Canada’s population is rapidly aging, which means a growing number of seniors across the country are managing household finances in an evolving economic climate. In this context, many are choosing to remain in – or return to – the paid labour market to manage their financial responsibilities, while others focus on other diverse income sources to meet their needs.

As seniors and their families adapt their financial management strategies and their aspirations in response to this ever-changing environment, they in turn are reshaping workplaces, retirement and the economy at large. To explore the relationship between seniors and family finances, we’ve created a fact sheet that gathers statistics from a variety of sources about seniors and their economic well-being, including data about employment, income, retirement and debt among this age group.

**Senior family finances are complex and evolving.**

Family income among seniors is diverse and complex, with the household income of those aged 65 and older coming from a unique constellation of income sources that evolves over time. *Income generated through paid labour is just one element in this portrait of senior family finances.*

### Share of Seniors Reporting Income, by Income Source (Highlights), 2005 and 2015

<table>
<thead>
<tr>
<th>Income Source</th>
<th>2005 (%)</th>
<th>2015 (%)</th>
<th>2005 (%)</th>
<th>2015 (%)</th>
<th>2005 (%)</th>
<th>2015 (%)</th>
<th>2005 (%)</th>
<th>2015 (%)</th>
<th>Total Median Income (Individuals)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>20.6</td>
<td>29.8</td>
<td>57.3</td>
<td>50.3</td>
<td>60.2</td>
<td>61.7</td>
<td>92.3</td>
<td>90.1</td>
<td>$24,200 $27,400</td>
</tr>
<tr>
<td>Investment</td>
<td>13.2</td>
<td>22.3</td>
<td>58.3</td>
<td>50.1</td>
<td>54.4</td>
<td>58.3</td>
<td>94.2</td>
<td>91.7</td>
<td>$20,700 $22,800</td>
</tr>
<tr>
<td>Private Retirement</td>
<td>29.8</td>
<td>38.4</td>
<td>56.1</td>
<td>50.5</td>
<td>67.5</td>
<td>65.5</td>
<td>90.0</td>
<td>88.3</td>
<td>$31,700 $34,600</td>
</tr>
<tr>
<td>OAS and GIS</td>
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<td>CPP/QPP</td>
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<tr>
<td>Total Median Income</td>
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<td></td>
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</tbody>
</table>

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**5.9 million**

In 2016, there were more than 5.9 million seniors in Canada, accounting for nearly 1 in 6 Canadians (16.9%).² This share is up from 8.6% in 1976 and is projected to reach nearly one-quarter (23%) of Canadians by 2031.³ ⁴

**A growing share of seniors continues to earn income to manage financial responsibilities.**

**63.6 years**

Many Canadians plan to keep working to ensure sufficient income as seniors.

**Average retirement age** in Canada in 2016 was 63.6 years. This follows a slow but steady increase from a low of 60.9 years in 1998, but remains below the average age recorded between 1976 and 1986, when it ranged from 63.7 years to 65.1 years.⁵

**The highest average retirement age** in 2016 was found among self-employed Canadians,⁶ at 68.1 years.
Many Canadians plan to keep working to ensure sufficient income as seniors, with more than one-third (36%) of those in the labour force reporting in 2014 that ongoing employment earnings are a part of their financial retirement plan.7

Approximately 1 in 8 (12%) said they did not know what their primary source of income would be in retirement.

Among seniors in Canada, a growing share is receiving income from paid employment, with the labour market participation rate at 13.7% in 2016, up from 6% in 2000.8

<table>
<thead>
<tr>
<th>2000</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>6%</td>
<td>13.7%</td>
</tr>
</tbody>
</table>

10.2% of senior women were in the paid labour market in 2016, triple the rate in 1996 (3.4%).

17.9% of senior men were in the paid labour market in 2016, nearly double the rate in 1996 (9.8%).

Among seniors, the highest paid labour force participation rate in 2016 was among the 65–69 age group, at just over 26% (21% among women, 26% among men).

