

WOMEN AND RETIREMENT

Poverty rates among the elderly tend to be highest among women, particularly widows over the age of 75. This is largely due to pension allowances that have traditionally been linked to employment history.

Source; Conference Board of Canada

Introduction

Women live longer than men. In 2008, life expectancy at birth for women was 84 years, while that of men was 79 years.

In heterosexual couples, the male spouse is usually older.

Proportionately more women than men aged 55 to 64 live alone (Women 23% vs. Men 17%). The gap is more pronounced for those aged 85 and over (Women 59% vs. Men 28%).

Because women live longer than men, older women are more likely to be widowed and have a reduced choice of new male companions.

Women's financial situation has improved somewhat, but nevertheless remains very precarious. The average income of women aged 65 and older in 2007 was \$19,800 per year, while that of men was \$25,800, \$ 6,000 more. In couples, 61% of women aged 65 and over have annual personal incomes of less than \$10,000. (Source: *La Presse*, April 14, 2010 report by the Council of the Status of Women).

This grim picture is certainly less dramatic than 25 years ago, but if we think of the general working conditions of women, we cannot swear that it will become much rosier. Women work for lower wages; they occupy the vast majority of part-time jobs; 80% of single parent families are headed by women.

We could make a long list of the problems specific to women. But this is not the objective. We need to be aware that the factors that disadvantage women now on the labour market will surely affect their retirement income. It is therefore more significant for women to plan for their retirement.

Session objectives

By the end of this session, participants will:

- Be aware of particular challenges that women may face in retirement.
- Understand how men and women may be affected differently by retirement.

Differences between men and women in retirement

- Women are more likely to have had interrupted job patterns, men are more likely to have been continuously employed.
- Many men experience an abrupt change in lifestyle due to loss of a work-centered focus.
- Most women have ongoing homemaking responsibilities.
- Men often have a greater increase in free time and thus greater opportunities to participate in leisure interests.
- Women may be more flexible and adaptable because of their lifetime experiences in changing roles.
- Most men have higher retirement income than women.
- More women than men are alone in retirement.
- Men on average have a shorter retirement than women.

OAS, GIS and women's poverty

By Louisette Hinton and Diane Wood

For many women, Old Age Security (OAS) and the Guaranteed Income Supplement (GIS) are the only income sources where they are guaranteed to receive the same amount as men, regardless of their labour force history. The proportion of income replaced by the OAS and the GIS is much higher for women and seniors with low incomes, about 70 per cent for those with individual incomes of less than \$15,000. For women between the ages of 65 and 69, OAS and GIS reduce poverty by 21 percentage points. For men of the same age, it's 15 percentage points. So, it is clear that **raising the age of eligibility for OAS and GIS** is NOT gender neutral.

The OAS and the GIS reduce the lower income rate from about 30 per cent to about 12 per cent (more for women than men).

Raising the age of eligibility for the OAS/GIS from 65 to 67 will mean that non-working, low-income seniors on provincial social assistance and disability programs will have to wait another two years to transition to the OAS/GIS program, raising social assistance costs for provincial governments. The provinces will also have to pay more to provide drugs and essential services to low-income seniors who are unable to pay on their own.

Changing the eligibility age to 67 will mean the 35 per cent of OAS recipients entitled to GIS at age 65 -- mostly women -- will lose those benefits as well. For those seniors entitled to this maximum amount (projected at 320,000 in 2012, mostly women) the loss of two full years of benefits will represent over \$30,000.

Those workers most dependent on OAS/GIS income -- women, workers with disabilities, individuals with lesser residency, the lowest income and long-term unemployed -- will be hardest hit.

Also, in some provinces low-income seniors ages 65 and 66 could lose their eligibility for additional provincial supplements that are linked to GIS eligibility. For example in British Columbia, seniors receiving OAS/GIS stand to lose a \$49.30 income supplement, a discount on bus passes and perhaps a reduction in property taxes. Another example, in Quebec, Employment Minister Julie Boulet said the age hike would cost her province "tens of millions of dollars" in welfare payments to low-income seniors between the ages of 65 and 67.

Prime Minister Stephen Harper and various government officials and MPs have attempted to justify the proposed cuts to the OAS/GIS program by arguing that the retirement of the baby boom generation and the related increase in the nominal dollar cost of OAS and GIS benefits are not sustainable. There is **no evidence** for this argument. It is noteworthy that Canada's independent Parliamentary Budget Officer, Kevin Page, has stated OAS is affordable into the future without changes. The Congress of Union Retirees of Canada (CURC) urges Canadians to reject the Harper Government's proposed changes to OAS/GIS and fight for improvements to retirement security for all.

