

OLDER ADULTS LIVING ON A LOW INCOME

INTRODUCTION

Although there are commonly used definitions of old age, there is no general agreement on the age at which a person becomes old (World Health Organization, 2012).

Traditionally the term seniors is used to describe individuals 65 years old and older. For the purpose of this report the term older adults is used in an attempt to include individuals under the age of 65 that self identify as seniors.

In Canada, it is estimated that 6 percent of people over the age of 65 fall below the low income cut off (LICO) (Statistics



Canada, 2012). An additional 19% of older adults live just above the LICO, meaning they cannot access some of the income benefits available from the federal and provincial governments (National Advisory Council on Aging, 2005). These numbers are expected to increase in the

coming years as 'baby boomers' (those born between 1946-1965) approach the retirement age. Retirement age is gradually changing in Canada from 65 to 67 (McDonald, 2011; Service Canada, 2012).

In Guelph and Wellington County approximately 7.4% of seniors are living below the LICO (United Way Guelph Wellington, 2008). Some of the major local barriers described for older adults are housing, transportation, social participation and social inclusion (United Way Guelph Wellington, 2009).

KEY ISSUES AMONG LOW-INCOME OLDER ADULTS

Low-income older adults struggle with issues related to income security, housing, food security and healthcare.

Income Security

- Since the 1990s, the number of individuals contributing to an employer pension plan has decreased, putting strain on income assistance programs across the country (Davies, 2003).
- Unlike younger individuals living in low income, low-income older adults may not be able to offset economic losses by increasing their work effort (Davies, 2003).

Housing

- In 2001, more than 50% of older adults living in rental accommodations spent over 30% of their monthly incomes on rent alone (National Advisory Council on Aging, 2005).
- The introduction of the Harmonized Sales Tax and rising energy costs have also increased housing costs, further contributing to financial insecurity among older adults (CARP, 2011).

- Recently CARP (2011) reported that 68% of older adults polled thought that home and energy heating put the most stress on their finances.

Food Security

- Poor health conditions, restricted budget, accessibility and living/eating alone are identified as key nutrition issues for older adults living in low income (Keller, Dwyer, Senson, Edward & Edwards, 2006).
- In 2011, 24% of individuals accessing food banks in the Greater Toronto Area were aged 45-64, and 4% were 65 and older. Both of these percentages have increased since 2006 (Daily Bread, 2011).
- It has been suggested that life expectancy is lower for older adults living in low income because they are more likely to suffer from serious health problems related to poor nutrition (Davies, 2003; McDonald, 2011).

Health Care

- Older adults who suffer from chronic health problems can require expensive long-term care and these facilities can cost anywhere from \$540-\$4,170 per month (Davies, 2003; McDonald, 2011; National Advisory Council on Aging, 2005).
- Many older adults cannot afford to purchase their medications (CARP, 2011; Davies, 2003).

Recreation

- Recreation programs are often inaccessible for older adults living in low income, but when they are implemented they can ameliorate health declines, increase the quality of life and decrease health care costs (Schuster, 1995; Buijs et al., 2003).

INCOME ASSISTANCE PROGRAMS

The following income assistance programs are offered by both the federal and provincial governments to assist low income seniors. (For a more detailed list, see [Tackling Poverty Among Seniors in Hamilton Resource Guide](#)):

FEDERAL

Old Age Security Pension (OAS)	<ul style="list-style-type: none"> • Provides a fixed maximum amount of \$544.98 per month.
Canadian Pension Plan (CPP)	<ul style="list-style-type: none"> • Individuals contribute to a public fund while employed and receive CPP benefits on a monthly basis once they are officially retired.
Guaranteed Income Supplement (GIS)	<ul style="list-style-type: none"> • The monthly supplement amount is calculated based on marital status and income. • The maximum amount available is \$738.96 per month.

PROVINCIAL

Ontario Drug Benefit Program	<ul style="list-style-type: none"> • This program covers some or all of the costs of prescription medication.
Ontario Guaranteed Annual Income System	<ul style="list-style-type: none"> • This system supplements the benefits received from the OAS and the GIS. • Payments range between \$2.50 and \$83.00.
Assistive Devices Program	<ul style="list-style-type: none"> • This program helps low income seniors that have a long-term disability afford medical equipment and supplies

Although government sponsored income assistance programs such as the GIS are important they also hide the scope of Canada's reliance on pensions and personal savings (Boychuk & Banting, 2008). Older adults living in low income may not have the resources to contribute much to a pension or personal savings. Many of the income assistance programs are uncoordinated and restrictive - applying for one can negatively impact the number of benefits received from another. For example, the GIS has a "claw back component" meaning every dollar of additional income earned results in a 50 cent decrease in GIS benefits, a 25 cent tax increase, and a 50 cent reduction in the GST credit (National Advisory Council on Aging, 2005). Similarly, the application process for these programs is generally not older adult friendly. For example, if an individual is late applying for CPP benefits then they will only receive 11 months of retroactive benefits (National Advisory Council on Aging, 2005).

