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Mr. Bryan May

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

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• (1530)

[English]

The Chair (Mr. Bryan May (Cambridge, Lib.)): Good afternoon, everybody.

Welcome, everyone, to the HUMA committee. Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, May 4, 2017, the committee is resuming its study of advancing inclusion and quality of life for Canadian seniors.

Today is the third of three panels that will be held on the subject of income security for vulnerable seniors. We have a very large panel today.

Before I introduce the panel, I will let you know that we will likely be interrupted by votes at about 5:15, just so that you can be prepared for that. Also, if you see me raise my pencil or my finger, it means you have approximately one minute left before I have to cut you off.

Mark?

Mr. Mark Warawa (Langley—Aldergrove, CPC): Chair, just on a quick point of order, Mr. Wayne Long hasn't been with us. He's a member of the committee and he's been gone now for a number of weeks. Is there something we need to be concerned about?

The Chair: As you know, it's been fairly public as far as I'm aware, that Mr. Long is no longer on this committee.

Mr. Mark Warawa: Oh, I—

The Chair: We can talk about that after, if you wish.

Mr. Mark Warawa: I hope the reports aren't true that the Prime Minister has removed him from this committee, because I think he was a very constructive member of it. I think it's important that we not be puppets on a string, that there be committee independence, because that's what the Prime Minister said we would have. If members are being kicked off for representing their constituents, I don't think that's a good message.

Mr. Dan Ruimy (Pitt Meadows—Maple Ridge, Lib.): On a point of order—

Mr. Mark Warawa: This is a point of order.

I raise that as a concern. I think it's important that we maintain our committee independence.

Thank you.

The Chair: Well, having chaired this committee for the last two years, I can proudly say that I have never felt that I've been under any thumb, so I can reassure the member that we remain and will remain an independent body.

I believe we have another point of order.

No? We're passing on that?

Thank you very much.

Without further ado, I'd like to introduce the panel we have before us.

From the Association québécoise de défense des droits des personnes retraitées et préretraitées, we have Nicole Laveau, representative, coming to us via Quebec.

From Surrey, British Columbia, via video conference we have, from Fraser Health, Irene Sheppard, executive director.

Coming to us as an individual we have Michael Veall, professor in the department of economics at McMaster University. Welcome, sir.

Also we have Jane Rooney of the Financial Consumer Agency of Canada. Welcome.

We have a number of people from Stats Canada today: Pamela Best, Andrew Heisz, and Sébastien Laroche-Côté. Thank you all for being here.

We're going to get started with seven-minute presentations. We're going to begin with Nicole, who is coming to us from Quebec.

The next seven minutes are yours, Nicole.

[Translation]

Ms. Nicole Laveau (Representative, Comité retraite et fiscalité, Association québécoise de défense des droits des personnes retraitées et préretraitées): Thank you very much.

A few days ago, we received an invitation to appear before the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities on the theme of income security for vulnerable seniors. Thank you for inviting our association to present its point of view.

In 2016, the Association québécoise de défense des droits des personnes retraitées et préretraitées, or AQDR, conducted an extensive consultation both with its members and with the general public. That consultation concerned 10 rights and four challenges, including poverty. It is summarized in the document we have submitted to you, which also includes a link to our website. Our main concern is to improve the quality of life of seniors.

What is the low-income cutoff threshold? There is a definition of it on page 4 of your report, but we could not find its dollar value in the report. Only percentages are provided. On page 1 of the document we submitted, we provided a reference source we found, Retraite Québec, for the low-income cutoff. We indexed that amount to take inflation into account and ended up with about \$24,460.

Who are the vulnerable seniors of today? They are seniors who are alone or have little support from a family member. They are often isolated and lack companionship. They are seniors who earned an income that can be described as low or average, who worked over a limited period of time and have little savings. They are seniors with physical or mental health problems.

Statistical evidence shows that women live longer than men. Individuals who are now aged 75 and over earned a low income or no income, having mostly been homemakers with no earnings. In those days, planning your retirement was not a priority nor was it popular; it was only for rich people.

Why have most of those seniors become vulnerable? They were often not used to asking for help. They are embarrassed to ask for something, as they don't want to bother anyone. They were self-sufficient in the past and capable of surviving and living. They may have also experienced the sudden loss of their spouse, which radically changed their lives.

How can someone survive with less than the low-income cutoff?

In the 2017 federal budget, the government increased the maximum GIS benefit by 10%, but only for single seniors. Imagine the frustration and the feeling of unfairness for senior couples! An effort was made, but it is clearly insufficient. A new increase should be planned to move toward an increase of at least 15% for the entire client base.

Individuals who are eligible for the GIS are those who did not earn a high income during their working lives and did not have access to an employer-sponsored pension plan. Seniors with no source of public income are living significantly below the poverty line, and that leads to a risk of malnutrition, health problems and social isolation. This is a tragic situation. Added to that over the past several years is the material or financial abuse of that clientele.

When we make a senior's budget, it is easy to see that their income is too low. I show that in the document I submitted.

The tax-free guaranteed income supplement should cover the shortfall between old age security combined with other income sources and the low-income cutoff. That could be the basis of a minimum guaranteed income, which is different for every individual based on the federal income tax return.

Which senior can have the assurance of making the right choice when they complete an application for old age security or the GIS?

A few years ago, in response to political pressure from groups representing seniors, it was shown that a large percentage of that clientele did not claim its entitlement to the GIS. What about the spouse's allowance for individuals aged 60 to 64? Do they all claim it?

The federal government has all that information in the tax data from individual income tax returns. Data could be reconciled easily with today's computer equipment, and that would simplify everyone's work.

● (1535)

We know that the majority of seniors are known to be discreet about their accumulated wealth. They are apprehensive about relying on others after bad experiences in the past.

Many of those people did not do any major studies or even graduate from high school. For most of them, economics are limited to saving and having no debt. Saving is possible with a decent income. However, if someone has earned the equivalent of minimum wage or slightly more over the past 30 years, they had several children at home and their spouse did not work, it was very difficult for them to save for their retirement.

That is mainly why we are recommending solutions 4 and 5. I did not read them out, but they are in my presentation. In the absence of a support service, a number of community organizations across Canada could certainly provide that service if they were subsidized accordingly. Those organizations are closer to that vulnerable clientele and are more numerous across the country than Service Canada offices.

We have read in the papers horror stories about companies closing abruptly, often because they go bankrupt or struggle financially. Suddenly, employees' pensions would be reduced by more than 40%, which is drastic. Solution 7, which is in my presentation, asks the Government of Canada to take the necessary steps to address this unfairness in the Bankruptcy and Insolvency Act, so that pensioners would become priority creditors.

In closing, solution 1 is clear: the government should guarantee a retirement income of at least the equivalent of the low-income cutoff. Regardless of the means, every senior should reach the equivalent of the low-income cutoff individually.

I see how quickly seven minutes go by.

Thank you.

● (1540)

[English]

The Chair: It does. Thank you very much.

[Translation]

Hon. Steven Blaney (Bellechasse—Les Etchemins—Lévis, CPC): Mr. Chair, may I ask something?

[English]

The Chair: Yes.

[Translation]

Hon. Steven Blaney: During her presentation, Ms. Laveau referred to a document several times. Can the committee members have access to that document?

[English]

The Chair: We did receive the document, but it was only in French. We were unable to translate it, but we will get that to everybody.

[Translation]

Hon. Steven Blaney: So we will get the document once it has been translated, right?

[English]

The Chair: I have no translation here.

Hon. Steven Blaney: Mr. Chair, when do you think this document will be available?

The Chair: In a couple of days, with the translation....

Hon. Steven Blaney: Okay.

The Chair: We didn't receive it in time, unfortunately.

We'll move on quickly. From Fraser Health, we have Irene Sheppard.

Ms. Irene Sheppard (Executive Director, Fraser Health): Thank you, Mr. Chair, and members, for this opportunity to speak.

I have held a variety of roles in health care for over 35 years, and much of my work has revolved around seniors. Currently I am the executive director responsible for residential care and assisted living for the Fraser health region, which encompasses a population of 1.8 million.

My comments today arise from my observations and experience over the past few decades.

I've learned that defining a senior is like trying to define a sunset: no two are truly alike. There are some general categories, of course, ranging from the vibrant, active senior to the physically and cognitively frail senior, but age is not the defining characteristic of a senior.

Poverty is also about a lot more than income. It's about attitude and beliefs, life skills, personal resilience, and personal support systems. I find in my work that there are so many myths about seniors: that aging is depressing so just expect to be depressed when you get old; that dementia is the inevitable if you live long enough; that when you're old it's too late to start exercising; and that everyone goes into a care home when they get old.

