

Doing it Her Own Way

The magazine articles, brochures and ads are gorgeous. Slim, fashionable folks with just a touch of grey, enjoying their senior years to the fullest. Do you ever notice – they're always pictures of couples? Are Canadian seniors really so perfectly paired up?

Public Health Agency of Canada (www.publichealth.gc.ca) reports that while the majority of seniors are married (56% in 2006), nearly one third are widowed, and there are marked differences in marital status between the genders. In 2006, three quarters of senior men were married compared to 41.4% of women, while 46% of senior women were widowed compared to 12.7% of senior men. These differences become even more pronounced in older age groups. The National Seniors Council (www.seniorscouncil.gc.ca) reports that 15% of seniors live below the poverty line (versus 1.4% of married seniors); of these seniors in poverty, 75% are women. The median income of Canadian married seniors is \$41,400; for single seniors, \$20,800.

Clearly, single senior women are increasing in number. What are their motivations and concerns? Who can they rely on for advice and support, especially if they have no children or close family. If we could consult some financial experts, what top tips would they suggest?

First, let's meet our ladies.

Olive, 73, was always a 'career girl'. She laughs while watching *Mad Men* – 'of course we wore a hat and white gloves to work!' When she retired at 65, she was confident that her pension would make her 'rich' – but low interest rates have not kept pace with the care costs she racked up after a recent broken hip.

Marianne, 70, married her husband, a fellow teacher, late in life at age 50. Retirement brought more intimacy than she had bargained for – her husband's latent alcoholism spiraled out of control and they divorced five years ago. Her divorce settlement, based on the sale of their home, went toward her small condo, with the remainder invested 'in something or other, I'm not sure what.'

Betty, 78, had a long and happy marriage; Ron was a very traditional man who made all the financial decisions and her nest egg mostly consists of their matrimonial home. Neighbours are reporting incredible sale prices – should she sell or take out one of these reverse mortgages they're advertising on TV?

Let's ask these ladies for their top concerns.

Olive's main concern is outliving her assets, and not having control over what happens to her living arrangements and funds as she requires increasing amount of care. She will need an advisor who will patiently field her questions, act as her partner and introduce her to resources to handle functions such as Powers of Attorney for Property and Care. She will want to supervise all details of her life and plan as much as possible in advance, including her Will with a suitable Executor, having her funeral pre-planned and pre-paid. She will want to understand the costs of the care options for the immediate and longer term. "I want to be able to stay as independent as I've always been."

Marianne had always envisioned an active retirement, travelling with her husband. But now her 'couple friends' forget to include her, and travel plans have been scuppered by very poor investment returns. Her divorce experience has made it hard for her to trust others, and she is determined not to be pressured or rushed into major decisions ever again. She will need to take time to research the right support team who will help her develop a new vision for her future. She is also wary of her ex's adult children, who often offer to help. "I want someone who will listen to me, for a change".

Betty realizes that Alan's desire to protect her from any financial responsibility was actually a disservice. When he died, she had never written a cheque, changed a fuse or pumped gas, and had a lot to learn. She was also flooded with advice about selling the house, investing, even dating. After listening to numerous

recommendations for financial consultants, she rejected them all and embarked on her own research. "I've had enough advice around the bridge table – I need to find out things for myself".

Well, lucky for our ladies, we have our experts right here - what do they have to say?

Paul Bourbonniere of Polson Bourbonniere has many clients who are senior ladies, and understands the cycles of life in his practice with multiple generations of clients. He would advise Olive to gather a cohesive support team who can work together to achieve her goals. He would remind Marianne to be sure her Will has been updated to replace her ex-husband as beneficiary or executor, and would carefully review her investment portfolio to ensure it reflects her risk tolerance and objectives, which may differ from her ex-husband's. He would do the same with Betty, being sure her late husband's investment strategies were now reflecting her personal goals. He would review the options regarding her house with the same view toward risk tolerance, her stage of life, options for longer-term housing and potential care costs. 'Sometimes all we do at first is listen, empathize and show that we understand'.

