

Are seniors better off these days at the expense of younger generations? ^[1]

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EXCERPTS:

Grandparents, when it comes to money in the bank, are looking pretty healthy these days - especially compared with their grandkids. It's not news that young people, and especially young men with little education, have taken a hard hit in today's economy. According to data compiled by the Organization for Economic Co-operation and Development, over the past 25 years, people between the age of 18 and 25 have replaced seniors as the demographic most likely to experience poverty.

A new study by the OECD among 33 member countries indicates the oldest generation has an overall poverty risk 25 per cent lower than the population average - for the first time since the organization began compiling data.

"Major socioeconomic risks have shifted disproportionately from old to young," says Paul Kershaw, a University of British Columbia researcher who leads Generation Squeeze, a campaign to highlight the spending shortfall in family-friendly policies for younger Canadians.

As the OECD study highlights, Canada has fared relatively well, listed in the same group as Sweden and Australia for reversing the market income equality gap, which is the distribution of gross earnings and capital income. (The gap has widened most, unsurprisingly, in countries struck hardest by economic upheaval, including Spain, Ireland and Greece.) Here's an interactive chart for comparing Canada to other countries, and the OECD average.

Young people in Canada were nearly twice as likely, at 13.1 per cent, to be living below the poverty threshold than seniors, and not far off from the OECD average for their age group of 14 per cent. (Children under 18 in Canada had the highest overall rate.) Although Canadians between the age of 18 and 25 saw their disposable income rise annually by 2 per cent - an upward trend only seven other countries could claim - while the other age groups saw their incomes stay steady, Kershaw points out that younger Canadians are still doing more poorly, in real dollars, than their less-educated counterparts from the mid-1970s.

As well, he argues, the pressures that are giving an advantage those older than 55 - rising housing prices and higher median earnings - are creating mounting pressures for everyone else. Even so, his Generation Squeeze data point out that Ottawa and the provinces spend \$40,000 per retiree each year (including the Guaranteed Income Supplement) compared with \$12,000 per person under age 45 - a generational imbalance, he says, that has largely been ignored by political parties of all stripes. But struggling families, he says, carry long-term health risks to both parents and children, and improving those outcomes with affordable child care, for instance, can bring long-term benefits.

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