The truth is that seniors tend to have better mental health than those who are younger. They're more accepting of life and they appreciate what they have. Research is showing that social connections are as relevant as genetic makeup and lifestyle to the health and longevity of adults.

Using B.C. statistics, only one out of 20 persons who are between the ages of 65 and 84 have dementia. One out of four who are 85 and

older have dementia. That means that three out of four seniors who are over 85 do not have dementia. Furthermore, in B.C., about eight out of 10 seniors live on their own in a community, with the other two out of 10 being in a care home.

We know from experience that people can continue to live in their own homes in familiar surroundings even if they have mild dementia, and some can with moderate dementia if they have the supports. As a former physical therapist, I can tell you that the science shows that everyone can benefit from exercise, no matter what age they are when they start.

The decline caused by biological aging can be mitigated with planning and the use of simple approaches to life. We don't know yet what innovations will change the experience of aging, but there is enough to suggest that there are going to be significant opportunities afforded by emerging technology. We need to search out those technologies, facilitate innovation, and make it affordable and accessible so it can spread to all seniors, regardless of income, location, or technological literacy.

At the same time, adults need to take personal responsibility to plan and invest for their future and prepare themselves for making the decisions that will support them to age well in their own home.

There are some things that we need to think about. For seniors who are hoping to age with some grace, housing is critical. It's one of our basic needs, and they need to wrap their head around the fact that if the family home has the bedroom on the second floor, they may need to sell it and buy that one-floor condo while they're still young enough to make friends and adjust to the change. If they're building a home, they need to think about putting the master bedroom and an accessible bathroom on the main floor, and maybe include a suite for a live-in helper, and if there are stairs, they need to make sure that they're built so they can add a chair lift, and always wire the home for technology.

In terms of managing the home and life, you can make life easier with automatic deposit of income and automatic payment of bills. Make sure you purchase appliances with an automatic shut-off, whether it's the iron, the kettle, or the stove. Purchase a fridge that beeps when the doors aren't quite shut. Have remote controls to turn lights on and off. Simplify the surroundings. Declutter the rooms of furniture and knick-knacks, and declutter the cupboards and the papers in order to make it easier to keep clean and not be overwhelmed as energy wanes.

These are simple things. They make a difference.

When we look at new buildings, whether it's condos, townhomes, or houses, we should be requiring that the wiring allow smart homes to happen. Today we already have that technology, whether you call it granny cams, or whatever. You can have smartphone apps that allow adult children to live far away from their mom and dad and able to observe things like the blister pack of medications, and whether the doses were taken that day, or to take a look at who is coming in and out of the front door. There can be sensors in the bed or chairs, so that you can see the patterns, and the app alerts you if there's a change to the normal pattern. You can have GPS trackers for those who wander. The technology already exists, and it's probably only the start.

•(1545)

In terms of supporting the care side, I think there are two categories to look at. One is the informal or unpaid caregivers. We need to strengthen policies and incentives like compassionate care benefits and income tax deductions for adults with a disability who are dependants. We know that families are willing to care, but they do need workplaces that support them to do so. Employers are willing to support employees to care, but not at a cost to their bottom line.

Supporting the informal caregiver has an economic benefit to the country, but more importantly, it's a societal good. Paid caregivers are also critical to supporting individuals with their functional dependencies. They provide important personal care, yet there are gross inequities in pay and hours.

My recommendations are threefold; to foster innovation through grants and policy regarding affordable home adaptations and/or technology to compensate for loss of physical and/or cognitive function; to foster grants and policy relating to housing that's affordable and design-built to be accessible, and promoting of social connecting; and to address pay and work environment inequities for personal care workers, and strengthen policies and incentives for informal caregivers.

Thank you.

The Chair: Thank you very much.

I would now like to welcome Mr. Michael Veall, a professor with the department of economics at McMaster University, just down the street from Cambridge.

Welcome, sir. The next seven minutes are yours.

Dr. Michael R. Veall (Professor, Department of Economics, McMaster University, As an Individual): Thank you for the invitation. I will speak only to the income security goal.

As my fellow economist, Professor Tammy Schirle, told you two weeks ago, the reduction in senior poverty is a great Canadian policy success, from close to 70% 45 years ago to about 13% in 2015. No other country has done as well.

However, about 10 years ago, senior poverty was down to 6%. It has in fact been increasing recently. Why is there this recent increase in measured poverty in the older population? There are many seniors who are almost entirely dependent upon OAS and GIS, and that puts them very close to the most commonly used poverty cut-off, which is called the low-income measure. The low-income measure increases with wage inflation. OAS/GIS is indexed by price inflation. In what is overall good news, wage inflation has recently been greater than price inflation, so a fair number of seniors, especially the currently unmarried, who would have been just above the cut-off, are now somewhat below. These seniors, on average, might have the same standard of living they had 10 years ago, which no one would say is high, but on average they are also relatively poorer when compared to current wage earners.

How do we move forward? That's very much a matter of value judgments; hence, everyone's answer is going to be personal. Along with what other witnesses have said, I think one key is to increase the number of seniors who are earning wages and not receiving as

much OAS and GIS. I think everyone understands that the OAS/GIS system becomes a lot more expensive if you keep the age of retirement at 65 while average longevity increases from 72 years of age to 80 years of age to more.

Many countries, from Sweden to the United States, have increased the age of eligibility for public pensions or public transfers to the older population. More senior labour force participation also increases average productivity, average incomes, and tax revenues. Of course, any increase in eligibility age would have to be very gradual, with the full increase taking decades, not years.

For some seniors, an increase in the OAS/GIS eligibility age would be an excessive hardship because they have already lost their jobs with no prospect of finding a new one. Some will have bad health. They may be just hanging on until they get into the OAS/GIS system.

Your witness Richard Shillington had a suggestion to keep GIS eligibility at 65 and only delay OAS eligibility, all designed so there would be no effect on poor seniors. As the new system matured, more fortunate seniors would work longer, but these people would also be the ones benefiting from what we expect to be a continued and wonderful trend to greater longevity and more years with good health.

Let me reinforce another point Richard Shillington made. Potential GIS recipients should not be contributing to RRSPs, at least until they have maxed out on their TFSA's.

I wrote an article about this in the *Canadian Tax Journal*, as well as a couple of op-eds. As an example, suppose someone I will call Chris is 64 and puts \$1,000 in an RRSP. Chris is in the 20% tax bracket and therefore gets a tax refund that year of \$200. Then Chris becomes eligible for GIS at age 65. Now when Chris takes that \$1,000 out of the RRSP, it is going to cost Chris much more than \$200. The GIS clawback will be at least \$500, and with other clawbacks and tax, it is possible to lose the whole \$1,000. Furthermore, if someone knows they are going to be GIS eligible, it is often better to take money out of an RRSP at age 64 and pay the tax on it then, rather than be subject to the clawback, especially if it enables a larger TFSA contribution.

It is actually hard to know what to do about this in terms of public policy. Perhaps that will come up in questions. Maybe we can collectively do our best to inform our fellow citizens, your constituents, who are not yet GIS recipients but will likely be when they are 65, to use TFSA's rather than RRSPs as their primary saving vehicle, and if they already have significant RRSP holdings, they may benefit from consulting a financial planner immediately.

Thanks very much.

•(1550)

The Chair: Thank you very much, sir. I appreciate that. You're well under time as well, so thank you.

Now we are going to Jane Rooney, financial literacy leader, with the Financial Consumer Agency of Canada. The next seven minutes are yours.

[*Translation*]

Ms. Jane Rooney (Financial Literacy Leader, Financial Consumer Agency of Canada): I want to begin by thanking you for inviting me to join you today.

It is my pleasure to talk to you about what we are doing at the Financial Consumer Agency of Canada, and more specifically about how our financial literacy work can help with today's discussion on income security.

[*English*]

First, I would like to explain FCAC's mandate to protect financial consumers. We do this in two ways. First, we are a market conduct regulator, responsible for the supervision of financial institutions such as banks on consumer protection issues. Our second mandate at FCAC is to play a national role in strengthening financial literacy, which we define as having the knowledge, the skills, and the confidence to make responsible financial decisions.

In 2014, the federal government named me as Canada's first financial literacy leader to provide national leadership on this issue and to work with stakeholders toward strengthening the financial literacy of Canadians.

• (1555)

[*Translation*]

At the FCAC, we believe that financial literacy is a vital life skill. It can play a role in income security for seniors, but also for people of all ages.

I would like to share some research findings on the challenges seniors face. I will then explain how financial literacy can be useful.

