

Thriving in the City: What does it cost to have a healthy retirement?

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Wellesley Institute works in research and policy to improve health and health equity in the GTA through action on the social determinants of health.

Thriving in the City: What does it cost to have a healthy retirement? | Report
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We would like to acknowledge this sacred land on which the Wellesley Institute operates. It has been a site of human activity for 15,000 years. This land is the territory of the Huron-Wendat and Petun First Nations, the Seneca, and most recently, the Mississaugas of the Credit River. The territory was the subject of the Dish With One Spoon Wampum Belt Covenant, an agreement between the Iroquois Confederacy and Confederacy of the Ojibwe and allied nations to peaceably share and care for the resources around the Great Lakes.

Today, the meeting place of Toronto is still the home to many Indigenous people from across Turtle Island and we are grateful to have the opportunity to work in the community, on this territory.

Revised by the Elders Circle (Council of Aboriginal Initiatives) on November 6, 2014

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Introduction

Health equity, which Health Quality Ontario defines as a state in which “all people living in Ontario are able to reach their full health potential”,¹ forms the basis of the *Thriving in the City* framework. Throughout 2017, the Government of Ontario has moved forward to address health inequity through policy interventions to reduce poverty and strengthen income security. To support older adults, the province has undertaken several actions including investments in affordable housing programs² and new commitments to improve long-term care.³ These policies are designed to help older adults achieve a standard of living that allows them to meet their most basic needs, such as food and shelter. However, good health requires much more than the basics; in order to truly thrive, people’s social and economic needs must be taken into account.

As part of the Wellesley Institute *Thriving in the City* suite of work, *A Framework for Income and Health in Retirement*⁴ highlighted the many facets of good health for older adults: eating healthy foods and staying physically active, connecting with family and friends, continuing to learn new skills, contributing to ones’ community, and managing emerging health care needs throughout the aging process. It describes an evidence-based framework of eight domains required to support an individual’s physical, mental, and social health and well-being.

This report builds on the framework by exploring the cost of thriving in the Greater Toronto Area (GTA) after retirement. The domains included in the initial framework have been further developed to include an itemized list of resources, goods, and services with corresponding estimated costs. Together the framework and the corresponding costs inform what it means, and how much it costs, to thrive during retirement.

There is enormous diversity in the experience of aging based on health and ability, family circumstances, culture, gender, and other determinants of health. This framework does not aim to capture all of these distinct experiences. It is also important to note that this framework, and the costs associated with components of the framework, does not prescribe an ‘ideal’ way to thrive in retirement. People will have different needs, preferences, and priorities when it comes to their health and well-being. Instead, the framework indicates in a general sense the cost associated with the types of resources, goods, and services that would allow for a healthy retirement. This work offers a foundation for understanding the health needs of older adults, and provides a starting point for a broader conversation about policies, programs, and supports that older adults in the GTA need to thrive.

Research Aims

The Thriving in the City framework for retired older adults (65-74 years) aims to answer the following questions:

1. What constitutes “thriving” with respect to key dimensions of physical, mental, and social health during retirement years?
2. What goods, resources, and services are required for a person to “thrive” during retirement years?
3. How much does it cost to thrive during retirement years in the GTA?

The *Framework for Income and Health in Retirement* report⁴ addresses the first two questions. This report addresses the third question with detailed estimates for the total amount of money needed to thrive in the GTA during retirement years.

In this report, we focus on understanding the needs of an individual 65-74 years of age living independently without significant limitations to activities of daily living. We do consider the additional cost of having one chronic condition. We use diabetes as a case study as it is a common chronic condition among older adults. Individuals with significant limitations in activities of daily living or complex chronic conditions, or those who require extended health care services such as home care or long-term care, have distinct needs that are not captured in this framework.

