

Pre-Budget Submission to the House of Commons Standing Committee on Finance

Submitted by: National Institute on Ageing

August 2024

Summary of Recommendations

Recommendation 1: Allocate sufficient resources to fully fund the National Caregiving Strategy, including transforming the Canada Caregiver Credit into a refundable benefit, per the Minister of Finance's 2021 Mandate Letter.

Recommendation 2: Fulfil the Minister of Seniors' 2021 Mandate Letter commitment to increase the Guaranteed Income Supplement by \$500 for single individuals and \$750 for couples starting at age 65.

Recommendation 3: Increase the funding allocation limit and extend project time periods for the New Horizons Seniors Program to provide much needed funding predictability and stability to critical community-based seniors service programs working to prevent social isolation.

Recommendation 4: Support more older adults to age in the right place by prioritizing accessible, affordable housing and developing an Ageing at Home Benefit.

Recommendation 5: Combat ageism in Canada by supporting a United Nations Convention on the Rights of Older Adults.

Introduction

Canada is currently undergoing a significant demographic transition. One in five people in Canada are aged 65 years and older. By the mid-2030s, that number will grow to one in four, making Canada a “super-aged nation.”¹

The National Institute on Ageing (NIA) is Canada’s leading public policy think tank on ageing. We work to improve the lives of older adults and the systems that support them by convening stakeholders, conducting research, advancing policy solutions and practice innovations, sharing information and shifting attitudes. Our vision is a Canada where older adults feel valued, included, supported, and better prepared to age with confidence.

Each year, we conduct a survey of people aged 50 years and over living in Canada. Our 2023 survey reveals:²

- **Social isolation and loneliness are taking a toll:** 41% of older adults in Canada are at risk of social isolation and 58% have experienced loneliness, which can increase the risk of mood disorders, dementia, cardiovascular disease, malnutrition, falls and premature mortality.³
- **Older adults are struggling to make ends meet:** 24% said that their income is not enough for them. Only one-third (35%) of older adults currently working say they can afford to retire at their desired time.
- **Older adults are facing significant health challenges:** 55% are living with one or more chronic health conditions, yet 32% were unable to access health care services and 50% were unable to access home care services when they needed them.
- **Ageism is widespread in Canada:** 32% of older adults in Canada reported experiencing discrimination because of their age. When asked about everyday experiences of ageism – such as being exposed to jokes or comments about older adults – that number jumps to 71%.

Recommendations to Support Canada’s Ageing Population

1. **Allocate sufficient resources to fully fund the National Caregiving Strategy, including transforming the Canada Caregiver Credit (CCC) into a refundable benefit, per the Minister of Finance’s 2021 Mandate Letter.**

One in four Canadians is a caregiver today.⁴ Canada losing \$1.3B in productivity, the equivalent of 500,000 workers, because of insufficient supports for caregivers to balance paid work obligations and providing care to their loved ones.⁵ We were pleased Budget 2024 announced consultations to advance a National Caregiver Strategy.

One of the top priorities in Budget 2025 should be transforming the CCC into a refundable benefit and adjusting the total amount to \$1,250, per the Minister of Finance’s 2021 Mandate Letter. Caregivers with lower incomes are most in need of financial support, yet they are least likely to benefit from the current CCC non-refundable model that reduces taxes, but does not provide cash in hand.

We echo the recommendations of the Canadian Centre for Caregiving Excellence that, in addition to reforming the CCC, the National Caregiving Strategy should include:

- Financial supports for caregivers that recognize the financial burdens of out-of-pocket costs and inability to work fulltime.

- Adjustments to the Disability Tax Credit, Registered Disability Savings Plan, and medical expense deductions that make them easier to access.
 - Dedicated funding to address the mental health, loneliness, and isolation of caregivers and care providers.
 - Introduction of caregiver-friendly workplace policies for federal employees and workers in federally regulated sectors.
 - Making existing Employment Insurance benefits and leaves easier to access, more predictable, and more generous.
 - Implementing the \$25 an hour minimum wage for Personal Support Workers (per 2021 commitment) and extension of the minimum wage for Direct Support Professionals and other workers in the frontline care provider workforce.
- 2. Fulfil the Minister of Seniors' 2021 Mandate Letter commitment to increase the Guaranteed Income Supplement (GIS) by \$500 for single individuals and \$750 for couples starting at age 65.**

