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# PERSPECTIVES

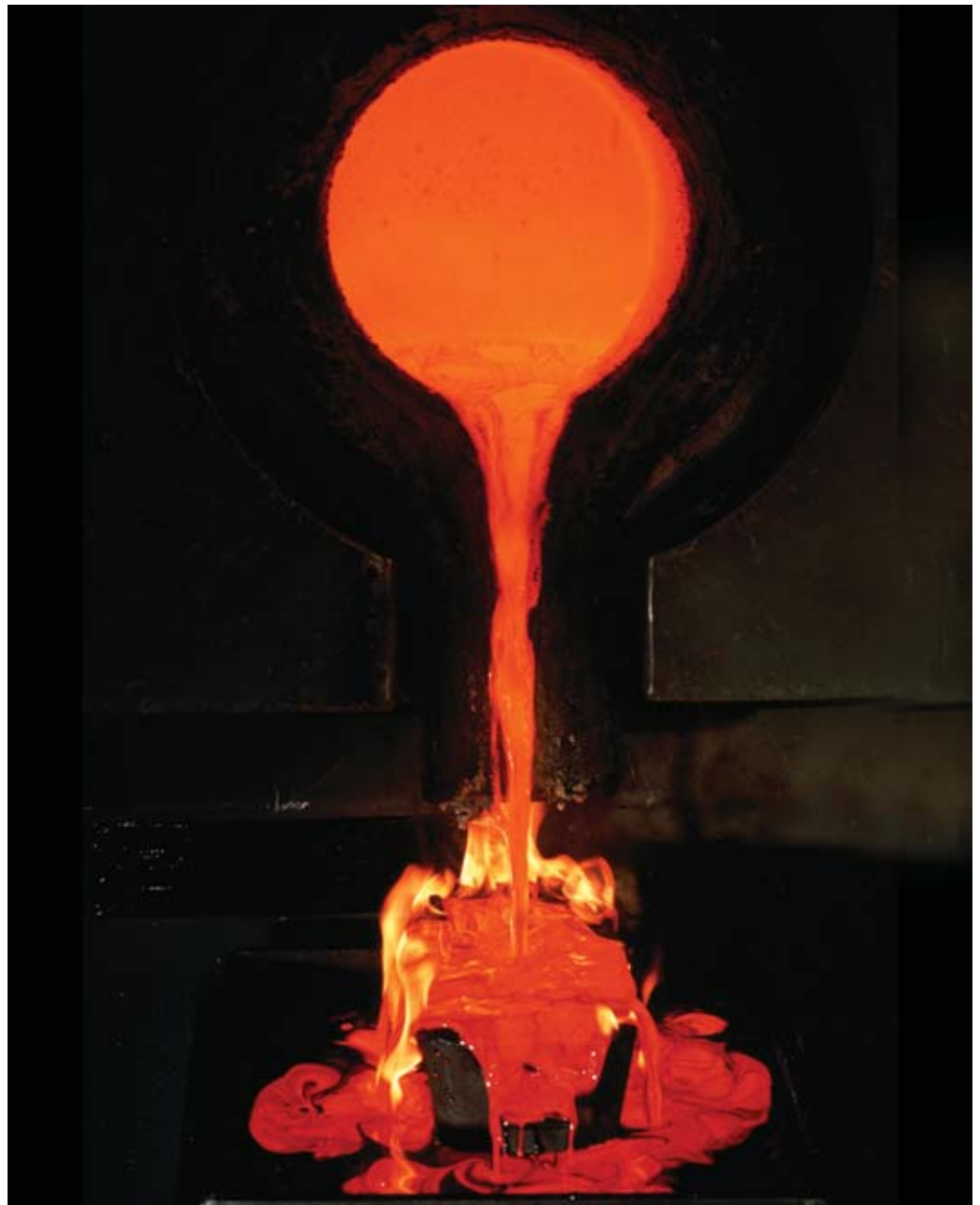
ON LABOUR AND INCOME

**OCTOBER 2004**

Vol. 5, No. 10

■ LOW-PAID WORKERS

■ RETAINING OLDER  
WORKERS



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E	use with caution
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# Highlights

## *In this issue*

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### ■ **Low-paid workers: How many live in low-income families?**

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- In 2000, roughly 16% of full-time employees received relatively low earnings—less than \$375 per week. Of these, 30% lived in low-income families, a proportion that has changed little over the last two decades.
- While low-paid workers were, on average, no more likely to live in low-income families in 2000 than in 1980, the risk for some groups changed. Recent immigrants who were not members of a visible minority saw their rate rise from 28% to 44% to equal that of their visible-minority counterparts. In contrast, low-paid lone mothers saw their risk fall from 66% to 56%.
- Low-paid workers earned less in 2000 than in 1980. Their average weekly earnings decreased by 8%, compared with a rise of 11% for all full-time employees.
- Low-paid workers did not seem to experience a decline in living standards over the period. After accounting for changes in family size, their average family income grew 5%.

### ■ **Retaining older workers**

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- About one-third of those who retired between 1992 and 2002 were healthy individuals who would have been willing to continue working if circumstances had been different.
- Many of these individuals said they would have continued working if they had been able to reduce their work hours without their pension being affected. Salary increases would also have encouraged many to stay on the job.
- Individuals who retired before age 60, and those who had a postsecondary certificate or diploma or a university degree were among the most likely to say that reduced work hours would have encouraged them to keep working.
- Retirees previously employed in health care, social assistance and education were least likely to prefer continued employment—an important consideration given the growing number of employees in those industries who are nearing retirement.

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#### Perspectives

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# Low-paid workers: How many live in low-income families?

Lucy Chung

**L**ow-wage jobs are a perennial topic of interest for labour market and social analysts. Almost two million Canadians, aged 20 or older, work for less than \$10 an hour, with about one-third being the only wage earner in the family (Maxwell 2002).

Simply being employed is no longer enough to exempt a person from economic and social risks. Low-wage workers are less likely to have access to non-wage benefits such as pension plans, supplemental health insurance, and dental plans. Furthermore, low-wage jobs are more likely to be temporary or part-time and less likely to be unionized. Jobs with no certainty of continuing, with less input into working conditions, less regulatory protection, and low wages have been termed 'precarious' (Rodgers 1989).

The primary question, however, is whether low wages represent a serious impediment to an individual's quality of life. Changes in economic family structure over the years have meant that fewer families have only one breadwinner, and as women's employment rate has increased, more families have multiple and secondary earners. On the other hand, the number of lone-parent families has increased, and a single minimum-wage job in these circumstances may not be economically sufficient.<sup>1</sup> Using the census, this article explores which groups of individuals were at risk of being low-wage earners in 2000, what proportion of them lived in low-income families, and how the situation changed between 1980 and 2000.

## Those more likely to have low weekly earnings

In 2000, about 1.7 million Canadians were in low-paid, full-time jobs, representing 16% of all full-time employees—only a slight (1%) increase from two decades earlier (see *Distribution of wage earners in Canada*). Although the overall proportion did not change much, some groups saw their propensity to have low earnings increase substantially (Table 1).

