

Senior poverty in Canada: A decomposition analysis

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Abstract

Using 1977-1979, 1994-1996, and 2006-2008 data from the SCF and SLID, a decomposition analysis of senior poverty rates is conducted to determine whether changes in seniors' characteristics, and changes in the extent to which characteristics affect senior's likelihood of poverty, can help explain historical changes in senior poverty rates. The results show that changes in characteristics can explain relatively small changes in senior poverty rates, with changes in education levels playing a significant role. Changes in the extent to which characteristics affect seniors' likelihood of poverty are shown to be much more important. Overall, the results confirm the importance of retirement income policy for the structure of senior poverty in Canada.

Keywords: Seniors, poverty, retirement.

JEL: J14 (Economics of the elderly), J18 (Public policy), J26 (Retirement), I32 (Measurement and analysis of poverty)