

Retirement and the Health + Wealth Equation

Life After Work



ARU SHARMA

For many Canadians, the notion of retiring at age 65 is no longer realistic, necessary or desired. Since 60-year-old men in Canada can expect to live another 27.3 years and 60-year-old women can expect to live another 29.4 years,¹ many adults are staying in the workforce longer. In the last 10 years, labour force participation of adults 65 and over has risen from 6.7% to 12.6%.² Many parents are forgoing retirement in order to aid their children who have had difficulty in securing a job, as many youth are staying in school longer and the labour market has become increasingly difficult to enter.³

The relationship between retirement and health, according to literature, is complex. In reality, the relationship is further complicated by the “wealth” component of the equation. The timing and reasons that inform people’s retirement decisions are often heavily influenced by their financial situation and their ability to live on pension income and savings for possibly another 30 years or longer.

According to self-reported data from the National Population Health Survey, retirement had no effect, positive or negative, on health regardless of gender and income levels.⁴ However, other studies have found that retirement leads to *lower* overall health when retirement offers a sedentary lifestyle and therefore negatively influences retirees’ health by putting people at risk of obesity and its many co-morbidities (such as diabetes and cardiovascular disease).⁵

The Canadian Community Health Survey (CCHS), which focused on healthy aging, also found that fully retired individuals had lower overall health status than those still attached to the labour force, despite adjusting for age-related differences.⁶ The CCHS measured health status based on the number of chronic conditions respondents had and a five-category scale of *perceived* health, which included measures of perceived mental health and stress, functional health (related to vision, hearing, memory and the like), substance use and level of physical activity.⁷

Yet other studies have suggested that retirement *enhances* health, as it offers relief from job-related stress.⁸ There are other possible explanations for why remaining

The relationship between retirement and health is complex, and research into this topic has consequently produced conflicting results.

in the workforce is correlated to enjoying better health. One may be that those who experience a poorer health status choose retirement in order to manage their health issues by mitigating work-related stress, thereby decreasing the number of people in the workforce with poor health. Another feasible reason is that working improves financial security and has a positive impact on notions of self-worth, thereby decreasing stress and health issues.

Research into the correlation between retirement and health has produced some conflicting results, which is perhaps not surprising considering the complex relationships that exist between work and health. Wealth is an important aspect of this relationship, as financial security – which is often provided through labour force participation – has a profound impact on an individual’s health and well-being. Any analysis of retirement and health must take all of these aspects into account, as they all influence how Canadians manage their own “health + wealth” equation. ◀

Aru Sharma is a fourth-year Bachelor of Health Sciences student at the University of Ottawa.

¹ Canadian Institute of Actuaries, *Canadian Pensioners Mortality* (July 2013), accessed December 10, 2013, <http://bit.ly/1fgYlgu>.

² Statistics Canada, *Labour Force Survey Estimates (LFS), by Sex and Detailed Age Group*, CANSIM table 282-0002, accessed December 10, 2013, <http://bit.ly/17jEo5N>.

³ Leger Marketing, *CIBC Poll: Parents Delaying Retirement, Taking on Debt to Help Kids Pay for Education* (August 2013), accessed December 1, 2013, <http://bit.ly/152Rgly>.

⁴ Ehsan Latif, “The Impact of Retirement on Health in Canada,” *Canadian Public Policy* 38:1 (March 2012), accessed December 10, 2013, <http://bit.ly/1h30s8e>.

⁵ Ibid.

⁶ Jungwee Park, “Retirement, Health and Unemployment Among Those 55 Plus,” *Perspectives on Labour and Income* (Spring 2011), Statistics Canada catalogue no. 75-001-X, accessed December 10, 2013, <http://bit.ly/Jasbb4>.

⁷ Ibid.

⁸ Latif.