*Lucy Chung is with the Business and Labour Market Analysis Division. She can be reached at 951-1903 or perspectives@statcan.ca.*

	Full-time employees	Low-paid workers	
		Total	In low income
		'000	
<b>Total</b>	<b>10,270</b>	<b>1,675</b>	<b>502</b>
<b>Sex</b>		%	
Men	56.9	42.3	51.3
Women	43.1	57.7	48.7
<b>Education</b>			
Less than high school	18.7	30.2	32.1
High school diploma	25.6	32.5	30.2
Postsecondary certificate	35.7	29.4	28.8
University degree	20.0	8.0	8.8
<b>Age</b>			
15 to 24	8.2	22.6	20.8
25 to 34	24.0	24.0	26.3
35 to 44	31.4	25.1	27.9
45 to 54	26.2	19.2	17.6
55 to 64	10.2	9.0	7.5
<b>Immigrant status</b>			
Recent	3.0	5.0	7.2
Mid-term	6.0	8.2	10.7
Long-term	11.4	8.8	8.6
Canadian-born	79.7	78.1	73.4
<b>Visible minority</b>			
Yes	12.1	15.7	20.6
No	87.9	84.3	79.4
Canadian-born			
Visible minority	1.5	1.6	1.6
Non visible minority	78.2	76.5	71.8
Recent immigrant			
Visible minority	2.1	4.0	5.8
Non visible minority	0.9	1.0	1.5
Mid-term immigrant			
Visible minority	4.2	6.4	8.8
Non visible minority	1.8	1.9	1.9
Long-term immigrant			
Visible minority	4.3	3.8	4.4
Non visible minority	7.1	4.9	4.2
<b>Family status</b>			
Married/common law	68.3	56.3	41.0
Lone fathers	1.4	0.9	1.6
Lone mothers	4.4	6.2	11.6
Living with relatives	1.9	3.3	2.3
Unattached individuals	4.6	6.5	17.0
Less than 40	3.4	5.2	13.9
40 and over	1.2	1.3	3.1
Living alone	10.6	8.7	20.4
Unmarried, living with parents	9.0	18.1	6.2
<b>Disabled</b>			
Yes	9.1	11.1	12.6
No	90.9	88.9	87.4

Source: Census of Population, 2001

**Table 1: Proportion of wage earners who were low-paid workers**

	Men		Women	
	1980	2000	1980	2000
	%			
<b>Total</b>	<b>9.0</b>	<b>12.1</b>	<b>26.1</b>	<b>21.9</b>
<b>Education</b>				
Less than high school	12.5	19.0	38.6	39.2
High school diploma	10.0	15.6	26.0	27.0
Postsecondary certificate	6.4	9.2	19.5	19.0
University degree	3.6	5.4	7.6	7.8
<b>Age</b>				
15 to 24	23.9	39.9	39.7	52.4
25 to 34	6.6	12.2	19.9	21.5
35 to 44	4.7	8.5	21.8	19.0
45 to 54	5.1	8.0	23.4	17.1
55 to 64	6.8	10.5	24.4	20.9
<b>Immigrant status</b>				
Recent	12.1	20.5	36.4	36.4
Mid-term	7.6	17.4	24.6	28.4
Long-term	5.2	9.3	21.4	16.8
Canadian-born	9.5	11.8	26.4	21.5
<b>Visible minority</b>				
Yes	10.1	17.2	26.1	26.0
No	8.9	11.5	26.1	21.3
Canadian-born				
Visible minority	10.2	16.6	19.3	17.7
Non visible minority	9.5	11.8	26.4	21.6
Recent immigrant				
Visible minority	15.9	23.8	38.7	40.1
Non visible minority	8.0	13.0	33.2	26.8
Mid-term immigrant				
Visible minority	7.7	19.7	21.6	30.7
Non visible minority	7.5	12.3	26.6	22.8
Long-term immigrant				
Visible minority	6.8	11.6	19.3	17.8
Non visible minority	5.1	8.0	21.5	16.1
<b>Family status</b>				
Married/common law	5.1	8.4	25.1	20.5
Lone fathers	7.0	10.7	...	...
Lone mothers	...	...	23.6	23.3
Living with relatives	18.9	26.3	28.3	31.0
Unattached individuals	16.7	20.0	30.9	28.4
Less than 40	16.3	22.2	31.3	30.7
40 and over	18.6	13.5	28.8	22.5
Living alone	9.6	12.2	15.9	15.1
Unmarried, living with parents	27.4	31.1	41.0	36.7
<b>Disabled</b>				
Yes	..	15.1	..	26.3
No	..	11.8	..	21.4

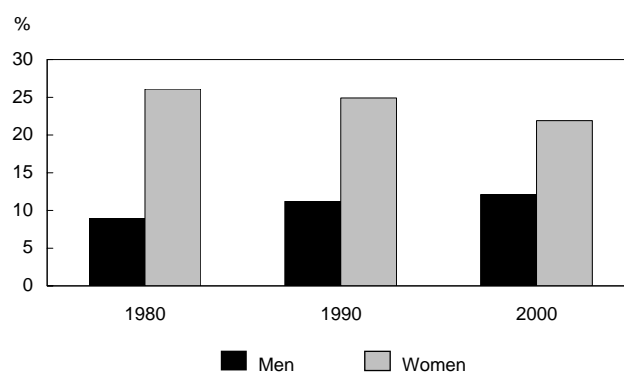
Source: Census of Population, 1981 and 2001  
 Shading indicates difference is not significant at the 5% level.

### Women

Women employees were almost twice as likely as men to have low weekly earnings (Chart A).<sup>2</sup> One explanation may be that women are more likely to be in low-paying occupations (Drolet 2001a, 2001b). Traditional occupations for women, such as clerical, sales and service, yield lower earnings on average than others (Statistics Canada 2003). Women also average fewer years of experience since they are more likely to take time off for family-related reasons. However, with the narrowing of the earnings gap between men and women (Drolet 2001a), the proportion of low-paid women decreased from 26% to 22% between 1980 and 2000.

On the other hand, the percentage of low-paid men increased over this time from 9% to 12%—largely because of a drop in the real wages of young men during the 1980s in most industries and occupations (Morissette 1998). Another factor is the increase in men entering jobs that have traditionally been dominated by women—teaching, service, clerical and some manufacturing occupations (Hughes 1990). Although men in these occupations still earn more than women, they earn less than the average male employee.<sup>3</sup>

**Chart A: The proportions of low-paid men and women have been converging.**

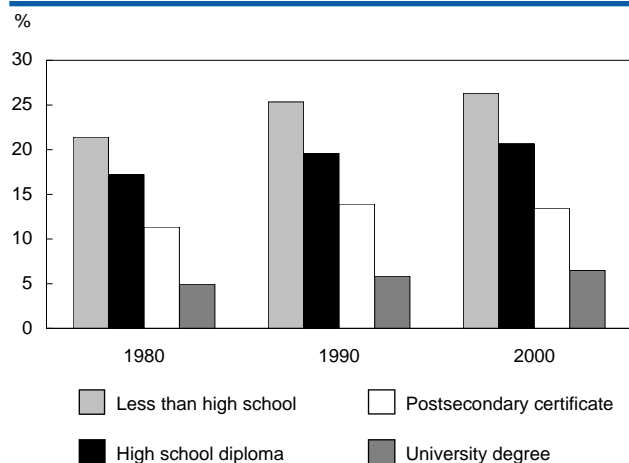


Source: Census of Population, 1981 to 2001

### The less educated

Individuals with less than high school education had a higher incidence of low pay than those with higher levels of educational attainment (Chart B).<sup>4</sup> This pattern held for both men and women. About 1 in 4 employees with less than high school education had

**Chart B: Regardless of education, the proportion of low-paid workers has increased.**



Source: Census of Population, 1981 to 2001

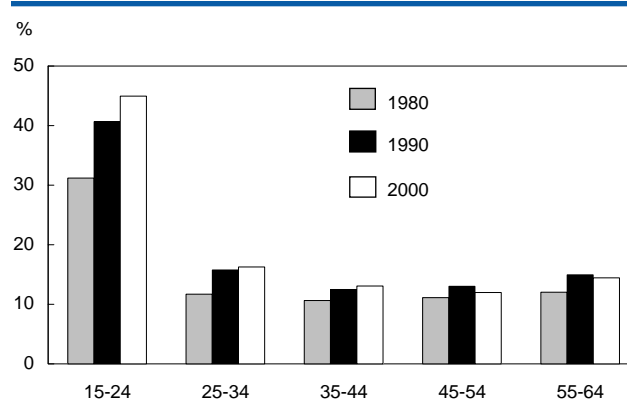
low weekly earnings in 2000, unchanged between 1980 and 2000, although the probability of being a low-wage earner increased for men in each education category.

