

FADOQ

Brief—Challenges Facing Senior Women in Canada

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Contents

FADOQ Network..... 3

Contemporary challenges for senior women in Canada 4

 Surviving a life partner 4

 Living with little..... 4

 Being a caregiver..... 5

 An aging population..... 6

Recommendations 8

FADOQ Network

The FADOQ Network is a group for people 50+ with more than 500,000 members. About 49 years ago, founder Marie-Ange Bouchard set out to end the isolation of seniors by providing them with a wide range of recreational, sports and cultural activities.

Today, not only does the FADOQ Network organize recreational activities, but it also advocates for today's and tomorrow's seniors in an effort to preserve and improve their quality of life. We work with governments and offer our expertise to encourage them to make informed choices in keeping with demographic trends, ones that make Quebec one of the Western societies with the fastest aging populations.

The FADOQ Network takes every opportunity, including this forum, to raise awareness and to ensure that seniors are heard and taken into account in government policy. This helps deal with the impacts of an aging population, work on proactive and innovative solutions, and foster positive changes in our society.

Contemporary challenges for senior women in Canada

Surviving a life partner

Senior women aged 65+ make up more than 20% of Quebec's female population, and as they age, they make up an increasing percentage of the population aged 65+.¹ While they make up 51% of the cohort aged 65–74, this number rises to over 90% among people aged 100+.² Life expectancy is generally higher for women than for men.³ Moreover, 8.4% of all women in Quebec are widows.⁴

Statistically, it is more likely that senior women in Canada will survive their spouses than vice versa. The death of a spouse is a difficult ordeal for anyone. It is also painful financially. In addition to being bereaved, the survivor must now assume the financial responsibilities herself.

Currently, “when an Old Age Security (OAS) and Canada Pension Plan (CPP) beneficiary dies, their benefits must be cancelled. Benefits are payable for the month in which the death occurs; benefits received after that will have to be repaid.”⁵ The month after a spouse dies, the bereaved partner's financial resources are therefore reduced, even though the financial responsibilities generally remain the same. This applies to all Old Age Security benefits: the Guaranteed Income Supplement, the Allowance and the Allowance for the Survivor.

The current policy does not take into account the distress of those who start the process of restructuring their personal finances following the death of their spouse. The FADOQ Network calls for all Old Age Security benefits of the deceased to be extended by three months for the survivor recipient. These benefits include the Old Age Security pension, the Guaranteed Income Supplement and the Allowance.

Living with little

In terms of employment, 60.9% of women aged 15 years or older are in the labour force, compared to 68.9% for men in the same age group.⁶ Twice as many women (24.3%) as men (13.0%) are employed part time.⁷ In addition, 34.1% of women earn a total income of less than \$20,000 and represent 58.2% of those working at minimum wage.⁸ Regarding retirement, fewer Quebec women contribute to an RRSP than do Quebec men. When they do, their contributions are lower than those of men.⁹ Generally speaking, women continue to earn less than men, although this gap narrowed slightly between 2007

¹ Nathalie Roy (2018). *Portait des Québécoises* – Édition 2018, Québec, Conseil du statut de la femme, 54 p., p. 10. [in French only]

² Ibid.

³ http://www.stat.gouv.qc.ca/salle-presse/communiqué/communiqué-presse-2018/mai/mai1823_an.html

⁴ Nathalie Roy (2018). *Portait des Québécoises* – Édition 2018, Québec, Conseil du statut de la femme, 54 p., p. 12.

⁵ <https://www.canada.ca/en/services/benefits/publicpensions/cpp/cancel-cpp.html>

⁶ Nathalie Roy (2018). *Portait des Québécoises* – Édition 2018, Québec, Conseil du statut de la femme, 54 p., p. 21. [in French only]

⁷ Ibid. p. 23

⁸ Ibid. p. 30.

⁹ Ibid. p. 31.

and 2017. Before the age of 60, more men than women live alone, while this situation reverses after 60.¹⁰

This means that women are more likely to live on lower retirement incomes than men, since they will have contributed to a lesser extent to their private or public pension plans for various reasons (part-time work, lower pay, family responsibilities, etc.). Moreover, more of these women will have to manage by themselves than men will. For many, their only income will come from Old Age Security and the Guaranteed Income Supplement.

The Guaranteed Income Supplement is intended to be a stopgap measure to keep many Canadians out of poverty. This monthly benefit is available to the poorest in society. However, the FADOQ Network believes that the Guaranteed Income Supplement needs to be increased. As of February 2019, an individual living depending solely on Old Age Security and the Guaranteed Income Supplement has an annual income of \$17,997.24.

In 2018, the poverty line calculated using the Market Basket Measure (MBM) ranged from \$17,142 to \$18,475 for a single person, depending on where the individual lived.¹¹ This means that a senior with only the Old Age Security and Guaranteed Income Supplement pensions sometimes has an income below the MBM thresholds. A senior in such a situation is struggling to survive.

The FADOQ Network believes that the federal government must increase the Guaranteed Income Supplement amount. We would like to suggest various measures that the Government of Canada could use as a basis. The low-income measures LIM-50 and LIM-60 are thresholds to consider. In addition, the MBM+7 is another possible option.

It should also be noted that aging people have day-to-day expenses that may be higher than those of other age groups, such as the cost of medication and assistive devices (walkers, hearing aids, etc.). The FADOQ Network is frequently approached by seniors who are penalized because they are forced to dip into their RRSPs or RRIFs to cover these expenses. The Guaranteed Income Supplement is reduced by \$1 for every \$2 of additional income above the exemption threshold.

