Recruiting Seniors as an Economic Development Strategy: Blessing or a Blight for a Local Economy? [i]

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Abstract

A growing number of communities (and upper tier governments) and economic development departments, and professional associations have been suggesting, and acting upon the suggestion, that recruiting seniors is a viable economic development strategy. Unfortunately there has been a paucity of research into the economic effects at local level. This study looks at the effects of growing proportions of seniors on communities, specifically the relationship to median income. The findings indicate that as a community's proportion of seniors increases there is a statistically significant negative correlation with a community's median income.

Keywords: seniors, economic development, income, median income

"[No one] alive today, nor for generations to come, will be left untouched by the Age Wave." So wrote Ken Dychtwald (1989), a social gerontologist, who had been writing about changing demographics since early 1970s.

"Ten thousand baby boomers will turn 65 every day through 2031" (Florida, 2013).

Much has been written about preparing for the "age wave" or "senior/grey tsunami". Advice has come from the fields of health, planning, recreation and leisure, geography, transportation, housing, gerontology, and others (Dychtwald, 1981; Hodge, 2008; Ontario Professional Planners Association, 2009; Public Health Agency of Canada, 2008; Australian Local Government Association, 2004; & Healthy Aging et al., circa 2007). Many of these provided guidelines for age/senior-friendly communities and some included "checklists" of essential features for such communities (World Health Organization, 2007) while the Professional Planners Association (2009) outlined an eight-point policy-directed agenda.

The perspective of this paper is the local, or community, level, but much of the research, especially economic impacts, has been at the provincial/state level. Although seniors who age-in-place have a financial impact on economies, especially as incomes typically are reduced at retirement, it is the in migration of seniors and their money that is important. At the local and regional levels geo-political boundaries are porous regarding where the spending has its impact, especially in rural areas. A senior might live in a rural township but most expenditure is likely to be in nearby towns and distant cities if goods and services are

not available locally. Still, it is important to understand the implications and impacts of increased numbers, and more importantly, the *proportions* of seniors at the local level Hodge, 2008).

The research question is "what are the economic and other impacts at the local level of recruiting seniors as an economic development strategy?"

First, a review of the literature on the ageing population and of the overall impacts of a growing senior population will be presented, to provide context. Second, a review of the literature will provide a state-of-the-art assessment of what is known, as well as what is theorised, about economic impacts of a growing senior population, including a brief statistical analysis of possible economic impacts by the author, of the Ontario situation will be presented. The essay ends with a discussion and recommendations.

Literature Review

1.0 Setting the Context

To understand the economic development impact of a growing senior population on society and communities, we need to first answer the question, "Who are the seniors, specifically the boomers?"

Known by various terms, baby boomers, grey tsunami, senior surge, include those born from 1946 to 1964 who will become seniors (65 years and older) starting in 2011 through to 2029. Assuming that these seniors will live on average to age 85, the surge will not subside until about 2054. Of course some will live to age 100 years or more. Statistics Canada (2006) estimates that elderly seniors (80 years and older) will number about 2.5 million, representing 5.8% of the total population, by 2056.

1.1 How Communities Age

Communities age (gain higher concentrations of seniors) in three ways: accumulation, recomposition, and congregation (Hodge, 2008; Wiseman, 1980). Ageing through accumulation means that seniors remain in their community at the same time as young people leave, so the proportion of seniors grows because of out migration of young people

(Hodge, 2008; Wiseman, 1980). Recomposition is the result of seniors being attracted to an area (in migration), joining those seniors who have stayed, and young people moving out (Hodge, 2008; Wiseman, 1980). Again, the proportion of seniors grows higher. Finally, congregation means that seniors migrate to a community at a higher rate than young people migrate to the same community, hence seniors are "numerically and proportionately larger than before" (Hodge, 2008). As Hodge (2008) has stated, it is the higher and increasing *proportion* of seniors compared to the proportion of non-seniors that identifies an ageing community.

1.2 Migration

Approximately 85% to 91% of Canadian seniors age-in-place, that is, in their own community (Canadian Mortgage and Housing Corporation, 2008; 2001 census data) and about 80.8% are non-movers. Data from a 1986-1991 study showed the "same strong tendency" (Hodge, 2008) indicating there has been a consistent pattern. This has been confirmed in other studies in the US (Pope & Kang, 2010). Some seniors move inter-provincially (1.2%) while others (6.4%) move intra-provincially so across census sub-divisions. A study averaging seniors' moves from 1996-2000 indicated 4.4% moved intra-provincially (Ostrovsky, 2004). A UK study showed similar movement patterns, namely short, intra-county (Pennington, 2013).