[*English*]

In 2009 and again in 2014 we fielded the Canadian financial capability survey, which examined the financial knowledge, skills, and behaviour of Canadians. Our analysis found that debt is a growing issue for seniors. Specifically, 19% of retirees in Canada had a mortgage on their primary residence in 2014, up from 16% in 2009. The proportion of retirees with an outstanding credit card balance increased to almost 15% in 2014 from 12% in 2009.

Our research also found that high-interest payday loan use doubled between 2009 and 2014, from 1.9% to 4.3%—still a fairly small number, but it's a worrying trend—and that 13% of these borrowers were seniors.

Bankruptcies among seniors are also on the rise. According to statistics from the Office of the Superintendent of Bankruptcy, 10.9% of personal bankruptcies in Canada last year were filed by seniors age 65 and older, and 6.9% were filed by people age 60 to 64. This means that in 2016 alone, seniors and near seniors filed 18% of personal bankruptcies in Canada.

Another trend to highlight is that we know more seniors today are responsible for saving more for their own future and that they are also living longer, which is a good thing. However, this means that

we need to plan and save for a longer retirement and budget for the possibility of higher health care costs.

Finally, I should mention the growing body of research showing that financial literacy is closely connected to physical and mental health. A majority of Canadians ranked money as their number one cause of stress—higher than work, health, or family obligations.

I'll turn to the important role of financial literacy and what it can do to address these issues.

Financial literacy can actually help people feel in control of their money and be more confident when making financial decisions in an increasingly complex financial world. We found through our analysis of the Canadian financial capability survey that when seniors and near seniors feel more confident in their ability to make ends meet and to choose financial products, they are more likely to have planned financially or be planning for their retirement.

Financial literacy is of course not only important for those preparing for retirement, it is essential for people living in their senior years. In the first year of my mandate, we held consultations across the country with organizations and individual Canadians. Based on our findings, we developed and launched, as an early milestone, the seniors financial literacy strategy. I have brought copies here today. It sets out four goals as a foundation for moving forward on financial literacy.

To implement this strategy, FCAC developed specialized content for seniors and near seniors. For example, we have information on planning for and living in retirement that includes how to set up a budget, how to use credit wisely, how to access government benefits, how to protect yourself from fraud and financial abuse, and what to do if you're a victim.

We've also worked closely with our federal government counterparts at ESDC to develop stronger and clearer messages for their online Canadian retirement income calculator.

We also coordinate efforts with others to advance the goals of our seniors strategy. We work with the members of my national steering committee, which is a committee of 15 executives from all sectors, who are helping to implement that strategy.

We also leverage 13 financial literacy networks across Canada that represent more than 500 organizations in the public, private, and non-profit sectors. We provide them with free, unbiased material that can be adapted and delivered directly to seniors in their communities.

[*Translation*]

Research and consultations with Canadians and organizations confirm the fact that financial literacy is a key skill for everyone in today's society.

In 2015, we launched the National Strategy for Financial Literacy—Count Me In, Canada, which has three broad goals, to encourage people of all ages to: manage their money and debt wisely; plan and save for the future; and prevent and protect themselves from fraud and financial abuse.

• (1600)

[English]

Many initiatives are under way to help all Canadians reach these goals. Financial literacy is now taught in all educational jurisdictions across Canada, and I'm pleased to report that our 15-year-olds ranked second among the 15 countries that recently completed an international research survey.

FCAC and our partners are now working at getting financial literacy into the workplace to reach our Canadian adults. We currently have pilot programs under way, but there are some challenges for FCAC and other organizations that are trying to boost financial literacy among seniors.

First, we in government need to work better to integrate financial literacy into our programs. One good initiative is FCAC's work with the CRA's community volunteer income tax program, which helps low-income people complete their income taxes to access benefits.

We are disseminating some brochures to help people better understand their banking rights, like the right to cash a government cheque for free, and for those people who receive the GIS, they have a right to no-cost accounts at eight financial institutions.

Second, there are many valuable organizations in communities that help seniors, but more support is needed for these organizations.

One example of a grants and contributions program that is very effective is ESDC's new horizons for seniors program. It has helped to fund many programs in communities to help with the issue of financial abuse and fraud among seniors.

[Translation]

Financial literacy is a vital life skill. It helps people acquire the necessary knowledge, skills and confidence to make financial decisions that are tailored to their needs.

[English]

Momentum is building, and my goal is to ensure that seniors are supported no matter where they are.

Thank you very much.

The Chair: Thank you very much.

Now, from Statistics Canada, we welcome Sébastien Larochelle-Côté, managing editor, education, labour and income statistics branch.

Mr. Sébastien Larochelle-Côté (Managing Editor, Education, Labour and Income Statistics Branch, Statistics Canada): Thank you very much for the invitation to appear.

I am going to start at slide 3. Seniors account for a growing proportion of the population. The population we have been asked to report on is the situation of older women in Canada. The population of both males and females in Canada continues to age.

There are now 3.2 million women over the age of 65 in Canada. Nearly one in five of all women in Canada is over the age of 65. Between 2011 and 2016, the number of people aged 65 and older grew by 20%. That's four times the national rate. It was the fastest growth rate for this group in seven decades. This reflects the transition of the large cohort of baby boomers into their senior years.

As the chart demonstrates, the share of older women within the overall population should continue to increase. By 2031, just 14 years from now, the number of women aged 65 and above could reach 5.1 million, or 24% of the total female population. It is projected that these trends will continue.

At the same time, the senior population will become increasingly diverse. Today, close to 30% of women over the age of 65 are immigrants; by 2062, almost 50% of seniors could be foreign-born. This may have implications for the source and characteristics of income security, which can be quite different from one population subgroup to the next.

[Translation]

Slide 4 shows us other census results. An increasingly large share of the senior population, particularly women, lives alone or in collective dwellings. That's especially the case for older age groups. These trends will probably continue with the aging of baby boomers, who are even more likely to live alone than previous cohorts of seniors, as the chart shows.

[English]

I'm going to now turn to another perspective on collective dwellings. Slide 5 examines the oldest old, those aged at least 85. One-third of Canadians aged 85 and older live in collective dwellings, such as seniors residences and nursing homes. Our latest census results show that there is a strong gender dimension to the issue of older people living in collective dwellings. In 2016 more than 180,000 women aged 85 and above were living in collective dwellings, compared with more than 60,000 men. The vast majority of these women lived in a nursing home or in a mix of nursing home and seniors residence.

Slide 6 describes how transition into nursing homes often happens because of health issues. Our research shows that the onset of Alzheimer's and dementia is strongly correlated with entry into institutional care. Our macro-simulation projections indicate that the number of Canadians with such conditions will rise in the coming years, because of both the increasing prevalence of such conditions and the growing population of older Canadians susceptible to such conditions. There are also important gender differences to consider. In this context, additional health care costs associated with Alzheimer's are projected to be about \$13 billion by 2031.

●(1605)

[*Translation*]

Slide 7 describes the current situation in terms of seniors' incomes. It indicates that family and individual incomes have been increasing over the past four decades, and especially since the early 2000s. Both employment income and private retirement income are responsible for that increase.

So today's seniors are healthier and more likely to work than previous generations of seniors. In addition, men and women over the age of 65 are more likely to receive an income through private pensions.

[*English*]

However, if you look at slide 8—low-income rates—as was mentioned before, the proportion of people who are low income, which happens when a family's after-tax income falls below a given income threshold, has increased since the late 1990s. The low-income measure used here is a relative measure of low income and can be interpreted as the share of the population that has low income relative to the median family.

Why did low-income rates increase among seniors? It's not because the incomes of seniors fell, but rather because the incomes of other Canadians grew faster, which raised the low-income threshold. In other words, seniors' incomes have fallen behind those of other Canadians.

Another important point with respect to low income is that some groups are more at risk of being in the low-income group than others. They include older women who are not in an economic family, i.e., those who do not live with family members or are living alone, older women with a disability, aboriginal women, and recent immigrant women.

That being said, slide 9 shows that government plays an important role in reducing low income, especially among seniors. To evaluate the impact of transfers on low income, it is possible to calculate the low-income rate before and after the inclusion of transfers. While government transfers reduce low income by about 50% for the overall population, they reduce low income by more than 70% among seniors. That is largely because government pensions, such as the OAS, GIS, and CPP, represent the largest source of income for seniors at the bottom of the income distribution.

[*Translation*]

As shown on slide 10, other factors are important for the well-being of seniors. That includes access to private pensions, pension savings, accumulated wealth and the ability to participate in the labour market.

The coverage provided by a retirement pension is important. It represents a significant source of income for many seniors in Canada.