In this regard, the FADOQ Network calls on the federal government to double the Guaranteed Income Supplement earnings exemption from \$3,500 to \$7,000. The impact would be twofold: it would avoid discouraging people from returning to work if they so wish, and it would avoid severely penalizing the less fortunate in our society.

Being a caregiver

In Quebec, more women than men act as caregivers. According to 2012 data, in the population aged 15 years or older, 28.6% of women spend time on these tasks, compared to 21.4% of men. The gap is more pronounced in the population aged 45 to 64. In this age group, 39.7% of women and 29.9% of men are

¹⁰ Ibid. p. 13.

¹¹ https://cdn.iris-recherche.qc.ca/uploads/publication/file/Revenu_viable_20180414_WEB.pdf p. 2. [in French only]

caregivers.¹² Among caregivers in Quebec, one in three women is employed, while one in five men is.¹³ In this regard, Ettner points out that being a caregiver decreases the number of working hours for both men and women, but that the decrease is more substantial for women.¹⁴ For women, caregiving is directly linked to less time spent in the labour market.¹⁵ This implies a reduction in current and future financial resources for many caregivers.

We know that in the coming years, caregiving will become increasingly frequent in Quebec. One reason for this is the aging of the population. In 2016, L'Appui pour les proches aidants d'aînés estimated that 2.2 million adults in Quebec were acting in some capacity as caregivers for seniors on a weekly basis.

Caring for a loved one can be stressful and mean significant financial losses for many. These people require more federal government support. Currently, Employment Insurance provides financial assistance of up to 55% of the caregiver's earnings. However, the maximum amount granted is \$562 per week, for an annual income of \$29,224. In addition, this assistance is temporary, as recipients can access adult caregiver benefits for up to 15 weeks or compassionate care benefits for up to 26 weeks.

The FADOQ Network recommends that the federal government raise the maximum weekly earnings threshold for caregiver benefits so that the amount granted is more in line with the income of program recipients.

The Caregiver Tax Credit is another support measure for caregivers developed by the federal government. However, since this is a non-refundable tax credit and since there are proportionately more women among the very low-income population, it can be assumed that many of them will not be able to access this tax measure because they do not pay income taxes.

The FADOQ Network therefore recommends that the federal government increase all the amounts of the various components of this tax credit and amend this tax measure to make it refundable.

An aging population

In 1950, those aged 65 and over made up 5.7% of the population, compared to 18.5% in 2017.¹⁶ The Institut de la statistique du Québec projects this figure to reach about 27% in 2050. The federal government will need to address the aging of the population.

This is putting a lot of pressure on the various provincial and territorial healthcare systems. Federal health transfers amounted to \$37 billion for 2017-2018, while total expenditures were \$167 billion. According to Conference Board of Canada data, the current growth rate will mean that "the federal

¹² Nathalie Roy (2018). *Portrait des Québécoises – Édition 2018*, Québec, Conseil du statut de la femme, 54 p., p. 38. [in French only]

¹³ STEBEN-CHABOT, Joëlle, Sarah JACOB-WAGNER and Hélène CHARRON (2018). *Les proches aidantes et les proches aidants au Québec: analyse différenciée selon les sexes*, Québec, Conseil du statut de la femme, 67 p., p. 30. [in French only]

¹⁴ ETTNER, Susan L. (1996). "The Opportunity Costs of Elder Care," *The Journal of Human Resources*, vol. 31, no. 1, p. 189-205.

¹⁵ BERECKI-GISOLF, Janneke, et al. (2008). "Transitions into Informal Caregiving and Out of Paid Employment of Women in their 50s," *Social Science & Medicine*, vol. 67, no. 1, p. 122-127.

¹⁶ <http://publications.msss.gouv.qc.ca/msss/fichiers/ainee/aines-quebec-chiffres.pdf> p. 5. [in French only]

share of health care funding will fall below 20% by 2026.”¹⁷ As well, “the cost of health care for the average senior is about \$12,000 per year, compared with \$2,700 per person for the rest of the population.”¹⁸ The Conference Board of Canada estimates that over the next decade, this will increase provincial and territorial health care spending by \$93 billion, which alone will represent 1.8% of their total spending.

The FADOQ Network therefore recommends that the federal government index the Canada Health Transfer at 6% annually and include a variable in the current calculation formula that takes into account the aging of the provincial and territorial populations.

It is also important to maintain accessible community services for Quebec seniors. Therefore, the FADOQ Network urges the federal government to maintain and expand its various points of service throughout Quebec. Lastly, since senior mobility remains essential to end their isolation, the FADOQ Network recommends that the Government of Canada restore the public transit tax credit, which was abolished in 2017.

¹⁷ <https://www.cma.ca/meeting-care-needs-canadas-aging-population>

¹⁸ Ibid.

Recommendations

1. Extend all Old Age Security benefits of the deceased by three months for the survivor recipient.
2. Increase the Guaranteed Income Supplement amount.
3. Double the Guaranteed Income Supplement earnings exemption from \$3,500 to \$7,000.
4. Raise the maximum weekly earnings threshold for caregiver benefits so that the amount granted is more in line with the income of program recipients.
5. Double the amounts of the various components of the Caregiver Tax Credit.
6. Amend the Caregiver Tax Credit to make it refundable.
7. Index the Canada Health Transfer at 6% annually and include a variable in the current calculation formula that takes into account the aging of the provincial and territorial populations.
8. Maintain and develop various points of service throughout Quebec.
9. Restore the refundable Public Transit Tax Credit.