

**OLDER WOMEN AND POVERTY:
FACT OR FICTION?**

presented by
Peter Faid
Edmonton Social Planning Council
#41, 9912 - 106 Street
Edmonton, Alberta
T5K 1C5

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STORIES OF OLDER WOMEN

Over the last few years, in my work with the Edmonton Social Planning Council, I have received a number of letters from poor, older women. Let me read to you some of their comments:

I... am fifty eight years old and divorced. I raised six children within a very low standard of living through necessity... It was with great effort that I was able to upgrade my education starting with grade eight. I continued my studies in both day and night school until I had acquired two years in University.

Caring for children was difficult and for them it also meant hardships and many sacrifices. My two eldest sons have passed away within the last eight years. [and] that alone was devastating to me... I have been living on four hundred and twenty dollars per month (U.I.C.) payments [from some part-time work I was able to find] which are about to run out... The upkeep of the car [which I need for this work] is falling behind but I am desperately trying to cover the bare necessities to live.

..my husband was in the army during World War II. He had a nervous breakdown in an overseas hospital and did not collect anything for either himself or family. My brother was killed in Normandy, France, and this government has the audacity to treat me like I am not worth anything. Not even six hundred and four dollars per month.

I was divorced in 1964 (no such thing as alimony at that time). I raised my son (then 4 years old) on a woman's wage. We had difficult times, thank God for my mother and sister, we never had to go on welfare, but I never had money for myself, no dental work, never able to get a much needed eye exam... Now, I am 58, 59 in April, unable to find work, a day here or there, doing janitorial work, plus baby-sitting. I am on Welfare, I am allowed \$476.00 a month, my mortgage is \$420.00 a month, leaving me \$53.00 to pay my expenses... I am ashamed to be on welfare and even more ashamed of the way they treat and humiliate me at the welfare office. I am totally depressed feeling like a second class citizen.

[I am a woman aged 50 who never married]. I did manage to get work

before my U.I.C. ran out but the job doesn't pay much plus it is extremely heavy work and I am having difficulty keeping up with the younger workers and on my last report have been severely criticized for this...

It is a temporary job where I have to clean houses for Senior Citizens. Some of my duties are moving fridges and stoves to clean underneath them, cleaning ovens and toilets, washing windows and climbing up ladders to clean lights and vents, moving couches, beds, dressers, tables and chairs without breaking anything of value because everything must be thoroughly cleaned in a house in half a day.

I was told on my last report that I have a bad attitude, that some of my workers and seniors have complained that I am too slow... I get the woolies just to climb into that big truck in the morning just to go to work not to speak of the fear I feel just to climb up a ladder and clean a light bulb. Some girls have lost their eye sight from oven spray and others are unable to work anymore because of resulting back injury. I have no dental insurance... [and] There is no pay for sick leave or missing work for any reason.

The job will last at its longest 1 year but I know I cannot last that long... I will try and last as long as I can. Young girls are finding it hard and I find it doubly hard at age 50. It was all I could get, I am in no bargaining position and I don't want to even think of what if I didn't get this job and what if my U.I.C. ran out... It frightens me

when I think I still have 15 years ahead of me [before age 65].

THE FACTS ABOUT WOMEN AND POVERTY

This is only a sample of the real stories of older women in Alberta. When asked whether the poverty of older women in Alberta is fact or fiction, I could mention the statistics, and will be doing so in my presentation. However, I believe that it is very important to keep in mind the human face behind these statistics. Let us never forget that for each percentage increase in poverty, there are real women faced, day after day, with the cruel uncertainties of poverty. These stories provide the facts about the economic circumstances of older women much better than any statistics. If there is a fiction involved in the story about the poverty of older women, it is the fiction that our society takes care of older women, that we reward older women after a lifetime of work with financial security in their old age.

I would like to begin this morning by speaking in general about our perceptions of poverty, and how we measure it. What do the statistics tell

us about older women and poverty? Looking at the lives of the older women of today, I will sketch out some of the facts which account for the high numbers of poor, older women. I also think that it is very important that we focus our attention on a forgotten segment of the population of poor, older women: the woman reaching retirement, but not yet 65. It is also important that we understand what our society provides, or doesn't provide, to older women. Finally, I will look at the older woman of tomorrow. What can she expect? What predictions can be made about the future and her place in it? Are there more hopeful signs for the older woman of tomorrow?

OUR PERCEPTIONS OF POVERTY

What comes to mind when you hear the word 'poverty'? Unfortunately, I believe we take several things for granted. First, we tend to associate poverty with individual failure. Those who are poor, we assume, are that way because they did not have the individual initiative to succeed. Second, we like to believe that the poor are that way because they do not want to work. Governments, therefore we conclude, cannot provide too well for the poor, because they would then be rewarding laziness or improvidence. The fault of poverty,

we maintain, lies with the poor rather than with society.

