

Seniors and poverty in New Brunswick

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Association francophone des aînés du Nouveau-Brunswick

**Chaire de recherche en santé CNFS de l'Université de Moncton
sur le vieillissement des populations**

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Seniors living in poverty in New Brunswick

Introduction

The situation of older people in our province is a cause for concern to many organizations. This is why the Association francophone des aînés du Nouveau-Brunswick, the Common Front for Social Justice of New Brunswick and la Chaire de recherche en santé CNFS de l'université de Moncton sur le vieillissement des populations have appointed economics professor Maurice Beaudin of L'Université de Moncton, Shippagan campus, to conduct a study on seniors living in poverty in New Brunswick. This study has been financially supported by the Société Santé et Mieux-Être en français du Nouveau-Brunswick and the Province of New Brunswick.

The present document summarizes the study "The Seniors living in poverty in New Brunswick". It should be noted that the information provided by this document is derived from professor Beaudin's study. However we are solely responsible for all differences between this summary and the data included in the aforementioned study.

1. Geographic distribution within the province of seniors aged 65 years and over¹

a) More seniors in an urban environment

According to the Canadian census of 2016, in New Brunswick there are 148,785 senior citizens aged 65 years and over, among whom 68,500 men (46%) and 80,285 women (54%).

**59 %
urban**

It is worth observing that there are more seniors in urban environments (87,255 people) than in rural areas (61,530 people).

The largest concentration of seniors aged 65 years and over (64,780) is located in Moncton, Fredericton and Saint John, that is to say the southern urban settings.

There are also 22,475 seniors in the northern settings, namely Edmundston, Campbellton, Bathurst and Miramichi.

With a total of 61,530 elderly citizens, there is nevertheless a fairly large population of seniors in rural areas and small communities (such as Tracadie, Grand Falls, Woodstock, etc.).

b) New Brunswick ranks second²

18,9 %

The proportion of elderly people in New Brunswick has increased broadly in line with the other Atlantic provinces. In 2005 they represented 100,320 individuals (14% of the total population) and ten years later 138,410 (18.9%); therefore an increase of 38,090 people or 38%. After Nova Scotia, the percentage of senior citizens in our province is the second largest among all the Canadian provinces.

2. Seniors and their mother tongue³

Among the 138,410 seniors (outside an institution) identified in 2016 in New Brunswick, 85,340 people (62%) have indicated English as their mother tongue and 48,985 (35%) have indicated French.

**35%
Francophones**

¹ Les aînés en situation de pauvreté au NB, Maurice Beaudin, Tableau 9

² Les aînés en situation de pauvreté au NB, Maurice Beaudin, Tableau 7

³ Les aînés en situation de pauvreté au NB, Maurice Beaudin, Tableau 11

In urban southern N-B (Moncton, Fredericton, Saint John), the English-speaking seniors are more than four times as many as the French-speaking, that is 47,250 people versus 10,815 Francophones.

In urban northern N-B (Edmundston, Campbellton, Bathurst and Miramichi), with a population of 11,255 the French-speaking seniors outnumber the 8,630 English-speaking.

The proportion of Anglophone (29,460) and Francophone seniors (26,915) in rural N-B and small towns is relatively the same.

3. Overall portrait of low-income seniors in New Brunswick

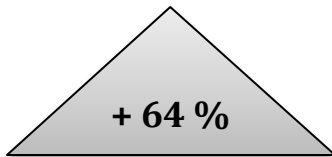
a) A fifth has a low income⁴

In 2016 in New Brunswick, 137,820 individuals aged 65 years and older (excluded the older people institutionalised) reported an income. Among them, nearly a fifth had a low income, that is 27,830 people including 11,085 men (17.1%) and 16,745 women (23%).

27,830 low-income seniors
17% men – 23% women

b) 10,905 more low-income seniors in 10 years⁵

Between 2005 and 2015, there has been a substantial increase of low-income citizens aged 65 years and older in the province, raising from 17,054 to 27,959 individuals which represents an increase of 64%. It is noticeable that the situation of men has deteriorated faster than the one of women. Over those 10 years, the number of men with low income has surged from 5,650 in 2005 to 11,143 in 2015, an increase of 97% therefore more significant than women's. The number of women with low income has grown too, but at a lower rate, surging from 11,405 to 16,846 people, an increase of 48%. However, poverty remains strong among women as shown in Figure 1.