There are three types of senior migration (Hodge, 2008; Wiseman, 1980), namely amenity, assistance, and return. Amenity migrants are those looking for change in environment; assistance are those looking for support, primarily from their kin, and particularly for personal care; and, return, whereby they are looking to move back to familiar territory, such as a home town (Wiseman, 1980). Amenity-seekers are typically younger, healthy, affluent, and better educated, while assistance-seekers are older and in poorer health (Hodge, 2008). Seasonally migrating seniors are a sub-category of amenity-seekers, looking for a temporary (3-6 months) change from lifestyle and environment (Hodge, 2008). Some non-movers (from Atlantic Canada) may have a desire to move but not the means (e.g., financial barrier) (Weeks et al., 2012). The Weeks et al. study (2012) used seventeen variables to identify a range of demographic factors that affect decisions to move, which were primarily "sex, age, province, and household income", so reducing reasons to move to a simplified model may be difficult.

1.3 Health

About 75% of seniors report "good or better" health (Hodge, 2008) and 45% report "very good or excellent" health (Statistics Canada, 2014). This does not mean they are without illness or disease. Eighty-nine percent report at least one chronic condition (such as arthritis and rheumatism affecting 44% of seniors) and 85% of seniors older than 75 years report osteoarthritis. About 24% have unmet homecare needs (Statistics Canada, 2014). About 44% of Canada's 2007 health care dollars are spent on seniors who represent 13% of the population (Healthy Aging et al., circa 2007), although most of that is spent on elderly seniors.

1.4 Housing

Housing can be an issue for seniors. Many seniors own their own homes but they tend to be older units than those owned by younger people (Healthy Aging et al., circa 2007). Older homes may not be suitable for seniors, and certainly not for elderly seniors, because of general up-keep, multi-level stairs (Canada Mortgage and Housing Corporation, 2008), property taxes, safety/security/isolation, utility costs, and possibly major repairs. Although seniors recognise these challenges, many cannot afford upgrades and adaptations (Healthy Aging, et al. circa 2007). Moving to a newer house might not be a choice as they usually have higher demand, hence higher prices, and the senior may not have the financial resources, or desire, to take on, or continue, mortgage payments.

1.5 Wealth and Income

We are told that the boomers hold massive wealth, globally with spending power hitting $15 trillion by the end of the decade [2020], which is up from $8 trillion in 2010 (Bloomberg, 2003). Working Canadians can expect their retirement incomes to "stabilize at approximately 80 percent of the workers' income level at age 55" (Brown, 2011). Those in the bottom income quintile can, because of the social safety net (i.e., CPP, GIS, and OAS), can expect little change in their retirement incomes (Brown, 2011; Vettese, 2013). This generalisation needs to be clarified. For families with incomes of about $30,000 per couple, the income replacement rate after retirement can be "in excess of 100%" because of social income plans (Old Age Security, Guaranteed Income Supplement, and Canada/Quebec Pension Plan (LaRochelle-Côtê, 2012). For families who had incomes of about $100,000,

replacement rates were generally lower, around 60% (LaRochelle-Côtê, 2012). LaRochelle-Côtê's (2012) study was longitudinal, looking at people who were 54-56 years old in the early 1980s.

A BMO study (2013) reports that Canadians are not optimistic, though, about being financially secure: only 54% indicate they are "confident that [they] will be financially secure in old age". The same report states Canadians will need, on average, about $660,000 to feel secure, and are about, on average, $430,000 short of their goal.

There is a segment of the senior population, about 5.2%, who, in 2010, lived below Canada's Low Income Cut-Off live (Bazel & Mintz, 2014). The issue for public policy is that these are mostly single seniors, and 70% are female, many not eligible for CPP as they confined their work to the home environment (Bazel & Mintz, 2014).

In 2010, the *median* after-tax income of elderly females was $22,500 and males, $27,800 (Statistics Canada, n.d.a). The equivalent for elderly married couples was $46,200 (and $48,400 for families of more than two). Statistics Canada (n.d.b) reports, that in 2013, that 27.1% of single seniors had low incomes, compared with 7.4% of seniors in family units (couples or more). For some individuals (about 20%-25%), who had incomes of $55,000 at ages 54-56, incomes dropped to about $33,000 in their 70s (LaRochelle-Côtê, 2012).