A LOCAL PERSPECTIVE: SERVICE PROVIDERS

A service provider working collaboratively with older adults identified as at risk in our community provided the following insights regarding older adults living in low income.

- The strain of living in low income often causes individuals to physically age more quickly. There is a growing population of 50-65 year old individuals whose chronological fit for services falls within defined adult service while their declining health and service needs may be better served within defined seniors services.
- Housing and transportation are two key issues for older adults living in low income in our community. Many older adults are frustrated with loss of independence and reliance on transportation services that are not able to meet the demand. There is also a lack of available, affordable housing for older adults living in low income in Guelph and Wellington County.

There were also many strengths identified in our community. Various intergenerational programs have been successful in Guelph and hopefully will continue to be offered. There has also been a movement towards supportive housing, with personal support workers being present in housing complexes for older adults. Guelph and Wellington County were described as "moving in the right direction, but it takes time and community involvement."

The City of Guelph is currently working on a comprehensive Older Adult Strategy. The manager of senior services described this strategy as our community responding to, preparing and planning for the impact of demographic shift on municipal services. The Older Adult Strategy will provide a planning framework and action plan to ensure the community is "age ready" and "age friendly". The vision for this strategy is that the community will proactively work with the older adult community to create a vision for their wellbeing in Guelph and ensure that municipal and other local policies, services and programs are aligned and responsive to achieving this vision.

A LOCAL PERSPECTIVE: MATURE ADULTS LIVING IN LOW INCOME

A focus group was conducted with mature adults who are living in low income in Guelph. The participants concluded that the term seniors did not accurately represent how they felt they should be addressed "The word seniors makes you feel that you are not needed, like second rate citizens, we are human beings like anyone else – mature adults may be a better way to say it,". The term mature adults was deemed the most appropriate and will be used for this section.

The group identified some key issues for mature adults living in low income in Guelph.

- **Resources** – A common concern was the lack of resources available for mature adults in the community. Due to financial limitations community members discussed the inability to pay for fresh/healthy food, recreation, transportation, rent or health care. Further to this, individuals did not know who to contact for

support in the community. A community newsletter was suggested that would outline available programs and resources for mature adults living in low income.

- **Social Inclusion** – Participants identified a lack of social opportunities for mature adults living in low income. The programs available were described as expensive or difficult to access due to transportation. Many individuals felt they had been forgotten by the community. One participant stated “Lots of mature adults live alone and don’t necessarily have family support or people dropping in on you. People forget about you, you’re lost to them.” Participants suggested buddy systems, partnering with schools and volunteer programs for more social contact.
- **Accessibility** – Accessibility was identified as a factor that had a major impact on the participants’ quality of life. This ranged from physical barriers in our community such as uneven sidewalks and snow removal, to more abstract barriers such as being invited to participate in community events.

CONCLUSIONS

Financial insecurity among older adults is a growing problem in Canada and Ontario. Presently, roughly 25% of Canadians aged 65 years or older live below or slightly above the low income cut off, presenting several barriers to housing, nutrition and healthcare. Inadequate income assistance programs coupled with low contributions to the CPP are both major factors that can lead to financial insecurity in old age.

RECOMMENDATIONS

For the provincial government:

(CARP, 2011)

- Ensure that provincial pension reform initiatives specifically accommodate the needs of the low wage sector.
- Provide low income, single, divorced or widowed people between the ages of 60-64 with

supplementary income equivalent to the spousal allowance.

- Increase Guaranteed Annual Income System (GAINS) payments from current level.
- Work with the federal government and other provinces to provide adequate and recognized “drop out” years from CPP calculations to people who undertake unpaid care giving duties for older loved ones.

For the federal government:

(The Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities, 2010)

- Increase the basic earning exemption for employment income when calculating the GIS.
- The federal government could also regularly review how OAS and GIS are indexed in order to prevent a growing gap between (i) real wages, (ii) cost of living and (iii) price increases and the maximum OAS/GIS benefit.

For the municipal government:

- The City of Guelph’s Fee Assistance in Recreation (FAIR) program could be expanded to allow individuals to participate in more than one program per session.
- Provide more information regarding programs and accessibility for older adults living in low income.

ACKNOWLEDGEMENTS

The Guelph & Wellington Task Force for Poverty Elimination would like to acknowledge Rachel Schumann, Intern, ICES/The Research Shop and Jane Robson, Intern, United Way Guelph Wellington Dufferin for their contributions to this research profile.

The Poverty Task Force would also like to thank Wendy Kornelsen, City of Guelph & Sheli O’Connor, Seniors At Risk Community Response Network of Guelph/Wellington.

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Partner Organization: ICES/The Research Shop

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Research Methods: Literature review, key informant interviews, focus group

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