We also primarily focus on single older adults. Single older adults in Ontario make up 19 percent of the population.⁵ Moreover, single older adults are far more likely to face poverty than those with a spouse or partner.⁶ However, we do recognize that majority of adults 65-74 years of age in Ontario, 58 percent, do live with a spouse or partner.⁶ To account for this reality, we do briefly consider the costs to thrive in retirement for a couple 65-74 years of age living independently without significant limitations to activities of daily living.

Methods

In the first stage of this project, we ascertained the parameters for achieving good health in the 65-74 age range. Through an evidence review, we determined requirements for good health across eight domains: food, shelter, transportation, physical activity, health care, personal care, social participation, and contingencies. Within each domain, we drew from the evidence review to identify specific requirements, using secondary survey data to tailor the requirements to a GTA context. The framework was developed and presented to focus groups to ensure its adequacy and applicability for GTA residents in the relevant age range; one focus group was in Toronto and one was in Mississauga. A detailed explanation of methodology for developing the framework is available in the report *A Framework for Income and Health in Retirement*.⁴

The second stage of this project involved defining the costs for older adults in the GTA by building on the initial framework. To achieve this, we have estimated the costs of each requirement listed in the framework. We have used survey data from the GTA and Canada to help guide us in generating hypothetical scenarios within the parameters of the requirements described in *A Framework for Income and Health in Retirement*. It is necessary to emphasize that the items in each domain and the associated estimates that are listed do not imply an ideal way of living, and do not capture the wide range of lifestyles and circumstances of individuals. Instead, the costs represent one example of a healthy life, guided by evidence including survey data and focus groups.

The focus groups highlighted that there are distinct needs and norms between urban and suburban regions, particularly with regards to housing and transportation needs. To account for these distinctions, the estimates include three scenarios: one for a renter without a car living in downtown Toronto, one for a homeowner with a car living in Mississauga, and a third for a homeowner living in a single-detached house in Toronto with a car. Each domain describes the necessary assumptions that were made, particularly when utilizing online tools to generate an estimate. The estimates for insurance, goods, and commercial services were found from major stores, suppliers, or from online price estimator tools. In the cases where no other options were available, costs were drawn from expenditure surveys although these can reflect spending habits that are often constrained by inadequate incomes. Statistic Canada's Survey for Household Spending (SHS) and housing cost surveys from the Canada Mortgage & Housing Corporation were essential resources in generating expenditure data. The SHS data used in this report is based on a custom tabulation that includes people living in single-person households in Canada, focusing on those age 65-74 years of age and broken down by tenure type where possible.^{7,8} The focus group feedback was beneficial in determining the frequency and type of items listed in each domain. The items, cost estimates, and rationale for the estimates for a single person is described below for each of the eight domains. More detailed rationale for the inclusion of each domain is available in the *Framework for Income and Health in Retirement* report.⁴

After completing the cost estimates, we discussed our findings with a small group of stakeholders, including representatives from government, academia, advocacy organizations, and service providers. The stakeholder consultation provided additional confirmation around the applicability of our framework and the face validity of the costs. More importantly, the consultation provided an opportunity to explore policy avenues and action to support older adults in achieving good health in retirement. The discussions section below is informed by our conversations with stakeholders.

Cost Estimates

Food and Nutrition: \$3,144 per year

To estimate the cost of groceries, the *Nutritious Food Basket* tool was used to calculate annual food costs for men and women aged 51-70 and 71+ in one-person households.⁹ This tool is aligned with recommendations from Canada's Food Guide and is used by Toronto Public Health. Costs for supplies needed for food preparation, such as paper, plastic, and foil supplies, were gathered from the SHS. Additionally, vitamin D supplements have been added based on Canada's Food Guide recommendations for older adults.¹⁰

Groceries	\$2,936	Estimate from Toronto Public Health National Nutritious Food Basket Estimate: average of 51-70 and 71+ male and female; one person household. ⁹
Food preparation supplies	\$182	'Paper, plastic & foil supplies' in SHS annual expenditure, one-person households in Canada, age 65-74, Statistics Canada 2016. ⁸
Vitamin D supplements	\$26	Jamieson Vitamin D 400 IU Tablets, one year supply. ¹¹