1.6 Employment

Seniors do continue to work after age 65 years. In Allegany County, Pennsylvania, 10% still worked (Briem & Schultz, 1998) creating both a new experienced labour pool (possibly constraining labour costs) and, at the same time, creating potential displacement of younger workers. A more recent Canadian study (Statistics Canada, 2010), states that both senior men and women were in the labour force, with many of those working full-time; for men, the rate was 14.8% and for women, 5.8%. These percentages have changed very little from 1981 but there has been movement of these rates over the years: From 1981 to 1986 rates declined, then increased slightly in 1991, from 1996 rates increased and did so sharply in 2001. In 2005, about 40% of senior men worked full-time and 31% of women. Higher employment was in customer services, business services, and health for women, and customer services, business services, and primary goods (many in farming) for men.

1.7 Consumption

Seniors' spending changes significantly, compared to non-senior households, dropping overall by 36.1% (Statistics Canada, 2014). And it is not an across-the-board equitable drop; some categories drop more. Three categories increased in spending (gifts of money/support payments/charitable, games of chance, direct healthcare) and housing utilities dropped on 4.7% (Statistics Canada, 2014). It is important to recognise that spending declines as seniors age (Miller et al, circa 1997). Briem and Schultz's (1998) study shows a similar pattern of consumption. LaRochelle-Côtê (2012) found that seniors in their early 70s were still consuming about 95% of what they spent in their early 60s, showing a stable (predictable?) spending pattern. Compared to spending in their mid-50s seniors were spending "proportionately more on housing and health care, …less on food, clothing and recreation (LaRochelle-Côtê, 2012). Table 1 illustrates these changes for select categories, particularly those most likely related to local spending.

The change in average spending per household, in absolute terms, is $29,180 (average spending by household type: non-seniors, $80,728; seniors, $51,548) (Statistics Canada, 2014). In other words, as each household in a community moves from non-senior status to senior, about $29,180 is lost to the economy through spending, some of which might have been directed to local spending. Senior in-migrants will, generally, bring in fewer dollars compared to non-senior in-migrants.

2.0 Recruiting Seniors

A growing number of communities (and upper tier governments) and economic development departments have been suggesting, and acting upon the suggestion, that recruiting seniors is a viable economic development strategy. Anecdotally, the author is aware of a statement made by one manager of a business association that this community "needs one big thing" as an economic driver, and recruiting seniors is it. "Retirees: A New Economic Development Strategy" (Smith, 2009) states that "these migrating seniors are providing a significant stimulus to their local economy" and brands it a "promising future clean-growth industry" (p. 14). The brief article acknowledges that increased pressure will be put on the local social, cultural, recreation/leisure, and parks and recreation services.

Table 1: Change in spending for select household expenditures by seniors with non-senior households as the reference

Category	%
Total expenditure	-36.1
Food expenditures	-21.0
Food purchased from stores	-18.8
Food purchased from restaurants	-26.6
Shelter	-35.2
Rented living quarters	-27.0
Owned living quarters	-45.6
Household operations	28.6
Communications	-33.7
Household furnishings and equipment	-39.9
Household furnishings	-52.8
Household equipment	-29.9
Clothing and accessories	-46.4
Transportation	-39.0
Private transportation	-38.0
Public transportation	-48.1
Healthcare	+8.0
Direct healthcare costs to household	+25.7
Personal care	-22.1
Recreation	-30.5
Recreation equipment and related services	-43.5
Recreation services	-19.5
Home entertainment equipment and services	-53.8
Education	-89.9
Tobacco and alcohol	-24.1
Miscellaneous expenditures	-23.3

Source: Statistics Canada. *Table 203-0026 - Survey of household spending (SHS), household spending, by age of reference person, annual (dollars),* CANSIM. Original source modified by author.

Research that focused on how retirees are presented, or characterised, in the economic development literature found that, among other cultural and social constructs, that retirees are seen by private entrepreneurs as a "lucrative market" and as an economic resource (Law, 1996), "shot of economic adrenalin" (Hoffman, 1990), and "economic saviors" (Glasgow, 1991). To be effective at stimulating the economy, seniors themselves must accept and fulfill such a role but this role may be achievable only by affluent seniors, leaving poor seniors to be seen in a different, and negative, characterisation by communities, politicians, business leaders, and economic developers (Law, 1996).

