



OLDER CANADIANS WORK IN THE PAID LABOUR FORCE

Contrary to the common belief that there is an entrenched culture of early retirement in Canada, the earlier trend reversed in the late 1990s toward later retirement¹. Today, many Canadians continue to work in the paid labour force after the age of 65. Pension income (especially employer-provided pensions), wealth, health issues, job satisfaction/dissatisfaction and caregiving responsibilities all influence older adults' decisions to retire^{2,3,4}

Retirement age is rising

The average retirement age has increased slowly but steadily from age 61.4 to 62.9 between 2008 and 2012; the median retirement age has also risen from 60.8 to 62.6 during the same time period. On average, men still tend to retire later than women⁵. Compared to the national average, older adults in Alberta tend to retire slightly later at age 64⁶. The retirement age is expected to continue to rise as older adults' education and health status continue to improve and the age of eligibility for the Old Age Security increases from age 65 to 67 in 2029⁷.

Retirement is a process rather than an event

Some older adults may remain in the paid labour force past “normal” retirement age or return to paid work after retirement because they enjoy their work, need the social and intellectual stimulation of the workplace, are attracted by an interesting work opportunity or financial incentive offered, or because they simply dislike retirement^{8,9}. With the elimination of mandatory retirement at age 65¹ and more alternatives to retirement open to older adults, retirement is now a process rather than a fixed event¹. Common alternatives include returning to work after retirement¹⁰ (bridge retirement¹¹), slowly cutting back the number of paid work hours (flexible retirement), and working part-time¹². Both older adults and governments favor these alternatives as they ease the transition to retirement, encourage older adults to remain in the paid labour force longer, and ease the anticipated skilled labour shortage due to population aging¹³.

Labour force participation rate among Canadians 65-69 has doubled in last decade

Over the last decade, the labour force participation rate (the proportion of the population who are employed or who are unemployed but looking for a job) has almost doubled among older Canadians. Between 2000 and 2011, labour force participation rates increased from 16% to 30% among Canadian men and from 7% to 18% among Canadian women aged 65-69. Among those aged 70 and older, participation rates also steadily increased from 6% to 10% for men and from 2% to 4% for women¹⁴. And the labor force participation rate of older adults is higher in Alberta (18%) than the national average (12%)¹⁵.

More than 500,000 older adults are employed

The number of Canadian older adults who are employed has increased from 300,000 to 503,100 between 2001 and 2008^{9,16}. Today, 12% of Canadian older adults are employed. More than half (58%) of these are employed full-time and 42% are employed part-time¹⁴. Full time late life employment also is more common in Alberta than the rest of Canada: of the 18%, or 67,800, older adults in Alberta who are employed, 60% work full-time, and 40% work part-time¹⁵. Gender differences in full time/part time work patterns persist into later life with older men more likely than older women to be full-time employees (65% versus 46%) and self-employed (47% versus 30%); older women are more likely than their male counterparts to be part-time employees (54% versus 35%)¹⁴.

Self-employed older adults increased by 100,000 since 2008

Self-employment is even more common among older workers than their younger counterparts, with 40% of older workers opting for self-employment. In fact, the number of self-employed older Canadians has increased by more than 100,000 since the 2008 economic downturn. As with other retirement alternatives, the independence and flexibility of self-employment may make it another desirable option for some older adults¹⁷.

Overall, older adults' participation in the paid labour force benefits society in many ways. Older workers continue to earn employment income, enhancing their financial independence. Employers retain skilled and knowledgeable workers, and mature leaders who are able to mentor younger employees. Income tax paid by older workers on their employment income contributes to government revenues while their continued employment contributes to the sustainability of the labour market and the economy¹⁸.

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“This document was created for “Older Canadians—Burden or Benefit?” a workshop hosted by Sage to improve the knowledge and confidence of leaders in the seniors sector to communicate with others about the contributions of Canada’s seniors. Sage is very grateful for the support provided by the University Of Alberta Department Of Human Ecology, and by the Edmonton Community Foundation. All of the documents used for the event are available online at www.mysage.ca. Sage encourages other organizations to make use of the information included on the fact sheets, but asks that proper referencing is employed.
Sage, June 2013”