The development of Canada's retirement income system has led to significant strides in reducing poverty for those aged 65 years and older. Still, the rapidly rising cost of living is pushing more older adults into poverty. While only 5.6% of older adults are considered living in poverty based Canada's official poverty line (the Market Basket Measure), when using the Low-Income Measure, which assesses the proportion of the population living below 50% of the median income, the proportion of older adults living in poverty jumps to 17%.⁶ Older adults have seen the second steepest increase in food insecurity in Canada, rising 44% since 2019.⁷

GIS is a critical anti-poverty initiative that can make the difference between an older adult being able to afford to keep a roof overhead and food on their plate or going without. We recommend that Budget 2025 fulfils the federal government's 2021 commitment to increase GIS.

- 3. Increase the funding allocation limit and extend project time periods for the New Horizons Seniors Program to provide much needed funding predictability and stability to critical community-based seniors service programs working to prevent social isolation.**

The community-based seniors service (CBSS) sector, which is comprised of a vast network of public, private, and non-profit organizations, relies on NHSP grants to administer critical programming. These programs are the backbone of communities but remain underfunded.

The current maximum allocation for a core NHSP grant is \$25,000 over a 52-week period. This funding cap prevents transformative programming and keeps CBSS organizations in a cycle of short-term, precarious funding. By increasing the funding allocation maximum and extending the project time horizon to three years, community-based organizations will have more predictable, reliable funding to deliver critical community programming to reduce social isolation, improve health and wellbeing, and support older adults to age in their communities.

- 4. Support more older adults to age in the right place by prioritizing accessible, affordable housing and developing an Ageing at Home Benefit.**

The NIA defines ageing in the right place as the process of enabling healthy ageing in the most appropriate setting based on an older person's personal preferences, circumstances and care needs.⁸ The overwhelming majority of older adults in Canada wish to remain in their homes as they age.⁹ Yet,

Canada continues to allocate a significantly larger share of its expenditures to providing institutional care in long-term care homes compared to home and community-based care.

The National Seniors Council recently recommended the development of an “Aging at Home Benefit,”¹⁰ which the NIA supports. This benefit could cover services like health care, personal care and domestic tasks to make it possible to age at home and achieve or maintain quality of life. This type of benefit is already being used in more than half of OECD countries.¹¹ This is a promising practice that could complement Canada’s broader suite of publicly-funded health, long-term care, and home care services.

To ensure older adults can age in the right place, they also need access to affordable, accessible housing. One in four households in Canada led by older adults are renters.¹² The shortage of affordable housing options disproportionately affects older adults, with 41% of older adult renters living in unaffordable housing compared to 26% of the total population of renters.¹³

We are pleased to see older adults referenced as a priority population in Canada’s housing plan and encourage the federal government to make affordable, accessible housing for older adults a key priority in Budget 2025.

5. Combat ageism in Canada by supporting a United Nations (UN) Convention on the Rights of Older Adults.

Tackling ageism is one of the four priorities of the Federal, Provincial and Territorial Ministers Responsible for Seniors Forum (FPT Seniors Forum). In 2022, they held consultations on ageism which revealed the most common forms of ageism occurred in the workplace and health care settings.¹⁴

Participants suggested several key initiatives to combat ageism, including implementing awareness campaigns, increasing funding for CBSS services that promote social inclusion and intergenerational connections, promoting age-friendly communities, and initiatives to prevent elder abuse.¹⁵ We encourage the federal government to take up these valuable suggestions.

A concrete first step is to support the development of a UN Convention on the Rights of Older Adults. The UN formed a working group in 2010 to consider whether there were gaps in existing international frameworks regarding the protection of human rights of older adults and how to best address them. We were pleased to see important progress made at the recent 14th session of the UN Open-Ended Working Group on Ageing with a consensus decision drafted that identifies several options including the development of a new UN Convention of the Rights of Older Persons. The working group’s recommendations will now go to UN General Assembly to consider next steps. We strongly encourage the federal government to formally support the development of a UN Convention on the Rights of Older Adults to combat ageism and ensure the rights of older adults are enshrined and protected.

Thank you for considering these recommendations to support Canada’s ageing population. For more information, please contact:

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