

The Unpacked Podcast Episode 2: Colour-coded retirement security in Canada

Stephen Hurley: Do you sometimes feel yourself getting a little overwhelmed when you try to lean into those conversations about social, economic and environmental policy? Have you ever longed for some sort of guide that might help you make better sense of how current issues impact you, your family, your communities and even the work you do?

Welcome to Unpacked with the Canadian Centre for Policy Alternatives. I'm Stephen Hurley from voicEd radio and along with the experts from the CCPA, we're going to dig into some of those complicated and thorny issues in Canadian news and current affairs. We'll explore what the research is telling us and we'll look to the solutions that are required for change. This is Unpacked and the conversation begins right now.

Stephen: Today on the podcast we are unpacking a new report from the CCPA, just hit the media last week: Colour-coded Retirement: An intersectional analysis of retirement income and savings in Canada. It extends the conversation about racialized labour in this country, kind of troubling the way we look at the retirement experience for many Canadians. We're going to take a look at the report's findings but also take a look a little further upstream to talk about some of the policies that could lead to change.

Today we're joined by CCPA's Ontario Senior Economist Sheila Block and Grace-Edward Galabuzi, Associate Professor at the Department of Politics and Public Administration at X University. Along with Hayden King, Director of the Yellowhead Institute, Sheila and Grace-Edward are the authors of Colour-coded Retirement. Welcome to you both.

Sheila Block: Thanks for having us.

Grace-Edward Galabuzi: Thank you.

Stephen: Sheila, maybe we could start with you by placing this report in the context of some of the other work that you and Grace-Edward have been doing over the years in terms of racialization and labour and the workforce and economies. Tell us how this report fits into that other work.

Sheila: Well Grace-Edward and I have been looking at the impact of racism and racialization on labour market outcomes for about 10 years. We started our analysis with the 2006 census and have been continuing it. Because of greater availability of data, we're able to take the data from the 2016 census and try and take a look at what the cumulative impact of essentially racism through the life course has on retirement incomes. What we looked at was what are the retirement incomes of racialized and Indigenous seniors, along with Hayden, and then what we also wanted to take a look at is where retirement savings were at for the adult population and compare that among white, racialized and Indigenous adults aged 25 and over.

Stephen: It's complex work and Grace-Edward I'm wondering over that 10 years, that decade of work on this, have the questions changed for you at all?

Grace-Edward: I think they have and they haven't. I think that there's some consistency in terms of the question of racialization and its impact. I think that the research establishes that there are significant gaps in income between the racialized and non-racialized populations in Canada. Some of the other questions have to do with some of the variation within the categories and I think that that's where there are some, not necessarily new questions, but questions that await more data or more access to data for us to be able to have a better handle on, or get a better analysis of what might be happening.

Stephen: Are we collecting that data now or are we still waiting to become attuned to the need to collect that?

Grace-Edward: I think we have to make an argument for the collection of that data. I think that both StatsCan and other sources of data are now more open to the idea of collecting data that is disaggregated, that allows us to look at particular populations within those categories. I think the same also applies with regard to the Indigenous category. I think we're moving in the right direction in terms of more access to data, we're not quite there yet.

Stephen: Sheila, what stands in the way of a different approach to data? Are we concerned about privacy? Are we concerned about surveillance? What do governments think of when they think about new protocols for data collection?

Sheila: I don't think that it's about privacy or surveillance because we have really clear kinds of decisions among human rights tribunals about how the collection of that data is if you're specifying the use of it is legitimate. I think part of it has to do with the Canadian narrative that I think is finally kind of breaking apart, and that narrative is that issues around immigration and economic outcomes are well documented and we have a lot of access to that kind of data but it's a denial of the impact of racism and the need to collect data along racialized lines. Like Grace-Edward said, we've seen some pretty big leaps happen over the pandemic in terms of increased access to data on racialization.

Grace-Edward: So let me just add that in Ontario when legislation was passed about four years ago to create the anti-racism directorate, part of that legislation also provided for standards for data collection that is disaggregated - or what we are now referring to as risk-based data collection. I think that that's part of the sort of leap forward that Sheila was talking about. We have more tools and better tools and more legal tools to be able to collect that data. Yes, the pandemic has actually been a real eye-opener both in terms of the impact of racialization, on how different populations have been impacted by Covid-19, but also on proving the point that we need to collect that kind of data for us to be able to respond in terms of evidence-informed policy responses to what's happening to those communities.

Stephen: I've spent my life in the education sector and we're just now trying to follow suit in many districts with what the Toronto District School Board has done in terms of the collection of race-based data in order to better serve traditionally underserved populations. It sounds like a full circle and something that we're opening up to.