Shelter: \$9,514 - \$13,954 per year

The shelter component includes three scenarios: scenario 1 includes a renter in bachelor/studio apartment in Toronto, scenario 2 includes a homeowner living in a bachelor/studio apartment in Mississauga, and scenario 3 includes a homeowner living in a house in Toronto. In all scenarios the housing unit is situated in a moderately walkable neighbourhood. The *WalkScore* real estate tool was used to determine the walkability of a neighbourhood; neighbourhoods with a score of 50/100 or higher were considered acceptable.¹² The rental rates for scenario 1 were drawn from annual surveys conducted by Canada Mortgage & Housing Corporation, which generally include utility costs. Utilities are assumed to be included in the rental costs and repairs and maintenance are not included as it is assumed to be the responsibility of the landlord. For scenarios 2 and 3, mortgage is not included as this framework assumes that an individual 65 years and older has paid off their mortgage, reflecting national norms.¹³ Scenario 3 draws on Statistics Canada 2016 data on the average value of a single detached house for an older adults 65-74 in Toronto (\$800,032).¹⁴

Scenario 1: Renter, City of Toronto: \$13,954

Rent (including utilities)	\$13,056	Average bachelor/studio apartment rent for central Toronto Zone 1. Greater Toronto Area Rental Market Report, Canada Mortgage & Housing Corporation 2016. ¹⁵
Equipment	\$303	'Household Equipment' in SHS annual expenditure, one-person households in Canada, age 65-74, Statistics Canada 2016. Renters only. ⁸

Furnishings	\$391	'Household Furnishings' in SHS annual expenditure, one-person households in Canada, age 65-74, Statistics Canada 2016. Renters only. ⁸
Tenant's insurance	\$204	Estimate from SquareOne Insurance: includes 20K personal property insurance, 1m liability insurance.

Scenario 2: Homeowner, Mississauga (bachelor/studio apartment): \$9,514

Utilities	\$1,835	'Water, fuel and electricity for principal accommodation' in SHS annual expenditure, one-person households in Ontario, age 65-74, Statistics Canada 2016. Owners only. Adjusted downward to 75% of average to account for small housing size. ⁸
Equipment	\$828	'Household Equipment' in SHS annual expenditure, one-person households in Ontario, age 65-74, Statistics Canada 2016. Owners only. ⁸
Furnishings	\$436	'Household Furnishings' in SHS annual expenditure, one-person households in Canada, age 65-74, Statistics Canada 2016. Owners only. ⁸
Repairs & maintenance	\$728	'Repairs and Maintenance' in SHS annual expenditure, one-person households in Canada, age 65-74, Statistics Canada 2016. Owners only. ⁸
Condo fees	\$3,540	Estimate from "Toronto Condo Maintenance Fee Stats," Condos.ca 2015. Assumes 500 square foot unit. ⁸
Property taxes	\$1,835	Estimate from City of Mississauga property tax rates 2017. Assumes home value of \$216,000. ¹⁶
Homeowners insurance	\$312	Estimate from SquareOne Insurance. \$20,000 personal property insurance and \$1 million liability insurance.

Scenario 3: Homeowner, Toronto (single detached house): \$10,043

Utilities	\$2,446	'Water, fuel and electricity for principal accommodation' in SHS annual expenditure, one-person households in Canada, age 65-74, Statistics Canada 2016. Owners only. ⁸
Equipment	\$828	'Household Equipment' in SHS annual expenditure, one-person households in Ontario, age 65-74, Statistics Canada 2016. Owners only. ⁸
Furnishings	\$436	'Household Furnishings' in SHS annual expenditure, one-person households in Canada, age 65-74, Statistics Canada 2016. Owners only. ⁸
Repairs & maintenance	\$728	'Repairs and Maintenance' in SHS annual expenditure, one-person households in Canada, age 65-74, Statistics Canada 2016. Owners only. ⁸
Property taxes	\$5,293	Estimate from City of Toronto Property Tax Calculator for a property value of \$800,032. ¹⁷
Homeowners insurance	\$312	Estimate from SquareOne Insurance. \$20,000 personal property insurance and \$1 million liability insurance.