Women were more likely than men to be in low-paid jobs, even with the same educational attainment. In 2000, the proportion of women with less than high school education who were low-paid workers was twice that of men (39% and 19% respectively). The gap decreased with level of education. While men with less than high school were more likely to be low-paid in 2000 than 20 years earlier, the percentage for women changed very little.

### The young

The probability of having low weekly earnings in 2000 was highest among young employees (aged 15 to 24) at 45% (Chart C). The rate declined sharply until age 55, after which it increased slightly. This is to be expected since the labour market tends to reward both experience and job tenure. Moreover, many young workers are concentrated in relatively low-wage industries such as consumer services. The same pattern was evident in 1980, although the proportion of low-wage earners was lower (31% for young workers in 1980 compared with 45% in 2000). The rise in women's employment rate may have affected young workers. Increased competition has meant that jobs they once held (for example, in services or sales) are

**Chart C: The proportion of low-paid workers under 25 has jumped since 1980.**



Source: Census of Population, 1981 to 2001

being filled by women, and more youths than before may find themselves with low earnings (Sunter 1994). Once again, in all age groups, higher proportions of women than men were low-paid workers. However, while the risk of having low weekly earnings increased between 1980 and 2000 for men in all age groups, it decreased for women who were 35 or older.

### Immigrants

In 2000, recent and mid-term immigrants were more at risk of having low weekly earnings than immigrants who had been in Canada for more than 15 years or those who were Canadian-born. This may be related to the adjustment phase that newcomers experience. The likelihood of having low weekly earnings increased between 1980 and 2000 for immigrants, perhaps because of a shift in national origin from Europe and the United States to less developed countries (Borjas 1991; Picot 2004). The latter immigrants receive less credit for foreign experience and may face greater difficulties having their skills or credentials recognized (Picot and Hou 2003). While the risk of having low weekly earnings rose for male immigrants<sup>5</sup> and for mid-term female immigrants, it fell for long-term female immigrants.

### Visible minorities

Visible minorities born in Canada were similar to their non-visible-minority counterparts—a difference of only one percentage point in the proportion with low weekly earnings.<sup>6</sup> A greater gap was found between visible-minority and non-visible-minority immigrants

(Hum and Simpson 1998). The greatest difference was seen among recent immigrants (31% for visible minorities and 19% for non-visible minorities) and decreased with time spent in Canada.<sup>7</sup>

Recent and mid-term visible-minority immigrants saw their risk of low weekly earnings rise between 1980 and 2000.<sup>8</sup> The likelihood rose for recent and mid-term, non-visible-minority immigrant men but fell for women.

### **Individuals with work limitations**

Individuals limited at work because of a physical, mental or health condition were more likely to have low weekly earnings than those without limitations. Whether their chances of having low weekly earnings fell between 1980 and 2000 cannot be assessed since the census question regarding work limitation changed.<sup>9</sup>

### **Individuals living with relatives**

Individuals living with relatives but not part of a census family have a high risk of low weekly earnings (Chart D). The incidence of low-paid workers among this group increased—from 23% in 1980 to 28% in 2000.<sup>10</sup> Whether these arrangements are born out of need or familial responsibility cannot be assessed with these data.

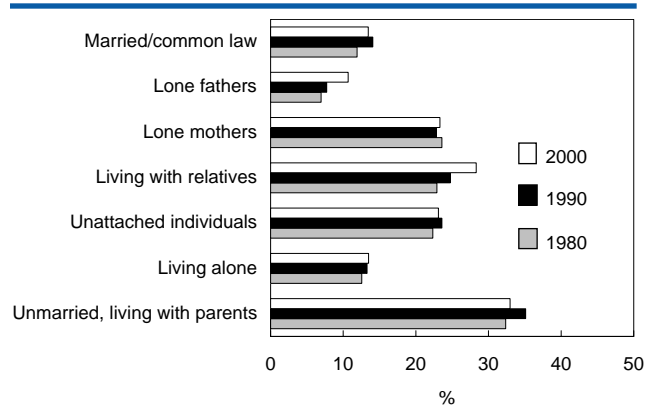
### **Lone mothers**

Almost 1 in 4 lone mothers working as an employee in 2000 had low weekly earnings (23%). Because they require flexible hours for taking children to school or child-care centres, lone mothers may find their job prospects restricted. They also tend to choose occupations and industries that are easy to enter and exit, such as consumer services where wages are generally lower.<sup>11</sup> Also, given the strain of raising children on their own, lone mothers are often less healthy than mothers with spouses (Pérez and Beaudet 1999). This could also deter them from working in high-pay, stressful environments.

### **Unattached individuals**

Unattached individuals were also vulnerable to having low weekly earnings—those under 40 more so than those older (25% and 17% respectively). While unattached women were more likely to receive low pay than their male counterparts, the proportion fell between 1980 and 2000, especially among women 40 or older. Among unattached men, the risk of low weekly earnings rose for those under 40 while falling for those older.

**Chart D: Individuals living with relatives had the largest proportional increase of low-paid workers.**



Source: Census of Population, 1981 to 2001

### **Low-paid workers living in low-income families**

Those most financially constrained by low-paid jobs are living in low-income families. Of the 1.7 million full-time workers receiving low weekly earnings, 30% lived in families with low income in 2000—unchanged from 1980 (Table 2).<sup>12</sup>

### **Unattached or living alone**

For most groups of low-paid workers, the risk of being in low income is not much greater than for other groups. However, some are more vulnerable than others. Over three-quarters of unattached individuals and over two-thirds of those living alone with low weekly earnings in 2000 were living in low-income households (Chart E). In the case of these two groups, individual income is equivalent to family income, and not having live-in economic partners makes them financially insecure. Nevertheless, their risk of living in low income decreased between 1980 and 2000, the proportion falling by 3 percentage points for individuals living alone and 5 points for unattached individuals. In particular, low-paid unattached women aged 40 or older saw their low-income propensity decrease by 10 percentage points, from 79% to 69%.

