

Study: Employment transitions among older workers leaving long-term jobs

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Many older workers who leave long-term jobs do not fully enter retirement. In fact, over one-half of workers aged 55 to 64 who left long-term jobs between 1994 and 2000 were re-employed within a decade.

A new study examined the employment of older workers in Canada over the decade following their exit from a long-term job — defined as a job that had lasted 12 years or more. About two-thirds of employed Canadians entered their fifties in long-term jobs.

Of Canadians who exited a long-term job at age 55 to 59, 60% were re-employed within the next 10 years. This was the case for 44% of those who exited their long-term job at age 60 to 64. Men were more likely than women to be re-employed.

Compared with Ontario residents, older workers in Atlantic Canada were less likely to be re-employed after leaving their long-term job, while those in the Prairie provinces and the Northwest Territories were more likely. Older workers who left their long-term job because of illness or injury, who had pension coverage in their long-term job, or whose long-term job was in the public sector were less likely than others to be re-employed.

Most re-employment occurred quite soon after long-term jobs ended. For example, among men who were re-employed after exiting their long-term job at age 60 to 64, 42% were re-employed the same year their long-term job ended and another 21% were re-employed the following year. The probability of re-employment fell sharply in subsequent years. This pattern was observed among workers of different ages at exit from the long-term job, with different reasons for leaving, province of residence as well as financial status.

The paid employment of men who exited their long-term job at age 60 to 64 subsequently lasted 4.6 years, on average, while among women it subsequently lasted, on average, 3.8 years. During these years, these individuals typically had earnings that were about 18% of those they had received when employed in their long-term job. However, there was considerable variability in this regard.

The research paper "Employment Transitions Among Older Workers Leaving Long-term Jobs: Evidence from Administrative Data", part of *Analytical Studies Research Paper Series* (11F0019M), is now available from the *Browse by key resource* module of our website under *Publications*.

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