Table 2: The Economic Effects of Retirees on the Local Economy

Benefits	Costs
• Higher levels of income (total income to the community) • Increased number of jobs (typically service, retail, medical, local government) • Greater level of services (transportation, government-delivered, mail, transportation) • Faster shift to service economy (typically lower wage jobs) • More options for dining and entertainment	• Higher housing and land costs (which may affect lower income residents, including low income seniors) • Increased food and services costs • Increased demand for infrastructure (supplied, in part, by local governments) • Increased demand and need for government services, with possible increase in number of municipal employees • Lower average wages (due to shift from industrial to service jobs) • Increased job competition/displacement (working seniors vs. younger working age) (Briem & Schultz, 1998; Clark) • Decrease in non-senior oriented services, retail, and recreation/leisure (Clark)

Source: Hamilton, 2008, unless otherwise noted; Clark (author-generated, not previously published). Note: some parenthetic clarifying comments are by Clark.

In an early Canadian study, Hodge (1991) stated the study of "economic impact of retirees on local economies" was in early stages and cited only ten studies with this theme, four of which were Canadian. His article highlights the need to develop several scenario-based economic and social impact models specific to a community, rather than generalising from other studies in other areas, and with different geo-political boundaries, i.e., town, city, region, etc. Trading areas need to be defined because an in-migrant from a rural area to a town may not actually have an impact because they were already spending in that community. Hodge (1991) reported for one of his studies, two retirement families generated only one new job whereas one industrial job will generate the same economic impact (although for many communities industrial jobs are unlikely). Serow (2003) reported on seven studies (one of which was Canadian), all of which showed that in migration created "roughly one-half job per inmigrant" (sic); the range was 0.336 to 0.582.

Hamilton (2008, 2010) found, through her own research and that of others, mixed results regarding economic impact of seniors.[ii] Research shows that there are negative and positive

impacts of higher concentrations of seniors. Table 2 (reproduced with modification from Hamilton, 2008) summarises her findings and those of others.

In some cases, academic research indicates that high retiree growth areas did generate higher job growth but average wage levels were *significantly lower* in these same areas although some areas showed growth in higher average wage levels, albeit with lag times approaching 20 years (Hamilton, 2008, 2010). Hamilton (2008) concluded that with *significant* growth, communities are likely to experience increased jobs and decreased average wages, but communities that attract *large* numbers of seniors both numbers of jobs and average wage levels may increase. [iii] In her 2010 study, Hamilton concluded that overall "the positive effects on jobs and wages are promising for economic development purposes" by "growing … retirement-age populations". She cautions, though, that much research needs to be done to determine effects over time, negative and positive, and to determine whether it is the in-migration that is the "primary factor" in increased wages and jobs. Rathage (2007) reports two studies that showed 2.5 seniors migrating to Florida would create 1.0 new job and in North Carolina 1.0 seniors would generate 1.0 job.

Discussing the economic impacts of in-migration to Arkansas, Miller et al. (circa 1997) concludes that seniors' spending "creates additional jobs and income for Arkansas residents", but the net impact of migration must be considered. Not only do seniors migrate in, but many migrate out. Briem and Schultz's (1998) study of the elderly in Allegheny County, Pennsylvania, used a regional input-output model to assess outcomes of several scenarios, to determine the economic impact of a forecasted *decline* in its senior population. Their conclusion was that "Clearly, the elderly have a sizeable economic impact on the economy" and that a loss of 210,000 jobs due to a 1/3rd decline in the elderly population would result in a $4.4 billion loss to the economy [in 2016 dollars]. An empirical study of metropolitan and non-metropolitan counties of 13 states in southeastern US (2000-2004) found varied results regarding senior migration, business establishment, and job growth (Lambert et al., 2007). In non-metropolitan counties where prior to migration, job growth was slow to moderate, in migration had a positive impact on job growth, at least in the short-run, but was not significant in those counties where job growth was already high (Lambert et al., 2007). Job growth was also significant in counties with "low or very low population densities and access to urban centres" (Lambert et al., 2007).