### **Lone parents**

Lone parents with low weekly earnings are also at risk of being in low income. In 2000, 56% of low-paid lone mothers and 53% of lone fathers also had low family income. These individuals were predominately

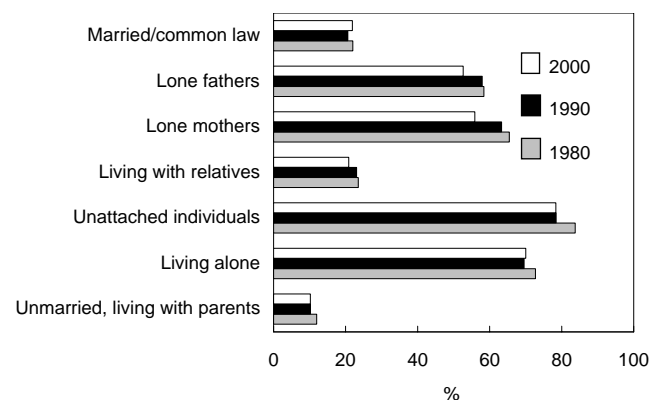


**Table 2: Proportion of low-paid workers in low-income families**

	Men		Women	
	1980	2000	1980	2000
<b>Total</b>	<b>39.3</b>	<b>36.4</b>	<b>24.1</b>	<b>25.3</b>
	%			
<b>Education</b>				
Less than high school	40.4	38.1	24.4	26.7
High school diploma	32.3	33.9	22.4	23.6
Postsecondary certificate	40.5	36.4	24.1	25.0
University degree	48.0	39.1	33.3	28.7
<b>Age</b>				
15 to 24	29.0	27.0	26.8	28.2
25 to 34	48.9	40.1	26.2	27.7
35 to 44	57.7	45.8	20.6	26.1
45 to 54	46.6	38.2	17.8	21.0
55 to 64	36.7	30.4	22.3	20.3
<b>Immigrant status</b>				
Recent	53.5	54.0	30.9	36.3
Mid-term	49.4	45.9	25.9	34.3
Long-term	44.6	37.8	18.9	23.7
Canadian-born	37.6	34.1	24.1	23.9
<b>Visible minority</b>				
Yes	51.9	45.1	35.1	35.0
No	38.6	34.7	23.5	23.6
Canadian-born				
Visible minority	32.5	33.2	27.8	29.3
Non visible minority	37.7	34.2	24.1	23.8
Recent immigrant				
Visible minority	57.2	52.5	36.7	37.3
Non visible minority	45.5	59.8	21.3	32.3
Mid-term immigrant				
Visible minority	53.6	46.9	35.5	37.5
Non visible minority	47.2	42.4	21.0	23.2
Long-term immigrant				
Visible minority	40.8	40.4	29.5	30.4
Non visible minority	44.8	35.7	18.4	18.7
<b>Family status</b>				
Married/common law	47.1	35.9	12.1	13.9
Lone fathers	58.4	52.6	...	...
Lone mothers	...	...	65.5	55.9
Living with relatives	23.8	21.8	23.3	19.8
Unattached individuals	82.1	78.0	85.2	78.8
Less than 40	82.7	78.5	86.4	81.9
40 and over	79.5	75.7	78.6	68.5
Living alone	77.5	72.4	69.5	67.5
Unmarried, living with parents	12.8	10.8	11.0	9.2
<b>Disabled</b>				
Yes	..	39.9	..	29.7
No	..	36.0	..	24.8

Source: Census of Population, 1981 and 2001  
 Shading indicates difference is not significant at the 5% level.

**Chart E: The proportion of low-paid workers living in low-income families decreased for most family types.**



Source: Census of Population, 1981 to 2001

sole earners. In contrast, only 14% of low-paid married women had low family income. Lone mothers, however, were less likely to be in this situation in 2000 than in 1980.<sup>13</sup>

### Men

While the incidence of living in low income rose slightly among low-paid women, it decreased three percentage points among men—from 39% to 36%. Although female full-time employees have a higher risk than their male counterparts of making low weekly earnings, low-paid men are more at risk of being in a low-income family. In 2000, the proportion of men with low weekly earnings in low-income families (36%) exceeded the rate for women (25%). In particular, almost half of middle-aged men (age 35 to 44) with low-paid jobs lived in low-income families, compared with 26% of their female counterparts. This suggests that, in this age group, more low-paid women than men live with family members (for example, a spouse) who can compensate for their low earnings.

### Recent immigrants

The proportion of visible-minority recent immigrants who were low-paid and living in low income did not change significantly between 1980 and 2000. However, this was not the case for other recent immigrants—for men the risk jumped from 46% to 60% and for women from 21% to 32%.<sup>14</sup> In contrast, it decreased

among their Canadian-born counterparts. More than half of recent immigrant men in low-paid jobs lived in low-income families in 2000—53% of visible minorities and 60% of others.

### Employees working full time for low pay and living in a low-income family

In 2000, 5% of all full-time employees had low earnings *and* lived in low-income families (Table 3). However, this average again masks substantial differences across groups. For instance, more than 22% of unattached women employed full time had low weekly earnings and lived in low income, compared with 16% of unattached men. The proportion for lone mothers was 13% compared with less than half that for lone fathers. Recent and mid-term immigrants, particularly visible minorities, were also more likely to live in low-income families and to have low-paid jobs.

The overall proportion of low-paid employees living in low-income families was virtually static between 1980 and 2000. However, this does not mean that the individuals remained the same. In fact, younger workers, recent and mid-term immigrants (especially visible-minority immigrant men), and unattached men under 40 saw their chances of having low pay and low family income rise. In contrast, low-paid unattached women saw theirs decrease.

Despite their unchanged proportion, low-paid employees saw their average weekly earnings fall between 1980 and 2000. In fact, while average weekly earnings of full-time employees rose by 11% from \$785 in 1980 to \$868 in 2000 (Table 4), those of low-paid workers dropped from \$251 to \$231 (-8%). For low-paid workers in low-income families, they dropped even more—from \$211 to \$175 (-17%, Table 5). Thus, despite no increase in the incidence of low-paid workers in low-income families, these individuals seemed to be worse off than before.

Average weekly earnings fell among most low-paid employees. Some were affected more than others. Individuals with less than high school education saw theirs fall by 9%. Low-paid immigrant women experienced a larger drop than immigrant men—even though the likelihood of being a low-paid worker increased more for these men. And visible-minority women saw a greater decrease than their non-visible minority counterparts. Although single mothers saw theirs fall by the same proportion as married women (8%), the earnings of single fathers dropped almost 3 percentage points more than married men.

**Table 3: Proportion of wage earners who were low-paid and lived in low-income families**

	Men		Women	
	1980	2000	1980	2000
	%			
<b>Total</b>	<b>3.5</b>	<b>4.4</b>	<b>6.3</b>	<b>5.5</b>
<b>Education</b>				
Less than high school	5.0	7.2	9.4	10.5
High school diploma	3.2	5.3	5.8	6.4
Postsecondary certificate	2.6	3.3	4.7	4.7
University degree	1.7	2.1	2.5	2.2
<b>Age</b>				
15 to 24	6.9	10.7	10.7	14.7
25 to 34	3.2	4.9	5.2	6.0
35 to 44	2.7	3.9	4.5	4.9
45 to 54	2.4	3.1	4.2	3.6
55 to 64	2.5	3.2	5.4	4.3
<b>Immigrant status</b>				
Recent	6.5	11.1	11.2	13.2
Mid-term	3.7	8.0	6.4	9.7
Long-term	2.3	3.5	4.0	4.0
Canadian-born	3.6	4.0	6.4	5.1
<b>Visible minority</b>				
Yes	5.2	7.7	9.2	9.1
No	3.4	4.0	6.1	5.0
Canadian-born				
Visible minority	3.3	5.5	5.4	5.2
Non visible minority	3.6	4.0	6.4	5.1
Recent immigrant				
Visible minority	9.1	12.5	14.2	14.9
Non visible minority	3.6	7.8	7.1	8.7
Mid-term immigrant				
Visible minority	4.1	9.2	7.7	11.5
Non visible minority	3.6	5.2	5.6	5.3
Long-term immigrant				
Visible minority	2.8	4.7	5.7	5.4
Non visible minority	2.3	2.8	4.0	3.0
<b>Family status</b>				
Married/common law	2.4	3.0	3.0	2.9
Lone fathers	4.1	5.6	...	...
Lone mothers	...	...	15.4	13.0
Living with relatives	4.5	5.7	6.6	6.2
Unattached individuals	13.7	15.6	26.3	22.4
Less than 40	13.5	17.4	27.0	25.2
40 and over	14.8	10.2	22.6	15.4
Living alone	7.4	8.9	11.0	10.2
Unmarried, living with parents	3.5	3.4	4.5	3.4
<b>Disabled</b>				
Yes	..	6.0	..	7.8
No	..	4.3	..	5.3

Source: Census of Population, 1981 and 2001  
Shading indicates difference is not significant at the 5% level.