I wanted to direct listeners to a previous report; Canada's Colour-coded Income Inequality. That was a report that really opened my eyes to some of the inequity in terms of how people are served in the economy and wages and people that are actively looking for work.

This report, Colour-Coded Retirement, takes aim at the senior population and I wondered if we could just spend a bit of time unpacking some of the key findings from that report. Sheila, perhaps you could get us started with just some, maybe a 30'000 foot view, of what you want Canadians to be aware of when it comes to this issue.

Sheila: I think what really brings it home to us is that when you look at the incomes of racialized seniors and you compare them to the incomes of white seniors, white seniors incomes are 32 percent higher on average. Similarly when you look at the incomes of Indigenous seniors and compare those to white seniors, white seniors incomes are 25 percent higher.

So you have lower incomes, you have higher poverty rates as a result, and when we dug a little bit deeper and looked into it, we looked at the composition of that income. What it really left us with is that white seniors had access to government-supported retirement savings through pensions and through RRSP income at a much higher rate and level than did racialized or Indigenous seniors. The other result of that is that public pensions, in terms of a Canada Pension Plan, old age security, and the guaranteed income supplement, were all very important to racialized and Indigenous seniors as a share of their incomes.

Stephen: And Grace-Edward, was there anything about the findings in this report that surprised you or did this come out as expected?

Grace-Edward: I mean I don't know whether it surprised us so much as it confirmed some of the speculation that we had about these incomes. There's a number of things that I think are important to take away beyond what Sheila said, which is the extent to which the Indigenous and racialized populations rely on public support for seniors more than any other source of income. That obviously has to mean for Indigenous populations about 46 percent of their seniors' incomes come from the government transfers and for the racialized population about 40 percent. Significantly higher than the white seniors.

That in a way speaks to the other work that we have been doing that looks at how racialized and Indigenous populations are earning through their life course of work. They're earning less and so they're able to save significantly less than the white workers. That translates into their vulnerability when they come into their senior years and so the extent to which they have to rely on the government is far greater. What it also says to us is that those public pensions are really important and need to be secured and to be strengthened so that they are available to support racialized and Indigenous seniors.

I guess the other thing to pick up on is the extent to which there is also a bit of variation within the categories. I think that that's important, part of that has to do with the structure of the senior

population. The overall majority of the seniors in the racialized category are immigrants and because of that there is some variance within the category in terms of the weakness of the incomes of the incomes that they have. Some are less weak than others and some are more weak than others, partly because of the sort of profile of the category in terms of the question of immigration status.

Stephen: Sheila, I was intrigued by the subtitle of this report. You use the word intersectional and intersectionality is something that we talk about a lot these days. To me it points to the complexity of characterizing any group of people or any population. Talk to me about what you mean by intersectional here.

Sheila: When we're looking at intersectionality, what we want to understand is the differential impacts of racism and sexism. An example of that is if we look at Black senior women. They have higher rates of employment than other racialized senior women or than white senior women. They also have higher incomes in that period and that has to do with their earnings history over their lifetime, where they work, and all those numbers of pressures that results in these women not being able to afford to retire and to have to continue working.

Stephen: Yeah it's powerful and I mean this can be amplified by individual stories and the data don't tell those stories necessarily but are very, very interesting.

Grace-Edward, when we look at the retirement lives of Canadians and we take a look upstream to how people live and how people work before those retirement years, and you've kind of alluded to the fact that people have different types of work lives, I'm thinking of the type of work that racialized Canadians might be involved with. We're hearing more about the gig economy and precarious work. How does all of that translate into our understanding of one's ability to retire and retire comfortably?

Grace-Edward: Sheila touched on this and I think it's really important this idea that Black women for instance have longer working lives than white women or the white population. Part of that has to do with the fact that during their, sort of the prime earning years, they're not able to get incomes that are comparable to the white population. That's because of the nature of the jobs that they get. They are likely to be concentrated in precarious forms of work, they're likely to be working in jobs that pay a lot less, that are not as permanent in terms of tenure. They're likely to have more disruptions in terms of experiences of unemployment.