Yet we know also that poverty is not like that. We know that cut-backs and lay-offs happen high up the corporate or government ladder, and have nothing to do with the individual. We know of the line-ups at employment opportunity offices, and we have all heard of hundreds of applications received for single job openings. Yet we persist in our myths about poverty.

When learning about poverty, the financial hardship for the individual is the most obvious effect. Being short of money, however, is just one aspect of the poverty package. Poor persons lose not just the money but the security of income and their expectations for financial improvement.

Along with poverty of income is poverty of spirit: the social and psychological damage that results when the struggle of daily existence seems almost too much to bear, and the poverty of power: where full citizenship and freedom of choice are automatically denied. In these ways, poverty creates for many a crisis of self-identity. In a society like that of Alberta where personal success is so strongly linked with self-esteem, poverty can destroy the individual's feelings of self-worth and

accomplishment. Stress and a sense of personal failure reinforced by negative stereotypes about the poor magnifies the crisis. As in the stories above, poverty should always be measured in terms of the human costs.

THE MEASUREMENT OF POVERTY

How do we measure poverty? The most widely used measurement is the rates set by Statistics Canada. The average Canadian family spends 38.5% of its annual income on food, clothing, and shelter. The poorer families, in contrast, spend about 20% more of their annual income on these necessities. Families or individuals spending 58.5% or more of their annual income on basic needs are considered to be poor. This is calculated annually, taking into account the population of the place of residence (since smaller centres are cheaper places to live) and size of family units (since several persons living together can do so more cheaply than one). In measuring poverty lines, however, we must not assume some magic with the numbers: many persons live well below the poverty line, and many others live just slightly above the poverty line.

How can we translate the data into meaningful statistics? In Alberta, it

means that anyone making minimum wage is living below the poverty line. In Edmonton, it means that an individual living at the poverty line in 1989 is earning about \$1000 a month (gross income) to cover food, clothing, and shelter, as well as any other expenses. For a couple, it means about \$1325 a month. In Lethbridge, an individual must receive at least \$895 a month to rise above the poverty line, and a couple \$1170 a month.¹ This may not seem overly severe, but it is \$3000 a year below what Canadians identified in a 1988 Gallup poll as being the lowest amount an average family of four could get by with.²

OLDER WOMEN AND POVERTY

What are the facts about older women and poverty? The number of women over 65 living below the poverty line has improved in the last few years. Yet despite this improvement, from 1980 when over 65% of unattached (single, widowed, or divorced) older women were living in poverty, there

¹Statistics taken from "National Council of Welfare Estimates of Low Income Lines for 1989" in National Council of Welfare, *1989 Poverty Lines* (Ottawa: Supply and Services Canada, 1989), p. 9.

²Peter Faid. "Profile and Perspectives on Poverty in Edmonton" (unpublished paper, 1988), p. 4.

were still over 46% living in poverty in 1986. That is, almost half of the unattached women over the age of 65 are still living in poverty. Women in couples fared much better, since only 8% of older couples live below the poverty line. But an additional 25% live just above the poverty line.³

In total, about one-third of older women living with their husbands were poor or near-poor. That rate is much worse than the poverty rate of 15% for the general population.⁴ Women between the ages of 50 and 64 do not fare any better.⁵ In 1986, Health and Welfare Canada found that 40% of seniors felt that their income was "less" or "much less" than adequate.⁶ Indeed, of all segments of the Canadian population, older women are the poorest overall. A significant percentage of the elderly also live

³From 1986 statistics. David Ross and Richard Shillington, *The Canadian Fact Book on Poverty: 1989* (Ottawa/Montreal: the Canadian Council on Social Development, 1989), p. 69. The figure is 3.8% for Alberta. *Ibid.*, p. 105.

⁴National Council of Welfare, *Poverty Profile 1988*, (Ottawa: Supply and Services Canada, 1988), pp. 7, 43. The figure is 16.8% for Albertans. Ross and Shillington, p. 105.

⁵Statistics are only available for women and men together, but indicate that 39.1% of individuals in this age group live below the poverty line, and 11% of families. *Poverty Profile 1988*, pp. 37-8.

⁶Quoted in Richard Deaton, "The Pension Poor", in *The Facts: Canadian Union of Public Employees* Vol.11, No.2 (Fall 1989), p. 13.

near the poverty line, if above it.⁷ In 1986, three out of four older Canadians had an annual income of less than \$15,000,⁸ and 80% of them were women. These are the facts.

Keeping these facts in mind, what then can we say about the causes of poverty in older women? What was life in the past like for the older women of today in Alberta? Generally speaking, women in Alberta's past lived hard lives, with much sacrifice on their own part, and much discrimination on the part of society.