**Table 4: Average weekly earnings of full-time wage earners who were low-paid**

	Men		Women	
	1980	2000	1980	2000
	\$			
<b>Total wage earners</b>	<b>911</b>	<b>988</b>	<b>575</b>	<b>709</b>
<b>Total low-paid workers</b>	<b>241</b>	<b>222</b>	<b>257</b>	<b>238</b>
<b>Education</b>				
Less than high school	240	218	253	232
High school diploma	253	229	262	238
Postsecondary certificate	237	220	261	244
University degree	227	222	241	234
<b>Age</b>				
15 to 24	256	236	257	234
25 to 34	232	228	255	242
35 to 44	218	212	257	238
45 to 54	225	210	259	238
55 to 64	238	214	255	235
<b>Immigrant status</b>				
Recent	243	227	266	241
Mid-term	225	219	262	233
Long-term	217	207	262	236
Canadian-born	244	224	255	239
<b>Visible minority</b>				
Yes	240	221	265	234
No	241	222	256	239
Canadian-born				
Visible minority	251	220	259	229
Non visible minority	244	224	255	239
Recent immigrant				
Visible minority	247	231	269	240
Non visible minority	234	213	263	243
Mid-term immigrant				
Visible minority	230	221	261	230
Non visible minority	223	212	262	240
Long-term immigrant				
Visible minority	243	213	276	235
Non visible minority	215	203	262	238
<b>Family status</b>				
Married/common law	229	214	260	241
Lone fathers	226	205	...	...
Lone mothers	...	...	250	231
Living with relatives	250	228	253	235
Unattached individuals	238	232	237	239
Less than 40	240	234	239	239
40 and over	230	223	223	238
Living alone	234	221	255	235
Unmarried, living with parents	256	235	257	232
<b>Disabled</b>				
Yes	..	213	..	227
No	..	223	..	239

Source: Census of Population, 1981 and 2001  
 Shading indicates difference is not significant at the 5% level.

**Data source and definitions**

The study used the 1981 to 2001 Censuses. Deriving hourly wages from census data is difficult because weekly hours of work refer to the week previous to the census (usually in May or June) while annual earnings and weeks worked refer to the previous year.

To overcome this difficulty, only individuals who worked mainly full time in the year prior to the census were selected. Their annual earnings were divided by the number of weeks they worked to calculate weekly earnings. Low pay was defined as less than \$375 weekly in 2000 dollars (using province-specific deflators). Assuming 37.5 hours per week, this definition amounts to examining individuals whose hourly earnings were less than \$10 per hour, the cut-off used in some previous studies.

The sample consisted of individuals aged 15 to 64, who were not full-time students, worked mainly full time, and received a wage or salary but no income from self-employment in the year prior to the census.

**Recent immigrants** arrived in Canada during the five years prior to the census reference year. **Mid-term immigrants** arrived 6 to 15 years before, and **long-term immigrants** more than 15 years before. For example, for the reference year 2000, recent immigrants arrived from 1995 to 1999, mid-term immigrants from 1985 to 1994, and long-term immigrants prior to 1985.

**Unattached individuals** live with others but are not related to them and do not share income with them (for example, boarders or roommates).

**Low-income cut-offs (LICOs)** are established using the Survey of Household Spending (or its predecessor, the Family Expenditure Survey). They are the income level at which a family spends 20 percentage points more than the average of its before-tax, after-transfer income on basic necessities. LICOs vary by family and community size. For example, in 2000, the LICO for a family of two living in a community of 500,000 or more was \$22,964. For a family of seven or more in the same region, the LICO was \$46,793.

Even though the average weekly earnings of low-paid workers fell by 8%, their annual earnings rose by 6%, suggesting that they were working more weeks (Table 6).<sup>15</sup> A decline of over \$1,500 in average family earnings was dampened by an increase of almost \$1,500 in other income and transfers. Thus, average economic family income of low-paid workers did not change significantly from 1980 to 2000, leading to no change in the 30% proportion of low-paid workers living in low-income families.<sup>16</sup>

**Table 5: Average weekly earnings of low-paid workers living in low-income families**

	Men		Women	
	1980	2000	1980	2000
<b>Total</b>	202	169	218	181
<b>Education</b>				
Less than high school	203	161	213	171
High school diploma	209	178	223	184
Postsecondary certificate	195	161	226	185
University degree	208	191	212	189
<b>Age</b>				
15 to 24	219	190	223	200
25 to 34	199	176	218	187
35 to 44	188	161	220	175
45 to 54	185	158	207	167
55 to 64	197	143	207	160
<b>Immigrant status</b>				
Recent	219	197	240	199
Mid-term	182	175	220	176
Long-term	169	161	212	170
Canadian-born	206	166	217	181
<b>Visible minority</b>				
Yes	212	182	233	183
No	202	166	217	180
Canadian-born				
Visible minority	189	161	235	176
Non visible minority	206	166	217	181
Recent immigrant				
Visible minority	227	201	243	201
Non visible minority	200	183	233	188
Mid-term immigrant				
Visible minority	200	179	224	177
Non visible minority	172	159	216	169
Long-term immigrant				
Visible minority	205	171	228	173
Non visible minority	167	151	211	166
<b>Family status</b>				
Married/common law	191	151	204	148
Lone fathers	207	169	...	...
Lone mothers	...	...	234	196
Living with relatives	211	161	217	181
Unattached individuals	220	208	224	216
Less than 40	222	211	226	220
40 and over	211	194	207	202
Living alone	213	188	228	198
Unmarried, living with parents	206	140	201	148
<b>Disabled</b>				
Yes	..	162	..	172
No	..	170	..	182

Source: Census of Population, 1981 and 2001  
Shading indicates difference is not significant at the 5% level.

**Table 6: Average income of low-paid workers by type of income**

Type of income	1980	2000	Change
	\$		%
Weekly earnings	251	231	-7.9
Individual annual earnings	9,500	10,100	6.3
Other earnings from EF*	29,500	27,900	-5.6
EF market income	2,500	2,900	14.1
EF government transfers	4,000	5,200	27.9
EF total income	45,700	46,100	1.0
Size-adjusted EF total income**	24,100	25,000	3.5

Source: Census of Population, 1981 and 2001  
\* Earnings from other members of the economic family (EF).  
\*\* Total income divided by the square root of family size.  
Shading indicates difference is not significant at the 5% level.

## Summary

The proportion of low-paid workers among full-time employees has changed little over the last two decades (15% in 1980 and 16% in 2000), and the proportion of low-paid workers living in low-income families has remained at 30%. As a result, the percentage of full-time employees who were both receiving low pay and living in low income also remained unchanged at 5%.

