

CARP's New Vision for Engaging Older Workers



Engaging Older Canadians in the Workforce

The right to work and remain engaged in the workforce is under threat for many older Canadians. Older workers are pressured to “make room” for younger employees despite their experience, skills, and potential to continue to contribute to the economy. Some of the barriers to continued engagement are structural, others are part of workplace dynamics but they are largely based on negative attitudes and ageist presumptions about older workers.

For many older Canadians, however, the traditional rules of retirement are no longer relevant. Continued engagement in the workforce provides social inclusion, promotes overall well-being, fulfills financial needs, and most important, helps prepare Canadians for a secure retirement. Older workers should be able to expect the same rights as all Canadians - to work free of discrimination and be judged on their competence not their age.

Today's growing population of older workers are ready to stay engaged and demonstrate their value to the economy and society. Governments and business have a vested interest in encouraging the continued contribution of older workers - older Canadians will not sit back and accept the status quo.

Older Workers in the Labour Force

Canadians are staying in the workforce longer than in previous years:

- In 2013, there were 8 million Canadians aged 45-plus out of 18.7 million labour force and 3.6 million Canadians aged 55-plusⁱ
- From 2006 to 2013, 305,800 more seniors joined the labour force- a 96% increaseⁱⁱ
- From 1997 to 2010, the employment rate for men over 55 rose from 37.6% to 44.9% and for women it rose from 22.3% to 36.6%ⁱⁱⁱ

The increase is a reversal of previous trends that saw fewer older men engaged in the workforce later in life and career. Older women have steadily increased their participation in the workforce since the 1990's, but the rate of participation has accelerated further in recent years.

Older Workers Want to Work and Need to Work

1. Work offers personal fulfillment, dignity, social inclusion, and physical well-being:

- Studies have found that unemployment can cause higher levels of stress, depression and other mental disorders and even greater usage of hospital resources.^{iv}

2. Work is a necessity that helps secure retirement and financial stability for Canadians without pension plans or adequate personal savings:

- The financial crisis in 2008 led to a 21.4% loss of Canada's private pension funds.^v
- Over 11.5 million Canadians do not have workplace pension plans.^{vi}
- 72% of pre-retirees worry about maintaining a reasonable standard of living later in life.^{vii}

Barriers to Workforce Engagement

On average, older workers have more difficulty keeping their jobs, finding re-employment and tend to stay unemployed longer once they're out of the workforce.^{viii} The reasons include:

1. Workplace age discrimination

Many older workers feel that their contributions are undervalued by employers and older unemployed individuals increasingly pessimistic about their chances of finding a job.^{ix}

- According to an Ipsos Reid poll, 74% of respondents believed that work places discriminate against older workers who are looking for jobs.^x
- The Ipsos Reid poll also found that a third of respondents have been a victim of age discrimination in the workplace or in a job interview.^{xi}
- Older unemployed individuals believe that better health and being younger would help them find a job according to a Statistics Canada study.^{xii}

Age discrimination is also structural. As of 2013, mandatory retirement in federally regulated industries is no longer legally permissible. Despite this, older workers continue to be pressured to vacate their positions.

- Most workplace health and dental coverage ends at age 65, creating unequal treatment of workers based on age.
- Most caregivers in Canada are over 45 years old, but labour practices and laws do not protect the jobs of people who need time to care for family members - with the exception of Ontario, which recently brought in 8 weeks of unpaid leave for caregivers.^{xiii}

2. Dislocation and Reduced Wages

Relocating can be costly and a new job may mean lower earnings.

- Older workers may be more negatively affected when displaced from their established family and community connections.

- Re-employment earnings was only 68% of previous long-term employment for those aged 50-54, falling to only 0.18 for those aged 60-64, according to a Statistics Canada study.^{xiv}

3. Lack of flexible options

A large proportion of older workers are in part-time, temporary, and self-employed work by choice, despite their experience and institutional knowledge.^{xv} Even these work arrangements may be difficult to find, and tend to pay lower wages if they are found.