WOMEN IN THE PAST

Women in Alberta's labour force have almost always been in low-paying, less secure jobs, and this was even more true twenty years ago than it is today.⁹ Women were often the last hired and the first fired in Alberta's economy, and this is evident from the numbers of employed women during the Second World War who returned

⁷"Altogether, about two-thirds of the unattached elderly lived in precarious income circumstances." There was no division of these statistics according to sex. Ross and Shillington, p. 69.

⁸Deaton, p. 12.

⁹Many women worked in the service industry, which pays among the lowest wages of all sectors of the labour force, and which contains a high percentage of the working poor. *Poverty Profile 1988*, pp. 59-60.

to their homes at the end of the war. As a result, about one-quarter of Albertan women remained working outside the home after the war until the late 60s, when their numbers began to rise. Currently about two-thirds of Alberta women work outside the home.¹⁰ For much of this period women were expected to take home less pay, since, according to the thinking of the day, "they were only supplementing their husband's wages". Women also often had to take part-time jobs, since full-time jobs were denied them, or since they were also raising children.

As a result, few women were able to save enough of their paycheques to put any money away for retirement. Companies gradually introduced Pension Plans for their employees in the period of the 50s and 60s, but women were often denied access to these private Plans.¹¹ The Canada Pension Plan, introduced to universalize pensions, was only fully in place in 1966. To be eligible, one had to work throughout one's adult life, and many women of the period

¹⁰Deborah Hurst Usher, "Contemporary Alberta Families" (Unpublished paper, 1989), p. 4.

¹¹For example, until 1964, women were not permitted to participate in the Public Service Pensions Plan. The Alberta Union of Provincial Employees, *Federal New Democratic Party Task Force on Older Women*, (Unpublished paper, 1982) p. 18.

interrupted their lives in the work force to raise children. In doing so, they were penalized by reduced benefits. Registered Retirement Savings Plans (R.R.S.P.s), introduced by the federal government to allow individuals to save money without paying interest tax, were only introduced in 1957. In many ways, therefore, women were not able to save money for their later years.

Many women were also drawn into traditional types of employment, especially in the service professions, such as cleaning jobs. Because of this, many women were exposed to substances now known to be harmful. Older women also face other health problems, such as a high rate of varicose veins, in jobs requiring long periods of standing, and present in half of women over 40.¹² Women with health problems, in turn, face a greater threat of poverty, because of their inability to perform certain tasks or to work for long periods of time.

For women who remained in the home, or for working women once they reached home at the end of the day, life was by no means easier. Many Canadian women in the period after the Second World War arrived here from other countries, and the process of adaptation to a new culture

¹²*Ibid.*, p. 20.

was sometimes difficult. For many women, the growth of cities also meant a move from the traditional rural lifestyle to an urban one, and the need to work outside the home. This lifestyle was in contrast to that of their mothers, most of whom had remained at home all of their lives. Women who married supported their husbands, financially with extra income as well as emotionally with free housekeeping service and child care. Women helped men to achieve the economic success of the post-war boom.

Life was equally hard, and often harder, for women who did not have husbands. For women who never married, poverty was frequently the norm. Single women of the 1950s and '60s faced a lack of opportunities and outright discrimination in salaries and promotion. For widows, there was little guaranteed benefit. Life insurance, afforded by some, was usually too expensive for the families who most needed it. This is the reason the federal government extended the Spouses' Allowance to cover widows, since so many widowed wives were living in poverty.¹³ Divorce was not very common until recent decades, but for those women who braved the stigma

of divorce, left abusive husbands or cut the legal ties with men who had deserted them, the ostracism of society was strong. Few women could count on continued support from their husbands, even with children or were able to acquire a share of their husband's pension as part of the divorce settlement. Consequently, divorced women were for the most part on their own financially.

For women with children, whether single, married, widowed, or divorced, there were added expenses. Family allowance payments, meant to assist in the cost of child care, were introduced to Canadian society in 1944. Families were larger then, and before the establishment of Health Care Insurance in 1966, health costs were born by the individual families. Moreover, the care of children was traditionally seen as the responsibility of women.

WOMEN APPROACHING RETIREMENT

As they approached the age of retirement, the difficulties of older women tended to grow worse. Unfortunately, little has changed, and most women in their 50s and early 60s face the same difficulties. Indeed, with the benefits for women over the official retirement age of 65, it is often

¹³Louise Dulude, *Pension Reform with Women in Mind*, (Ottawa: Canadian Advisory Council on the Status of Women, 1981), pp. 27-8.

the women under this age that face the greatest economic risk.

