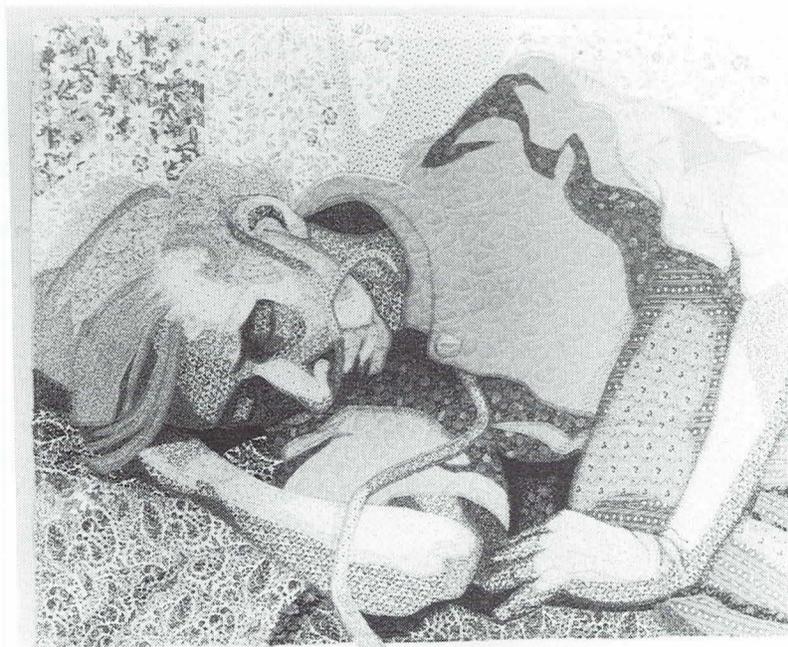


Foreign-Born, Female, Old



Deidre Scherer, *Oxygen Lady*, 1988. Fabric and thread. 17" x 21"
Photo: J. Baird

... and Poor

By Monica Boyd

Les immigrantes forment le quart de la population des femmes âgées au Canada. Les célibataires de ce groupe disposent d'un revenu inférieur à celui de leurs consœurs canadiennes. Le présent article décrit comment la discrimination basée sur le sexe et les politiques de sécurité du revenu contribuent à la situation économique défavorable des femmes âgées et d'origine étrangère vivant au Canada.

During the 1980s and early 1990s, numerous reports and research studies increased awareness of the poverty of the elderly. Produced by a variety of agencies, including Parliamentary and Senate committees, Health and Welfare Canada, and the National Council of Welfare, these reports highlighted three important facts:

- 1) the percentage of the population of aged 65 and older is increasing over time;
- 2) individuals who are elderly and not living in families have the highest poverty rates of all (followed by non-elderly female heads of families); and
- 3) elderly women, more than elderly men, are likely to be poor—especially if they are widowed.

The conclusion is clear: to be elderly, widowed, and female is to be poor. But this pronouncement obscures the situation of elderly immigrant women. Over one quarter of the elderly population in Canada is foreign-born. Most foreign-born women are widowed. In large cities, where much of the immigrant population resides, foreign-born women have lower incomes

than Canadian-born women. Immigrant women can be said to be the most vulnerable to poverty in old age.

Population trends and elderly immigrant women

The high concentration of immigrants among the elderly is due primarily to the aging of persons who came to Canada as children or as young adults, either before World War I or after World War II. Relatively few immigrated to Canada in their old age. According to data from the 1986 Census Public Use Sample Tape (a 1-in-50 sample of the population), seven per cent of immigrant women aged 65 and older, and five per cent of men, immigrated to Canada after the age of 65.

Foreign-born women and men, like their Canadian-born counterparts, experience old age differently. Most women outlive their husbands. According to the 1986 population census, over half of foreign-born women aged 65 and older are separated, divorced or widowed, compared to fewer than one in five of foreign-born men.

For elderly women, being without a spouse is a status with economic implications. Often the loss of a spouse means reduced income, since pension benefits obtained through the husband may cease or be reduced. Two additional factors increase the vulnerability of immigrant women to low incomes in old age: the rules governing income security programmes, and the context of a gendered society.

