

From Retirement Plans to Long-Term Care ***Can Quebec handle the demographic shift?***

Two or three decades ago Canada's chief actuaries, armed with statistics, urged political leaders to significantly raise employees' retirement plan contributions. The actuaries were sent packing, because at the time that notion of getting baby boomers to contribute adequately during their working lives was not on the political agenda, nor was the idea of saving for the future. Because politicians did not want to see the demographic shift coming, they have just realized, with horror, that retirement plans will not be delivering what was expected of them.

There is plenty of support for renegotiating retirement plans in the name of demographics, balanced budgets and intergenerational equity. Recently the International Monetary Fund urged the provinces to continue containing budgetary expenses related to the aging of the population. The Conseil du patronat (Quebec's employers' council) has expressed concern about Quebecers' quality of life, saying it is threatened by population aging, global competition, and the heavy footprint of an increasingly indebted government. Some commentators even applauded the "shock therapy" of the last provincial budget. As Paul Journet of *La Presse* said, "Let's not forget that the real sickness that needs to be cured is the structural deficit, and we know that it is caused by population aging."

Present and future retirees will still be licking their wounds for a long time to come. But if they are saying to themselves, that's it, there is the social contract gone up in smoke, they are sadly misguided. Wait until they see what long-term care is going to be like!

When baby boomers turn 65, retirement plans are immediately affected as contributions go down and benefits go up. But the demographic shock that is going to hit long-term care will take place in a few years. As the World Health Organization has pointed out, long-term care needs increase with age, and they become much more significant after the age of 75. If we look at it that way, baby boomers are still relatively young.

People rightly assume that we should depend on our families to at least lend a hand, but governments are not doing their share. Jean-Pierre Lavoie demonstrated in an [IRPP study](#) that since the 1990s Quebec has transferred much of the responsibility for long-term care to families and the third sector, including care that was traditionally administered by specific occupational groups. Yet all of this was done without implementing the necessary support measures. When a family member requires 10, 15 or 20 hours of care per week, now caregivers are providing it with very little support, at the risk of their own physical, psychological and financial health. And program managers tend to view them as care assistants.

Everyone (individuals and governments alike) fervently repeats that seniors should be living as long as possible at home, in a familiar environment. But how exactly are we going to make this a reality? How do we expect to be able to meet the demand for home care or institutional care, particularly in places where the population is aging especially fast, such as the Outaouais,

Lanaudière and the Laurentians? Do we even know how we need to adapt accommodations, living environments and transportation to these changes?

In 2012 the province's Liberal government announced a detailed plan to invest \$2.85 billion over five years, mostly to develop housing solutions. Its successor government announced that a priority was to implement an autonomy insurance plan to improve public coverage of homecare needs. None of this survived the 2014 election.

What, concretely, are we prepared to do in Quebec?

Viewing demographics as being a strictly budgetary issue, with no clear vision for how we are going to handle the major challenge of the demographic shift, is harmful to all concerned. This means that in addition to affecting the elderly, it would impact all those, young and old, who have to act as family caregivers. It would also harm productivity, as employees trying to balance work and caregiving end up being late for work, taking time off, or quitting their jobs.

Nor will postponing the decision be without consequences — doing nothing does not mean just accepting the status quo. Given the rapidly increasing needs, the situation, which is already suboptimal, will deteriorate considerably. And we know how bad it is already.

So here is a simple solution. Given the negative experience of retirement plans, might we decide to learn from our mistakes and plan in advance, for once?

Are we ready to deal with the demographic shift?

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