However, it should be noted that the proportion of women covered by a retirement pension has remained relatively stable over the past two decades. That proportion has dropped among men. Right now, women are more likely to be covered by a private pension plan than men.

Finally, of course, social and community support is important for the economic well-being of senior women. For example, half the women with close friends or close family members rate their health as excellent or very good, compared with 33% of those with no close friends.

[*English*]

That is the end of the presentation. I encourage you to have a look at our next census releases, which will be October 25 and November 29.

Thank you.

The Chair: Thank you very much, sir.

That concludes the opening remarks from our witness panel today. We're going to questions.

For six minutes we have MP Wong.

Hon. Alice Wong (Richmond Centre, CPC): Thank you, Mr. Chair, and welcome to all the stakeholders and witnesses, and especially Irene from B.C., because I came from British Columbia.

Then, of course, I'd like to welcome Jane. I used to work with her closely when I was the former minister for seniors. Financial literacy has done a good job, and I'm glad that they're still around helping not only seniors but those who are also getting ready to be seniors. They've done great work.

My question, which is for everybody, will be centred around two issues. The first is elder abuse, especially financial abuse. Ms. Rooney mentioned that because of the lack of understanding of what matters to them when they buy any product, or even when their own family members or friends abuse them...

That of course relates to working with the banking industry. As I mentioned in previous committee meetings, I think we should get them involved. If there's any sign of financial abuse, they should be authorized to inform the relevant authorities.

This is a question I'd like to address to Ms. Rooney first.

●(1610)

Ms. Jane Rooney: Thank you very much. It's a pleasure to be here and to answer the question.

Regarding elder abuse, we define financial abuse—and it is the most prevalent form of elder abuse—as being someone who is close to you or a family member taking money from you. Financial abuse is generally done by someone who is close to you.

What are we doing about it? At FCAC, we work with the financial industry. We regulate the banks. We encourage the financial institutions to provide to their clients information about what financial abuse and fraud look like, but also what to do about them, so about complaint handling.

In terms of arming people with information concerning how they can identify and understand it, we have worked with several members of my steering committee. The Canadian Bankers Association has a program that we co-developed called Your Money Seniors. It has three modules. One is a module around budgeting, just helping people manage money in their older years. The other two are on fraud and financial abuse.

I've participated in sessions with seniors. It's remarkable that when a financial professional, who has to be non-commercial in nature to provide the information, starts talking and opening up to people about what fraud and financial abuse looks like, people start talking and realizing that they might have been victims. It concludes with what you should do about it, which is to identify the issue to your financial institution and report it to the police.

As a second example of working with the industry, we worked with—it's a new name—the Canadian Credit Union Association. We helped them develop a program called Recognize, Review, and Respond. It's a training program for their front-line staff, and they've delivered it to credit unions all across Canada. It includes videos. It's a way to train financial institutions' front-line staff to recognize when someone might be a victim, to put a stop to it, and they have formal reporting mechanisms.

These are just some examples of working with the industry and using our own content to help raise awareness that this is a problem.

One last thing is that we worked with ESDC and the provinces and territories to create a booklet about powers of attorney and joint accounts. It's an opportunity to raise awareness that there are powerful tools out there that can cause harm to someone if used incorrectly. In the case of a joint account—two owners of assets within an account—if someone is a victim of financial abuse, at times people could withdraw money. Again the opportunity was with the provinces and territories to raise awareness about these tools—powers of attorney and joint accounts—so that people recognize that these tools can be used to harm them, so that they understand better those tools.

Hon. Alice Wong: Thank you.

My next question is about caring for the caregivers. Very often we forget that they are people who are working and who have to look after their grandparents or parents.

When I was the minister, I had an employer panel for carers, and so employers are very much aware of their own employees who are having to go to work and to care for their own family members. This is a great challenge to our economic growth, because these people tend to really not want a promotion, or they want to reduce their hours just because they want to make sure their parents or grandparents are being looked after.

My question is directed towards my friends in B.C. Could you shed more light on caring for carers?

• (1615)

The Chair: You have about 30 seconds.

Ms. Irene Sheppard: It's hard to say that in 30 seconds.

It's absolutely important. We need to do a much better job on that. It has to do with workplace policies, but it also has to do with caregivers being willing to accept the kind of help that is going to help them not to use up their energy in different ways. What I mean by that is sometimes bringing somebody in to clean mom or dad's house will relieve the caregiver, as opposed to when they try to do everything.

Some of it is the mindset of the caregivers. They can feel like they're responsible for mom and dad 100%. They need to be a little more thoughtful about that in order to be a healthy caregiver.

The Chair: Thank you very much.

Now we go to MP Ruimy, please.

Mr. Dan Ruimy: Thank you, everybody, for coming and presenting to us today.

We definitely have some interesting times ahead of us. Part of the challenge I keep hearing, even with the previous panel, is that when we're looking at statistics, those statistics don't really tell the whole story.

For instance, Mr. Veall, you were saying that OAS should be raised to age 67. The folks I'm meeting in my riding can't do that. They can't wait for age 67 to get their OAS. They can't wait to get their GIS. They're so much behind the eight ball that if we were to delay that, it would cause serious harm.

I know you've done a lot of research on that. I'd like to know more about retirement planning. You talked about TFSA's. I think you're onto something with saving RRSP's versus TFSA's and how that works. The challenge comes back to the fact that a lot of our up-and-coming seniors just don't make enough money to save, period. You've done some research, so could you shed a little more light on that please?

Dr. Michael R. Veall: I said two things. I said the OAS component—the more-or-less automatic component that's only taxed away at high incomes, actually completely up to \$120,000—would be the component that you would gradually move forward in time, for later years. But the GIS component would come in and fill the gap completely. So it would have no impact at all on a low-income senior at age 65.

In fact I was not even studying that myself. That was what I read that Richard Shillington had told this committee. I was saying that made some sense because it still allows the potential saving on the OAS side but doesn't pose the problems that you're describing. I mentioned in my testimony that I understand there are people who are just hanging on, just trying to get to the age when they are eligible for these programs, because they are so impoverished.

I don't want to go on about it too much, but in terms of my own research, I think what is sometimes thought of as a problem of senior inequality is in fact that there are more seniors who are working further into the period that we used to think of as retirement age. That will necessarily cause some inequality if you just look at the seniors population. I argue that the more appropriate way is to think of inequality in terms of the broader population. In fact, at some level, inequality is being reduced because they're having incomes that are more like those of the rest of the population.

I accept there are value judgments that underlie all of this. At the same time, as everyone here is aware, you have to have a system that can be funded. Perhaps splitting the difference is allowing the sort of description that Richard gave.

Mr. Dan Ruimy: Having a system that can be funded, yes, that's true. But there's a lot of learning. When I was a kid they said you had to save up for however many years you thought you were going to live. I think for me they said I had to save up \$1 million. For me, that was not going to happen. So we don't even try. That's the financial literacy part that is a challenge for people. If it's not attainable, they're not going to go there.

There's also regional disparity. In B.C., when three-quarters of your income is going to your apartment, then you have no money in your pocket. We heard testimony last week that for the same person making the same amount of money, one in B.C. and one on the east coast, the difference is \$1,400 in their pocket. If I have an extra \$1,400, I can save that, but if I don't, I'm not saving that. That's coming from where you live, and we can't expect people to move all over the place.

I'd like to quickly move to Jane. I asked a question before about financial literacy and the up-and-coming seniors. How are they faring, the ones who will be seniors in 10 years? The responses we got were that they actually seem to be a little better off with their financial planning. Is that something you see?

• (1620)

Ms. Jane Rooney: We fielded the financial capabilities survey in 2009 and 2014. We saw some improvements in some areas. More people were saving for their kids' education, but people still said in 2014 that they didn't know how much to save for retirement. Not as many people as we would like were saving for retirement.

We saw some worrying trends. That's why at FCAC what we've been working on is really breaking down what the behaviours are that we want to change. We want people to be able to save more, to address your point. When people are on low incomes, how can they access money, change spending habits, and save? We're focusing on helping people budget, which helps people feel more in control of their money. They know their income.

Mr. Dan Ruimy: I have 30 seconds. I have one quick question directed to Surrey.

Dementia is one problem that is coming on. How does one even plan to save? When you look at assisted living facilities costing \$5,000-plus a month, how do you plan for any of that stuff?

The Chair: You literally have 10 seconds. Again, I'm sorry.

Ms. Irene Sheppard: With mild dementia, if you set up your life right, you can keep going without having to move into those expensive care homes.

I think that's the place to start: reduce the amount of time. In the end, you go into a care home if your dementia is too bad. It is what it is.

The Chair: Thank you.

