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- **For 10 years, we have been conducting the following studies:**
- Ageing at work: 10 studies (in several sectors of goods and services production), including issues related to WTR and phased retirement
- The phenomenon of remaining in or returning to work after retirement in the US (literature review) and in Quebec
- Forms of transition to retirement, in Canada and in Quebec

- #2 **3 questions asked by organizers of the seminar:**
- What do the processes of retirement from the workforce look like?
- How will the behaviour of the BB change?
- What factors affect the evolution of phased retirement?

- **#3 Some recent data from StatCan**

- Participation rate of men and women has risen steadily since 1998.
- GSS: time use of older Canadians (July 26, 2006): % of respondents with paid work in the last 12 months

-	-	1992	1998	2005	
-	M 55-64	-	64%	59%	68%
-	M 65-74	-	19	14	23
-	W 55-64	-	36	41	51
-	W 65-74	-	6	7	10

- **#4 Some general observations about these issues, based on the results of our work:**
- The perception of issues related to retirement and to post-retirement work has changed radically in Quebec and Canada in the past 5 years
- A clear majority has a flexible view of retirement, the end of a ternary view of life's phases (training, work, definitive retirement). The view of a single and definitive retirement is in the minority (see slides # 5A, B, C, D)
- Except in the public sector and a few very large corporations where people are protected by collective agreements: we will come back to this

- #5A **To begin, a few opinion survey results on this perception of retirement**
- Harris AARP survey, 2005, Canada:
 - expect to work during their retirement years: 56%
 - expect to stop all work completely: 18%
 - are confident that they have enough income for retirement: 71%
 - but are afraid they will not have enough money to save for their retirement: 33%
 - are counting on after-retirement employment income to round-out their income: 36%

- #5B To begin, a few opinion survey results on this perception of retirement (continued)
- Ipsos Reid survey, BMO, 2005, Canada:
 - % of current retirees who continue to work: 33%
 - % of 45 + still working who expect to work when retired: 74%
 - % of respondents who believe that “retirement” must be redefined, to stop looking “at retirement as a fixed point in time, but as a transition between full-time work and active retirement”: 87%

- **#5C To begin, a few results from our own work on this perception of retirement (1)**
- Canada/Quebec: a synthesis of various recent studies indicates that between 25% and 40% of “retirees” work in a declared manner (within the fiscal framework).
- We have to add undeclared work, which is difficult to evaluate but substantial.
- “Retirees” (= those who collect a pension at the same time they are working) are between 55 and 70 years, sometimes older; employment rate, M, 2004: 55-64 years: 62%; 65+: 12%)

- **#5D To begin, a few results from our own work on this perception of retirement (2)**
 - In principle, they work part-time (20hr/week)
 - But we see since 1998 a preponderance of full-time work, due to the economic recovery and the labour shortage
 - Estimated average weekly earnings (20 hr: \$300, or \$1,200 per month)

- **#6 (refer to slide #2) 3 questions asked by the organizers of the seminar:**
 - What do the processes of retirement from the workforce look like?
 - How will the behaviour of the BB change?
 - What factors affect the evolution of phased retirement?

- **#7 Factors to consider to answer these 3 questions:**
- The individual (socio-professional characteristics, strategic skills, physical and psychological health, family status and dynamic, personal project)
- Society (change in “culture”, values, toward work and retirement)
- Business (size, organization of work, shortage of skilled labour, open to arrangements around location and time of work)
- Protection plans (public disincentive plans or not, membership or not in complementary plans, RRSP)
- Contradictions between public and corporate plans (businesses continue to provide incentives for early retirement; public plans encourage departure at 65 yrs or +: tension between these two approaches explains the emergence of *bridge jobs*. A post-retirement employment market is formed)

