

Has the labour force participation rate among seniors really increased in Quebec?

The numbers of job-holders aged 60 and over are increasing. It is not just a matter of an aging workforce; seniors are really participating in the labour market more than ever before. We also note that part-time employment is gaining popularity among these workers. Despite this increase in employment, in this regard Quebec stands well below the Canadian average, as well as Ontario, Alberta and the United States. However, Quebec workers have not had their final say on the issue. Businesses' pressing need for trained and experienced workers, the shift of the labour market to the tertiary sector, and the rising life expectancy are some of the factors that will precipitate greater labour force participation by seniors in the years to come. For businesses, this will somewhat alleviate the headache of recruiting qualified workers; for the workers themselves, this is a way to pursue an active lifestyle. Here is a quick overview assessing the progress made over a period of nearly 40 years.

INCREASING NUMBERS OF SENIORS AT WORK

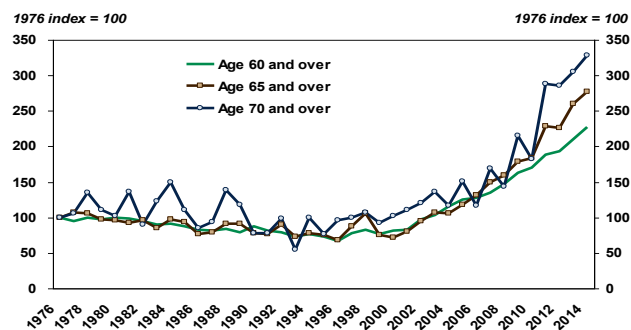
Given that Quebec's population is growing and aging, a significant increase in the number of jobs held by seniors in the province is not exactly headline news. This has risen from 125,800 in 1976 to 368,600 in 2014. This escalation of 193% exceeds by far that of the total jobs held in Quebec during that period (+59.6%). In 1976, 4.9% of jobs were held by workers aged 60 and over, and that proportion reached 9.1% in 2014.

Is the higher participation by workers aged 60 and over entirely attributable to those between the ages of 60 and 64? If we look at the proportion of workers aged 60 to 64 among the total of those aged 60 and over, we find that they represented 70.6%, on average, during the period from 1976 to 2014. In each of the decades within that period, the average oscillated between 70% and 72%. However, we must point out that the data vary considerably from one year to another. Just recently, from 2010 to 2014, the proportion of workers aged 60 to 64 fell significantly, to 66.1%, a downwards trend that began at the turn of the millennium. Thus we note a growing proportion of jobs held by workers aged 65 and over among the larger group of workers aged 60 and up. What is behind this phenomenon? Longer working lives? Disappointment with retirement? The fallout from the stock market crash of 2008? Low interest rates and the lack of savings to meet financial obligations? Many factors can account for this participation by workers aged 65 and over in the labour force.

FULL-TIME EMPLOYMENT

We note that full-time employment¹ has increased in all the sub-categories of the 60-plus age group (graph 1). All things being equal, it is the jobs held by workers aged 70 and over that have increased the most sharply since 1976. However, we must treat these data with some reservations, given the small number of jobs held by workers of that age and the size of the sample on which the information is based. In reality, the vast majority of full-time jobs were held by workers between the ages of 60 and 64. In 2014, there were 244,300 full-time jobs held by workers aged 60 and up, compared to 107,400 in 1976. The lowest number was 71,500 jobs in 1996.

Graph 1 – Quebec: The level of full-time employment has risen among seniors



Sources: Statistics Canada, Labour Force Survey and Desjardins, Economic Studies

¹ For a definition, see table 1 on page 2

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NOTE TO READERS: The letters k, M and B are used in texts and tables to refer to thousands, millions and billions respectively.