Transportation: \$2,008 - \$6,243 per year

The transportation component of the framework are two scenarios: scenario 1 features a transit user living in the central Toronto region of the GTA and scenario 2 includes a car user living in Mississauga or Toronto. These scenarios reflect trends in car ownership and transit use in the GTA.¹⁸

For a transit user, this framework includes a senior's discounted Metropass for transit use and also accounts for the use of the Union Pearson Express and taxis to supplement additional travel needs and expenses. For regional travel, a three-day car rental, a coach bus fare, and GO transit fare are also included.

For car users, the estimated costs are based on the purchase of a 2012 Honda Civic LX 4DR and assumes 12,000km are driven in a year. The car payments assume a purchase price of \$10,000 with 10 percent down and a 5-year term with 3 percent interest. Car insurance was estimated from CAA from the average annual cost for a male and female driver of 70 years. Car repairs and maintenance were gathered from SHS and gas expenses were estimated using the CAA Car Cost Calculator.¹⁹ Parking expenses were taken from parking costs in Ontario and Toronto from the 2015 SHS. Occasional costs for taxis and public transit have also been included.

Scenario 1: Transit User, City of Toronto: \$2,008

Public transit	\$1,414	TTC Metropass for older adults (\$116.75/month); 1 round-trip Union Pearson Express Older adults fare (\$12.40).
Taxi	\$360	Estimate from Taxi Fare Finder, Toronto. Includes 24 5km taxi rides (approximately \$15 for 5km). ²⁰
Regional travel	\$234	Enterprise 3-day car rental and insurance (\$121.73), MegaBus round trip to Montreal (\$93.35), and GO Transit round trip to Niagara Falls (\$19.30).

Scenario 2: Car User, Mississauga or Toronto: \$6,243

Car payments	\$1,944	Estimate from Autotrader.ca: Honda Civic LX 2012 model; \$10,000 purchase price; 1-% down payment, and 5-year term with 3% interest. ²¹
Car insurance	\$1,593	Estimate from CAA Car Costs Calculator for a 2012 Honda Civic. Includes comprehensive coverage plan for 70-year-old driver with annual distance of 12,000km. ²²
License & registration	\$138	License plate sticker and 5-year license fees for Southern Ontario, Service Ontario 2017.
Car repairs & maintenance	\$1,155	'Maintenance and repairs of vehicles' in SHS annual expenditure, one-person households in Canada, age 65-74, Statistics Canada 2016. Owners only. ⁸
Gas	\$1,062	Estimate from CAA Car Costs Calculator for a 2012 Honda Civic. Assuming 12,000km/year, 60% city and 40% highway (Fuel price at \$1.19). ²³

Lot/street parking	\$215	'Parking (excluding parking fees included in rent and traffic and parking tickets)' in SHS annual expenditure, one-person households in Ontario, all ages, Statistics Canada 2015. Owners only. ⁷
Public Transit	\$46	6 GO Transit day passes from Mississauga to Toronto (\$6.95) and 12 round trip TTC trips (\$2.10).
Taxi	\$90	Estimate from Taxi Fare Finder, Mississauga. ²⁴ Includes six 5km taxi rides (approximately \$15 for 5km)

Physical Activity: \$305 per year

For the physical activity component of the framework, the average cost of a 1-year fitness centre membership in Toronto and Mississauga community fitness centres were estimated at an older adults' rate. These memberships offer access to physical activities such as fitness classes, weight rooms, and swimming. They also offer an opportunity for socializing.