This is felt in a number of ways. It is in middle age that typical health problems for women become more acute.¹⁴ The risks associated with use of dangerous substances, at work or in the home, are felt at this age, as are the other health problems more associated with women than with men, such as varicose veins, osteoporosis, breast cancer. If a woman must continue to work despite health problems in order to avoid poverty, her quality of life is greatly diminished. The anxiety of the woman above who noted that she had 15 years left in which to work before she could collect Old Age Security benefits, is all too typical.¹⁵

Many women have great difficulty in finding or keeping a job at an older age because so many employers are hesitant to hire middle-aged persons. It is especially difficult for those women who attempt to find work after a long absence from the labour force,

¹⁴See *Older Albertans 1988* (Edmonton: Alberta Senior Citizens' Secretariat, 1989), p. 49: "seniors used medical services at a rate almost twice that of the population as a whole."

¹⁵See National Health and Welfare, *The Active Health Report on Seniors* (Ottawa: Supply and Services Canada, 1989), p. 18: "there is a very strong relationship between income and self-rated health, activity limitations, and happiness [among seniors]".

usually to raise their children, since few employers are willing to consider their work at home as 'real' experience. Upgrading skills or education levels takes time and money, and younger applicants to already-overloaded training classes are usually given preference. As a result, women are often required to take part-time jobs, and in fact, 70% of part-time jobs are held by women.¹⁶

Women in general live longer than men, and even women who have married and lived a life of relative comfort thanks to their husband's salary face the risk of poverty should their husband die before them. In Alberta, half of women over the age of 65 are presently widowed.¹⁷ Widows, even with the Widow's Pension, face an immediate drop of about half of their former income.¹⁸ In fact, it is with the death of their husbands that so many women discover, late in life, that they are "only one man away from poverty".

It is usually around retirement that families make the final mortgage payment on their home, and the absence of this expense can greatly

¹⁶ Beryl Zackon, "Negotiating Benefits" in *The Facts: Canadian Union of Public Employees* Vol. 9 No. 5

(September/October 1987), p. 37.

¹⁷*Older Albertans 1988*, p. 14.

¹⁸Dulude, p. 36.

help.¹⁹ Still, property taxes must be paid, and there are maintenance costs for older homes. The provincial government does provide some programmes to assist with these costs.²⁰ For those women who must rent their home, monthly payments can be difficult.²¹ Subsidized, low-income housing is for the most part full, and care and accommodation in nursing homes, extended care centres, and auxiliary hospitals are expensive.²²

¹⁹Two-thirds of seniors over the age of 65 still live in homes they own. Sylvia Goldblatt, "Housing for Seniors" in *Perception: Canada's Social Development Magazine* Vol. 13, No. 1 (Winter 1989), p. 26. In Alberta, 88% of women over the age of 65 live in private dwellings. *Older Albertans 1988*, p. 15.

²⁰"All [senior] Alberta homeowners automatically have their entire Provincial Education Tax paid by the provincial government, and in addition, senior homeowners are eligible for a further reduction, the Senior Homeowner Benefit". *Older Albertans 1988*, p. 43. There are also Home Improvement Grants for seniors (*Ibid.*, p. 45) and a Senior Citizens' Home Heating Protection Program, worth \$100. annually (*Ibid.*, p. 46).

²¹The Alberta government does sponsor Senior Citizens Renters' Assistance Grants, which can total up to \$1200. annually in 1988. *Ibid.*, p. 44.

²²The average *per diem* price for a partial care unit in Canada in 1989 is between \$45 and \$102, according to the Canada Mortgage and Housing Corporation. Goldblatt, p. 26.

THE OLDER WOMAN OF TODAY

What is life like, then, for the older woman of today? How does she live, with what sources of income, and how well? Despite the numerous social programmes meant to assure the elderly of an adequate income, there are still too many women that 'fall between the cracks' of these social programmes. Most of us tend to reassure ourselves that there is a generous 'safety net' of social assistance to help the elderly. However, if we look at the various types of income available to elderly women, we see how precarious their financial situation can sometimes be.²³

OLD AGE SECURITY

Old Age Security payments, made by the federal government, are the cornerstone of the income security programme for seniors. The payments are provided to all persons over the age of 65. However, the amount is not generous.²⁴ For

²³For an excellent summary of income available to Canadian seniors, see National Council of Welfare, *A Pension Primer* (Ottawa: Supply and Services Canada, 1989).

²⁴In the last quarter of 1989 the monthly amount for full benefits is \$337.04. The rate is adjusted every three months. Personal conversation with Alberta

ample, persons who have lived in Canada for less than forty years are not eligible for full payments, and persons who have lived here less than ten years are not eligible at all.²⁵