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Table 1 – A few reference points

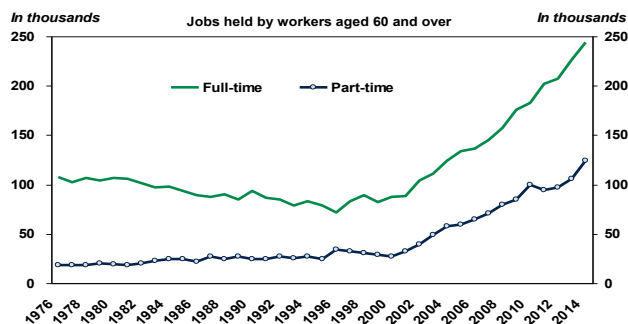
Type of work
Full-time or part-time work schedule. Full-time employment consists of persons who usually work 30 hours or more per week at their main or only job. Part-time employment consists of persons who usually work less than 30 hours per week at their main or only job. This information is available for those currently employed or who last worked within the previous year.
Participation rate
Total labour force expressed as a percentage of the population aged 15 years and over. The participation rate for a particular group (for example, women aged 25 years and over) is the labour force in that group expressed as a percentage of the population for that group.
Employment rate (employment/population ratio)
Number of employed persons expressed as a percentage of the population 15 years of age and over. The employment rate for a particular group (age, sex, marital status, province, etc.) is the number employed in that group expressed as a percentage of the population for that group.

Source: Statistics Canada, *Guide to the Labour Force Survey*, Catalogue no. 71-543-G

PART-TIME JOBS ARE ALSO ON THE RISE

After 1976, full-time employment among those aged 60 and over declined gradually until 1996. It was in 1997 that it started growing again and since then, it has advanced quickly. With respect to part-time work,² the trend was different: we note very timid growth from 1976 to 2002, then acceleration from 2003 onwards (graph 2). But it is interesting to look at the changes and distribution of work between full-time and part-time jobs held by workers aged 60 and up over the past 38 years (graph 3). The proportion of part-time jobs shot up from 14.6% in 1976 to 33.7% in 2014;

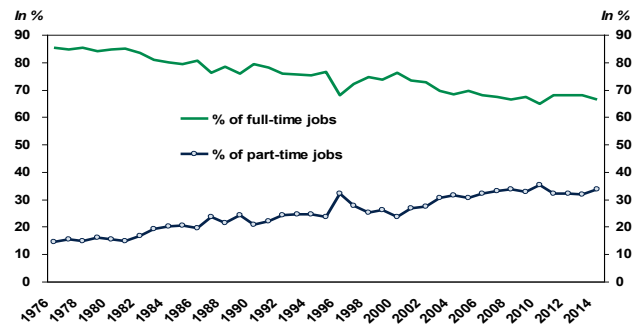
Graph 2 – Quebec: The number of jobs has increased in both full-time and part-time work



Sources: Statistics Canada, Labour Force Survey and Desjardins, Economic Studies

² For a definition, see table 1

Graph 3 – Quebec: The proportion of full-time jobs among seniors is declining



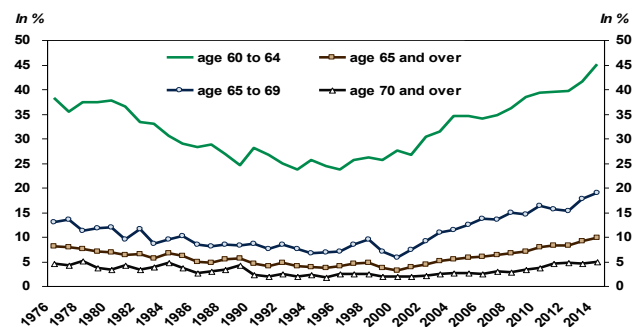
Sources: Statistics Canada, Labour Force Survey and Desjardins, Economic Studies

in short, it more than doubled. It is worth noting that the proportion of part-time jobs has been oscillating between 30% and 35% since 2003.

THE EMPLOYMENT RATE AMONG SENIORS REALLY IS RISING

If we look at changes in the employment rate³ by age group, we observe several interesting phenomena (graph 4). First of all, the employment rate is higher among those aged 60 to 64, which is hardly surprising. Furthermore, in each of the categories listed by Statistics Canada, the employment rate observed in 2014 is higher than that recorded in 1976, even among those aged 70 and over.