In 2015, seniors reporting an Aboriginal identity had a total median before-tax income of approximately $22,000 ($21,800 after taxes), compared with $27,500 for non-Aboriginal seniors ($25,900 after taxes).9

Incomes varied by Aboriginal identity:
- First Nations: $20,800 ($20,600 after taxes)
- Inuit: $25,300 ($24,800 after taxes)
- Métis: $24,700 ($23,900 after taxes)
- Multiple Aboriginal responses: $22,000 ($21,800 after taxes)

In 2015, immigrant seniors aged 65 to 74 had a total median before-tax income of approximately $25,000 ($23,900 after taxes), compared with $31,700 among Canadian-born seniors ($29,100 after taxes).11

Rates varied by Aboriginal identity, with 26.3% of First Nations, 45.9% of Inuit, 32.8% of Métis and 30.9% of people reporting multiple Aboriginal identities having employment income in 2015.

In 2015, nearly 4 in 10 immigrant seniors aged 65 to 74 (37.1%) reported employment income, compared with 38.8% of Canadian-born seniors. Immigrant senior men (44.6%) were more likely than their female counterparts (30.2%) to report employment income.

In 2015, 29.6% of seniors reporting an Aboriginal identity reported employment income in 2015, similar to the rate among non-Aboriginal seniors (29.7%). Aboriginal senior men (36.1%) were more likely than their female counterparts (24%) to report employment income.10

In 2012, seniors living with a disability had a total median before-tax income of approximately $21,500 ($21,200 after taxes), compared with $25,000 for seniors who are not living with a disability ($24,000 after taxes).12

In 2012, 18.1% of seniors living with a disability reported employment income, compared with 28.4% among those who were not living with a disability.
In 2015, nearly 1 in 5 seniors in Canada (19.3%) had “unaffordable” shelter costs (more than 30% of average total monthly income) – lower than the national average of 24.1%.13

Many seniors live with low income, and marginalized groups are affected disproportionately.

In 2015, low income rates were higher among senior women (16.7%) than senior men (12%).17

16.7% 12%

In 2015, nearly 1 in 7 seniors (14.5%) lived with low income in 2015,18 nearly four times the estimated rate in 1995 (3.9%).16

Nearly 4 in 10 of surveyed seniors in Canada (37%) say they plan on leaving an inheritance to a grandchild.25

$750 billion

An estimated $750 billion is expected to be transferred to Canadians aged 50 to 75 between 2016 and 2026 – the “largest intergenerational wealth transfer in Canadian history” over such a period of time.26

In 2015, seniors in Canada reported an average $2,600 in health care-related expenditures (includes private health insurance plan premiums). This is lower than the average expenditures reported by the 55–64 age group ($2,800), but twice the amount reported by Canadians under 30 ($1,300).14

Many seniors have financial relationships and responsibilities with younger generations.

In 2015, low income rates were higher for seniors reporting an Aboriginal identity (21.5%) than non-Aboriginal seniors (14.5%). Among Aboriginal seniors, low income rates were higher for women (23.9%) than men (18.8%).22

Rates varied by Aboriginal identity, with 24.8% of First Nations seniors, 19.2% of Métis, 17.5% of Inuit and 23.7% of seniors reporting multiple Aboriginal identities having low income in 2015.

Aboriginal Non Aboriginal
21.5% 14.5%

In 2015, income rates were higher for immigrant seniors (15.5%) than Canadian-born seniors (14.2%). Among immigrant seniors, low income rates were higher for women (17.2%) than men (13.6%).23

Recent immigrant seniors (those who arrived between 2011 and 2016) had a higher rate than the overall average among immigrant seniors, at 22.2%.

15.5% 14.2%

In 2015, the income rates were nearly triple the estimated rate in 1995 (4.7%).19

16.7% 12%

15.5% 14.2%

In 2015, rates were significantly higher for those living in skip-generation households (80%) or multi-generational households with a lone-parent middle generation (75%).

16.7% of senior women lived with low income in 2015,18 more than triple the estimated rate in 1995 (4.7%).19

12% of senior men lived with low income in 2015,20 more than 4 times the estimated rate in 1995 (2.8%).21

16.7% 12%

24.8%
This content was reviewed by Mark Schaan, Vanier Institute Board Member and Director General, Marketplace Framework Policy Branch at Innovation, Science and Economic Development Canada.
The Vanier Institute of the Family is a national, independent, charitable organization dedicated to understanding the diversity and complexity of families and the reality of family life in Canada. The Institute offers access to a range of publications, research initiatives, presentations and social media content to enhance the national understanding of how families interact with, have an impact on and are affected by social, economic, environmental and cultural forces.

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