GUARANTEED INCOME SUPPLEMENTS

Women (and men) over the age of 65 whose income even with Old Age Security is still low are eligible for a Guaranteed Income Supplement (G.I.S.). Introduced only as a temporary measure in 1966, to cover women who had not contributed to the newly established C.P.P., the G.I.S. has proved necessary for so many seniors that the federal government has had to continue its distribution. Indeed, it is proof that the other forms of federal government compensation are insufficient. In Alberta in 1988, almost half of the seniors receiving O.A.S. also received G.I.S. supplements.²⁶ Of those receiving maximum G.I.S. in Alberta, 65% were women.²⁷ This is especially distressing when considering that

women typically outlive men, and so women are forced to deal with less income for a longer period.²⁸ Persons applying for the G.I.S. must undergo an Income Test.²⁹ In Alberta, persons receiving the G.I.S. are also eligible for a provincial supplement under the Alberta Assured Income Plan (AAIP), but this only provides from \$10. to \$95 extra each month.³⁰

CANADA PENSION PLAN

Women (and men) over 65 are also eligible for Canada Pension Plan (C.P.P, Q.P.P. in the Province of Quebec) benefits. This is calculated at 25% of their average lifetime income, adjusted to inflation, up to a maximum amount. But many of today's retired women did not work at paying jobs through most of their lives, or if they did, worked only part-time and for lower wages than men. As a result, few can collect benefits from C.P.P. Only a third of women collect the maximum amount, which is only \$556.25 a month.³¹ Women who

²⁵Individuals living here over ten years but under forty are deducted one-fortieth of the annual amount for each year not yet in Canada. Women living in Canada before 1977 are not affected by this regulation. Dulude, p. 7.

²⁶*Older Albertans*, p. 34. In 1988, 204,135 Albertans received O.A.S., 92,756 received G.I.S.

²⁷*Ibid.*

²⁸Of seniors between the ages of 65 and 69, there are 115 women for every 100 men, but for those over 85, there are 185 women for every 100 men. *Ibid.*, p. 11.

²⁹Dulude, pp. 5-6. In 1989, the maximum G.I.S. is \$400.53 for individuals, \$260.88 each for couples.

³⁰In 1989. Personal conversation with Alberta Seniors' Secretariat.

³¹Dulude, p. 11. This is the maximum monthly amount in 1989. Personal

have worked steadily their adult lives are eligible for their own benefits, but at present are penalized for 'not working', if they were absent from the labour force for more than 15% of their adult lives, for example, to raise their children.³² Therefore, private pension plans are only helpful to a small percentage of women, since only 19% of women contributed to them.³³

Married women over 65 can be supported by their husband's C.P.P. benefits. These benefits provide an adequate income, and as a result few elderly families live below the poverty line, although many live near it.³⁴ But with the discrepancy in the average life-span of Canadian men and women, many women are left with a limited income when their husband dies. Widows are able to collect only 60% of their deceased husband's C.P.P. benefits, which would mean a maximum in 1989 of only \$333.75 a

conversation with Alberta Seniors' Secretariat.

³²When women who have contributed to pension plans lose their contributions because of 'vesting', their contributions go into a general fund usually used to add to men's pensions. Zackon, p. 35. Women do not lose their C.P.P. benefits if absent from the labour force for more than 15% of their adult lives in Quebec only. Dulude, p. 12.

³³Dulude, p. 19. These are 1975 statistics.

³⁴Of families led by men over the age of 65, only 8.7% lived below the poverty level. *Poverty Profile 1988*, p. 41.

month.³⁵ As this is often the main portion of their income, the drop is significant.³⁶

SPOUSES' ALLOWANCE

For women between the ages of 60 and 64 who have husbands over the age of 65, there is the Spouse's Allowance, eligible only if the couple's joint income falls below a fixed amount.³⁷ Since 1979, women whose husbands die while they are receiving the Spouse's Allowance can continue to receive it until their 65th birthday, when they are eligible for O.A.S.³⁸

WIDOWS' ALLOWANCES

Other widows are eligible for a

³⁵Personal conversation with Alberta Seniors' Secretariat.

³⁶The number of widows is high. "In 1981, while 76% of men at the age of 65 or over were married, only 41% of women were in the married category. Add to that the fact that, of those men who *were* in pension plans, less than half were in plans that gave pensions to surviving spouses". Zackon, p. 35.

Widows may not be penalized by remarriage, according to legislation of 1987. *Ibid.*, p. 36.

³⁷Note: the husband must be receiving the G.I.S., therefore his income must be very low. The maximum amount which the couple can receive together is \$1290.84 per month. Personal conversation with Alberta Seniors' Secretariat.

³⁸Dulude, pp. 27-8.

Widowed Spouses' Allowance, introduced by the federal government to soften the blow of just such a drop in income. It is necessary, bringing the average income of a widow over 65 to an adequate, if not exorbitant income.³⁹ Women who are between the ages of 55 and 59 can receive the Alberta Widow's Pension, which will give them a monthly allowance until they are eligible for the federal benefits.⁴⁰ But women who never married, divorced women, widows under age 55,⁴¹ and some common-law wives, are not eligible for this benefit. At present, these women have no benefits similar to widows' benefits, and must depend on social allowance programmes (since O.A.S. and G.I.S. is only available to those over 65).