Individuals most likely to have low weekly earnings were women, those with less than high school education, young adults, recent and mid-term immigrants in visible-minority groups, individuals living with relatives, lone mothers, unattached individuals under 40, and persons with a work limitation.

Those most at risk of receiving low pay and living in low-income families were young adults, recent and mid-term immigrants in visible-minority groups, lone mothers, and unattached individuals.

Between 1980 and 2000, average weekly earnings of low-paid workers decreased by 8%, while those of all full-time employees increased by 11%. However, the proportion of low-paid workers living in low-income families remained just under one-third.

## ■ Notes

1 In 1980, lone parents accounted for 3.6% of all full-time employees; in 2000, the proportion was 5.7%.

2 All comparisons in this article are statistically significant at the 5% level.

3 Changing family structure and responsibilities since 1980 may also have contributed to the increased proportion of men in low-paid jobs. Given their growing interest and involvement in child care, more men may be choosing jobs with more flexibility in hours over ones with better pay but requiring more hours (Marshall 1998). This, however, may be more likely among men with higher earnings who can afford a slight pay cut. In addition, since women are participating more in the labour force and are attaining higher-paying jobs, men may no longer be the major family earner.

4 In the late 1990s, the average master's or PhD graduate made twice the wages of people with less than high school education (Statistics Canada 1998).

5 This is consistent with other research indicating that the entry earnings of recent immigrant cohorts deteriorated in the last two decades (Frenette and Morissette 2003; Aydemir and Skuterud 2004).

6 However, this masks offsetting effects between men and women. Canadian-born visible minority men are more likely to receive low pay than Canadian-born, non-visible minority men. In contrast, Canadian-born visible minority women are less likely to receive low pay than Canadian-born non-visible minority women.

7 This agrees with other recent studies showing that visible-minority immigrants are more vulnerable to low earnings than other immigrants (Palameta 2004).

8 The increase in the incidence of low-paid workers among recent female immigrants who are members of a visible minority group is not significant at the 5% level.

9 The wording of the question was changed in the 2001 Census of Population from "Is this person limited in the kind or amount of activity that he/she can do because of a long-term physical condition, mental condition or health problem—a) at home, b) at school or at work, c) in other activities" to "Does a physical condition or mental condition or health problem reduce the amount or the kind of activity this person can do—a) at home, b) at work or at school, c) in other activities."

10 The majority of low-paid workers in this group are Canadian-born and not in a visible-minority group.

11 According to the 2001 Census, 44% of lone mothers who are employees worked in services (administrative and support; waste management and remediation; education; health care and social assistance; arts, entertainment and recreation; accommodation and food; and other).

12 Family income is defined as the pre-tax, post-transfer income of all family members. An unattached individual is treated as an economic family.

13 The decrease in risk for low-paid lone mothers and unattached women aged 40 and over was due to an increase in government transfers and a rise in annual earnings respectively.

14 The main reason for this was the substantial decline in spousal and other family members' earnings.

15 In 1980, full-time employees worked an average of 44 weeks, compared with 47 in 2000.

16 Little change occurred in the average size-adjusted family income of low-paid workers in low-income families, suggesting that the unchanging proportion of low-paid workers in low income did not mask any worsening of their economic conditions.

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# Retaining older workers

*René Morissette, Grant Schellenberg and Cynthia Silver*

**G**iven the growing number of people nearing retirement, concerns about the social and economic consequences of a mass exit from the workforce have spurred interest in increasing the labour force participation of older workers.<sup>1</sup> A key issue is how amenable older workers would be to employer strategies and public policies designed to encourage them to remain on the job.

Possibly some older workers would retire later if offered flexible work arrangements, such as part-time hours or fewer annual workweeks. Others might postpone retirement if pension income were not affected or if they were offered salary increases. Naturally, some would be unable to continue working because of health problems. This article uses the 2002 General Social Survey to explore these issues for some 1.8 million individuals who retired between 1992 and 2002 (see *Data source*).

## **Incentives would have kept some retirees in the workforce**

The 2002 GSS asked retired respondents what factors might have influenced them to continue working (Table 1). Over one-quarter indicated they might have changed their decision to retire if they had been able to reduce their work schedule without their pension being affected, either by working fewer days (28%) or shorter days (26%). In addition, just under one-fifth would have been influenced by more vacation leave. Altogether, 31% cited at least one of these three pension-related reasons.<sup>2</sup> The importance of work arrangements is also shown by the 28% who would have continued working on a part-time basis.

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## **Data source**

The 2002 General Social Survey (GSS) targeted all persons 45 and older residing in the 10 provinces except full-time residents of institutions.

The GSS used a subjective definition of retirement. First, individuals who reported their main activity during the previous 12 months as 'retired' were identified as retirees. Individuals with another main activity were asked "Have you ever retired?" Those who said yes were also identified as retirees, even if they had since returned to the workforce. Individuals who had never retired were asked a follow-up question that probed further:

Retirement does not necessarily mean stopping work permanently. Have you ever retired in any of the following circumstances?

- You became eligible for a pension or put in enough years for a pension.
- You received an early retirement package.
- You significantly reduced the amount of work you did for a business or farm you operated in order to retire.
- You were permanently laid off or lost a job and did not look for work or gave up looking for work in order to retire.
- You retired from a job or significantly reduced your work time because of your health.
- You retired from a job or significantly reduced your work time because you could afford to live on your savings/investments.
- You retired from a job or significantly reduced your work time because you could afford to live on your spouse's/partner's investment or retirement income.
- You reduced your work time because of the health of your spouse or relative.

Those who responded yes to any part of the follow-up question were also classified as retirees.

The analysis is limited to **recent retirees**—those who (first) retired between 1992 and 2002. This was done to focus on the characteristics and experiences of individuals who made the transition into retirement in recent years. The sample was also restricted to individuals 50 or older, resulting in the exclusion of a few respondents who retired earlier. The final sample was 4,464.

**Table 1: Possible incentives for continuing to work**

	Both sexes	Men	Women
		'000	
<b>Total</b>	<b>1,763</b>	<b>949</b>	<b>814</b>
		%	
<b>With no pension effects</b>			
Working fewer days	28.3	29.1	27.5
Working shorter days	25.6	26.0	25.2
More vacation	19.0	19.6	18.4
Part-time work	27.8	28.3	27.2
Better health	26.5	26.7	26.2
Salary increase	21.2	22.0	20.4
No mandatory retirement	11.8	12.0	11.7
Suitable caregiving	6.3	6.7	5.8 <sup>E</sup>
Other	11.3	9.8	13.0

Source: General Social Survey, 2002

Health problems were a consideration for many recent retirees; 27% said they would have continued working if their health had been better. Just over 21% would have continued working if their salary had been increased, although by how much was not asked. Fewer would have continued working if mandatory retirement policies had not existed (12%) or if they could have found suitable caregiving arrangements (6%). In all cases, men and women responded very similarly.

### Health considerations

Overall, 60% of recent retirees indicated a willingness to continue working if certain incentives had existed. Undoubtedly, this overstates the extent to which older workers constitute a potential supply of labour since the capacity of some to remain in the workforce was limited by health problems. It is therefore important to examine the combination of factors that would have enabled or encouraged them to continue working.

One-third of recent retirees retired for health reasons (Table 2). The percentages are higher for self-employed individuals (40%) than for employees (31%), likely reflecting older retirement ages of self-employed workers. Since alternative work arrangements and retirement policies would likely not affect the retirement decision of these individuals, they are excluded from the discussion of older workers as a potential supply of labour.

