

## **MEDIA RELEASE**

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### **Recruiting retired seniors as an economic development strategy: Good or bad?**

Canada has an aging population and much has been written about the impacts, such as increased need for medical and social services, diversity of housing options, and the need for age-friendly communities - communities without barriers which are suitable for *all* ages.

An important question, seemingly not asked yet, is "What is the economic impact of an increasing number of seniors in a community?"

Some communities, which have seen their traditional economic base decline or disappear, have turned to other strategies, including recruiting seniors. Elliott Lake is an example of a community doing just that, encouraging them to move to there. This is increasing the senior population beyond what might happen with "aging in place". Other communities have taken up the senior recruitment strategy.

David Clark of DMCmetrix posed the issue of increasing number of seniors as a research question and found that a community's median age is strongly associated (or correlated, in the language of statistics) with the level of a community's median income. "The higher the percentage of seniors in a community the lower the median income" Clark stated. (A median income in a community is the income amount at which one-half the incomes are higher, and one-half are lower.)

Clark, (soon to enter the senior years himself), stated that "it is not the actual number of seniors that is important, but rather the higher proportions of the total population that are "senior" compared to the total population." The association is strong, and statistically significant.

Clark noted that a community's population can age in a number of ways: Increased life expectancy combined with a declining birth rate; out-migration of younger residents; and, in-migration of seniors.

"Most seniors see their income drop with retirement" Clark stated "and this has an effect on the median income of the community." Other than private pension plans and RFPs, many seniors will also receive some income from governments, such as CPP, Old Age Security. In fact, if a community has a high percentage of people receiving incomes mostly from governments, regardless of age, then there is a "very strong" likelihood that the median income will be lower. When the incomes are based mostly on wages, then there is a strong likelihood that the community's median incomes will be higher.

Clark used the 2006 census data and looked at a range of characteristics to determine what other factors were associated with both higher and lower median incomes. (The study will be updated with 2011 census data later.) Beyond median income, other factors were both positively, and negatively, associated with median income. Higher median incomes were associated with higher percentages of people working in occupations of management, business, wholesale, finance, and sciences. Lower median incomes are associated with occupations in trades and health. Some factors do not show statistically significant associations with median income.

"Caution is needed in interpreting these findings. An association between two factors, such as higher numbers of seniors and lower incomes, does not mean that one caused the other.

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