

# 25 More older adults are working for pay and retiring later

In 2023, data from the Labour Force Survey (LFS)<sup>a</sup> showed that a record high 15.0% of adults aged 65 and older in Canada participated in the labour market, up from 6.6% in 1994.<sup>1</sup> Among adults aged 65 and older, women (11.2%) were less likely than men (19.3%) to have participated in the labour market in 2023.<sup>1</sup> Both rates were up from 4.2% and 15.4%, respectively, in 1976.

The average age at retirement has fluctuated since the late 1970s but has increased since the 1990s.<sup>2</sup> After falling from 64.9 years in 1976 to a low of 60.9 years in 1998, the average age at retirement then reversed course and has since steadily increased to its current high of 65.1 years in 2023.

In 2022, approximately one in five people aged 65 to 74 were employed (21%).<sup>3</sup> These workers were more likely to report working primarily by choice (12%) than necessity (9%). But these factors are not mutually exclusive; both can play a role. Many older adults continue to work productively in their primary career, while others take on different jobs, also known as “bridge employment,” near the end of their time in the labour market.<sup>4</sup>

Since more than eight in 10 adults aged 65 and older are grandparents,<sup>b</sup> it is not

surprising that there is a higher percentage of grandparents working for pay than in past decades. In 1995, the proportion who reported “working at a paid job or business in the last 12 months” as their main activity was 29.2%.<sup>c</sup> By 2011, this had increased to 34.1%.<sup>d</sup> In 2017, the most recent year for which data is available on the topic, grandparents were asked whether they had work at a paid job or business in the past year. More than four in 10 grandparents in Canada (40.3%) reported having done so.<sup>e</sup>

## Why this matters

Increasing life expectancy and the declining share of physically demanding jobs in the Canadian labour market have contributed to more older adults being able to work past traditional retirement age.<sup>3</sup> In addition, mandatory retirement at age 65 was prohibited federally in 2012.<sup>5</sup>

Other factors have “pushed” many into working past age 65. Some factors include changes in their financial status and obligations; the 2008–2009 recession and global financial crisis, combined with the decline in pension coverage; and changes to pension plans in the 1990s and 2000s.<sup>6</sup>



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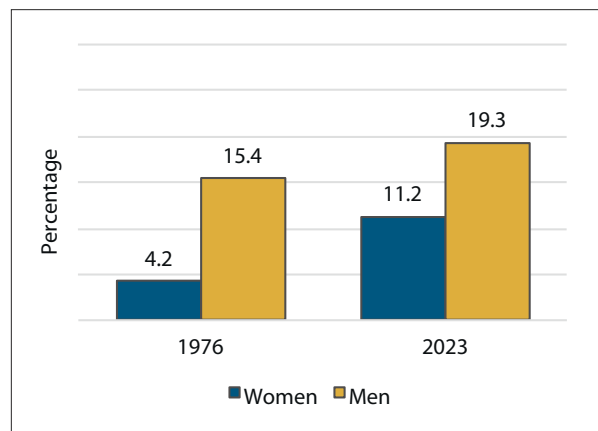
Some older employees may work past age 65 to retain access to employer-sponsored health insurance and retirement benefits, which can help to ensure or support their wellbeing. Beyond the financial benefits, employment can contribute to a sense of identity, social contacts, regularly scheduled activity and time structure, and a sense of meaning or purpose.<sup>7,8</sup>

Some older adults continue to work past age 65 to provide financial support to their children or grandchildren.<sup>9</sup> More than one in five (21%) grandparents surveyed in April 2024 said they are currently supporting at least one adult child aged 25 or older.<sup>10</sup> The growing proportion of older workers earning income may affect intergenerational transfers of wealth. Being able to access financial support from parents may make it easier for the younger generations to finance house purchases or other substantial expenditures.<sup>11</sup>

Still, previous research on older workers found that not having enough time for family was one of the most commonly

cited reasons for dissatisfaction with their work-life balance.<sup>12</sup> Also, many older adults are actively engaged in unpaid work with their families and communities, such as caregiving and volunteering.<sup>6</sup> Time spent on paid work may result in being less available for these activities and other interests or obligations that are important to their wellbeing.

**Labour force participation rate of adults aged 65 and older, by gender, Canada, 1976-2023**



Source: Statistics Canada. (2024, January 5). Table 14-10-0327-01 Labour force characteristics by sex and detailed age group, annual.<sup>1</sup>

<sup>a</sup> Data from the LFS excludes the territories, persons living on reserves, full-time members of the regular Canadian Armed Forces, and persons living in institutions.

<sup>b</sup> Data from the 2011 General Social Survey showed that 79%–84% of women and 72%–84% of men aged 65 and older were grandparents. Margolis, R. (2016, June). The changing demography of grandparenthood. *Journal of Marriage and Family*, 78(3), 610–622. <https://doi.org/10.1111/jomf.12286>

<sup>c</sup> Statistics Canada. (2024). General Social Survey, 1995. Custom tabulation.

<sup>d</sup> Statistics Canada. (2024). General Social Survey, 2011. Custom tabulation.

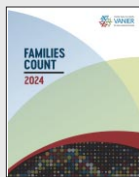
<sup>e</sup> Statistics Canada. (2024). General Social Survey, 2017. Custom tabulation.



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*Families Count 2024* is a publication of the Vanier Institute of the Family that provides accurate and timely information on families and family life in Canada. Written in plain language, it features chapters on diverse topics and trends that have shaped families in Canada. Its four sections (Family Structure, Family Work, Family Identity, and Family Wellbeing) are guided by the [Family Diversities and Wellbeing Framework](#).

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