Fitness centre membership	\$301	1-Year Fitness Centre Membership. Type B Membership, City of Toronto Parks & Recreation (\$251). ²⁵ Mississauga Community Centre (\$359). ²⁶
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Health Care: \$3,722 per year

The health care component of the framework includes a comprehensive extended health coverage plan for an adult aged 70. This extended insurance includes coverage for prescription drugs, dental, vision, and other extended health needs. Over-the-counter drugs have also been estimated using SHS data from Ontario. However, we also recognize the definition 'good health' changes with age, and that 75 percent of older adults in Canada have at least one chronic health condition.^{27, 28} These conditions may come with added health expenses. Diabetes is one common condition for older adults: Adults 65-69 years make up the largest group with diabetes in Ontario;²⁹ 17 percent of adults 65 years and older have diabetes. We consulted with Diabetes Canada to estimate expenses associated with managing diabetes beyond what is typically covered by OHIP and extended health coverage plans. For those without extended health coverage, out-of-pocket costs may be much higher.

Extended health coverage plan	\$2,906	Estimate from Manulife: Flexcare ComboPlus Enhanced for an adult age 70. Includes coverage for drug, dental, vision, and hospital care. ³⁰
Over-the-counter drugs and other health supplies	\$416	'Non-prescribed medicines, pharmaceutical products, health care supplies, and equipment' in SHS annual expenditure, one-person households in Canada, age 65-74, Statistics Canada 2016. ⁸
Additional expenses with a chronic condition such as diabetes	\$300- \$500	Estimate from Diabetes Canada: includes \$100 Ontario Drug Benefit deductible, \$6.11 co-pay per prescription, additional podiatrist visits, additional devices and supplies not already covered by OHIP. (Average of \$400 used in our calculations).

Personal Care: \$1,299 per year

Personal care and hygiene was estimated using the SHS. The estimated clothing cost was determined from the average cost for men and women.

Clothing	\$483	'Women & girls wear' (\$642) and 'Men & boys wear' (\$322) in SHS annual expenditure, one-person households in Canada, age 65-74, Statistics Canada 2016. ⁸ Average taken for women/girls and men/boys.
Toiletries	\$371	'Personal care products' in SHS annual expenditure, one-person households in Canada, age 65-74, Statistics Canada 2016. Owners only. ⁸
Haircuts	\$229	'Hair grooming services' in SHS annual expenditure, one-person households in Canada, age 65-74, Statistics Canada 2016. ⁸
Household cleaning supplies	\$131	'Household cleaning supplies & equipment' in SHS annual expenditure, one-person households in Canada, age 65-74, Statistics Canada 2016. ⁸
Laundry	\$85	'Clothing services' in SHS annual expenditure, one-person households in Canada, age 65-74, Statistics Canada 2016. ⁸

Social Participation: \$6,855

The social participation component of the framework includes a broad range of goods and services that aid in keeping people connected with family, friends, and their community and support mental health and well-being. The items included support hobbies and pastimes, personal charitable contributions, civic engagement, social outings, gift giving, telecommunications and internet services, and travel. The items included in this list were informed by focus group participants and Statistics Canada's General Social Survey. However, it cannot necessarily capture the broad range of potential personal preferences in social and leisure activities. Cost estimates were informed by the Survey of Household Spending, other expenditure surveys, listed retail and services prices, and estimates from various companies. Items such as special occasions, travel, and restaurant outings were determined from online estimates. The five international flight destinations were selected based on the top 5 countries of birth for adults 65 years and older in the GTA – Italy, UK, China, India, and Jamaica.³¹

Books	\$71	'Books and E-Books (excluding school books)' in SHS annual expenditure, one-person households in Canada, age 65-74, Statistics Canada 2016. Owners only. ⁸
Magazine/newspaper	\$363	Toronto Star 7 day home delivery 1 year subscription.
Music	\$24	'Pre-recorded media, music downloads and blank audio and video media' in SHS annual expenditure, one-person households in Canada, all ages, Statistics Canada 2016. ⁷