The core of Canada's old age pension system consists of three federal programmes to which various provincial supplements are added: the Canada/Quebec pension plan (c/opp), the Old Age Security programme (OAS), and the Guaranteed Income Supplement (GIS). The Canada Pension Plan is an employment-related social insurance programme in which contributions and benefits are earnings-related. Women in general, and immigrant women in particular, may not receive the maximum allowable c/opp because of their situation in a gender-segregated economy. Women and men are typically hired for jobs distinguished not only by different titles, but also by differences in pay. Jobs considered suitable for women often pay less than those which are seen as 'men's work.' c/opp contributions, up to a designated ceiling, are based on wages earned. Thus, if women earn less than men, their c/opp benefits could also be less.

Benefits are determined by the number of years in the labour force, with provisions made for various "drop-out" periods, including "child rearing drop-out," while children are under the age of seven. If a person remains out of the labour force beyond these allowable "time-outs," her or his c/opp benefits are reduced accordingly. Because of domestic responsibilities, women tend to be more vulnerable to this type of reduction in benefits.

Foreign-born women are additionally disadvantaged by the reduced mobility associated with language problems and by their participation in the unregulated economy (also called the shadow economy, the invisible economy, the irregular economy). Academics, advocacy groups, and government agencies find that foreign-born women have greater difficulty than foreign-born men in accessing government-funded language training programmes for the workforce population. Women in occupations such as cleaning, sewing, and services like kitchen work, may be told that they do not need English or French to do their jobs. This

makes breaking out of job ghettos very difficult and increases the number of low incomes. Difficulty in obtaining other types of employment also increases the probability that a woman's work will be unregulated, like that of piecework seamstresses or domestic workers. As long as such women do not pay into the c/opp, they remain ineligible for benefits.

The Old Age Security programme and the Guaranteed Income Supplement are income security programmes for the elderly. OAS is intended to provide universal coverage to citizens and legal permanent residents of Canada. GIS is an income assistance programme designed to assist persons with little or no income in addition to that received from OAS. The total amount of GIS and OAS cannot exceed certain limits.

Canada's rules governing benefits from OAS and GIS can reduce the income of elderly immigrants. The OAS programme makes a significant distinction between those who have resided in Canada for less than ten years and those who have resided in Canada after the age of 18 for ten years or more. Persons with fewer than ten years of residency in Canada after the age of 18 are not eligible for either OAS payments or GIS.

For those who have resided in Canada for ten or more years, OAS benefits are pro-rated for each year lived in Canada after the age of 18. Such pro-rating is relatively new, having come into effect in 1977. If incomes are low enough to warrant GIS benefits, a supplement from the GIS fund can remove the effect of pro-rating OAS. But this top-up procedure, legislated in 1984, does not exist if incomes are above levels used to establish eligibility for GIS. Thus, persons with incomes above the levels used in administering GIS benefits will experience the full effect of pro-rated OAS benefits based on residency in Canada.

In principle, the pro-rating of OAS and c/opp is based on years of residency rather than birthplace (Canadian-born versus foreign-born). Implementation of the years of residency rules, however, mainly affects the foreign-born. The number of Canadian-born who do not reside in Canada for an appreciable period after age 18 and who seek income security benefits is undoubtedly extremely small, relative to the number of immigrants who are permanent residents of Canada.

Canada's regulations regarding pension and income security benefits to the elderly have the greatest impact on recently arrived elderly immigrants. Data from the 1986 Census of Canada Public Use Sample Tape shows that foreign-born women aged 67 and older who arrived after 1975 received no OAS or GIS benefits.¹ Many of these women are women of colour, from areas other than the United States, the U.K., and Europe. As might be expected, given the short period for potential labour force participation, fewer than one in ten received benefits from c/opp. Other elderly foreign-born women who arrived before 1976 receive at least some OAS/GIS benefits. The per centage receiving some c/opp benefits increases with the length of residency in Canada. In general, however, foreign-born elderly women are less likely than their Canadian-born female or foreign-born male counterparts to be receiving pension or income security benefits.

In sum, these government pension policies are of considerable importance for the economic status of elderly immigrants in Canada. Immigrants with no Canadian labour force participation will not receive benefits from the c/opp. Depending on length of residency, they may receive no OAS benefits. GIS did not augment

partial OAS payments for many immigrants until 1984. Low incomes are thus predictable for elderly immigrants—and particularly for women.