Another third of recent retirees did not retire for health reasons and would not have continued working for any of the reasons offered. The remaining third—healthy individuals who would have been willing to remain in the workforce (at least partly)—clearly offer the best prospect for increasing the overall supply of labour.

**Table 2: Factors affecting retirement**

	Total*	Emple- ees	Self- employed
		'000	
<b>Total retirees</b>	<b>1,681</b>	<b>1,335</b>	<b>263</b>
		%	
Retired for health-related reasons	33.4	30.6	39.5
Would not have continued working	35.3	34.9	40.8
<b>Would have continued working under different conditions</b>	<b>31.2</b>	<b>34.4</b>	<b>19.7</b>
Working arrangements only**	7.8	8.4	5.8
Other factors only†	8.4	9.1	6.2
Working arrangements and other factors	15.0	16.9	7.7

Source: General Social Survey, 2002

\* Includes those with no class of worker code.

\*\* Working fewer days without affecting pension; working shorter days without affecting pension; increased vacation without affecting pension; and part-time work.

† Salary increase, no mandatory retirement, suitable caregiving arrangements, and other factors.

About a quarter of these healthy individuals, representing 8% of all recent retirees, would have continued working if alternative working arrangements had been available.<sup>3</sup> Almost half (15% of recent retirees) would have kept working in light of such arrangements combined with other factors. Within this group, the other factors most frequently cited were salary increase (80%), no mandatory retirement policy (35%), suitable caregiving arrangements (8%), and other reasons (23%). The remaining quarter (8% of all recent retirees) would have continued working for reasons other than working arrangements. Within this group, the most frequently cited were 'other reasons' (58%), salary increase (24%), and no mandatory retirement (24%).



**Table 3: Former employees not retiring for health-related reasons who might have continued working, by personal characteristics**

	Change desired			Both
	Total	Working time	Other factors	
		'000		
<b>Total</b>	<b>461</b>	<b>112</b>	<b>122</b>	<b>226</b>
		%		
<b>Age at retirement</b>				
50 to 59	53	14	14	25
60 to 64	44	11 <sup>E</sup>	13 <sup>E</sup>	20
65	56	9 <sup>E</sup>	11 <sup>E</sup>	35 <sup>E</sup>
66 or older	45	10 <sup>E</sup>	11 <sup>E</sup>	24 <sup>E</sup>
<b>Education</b>				
Less than high school	43	10 <sup>E</sup>	14 <sup>E</sup>	19 <sup>E</sup>
High school diploma	51	11 <sup>E</sup>	12 <sup>E</sup>	28
Postsecondary certificate or diploma	52	15 <sup>E</sup>	15 <sup>E</sup>	23
University degree	53	14 <sup>E</sup>	12 <sup>E</sup>	28
<b>Spouse's education</b>				
No spouse present	52	8 <sup>E</sup>	16 <sup>E</sup>	27
Less than high school	45	12 <sup>E</sup>	14 <sup>E</sup>	18
High school diploma	49	13 <sup>E</sup>	11 <sup>E</sup>	24
Postsecondary certificate or diploma	53	17 <sup>E</sup>	10 <sup>E</sup>	26 <sup>E</sup>
University degree	54	12 <sup>E</sup>	13 <sup>E</sup>	29
<b>Housing tenure</b>				
Rented	54	10 <sup>E</sup>	17 <sup>E</sup>	26 <sup>E</sup>
Owned	49	12	13	24
<b>Immigration status</b>				
Immigrant	53	12 <sup>E</sup>	9 <sup>F</sup>	32
Canadian-born	49	12	14	22
<b>Financial situation since retirement</b>				
Better	45	11 <sup>E</sup>	13 <sup>E</sup>	21 <sup>E</sup>
About the same	45	12	12	21
Worse	62	13 <sup>E</sup>	17 <sup>E</sup>	33
<b>Life satisfaction since retirement</b>				
Better	45	12	11	21
About the same	54	12 <sup>E</sup>	15	27
Worse	62	F	23 <sup>E</sup>	30 <sup>E</sup>
<b>Sex</b>				
Men	52	14	13	25
Women	48	10 <sup>E</sup>	14	24

Source: General Social Survey, 2002

### Profile of those willing to continue working

While the above paints a broad picture of preferences regarding retirement, it leaves several questions unanswered. First, who would be most likely to keep

working if working arrangements were the only consideration? For instance, flexible work arrangements might not influence the retirement decision of employees working at physically demanding jobs for an extended period of time. On the other hand, those whose financial position has deteriorated after retirement or who are having a hard time finding new activities might be willing to reconsider their decision.

Second, who would continue working only if other factors were changed in addition to work arrangements? Third, who would be unlikely to be swayed even in these circumstances? Would former employees in goods-producing industries react differently than their counterparts in services? Would education level play a role?

One-half of all former employees who did not retire for health-related reasons said they would have kept working if alternatives had been offered<sup>4</sup> (Table 3). Twelve percent cited alternative working arrangements; almost a quarter indicated both working arrangements and other factors; and the remaining 13%, other factors only.

These simple averages mask important differences between groups. For instance, 28% of those with a high school diploma or university degree would have kept working if both working arrangements and other factors had been altered, compared with 19% of those with no high school diploma. The same combination of changes was indicated by one-third of those who had been offered early retirement incentives, compared with one-fifth of those who had had no early incentive (Table 4).

From an industry perspective, no more than 20% of individuals formerly employed in health care, social assistance and education; or accommodation and food services would have kept working even if both working arrangements and other factors had been altered (Table 4). The extent to which job quality discourages older workers from remaining in the workforce cannot be addressed with the GSS. Overall, if alternatives had been offered, about 60% of individuals formerly employed in utilities, transportation and warehousing; trade; and information, culture and recreation would have continued to work, compared with about 45% in construction; health care, social assistance and education; and accommodation and food industries. One reason for the lower rate among construction workers may be that physically demanding jobs are unattractive to older workers.

**Table 4: Former employees not retiring for health-related reasons who might have continued working, by job characteristics**

	Change desired			Both
	Total	Working time	Other factors	
<b>Total</b>	<b>461</b>	<b>112</b>	<b>122</b>	<b>226</b>
<b>Early retirement incentive</b>			%	
Yes	58	15 <sup>E</sup>	10 <sup>E</sup>	33
No	46	11	14	21
<b>Receiving pension income</b>				
Yes	51	14	11	26
No	48	10 <sup>E</sup>	17	22
<b>Occupation</b>				
Management	55	14 <sup>E</sup>	14 <sup>E</sup>	27 <sup>E</sup>
Professional	46	13 <sup>E</sup>	12 <sup>E</sup>	21 <sup>E</sup>
Technical	52	F	F	30 <sup>E</sup>
Clerical	52	12 <sup>E</sup>	12 <sup>E</sup>	28 <sup>E</sup>
Sales and service	50	10 <sup>E</sup>	19 <sup>E</sup>	21 <sup>E</sup>
Trades, transport and equipment operators	51	15 <sup>E</sup>	12 <sup>E</sup>	24 <sup>E</sup>
Unique to primary, processing, manufacturing and utilities	48	12 <sup>E</sup>	F	28 <sup>E</sup>
<b>Industry</b>				
Agriculture and other primary	52	F	F	F
Utilities, transportation and warehousing	60	18 <sup>E</sup>	12 <sup>E</sup>	30 <sup>E</sup>
Construction	45	F	F	F
Manufacturing	49	12 <sup>E</sup>	11 <sup>E</sup>	26 <sup>E</sup>
Trade	58	11 <sup>E</sup>	19 <sup>E</sup>	28 <sup>E</sup>
Finance, insurance, real estate, professional and business	53	15 <sup>E</sup>	12 <sup>E</sup>	27 <sup>E</sup>
Health care, social assistance and education	44	13 <sup>E</sup>	12 <sup>E</sup>	19 <sup>E</sup>
Information, culture and recreation	63	F	19 <sup>E</sup>	36 <sup>E</sup>
Accommodation, food and other services	40	F	F	20 <sup>E</sup>
Public administration	47	9 <sup>E</sup>	13 <sup>E</sup>	25 <sup>E</sup>
<b>Employment status</b>				
Full-time/full-year	50	13	12	25
Not full-time/full-year	48	10 <sup>E</sup>	18 <sup>E</sup>	21 <sup>E</sup>