Mary Robertson of Living Life Cycles agrees that the top concern of senior women is the fear of outliving their assets; she adds that underestimating health care costs is a potential disaster to the very best-laid plans. She maintains a fee-based service is the only objective option for an unbiased plan. 'People should expect to pay for good advice – it's penny-wise and pound-foolish not to'. While she urges senior women to become financially informed, she warns against seminars that are actually sales pitches, and often directs client to Service Canada's retirement calculator (www.servicecanada.gc.ca) which guides the user through the funds available from public sources, then prompts for other income to derive a valid estimate of available income. Another resource is www.investopedia, a Canadian site offering articles, tutorials, calculators and other tools. She suggests using the Financial Planning Standards Council website, www.fpsc.ca, to find a planner and help develop questions to ask when evaluating the best planner for your needs.

Mary finds that many of her senior female clients are asset-rich but income-poor. To help a client concerned about outliving her assets, she would thoroughly investigate all sources of income, develop a budget of projected costs, a spending plan and an investment strategy that maximizes tax savings. Future care costs can be offset by long-term care insurance, but shop carefully from an expert underwriter such as Sunlife or Manulife. Mary offers new options for investment income, such as a variable annuity which provides income but can also generate growth. She predicts an increase in new, creative products, driven by the demands of retiring Zoomers.

Talking to Alexandra Wilson from National Initiative for the Care of the Elderly (NICE) brings a new perspective to this dilemma – what about low-income senior women? NICE has launched an ambitious project for older women of low income and low financial literacy with the goal of increasing their financial knowledge and preventing financial abuse. These clients may be on government support or live in shelters; many are immigrant and aboriginal; their lives can change overnight in an atmosphere of violence and instability. The project counsels women on basics such as banking – opening a no-fee / senior's rate savings account; budgeting – pay off debts first; set up automatic deposits to a savings account for emergencies; comparison shopping – have the confidence to ask questions – many of which are completely new to these women. Alexandra reports wonderful success stories of women becoming empowered by knowledge and financial confidence.

Jim Harvey, a CA and former CFO of an insurance company, was so amazed by the lack of financial knowledge demonstrated by even well-educated people, that he created Basic Financial Literacy, a seminar service to address the most essential principles such as budgets, debt, investments, insurance, pensions, retirement and economic basics such as inflation and interest. That. He would question these ladies: do you think that nice lady at the bank is giving you advice for free? Think again – she's getting a commission from the product she sells to you. Get used to low interest rates – governments are more concerned about controlling inflation and encouraging more consumer debt – but even a low return is better than having funds tied up in a major assets such as a house, if you need the income. Look at your pension – is it a defined benefit plan? Is it indexed? 'Harsh questions – but if you don't ask them who will?'

There is no reason why a senior woman, regardless of her marital status, needs to retire into poverty. Yes, women traditionally had less earning power, and live longer; yes, relying on the government for a comfortable pension may be a fantasy. But you aren't alone – and solutions are at hand. Ask yourself some of our experts' questions, check out the websites and gather your courage.

Knowledge and advice are there for the taking, at all income levels. Knowledge is power - and it's your for the taking. If you don't, the only one who will lose out is – you.

Pat M. Irwin, BA, AICB, CPCA, is founder and president of Elder**Care**Canada
www.eldercarecanada.ca.

Sidebar 1 – Options for Low-income Senior Women

Sources of Funds

An excellent place to start is Service Canada's website, www.servicecanada.gc.ca, which guides you through benefits such as:

- Guaranteed Income Supplement, a monthly non-taxable benefit to low-income Old Age Security (OAS) recipients living in Canada, applied for annually via your tax return
- [Guaranteed Annual Income System for Seniors](#), which provides a monthly income supplement to seniors (aged 65 and over) who receive full or partial Old Age Security and/or Guaranteed Income Supplement benefits and whose income falls within provincial guidelines
- [Canada Pension Plan Survivor's Pension](#), which provides a monthly pension paid to the surviving spouse or common-law partner of a deceased contributor.
- [Canada Pension Plan Death Benefit](#), which is a one-time payment to, or on behalf of, the estate of a deceased contributor.

