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Later Life Work, Retirement, and Economic Security

Chapter Overview

In this chapter, you will learn about how the changes in work history that have taken place over recent decades have also changed the meaning of work, retirement, and economic security in later life—both at the individual and the societal level. Some of the changes have led to increased economic security for many people, including enhanced public and private benefits. However, other changes, such as frequent shifts in the economy, job losses, and downsizing, for example, have caused many people to experience a great deal of trepidation about their economic security in their retirement years. Many people are also deciding to pursue their education, which can delay work and family goals. People also want to decide for themselves when they work, which has led to individualization of work life, frequent shifts in jobs or careers, and individuals seeking an optimal work–life balance.

Increased education among women has led to more economic security for them; however, they are often faced with caregiving responsibilities that force them to enter the labour force late or to leave it early. These types of gender differences in the labour force are one focus of this chapter. As a result of these changes, retirement is no longer something that happens as soon as one turns 65. Many older adults want to (or have to) continue working after this time. This decision has created

complex ethical debates over whether a person should have to retire at a certain age, forcing some cultural shifts in attitudes towards retirement.

Learning Objectives

By the end of this chapter, you will be able to do the following:

- Refute the argument that older workers are less efficient, productive, reliable, or creative than younger workers.
- Explain why the Canadian labour force is aging and shrinking in size, and discuss the consequences for society.
- Provide evidence that there is age-based discrimination in the hiring, promoting, or retraining of older workers and in the salary and benefits they are offered, and whether and to what extent this is changing over time.
- Provide an answer (with evidence) to the question: will there be enough workers to ensure a productive society once the baby boomers retire?
- Describe and understand the rationale for flexible, innovative retirement policies and practices to sustain the needs of the workforce and to maintain the viability of both the Canada Pension Plan and private pension plans.
- Identify different levels of poverty among older women and apply the “feminization of poverty” to those patterns.
- Discuss, from a policy perspective, whether our pension system (private and government) requires an overhaul, and if so, what the primary areas requiring change are, and why.
- Provide both sides of the argument that society should encourage older people to continue working.

Key Facts

- It is projected that by 2021, 25 per cent of the labour force will be 45 to 54 years of age and that one in seven workers will be 55 to 64 years of age.
- More adults continue to work after 65 years of age, with about 8 per cent of older women and 16.5 per cent of older men being in the Canadian labour force.
- Over the next 20 to 30 years, a retirement wave will evolve as 9.5 million baby boomers become eligible to retire.
- In 2015, about 14.5 per cent of those aged 65 and over (16.7 per cent for older women and 12 per cent for older men) lived below the poverty line (using the Statistics Canada low-income after-tax measure), but the highest poverty rates are for women aged 65 and over living alone or with non-family.

Key Term

Inflation A large increase in the price of consumer goods and services that results in a loss of purchasing power, especially for those whose income remains fixed or whose income rises slower than inflation. Inflation is often measured by the size of and the rate of increase of the Consumer Price Index. (p. 325)

Study Questions

See below for answers.

1. Is the labour force graying? Why or why not?
2. How have women's work histories influenced their economic security in later life?

Additional Resources

Articles and Reports

- Bonikowska, A. & Schellenberg, G. 2014. [Employment Transitions Among Older Workers Leaving Long-term Jobs: Evidence from Administrative Data](#), Statistics Canada.
- Employment and Social Development Canada. 2017. [2016 Evaluation of the Targeted Initiative for Older Workers](#).
- Fast, J., Lero, D., DeMarco, R., Ferreira, H., & Eales, J. 2014. [Combining care work and paid work: Is it sustainable?](#)
- Financial Consumer Agency of Canada. 2014. [Strengthening Seniors' Financial Literacy](#).
- Fox, D. and Moyser, M. 2018. [Women in Canada: A Gender-based Statistical Report - The Economic Well-Being of Women in Canada](#). Statistics Canada.
- Lafrance, A., and LaRochelle-Côté, S. 2011. [Consumption Patterns Among Aging Canadians: A Synthetic Cohort Approach](#). Statistics Canada Catalogue no. 11F0027M. Ottawa, Ontario. Economic Analysis (EA) Research Paper Series. No. 67.
- Shillington, R. 2016. [An Analysis of the Economic Circumstances of Canadian Seniors](#). Ottawa: Broadbent Institute.

Videos

Canadian Retirement Information Centre. 2017. [70 Percent Rule](#). (1:54 minutes)

An increasing amount of retirees are finding that life in retirement can be more costly—find out how to make retirement affordable.

Khan M and Memon, M. 2016. [Labour Transitions: Retirees who return to work](#), Canadian Longitudinal on Aging Webinar. (54:16 minutes)

With Canadians living longer and healthier, the concept of retirement has evolved from a one-step abrupt exit from the labour force to a series of transitions from active labour force participation to relative inactivity. Some Canadians are choosing to reduce gradually their working hours before fully exiting the labour force whereas others are exiting the labour force earlier but later returning to work post-retirement. Findings suggest that labour market participation decisions, such as earlier retirement and/or return to work, may be motivated by a complex interaction of demographic and circumstantial factors.

Websites

Canadian Retirement Income Calculator,

www.canada.ca/en/services/benefits/publicpensions/cpp/retirement-income-calculator.html

Stapleton, J. Open Policy Ontario, Retiring on a low income,

<http://openpolicyontario.com/retiring-on-a-low-income-3/>

Study Questions—Answers

1. The labour force is both aging and becoming more highly educated. In 2016, workers aged 55 or older made up 18.2 per cent of the total labour force, compared to 17.5 per cent in 2011, and 15.3 per cent in 2006. Furthermore, these rates were similar for women and men. The percentage of those 65 and over in the labour force also rose, from about 9 per cent in 2001 to 11.9 per cent in 2011 to 13.7 per cent in 2016. This pattern is increasing as the baby boomers choose to work longer than previous cohorts. At the same time, the Canadian labour force is shrinking in size because there are fewer younger workers as a result of lower fertility rates. Another change is that in today's linked global economy, more work is performed "offshore." (pp. 317–319)
2. Cultural norms, structural inequities, historical events, and personal biographies (involving a partner, raising children, and caring for parents) influence the meaning of work and the career path for women more than for men. Thus, whereas studies of men's involvement in work or careers focus almost exclusively on the work domain, to understand women's involvement in work, we must look as well at their family situation across the life course. Although more childless and never-married women pursue continuous and successful lifelong careers, most women still acquire or assume family responsibilities or experience life transitions that significantly influence their work history—marriage, children, divorce, an empty nest, widowhood, and parent or grandchild care. Many transitions into and out of the labour force are influenced by these family transition events. Consequently, some mid- and later-life work transitions for women represent a response to earlier unfulfilled life goals once a woman has fewer family responsibilities after her children leave home or if she becomes divorced or widowed. (pp. 319–321)