- **#8A Specific TRANSPOL research #1**

- Survey in 2003 : 326 Francophones, 55+ on the theme of the characteristics of their job (multiple correspondence factor analysis , MCFA)
- Respondents differed according to objective elements:
- occupational status: +high/-high
- “career stage”: career or post-career
- 4 minimum profiles resulting from overlap between these elements:
- *High occupational status and career situation*
- *High occupational status and post-career situation*
- *Low occupational status and career situation*
- *Low occupational status and post-career situation*

- **#8B Specific TRANSPOL research #1 Results (1)**

- a) *High occupational status and career situation*, 21.2% of sample: respondents in this profile describe themselves as in a “neutral” situation toward work: no barrier to retiring or reducing work hours in the immediate; work is not impacting health or morale;
- b) *High occupation status and post-career situation*, 21.9% of sample: respondents in this profile are not planning to retire or to change work; work impacts their health and morale positively;
- c) *Low occupational status and career situation*, 48.2% of sample: respondents in this profile would like to retire as soon as possible, reduce their hours of work, but this seems impossible to them; work impacts their health and morale negatively;
- d) *Low occupational status and post-career situation*, 8.8% of sample: respondents in this profile have low employment income, they would like to increase their hours, but are unsuccessful in doing so; they have sometimes been unemployed for a long period and then have to use their RRSP to survive; work has a mainly negative impact on their health and morale.

- **#8C Specific TRANSPOL research #1 Results (2)**

- The results of this survey are interesting in that they clearly show that:
 - Post-career work is fundamentally characterized by *inequalities of income and especially of being meaningful or not* for those performing it: one-fifth of the sample (21.9%) found it very satisfying, while three-fifths (57%) found it a source of problems, dissatisfaction and suffering;
 - These inequalities are a direct function of the level of occupational status and thus of the employment conditions associated with the level of these statuses;
 - And that the impact of the levels of occupational status extends, quite “naturally”, from the career situation to the post-career situation.

- #9A **Specific TRANSPOL research #2**
- **A study of the types of transition to retirement**
- *Financial health at retirement* is a major issue in that the inequalities in the income of future cohorts of retirees could increase, given the progression of careers made up of atypical jobs, without proper protection. Such careers interfere with contributions toward and savings for retirement.
- The transition from work to retirement is enough time to establish the prognosis of financial health in retirement. During this period, the portfolio is reshaped. Normally, total income decreases and income sources are substituted. The study notes, in this regard, a cohort of persons who are currently ageing.
- This study uses the data from the second panel (1996-2001) of Statistics Canada's Survey of Labour and Income Dynamics (SLID). It tracks over four years (1996-2001) the transition paths of a cohort of 636 Canadians aged 50 to 64 years.

- **#9B Specific TRANSPOL research #2 Results (1)**

- The transition from work to retirement is a life step with variable paths for individuals and during which the statuses of worker and retiree combine or alternate over time, that is, between activity and inactivity, between employment and unemployment, and between full-time employment and part-time employment.
- Maintaining most of the earnings from employment activity is closely linked, as would be expected, to the activity paths: the more this activity is maintained and the faster re-employment occurs, the more the earnings tend to remain dominant in the overall composition of income. When earnings remain dominant, only a minority of workers draw retirement benefits. In contrast, beginning to draw retirement benefits is relatively closely linked to a seemingly more permanent cessation of activity.

- **#9C Specific TRANSPOL research #2 Results (2)**

- After a job separation, several possible income configurations develop that confirm and solidify the inequitable relations that characterized the previous “career” employment. Thus, we see that initial income (that is, during the year in which the transition process begins) is positively and strongly linked to relying mainly on private pension benefits rather than public pension benefits during the transition.
- The higher the employment income, the more likely there will be private pension income, and that that income will be dominant, and thus the higher the initial income.
- In contrast, initial income is significantly lower, even precarious, for individuals who must rely mainly on public benefits, such as CPP/QPP, OAS/GIS, or even social assistance benefits. These individuals, whose income is heavily dominated by government transfers following a job separation account for 20% of all persons observed in the transition process.