Case Study

3.0 A case study: An analysis of proportions of seniors and community median incomes

This case study looks at the relationship of proportions of seniors in communities and the median incomes, for Ontario, Canada. The first section presents an analysis at the Census Division (CD) level (county or regional municipalities), and the second section at the Census Sub-Division (CSD) level (town, village, city, municipality, and township), as used by Statistics Canada.[iv] As well, analyses are presented using a rural-urban perspective.[v]

Data used for analyses are from the 2006 census, and is restricted to the province of Ontario. Limitations of data available for public use restricted the nature of the analyses that could be done. For example, median incomes could not be calculated for various age cohorts at the CD or CSD level. Analysis was done using WINKS SDA, version 7 (TexaSoft, 2011) and Microsoft Excel (2010). Coefficients were calculated using Pearson's.

An analysis, at the CD level (n=49), showed that higher proportions of seniors (within each CD) were correlated with *lower* median incomes (r=-.675, p=<.001); the higher the proportion of seniors, the lower the community's median income. Each senior sub-cohort showed strong correlations up to age 79 years, and then a moderate correlation for 80-years and older (Table 3). For comparison, other age cohorts showed moderate correlations but were positive; birth - 19 years (r=.485, p=<.001) and ages 20-64 (r=.545, p=<.001).

Table 3: Senior Sub-cohorts by Age Groupings

Age (years)	Coefficient
All seniors	- 0.675*
65 - 69	- 0.676*
70 - 74	- 0.728*
75 - 79	- 0.668*
80 - 84	- 0.553*
85 and older	- 0.425*

* p= <0.001

At the CD level, lower median incomes are strongly correlated with higher proportions of seniors and higher median ages (r= -0.615, p=<0.001).

It is difficult to define "rural" and "urban" at the CD level. Generally it can be stated that moving away from major centres such as Toronto/GTA, Kitchener, Ottawa, and Hamilton, the surrounding areas can be considered "rural-ish", to varying degrees. All CDs have some

form of urban centre, although these are more sparsely spaced in more northern areas. Using OMAFRA's definitions of rural and urban, CDs with populations of 100,000 and greater (n=25), are strongly, and negatively, correlated with lower median incomes and higher proportions of seniors (r= -0.675, p=<0.001). CDs with populations of less than 100,000 (n=24) follows this pattern, although the correlation is moderate (r= -.567, p=0.05).

A deeper analysis of the CSDs (lower tier municipalities) shows a similar pattern as found at the CD level - lower median incomes are correlated with higher proportions of seniors. The original data set was edited to remove, for example, community profiles that were missing data, unorganised territories, Indian reserves (sic), and CSDs with less than 1,000 of population. The final data set contained 322 CSDs, ranging from 1,030 to 2,503,280 in population. Analysis of median income to proportion of seniors for all 322 CSDs resulted in a moderate, and negative, coefficient of r= -0.512 (p= <0.00).

Correlations were calculated for various levels of population (Table 4) with increasing lower population thresholds. Larger communities, above 40,000 populations (n=46), see a decreasing coefficient, but still a strong, negative correlation. The coefficient for small communities (n=98), less than 5,000, is -0.391 (p=<0.001), indicating that higher proportions of seniors is (weakly) correlated with lower median incomes.

3.1 Rural - Urban Comparison

Using OMAFRA's definition of rural and urban, coefficients were calculated for rural (less than 100,000) and urban (100,000 and more) populations. (Details of the population variable are shown in Table 5.) For all rural communities (n=298) the coefficient is -0.498 (p<0.001) and for those of populations 5,000 and more (n=200) it is -0.567 (p<0.001).

Table 4: Correlations with Changing Lower Population Thresholds

Population Range*	Coefficient	n
>5,000	-0.578**	224
>10,000	-0.635**	142
>20,000	-0.733**	74
>30,000	-0.792**	53
>40,000	-0.789**	46
>50,000	-0.785**	40
>60,000	-0.744**	35
>70,000	-0.736**	34
>80,000	-0.707**	29
>90,000	-0.679**	27

>100,000	-0.670**	24

* Upper limit is the population of Toronto (2.5 million) **p=<0.001

The coefficient for urban communities is -0.669 ($p<0.001$), indicating a strong relationship between higher proportions of seniors and lower median incomes, whereas rural is a moderate relationship. To include three additional urban communities (Ajax, Brantford, and Waterloo) which had populations of more than 90,000, a recalculations was done, resulting in a slightly higher coefficient ($r= -0.679$, $p<0.001$).