Hopefully we can get back to you for a full question. I'm sorry about this.

We move quickly to MP Rachel Blaney.

Ms. Rachel Blaney (North Island—Powell River, NDP): Thank you.

I want to start off with a “yes”, “no”, or “abstain” question. If you could keep the response to those choices, I would really appreciate it.

I want to know whether, from your perspective, you believe the government should implement a national seniors strategy.

Nicole, could I start with you?

A voice: Sorry....

Ms. Rachel Blaney: Irene, yes or no?

Ms. Irene Sheppard: Yes.

Dr. Michael R. Veall: Abstain.

Ms. Jane Rooney: Yes.

Mr. Sébastien Larochelle-Côté: Abstain.

Ms. Rachel Blaney: How about you, Nicole?

[Translation]

Ms. Nicole Laveau: Yes, I am in favour of that.

[English]

Ms. Rachel Blaney: Thank you.

I'm going to come back to you, Nicole. I know that your organization has done a lot of important work and raised the issue of the inadequate bankruptcy laws that we are seeing right now with Sears.

Can you tell us a bit about what your organization is proposing to remedy this?

[Translation]

Ms. Nicole Laveau: As I said, we recommend that this unfairness be remedied in the Bankruptcy and Insolvency Act. After such a situation, some pensioners end up with nearly nothing. They should be priority creditors and not unsecured creditors. So based on the potential revenue recovery classification, they could get slightly more than practically nothing. That is why they should be considered priority creditors.

[English]

Ms. Rachel Blaney: Thank you.

The government recently raised the GIS for a few seniors. Do you think this is enough? How much would you recommend raising it by, if it were up to you?

[Translation]

Ms. Nicole Laveau: Are you talking to me?

[English]

Ms. Rachel Blaney: Yes.

[*Translation*]

Ms. Nicole Laveau: As I said at the very beginning, the government raised the GIS by 10% only for single seniors. In our demands, we ask that the increase be 15% for all seniors, with no discrimination based on marital status.

• (1625)

[*English*]

Ms. Rachel Blaney: Thank you.

Now I'm going to StatsCan. I have a few questions, and I'll let you guys decide who would be the best one to answer them.

Over the past few weeks we've heard many witnesses complain about data, particularly Dr. MacDonald and Richard Shillington. They talked about how the government needs to put some money back into some of the analytical tools. With an aging population we need the ability to model various solutions so that we can come up with the right solutions.

Can you share with us how you think that could be achieved?

Mr. Andrew Heisz (Assistant Director, Income Statistics Division, Statistics Canada): I'll speak to that question. Of course, I can only answer it briefly.

Statistics Canada seeks to provide information of the highest quality possible to Canadians. That includes modelling. We have modelling programs at Statistics Canada to which one may be referring in this question. As part of Statistics Canada's plans going forward, we have a fairly interesting modernization strategy that includes looking at developing data sources from a number of different places, whether they be administrative data or modelling or other estimation techniques.

We are aware of modelling as a way of going forward and providing more information. We'll continue to support programs that we have now and continue to look towards developing them in the future.

Ms. Rachel Blaney: Thank you.

Jane, if I could come to you, financial literacy is really important, but the simplicity of the processes that we have is also an important factor. In fact, there are models in other countries, the U.K., for example, that make these processes more simple and fair, and support a lot of low-income folks. Is this not another important step that Canada needs to look at?

Ms. Jane Rooney: I'm sorry if I'm not understanding properly, but yes, we look at other countries and how they address financial literacy.

Fifty countries have financial literacy strategies, and we in Canada are actually seen as leaders. Our strategy won a finalist award last year in an international situation because it was inclusive and had simple goals. It's not necessarily about designing the programs, but it's important for people to better understand how to access government benefits. Part of the seniors strategy is to help people access benefits and better understand those benefits. Clear and simple language is very important.

Ms. Rachel Blaney: Okay. Many Canadians are entering retirement with inadequate savings. Some say this will lead to an

income crisis, especially with the increase of seniors in the coming years.

How could the Financial Consumer Agency of Canada contribute to a national seniors strategy?

Ms. Jane Rooney: We do have a national strategy on financial literacy. It has three broad goals: to help people manage money and debt; to plan and save for their future; and to protect themselves against fraud and financial abuse.

In my three years in this job, we have actually developed two national strategies. I would contribute the two strategies—one specifically for seniors and near seniors, and the broader national strategy—as one support to a broader national strategy to support Canadians.

The Chair: Thank you very much.

Now it's over to Mr. Robillard.

[*Translation*]

Mr. Yves Robillard (Marc-Aurèle-Fortin, Lib.): Thank you, Mr. Chair.

My first question is for Ms. Laveau.

Could you talk to us about the trends your organization is seeing among our seniors? What challenges and needs have you seen increase since your inception?

Ms. Nicole Laveau: I didn't mention this in my presentation because I didn't have enough time. Thank you for giving me an opportunity to talk about it.

At the very beginning, I said that we conducted an extensive consultation on four themes: preventing poverty, ensuring quality of life, fostering social inclusion and engaging in a sustainable development approach. We also defined 10 rights, which include a decent income, suitable housing, accessible and quality home care services, quality public social and health services, accessible and affordable public transit offer, a safe living environment, to name only a few. Those are all concerns people have shared with us, and they are outlined in the document we published last week.

• (1630)

Mr. Yves Robillard: What steps are you taking to defend the rights of retirees and pre-retirees? Do you have programs to reach out to seniors to prevent their isolation and to educate them on their rights?

Ms. Nicole Laveau: There are 42 branches across Quebec, and each of them operates independently, but most of them provide conferences or presentations on topics such as wills, retirement planning, power of attorney in case of incapacity, and financial abuse. Our programming is already available. We have already begun holding conferences. That is one of the tools we use.

In addition, we often present briefs, as I just did. We also work with the Government of Quebec on advocacy, health and various aspects of retirement.

Mr. Yves Robillard: Can you tell us more about your relationships with associations resembling yours in other Canadian provinces? What kinds of relationships do you have with them? What are the challenges in terms of communication, information sharing and best practices?

Ms. Nicole Laveau: Thank you very much for the question.

I am not in charge of those relationships. The national president, Judith Gagnon, is in charge of that aspect.

We are in contact with other associations in our province that are defending essentially the same ideas, including the FADOQ network and other retiree associations. We also like to share information in order to find out what is happening in Ontario, New Brunswick or elsewhere and to make comparisons. We are active in that respect, but there is a language barrier. It is not always easy to obtain documents in both languages. Despite everything, we are interested in knowing what is happening elsewhere and in comparing ourselves to other provinces.

Mr. Yves Robillard: I would have liked to ask a fourth question, but since it is a bit long, I will wait for my next turn.

[English]

The Chair: You have two minutes.

[Translation]

Mr. Yves Robillard: Oh, really? Okay.

My question is for the Statistics Canada representatives.

Let's talk about the age pyramid for seniors and its breakdown. Let's imagine a pyramid where the base is 65 years and the top is close to 85 years, 90 years and over. Can you tell me what the age pyramid for seniors looks like? What is the breakdown based on their age? Are there differences depending on whether they live in urban centres or rural communities? Even more importantly, can you tell us how needs and challenges vary as we move toward the top of the pyramid?

Mr. Sébastien Larochelle-Côté: What we have shown in our presentation through the slide is exactly what you are talking about, a pyramid that starts at age 65 and goes up to age 99.

There are indeed significant differences by age group. For example, the older someone gets, the more likely they are to live in collective dwellings or alone. What I was trying to show earlier is that this reality is more prevalent among women, on the one hand. So women are more likely to live alone or in collective dwellings. On the other hand, the reality of baby boomers—aged 65—is different from that of past generations. For instance, divorce rates are higher among the younger generation. However, that is also forthcoming among seniors. They will age and more of them are likely to live alone.

In short, Statistics Canada projections help us see that reality and continue to analyze the situation. For instance, you are talking about differences between urban environments and rural environments. Statistics Canada has projections that help it predict what regions of the country will age more or faster than others. However, I don't have the time to tell you about that now. I will have to go through my data, but I assure you that the data exists.

Mr. Yves Robillard: Thank you.

[English]

The Chair: Thank you, sir.

Now for six minutes, MP Fortier.

• (1635)

[Translation]

Mrs. Mona Fortier (Ottawa—Vanier, Lib.): Thank you very much, Mr. Chair.

First of all, my thanks to the witnesses for being here today. What they are sharing with us is really important and will be very useful for our study, in my opinion.

In the constituency I represent, Ottawa—Vanier, social inclusion and housing conditions are major topics.