Source: General Social Survey, 2002

### Multivariate analysis

Do these qualitative patterns hold when healthy retirees with similar characteristics are compared? A multivariate analysis was used to examine how answers varied according to age at retirement, sex, education level (own and spouse's), occupation and industry of prior

employment, and several other characteristics.<sup>5</sup> The analysis was limited to those who were employees prior to retirement.<sup>6</sup>

Compared with their counterparts aged 60 to 64, retirees aged 50 to 59 were more likely to report that they would have continued working. If only alternative working

arrangements are considered, 14% would have stayed, slightly more than the 12% observed for those aged 60 to 64 (Table 5).<sup>7</sup> Those who retired at 65 were much more likely than their younger counterparts to have been willing to continue working if, in addition to working arrangements, other factors such as mandatory retirement policies had been altered.

Retirees with a university degree were among the most likely to have continued working under different working arrangements (with or without other factors). This may be attributable to their relatively high levels of job satisfaction or less physically demanding jobs. Alternative work arrangements appear to be an important consideration for employers keen on retaining highly educated workers.

Immigrants and retirees who received early retirement incentives were much more likely to have considered continuing to work given other factors in addition to alternative working arrangements. Retirees formerly employed in health care, social assistance and education were the least likely to report preferences for continuing to work. This suggests less scope for retaining older workers in these industries—a consideration that takes on added importance given their disproportionately large shares of employees approaching retirement (Statistics Canada 2004).

Does a worsening financial situation in retirement affect one's view of continuing to work? Unambiguously, the answer is yes. Among comparable retirees, those whose financial situation had deteriorated since retirement were much more likely to wish they had been offered alternative working arrangements.

**Table 5: Probability of wanting to keep working**

	Change desired		
	Working time	Other factors	Both
<b>Age at retirement</b>		%	
50 to 59	14	12	29
60 to 64*	12	11	25
65	9	8	44
66 or older	11	7	29
<b>Education</b>			
Less than high school	11	10	24
High school diploma*	11	10	30
Postsecondary certificate or diploma	15	12	26
University degree	14	11	38
<b>Spouse's education</b>			
No spouse present	9	13	33
Less than high school*	14	12	22
High school diploma	13	9	29
Postsecondary certificate or diploma	17	8	30
University degree	12	11	35
<b>Early retirement incentives</b>			
Yes	13	8	42
No*	12	12	25
<b>Immigration status</b>			
Immigrant	12	10	31
Canadian-born*	13	15	23
<b>Occupation</b>			
Management	12	13	26
Professional	13	10	23
Technical	14	7	38
Clerical	12	10	31
Sales and service	11	15	28
Trades, transport and equipment operators	14	11	31
Unique to primary, processing, manufacturing and utilities*	13	6	38
<b>Industry</b>			
Agriculture and other primary	11	17	27
Utilities, transportation and warehousing	16	10	39
Construction	14	7	32
Manufacturing*	11	11	30
Trade	13	11	39
Finance, insurance, real estate, professional and business	16	9	31
Health care, social assistance and education	13	10	21
Information, culture and recreation	9	17	38
Accommodation, food and other services	9	10	29
Public administration	8	11	29
<b>Financial situation since retirement</b>			
Better	12	11	25
About the same*	12	10	27
Worse	14	13	37
<b>Life satisfaction since retirement</b>			
Better	12	9	26
About the same*	13	12	32
Worse	12	18	31

Source: General Social Survey, 2002

\* Reference group

Probabilities in shaded areas differ from those of the reference group at the 5% level.

## Conclusion

Admittedly, retrospective questions about retiring must be treated cautiously since it is impossible to determine if a different course of action would have been taken. Responses may overstate the willingness of individuals at the time to continue working, particularly if they have found their retirement to be less satisfying than expected. In retrospect, continued employment may look appealing. Conversely, even those retirees who said they would not have been willing to continue working might have done so if offered a job with enough pay and the right conditions.

Despite such limitations, the findings offer some insight for the future. Alternative working arrangements appear to be an important consideration in encouraging older workers to remain in the workforce. Over one-quarter of retirees in the sample would have been willing to continue working if part-time employment had been available. Similarly, a significant proportion said that continued employment would have been an attractive option if they had been able to work fewer hours without their pension being affected. The importance of working arrangements is also evident in the 42% who returned to the workforce on a part-time basis.

However, the circumstances and conditions that shaped the experiences of retirees in the 1990s may be quite different from those in the years ahead. In a context of tighter labour markets, it is unlikely that organizations will as readily offer early retirement incentives. Indeed, in the public sector, spending on such incentives reached a peak in 1996, declining through the rest of the decade (Kieran 2001). The

This may reflect unexpected declines in living standards after retirement. Poor knowledge of one's employer-sponsored pension plan is an important consideration in this respect (Morissette and Zhang 2004).

opportunities open to individuals facing retirement may change in the near future, as may the extent to which they are willing to remain in the workforce.

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**Perspectives**

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**■ Notes**

1 This concern has been clearly expressed by the Organisation for Economic Co-operation and Development: “Population ageing means that, in the absence of any change in patterns of labour market participation, the labour force is likely to fall in relative, and even in a few countries perhaps in absolute, terms over the coming decades with major consequences for economic growth, public finance and living standards. This is why raising the employment rate for older workers is so critical.” (OECD 2002, 10).

2 A considerable number of retirees who did not receive income from employer pension plans in 2002 responded to these questions, perhaps because they understood such plans to include the Canada and Quebec Pension Plans. When the analysis is limited to individuals who received income from an employer pension plan, the proportion who would have continued working if they had been able to reduce their time at work without their pension being affected rises to 37%.

3 Alternative working arrangements include fewer days without pension being affected, shorter days without pension being affected, vacation leave increased without pension being affected, and part-time work.

4 The corresponding percentage for former self-employed individuals is only 33%. This no doubt reflects the greater flexibility that self-employment offers in terms of working arrangements and autonomy.

5 The other control variables were owning a house; received an early retirement incentive; receiving pension income; employed full year, full-time prior to retirement; no change, deterioration, or improvement in financial position since retirement; and enjoyment of life as much, more, or less since retirement.

6 The one-third of recent retirees who left the labour force for health reasons are excluded from the multivariate analysis. The one-third of recent retirees who did not leave the workforce because of health limitations and who said they would not have continued working even if circumstances had been different is used as a comparison benchmark. The multivariate analysis is based on a multinomial logit model and essentially compares the three ‘would have stayed’ groups in Table 2 with the ‘would not have stayed’ group.

7 The probabilities shown in Table 4 are obtained by setting the other covariates to their mean values.

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