

FASCINATING FAMILIES

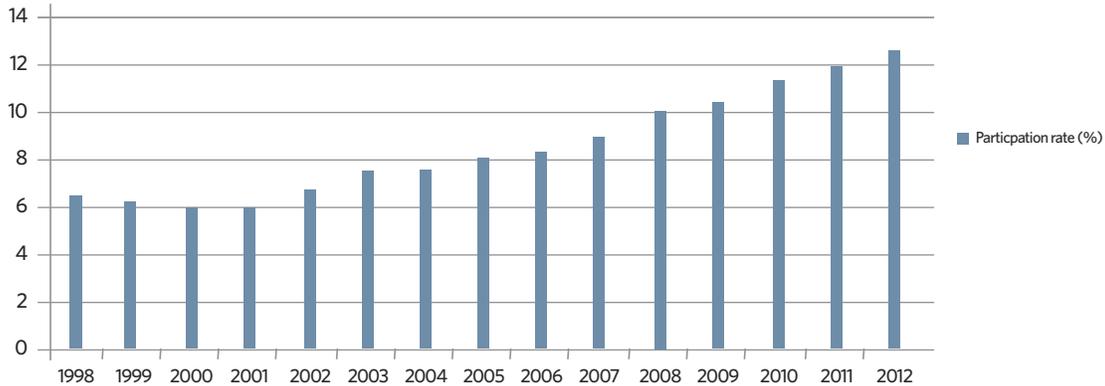
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Working Seniors in Canada

BY NATHAN BATTAMS

Labour force participation rate of Canadians aged 65 and older, Canada, 1998-2012



SOURCE: Statistics Canada (2012). "Labour Force Survey Estimates (LFS), by Sex and Detailed Age Group." Data from CANSIM Table 282-0002. Accessed September 4, 2013. <http://bit.ly/17jEo5N>

Canada is now home to a higher proportion of seniors than ever before. According to the 2011 Census, Canadians aged 65 and older accounted for 14.8% of the population, and the number of seniors increased by 14.1% between 2006 and 2011.¹ Consequently, the working-age population is also becoming "greyer": the 2011 Census was the first time in which there were more 55-64 year olds (where people are more likely to be nearing the end of their time in the paid labour force) than 15-24 year olds (where people typically are about to begin paid work).²

The participation rate of Canadians aged 65 and older in the labour force has nearly doubled over the past decade: their participation rate was 6.7% in 2002, but has increased every year since, to 12.6% in 2012. This is a significant shift from the 1986-2002 period,

during which the labour force participation rate of seniors hovered between 6% and 7%.³

In this demographic context, it is perhaps not surprising that only 27% of 30-65 year old Canadians surveyed in 2012 believed that they will have fully retired after age 65 - down from 55% in 2009. Nearly the same number of survey respondents (26%) said they expect to be working full time at this age, while 32% said they expect to work part time.⁴

Why are a growing number of Canadians working (or expecting to work) past age 65? Numerous factors are at play. First of all, Canadians are more able to work longer than in the past. The end of mandatory retirement has opened the doors for senior Canadians who want to remain in the paid labour force. In addition, life expectancy continues to

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rise, now at 83 years for women and 79 years for men born between 2007 and 2009⁵ (another recent study suggests life expectancy could currently be as high as at 89 years for women and 87 years for men⁶).

A growing number of surveyed Canadians say they plan to work as seniors because they “need to” (from 53% in 2009 to 63% in 2012), while fewer are planning to because they “want to” (from 47% in 2009 to 37% in 2012). The most commonly cited reason for working at this age was “to earn enough money to pay basic living expenses” (25% of respondents) – up from 11% in 2008.⁷

Some Canadian seniors decide to continue working due to a shortfall in savings, as efforts to save for retirement are sometimes complicated by competing financial priorities. Rising debt levels over the past decade have led a growing number of Canadians to focus on getting “out of the red” rather than saving for retirement. In late 2012, only 7% of surveyed Canadians identified “retirement planning” as their top financial priority (down from 13% two years earlier), compared to 17% who said “paying down debt” was their main financial priority.⁸

For parents, savings originally intended for retirement are sometimes redirected to help out their children, many of whom are struggling to make ends meet due to student debt or a tough labour market, or because they are trying to save toward buying a home. Thirty-six percent of surveyed Canadians with children under the age of 25 reported that they will need to delay their retirement because they’ve used some of their savings to help fund their child’s education – 19% of whom plan to delay by five or more years.⁹

But retirement savings (or a lack thereof) are only a part of the picture. As mentioned earlier, nearly

4 in 10 (37%) Canadians who plan on working past age 65 say they will do so because they “want to,” not because they have to. Some reported that they plan to continue working because they “enjoy [their] job or career” (10%),¹⁰ and communication technologies that have facilitated remote work for many Canadians (e.g. laptops, email, Skype) are now making it easier for seniors to work despite physical activity limitations that may have acted as barriers in the past.

Family Lens

Family finance is a complex topic, in part because people utilize a diversity of resources (income, wealth, investments, interfamilial transfers, government transfers, etc.) to manage the diversity of costs they face. This diversity is a strength, as it can provide flexibility that will help people adjust their financial strategies to react to changing economic conditions. Many Canadians are deciding to remain in the labour force longer than previous generations. Some haven’t saved enough to retire at age 65 or have redirected their retirement savings to help out family members. Others are deciding to work simply because they enjoy their jobs and find fulfillment through employment, which is often facilitated through communication technologies. Working seniors are making us reconsider what “retirement age” really means, and families, employers, colleagues, policymakers, human resource professionals and Canadians at large are adapting to this new reality.

Nathan Battams is a writer and researcher for the Vanier Institute of the Family.

¹ Statistics Canada (2012). “2011 Census: Age and Sex,” in *The Daily* (May 29, 2012). Accessed September 4, 2013. <http://bit.ly/K86kA2>

² Statistics Canada (2012).

³ Statistics Canada (2013). “Labour Force Survey Estimates (LFS), by Sex and Detailed Age Group,” from CANSIM Table No. 282-0002. Ottawa. Accessed August 27, 2013. <http://bit.ly/17jEo5N>

⁴ Ipsos (2013). *Sun Life Canadian Unretirement Index* (survey, conducted November–December 2012). Accessed August 27, 2013. <http://bit.ly/Xx0o5X>

⁵ Statistics Canada (2012). “Life Expectancy at Birth, by Sex, by Province,” from CANSIM Table No. 102-0512. Statistics Canada Catalogue No. 84-537-XIE. Accessed August 27, 2013. <http://bit.ly/HBOTGP>

⁶ Canadian Institute of Actuaries. *Canadian Pensioners Mortality*. Accessed September 10, 2013. <http://bit.ly/199Ofit>

⁷ Ipsos (2013).

⁸ Harris/Decima. *Top Financial Priorities for Canadians Entering 2013* (survey, conducted October–November 2012). Accessed September 4, 2013. <http://bit.ly/1dKahlW>

⁹ Léger Marketing. *CIBC Poll: Parents Delaying Retirement, Taking on Debt to Help Kids Pay for Education*. Accessed August 28, 2013. <http://bit.ly/152Rglv>

¹⁰ Ipsos (2013).