UNEMPLOYMENT INSURANCE BENEFITS

For older women who are single or divorced and under age 65, life without an adequate income is extremely harsh. Those who are able to work for at least part of the year

³⁹The monthly amount is \$660.11 in 1989. Personal conversation with Alberta Seniors' Secretariat.

⁴⁰The monthly amount in 1989 is \$720.00. Personal conversation with Alberta Seniors' Secretariat.

⁴¹Unless they have children under the age of 18. Dulude, pp. 75-6.

can receive Unemployment Insurance Commission (U.I.C.) benefits. These require a minimum period of employment of 20 weeks, however, and many older women find difficulty remaining employed, or can only find low-paying jobs. If older women lose their jobs, benefits cannot extend past 52 weeks.⁴² This is also being reviewed by the current government to restrict even more the benefits available under U.I.C.

SOCIAL ASSISTANCE

For single or divorced women under the age of 65, then, who are not able to collect U.I.C., there is only Provincial Social Assistance (Welfare).⁴³ In 1988, 6.5% of the recipients of Social Assistance were persons over the age of 60.⁴⁴ This provides a subsistence income which is available only after the need has been verified through a Means Test. If the woman receives any other types of income, however, this is deducted from the amount she is eligible to

⁴²The maximum monthly amount payable in 1989 is \$1573.00, and is only available after very well-paying jobs. Personal conversation with Employment and Immigration Canada.

⁴³In 1985, 1,689 single women between the ages of 55 and 64 received social assistance. Personal correspondence of Merylyn Greig, Management Reporting Services, Alberta Social Services and Community Health, 19 August 1985.

⁴⁴*Older Albertans*, p. 42.

receive from Social Assistance.

OTHER RETIREMENT INCOME

Those rare women who were able to save enough after 1957 in a Registered Retirement Savings Plan (R.R.S.P.) can expect to live with some degree of comfort. Yet in 1978, only 20% of R.R.S.P. contributors were women.⁴⁵ Women who contributed to private pension plans can also collect, but in 1986, only 36% of women in the labour force were participating in private pension plans. Moreover, since only 14% of private plans are indexed to the inflation rate, even a modest inflation rate of 3% will over a fifteen-year period reduce by 35% the purchasing power of non-indexed benefits.⁴⁶

Women who are disabled, and who have navigated the lengthy process of application for the Assured Income for the Severely Handicapped (A.I.S.H.), can also live adequately on its monthly payments (about \$720.00 per month), or less easily on Disability Insurance (with average monthly payments of \$556.78).⁴⁷ Divorced women who

managed to obtain a share of their ex-husband's C.P.P. benefits, or are continuing to receive alimony payments, may also receive a reasonable monthly income. But most women do not fit into these categories. In 1980, fewer than 1% of divorce settlements included splitting of pensions or retirement savings.⁴⁸

It should be apparent that most older women do not receive enough income. While better-off older Canadians only rely on social programmes for less than half of their income, the elderly poor get 91% of their income from these programmes.⁴⁹ Out of this, they must cover all their living expenses: food and clothing, accomodation, health-related expenses, and other costs. This is why so many women fall below the poverty line. At present, Canada's social programmes simply do not go sufficiently far in helping older Canadian women.

THE OLDER WOMAN OF TOMORROW

What can the older woman of tomorrow expect? Will the situation improve for her, or will she also be

⁴⁵Dulude, p. 18.

⁴⁶Bob Baldwin, "Unfinished Business", in *The Facts: Canadian Union of Public Employees* Vol.11, No.2 (Fall, 1989), p.4.

⁴⁷According to *Monthly Statistics: Income Security Programs* (Ottawa:

Health and Welfare Canada, 1989) p. 11. In Alberta in 1988, only 203 seniors received AISH benefits. *Older Albertans 1988*, p. 41.

⁴⁸Dulude, p. 72.

⁴⁹Deaton, p. 14.

caught in the trap of poverty? What changes to Canada's social programmes are in progress? What changes to Canadian society are happening which may affect her?

First, we already know that more and more of Canada's poor are single-parent families led by women. At present, more than one third of single-parent families led by women live below the poverty level,⁵⁰ and this is likely only to increase, among other factors with the rising divorce rate.⁵¹ Women spending their adult lives in poverty are unlikely to be able to save any money for their retirement, nor are they likely to be able to contribute much to C.P.P. Women who are poor young adults will probably be poor older adults.

