



Engaging Older Canadians in the Workforce

The right to work and remain engaged 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 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, and most important, helps prepare Canadians for an orderly retirement. Older workers 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 politically active and ready to demonstrate their value to the economy and society. Governments and business have a vested interest in the continued employment of older workers, as older Canadians will not sit back and accept the status quo.

More Older workers in the Labour Force

Older Canadians are staying in the workforce longer than in previous years.

- Canada's total labour force is estimated at roughly 18 million people. 8 million Canadians in the labour force are aged 45-plus, approximately 45% of the total workforce.ⁱ
- 3.5 million Canadians aged 55-plus are in the labour force, almost 20% of the total workforce.ⁱⁱ
- Over 600,000 seniors (65-plus) are in the labour force. From 2006 to 2013, roughly 300,000 more seniors joined the labour force, almost doubling the number.ⁱⁱⁱ

The increase in labour force participation by older Canadians is a reversal of previous trends that saw fewer older Canadians engaged in the workforce later in life and career. Older women have steadily increased participation in the workforce since the 1990's, but the rate of participation has increased in recent years.^{iv}

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.^v
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.^{vi}
 - Over 11.5 million Canadians do not have workplace pension plans.^{vii}
 - 72 percent of pre-retirees are concerned about maintaining a reasonable standard of living for the rest of their life.^{viii}

Barriers to Workforce Engagement

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

1. Workplace age discrimination

- Many older workers feel that their contributions are undervalued by employers; more older unemployed are pessimistic about their chances of finding a job soon^x
- A recent Ipsos Reid poll found that 74% of those polled believed that work places discriminate against older workers who are looking for jobs.^{xi}
- 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.^{xii}
- Age discrimination is also systemic. In most workplaces, for example, health and dental coverage ceases at a certain age, most commonly 65.
- Statistics Canada found that most older unemployed felt that better health or being younger would help most in finding a job.^{xiii}
- Until recently, mandatory retirement was legally permissible. Even with new legal protections, older workers continue to be pressured to vacate positions.
- 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 in Ontario, where they allow 8 weeks of leave for caregivers.^{xiv}

2. Dislocation and Reduced Wages

- Relocating can be costly and a new job may mean lower earnings. In 2008, half of the older workers who returned to work experienced a wage loss of at least 25% less than their previous position.^{xv}

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

3. Lack of flexible options

- A UK study found that older workers prefer fewer hours of work, more control over their hours, and flexibility with their work arrangements.^{xvi} Such arrangements are most important to older workers who are also informal caregivers.
- A large proportion of older workers are in part-time, temporary, and self-employed work by choice, despite their experience and institutional knowledge.^{xvii} Even these work arrangements may be difficult to find, and tend to pay lower wages if they are found.

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. Unlike younger workers, older workers can face greater difficulty up-grading skills to meet new demands.^{xviii} Having unmatched skills and training is a particular challenge for those living in regions that had a dominant single employer or industry that has downsized.
- New job application and hiring practices disadvantage some older workers, particularly those unexpectedly thrust into the job market after a long tenure. Social media and other new online resources in today's job market may not only be unfamiliar to older workers^{xix xx} but also rarely allow adequate description of relevant experience
- The workplace discrimination they felt on the job is even more in evidence during the job search with employers targeting younger workers exclusively

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 securing employment for 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;^{xxi}
- 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 systems;^{xxii}
- 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 through ageist attitudes and practices. The value of older workers is crucial to employers and our economy. The future job market will face a lower supply of experienced skilled workers at the same time that their knowledge and experience is being marginalized. Government and business have a joint role in helping more Canadians find meaningful employment, remain engaged, and secure eventual 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 and flexible time and salary plans

Engaged Older Workers Continue to Contribute

With retirement security increasingly out of reach for many older Canadians and with a looming 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.

^{xvi} http://www.google.ca/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0CFcQFjAA&url=http%3A%2F%2Fqualityhumanrights.com%2Fuploaded_files%2Fresearch%2Ffolder_workers_employment_preferences_barriers_and_solutions_v2.pdf&ei=uAkHUN2cCOru0gHpqrHdCA&usg=AFQjCNEycnEf2XT3uw-cYjYmjXtL8F14vg&sig2=BS3CXc6BndE8G2JsE0nJ Jg

^{xvii} www.td.com/document/PDF/economics/.../ff02_12_olde_r_workers.

^{xviii} Expert Panel on Older Workers, "Supporting and Engaging Older Workers in the New Economy," www.hrsdc.gc.ca/eng/publications.../lmp/.../older_workers_2008.pdf

^{xix} Expert Panel on Older Workers, "Supporting and Engaging Older Workers in the New Economy," www.hrsdc.gc.ca/eng/publications.../lmp/.../older_workers_2008.pdf

^{xx} Statistics Canada, 2011.

<http://www.statcan.gc.ca/pub/75-001-x/2012003/article/11698-eng.pdf>

^{xxi} Expert Panel on Older Workers, "Supporting and Engaging Older Workers in the New Economy," www.hrsdc.gc.ca/eng/publications.../lmp/.../older_workers_2008.pdf, page iii.

^{xxii} Expert Panel on Older Workers, "Supporting and Engaging Older Workers in the New Economy," www.hrsdc.gc.ca/eng/publications.../lmp/.../older_workers_2008.pdf, page iii.

ⁱ Statistics Canada. Table 282-0001. <http://www5.statcan.gc.ca/cansim/a47>

ⁱⁱ Ibid.

ⁱⁱⁱ Ibid.

^{iv} Ibid.

^v "Health, Job loss, and Programs of Older Workers in Canada." ceric.ca/cjcd/archives/v3-n1/article5.pdf

^{vi} www.oecd.org/dataoecd/41/3/44008042.pdf

^{vii} Statistics Canada. <http://www.statcan.gc.ca/daily-quotidien/130312/dq130312a-eng.htm>

^{viii} Canadian Institute of Actuaries. Retirement Risk: Defining Retirement Horizons. 2010.

^{ix} Expert Panel on Older Workers, "Supporting and Engaging Older Workers in the New Economy," www.hrsdc.gc.ca/eng/publications.../lmp/.../older_workers_2008.pdf

^x Statistics Canada, 2011.

<http://www.statcan.gc.ca/pub/75-001-x/2012003/article/11698-eng.pdf>

^{xi} <http://www.ipsos-na.com/news-polls/pressrelease.aspx?id=5702>

^{xii} <http://www.vancouversun.com/news/national/Canadians+believe+employers+discriminate+against+older/6972511/story.html>

^{xiii} Statistics Canada, 2011.

<http://www.statcan.gc.ca/pub/75-001-x/2012003/article/11698-eng.pdf>

^{xiv} Ontario Family Caregiver Leave Act, 2011

http://www.ontla.on.ca/web/bills/bills_detail.do?locale=en&Intranet=&BillID=2566

^{xv} www.statcan.gc.ca/pub/89-646-x/89-646-x2010001-eng.pdf