Table 5: Measures of Central Tendency of Population

	n	Mean	Median	Minimum	Maximum
Combined	322	37,348	8,850	1030	2,503,280
Rural	298	13,299	7,535	1030	97,475
Urban	24	335,958	163,560	108,180	2,503,280

As has been noted, typically seniors rely on various government social security incomes (e.g., Canada Pension, Old Age Security), personal pension savings, and less so on earned (wages) income. Analysis of median income to type of income, at the CD level (n=49), shows a very strong, negative correlation for government-sourced income ($r= -.885$, $p<0.001$), a strong, positive correlation for earned income ($r= 0.796$, $p<0.001$), and moderate and negative for "other income" (e.g., personal pension savings) ($r= 0.532$, $p<0.001$). This finding supports the other correlations of seniors and median incomes and previous discussion about seniors' income sources.

Discussion

Analysis has shown that "something" is going on, that higher proportions of seniors are negatively correlated with lower median incomes. This is the case at the CD (county) level and CSD lower tiers (municipalities). Analyses show that the relationship is stronger for larger communities, with declining correlations for those of 40,000-50,000 populations and higher. The relationship is less so with communities of 1,000 to 5,000 populations, where the relationship, although significant, is week. What this "something" might be requires further research, but on the surface it appears simply that seniors have less income which affects the community's median income. Research has shown that seniors spend less money and with limited incomes comes setting new spending priorities.

Much of the research and findings about the economic impact of in-migration of seniors done over the past more than twenty-five years has been done with large geo-political

units, such as national, provincial/state, and regional. Very little has been done at the smaller, lower tier municipality level, where much of the push for recruiting seniors as an economic development strategy is initiated. Although writing in 2003, Serow's statement that "Particular attention has to be paid to our paucity of knowledge regarding the longer term effects of retiree migration" still stands today. We lack much understanding of the "adverse consequences" over the long term so it is important that such a strategy is a "long-term commitment to assure a continual replenishment" of younger and more affluent seniors (Serow, 2003).

Although little research has been done into the various impacts of seniors at the municipal level, large numbers of seniors, it is suggested, may be able to significantly influence local decisions (Serow, 2008). Seniors vote in elections (federal, provincial, and municipal) at higher rates (77%) that those aged 25 to 34 (34%) (Canadian Mortgage and Housing Corporation, 2008). Seniors in large numbers will influence decision-making at all levels.

The current built environments are not well-suited to an ageing population and as such there is need to start by ensuring appropriate planning for all-age's, friendly communities and engage in retro-fitting (Ontario Professional Planners Association, 2009). Studies have shown that an ageing community will require changes in all municipal functions and services - "emergency services, parks and recreation, social and community services, libraries, public transit, finance, engineering, and so on" (Ontario Professional Planners Association, 2009, p. 8).

What we do know is that the research clearly illustrates there is much variation in the findings, seemingly contradictory at times. The deeper the analyses go, the more complex the needs and motivations of seniors become. Housing is a good example. Ageing brings on mobility issues, such as climbing stairs, which points to a need for one-story dwellings. But, seniors more often transition from being owners to renters at twice the rate as from renting to owning (Canadian Mortgage and Housing Corporation, 2008). A large in-migration of seniors to a community may cause prices for desired housing to rise, creating possible housing shortage for younger families just starting into home ownership. Other forms of tenure will need to be considered such as life-lease, co-operatives, condominiums, and different lifestyle choices (Canadian Mortgage and Housing Corporation, 2008).

As seniors transition from being young, healthy, and wealthy seniors to being elderly, frail, and poorer seniors, housing choice may change, creating a need for a "full continuum of housing choices - in terms of location, forms of housing, types of tenure, living arrangements and range of service - which can enable older people to continue to live independently and participate in the community for as long as possible" (Canadian Mortgage and Housing Corporation, 2008). Housing will need to include short and long-term care options, with the required medical and social supports. Because long-term research has not been done, what will be the effect of significant numbers of senior-owned housing units coming on the market as the baby-boom goes into decline? It is conceivable that a glut of housing could drive down housing prices.

Housing is a complex issue for planners and politicians to work out, just to meet the needs of ageing-in-place seniors, without a large number of in-migrating seniors, with undetermined needs and wants.