One of the things that we have learned through the experience of Covid is the extent to which the racialized workers are more likely to be out working as quote unquote essential workers precisely because they work at the bottom end of the economy and less likely to be sheltering at home and so secure from Covid than the white populations are. For instance in the city of Toronto the data show that Blacks, the middle of last year 2020, Blacks had the highest exposure to Covid; 21 percent although they are nine percent of the city's population. The white population which is 48 percent of the population had an exposure of about 17 percent. A lot of that has to do with the fact that they're working in factories, for instance in this case they're

working in those fulfillment centres that Amazon uses to collect and disperse the packages. They're working in public transit, they're working in security, they're working - women especially - as personal support workers, they're working in low-end light manufacturing factories, they're driving cabs. They're in the areas of the economy where they're less likely to be unionized, they're low paid and more likely to be on contract than in a permanent tenure position.

All of that in a way contributes to what we have found over the years as the gap in terms of incomes, they have less in terms of income, and of course with less income comes less capacity to save and comes the vulnerability that extends into their senior years and this is what we seem to be picking up now in this study.

Stephen: And Sheila, I want to talk about the policy recommendations but before we do that I wanted to dig with both of you maybe into some of the stories that we tell ourselves that might lead to better policy or different policy. I'm thinking of my own growing up and I'm thinking of the stories that I was told about working hard, going to university, getting a good job and retiring and my dad lived that story.

Are there some, I'm going to say stubborn narratives, that kind of hold things in place that maybe need to be challenged before we start talking about policy?

Sheila: Well I think that those narratives have definitely not caught up with the changes in the labour market. When I really want to startle a Generation Z person, I tell them about how our employment relationships used to extend not only over somebody's working life but past your death because you would have a pension plan with survivor benefits for your spouse. I think that kind of idea of a long-term relationship with an employer has resulted or has shifted into a kind of a mythology about how everybody can take care of yourself and you're much better making your own choices and decisions about your retirement savings. If you just have the right investment app, or if you just have the right attitude, and you can get ahead of the market, then you will be able to individually save well for you for your own retirement and I think that's an enormously dangerous myth.

Stephen: Grace-Edward, some of the tools that we have at our disposal, if we can afford to contribute like RSPs and even for education RESP's, sort of tip the hand in the favor of this being an individual responsibility and something that each of us as Canadians needs to take on ourselves. Can we trouble that a little bit?

Grace-Edward: And we must, I think we must because as I think either Sheila or I said earlier on, the racialized population and Indigenous population depend disproportionately on public pensions. The reason they depend disproportionately on public pensions is because through their work life, as we have suggested, they're not able to save enough because of their low incomes to be able to have substantial savings going into retirement.

In essence what we're talking about is that the inequalities in terms of income and work that they experience through their work life actually follows them into retirement. So if it's going to

follow them into retirement, it is likely that they will either experience a higher level of poverty, which they already do by the way, and that the only solution to that would be the government stepping in and providing the difference in terms of ensuring that they can live in dignity in their retirement. Indigenous populations, Indigenous seniors, have a high level of poverty at about 21.5 percent. The racialized populations have a high level of property at about 19.9 percent during their retirement. Their work lives, the very lives that Sheila has been talking about in sort of troubling this notion that you just have to work hard, really follow them into their retirement.

I think the other thing to put on the table is that the economy changed around Canadians over the last 30 to 40 years. When the economy changed around Canadians and the standard employment relationship literally disappeared overnight for many, maybe not the majority but a significant minority, of Canadians. Then it became inevitable that their incomes are going to be troubled substantially and that this is what we see. This is what's happened going into the retirement of Indigenous and racialized populations.

Stephen: Sheila, do we have the policy tools in place now that maybe just need to be tweaked or do we need a substantial retooling of our policy environment with regard to this?

Sheila: Well I think the changes that we need kind of extend into a number of policy areas. The first thing that we need is we need to address the anti-Indigenous and racist discrimination experienced in labour markets. It is that kind of discrimination that prevents people from having access to those really good jobs that include a pension plan. So I think that's one set of areas that we need.

I think we have to look really hard at the use of RSPs because we know that that particular tool disproportionately benefits high income earners. So we want to kind of reshape that tool and I think what we also want to look at is you know, how the use of CPP - so it's both on an expansion of CPP but also making sure that the Canada Pension Plan is available to gig workers and to other workers who might be misclassified and not classified as employees. Then finally I think we also want to strengthen those anti-poverty measures in terms of strengthening the guaranteed income supplement.

So I think all of those measures are really important and they also kind of speak to our ideas of the collective because the kind of magic about saving for retirement is pooling your risk over a larger number of people. That has to do with risks around what the returns to your savings will be, how long you're going to live, whether you will become ill and have a disability, all of those risks we're much better off if we pool them together. We also want to, we're much better off when we pool our savings together as well. So I think it comes back to a move away from that kind of individualized concept of retirement and really truly understanding the strength of the collective in terms of how important that is for increasing retirement security.

