

Study: Years to retirement, 1998 to 2009

Released at 8:30 a.m. Eastern time in *The Daily*, Tuesday, December 4, 2012

Canadians aged 50 and over are working later and delaying retirement, regardless of their level of education. However, because of a shorter life expectancy, the less-educated are likely to spend fewer years in retirement.

This new study, published today in the inaugural edition of *Insights on Canadian Society*, a new Statistics Canada online publication, shows that older workers are more likely to retire later than they did in the late 1990s, regardless of their level of education.

Among those with less than a high school diploma, a 50-year-old worker in 2009 could expect to work another 14.3 years before retiring. In comparison, this same worker could expect to work 12.3 years in 1998.

Similarly, a 50-year-old worker with a postsecondary education could expect to work 14.6 years in 2009, compared with 12.0 in 1998.

This suggests that the working-life expectancy of 50-year-old workers increased by at least two years for both the most-educated and the least-educated.

However, there are significant differences in life expectancy after retirement on the basis of education level.

More precisely, less-educated workers aged 50 have a life expectancy after retirement of 18 years, compared with 21 years among those with a post-secondary education.

Voluntary and involuntary retirements

The above calculations include individuals who may have been pushed into 'involuntary' retirement because of events such as layoffs, illness or caring for a family member. Involuntary retirements make up about one-quarter of total retirements.

The working-life expectancy drops by almost two years (from 16.3 to 14.5 years) when calculations include both voluntary and involuntary retirements.

Taking involuntary retirement into account, workers aged 50 in 2009 could still expect to work longer than their 1998 counterparts.

For instance, a 50-year-old man in 1998 could expect to continue working for 12.5 years, meaning that these workers would typically retire at age 62.5.

By 2009, male workers that age could expect to work another 14.6 years, meaning that they should retire around age 65.

Similarly, the expected working life for 50-year-old women rose from 11.6 to 14.2 years during the decade.

Similar conclusions were reached when the reduction in the number of hours worked by seniors since the late 1990s was factored into the results.

Note to readers

*This release is based on the first article in *Insights on Canadian Society*, which is Statistics Canada's new online publication on social issues that affect the lives of Canadians. This publication aims to inform policy makers, analysts and the general public about issues and challenges faced by Canadians through succinct and policy-relevant analyses.*

The article is based on data from the Labour Force Survey (LFS) as well as working-life tables calculated using a method similar to the one used for calculating life expectancy. The working-life tables are based on retirement rates calculated using the LFS.



Definitions, data sources and methods: survey number 3701.

The article "How many years to retirement?" is now available online in the December 2012 inaugural edition of *Insights on Canadian Society* (75-006-X, free), from the *Publications* module of our website, under the *Key resource* tab.

For more information, contact us (toll-free 1-800-263-1136; infostats@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact Diane Galarneau (613-951-4626; diane.galarneau@statcan.gc.ca), Labour Statistics Division.

For more information on *Insights on Canadian Society*, contact Sébastien LaRoche-Côté (613-951-0803; sebastien.larochelle-cote@statcan.gc.ca), Labour Statistics Division.