Like a number of others, I am certain that a safe and dignified retirement begins with the opportunity to remain in one's home for as long as possible. That is one of my basic principles for this study.

In the constituency of Ottawa—Vanier, about one resident in six has reached retirement age, a statistic that is higher than the average. In addition, 40% of households have less than \$50,000 in pre-tax income. This is really a feature of my constituency that I have to understand better. Compared to the provincial average in Ontario, it is 10% higher. So it is a concern.

In my opinion, data are always very important, not to say essential, if you want to really understand a situation. I very much liked the presentation by the Statistics Canada people today. So my questions are going to go to them, but if the other witnesses want to reply, they can also do so.

Is it fair to say that household income is a good indicator of the standard of living for seniors? Are there other data that you could use, or that you have looked into, in order to paint a better picture of the situation for seniors?

Mr. Sébastien Larochelle-Côté: I can answer that quickly.

Certainly, income is one indicator among many of people's economic welfare. There is income, and then there is low income. Certainly, many indicators need to be considered in order to get an overall idea.

Earlier, I was mentioning the coverage rates provided by private pension schemes.

There is also participation in the workforce. When you are working, you have an income. There is that too. At the moment, that is on the rise among seniors, even those 65 and over.

Earlier, Ms. Rooney was talking about levels of debt. There are statistics on debt, but also on net worth. You cannot just look at debt. It is important also to look at whether people's net worth is increasing. The number of seniors with debt has increased, but the value of their assets has also increased. The same coin has two sides.

Of course, there is also the rate of home ownership. That is very important as well. Everyone agrees that the assets one has at retirement play an increasingly important role.

When people age, income is not the only thing to be considered. Of course, income comes from all kinds of sources, including public and private schemes. But there is also the income that can come from one's assets, be they financial or otherwise.

The data on home ownership rates come from the previous census. They are a little old, but in October and November, when the census data are published, we will know more about the new rates of home ownership. That information will allow us to better understand the situation for seniors.

[English]

Mrs. Mona Fortier: I'm bilingual, so I will continue in English.

Just yesterday I met with indigenous leaders in my community, and I find this presentation is perfectly timed. I know you mentioned you would be bringing out the indigenous portion of the census on October 25, but maybe you can share some information now.

Would you agree that income is a strong indicator of living standards in indigenous communities, or would you add other aspects as well, specifically for seniors in indigenous communities?

Ms. Pamela Best (Assistant Director, Social and Aboriginal Statistics Division, Statistics Canada): I work in the social and aboriginal statistics division. We have produced a report that looks at the situation of seniors in population centres. Among other things, the study looks at seniors who are in a low-income situation. It demonstrates that in 2011, 23% of aboriginal seniors who were living in population centres were in a low-income situation, and this compared with 13% of the non-aboriginal senior population.

We also see differences between men and women in the aboriginal population and the non-aboriginal population. A higher percentage of senior aboriginal women were part of a low-income population compared to senior men: 26% compared with 18%. In looking at the non-aboriginal population, again women are more likely to be in a low-income situation than men: 16% of women compared with 9% of men.

• (1640)

Mrs. Mona Fortier: Do you mind if I have access? We can share that information with this committee, more specifically.

Ms. Pamela Best: Yes. This information is on Stats Canada's website, but I will give you a copy of the report.

Mrs. Mona Fortier: Thank you very much. That's all.

The Chair: You have about 20 seconds.

Mrs. Mona Fortier: I'll share those 20 seconds.

The Chair: All right, now we go over to MP Warawa.

Mr. Mark Warawa: Thank you, and thank you for those 20 seconds.

I want to thank everyone for their testimony. It is so good.

I'm hoping, because of the limited time we have to ask you questions, that each of you will provide the committee with a written brief with your recommendations, so that we could then have a fuller input from you. I think it would be very helpful.

I want to focus my questions on Irene Sheppard from Surrey. She hasn't had a chance to answer any whole question, so this will be the time.

Isobel Mackenzie was at our last meeting. She's the seniors advocate for British Columbia. She provided some very interesting testimony too.

There's a large senior population in Langley. I visited the residential care right by the Langley Memorial Hospital. One of the directors there in senior care said that there's not enough time or money to build enough care beds, that they can't afford to build enough and there's not enough time. The suggestion was that if we make it possible for seniors to age in place longer, we can accommodate and afford to provide good care for an aging population.

I'd like you to touch on that, if you would. I'd like you to comment on where the major gaps in care are, which communities are doing it right, and what we can learn from those communities. It appears to everybody I've talked to that we are not ready for this aging population, but that we could be if we were to do the right things and do them smartly.

Also, you touched on home care. You mentioned that one in four has dementia. Having gone through saying goodbye to aging parents, though, I saw that they did not have dementia but did not have the cognitive or physical skills to operate. They needed an advocate. I very often see seniors without advocates and see their social isolation. Yet in another family, one of the senior care providers is burning out because the other person has dementia.

There are so many issues. Again, I look forward to a written brief with recommendations, but could you just touch on the major gaps in our communities? Is there another model we could look at, or another community that's doing it right?

Ms. Irene Sheppard: That's a large question. I'll make a few comments in reflection.

Without a doubt, if you were to consider creating collective dwellings and care facilities for all older adults—85 years plus—we simply don't have the land, the capital budgets, or the people to care for them. I also don't think it would serve them very well. In moving away from their familiar setting and away from being connected with the real world, they might be fed three meals a day and kept warm and dry, but it isn't necessarily going to add to the quality of their life.

Within the health care system, having listened to the seniors themselves, we're all working extremely hard to set up systems that support people in their own homes. I think that is where our focus has to be for the next few years, around how we do that.

Some of it is daunting for the health care system, because we are putting personal care workers into homes, with professional staff to supervise, oversee, and provide some additional help. Are we, however, going to be able to find the human resources to hire? That's one of our big questions. I think our advanced education system can ramp up a bit to create the programs, but can we fill the seats? Can we train the people so that they're there to hire? We also need leaders. You can have people in the trenches, but you need leaders who have the skills.

A lot of research has been done. I'm probably most familiar with the work out of the University of Alberta, the TREC study. This is very practical research within a residential care setting. What it shows overwhelmingly is that you get the best quality of care when you have clinical leadership that engages the staff, helps them to discern what they should be focusing on, and makes it easy for them to follow that knowledge. I heard some of those principles on financial literacy. If you have simple goals and you make it easy, you can then make things work better.

I think our focus has to be on supporting people in the home. The physical built environment plays a huge part in allowing us to support people in the home. People's own preparation of their own environment—their money management, their routines, bills being paid, and so on—the more simply they design their life, the less energy it consumes as their energy wanes. It also makes things easier for caregivers.

I think we're going to have to have some real dialogue as a society. There's always going to be a range among people's values, awareness, and skills, but what I see is that informal caregivers have a real struggle with a variety of things. They either feel responsible for absolutely everything in their family member's life and exhaust themselves or they expect the government to do everything and aren't prepared to step in with anything.

Within that range, there is a whole lot. I see family members exhausting themselves unnecessarily. There's a societal shift in thinking, and we have to challenge ourselves and have the conversations. It's going to be interesting to watch what happens around this issue over the next five to 10 years.

Seniors themselves have to shift some of their expectations. We certainly run into clients in the home who expect their daughter to come over, do their grocery shopping, do all their cleaning, and drive them to every medical appointment, and it creates a lot of tension in the family. How do you have those kinds of conversations? How do you have the ones about quality of life versus quantity of years? The fact that the medical system can do some fairly miraculous things doesn't mean that they're actually the right thing for individuals.

There are individuals themselves and there are families who feel that they should do everything to keep mom and dad alive, without a consideration of the quality of life. That's another conversation that, as a society, I think we need to have.

•(1645)

The Chair: I have to step in. I'm sorry. I've given Mr. Warawa two extra minutes on this one.

Ms. Irene Sheppard: My apologies.

The Chair: I know we cut you off before, so I wanted to let you go on for a bit, but I have to go to MP Sangha now. Thank you.

Mr. Ramesh Sangha (Brampton Centre, Lib.): Thank you, everyone, for coming today and giving your input to the committee regarding this poverty reduction study for seniors.

My question again is for Irene Sheppard. On your website, we read that in any living space, whether home, condo, or anywhere that we can live separately or jointly with others, you are providing services for the long term and short term. My question is regarding those people who are just on CPP, OAS, or GIS. They don't have extra savings that they can spend on their well-being, and you provide services to them.

My question is twofold. If they are staying in the home and you are providing the services to them, can you share your experience, in one example, regarding that situation? How hard is it to provide services and to give them better services?