⁴ Les aînés en situation de pauvreté au NB, Maurice Beaudin, Figure 14 et 15

⁵ Les aînés en situation de pauvreté au NB, Maurice Beaudin, Tableau 18

Table 1. Number and percentage of low-income seniors by gender. New Brunswick. 2005 and 2015

	Total (Men & Women)			Men			Women		
	2005	2015	%	2005	2015	%	2005	2015	%
New Brunswick	17,054	27,959	64%	5,650	11,143	97%	11,405	16,846	48%

Source: Statistics Canada, 98-400-X2016126, M. Beaudin's data compilation

c) Low-income seniors. Poorest rural areas⁶

Table 2 shows that low-income seniors are unevenly disseminated in the province.

In rural NB and small towns like Tracadie, Grans Falls, Woodstock, etc., the number of seniors with low income registered the steepest increase during the decade 2005-2015 with 5,490 more people.

During the same period the second region, that is to say the urban southern NB in Moncton-Fredericton-Saint John, has experienced an increase of 3,464 seniors living with a low income.

Finally, the region where the growth of the population of low-income seniors was the lowest is the urban northern NB, namely the urban areas of the cities of Edmundston, Campbellton, Bathurst and Miramichi with 1,966 more people.

Table 2. Seniors living with a low income by sub-region, New Brunswick. 2005 et 2015.

	2005	2015	Increase
NB	17,054	27,959	+ 10.905
Urban Southern NB	5,376	8.840	+ 3,464
Urban Northern NB	2.568	4.534	+ 1,966
Rural NB (RRPV)	9.101	14.591	+ 5.490

Source: Statistics Canada, 98-400-X2016126, M. Beaudin's data compilation

⁶ Les aînés en situation de pauvreté au NB, Maurice Beaudin, Tableau 18

d) **New Brunswick at the front of the pack⁷**

When these scores are compared to the Maritime provinces and Canada, we realise that according to Figure 3, New Brunswick has a percentage of seniors living with a low income higher than anywhere else. As a matter of fact, our provincial percentage was 20.2% in 2006 compared to 19.0% for the Maritimes and 14.5% for Canada.. En effet, notre pourcentage provincial était en 2006 de 20,2 % en comparaison à 19,0 % pour les Maritimes et à 14,5 % pour le Canada.

Table 3. Persons at Low income after-tax, New-Brunswick, Maritimes, Canada. 2016

Region	Overall number	65 years +	Percentage %
New Brunswick	123,820	27.830	20.2
Maritimes	302,235	64,005	19.0
Canada	4.809,940	790,825	14.5

Source: Census 2016, Profiles (98-401-X2016021 and 98-401-X2016053); M. Beaudin's data compilation

4. **The income of seniors⁸**

In 2015, according to the low-income measures after tax 137,820 seniors aged 65 years and older had a low income. Among them more than a third, that is to say 64,915 seniors (47%) were men, while 72,905 (53%) were women. Of these, 17.1% of men and 23% of women had a low income.

Seniors living in the large urban areas of Moncton-Fredericton-Saint John are better off with an average income of \$32,155 after tax, compared to \$27,585 in the northern small communities and \$26,502 in rural areas and villages.

a) **Women run a deficit of \$11,201⁹**

The average provincial income after tax for seniors was \$29,120. It was \$35,027 for men and \$23,826 for women, therefore quite a significant gap of \$11,201.

Women: - \$11,201

⁷ Les aînés en situation de pauvreté au NB, Maurice Beaudin, Figure 15

⁸ Statistics Canada. Data Tables 98-400-X2016127 and 98-400-X2016199

⁹ Statistics Canada. Data Table 98-400-X2016199

It is worth noticing that the average gap between the net incomes of men and women after tax was higher in urban southern NB (Moncton-Fredericton-Saint John), that is -\$13,035 while it as -\$11,878 in urban northern NB and finally -\$9,335 in rural areas and small towns.

b) The Anglophones, men and women: richer, whether in a city or in the country, in the South or in the North¹⁰

Tables 4 and 5 give significant data about the situation of men and women in the province, Anglophones and Francophones, and their respective income.

The total number of seniors aged 65 years and older with an average income after tax was much more substantial among the Anglophones than the Francophones, 85,225 people vs 48,950 people; therefore a difference of 36,275 people.

- \$5,164

With respect to the province, the average income after tax was \$30,926 for the anglophone seniors (men and women) while it was \$25,762 for the francophones, therefore \$5,164 less annually.

The income was \$6,714 more for anglophone men than for francophone. There was also a gap among women, although less significant : only \$3,957. Thus we can see that the matter of the gap between the incomes of men and women we observe in society in general does persist with aging.

