

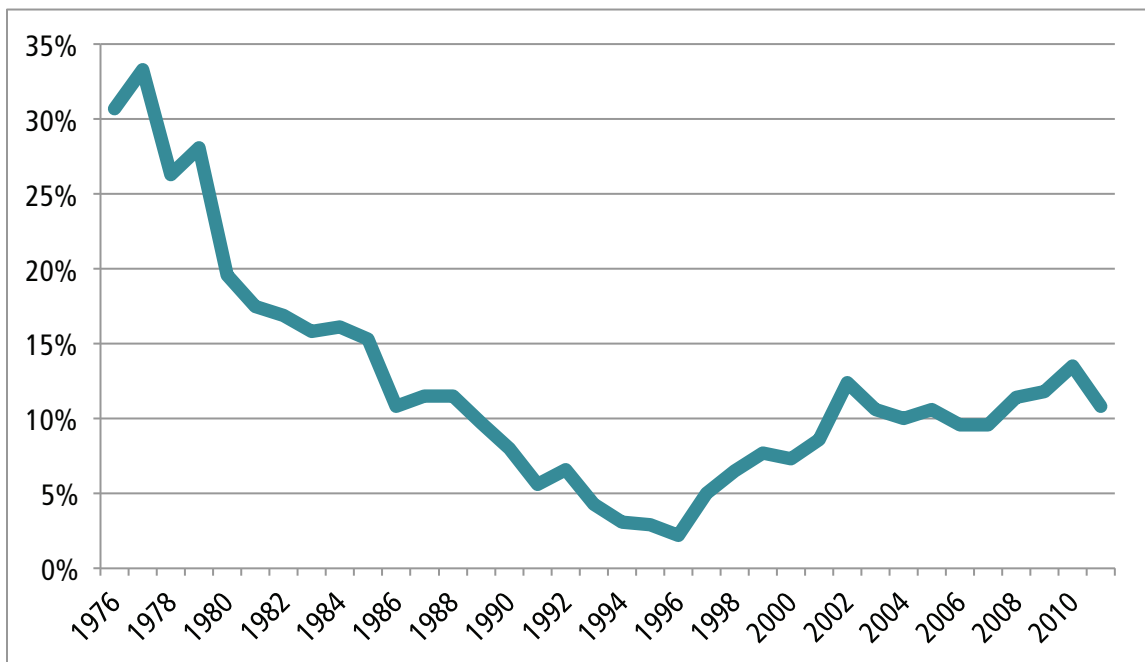
Poverty and Inequality Among Seniors

Prepared for February 6, 2015 System Change for Seniors Care Forum
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1. Poverty trends

Over the last 35 years, poverty among Canadian seniors declined significantly and is now considerably lower than child poverty and working-age poverty. The decline is a major success story of social policy in the 20th century. It was achieved with the introduction of the Canadian Pension Plan (CPP) and a number of other government supports that subsidize income in old age regardless of work history (including Old Age Security (OAS) and the Guaranteed Income Supplement). However, seniors poverty rates started to climb back up recently.

Figure 1: BC Seniors Poverty Rate, 1976 to 2011 (Low Income Measure After Tax)



Source: Statistics Canada. Survey of Labour and Income Dynamics (SLID).

Certain groups of seniors experience higher poverty rates than the average:

- Single senior women who live alone – 30% or 36,000 elderly women in BC
- Aboriginal seniors, immigrant seniors, seniors with disabilities, gay and lesbian seniors (Statistics Canada data not easily available)

2. Income and wealth inequality

Although the number of seniors in poverty is relatively small, many seniors have incomes just above the poverty line. There is a small group of seniors with very high incomes. In 2012, there were about 4,000 seniors and 13,000 non-senior adults (aged 25-64) in BC with after-tax income over 200,000.

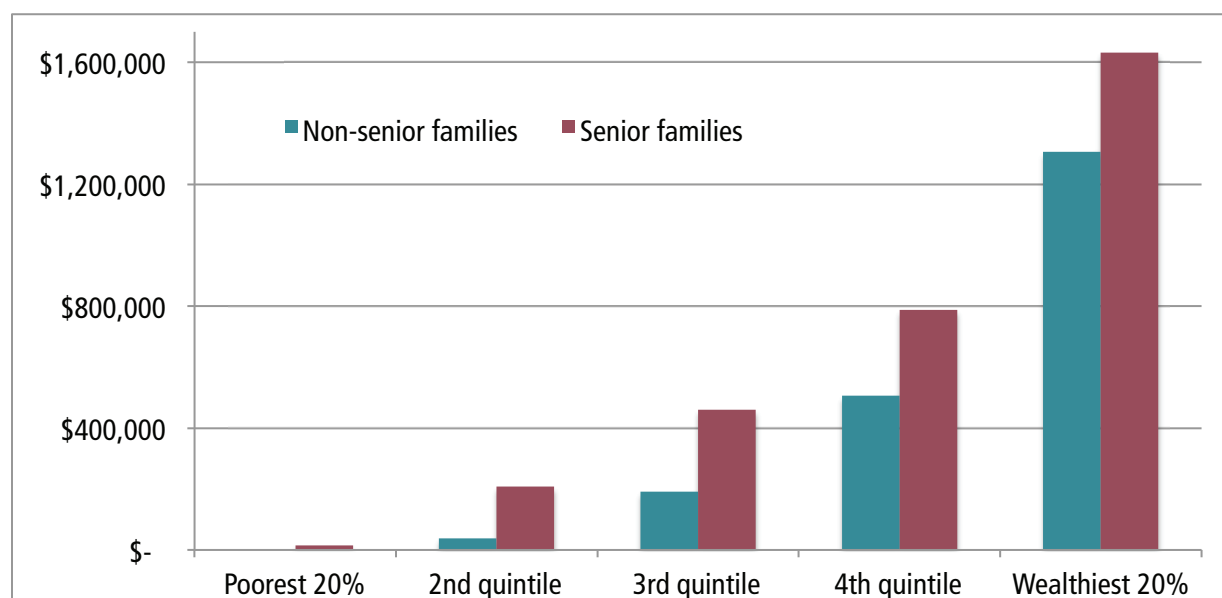
Table 1: Percentage of BC seniors and non-senior adults by income category, 2012

After-tax income	Non-senior adults (age 25-64)	Seniors (age 65+)
Less than \$10,000	14.9%	5.7%
Less than \$15,000	23.5%	16.0%
Less than \$20,000	30.7%	35.6%
Less than \$25,000	38.0%	50.7%
Over \$75,000	10.5%	5.3%
Over \$100,000	4.1%	2.6%
Over \$200,000	0.6%	0.5%

Sources: Statistics Canada. Taxfiler data.

Seniors have higher average wealth and are more likely to own their home than working age families largely because they have had longer time to earn income and save. However, a significant number of Canadian seniors have very little wealth, and there is tremendous inequality within the seniors cohort, as is the case for the wider population. In 2012, the median wealth of the poorest 20% of Canadian senior families was \$15,000, compared to \$1.6 million for wealthiest 20%.

Figure 2: Median wealth by quintile for Cnd senior & non-senior families, 2012



Source: Statistics Canada. Special tabulation based on Survey of Financial Security.