•(1650)

Ms. Irene Sheppard: I'm sorry, but I'm not quite catching that. I can certainly think of many examples of people we are providing services to in the home, but are you wondering how we can make it better for individuals now?

Mr. Ramesh Sangha: Yes. Rather than going to the hospital, they are living in their home, and you are providing the services.

Ms. Irene Sheppard: Yes. In our health authority, we're doing that for probably 15,000 to 17,000 individuals. We are going into their homes and supporting them, and doing so very readily. The area in which it makes a difference is in whether, in terms of people's ability to get their groceries, they have friends who can get them, or whether they can get them delivered. If they can get them delivered, our workers can help to support them to eat, to get dressed, etc.

What we cannot do at the moment is take them out and help them engage with other people. The social isolation issue is a very real issue, I think, and for us as human beings it's quite significant.

We can do a lot in the home to support their medical needs. We can contact their physician by phone using Skype, have them diagnosed, and get their blood tests, etc., all done in the home. I think we're going to expand that further in the future. So we can look —

Mr. Ramesh Sangha: Another example is of cases in which they are being provided services in the home by their family members. Are family members' services better than your services, or are your services better than the family members'? How do they compare?

Ms. Irene Sheppard: Certainly we often have people who get services from their family, but the way in which we can help them is in helping them know how to do it. For instance, maybe mom or dad has dementia and is acting out. Our specialists can help them understand how to not provoke the behaviours or how to settle them down, how to think about doing things differently. That professional consultative aspect is still of value to the families.

Mr. Ramesh Sangha: Can we mix both of them, such that you provide the services as professionals and some services can be provided by the home caregiver? But the home caregiver should also be compensated.

Do you think that concept can work?

Ms. Irene Sheppard: Are you asking about having family members in essence be hired to take care of their family member?

Mr. Ramesh Sangha: Yes, one way you can see it is that grandkids or kids are providing services to the senior or any person living in the house. My question is whether those persons can be compensated in some manner so that they have some sort of incentive to look after the sick person or senior.

Ms. Irene Sheppard: I think that's a slippery slope, and I am not sure how to address the question. We have, and I think every province has, personal, directed funding of programs, whereby you may be given money and then you figure out how to care for it, including hiring family members.

As a rule we don't do that with most of our seniors. Where do you draw the line between the daughter who's willing to do it without money and the daughter who wants money? When is it fair to do it? I don't know, but it's a policy question for discussion. I just don't have an opinion on how to make it fair.

Mr. Ramesh Sangha: Do you think it would be less of a burden on the medical facilities—hospitals and caregiving houses—if they are being provided the services inside the home?

•(1655)

Ms. Irene Sheppard: I agree it would be. I think, though, that you have to look at complementary services. Family members can become exhausted if they're doing everything. What makes sense for the health care system to do, then, and what makes sense for the family members? That's going to vary in every situation.

The Chair: Thank you very much.

Now we go over to MP Steven Blaney.

Hon. Steven Blaney: Thank you, Mr. Chair. I also want to thank our witnesses for sharing their thoughts and findings on this very important issue.

[*Translation*]

My first questions go to Ms. Laveau of the AQDR.

I am fortunate in having a branch of the AQDR in Bellechasse—Les Etchemins—Lévis. The people there are doing a great job.

Ms. Laveau, the government has a minister responsible for youth, the Prime Minister himself. It also has a Minister of Families, the member of Parliament for Quebec City. Would it not be logical to have a minister for seniors, given that one Canadian in seven is a senior? Soon, it will be one Canadian in four.

Ms. Nicole Laveau: Of course. The AQDR has not taken an official position on the matter; I am expressing my personal opinion. We have talked about it among ourselves a little at some meetings and I think it would be interesting.

Some years ago in Quebec, a minister was responsible for seniors, and she did a very good job during the time she was in the position. Federally, there has to be a minister for seniors, especially since that client group will be increasing in the coming years, as you said. The needs of that client group have to be taken seriously.

Hon. Steven Blaney: I ask the question because I have an example here. The chief actuary has revealed that, as a result of a decision by the Minister of Finance, Mr. Morneau, almost 243,000 seniors will be penalized.

I would like to go back to the guaranteed income supplement. Did you recommend a 15% increase in the guaranteed income supplement for the least well off seniors?

Ms. Nicole Laveau: Last year, there was an increase of 10% for seniors living alone. We are asking for an increase of 15% for the entire client group. Mr. Morneau will go about it as he sees fit, but it has to be fair for all seniors.

Hon. Steven Blaney: He went in the opposite direction this summer when he decided to enhance the Canada pension plan by increasing contributions, which will deprive 243,000 seniors of the guaranteed income supplement in the coming years. Some seniors are already feeling the effects. This is \$3 billion being taken out of seniors' pockets and put into the government's pockets. I imagine that excluding people in need from the guaranteed income supplement is not the direction you wanted the government to take.

Ms. Nicole Laveau: It is completely the opposite of what we are asking for. We are asking for all seniors to be able to access income at the equivalent of the poverty line. With old age security and the guaranteed income supplement, we are still far from that. According to the data we have, the gap is quite significant.

Hon. Steven Blaney: Does the AQDR have a position on increasing the retirement age?

Mr. Veall mentioned that it would be a good idea to keep seniors active for longer. We could increase the age of eligibility for the Canada pension plan while keeping the age at 65 for the guaranteed income supplement.

What does the AQDR think about giving seniors the opportunity to stay in the workforce for longer?

Ms. Nicole Laveau: In a previous brief that we submitted to the Government of Quebec on this issue, we said that we were in favour of the life income fund, or LIF, being available to seniors starting at age 65. However, it is always possible for people to postpone it to 66 or 67, if they wish to do so, and if their financial situation allows. At very least, those who are 65 and who were perhaps in financial difficulty during the previous years must be able to access those benefits.

Hon. Steven Blaney: I would like to go back to the tax measures.

On the Hill, there is a lot of talk about the famous Morneau tax, and about tax reform. It could be said that undesirable effects are being discovered each day, especially for retiring seniors who own businesses and who have not paid into the Canadian Pension Plan, thinking that they could retire using the dividends from their own businesses. Now we hear that their tax rate will be going up by 700%.

Have you had the time to look at the negative effects of the Morneau tax on seniors?

• (1700)

Ms. Nicole Laveau: We have not focused on that problem, but we could do so later. I have to say that our clients are not necessarily the richest. They are more likely to be vulnerable.

Hon. Steven Blaney: Thank you very much.

[English]

The Chair: Thank you very much.

Now for three minutes we go to MP Rachel Blaney.

Ms. Rachel Blaney: I'm going to come back to StatsCan.

Can you confirm that poverty rates will increase rather than decrease into the future? I ask because OAS and GIS benefits are indexed to the consumer price index.

Mr. Andrew Heisz: Perhaps I could try to provide some context around this.

Statistics Canada doesn't have statistics for poverty. It has statistics for low income. We produce three different measures of low income, and they each have different perspectives on what it means to be in low income.

The ones that were presented to you today by Professor Veall and by Sébastien were relative low-income rates. The idea there is that low-income thresholds are indexed to the median standard of living of the population.

The relevant question, then, is whether or not the median standard of living of the population rises or falls relative to prices. Arithmetically, if the median income of the population were to increase faster than prices and OAS were only indexed to prices, then OAS would represent a smaller portion of the median. If, however, the median were to rise more slowly, then the OAS could increase relative to the median.

Ms. Rachel Blaney: Another question I have is how, in the data you're collecting, you are able to compare between urban and rural centres for seniors and...I'm going to use poverty; you translate it into your own language.

Mr. Andrew Heisz: That's understandable. Many people do that.

For urban and rural, we have different perspectives on the low-income measures. The measure we described to you today doesn't discriminate between urban and rural. It provides a single national threshold against which everyone is compared. For that reason, one might want to focus a little more on the trends, because you might be unsatisfied with where the threshold is placed for different population groups, but the trends should tell the story regardless of what the height of that threshold is.

We have other thresholds as well. For example, we have the market basket measure of low income, which is available for more rural populations. Analysts who are interested in looking at the differences among rural and urban populations can look at that measure, if they wish to.

Ms. Rachel Blaney: How about for indigenous communities, both off and on reserve? Do you have those...?

Mr. Andrew Heisz: Statistics Canada does not produce low-income rates for indigenous communities on reserve. All of our low-income rates are produced for the off-reserve population. We do produce statistics for the aboriginal persons off reserve.

Ms. Rachel Blaney: Thank you. I think that's my time.

The Chair: It is, and we have enough time, if it is desired by the committee, to do one more compressed round, each party receiving about four minutes for a question.

Is there a desire to do that?