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Senior Women

The following items were selected from a paper by Anne Milan and Mireille Vézina. To see the complete paper with accompanying tables, go to:

<http://www.statcan.gc.ca/pub/89-503-x/2010001/article/11441-eng.htm>

Introduction

Canada, like many industrialized countries, has an aging population. The continued growth in the number of women and men aged 65 years and over, with women representing the majority of older people, will have implications for many areas such as health services, caregiving, housing and pensions.

Population aging continues

Canada had 4.8 million people aged 65 years and over on July 1, 2010. Of this senior population, 2.7 million, or 56%, were women, accounting for 16% of the total female population.

By 2031, projections show 9.6 million people would be aged 65 years and over, of whom 5.1 million would be women (53% of seniors and 24% of the total female population).³

As of July 1, 2010, 1.3 million people were aged 80 and over, of whom 839,900, or 63%, were women.

In 2001, there were 3,400 centenarians (people aged 100 years and over): 2,900 were women, or 84% of this age group.

On July 1, 2010, Canada had about 6,500 centenarians and about 5,200, or four-fifths, were women.

The number of female centenarians could reach 14,000 by 2031 and 60,700 by 2061, still comprising close to four-fifths of the 17,600 and 78,300 centenarians in each respective year.

Increasing life expectancy

The gap between women's and men's life expectancies has been narrowing since the late 1970s. This might explain the more rapid growth of men compared with women in the oldest age groups. If this trend continues in the coming decades, it may eventually produce a greater balance in the number of senior women and men. Women aged 65 years and over made up about 58% of the total senior population from about the mid-1980s to the mid-1990s; by the early 2030s, their share is projected to decrease to 53%. This trend has implications: for example, both spouses surviving longer may allow for mutual informal care and support.

Despite the relatively high life expectancy of senior women overall in Canada, there is some variation. In the territories, which have a high Aboriginal population, life expectancy for women at age 65 is more than two years lower than in the country as a whole.

While 14% of the total female population in Canada was composed of senior women in 2006, this was the case for 5.1% of the female population with an Aboriginal identity.

Diversity of senior women

The diverse nature of senior women is revealed in the data on visible minority status and immigrant status. Females who belonged to visible minority groups had a younger age structure than the overall female population. In 2006, 14% of the total female population were aged 65 and over, while 7.8% of females belonging to a visible minority group were seniors.

According to the 2006 Census, 8.9% of senior women belonged to a visible minority group in 2006. About 17% of all women aged 15 to 64 reported a visible minority status in 2006.

The immigrant female population had an older age structure than the overall female population. About 20% of immigrant females were aged 65 years and over. Proportionally more senior women were immigrants in 2006 compared with younger women—29% of women aged 65 years and over were immigrants, compared with 22% of women aged 15 to 64 and 6.3% of girls 14 years and under.

More than three-fifths (63%) of senior immigrant women were born in Europe—including the United Kingdom (18%) and Italy (11%)—followed by Asia and the Middle East (23%), Central America, South America, the Caribbean and Bermuda (6.7%) and Africa (2.6%). About 4.4% of senior immigrant women were born in the United States. Most senior immigrant women had been in Canada for many years while 3.2% arrived in the 2001-to-2006 period.

Many senior women live in a family context

Most senior women live in private households; many live as part of a couple. Of women 65 years and over, 46% lived as part of a couple in 2006, as did 76% of senior men.

In 1981, 43% of women aged 70 to 74 were part of couples, increasing to 55% in 2006. The percentage of women aged 75 and over with spouses or partners advanced from 23% in 1981 to 31% in 2006. The percentage of men aged 70 to 74 who were part of couples increased from 77% in 1981 to 79% in 2006. Among men aged 75 and over, the corresponding increase was from 65% to 71%.

More seniors in couples can be at least partly attributed to Canadians' higher life expectancy, as well as remarriage and union formation at older ages, which can enable relationships to exist well into the senior years.

While many senior women in private households lived as part of couples in 2006, a large proportion also lived alone; this pattern became more pronounced throughout the senior years.

Thirty-seven percent of women 65 years and over lived alone in 2006, more than double the 17% of senior men who did so. This gap continued to widen throughout the senior years, owing to women's greater longevity and, consequently, a higher proportion of women who were widowed. Fifty-four percent of women aged 80 and over lived alone, compared with 24% of men in that age group. Besides living as part of a couple or living alone, senior women live in other types of private-household arrangements—for example, with adult children or with other relatives. In 2006, 7.8% of senior women lived with their adult children and 7.3% lived with relatives, as did 2.2% and 2.6% of senior men, respectively. However, living arrangements involving multiple generations sharing a home could mean that exchanges of support flow in either direction. In addition, a small percentage of both women, 1.6%, and men, 1.8%, lived only with non-relatives such as a roommate.