- A UK study found that older workers want and need fewer hours of work, more control over their hours, and flexibility with their work arrangements, especially those managing certain health conditions or disability and those who with caregiving responsibilities.^{xvi}

“One-third of the Ipsos Reid poll’s respondents indicated that they have been a victim of age discrimination in the workplace or in a job interview”

4. Lack opportunities that match skills

With the gradual loss of traditional manufacturing jobs and emerging new technologies and industries, workers need to adapt quickly to meet labour market demands.

- Older workers can face greater difficulty upgrading skills to meet new demands, compared to younger workers.^{xvii} Having unmatched skills and training is a particular challenge for those living in regions that once had a dominant single employer or industry.
- New job application and hiring practices disadvantage some older workers, particularly those unexpectedly thrust into the job market after a long tenure in previous employment. Social media and other new online resources in today’s job market may not only be unfamiliar to older workers^{xviii xix} but may also not capture the extent of experience and knowledge possessed by older workers.

CARP Recommendations

The federal and provincial governments have formally recognized their role in supporting older workers, most notably in the federal transfer program Targeted Initiative for Older Workers (TIOW), which funds provincial programs aimed at training older Canadians.

A comprehensive plan is still needed, both to help unemployed older Canadians looking for work and to help currently employed older Canadians keep their jobs. CARP is calling on government and employers to work together to create an employment landscape that recognizes the importance and value of older workers by removing barriers and providing job opportunities.

1. Remove barriers to continued employment

All levels of government should work together to remove systemic barriers and disincentives to work. Such initiatives can include:

- Changes to the tax and pension systems to encourage continued employment, such as being able to work and receive benefits while still contributing to a pension plan
- Intergenerational sensitivity initiatives to counteract ageism and ageist practices in workplaces
- Better enforcement of human rights laws to counteract ageism and ageist practices in workplaces
- Caregiver leave and support programs
- “Emeritus” role for older employees in mentoring, strategic planning, special projects, outreach, recruiting
- Create employer incentives that encourage flexible time and salary opportunities like “5 over 4”
- Require equivalent coverage for employees of all ages in employer-sponsored insurance benefits

2. Help unemployed older Canadians during prolonged job search

The TIOW program has limited application to small pockets of unemployed older workers; providing training but not transition support or job opportunities. More support is needed to help people transition by:

- Promoting and funding continuous learning and training throughout individuals’ working lives^{xx}
- Further minimizing work disincentives associated with the Guaranteed Income Supplement claw back provisions
- Continuing to promote phased retirement through facilitated changes in the tax and pension system^{xxi}
- Amending Employment Insurance rules to give older workers more time to find better matched new job opportunities

3. Create job opportunities and promote the value of older workers

Older workers have immeasurable experience and value that is often ignored or relegated to the sidelines due to ageist attitudes and practices. Older workers play a vital role in our economy. The future job market will face a lower supply of experienced skilled workers at the same time that the knowledge and experience of older workers is being marginalized.

ThirdQuarter, a non-profit, online job service for people aged 45+ uses a skills-based matching system to link applicants to jobs. Such initiatives hold the potential to promote and engage older worker in the workforce.

Government and business have a joint role in helping more Canadians find meaningful employment, remain engaged, and secure their retirement. Governments should provide:

- Incentives for employers that encourage the hiring and retaining of older workers
- Incentives and/or funding for employer-based job fairs and placement agencies that match unemployed older workers with relevant opportunities in their fields
- Incentives for innovative management programs such as caregiver leave/support, “emeritus” unit, flexible time, and salary plans.

Engaged Older Workers Continue to Contribute

With retirement security increasingly out of reach for many older Canadians and with an expected skilled labour shortage, there are important reasons to proactively address the employment needs of older workers. Older workers who remain engaged benefit themselves, fellow employees, employers, and continue contributing to society and the economy.

Older Canadians, like all Canadians, have the right to keep working, free of discrimination and ageist practices. Older Canadians have a particular interest in this issue and it is imperative that government and business take action to ensure older workers can remain engaged in the workforce.

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