Second, all indicators point to a rising population of seniors in the years ahead. This is related to the population of 'baby boomers' growing older, and the declining birth-rate among today's population.⁵² Recent

estimates for Edmonton project a rise in the percentage of older persons from 8.1% in 1987 to about 20% by the year 2020.⁵³ A declining birth-rate will in turn mean fewer adults contributing to C.P.P. for these seniors, since each generation contributes to the generation before it. Therefore, contributions to C.P.P. will rise, as is already happening.⁵⁴ Greater numbers of seniors will require better and more numerous facilities and programmes to support them, which will increase the overall social costs.⁵⁵

Third, many of these elderly persons will be women. Women at present outlive men on average by seven years, and can continue to expect this.⁵⁶ Because of their poverty, older women will require greater and longer support from government programmes.

Fourth, because more and more adult women are working outside the home, the informal care-giving and support to

⁵⁰*Poverty Profile 1988*, p.19 (statistics from 1986).

⁵¹The Honourable Monique Begin, "Demographic Change and Social Policy: Implications and Possible Alternatives" in *The Future of Social Welfare Systems in Canada and the United Kingdom:: Proceedings of a Canada/UK Colloquium*, Shirley Seward (ed.) (Halifax: Institute for Research on Public Policy, 1987), p. 220.

⁵²*Ibid.*, p.217. Since 1972, the fertility rate has been below the replacement

rate in Canada. *Ibid.*, p. 213.

⁵³Also by the year 2001, a full quarter of these persons over the age of 65 will be over 80. *The Active Health Report on Seniors*, p. 3.

⁵⁴Viz., "the Canada Pension Plan (CPP) has just been amended (for the first time since it was introduced in 1966) so that contributions will rise each year." Begin, p. 217.

⁵⁵*Ibid.*, p. 218.

⁵⁶*Older Albertans*, p. 13.

seniors undertaken at present largely by women will decrease. As this happens, seniors will have to rely more heavily on formal programmes of care-giving and support, such as institutional care. This will cost the government and society much more than informal care.⁵⁷ Alternately, government may increase its own support of informal care-givers, offering tax credits, respite care, flexible working hours for those persons caring for seniors.⁵⁸

Fifth, the increase in immigration is likely to add to the numbers of women in poverty in Canada, since those living here less than forty years are ineligible for O.A.S. benefits.⁵⁹

OLDER WOMEN AND THE 1989 BUDGET

The 1989 federal budget of Finance Minister Wilson will also have implications for older women in its changes to Canada's social programmes.

First, the proposed Goods and

⁵⁷By way of example, the funding for the Co-ordinated Home Care Program of Alberta Health rose from \$10.5 million in 1980 to \$36.2 million in 1988. In 1988, 61% of the caseload was comprised of women over 65. *Ibid.*, p. 64.

⁵⁸*Tracking the Trends*, p. 25.

⁵⁹Dulude, pp. 46-7.

Services Tax (G.S.T.) will add 9% to most goods and services (a tax on food was not included, but has been discussed as a modification of the tax). Older women, half of whom are already living below the poverty line, will have to pay 9% more for many goods and services.

Second, the government introduced in this year's budget the so-called 'clawback' on universal social programmes. Seniors will be subject to the 'clawback' through their Old Age Security payments. As currently indicated by the budget, individual seniors earning more than \$50,000 per annum will be required to pay back some of their O.A.S. in income tax. Seniors earning more than \$76,332 will be required to pay back all of their O.A.S.

This hardly seems too severe at first glance. The difficulties inherent in this proposal fall in two areas. First, if the government sets the limit for receiving full O.A.S. in 1989 at \$50,000, what is to prevent it from lowering that limit in future years? The budget indicates that the level of cut-offs "will be reviewed periodically and adjusted appropriately".⁶⁰ What then is there to stop the government from

⁶⁰Quoted in National Council of Welfare, *The 1989 Budget and Social Policy* (Ottawa: Supply and Services Canada, 1989), p.10.

restricting its eligibility only to a small percentage of Canada's seniors?

The second difficulty arises out of the inflation rate. The 'clawback' is not indexed to the inflation rate, so that each year, the 'real' dollars affected by the cut-off will also be lowered. It has been estimated that by the year 2001, even if the actual amount has not been adjusted, the 'real' amount in 1989 dollars affected by the ceiling on benefits will have been reduced from \$50,000 to \$40,000. In a calculated projection of both of these possibilities, the National Council of Welfare has estimated that by 2019, the middle-income senior will pay back three-quarters of the O.A.S. in annual income tax.⁶¹

HOPEFUL SIGNS FOR TOMORROW

Hardly a glowing prospect for us today, as we reflect on growing older. Are there any hopeful signs for a brighter future for older women in Canada?

One positive change is that women are demanding more equity in pension benefits. This has included calls for a 'homemakers' pension' by some,⁶² or

⁶¹*Ibid.*, pp. 14-9.

⁶²The present government promised in 1980 to introduce legislation allowing

greater demands for a share of their husband's R.R.S.P., C.P.P. or private pension plans in divorce settlements. Clearly something must be done in order to equalize future income for women who most often raise the children after a divorce and therefore cannot equally contribute.⁶³ Yet still, out of one-half million divorces in Canada since 1978, only 20,000 women applied for pension-splitting.