- #9D Specific TRANSPOL research #2 Results (3)

- The degree of income loss between the year the transition begins and the fourth year thereafter, closely corresponds to the precariousness of the source that is required to become dominant. This decline in income is higher when it is OAS/GIS that becomes dominant, rather than CPP/QPP, and higher when social assistance benefits become dominant. There is no question that, not only is the dominance of these sources associated with lower income and income/LIM ratios at the beginning, but also with a greater degree of loss. The economic disadvantages tend to combine.

- **#9E Specific TRANSPOL research #2 Results (4)**

- The former work experience fundamentally explains the current life experience. This is the principle behind the path approach that this study tried to verify through an analysis of the main determinants of the forms of transition between work and retirement. The study tried to verify the relation between the beneficial nature of previous jobs (high stability, high compensation, occupation and industry class with benefits in terms of future retirement, etc.) and the types of transition. Thus, for example, when a person stops working, the beneficial nature of previous jobs and the stability of the employment history favour transition types dominated by private benefits, while the disadvantageous and instable nature of employment favours types dominated by public benefits, including last resort transfers.

- #9F **Specific TRANSPOL research #2 Results (5)**
- The main findings reveal that any form of transition involving maintaining or resuming work and/or a preponderance of income sources excluding private benefits is more likely to be experienced by persons whose former employment:
 - includes *less seniority, a lower rate of compensation;*
 - *does not fall into the professional, semi-professional or manager category;*
 - *falls outside the domestic markets of public service industries;*
 - is salaried; and
 - was involuntarily or voluntarily interrupted, but for reasons other than “retirement”.

- #9G **Specific TRANSPOL research #2 Results (6)**
- In other words, remaining at or returning to work after a job separation is more likely to occur frequently among people whose previous job did not include such benefits as stability, compensation, professional qualifications or authority, and retirement protection.
- Moreover, we see that people with a university degree tend to avoid the situation where the bulk of income is derived from public benefits or transfers. However, those with the most education do not have a significant tendency to remain at or return to work.

- #10 **Who are the retirees who work?**
- **Summary of American and Canadian research and conclusions from research #1 and #2**
- 3 distinct groups + different paths for M-W in each group
- 1) the precarious group
- 2) the competitive group
- 3) the protected group

- **#11 Who are the retirees who work? The precarious group**
- These are workers and employees in the least productive activity sectors, those on the periphery, trade contracting business, less-skilled services, where the employment conditions are less favourable, employment income is the lowest and there are no pension plans.
- They represent a labour force that can be easily replaced, that is at risk. In the United States and Canada, they represent a *large majority* of all workers and employees who have a “post-career” job. They are working mainly because of economic necessity.

- **#12 Who are the retirees who are working? The competitive group**
- These are the people who, because of their skills, are able to handle competition from others; they work in leading businesses and sectors, the *core economy*, with high value added work and knowledge. They are highly skilled, very mobile, utilizing their skills in an extended market and increasingly on a global basis.
- They have good working conditions and compensation. They are clearly in the *minority*. Their skills are sought, even beyond the “normal” age for retirement, and they often act as experts or consultants, as salaried workers and/or as self-employed workers. They include the professional occupations.
- They find personal satisfaction in their jobs, which is normally their motivation to work and they generally do not expect to leave at a prescribed age.

- **#13 Who are the retirees who work? The protected group (1)**

- The members of the “protected” group work in either the public or parapublic sectors, in large companies that guarantee them excellent working conditions in the long term, where they make their careers, earning social protection equivalent to that found in the public sector.
- The amount of compensation, the working conditions and the benefits that this protected group enjoys are definitely set by the market in the case of private companies but, in the case of the public sector, they are set by the ability of the groups concerned to exercise political influence. These groups are excellent central social players in the welfare state.
- The protected group is in the *minority*, found mainly in the “public service” in its broadest meaning: management and research professionals, but also in direct services to people; members of this group are also in less specialized (blue collar, support workers) and lowered paid categories that, nevertheless, are guaranteed long-term employment and pension plans.