The final average income after tax discrepancy between anglophone men and women (+ \$12,157) and francophone men and women (+ \$9,400) was \$2,757 annually.

Table 4. Average income after tax of seniors. 2015

	65 years + Men- Women	Men- Women	Men	Women	Difference Men-Women Province
	Number	\$	\$	\$	\$
MT English	85,225	\$30,926	\$37,394	\$25,237	+ \$12,157
MT French	48.950	\$25,762	\$30,680	\$21,280	+ \$9,400
	+ 36,275	+ \$5,164	+ \$6,714	+ \$3,957	+ \$2,757

Source: Income statistics by Mother Tongue and Sex and Age, 2016. Statistics Canada. Data table 98-400-X2016199

¹⁰ Statistics Canada. Data Table 98-400-X2016199

b) The regions: a growing gap between anglophones and francophones

The gap in average income after tax between anglophone seniors and francophone seniors is widening. In urban southern NB (Moncton-Fredericton-saint John), there is a difference of \$4,652 in favour of the anglophones. In urban northern NB, there is a gap of \$5,983 in favour of the anglophones and in rural areas and small towns, the gap is of \$4,739.

Between \$4,652 and \$5,983

The gap in average income after tax between anglophone and francophone male seniors is wider in urban northern NB (+ \$5,983) followed by rural NB and small towns (+ \$4,739) and, to a lesser extent, by urban southern NB (+ \$3,102).

With respect to women, there is still a gap between anglophones and francophones but smaller than men's. This gap is more prevalent in rural NB and small towns (+ \$3,322), followed by urban northern NB (+ \$3,102) and finally urban southern NB (+ \$2,100).

Table 5. Average income after tax by mother tongue of seniors and sub-region. 2015 (\$)

Maternal tongue (MT)	Urban Southern NB	Urban Northern NB	Rural Areas, Small Towns
Total			
MT English	32,702	29,874	28,387
MT French	29,343	25,417	24,468
Difference	+ 3,359	+ 4,457	+ 3,919
Men			
MT English	39,937	36,885	33,613
MT French	35,285	30,902	28,874
Difference	+ 4,652	+ 5,983	+ 4,739
Women			
MT English	26,524	23,608	23,585
MT French	24,424	20,506	20,263
Difference	+ 2,100	+ 3,102	+ 3,322

Income by mother tongue and age, 2016. Statistics Canada. Data Table 98-400-X2016199

c) The income of seniors in New Brunswick by source. Men in a better position.

In 2015, more than half of the income of retired seniors came from the market (53.9%), in particular from retirement savings (private and employers pensions)

which is the most significant rate at 34.1%. The other source of income is derived from government transfers (46.1%). The great majority of these incomes is derived from two major sources, that is to say the Canada Pension Plan (24.1%) and the Old Age Security Pension and the Guaranteed Income Supplement (20.9%).

One way to increase the income of seniors is certainly to raise the contributions to pension plans. The federal government has increased the premiums of workers and employers to the Canada Pension Plan, which can only be helpful to the pensioners' future income.

It is important to underline the difference of income based on gender. When analysing data on Table 6, it is obvious that men receive a greater share (60%) of the average income derived from the market compared to women who only receive 45.8%. More specifically, the average income derived from a private pension plan is \$7,120 higher for men. As for investment income, the amount is \$1,430 higher for men.

As for the average income derived from government transfers, it is quite the opposite. More than half of the incomes derived from those transfers (54.2%) are granted to women (40% for men). However, we observe that when it comes to/from the Canada Pension Plan, men are given \$1,505 more than women. It is only when we consider the income derived from the Old Age Security Pension and the Guaranteed Income Supplement that women are granted \$555 more than men.



Once again, it is obvious that men are in a better shape financially when they leave their job to retire.

Table 6. Average income of seniors in NB by source and gender, 2015 (\$)

Average income reported (\$) and percentage						
	Both genders	%	Men	%	Women	%
Income from the market	23,799	53.9	29,523	60	17,742	45.8
Private pension income	19,167	34.1	22,560	36.7	15,440	30.7
Investment income	4,837	5.0	5,568	4.9	4,138	5.2
Government Transfers	15,065	46.1	15,917	40	14,304	54.2
Old Age Sec. P. & Guar. Inc. Suppl.	8,231	24.1	7,935	18.9	8,490	31.1
Canada Pension Plan	6,581	19.4	7,359	18.2	5,854	20.9

Source: Statistics Canada. Census 2016 (Data Table 98-400-X2016014) ; M. Beaudin's data compilation.