Gardening supplies	\$83	'Nursery and greenhouse stock, cut flowers, decorative plants and planting seeds (\$52); Fertilizers, herbicides, insecticides, pesticides, soil and soil conditioners (\$31) in SHS annual expenditure, one-person households in Canada, all ages, Statistics Canada 2016. ⁷
Workshop or course	\$30	Typical cost from Square One Older Adults Centre for multi-week course for physical activity or computer skills. ³²
Cultural outings	\$115	'Movie theatres' (\$37), 'Live sporting and performing arts event' (\$67), and 'Admission fees to museums, zoos and other sites' (\$11) in SHS annual expenditure, one-person households in Canada, all ages, Statistics Canada 2016. ⁷
Special Occasions	\$240	Typical additional cost of entertaining family or friends at home monthly. (Supplement to regular food component).
Gifts	\$560	'Expected gift expenditures for Ontario' in BMO Holiday Outlook, 2015. ³³
Restaurant outings	\$1,040	Typical cost from Toronto Life Restaurant Listings for 1 weekly sit-down meal in low- to mid-price range.
Civic contributions	\$44	Membership fee to club or association: 'Contributions and dues for social clubs and other organizations' in SHS annual expenditure, one-person households in Canada, age 65-74, Statistics Canada 2016. ⁸
Charity contributions	\$631	'Charitable contributions' in SHS annual expenditure, one-person households in Canada, age 65-74, Statistics Canada 2016. ⁸
Basic home internet and basic cable	\$1,342	Estimate from Rogers: basic internet and cable bundle.
Basic smartphone plan	\$552	Freedom Mobile 2g smartphone plan.
Domestic travel	\$309	Estimate from Expedia.ca: three-night hotel stay in Mont Tremblant Quebec. (Transportation and food included in relevant components).
International travel	\$950	Typical cost from Google Flights for round-trip airfare to UK/Italy/China/India/Jamaica. Assumes the individual stays with their family/friends.
Travel health insurance	\$501	Estimate from healthquotes.ca: assumes a 70 year old individual who is traveling for a month.

Contingencies: \$1,864 - \$1,896

Recognizing that unexpected events and emergencies may occur that have not been accounted for, a contingency amount has been included. The contingency has been set at 6 percent of total living expenses, drawing from the methods used by Morris and colleagues.³⁴

Scenario 1: Renter, Toronto

Contingency	\$1,877	6 percent of total living expenses
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Scenario 2: Homeowner, bachelor/studio apartment, Mississauga

Contingency	\$1,864	6 percent of total living expenses
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Scenario 3: Homeowner, single-detached house, Toronto

Contingency	\$1,896	6 percent of total living expenses
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Discussion

Based on the cost estimates presented in this framework, the cost of thriving in retirement will be between \$32,947 and \$33,509 annually (after tax) for an adult 65-74 years who does not have significant limitations to activities of daily living and lives in a single household in the GTA. For a couple, we calculated the cost to be \$47,716 - \$48,505 annually (after tax). Though not presented in full here, the cost for a couple was substantially lower per person because of shared housing and transportation expenses, and because costs for other items such as food tend to be lower per person when purchasing in larger quantities.

There is a substantial gap between the current annual income of most older adults and the amount needed to actually thrive. The figure calculated here is well above the guaranteed annual income for older adults of \$18,551,³⁵ which is supported by the Old Age Security (OAS), the Guaranteed Income Supplement (GIS), and the Guaranteed Annual Income System (GAINS). This leaves people \$14,396 - \$14,958 short of the Thriving Retirement Income. Even the median after-tax income for Ontarians 65-74 (\$29,034)³⁶ falls short of the income needed to thrive. Additionally, almost 15 percent³⁷ of older adults in Canada are earning less than the Low-Income Measure of \$22,133.³⁸ These vast differences suggest that many older adults are going without the things they need in order to achieve good health. It is important to note that based on the current parameters, GIS is only paid to single older adults earning less than \$17,800 and older couples earning less than \$23,500. As a result, older adults earning above the 'thriving' benchmark will not be eligible for GIS support. Our consultations with stakeholders affirmed that this is a pressing policy challenge for the GTA, and that policy action is urgently needed to support good health for older adults.