Okay.

Madam Wong.

Hon. Alice Wong: Thank you, Mr. Chair, and thank you again to all the witnesses.

Time and again we heard witnesses who really wanted to say that there are many provincial differences across the nation in respect to their benefits and services. Up until 2015 there was still one-stop information. You had the map of the whole nation and you clicked. If you moved your senior from B.C. to Ontario, the benefits would be very different. If you clicked Ontario—you moved your mom to Ontario—then you would know that the services and benefits there would be different. Also for cities, if you moved your mom from Ottawa to Vancouver, then the kinds of services would be different.

I'm asking, and whoever wants to comment on this may, do you think there should be one-stop information for all the caregivers and non-profit organizations? Unfortunately, that was taken away in August by the current government. I just want you to comment on the importance of having all this information within one stop.

Who would like to comment on that?

Irene.

• (1705)

Ms. Irene Sheppard: I live the reality of trying to have one-stop information just in this province and keep it accurate. It is so burdensome that I can't even imagine trying to do it for the entire country, even though I think it's a wonderful blue-sky idea. If we can do a good job within a province and every province does it, I think that's a good start.

Hon. Alice Wong: In fact, the FPT forum—the federal, provincial and territorial forum—for ministers for seniors actually got together and designed this. Then all the provinces said yes, they would give input, but now their input is gone. That is why I asked this question, which is so crucial for our caregivers, for our non-profit organizations, just to say.... I'm just asking whether the government should get that system back to help us all.

How much time do I have left?

The Chair: It's a little less than a minute.

Hon. Alice Wong: Okay.

Mr. Warawa, do you want to ask one more question?

Mr. Mark Warawa: Yes.

How do we help our seniors plan so that they don't have to wait for a crisis but can actually plan to make sure that their homes are capable of letting them age in place?

Irene.

Ms. Irene Sheppard: Work has happened on this, but we need to make it a lot simpler and more accessible for seniors and their family members to understand what kinds of physical environments or aspects make it easy and how to arrange their lives. We just need to do a think tank and create some simple documentation and categorization of this and spread it. But it's not a “just”; you still have to do the work. I think, however, that the information is there. We need people to pull it together.

The Chair: Thank you very much.

Now we go over to MP Morrissey for four minutes.

Mr. Robert Morrissey (Egmont, Lib.): Thank you, Chair.

Being a newcomer to the committee, I'm intrigued by the motion that you're studying, because one of the items that surprised me in the 2015 election campaign was the amount of financial distress among single seniors and the way government reacts to it.

My question is for Mr. Veall.

I would like your thoughts on how government can provide more benefits for seniors working in the labour force, because that's an area that's growing. It's one that affects their health as well as their interacting. I'd like to hear your thoughts on how government can position things so that there's an incentive for seniors, say even on a part-time basis, in the workforce.

Dr. Michael R. Veall: There are many ways in which the government can, and I think there's also an issue as to the degree to which government should. Over the next, say, 20 to 30 years, there will be a reorientation, I think, in the system away from a standard retirement age of 65, even though there are going to be people who will need to access the system at that age, and even younger than that, for reasons of health and who need to be protected.

What needs to change is a kind of focus, instead of on 65, on older ages. This has been achieved in other countries, but there doesn't seem to be progress yet in Canada.

Mr. Robert Morrissey: You did not address how you can make it more attractive for seniors to—

Dr. Michael R. Veall: Well, if you choose to make it more attractive, there are always tax incentives you can provide. You can say to individuals that if you earn income at a certain age, you don't have to pay as much tax on it. You can change the nature of the GIS system so that less of the money is taken from people as they work. Those are all options.

I personally dislike the parts of the GIS system which take 75¢ on the dollar rather than 50¢ on the dollar, which is more or less the standard rate: 75¢ on the dollar seems to be a very great disincentive to work.

• (1710)

Mr. Robert Morrissey: Thank you.

This question is for Ms. Sheppard.

In your opening statements, you covered a number of areas. One that you discussed briefly was the role of the unpaid caregiver. I would like more of your thoughts on it.

Again, government has a suite of programs that look at family members taking time off to stay with seniors, but this is more long term. Could you expand a bit more on where you would like to see the government move towards recognizing unpaid caregivers more?

The Chair: A very brief answer, please.

Ms. Irene Sheppard: I think there are some programs for the short term—intensive—but when you are an unpaid caregiver over three, four, five years, there aren't as many supports for that. That would be an area to look at.

The Chair: Excellent, thank you very much.

Over to MP Rachel Blaney for the final word.

Ms. Rachel Blaney: Thank you.

I'm going to come back to you, Jane.

The Financial Consumer Agency of Canada offers many great packages of information and services. How, as parliamentarians, can we best help you reach more people?

Ms. Jane Rooney: Well, thank you very much for the offer.

We have information on everything for everyone. Because every person makes a financial decision every single day of their lives, it's important for us to package information. We have articles that you can disseminate through your householders, for example.

We will be launching Financial Literacy Month, which is the month of November, here on the Hill. One of the MPs who's hosting is Brenda Shanahan.

We will be distributing some householder kits at that event. During Financial Literacy Month, we have more material to help support you and your constituents, to help them live within their means, find information on budgeting—a key component of being financially literate—and feel in control of their money.

We have tools, tips. There's a one-stop shop database that points to information we have in the federal government, but also workshops and events being held by others, potentially within your riding. We promote events throughout the month of November and the year that are happening in everyone's riding, in terms of helping people learn how to budget, manage their money, and plan and save.

Ms. Rachel Blaney: I'm curious. You talked earlier about working around the volunteer tax support.

One of the challenges in ridings like mine is that they are very remote and rural, and often we have small communities that don't have any volunteers you can access to help those low-income people.

Taking that into consideration, do you have any strategies in mind for increasing that in rural and remote communities, and also expanding that to some of those workshops? Especially with the senior population, one thing we find is that people are not accessing those services because they're not on paper. They're not being presented by someone they trust, and then they're not getting those services.

Ms. Jane Rooney: The approach we're taking at FCAC.... We're a very tiny government agency, so we do print materials and disseminate through community-based organizations or others.

Through my national steering committee, one member is the executive director of the family resource programs. She has 500 organizations, I believe, within 2,500 communities. They're community hubs that have workers who can provide simple information. They're not professionals in financial planning, but they can certainly be a conduit to the community to provide information.

The other thing is that while we at FCAC don't run the community volunteer income tax program, we work with CRA. CRA received expanded funding last year, in the realm of about \$4 million a year. That's allowed them to expand the volunteer income tax programs to many communities.

They're also working with partners. Again on my national steering committee, the chartered professional accountants.... These accountants have 11,000 volunteers across Canada, including the remote communities. They volunteer to do income taxes. They offer workshops for financial literacy programs.

There are ways of partnering with organizations to expand access to income tax so that people can get access to the benefits, but also get that financial education training so they can set aside savings for emergencies, plan for their future, and pay down debts.

● (1715)

Ms. Rachel Blaney: I have only 10 seconds.

Fraud is important. I understand you talked about training the bank tellers.

One of the things we're seeing in our ridings is that seniors are being attacked. The people on the phone are saying to them that if they call or let anyone know, they'll know. We've actually heard of them staying on the phone while they're calling family members to send them thousands of dollars.

I'm wondering about educating seniors that that is not how CRA works, or that is not how financial institutions or the government work.

The Chair: A very quick answer, please.

Ms. Jane Rooney: There are some very terrible scams, phishing types of scams.

We do consumer alerts, and through our partners and social media, we try to raise awareness with consumers so that they identify and understand that those are bad, those are scams, that CRA doesn't work in that fashion.

The Chair: I'm going to give MP Blaney a 10-second window to ask a quick question.

Hon. Steven Blaney: Mr. Veall, can you elaborate on keeping the GIS at 65, and the raising of the OAS, the benefit?

Do you see it as a win-win for seniors and the government?

The Chair: Literally, in five seconds, sir. Go.

Dr. Michael R. Veall: It's not a win-win, in the fact that some seniors would have to work later, but those are the seniors who are healthier and can probably do it. Of course, they are going to have a much longer and healthier lifespan. It also protects the people who are sick and who can't do it.

The Chair: Thank you very much.

I have to wrap it up there. As you can see, it's like a Pavlovian response. We have to run to the Hill.

I would like to thank all of you who appeared before us today, and all of you who appeared at this committee via video conference. Thank you all very much for helping us shape this report. I know there will be some written submissions that will be handed to us. We'll make sure that those get to everyone on the committee.

Thank you very much to all the committee members and to everyone who made today's meeting possible.

The meeting is adjourned.

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