

Preparing to care

How to get ready for a care crunch as Canada ages

BY DEREK MIEDEMA · SEPTEMBER 2014



EXECUTIVE SUMMARY

Who will care for Canada's elderly? Compared to past generations, there are fewer children to care for aging parents. Long-term care facilities can help, but we will need more of them to keep up with the growing numbers of elderly Canadians. They are also expensive; when clients cannot afford to pay, government will have to step in to cover the cost. Another concern is that Canada may not be graduating enough medical specialists to keep up with the forecasted demographic shift. The number of nurses, family doctors and geriatricians may not be rising in a sufficient manner to care for our aging population.

This is a pressing question today because the Baby Boomers (born 1946 to 1965) have started to retire. In less than 20 years, all will be retired. Within that timeframe, seniors aged 65 and older will outnumber children under 15.¹

With retirees soon outnumbering children, we can no longer dodge the question of who will care for our seniors in their old age.

RECOMMENDATIONS

- Students should strongly consider options in the healthcare field
- Medical and nursing schools must ensure that every graduate, regardless of specialty, receives as much formal training in the care of the elderly as possible
- Medical and nursing schools must regularly adjust enrolment levels to meet the growing demand for their graduates
- Governments should increase funding of homecare options to allow seniors to stay in their own homes as long as possible
- Governments should increase financial support for family caregivers beyond the current six-week allowance under federal law; this might include extending income sharing to include those looking after aging parents

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WHO WILL CARE FOR THE BABY BOOMERS IN THEIR OLD AGE?

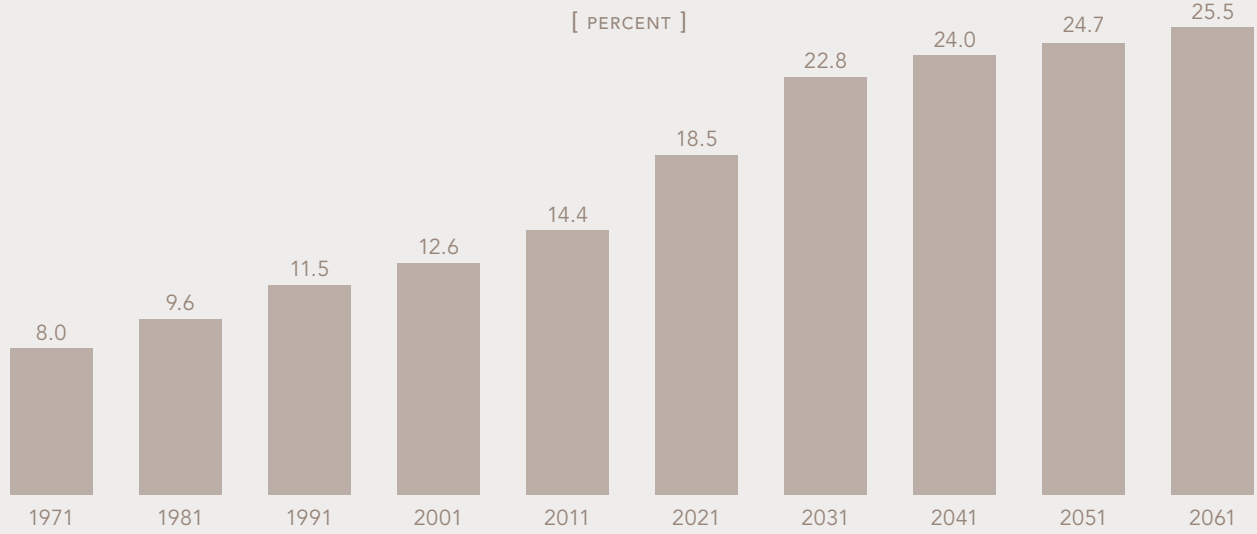
We know that many Baby Boomers will remain vibrant and capable for many years into retirement. Others will find themselves in need of varying levels of support.

The first Baby Boomers turned 65 in 2011. Forty-four percent of adult caregivers (15 years and older) are also Boomers themselves, according to the 2011 Census.²

Twenty years from now, those Boomer caregivers will be 65 to 84. Many of them will need care themselves instead of being able to provide it. The oldest Boomers will then be 88 years old. Retirees will make up a larger percentage of the Canadian population than they have at any previous point in Canadian history.