Several groups have called for an immediate increase in the G.I.S. to start the reforms with added income for the most needy.⁶⁴ A Charter of Rights and Freedoms challenge has also been launched by an Alberta action group, Singles and Divorced Speak Out, to end the discriminatory practice of government bonuses to widows, but not to single or divorced women over the age of 65.

homemaking spouses to contribute to C.P.P. There has been no forthcoming legislation as of yet. Albert Rose, "The Politics of Aging" in *Perception: A Canadian Journal of Social Comment* Vol. 3 No. 3 (January/February 1980), p. 9. A series of focus group meetings of Alberta women in the last year showed considerable support for the idea. *Person to Person: An Alberta Dialogue on Economic Equity for Women* (Edmonton: Alberta Women's Secretariat, 1989), p. 13. See also Dulude, p. 59 ff. for detailed proposals for such a reform.

⁶³Only since 1978 has the law in Canada allowed sharing of C.P.P. benefits between divorced spouses. Monica Townson, "Women and Pensions" in *Perception*, p. 16.

⁶⁴Dulude, p. 44 lists these groups.

Other initiatives are in progress. One such initiative would consider a sort of 'reverse mortgage' on homes, allowing older persons who own their own homes to 'sell them back to the bank' for added monthly income. Similarly, the idea of 'life lease' would allow the sale of homes to developers, with a clause reserving residence for the seller until she no longer wishes it, or until her death.⁶⁵

Another positive indicator is that, as Canada's population grows older, the elderly will have more political power than ever before. We have already seen 'grey power' at work, in the cancellation of the federal government's proposed de-indexing of Old Age Security in 1985.⁶⁶ The demographic strength of seniors will gradually be converted into political strength, and seniors will be better able to control social spending on seniors. Cut-backs to social programmes for seniors will be made more difficult.

We have already in the western world an excellent example of a country which has dedicated its energy to taking care of its older citizens. That country is Sweden. The poverty rate for Swedish seniors is zero.⁶⁷ This is

a result of progressive social legislation for many years. Included is an Old Age Pension which the individual can begin receiving any year after age 60, at the individual's choice, supplementary pensions for those without private pensions, partial pensions for those wishing to continue to work part-time, special allowances for residents of less than ten years, who are not eligible for regular pensions. All of the benefits are calculated according to the Consumer Price Index annually, and individual pensioners receive 96% of the C.P.I. In addition, there are guaranteed housing, medical, and dental benefits.⁶⁸ Adequate care of the elderly can be a reality.

WHAT CAN I DO?

It is important for present-day seniors and future seniors to start the process of political empowerment today. As individuals, we can make a difference to the lives of older women. Write to your elected officials, federal and provincial, and let them know that you demand adequate social programmes for seniors. Ask them specific questions about their position on specific issues. Always ask for a

⁶⁵Goldblatt, pp. 26-7.

⁶⁶Ron Verzuh, "Grey power comes out of the closet" in *Perception*: pp. 13-6.

⁶⁷Ross and Shillington, p.84.

⁶⁸*Old Age Care in Sweden*, unnumbered series of *Fact Sheets on Sweden* (Stockholm: The Swedish Institute, 1986), pp. 1-3.

response. Let them know that you are keenly interested in what their governments are doing for older women, and that you will keep aware of their own part in this. Let them know that the social programmes designed "to catch those who fall between the cracks" are still allowing half of older women to fall through them.

CONCLUSION

Finally, let me conclude by stressing once again that poverty means so much more than economic deprivation. Older women with persistently low incomes do not simply live scaled down versions of middle class life. They are required to live markedly different lives.

A sad paradox for older women in poverty is that the poorer the women the more likely she is to be misunderstood, rejected and excluded by the many, yet at the same time she is increasingly dependent on the many: her neighbours, home care services, medical professionals. Her life becomes frighteningly dependent on the kindness, the good humour, the sense of justice and the morality of others. She becomes increasingly dependent on a society that is prepared to interfere in her daily life often without invitation or consent. Is

it any wonder that with this state of fragile precariousness that poor older women feel excluded from becoming a contributing member of a community again? Thus the poverty of income leads to an ever more tragic poverty of spirit, and a poverty of power.

Robert Browning's famous poem is often quoted as a description of what aging should be: "Grow old along with me, the best is yet to be". But perhaps the more realistic refrain should be the Beatles' tune: "Will you still need me, will you still feed me, when I'm sixty-four?"⁶⁹ I began this presentation with stories of real Alberta women who, through no fault of their own and despite their hard work, are poor. I end by challenging all of us to get involved, and change these stories of despair to ones of hope.

⁶⁹Idea from Deaton, p. 15.