There are also serious equity implications of this income gap, as highlighted by our consultations with stakeholders. The findings demonstrate that single older adults face a much more substantial gap than those in couples. This aligns with research indicating that older adults living alone are much more likely to experience poverty than those in couples.³⁹ The cost of thriving in retirement for a couple (without dependents) is approximately \$48,000, which is comparable to the median income of approximately \$49,000 for couples 65 years and older in Ontario.⁴⁰ Nonetheless, more than 44 percent of couples without dependents are not earning the thriving retirement income.⁴³

There are also substantial differences based on gender: the gap between current earnings and the income needed to thrive is far larger for women. Women age 65-74 have a median after-tax income of \$23,477, compared to the \$35,943 for their male counterparts.⁴⁰ This is in large part because women have lower earnings throughout their working years, and are less able to build their pensions and savings for their retirement years.⁴¹ Older women are twice as likely to live in poverty compared to older men,⁴² and are more likely to take on caregiving roles that can strain their retirement resources even further.⁴³

Race and ethnicity, language, and immigration status can also play an important role in determining a person's needs and resources as they age. For example, persons of colour are more likely to experience financial insecurity in later life.⁴⁴ Research also shows that compared to non-immigrants, immigrants to Canada disproportionately face barriers accessing jobs with strong employer pensions during working years, leading to disparities in retirement savings in later years.^{45, 46} In addition to having more constrained incomes, these groups may face greater health challenges that require more resources to manage. Previous research from the Wellesley Institute shows that older adults who are racialized, recent newcomers, or who do not speak English at home are less likely to have good mental and physical health than their counterparts.⁴⁷ This framework is a first step towards understanding the health needs of older adults, but moving forward, there is an opportunity for more analysis based on social identities like gender, race and ethnicity, and immigration status. Understanding how these identities intersect, and how they affect health needs as well as access to resources in older age, will be important for developing equitable policy solutions.

Thriving means that an individual can meet their basic living expenses, social needs, connection to community and family, and health expenses. Thriving also means having a sense of security and the ability to manage unexpected changes in health or life circumstances. The importance of including a contingency fund was affirmed in our consultation as stakeholders emphasized the importance of being able to account for uncertainty or unanticipated expenses. These factors are important to the overall health and well-being of people as they age.

When an individual does not have the amount needed to thrive, they must compromise many aspects of their health. People may have to sacrifice going to the dentist, social outings, prescription drugs, or even groceries. In Toronto there has been a rise in the number of older adults using food banks; older adults now make up the largest growing age group using food banks in the city.⁴⁸ The most significant costs included in this framework are related to shelter, transportation, and social participation. While there may be room for adjustments around personal spending (for example, forgoing a workshop/course, cultural outing, gym membership or restaurant meals), these items amount to a very small proportion of the overall cost and would have a nominal impact on these gaps.

As articulated by Morris et al.³⁷ the cost estimates presented in this framework should be considered indicative rather than definitive. This framework serves as an example of what is needed to thrive during retirement years. We recognize that these costs have been calculated based on a position of relative privilege, with the assumption that an older adult is without debt, does not have dependents to care for, and is able to live independently. However, we find that even a common health condition like diabetes may increase a person's expenses by up to \$500 per year. Those with more severe health challenges and care needs, or those who are entering retirement without a secure financial foundation, would need a much higher retirement income in order to truly thrive.