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1. Statistics Canada (2013). Annual demographic estimates: Canada, provinces and territories. Section 2: Population by age and sex. Ottawa: Minister of Industry. Retrieved from <http://www.statcan.gc.ca/pub/91-215-x/2013002/part-partie2-eng.htm>
 2. Statistics Canada (2013, September 10). Study: Caregivers in Canada, 2012. *The Daily*. Retrieved from <http://www.statcan.gc.ca/daily-quotidien/130910/dq130910a-eng.htm>
 3. Employment and Social Development Canada (2012). Indicators of wellbeing in Canada: Canadians in context-aging population. Retrieved from <http://www4.hrsdc.gc.ca/3ndic.1t.4r@-eng.jsp?iid=33> Estimates of population, by age group and sex for July 1, Canada, provinces and territories, annual (CANSIM Table 051-0001). Projected population, by projection scenario, sex and age group as of July 1, Canada, provinces and territories, annual (CANSIM table 052-0005).
 4. Canadian Institute of Health Information (2013). National health expenditures, 1975 to 2014. Figure 34. Retrieved from https://secure.cihi.ca/free_products/NHEXTrendsReport_EN.pdf

Population 65 years and over, Canada, Historical (1971-2011) and Projected (2012-2061)

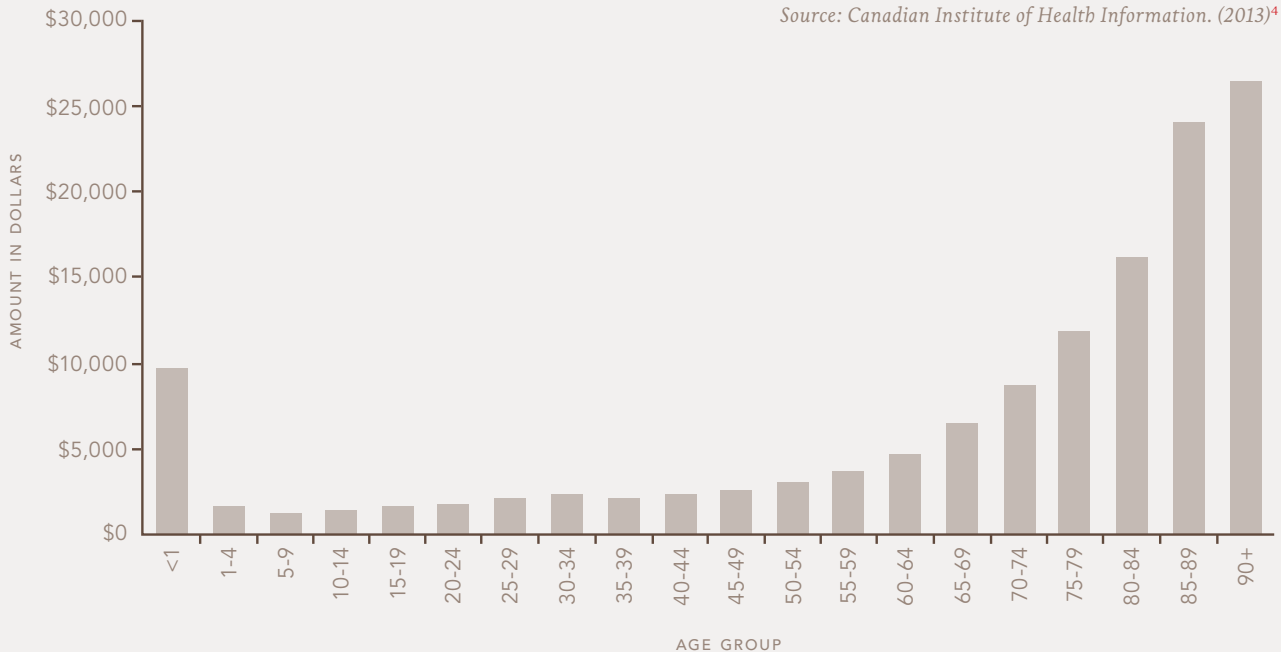


Source: HRSDC calculations based on Statistics Canada data³

Care of the elderly can be expensive, both to individuals and to governments. We know that per capita healthcare expenses rise with age.

The least expensive care, from the government’s perspective, happens at home. Long-term care homes and hospitals are much more expensive.