Stephen: And Grace-Edward I'm going to give you space because I know you want to weigh in on that one.

Grace-Edward: I think that Sheila covered most of what I would have said. I think she's right to say that we need to address the question of employment inequity. One of the ways we can address that is by bringing in employment equity legislation at the provincial level because we do have employment regulation at the federal level. It covers only 12 percent of the working population and although there has been some benefits from that legislation, it is not sufficiently strong enough to get us to where we need to be. There's no question that in terms of proving the point it has proven that when you have all employers operating under the same regime in terms of obligations of employment, ensuring that the employer assumes the responsibility for explaining why the workplace is not equitable in terms of race, in terms of gender, in terms of disability, in terms of indigeneity, that we do make progress. We need to do that because of course as we're projecting, if we're looking at people who are in their 20s and 30s right now who will be seniors in another 30 to 40 years, what happens during this period is really critical and what we do in the workplace in terms of addressing questions of discrimination in employment is really really critical.

The other component is, because this is an intersectional approach, looking at questions of pay equity as well. Pay is again another really important intervention that will make a difference particularly in terms of the working lives of racialized and the Indigenous women. There are questions of classification and that's again a provincial jurisdiction where we need to address questions of classification, reclassification. There's a lot of people today who are classified as self-employed when really the relationship they are in is an employment relationship and that self-employment classification is an advantage to the employers. It allows them to be able to pay them or compensate them less than and they would have been compensated. All of that does actually matter.

Also the question of, I think Sheila's right, the question of the RSP structure needs to be reconsidered in such a way that it reaches a lot lower in terms of savings. There's something that the government can do on the support side to ensure that the RSP structure is attractive to low income or let's say lower income earning workers. That's an important component to it.

Ultimately the other really important component to this is unionization. If we can support and enhance unionization, we both support the ability of workers to have more secure tenure but we also are more likely to have the capacity for those workers to bargain strong pensions at their workplaces so that they can attempt to close the gap that we're seeing right now because of lack of unionization and disproportionate amount of precarious employment that is the experience of racialized Indigenous populations.

Stephen: Sheila, in our first episode David Macdonald talked about windows of opportunity and how in policy you sometimes wait for those windows to align and for there to be an opening. In everything that you and Grace-Edward have talked about in terms of policy changes, do you see an alignment? Is this a time where we might be able to take advantage of some of that alignment?

Sheila: Well I think that we have realized through the tragedy of the pandemic that we actually need the state. We need the state to take care of us when we're sick. We need the state to provide us with income so that we can stay at home if we are sick and if our workplaces are closed down. So I would hope that this is a moment where we can rethink the balance between how much of our economic activity is in the public sector and how much of it is in the private sector and again understand the impact of how important doing things together is.

Other than healthcare and education I think retirement is one of the most important things to do together. So I am hopeful that we have a window here to kind of rethink that and look at how governments can step in and reduce inequality throughout the life course but also in retirement.

Stephen: Grace-Edward final word to you, final thoughts.

Grace-Edward: On the question of timing and alignment, two things; one is that we're in a moment that sort of followed a heightened awareness around questions of race and racialization and the impact on populations. The irony of course is that came out of the George Floyd killing and the outrage that the populations across North America and beyond expressed with regard to that event. I think what's happened is that that sort of spilled over into the pandemic.

The numbers that I was talking about earlier in regard to exposure to Covid and the rates of infection that are so disproportionate for these populations, suggest also that this is a moment where we have the kind of awareness that we need to utilize to address questions of race, racism and racialization. Yes, in work, in policing and the criminal justice system, but also in other areas like health and in retirement. I would be interested in doing some kind of work around the intersection between the experiences of seniors and Covid that is sort racially disaggregated. I suspect that we might again find significant disproportionalities in terms of the impact of Covid on racialized seniors. Partly because of these other conditions, underlying conditions of inequality that we've been talking about today and how they're reflected in those experiences.

So there's a moment and I think that in terms of both articulating and fighting for some policy changes this is a good moment because of the heightened awareness around these questions. Let's hope that this work that we've done contributes to the information that people will use to help make those changes.

Stephen: So the report is Colour-coded Retirement: An intersectional analysis of retirement income and savings in Canada. My guests today on Unpacked with the CCPA, two of the authors of that report, Sheila Block and Grace-Edward Galabuzi.

Find out more about their work at [policyalternatives dot ca](http://policyalternatives.ca). Thank you both for being here.

Sheila: Thanks so much for this conversation

Grace-Edward: Appreciate the opportunity.