Check the International Benefits program; it provides retirement, disability or survivor benefits to eligible individuals or the surviving spouse who have lived or worked in another country- 1-800-454-8731

Tax Credits

- Revenue Canada's website, www.cra-arc.gc.ca, for information on the Disability and Medical Expense Tax Credit which will allow you to write off medical expenses including the care portion of a retirement residence
- [Goods and Services Tax/Harmonized Sales Tax \(GST/HST\) Credit](#) for full and partial goods and services tax credits to Canadians with low incomes, full and partial rebates on the federal portion of the harmonized sales tax, and some related provincial payments - 1-800-959-1953

Staying at Home with Community Support

If you have a valid OHIP card, numerous services are available:

- www.310CCAC.ca for OHIP-covered care and homemaking support
- your local municipality – check 'services for seniors' in Yellow Pages or Internet – for subsidized care and support
- visit www.oahc.org for list of community Health Stations for subsidized medical and dental care including dentures
- check www.cnap.ca for navigating the various community programs for care, day programs, meal delivery, transportation, home assistance and other services
- for assistance with medication, check out Ontario's Ministry of Health and Long-term Care – www.health.gov.on.ca:
 - o Ontario Drug benefit or the Trillium Drug Program, designed for residents whose drug costs are high relative to their income and do not have private drug insurance plans
 - o Ontario [Assistive Devices Program](#) provides financial assistance to help Ontario residents with long-term physical disabilities obtain basic, competitively priced, personalized assistive devices essential for independent living
- contact local churches and community centres for day programs, friendly visiting and caregiver relief or support programs

Most of these subsidized or free services have 4-6 month waiting lists, so research them now and consider joining a waiting list before you urgently need the service.

If you are a home-owner

- [Senior Homeowner's Property Tax Grant](#), an annual amount provided to help offset property taxes for seniors with low and moderate incomes who own their own homes -1-866-668-829
- [Property Tax Relief for Low-Income Seniors and Low-Income Persons with Disabilities](#); eligible persons may have their property taxes deferred, reduced, or cancelled - 1-800-263-796
- [Ontario Energy and Property Tax Credit](#) - if you pay rent or property tax, you could get up to \$900 for 2010 to help with the sales tax you pay on energy and the property taxes you paid. Qualifying seniors can get up to \$1,025 for 2010, adjusted for inflation each subsequent year-1-866-668-8297

Retirement Living

Seniors' Supportive Housing, designed for people those needing minimal to moderate care to live independently, usually consist of rental units within an apartment building. There is an application process and usually a waiting list; see www.toronto.ca or www.housingconnections.ca for details for Toronto non-profit housing. Similar listings exist for other cities; check local directories.

Non-profit housing communities are usually built and owned by charities, community or religious organizations, and whose profits or losses which are retained or absorbed; www.OAHNSS.org has listings and information.

Long-term care homes

Long-term care homes are licensed and regulated by the provincial government, and applications are made via the Community Care Access Centre (www.310CCAC.ca; in other provinces, consult the provincial ministry of health). It's important to understand that *any qualified Ontario resident may apply regardless of income or assets; admission is based on medical need only*; other provinces have similar guidelines. Monthly rates are set by the province, adjusted annually and applied universally; in Ontario as of 2011/12 they are:

- Basic or standard accommodation - \$1,619.08/month
- Semi-private accommodation - \$1,862.41/month
- Private room - \$2,166.58/month

Subsidies are available only for 'basic' accommodation. Waiting lists are considerable – 3-18 months, depending on the location - and are based on need, availability, medical status, gender, and degree of emergency – there is *no* 'jumping the queue'. If any requested placement is refused, applicants cannot even re-apply for 90 days and are automatically removed from all waiting lists until a new application is made.