Canadian government health expenditures per capita by age group, 2011



THE COST OF CARE: A BRITISH COLUMBIA CASE STUDY

Statistics Canada projects that between 2010 and 2036, the number of British Columbia residents 65 and over will jump from 675,000 to just over 1.5 million.⁵ In 2011, 7% of people in this age group lived in a collective dwelling that focused on special care to seniors.⁶

In British Columbia, government funding is available for residents of nursing homes according to a set formula. Even so, “[s]ubsidized nursing home clients may have to pay up to 80% of their after-tax income, subject to minimum and maximum rates,” according to Sun Life Financial.⁷ These subsidized fees range from \$958.50 to \$3059 monthly.⁸

Despite considerable amounts contributed by the client, the government is still left with a hefty bill. Compare the cost of a private room in a private nursing home receiving no government subsidy, which ranges from \$2,275 to \$9,500 monthly.⁹

British Columbia currently spends \$1.7 billion annually on residential senior care.¹⁰

Is B.C.’s provincial government prepared for those costs to potentially double by 2031?

FAMILY

Family caregivers pay an enormous emotional and physical cost to look after their loved ones. Ailing parents are the most common recipients of their care.¹¹ Forty-eight percent of caregivers look after the needs of either their own parents or their parents-in-law.¹²

Yet growth in the number of children in Canada has not kept pace with our growing senior population. Statistics Canada data shows that during the baby boom, an average of close to 412,000 babies was born every year.¹³ By 2008 the Canadian population had doubled, but for that year, only 377,886 babies were born.¹⁴ The latest tally on record, for 2012/13, was not much higher at 383,822 babies.¹⁵

Ageing parents today cannot rely on their children to the extent that their parents did. Families have shrunk since the Baby Boom. The average number of children per family fell from 2.7 in 1961 to 1.9 in 2011.¹⁶ Fewer children means more care shared between them. If current trends continue, future generations will see each child responsible for more care of elders.

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5. Statistics Canada (2010). Population projections for Canada, provinces and territories. Table 11-11. Projections for British Columbia according to the medium growth scenario. Retrieved from <http://www.statcan.gc.ca/pub/91-520-x/2010001/t359-eng.htm>
 6. Statistics Canada (2012). Living arrangements of seniors. Retrieved from http://www12.statcan.gc.ca/census-recensement/2011/as-sa/98-312-x/98-312-x2011003_4-eng.cfm
 7. Sun Life Assurance Company of Canada (2014). Long-term care costs in British Columbia. Retrieved from <http://cdn.sunlife.com/static/plan/files/en/pdf/Summaryreport-LTC-Costs-BC.pdf>
 8. *Ibid.*
 9. Sun Life Assurance Company of Canada (2014). Long-term care costs in British Columbia.
 10. CBC News (2012, May 7). An overview of senior’s care in B.C. Retrieved from <http://www.cbc.ca/news/canada/british-columbia/an-overview-of-seniors-care-in-b-c-1.1237319>
 11. Statistics Canada (2013, September 10). Study: Caregivers in Canada, 2012.
 12. *Ibid.*
 13. Statistics Canada (2012). Generations in Canada: Age and Sex. Page 2. Retrieved from http://www12.statcan.gc.ca/census-recensement/2011/as-sa/98-311-x/98-311-x2011003_2-eng.pdf
 14. *Ibid.*
 15. Statistics Canada (2013). Births, estimates, by province and territory (preliminary data). Retrieved from <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/demo04a-eng.htm>
 16. Statistics Canada (2012). Fifty years of families in Canada: 1961-2011. See Family and households have become smaller. Retrieved from http://www12.statcan.gc.ca/census-recensement/2011/as-sa/98-312-x/98-312-x2011003_1-eng.cfm

