at \$5.5 billion.^{vii}

Findings from a recent survey by Home Instead of 1,001 working women aged 45 to 60 who are not self-employed and are caregivers for at least one parent and/or in-law in Canada and the United States showed that:

- 91% of the women surveyed have had to take some action to accommodate being both a caregiver and an employee
- 83% say caregiving has strained their ability to manage their work/life balance
- 50% sometimes feel like they must choose between being a good employee and being a good daughter
- 25% say the quality of their work has suffered because of the time they invest in being a good caregiver.^{viii}

Supporting family caregivers is a means of enabling them to be present at work and to continue to build their careers. Noting that daughters are typically the primary family caregiver, Home Instead Senior Care has developed the 'Daughters in the Workplace' program. This program offers free resources to help working family caregivers feel empowered to talk to their employers about their needs; identifying

caregiving support that may be available; and providing information to help employers understand what their employees want and need as family caregivers. Often the support required is quite basic but it is the essential element that sustains the family member/employee. Time, understanding and service are frequently identified needs.

The services are most often “non-medical”, such as personal care, meal preparation, household maintenance, companionship, and assistance with errands and appointments. It is this type of care and support that should be affordable, planned for, and which could be normalized as part of the life course for Canadians.

RECOMMENDATION

- **Introduce measures to support employees who are also family caregivers**
 - **Modernize Tax Policy to Support Families** who provide extraordinary care and support of seniors at home either directly and/or through private pay. Measures include:
 - Building on the current caregiver tax credit by making it refundable and increasing the amount of deduction scaled to the intensity of caregiving required. This would provide families with the opportunity to purchase care; to remain at home to provide care directly; to fund modifications to the home; and/or to adopt the right combination of solutions that best meets their needs.
 - Eliminating GST/HST on all forms of home care. In so doing, the “underground economy” of senior care services would be decreased.
 - **Incentivize employers** who have family caregiver friendly practices such as:
 - Offering non-medical support as an optional employee extended health benefit.
 - Allowing flexible work hours and conditions to accommodate caregiving obligations.
 - **Undertake a national education program** to inform about and prepare Canadians for family caregiving.
 - Explaining the capacity of publicly funded care and helping them to save to afford care amenities when required later in life.

Assisting businesses to be productive and competitive

Many seniors would prefer to remain in the workplace. Approximately 50% do so because they enjoy the work and see themselves as staying active in the workplace and making vital contributions.

38% & 44% Among surveyed Canadians who expect to work past age 65, the proportion of women and men, respectively, who said they plan to work because they want to, while 62% and 56% say it's because they need to. *Vanier Institute*

However, the other half are working to increase savings, afford the expense of caring for a family member, or, to help their children meet their expenses.^{ix}

Seniors who want to continue working often face several negative incentives, ranging from full-time requirements, hours of work, physical demands, and caps on extended health benefits and pension plans. While mandatory

retirement has largely been eliminated and only 27% of Canadians expect to be fully retired as 66^x, there

is much that can be done to accommodate older Canadians in the workplace. Senior friendly employment practices should be encouraged through federal policy and by the government itself, as one of Canada's largest employers.

An Advisory Panel is needed to encourage workplace practices that are "friendly" to older employees. These practices would include flex hours, senior specific education and training programs to help seniors adopt new technical and/or mentoring skills, and alternate forms of payment in lieu of wage where requested, such as "senior care credits". These credits could be used to retain non-medical care at home.

RECOMMENDATION

- ***Create an Advisory Panel to encourage workplace practices that are friendly to and respectful of older employees.***
 - ***Develop employment equivalency opportunities***, such as senior care credits, for seniors who are willing and able to continue as members of the workforce.
 - ***Develop a 'seniors as employees' transition fund*** expressly for testing employer initiatives to better accommodate Canadians caring for older family members.

Conclusion

Today's context of dispersed families, dual incomes and child rearing later in life are factors that affect the ability of families to provide care. The demographic shift will continue to compress the availability of people with capacity to provide aid, much of which is functional and not medical in nature.

Businesses are more productive when their employees are at work and fully engaged, and employees want to be fully present and productive. The challenge for many is balancing work and caregiving responsibilities. Individuals providing four hours or more of care per week are more likely to reduce their work hours, change their work patterns or turn down a job offer or promotion.^{xi} The impact can significantly interfere with pension plan contributions and may affect savings for the future. Business loses the contribution of a strong employee.

Realizing the vision of a prosperous economy will require that government recognize and value the dual role of employee and caregiver and respect the contribution of older workers.

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ENDNOTES

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