



## Retirement not an option for many

We've heard a lot in recent years about the rising percentage of Canadians who keep working after the formerly sacrosanct retirement age of 65, and much of it has been positive.

That's legitimate, since much of the drive to keep working later in life is driven by happy trends like the improving vigour of seniors, and the greater ease with which many can find a job at a time when the supply of younger workers is growing more slowly.

But there's another side to this story, and the economic circumstances of the past few years suggest that it's probably gaining in importance: seniors who keep on working because they don't have much choice.

A new study by Statistics Canada analyst Sharanjit Uppal has found that working seniors are to be found most commonly in two very different groups: those at the bottom of the income scale (earning less than \$18,800 for men, who make up the majority of senior workers) and those at the top (earning more than about \$49,200).

In this case "income" means income outside of their own employment earnings -- typically, pensions, savings and investment income as well as the earnings of a spouse.

The apparently bizarre nature of this finding sorts itself out once you understand the very different nature of work for people at the two income extremes.

Work, for those whose pensions or private sources of income make them pretty comfortable, can resemble a hobby. While those at the top of the income scale are nearly as likely to work as those at the bottom, their work is very unlikely to involve full-time, year-round jobs, Uppal's study found.

After all, for people with valuable skills and a higher education, "there are very attractive options to keep working on their own terms and their own schedule," notes Clarence Lochhead, executive director of the Vanier Institute of the Family.

At the bottom of the income scale, on the other hand, "a principal consideration is financial need" and there isn't the same flexibility that might be enjoyed by a semiretired lawyer or professor.

Among men in the bottom income quintile of seniors, more than half worked year-round at full-time jobs. Work intensity wasn't much lower among women in this group, with 40 per cent on the job full time.

Another finding reinforces the evidence that financial stress is a substantial driver among those who keep working: those who had mortgages were about twice as likely to be employed after 65 as those with no mortgage payments to make.

But the information from Uppal's study is derived from the 2006 census, which leaves to wonder what happened to older Canadians in the years that followed, including the 2008-09 recession from which we are still recovering.

We can get some idea by looking at more recent information on the employment rates of those older than 65 from another source, Statistics Canada's monthly labour force survey.

What this survey suggests is that seniors are even more likely to work than they were in 2006, and by a wide margin.

Figures supplied by Jacques Ouellet of the labour force survey show the employment rate of 65-plus men shooting up to 11 per cent last month from an annual average of 8.6 per cent in 2007.

For women this age, the employment rate follows a similar pattern, jumping to 7.2 per cent last month from 5.4 per cent in 2007.

We can't know for sure what prompted this, of course, but we can make reasonable assumptions. In a period that included a recession, it seems reasonable to hypothesize that much, possibly most, of the jump in elder employment is driven by financial stress, not by alluring offers from employers.

What are the implications? One is that not everybody really wants to keep working after 65.

For some, especially in stressful or physically hard jobs, this is a real hardship. The evidence of elderly workers being forced to remain on the job by financial hardship is another powerful argument to improve Canada's public pensions.

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