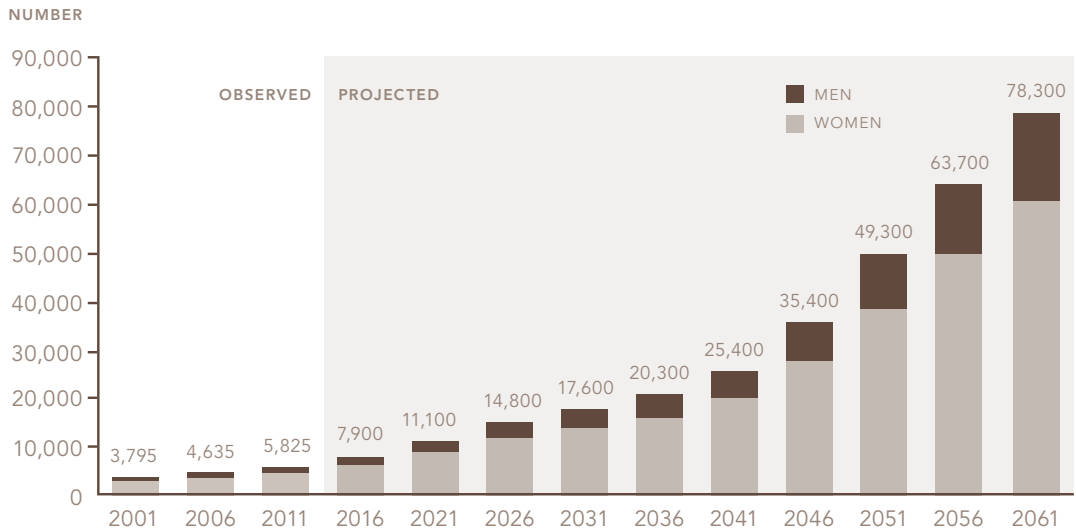
LONG-TERM CARE HOMES

Who will look after aging Baby Boomers that do not have children available to care for them? One alternative is retirement/nursing and long-term care homes. In 2011, 352,205 seniors aged 65 and over, or 7% of all seniors, lived in a collective dwelling that focused on special care to seniors.¹⁷ For centenarians – people aged 100 or over – the

doesn't appear suddenly at age 100. However, the dramatic aging of our population means that more of these care homes will soon be necessary in order to meet demand.

Who will pay for these facilities when families, ever smaller, are unable to foot the bill? Another pressing question is whether retirement and long-term care facilities will find enough staff to care for this growth in demand.

Number of centenarians by sex, Canada, 2001 to 2061



Source: Statistics Canada. (2013). Centenarians in Canada, Figure 1.¹⁹

percentage jumps. Two-thirds (66.1%) of centenarians lived in collective dwellings in 2011.¹⁸

You might not think that there are many people 100 years old and older today. Statistics Canada projects that less than ten years from now, their number will have doubled.²⁰ Beyond 2041, projected growth is almost exponential.²¹ Of course, the need to live in a care home

MEDICAL SPECIALISTS

Nurses

The number of nurses in Canada is slowly growing. According to the Canadian Institute for Health Information, “between 2009 and 2013, the average annual rate [of growth in the number of nurses] was 2.1%.”²² However, this growth

17. Statistics Canada (2012). Living arrangements of seniors.

18. *Ibid.*

19. Statistics Canada (2012). Centenarians in Canada: Age and sex, 2011 Census. Figure 1. Ottawa: Minister of Industry. Retrieved from http://www12.statcan.gc.ca/censusrecensement/2011/as-sa/98-311-x/98-311-x2011003_1-eng.cfm

20. *Ibid.*

21. *Ibid.*

22. Canadian Institute for Health Information (2014). Regulated Nurses, 2013—Summary Report, p. 9. Retrieved from https://secure.cihi.ca/free_products/Nursing-Workforce-2013_EN.pdf

in nurses may not be adequate to make up for our aging population. Canada's average annual growth in the over-65 population was 3.65% over the same timeframe.²³ The growth of this age group is expected to accelerate over the next 20 years. Since reliance on healthcare increases with age, it remains to be seen whether or not the supply of nurses will keep pace over this timeframe.

Doctors

Currently, the number of doctors in Canada and the size of our 65+ population are growing at a similar rate. The Canadian Institute of Health Information notes that the supply of Canadian physicians expanded by 14.8% between 2008 and 2012.²⁴ This resulted in 214 physicians per 100,000 Canadians in 2012.²⁵ In the same timeframe, the number of Canadians 65 and over grew by nearly 14%.²⁶

Based on these numbers it would seem that medical schools have been roughly keeping up with the growth of our over-65 population.

However, it's not clear whether medical schools will continue to keep pace with our aging population as the Baby Boomers retire en masse. We know that in 2012, nearly a third of Canada's family physicians were over 60.²⁷ Over the next 20 years, scores of specialists and GP's will be either be cutting back their working hours or retiring.

The Fraser Institute estimates that unless a large number of foreign-trained doctors enter our medical workforce, the Canadian physician-to-population ratio will drop between

now and 2020.²⁸

It is also unclear whether the current number of physicians is adequate, particularly when looking at certain fields of specialty.

Geriatric specialists

Doctors who specialize in care of the aged (geriatricians) are currently underrepresented.