The likelihood of low incomes for elderly foreign-born women previously married (separated, divorced or widowed) and aged 67 and older is evident from data gathered during the 1986 census. Because over two thirds of these elderly foreign-born women live in large cities, compared to less than half of the Canadian-born population, the comparisons are made between groups living in 18 major census metropolitan areas (CMAs) and in Montreal, Toronto, and Vancouver. The situation for elderly foreign-born women of colour is also taken into account since, as (generally) more recent arrivals, they might be expected to have lower C/Opp pensions and fewer entitlements to OAS/GIS.

For women living in 18 large CMAs in 1986, 50 per cent of Canadian-born women had 1985 incomes of \$9,646 or less, compared to \$8,484 for foreign-born women. These median incomes are lower than the corresponding incomes of \$10,837 and \$9,507 for separated, divorced, or widowed Canadian-born and foreign-born men. Foreign-born women of colour had the lowest incomes of all, with 50 per cent receiving incomes of \$7,777 or less.

Median incomes indicate the midway point of an income distribution, that is, the income level at which 50 per cent of the group is above or below. Not surprisingly, when median incomes are low, a high per centage of the population is poor. In Canada, measures of poverty often use low-income cut-off levels established by Statistics Canada. The cut-off used depends on the size of the population of the place of residence and on family size. These data are not available on the 1986 Public Use Sample Tape. It is possible, however, to construct a 'low personal income level' that indicates the per centage of a given group that would be poor if they all lived alone (some of the elderly live with their families). This indicates, once again, the relative economic disadvantage of foreign-born elderly women in Canada. For women who are separated, divorced or widowed, who are aged 67 and older (in 1986), and who live in Montreal, Toronto or Vancouver, seven out of ten (69.5 per cent) of foreign-born women,

compared to six out of ten (58.3 per cent) of Canadian-born women, have 1985 incomes under this 'low personal income level' of \$10,233. And again, foreign-born women of colour have the highest per centage of all. If they all lived as unattached individuals, eight out of ten (84.6 per cent) of these women would be defined as poor.

In conclusion, the disadvantaged economic situation of many immigrant women is real, yet it remains cloaked when the focus is on all elderly women. If to be old and female is to risk poverty, even more so is being old, female, and foreign-born. And finally, even this must be clarified: immigrant women of colour are the least economically well-off in old age. Given current immigration trends, their numbers can only increase among the elderly of today and tomorrow.

Related Reading

Boyd, Monica. "Immigration, Income Security Programs and Social Policy Issues." In *Policy Forum on the Role of Immigration in Canada's Future*. Eds. Charles M. Beach and Alan G. Green. Queen's University: John Deutsch Institute for the Study of Economic Policy, 1989.

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Currently on leave from Carleton University, Professor Boyd was the first incumbent of the Social Science Chair in Public Policy at the University of Western Ontario.

¹ Age 67 and older is selected for two reasons. First, persons immigrating in 1986 (and thus who had no 1985 income received in Canada) had their 1985 income coded as "zero" by Statistics Canada. Second, persons who immigrated in 1985

were told to report only the income received in Canada. Thus a person arriving in November, 1985, would have between one to two months of income reported. Given these restrictions on the income variable, the solution is to restrict the analysis to persons who arrived in Canada by the end of 1984, and who were at least age 65 (or older) in that year. This meant that in 1985 (the year for which income information was gathered by Statistics Canada) such individuals were age 66 and thus eligible for some benefits. By 1986, the date of the census, they would be age 67 or older.

FACTS AT A GLANCE

- Sixty per cent of women over age 65 have annual incomes under \$8,000.
- Sixty-three per cent of working women do not have employer-sponsored pension plans.
- If they have spent their lives as homemakers, they have neither CPP nor their own private pensions to support themselves in their later years.
- About 70 per cent of private pension plans do not have survivor benefits for spouses, leaving widows uncovered.
- Seventy per cent of nursing home residents are women.

Reprinted from *Women Against Poverty, A Report of the Alberta Status of Women Action Committee*, 1989.