4. What are the reasons of the increase of poverty among seniors ?

There are many reasons for the increase of the number of seniors living with a low income. We are going to name a few, although there might be many others.

Work. The income and the profits that working people get for the time they spend at work have a direct impact on the amount they will receive when they retire. The income allow them to build a retirement portfolio by contributing to a registered retirement savings plan. The advantages such as a pension plan partly paid by employees and employers give the former, most of the time, an indexed income when they retire. Usually this pension fund is related to the fact that they have a unionized job. Yet in the province only 29% of jobs are covered by unions. Therefore, a significant number of workers will not have an income derived from a pension plan when they retire.

Part of the provincial economy is seasonal (tourism, construction, natural resources, etc.), hence thousands of workers do not have a full-time job and must live part of the year with EI benefits (50% of the salary). This segment of workers do not have the financial means to invest in private pension plans. Thus they must depend on the Canada Pension Plan in which they contributed while they worked. Most of the time the amounts they get are not enough to live on and they must rely on the Old Age Security and the Guaranteed Income Supplement to make ends meet.

Women. More women live with a low income than men do. The reasons for this concern are well known. Women experience pay discrimination. Pay equity does not exist in every sector of the economy, particularly in the private and community sectors, and as a result women have a lower income and a lesser pension level.

Women work often in sectors of the economy where jobs are paid less (retail, restaurants, caregiving) and here also it has an impact on the ability to save money for retirement.

Many women interrupt their working career in order to raise their children or even take care of an aging parent, which prevents their career progression and reduces their number of years on the labour market, with the result that they are penalized when they retire.

For all these reasons, women have a lesser income from work, which has a direct impact on their income when they retire.

The couple. It is quite clear that seniors in couples have a better chance not to live with a low income. The problem arises when one of them becomes sick, must be institutionalized in a nursing home or die. First, the cost of living increases while the amount of pension is no longer enough. Secondly, the total income decreases when one passes away. Generally it affects women as they survive longer than their husbands. With respect to seniors who are single, their income is undoubtedly lower and their cost of living is higher.

5. What could be potential solutions to reverse the trend?

Work. It is certain that the amount one can save for their golden years or the pension plan depends on the earnings, the benefits and unionization. Therefore the salary, particularly the salary below \$15,00 per hour, must be increased. It is also important to have a unionized job because it represents the best chance to earn a decent salary and to benefit from a pension plan. That being said, however the Employment Standards Act must be amended in order to make unionization easier.

Public services. Three public services are essential when one is retired, especially when they only get the Canada Pension Plan, the old-age allowance and the Guaranteed income supplement.

The first one is an affordable housing. Seniors should have a wider access to a social housing that could cost only thirty per cent of their income.

The second one is an access to affordable drugs. There is a growing need to implement a national drug program because of the increase of the number of seniors within the population.

Home care is the third one. Currently this service is provided either by the private sector or the non-profit sector and does not adequately addresses demand. In this sector the staff is poorly paid, the working conditions are inadequate and the turnover is high. This sector will only expand and should be led by the government and become an integral part of our public health care system.

The income. For thousands of seniors who only get a small amount from the Canada Pension Plan, the old-age allowance and the Guaranteed income supplement, the amount of the old-age allowance must be increased and indexed to inflation so that the seniors do not lose their purchasing power.

Conclusion

The number of seniors in the province is clearly growing and New Brunswick ranks second in the country.

Seniors are present in large number in urban areas and the proportion of francophones among them is similar to their proportion among the general population.

The number of seniors living with a low income has been increasing during the decade 2005-2015. As in the whole of the general population, women comprise the largest number of people living in poverty, as well as rural areas.

At the provincial level, there is a striking difference between the amounts of income. Anglophone men and women have an income above the one of francophone men and women. The gap is of \$5,164. It is important to underline that more than half of the income earned by seniors is derived from the market (employers' and private pensions), however an important part is still derived from government transfers, mainly the Canada Pension Plan, the Old Age Security and the Guaranteed Income Supplement.

The incomes of retired seniors are directly related to the wages and advantages they earned while they were working. Family responsibilities, lack of pay equity and the sectors of the economy where they worked have all a direct impact on the income of retired women.

Lastly, various courses of action are being considered as a means for decreasing the number of seniors living in poverty: better salary, pay equity, more public services and an increase of revenues from government transfers.