Geriatrics is "the study of health and disease in later life [and] the comprehensive health care of older persons and the well-being of their informal caregiver."²⁹

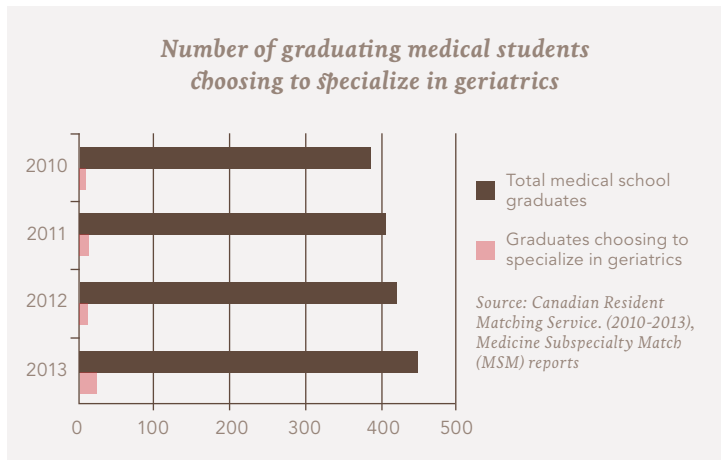
"There are only 242 certified geriatricians in Canada," says Dr. Frank Molnar of the Canadian Geriatrics Society. "No one knows what the ideal complement is, but the roughest estimate is that we need around 700 geriatricians, and we're only bringing in 15 to 25 a year."³⁰

In 2013, only 23 of 450 of graduating medical students chose geriatrics as their specialty according to the Canadian Resident Matching Service (CaRMS), an organization that helps place medical students.³¹ This is an improvement over previous years, though still not likely to meet future need. (It compares to only eleven of 421 in 2012, thirteen of 407 in 2011, and eight of 385 in 2010.³²)

We cannot rely on specialist geriatricians alone to look after the medical needs of our elderly loved ones. Unless their numbers go up dramatically, there simply won't be enough of them. Instead, medical schools across the country

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23. Statistics Canada (2013). Estimates of population, by age group and sex for July 1, Canada, provinces and territories. Cansim table 051-0001, with calculations by author. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0510001&paSer=&pattern=&stByVal=1&p1=1&p2=1&tabMode=dataTable&csid=>
 24. Canadian Institute for Health Information (2013). Supply, distribution and migration of Canadian physicians, 2012, p. 6. Retrieved from https://secure.cihi.ca/free_products/SMDB_2012_EN.zip
 25. *Ibid.*
 26. Statistics Canada (2013). Estimates of population, by age group and sex for July 1, Canada, provinces and territories. Cansim table 051-0001, with calculations by author. Retrieved from <http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0510001&paSer=&pattern=&stByVal=1&p1=1&p2=1&tabMode=dataTable&csid=>
 27. Canadian Institute for Health Information (2013). Supply, distribution and migration of Canadian physicians, 2012. Table 1.1 in spreadsheet SMDBDataTables2012EN. With author's calculations.
 28. Esmail, N. (2011, March/April). Canada's physician supply. *Fraser Forum*, p. 16. Retrieved from <http://www.fraserinstitute.org/uploadedFiles/fraser-ca/Content/research-news/research/articles/canadas-physician-supply.pdf>
 29. Association for Gerontology in Higher Education. What is gerontology? Geriatrics? Retrieved from <http://www.aghe.org/500217>
 30. Frank Molnar as quoted in Sullivan, P. (2014, March 19). Short of recruits, not patients: Geriatric medicine strives for "critical mass." Retrieved from <http://www.cma.ca/En/Pages/Short-of-recruits-not-patients-geriatric-medicine-strives-for-critical-mass.aspx>
 31. Canadian Resident Matching Service. (2014). CaRMS overview. Retrieved from <https://www.carms.ca/en/carms-overview> Number of matched applicants by school of residency and level of choice of discipline, retrieved from https://www.carms.ca/pdfs/2013R4_MatchResults/R-4-table3-DisciplineChoicesofApplicants_en.pdf
 32. Canadian Resident Matching Service. Medicine Subspecialty Match (MSM) Match Reports. Table 3 for each of years 2012, 2011 and 2010.

must ensure that every student, regardless of their eventual specialty, has as much training in care of the old as possible. As family physicians are the first line of contact with elderly patients and their families, every medical school in Canada



should offer enough training to enable them to treat elderly patients according to their unique situation and needs.

Countries around the world are also wrestling with how to care for an aging population. Examples from Japan and Germany illustrate the kind of measures these countries are prepared to take to address the issue.