Extent of social network decreases with age for senior women

Network of family and friend can be a source of support and play an important role in senior's feelings of satisfaction with life as a whole.¹

In 2008, almost all (98%) women aged 65 and over reported having at least one family member whom they felt close to, that is, whom they felt at ease with and could talk to about what was on their mind and whom they could ask for help.

The size of family networks diminishes somewhat by age group. Women aged 75 and over (51%) were slightly less likely than those aged 65 to 74 (57%) to have five or more family members whom they felt close to. Similar differences are observed with respect to having close friends. Women aged 75 and over were more likely than younger women to have no friends whom they felt close to. In 2008, 10% of women aged 65 to 74 reported no close friends, compared with 15% of those aged 75 and over.

Senior women living alone reported fewer people whom they felt close to than their counterparts living in couples. More specifically, among women living alone just under half (49%) reported feeling close to five or more people within their family. By comparison, the corresponding proportion was 59% for those in couples.

Even though they felt close to fewer people, senior women living alone were more likely than those living in couples to have more frequent daily contacts. For example, nearly one senior woman in five (18%) living alone reported getting together daily with one or more members of their friends, double the proportion recorded for women living in couples (9.2%).

While the majority of senior women reported that they were satisfied with their social life, those living alone were more likely to say that they missed having people around. One woman in three (33%) aged 65 and over living alone reported that they missed having people around, while for those living in couples, the corresponding proportion was 26%. However, the gap was wider for senior men: 37% of those living alone reported that they missed having people around, compared to 29% of those in couples.

Three-quarters (75%) of senior women living alone reported that they were happy and interested in life. Nevertheless, this proportion was smaller than for women in couples (82%) and senior women in general (79%). Once again, living alone seemed to have a greater affect on

What're you doing after work? A Pre-retirement Course

senior men: 69% of men living alone reported that they were happy and interested in life, compared with 80% of those in couples.

Nearly one senior woman in three had done volunteer work

In 2008, approximately 3 in 10 senior women (32%) had done volunteer work, up from 26% in 2003. Participation in this activity decreases with age. Among women aged 75 and over, 26% reported that they had done volunteer work in the 12 months preceding the survey.

In 2008, women aged 65 to 74 were especially likely to put in a large number of hours doing volunteer work. The percentage who had done more than 15 hours of volunteer work per month was 35%.

The proportion of senior women holding a paid job doubled in the past decade

In 2009, 6.4% of women aged 65 and over held a paid job, double the proportion that did so in 2000 (3.2%). For senior men as well, the percentage holding a paid job went up during this period, increasing from 9% in 2000 to 15% between 2000 and in 2009.

While employment rates increased for senior women, more than half of those employed (58%) worked part-time in 2009. For senior men, the corresponding proportion was 35% for the same year. Unlike women, the percentage of senior men holding a part-time job has remained stable since the mid-1990s.

Increased average income and more diverse income sources

Senior women's average income after tax from all sources went from \$22,800 to \$24,800 between 2003 and 2008. Despite this increase, senior women's average income remained lower than that of senior men, which was \$38,100 in 2008. Since the mid-2000s, men's average income has remained approximately 1.5 to 1.6 times higher than that of women.

Labour market income accounted for nearly half (47%) of the income of women aged 65 and over in 2008, an increase of 7 percentage points from 1998. While on the rise, women's labour market income remains lower than that of men. In fact, this type of income accounted for nearly two-thirds (63%) of the total income of men aged 65 and over in 2008.

Government transfers have declined

The largest source of income for senior women continues to be government transfers, which include Old Age Security, the Guaranteed Income Supplement, the Spouse's Allowance, the Canada Pension Plan and the Quebec Pension Plan. Government transfers accounted for more than half (53%) of senior women's total income in 2008, while for senior men, the corresponding proportion was 38%.

For the past 10 years, the share of senior women's income coming from government transfers has been declining. This decrease is attributable in part to the decrease in the percentage represented by Old Age Security, the Guaranteed Income Supplement and the Spouse's Allowance. This percentage went from 37% in 1998 to 30% in 2008. At the same time, employment income and the employment rates of those doing paid work increased among senior women.

From 1976 to 2008, retirement income was the income source that registered the strongest increase. In 1976, only 15% of the total income of women aged 65 and over consisted of retirement income. That proportion steadily increased in the next three decades. In 2008, retirement income accounted for 54% of senior women's income from all sources. This is attributable to the fact that more of these women held a paid job during their lifetime.