- **#14 Who are the retirees who work? The protected group (2)**
- The behaviour of the members of the protected group in retirement is specific: probably because of the assurance of being able to count on a defined and guaranteed retirement income, the members of this group appear overall to have little inclination to continue working after retirement, which, for them, continues to be a predictable and definitive event. Even those with the most education — a recognized indicator for working after retirement in groups other than the protected group — look to retire without delay.
- Only the most economically disadvantaged of the protected group (support workers, for example) plan to continued paid work after retirement.
- **CONCLUSION for these 3 groups:**
- Huge inequalities of conditions among the 3 groups
- This means that statistical and survey data must not be “globalized”

- #15 Who are the retirees who work?
- The importance of the meaning of work
- While these diverse data place considerable emphasis on the inequalities and the constraints, it should be remembered that all of the surveys and all of the studies reveal that, beyond working and living conditions that are often difficult and precarious, a majority of respondents state that they work because it creates links, gives meaning to their lives, especially when, more than in their former career job, they choose the intensity and pace of their work, something that was impossible in their career job. There is definitely agreement on this point in all surveys and studies.

- **#16 (reminder of slide #2) RETURN to the 3 questions asked by the organizers:**
- What do the processes of retirement from the workforce look like?
- How will the behaviour of the BB change?
- What factors affect the evolution of phased retirement?

- **#17 What do the processes of retirement from the workforce look like?**
- Highly varied and based on very inequitable scenarios according to:
 - career history (including training, compensation, employment stability, etc.)
 - type
 - various constraints on the individual when he stops his career (family, projects, importance of social links, etc.)
- The idea of a phased retirement, in several stages, from the workforce, is well rooted; so is the idea of employment income as a component of retirement income, to the extent that the employment situation remains favourable
- A major condition: the ability to choose one's own pace, to be the boss, and thus the importance of WTR measures, phased retirement, part-time work (which is not seen as “exploitation”)

- #18 How will the behaviour of the BB change?
- First, a warning: the BB are as sociologically diverse (re: precarious, competitive, protected) as all of the generations before them!
- Having said this, those who come from the more recent cohorts are more likely to be increasingly educated, independent, determined to run their own lives, to exercise their own choices, individualists, increasingly distrustful of government, but also more demanding politically. They will be in favour of individual investment, with a willingness to take risks, at least for those who will have the means to do so during their working lives. However, we note that membership in complementary plans or contributions to RRSPs are in free fall, and that many BB have considerable debt.
- All of these features (including education) should lead them to experience a “retirement” with employment, especially since...
- They enjoy a steadily improving state of health and life expectancy

- #19 **What factors affect the the evolution of phased retirement?**
 - First, it should be noted that PR and WTR measures are by far the principle choice of workers and employees. Recurring observations
 - This adjustment of the departure from and/or time at work is potentially positive for all parties
 - Research shows that it is difficult to implement outside large corporations. SMB are resisting, it is complicated ...
 - Collective agreements are sometimes obstacles...
 - The anticipated (and indeed current) shortage of skilled labour in certain sectors is a major driver of change in some companies
 - A clear policy on compensation from public plans is a motivator

- #20 **In conclusion**

- Only half of taxpayers between 25 and 64 years contributed to a RPP or RRSP in 2004
- Only 39% of workers were covered by a RPP in 2004, compared to 45% in 1991
- Only 38% of eligible taxpayers between 25 and 64 years contributed regularly to an RRSP in 2004, most contributions being made by seniors
- Conclusion: remaining in or returning to work until age 65, or older, which is presently the reality for almost one-third of “retirees”, provided there are jobs. But since these are flexible and part-time jobs, the chances are good, especially if a majority of workers find such employment satisfying

(Source : Gérard Bérubé, *Le Devoir*, 18-19 02 06)