While the assumptions that we have made in this framework are currently in line with local trends, we also recognize that what is 'typical' for an older adult today may not be typical in the future. For example, as Ontario's population ages there will be greater need to provide home and community care and long-term care. While these services are a part of the health system, trends show that the home care and long-term care systems in Ontario are unable to meet the full care needs of the aging population.⁴⁹ Previous Wellesley Institute work demonstrates that there are growing wait times for admission to long-term care, with even longer waits for facilities that cater to specific ethnocultural groups.⁵⁰ Upcoming work from Wellesley Institute will explore the barriers to home care services for older women from diverse ethno-cultural backgrounds. The private retirement home industry is growing rapidly to address unmet care needs, but can be very costly. There is a need to better understand how pressures on the home, community, and long-term care sectors will impact healthy and independent aging for an older adults with care needs.

Additionally, the nature of housing for older adults is changing. Trends from the Canadian Mortgage and Housing Corporation⁵¹ indicate that an increasing share of older adults are renting rather than owning, suggesting that future cohorts of older adults will not be able to rely on the value of their home to fund their living expenses in later years. Moreover, a shift towards "aging in place" and community care will require policy actions that support affordable and physically accessible homes for older adults. Our stakeholder consultations suggested that there is a need to consider innovative housing strategies, such as cooperative housing or group living options. Shelter is the most substantial cost in this framework, so developing more affordable and accessible housing options for older adults is an important policy goal that warrants consideration.

Public and community services are an important determining factor in a person's ability to thrive. For example, we assume that a person is able to access universally-available services like OHIP, which helps contain some of the costs presented in the framework. By contrast, the extended health benefit package was selected with the expectation that most older adults are not adequately covered by the Ontario Drug Benefit plan. However, if older adults were provided a more comprehensive health services, such as through the envisioned OHIP+ for peoples 65 and over⁵², it could help alleviate the expenses of having to purchase additional

insurance. Community infrastructure like recreation centres and libraries also offer a variety of valuable supports for older adults. As evident in this framework, older adults are able to participate in a workshop or course at a very small cost because there are many publicly available courses for older adults that are either free or highly subsidized. A reduction in services offered by libraries and community centres would mean that older adults would need to shoulder a higher proportion of the cost of lifelong learning and social engagement. The policy landscape for older adults is in a state of flux, especially with respect to health services. As it evolves it is important to recognize the shared responsibility amongst governments, community, and individuals.

Moving forward, there is a need to explore how policy-makers can ensure that retired Ontarians have the means to thrive when they are out of the workforce. Like the previous *Thriving in the City* report, which focused on younger adults, the figure for older adults illustrates the resources needed to have a healthy retirement in the GTA. In order to meet these needs and thrive, there is a shared responsibility amongst multiple stakeholders. Individuals, communities, and governments across all levels have a role to play. We need to evaluate the role of these players in bringing older adults closer to the thriving retirement income. For example, providing comprehensive drug, dental, and extended health coverage for older adults can help alleviate the expenses of having to purchase additional health care insurance. This can reduce the overall figure by over \$2500. Likewise, changes to social programs and public services can reduce the amount people need to thrive. For example, federal investment in pensions can increase CPP and bring people closer to the amount needed to thrive, provincial investment in affordable housing can lower shelter costs, and local investment in accessible transit for older adults can help relieve transit costs. Investments such as these can help close the gap between current retirement earnings and the income needed to truly thrive.

The cost of a Thriving Retirement Income helps to understand where we currently are and where we need to get to in order to ensure a healthy and thriving retirement in the GTA.

Acknowledgements

We would like to thank our focus group participants for sharing their perspectives. We thank former Wellesley Institute Director of Policy Lauren Bates for her valuable expertise and Arman Hamidian and Sukhmeet Singh for their contributions to this research. Finally, we would like to thank our stakeholders for their feedback and insights, and a special thank you to everyone who attended our consultation meeting including John Stapleton, Diane Dyson, Gerda Kaegi, Elizabeth McNab, Tom Lewis, Kris Kuysten, and Anjali Raghunath.

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