

## **10-11-25 – G & M – Seniors living in poverty soars**

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# **Number of seniors living in poverty soars nearly 25%**

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The number of seniors living in poverty spiked at the beginning of the financial meltdown, reversing a decades-long trend and threatening one of Canada's most important social policy successes.

The number of seniors living below the low-income cut off, Statistics Canada's basic measure of poverty, jumped nearly 25 per cent between 2007 and 2008, to 250,000 from 204,000, according to figures released on Wednesday by Campaign 2000. It's the largest increase among any group, and as the first cohort of baby boomers turns 65 next year, could place increased pressure on families supporting elderly parents.

Economists say women make up as much as 80 per cent of the increase in seniors poverty. Armine Yalnizyan, economist at the Canadian Centre for Policy Alternatives, said more women than men were living close to the poverty threshold before the financial crisis took hold in 2008, and, because their retirement savings tend to be smaller, were more likely to slip below the low-income cutoff. Men over 65 are also twice as likely as women over 65 to have a job. By January, 2009, there were 23,000 fewer women over 65 working than there were seven months earlier, while the number for men changed very little, Ms. Yalnizyan said.

"My guess is that the majority of women [who are still] working over 65 are not carrying on with their career, but trying to have a little more comfort in their lives. They were probably never too far above the poverty line, whatever line you pick. When those jobs are gone, more of them are struggling to make ends meet," Ms. Yalnizyan said.

The rise in poverty among seniors poses particular problems for their adult children, who will be expected to bridge financial gaps for their parents while supporting their own families. This so-called "sandwich generation" is often caught with the twin pressures of having children in higher education and parents requiring additional care for failing health, according to Laurel Rothman, co-ordinator of the Campaign 2000 report card on child and family poverty.

She said the trend is particularly hard on new Canadians who have sponsored their parents to join them in Canada. Many of those parents have been able to work for only a few years in Canada before retirement, and so receive very little in Canadian pensions.

“In Montreal, Toronto and Vancouver, ethno-racial newcomers are particularly a concern,” Ms. Rothman said. “We see it all the time at Family Service Toronto, people who come here that are sponsored [by their family members]. It may be someone who puts in five or 10 years of work [in Canada], but they don’t get full Canada Pension Plan. And their cost of living has gone up.”

The jump in poverty among seniors is unusual because Canada’s success in tackling this issue has been cited as perhaps its single most successful policy intervention. According to figures cited in a 2009 Conference Board report, Canada’s rate of seniors poverty was as high as 36.9 per cent in 1971. The government, in an effort to tackle the problem, had a few years earlier introduced the Guaranteed Income Supplement and the Canada Pension Plan. By 2007, the rate of poverty among seniors had plummeted to 4.9 per cent, before rising to 5.8 per cent in 2008.

The Canadian data are at odds with what’s happened in the United States, where the poverty rate of 9.7 per cent among seniors did not change between 2007 and 2008, despite the financial collapse. Ms. Yalnizyan said that could be explained by the time lag between the beginning of the economic upheaval in the United States and its eventual impact on Canada.

The Campaign 2000 report also says 9.1 per cent of Canadian children were living in poverty in 2008, down slightly from the year before, but nowhere near the goal of eliminating child poverty set by Parliament in 1989.