The "big hope" of economic developers is that in-migrating seniors will spend big in their new communities, creating new wealth because of the multiplier effect. Research is clear that a large majority of seniors will see both income and consumption drop, about 80% and 36%, respectively. Seniors have fixed costs that will be paid first, leaving less for discretionary spending than was the case at pre-retirement, and generally spending less anyway. Seasonal out-migration of more affluent seniors means that for three to six months they will be consuming elsewhere, effectively removing that spending for their home community, lessening the financial impact. Again, the ageing-in-place seniors combined with in-migrants suggests this could have a significant negative impact in the community.

Research is clear that the number of seniors needed to have a significant impact as an economic development strategy is unknown, primarily because of a paucity of long-term studies. And maybe there is no such "Goldilocks number", one that is "just right". Smith (2009), in an editorial, gave an example of each of 25 retiree households with *spending* of $40,000 means an initial impact of $1 million, which is not an insignificant amount for smaller communities. But this must be taken within the context of other factors as suggested in this paper.

Other issues, to name a few, which will have an impact on economic impacts, and need to be considered include:

- competition for jobs between new comers and existing residents as some seniors choose to work past typical retirement age,
- precariousness of health as seniors age,
- types and numbers of jobs created as a result of in-migration,
- need for more health care and social services to meet demand, and
- effects of changing demographics - will communities with significant proportions of seniors realign services away from younger residents.

Conclusion

Higher proportions of seniors seem to be part of the equation that lowers a community's median income, thereby reducing the economic impact. But, more study needs to be done to establish whether this is cause and effect.

Research cannot be "parachuted in" from other areas and other countries (e.g., US studies to justify Canadian initiatives, especially at the local level), especially since the research often lacks the same population scale and generally lacks consistency of findings across geo-political boundaries. Each community will need to undertake its own research, draw its own conclusions, and develop its community-specific action plan. This can be accomplished using, as a guideline, existing research which does identify most issues that need to be considered. An ageing population will have impacts for many years, at least until 2054, and longer, as the significance of the past impacts will still need to be addressed. This is like the wake from a passing lake freighter, for example in the St Lawrence River, which first hits the shore and then "echoes" of the wake continue for some time after.

Communities that decide to recruit seniors need to be in it for the long-term because once they have moved to a community they will call it "home" for many years to come, possibly until death. Unless, of course, the community is not able to meet their needs at which time they may migrate out.

As the Ontario Professional Planners Association (2009) asks, "Are we prepared?"

Further research that looks at smaller geo-political units (e.g., small cities and large towns, less than about 50,000), including a set of assessment and evaluation tools, will be a benefit to politicians, planners, social services, and business associations.

The research question was "what are the economic and other impacts at the local level of recruiting seniors as an economic development strategy?" The answer is a clear - "That depends".

Regardless whether the various proportions of seniors have occurred "naturally" (i.e., ageing in place and personal choice to relocate) or by recruitment, communities and governments will have to address ageing populations sooner or later. And by recruiting seniors as an economic development strategy the impact may compound issues, especially at the local level.

For communities actively promoting and engaging in recruitment of seniors, and given the research presented here, it is reasonable to ask, "Is this an effective and responsible economic development strategy?"

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Notes

[i] The subtitle of this essay is taken from an article by Gerald Hodge, "The economic impact of retirees on smaller communities: concepts and findings from three Canadian studies." (1991); see references.

[ii] Many studies regarding the economic impact of seniors are US based. Often the research shows that increased property taxes result because housing and land prices may increase with greater demand, as will other locally-administered taxes. Caution is required because of the significant difference between US and Canadian property and local taxation laws, which, in the US, allow more revenue generation at the local level. In Canadian municipal jurisdictions, rising property values do not increase property tax revenues but rather reapportion who pays through shifts between property types and areas that increase in value more than others. As well, in some US jurisdictions chattels are taxed whereas in Canada this is not the case.

[iii] Higher growth rates for seniors where those of one or more standard deviations (SD) above the state (US) mean.

[iv] Boundaries of Census Divisions in Ontario follow the original county-level administrative units. Boundaries of Census Sub-Divisions are typically cities, towns, villages, municipalities, and townships. Over the years, amalgamations have taken place so in some cases townships have combined to form new geo-administrative units. In this study population, not the geo-administrative term, is what is important.

[v] The definition used in this study is based on the Ministry of Agriculture, Food, & Rural Affair's (OMAFRA) "Working definition of rural" document. Rural is defined as a municipality having a population of less than 100,000.