

David Foot: Province shouldn't be surprised by seniors issues

University of Toronto economist says a tax increase is needed with funds earmarked for health-care costs

Reprinted from *CBCNews*, May 25, 2015.

By Shaun Waters

One of Canada's best-known demographers says he's surprised New Brunswick politicians seem to have been caught off guard by the demands of the province's aging population.

David Foot, an economist at the University of Toronto and author of the best-selling book, "Boom, Bust & Echo," says the province was warned years ago to prepare for trouble.

And it was far ahead of any other jurisdictions when it came to planning.

"Oh, you had all sorts of studies done in the civil service," Foot said.

"I remember consulting on studies in the '80s and again in the late '90s outlining the impacts of population aging on all social services, not just on health care services. Those studies were excellent and those sorts of studies were not being done elsewhere in the country."

Now Foot says it's hard to believe the reports he's hearing of hospitals in New Brunswick packed with seniors waiting to get into nursing homes and doctors furious about the congestion.

Foot says that shouldn't be happening.

The demographer says any of the advice he gave to the New Brunswick government years ago must have been filed and forgotten as bureaucrats concentrated on meeting short-term goals.

The idea of planning for problems that might face older people years into the future probably fell off priority lists.

"We now give bonuses for annual performances, so if you get a bonus for an annual performance you only think one year at a time," Foot says.

"Our senior decision makers in both the private and public sector have become so short-term in their orientation, balancing this year's budget for example, that they've lost complete sight of the long term trends that are underpinning our society."



David Foot, an economist at the University of Toronto, says he warned the New Brunswick government in the 1980s and 1990s about how to prepare for an aging population. (Jeff McIntosh/Canadian Press)

Poor financial planning also blamed

Foot is also blaming poor financial planning for the lack of money to pay for the needs of an older New Brunswick.

"Governments are dropping the ball," he said.

"And to some degree it's Canadians who are dropping the ball because we've got into this no-tax increases-mentality and you can't fund ever greater waves of people in the older age groups without revenues.



Social Development Minister Cathy Rogers has faced repeated questions over the province's nursing home strategy in recent weeks. (CBC)

And I think Canadians are going to have to sit back and think about this a little more deeply."

Foot says it's time to rethink government priorities in New Brunswick and across the country to pay the cost of a bulge in seniors.

He says the obsession governments have with cutting taxes has left the system "in a mess" and needs to be changed.

He suggests introducing some taxes nationally to help provinces pay the cost of taking care of older generations.

"Essentially, we need commitment from particularly public sector and we need new revenues sources. Why shouldn't we put a very small tax point, one per cent tax, on all foreign exchange transactions or a point one per cent tax on all stock market transactions?," Foot says.

"Earmark that money for health care and an aging population, you'd create \$2 billion to \$3 billion overnight if you did either of those two things. And allocate it for this problem. We need much more creative thinking, we need more creative revenue sources."

The economist said these funds need to be earmarked for specific programs and not just flow into general revenues.

Foot says New Brunswick, which was once at the forefront of planning for the boom in seniors can now help other provinces plan for what can go wrong.

"You're facing the crunch before most other provinces, so you know they should be looking at what you're doing because they're going to be facing it too down the road," he says.