JAPAN: ROBOTS TO HELP OVERWORKED CAREGIVERS

A recent blog post at *The Economist* magazine reports that in Japan, “[t]he trouble is not building facilities, but finding trained people to do the job. In 2010, the Ministry of Health, Labour and Welfare reckoned Japanese nursing homes and hospitals needed two million professional carers to look after the country’s thirty million elderly and infirm, but managed to attract only 1.3 million. By 2025, the ministry

expects the country to need four million such workers.”³³

Since Japan has a national policy that limits immigration, the solution will not come from more foreign nurses. Instead, the government is helping fund the development of robots to aid in the care of the elderly.³⁴

A nurse can already wear an exoskeleton robot to help him lift someone from his or her bed. The government is supporting the development of a portable self-cleaning toilet that could come to the patient to save a walk to the bathroom. Another robot would monitor the whereabouts of patients with dementia.³⁵ *Japan Times* reports “Prime Minister Shinzo Abe’s government has allocated 2.39 billion (yen) in the fiscal 2013 budget to assist the development of such robots and increase their use.”³⁶

GERMANY: FOREIGN CAREGIVERS IN, AGING PARENTS OUT

Germany is also experiencing a gap between the required and available number of caregivers for their aging population. Germany has a two-pronged approach to the solution. One on hand, foreign caregivers are being brought to Germany from Eastern Europe and from Vietnam.³⁷ These foreign caregivers earn less than their German counterparts.³⁸

At the same time, German families are also sending their aging loved ones to other countries where costs of care are much lower. Destinations include Eastern Europe and Thailand.³⁹ An American niece of an aging German woman put it this way, “What difference does it make if she is 700 or 7,000 kilometres away? We wouldn’t see her often in either case.”⁴⁰

33. N. V. (2013, May 14). Difference Engine: The caring robot. *The Economist*. Retrieved from <http://www.economist.com/blogs/babbage/2013/05/automation-elderly>
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 36. Iida, M. (2013, June 19). Robot niche expands in senior care. *The Japan Times*. Retrieved from <http://www.japantimes.co.jp/news/2013/06/19/national/robot-niche-expands-in-senior-care/>
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 38. Lütticke, M. (2013, June 30). Foreign workers meet elder care needs in Germany. *Deutsche Welle*. Retrieved from <http://www.dw.de/foreign-workers-meet-elder-care-needs-in-germany/a-16915979>
 39. Haarhoff, H. (2013, June). Germany outsources elder care. *Le Monde Diplomatique*. Retrieved from <http://mondediplo.com/2013/06/12/germany>
 40. *Ibid.*

CONCLUSION

We know for certain that our population is growing older. We also know for certain that we don't have as many children to care for our seniors as did previous generations.

What is the solution? There is, of course, no one solution. Medical schools should continue to increase the supply of general practitioners and specialists. Nursing schools should ramp up enrolment to meet growing demand. Students should consider jobs in the medical field. We will hopefully not resort to sending our parents and grandparents to faraway countries.

Immigration has been the lifeblood of our country since its founding. Since 1867, we have welcomed millions to our shores who have contributed greatly to our communities, our economy, and our population. Immigrants already bolster the ranks of our medical staff. With immigration levels already relatively high, we cannot rely on this long-term to solve Canada's demographic challenges.

Where families need help to care for aging parents, we already have the option of hiring a caregiver from outside the country.⁴¹ This option may form a key part of ensuring proper care for our seniors in the future.

We must also acknowledge that the bank accounts of individual Canadians and their families will determine how much they are willing and able to pay for such services. Beyond those limits, government will likely pick up the remainder of the cost. Yet if projections of fertility rate and aging hold true, all levels of government will have to

fund more care with less money in the future. Slowing the growth in federal government health transfers today is wise in this respect. Lessons in doing more with less over the next few years can only benefit all Canadians who will grow old in the next 40 years.

Perhaps this is all the more impetus to get or stay healthy in the hopes of keeping health scares far from our doors as long as possible.

RECOMMENDATIONS

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- Medical and nursing schools must ensure that every graduate, regardless of specialty, receives as much formal training in the care of the elderly as possible
- Medical and nursing schools must regularly adjust enrolment levels to meet the growing demand for their graduates
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- Governments should increase financial support for family caregivers beyond the current six-week allowance under federal law; this might include extending income sharing to include those looking after aging parents 🍁

41. Employment and Social Development Canada. (2013). Hiring live-in Caregivers and Nannies. Retrieved from http://www.hrsdc.gc.ca/eng/jobs/foreign_workers/caregiver/