Graph 4 – Quebec: The employment rate is rising even among those aged 70 and over



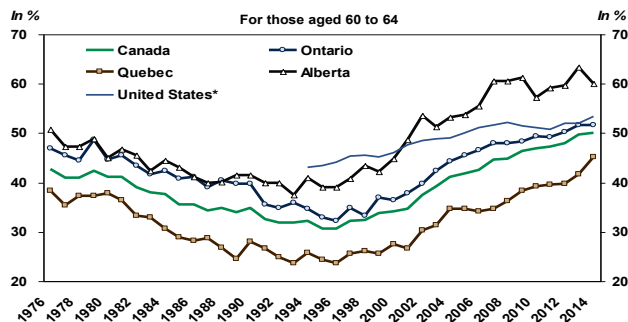
Sources: Statistics Canada, Labour Force Survey and Desjardins, Economic Studies

Furthermore, it is in the 60-to-64 and the 65-to-69 age categories that the employment rate has climbed the most. In 2014, it was 45.1% among those aged 60–64 after bottoming out at 23.6% in 1996. The employment rate of those aged 65–69 was just 5.8% in 2000 and rose to 19.0% last year. Increased labour force participation is confirmed once again by this indicator.

³ For a definition, see table 1

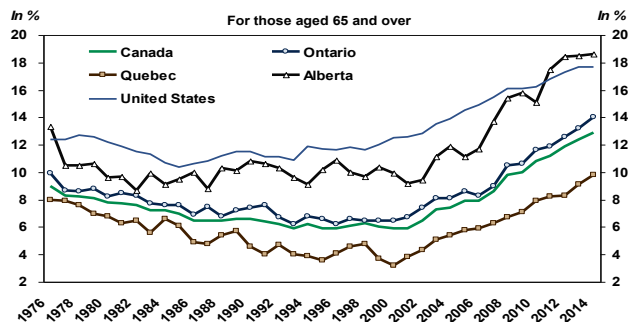
However, a comparison with Canada, Ontario and Alberta puts these data in a different light. Graphs 5 and 6 show that Quebec stands below the national average and both the aforementioned provinces during the entire period under consideration. In both the 60–64 and 65-plus age categories, the employment rate has basically followed the same trend: a collapse between 1976 and the end of the 1990s. After that, we note a significant upswing that has continued during the 2000s decade and that of 2010.

Graph 5 – The employment rate climbed back up in Quebec in 2014, but not in Alberta



* Available from 1996 onwards
Sources: Statistics Canada, Labour Force Survey, Bureau of Labor Statistics and Desjardins, Economic Studies

Graph 6 – Among those aged 65 and over, enthusiasm for work keeps growing in Quebec



Sources: Statistics Canada, Labour Force survey, Bureau of Labor Statistics and Desjardins, Economic Studies

The comparison shows that the labour force participation rate of the 60–64 age group is higher in Canada, in Ontario and in Alberta than it is in Quebec. In 2010, the Institut de la statistique du Québec produced a comparative study between Quebec and Ontario among workers aged 50 and over on the subject of retirement.⁴ Despite the greater numbers of Quebecers aged 60 and over holding jobs since the end of the 1990s, we note that in Canada, on average, that participation has increased faster. We do note, though,

⁴ Luc Cloutier and Jean-François Dorion, Institut de la statistique du Québec, *Les intentions des travailleurs âgés de 50 ans et plus quant à leur retraite : une comparaison Québec-Ontario*, Flash-Info, Travail et rémunération, September 2010, volume 11, no. 3, 12 pages. <http://www.stat.gouv.qc.ca/statistiques/travail-remuneration/bulletins/flash-info-201009.pdf>

that the deviation between Quebec and the national average in the 60–64 age group narrowed in 2014.

A look south of the border also shows an increase in the employment rate among the 60–64 and the 65-plus age categories during the 2000s, with a pause during the recession. The employment rate in the 60–64 age group in the United States (available only from 1996 onwards) is higher than that of Quebec, as well as the Canadian average. However, Alberta has outstripped the United States in this regard since the beginning of the 2000s.

For the 65-plus age group, Quebec lags behind the United States, which remained at the top of the five jurisdictions we have been comparing up until 2010, when Alberta surpassed it. In fact, Alberta’s employment rate among those aged 65 and over has been higher than the national average for quite some time. Statistics Canada reported this phenomenon in a study published in 2004.⁵ A few reasons were suggested for this, with no one factor being identified as the key that would explain everything. Two factors that were mentioned were the strong presence by agriculture in the economy (where older workers are more common) and the oil booms (in 1973, the 1980s and the 2000s), which created labour shortages and opened the doors to workers of all ages.

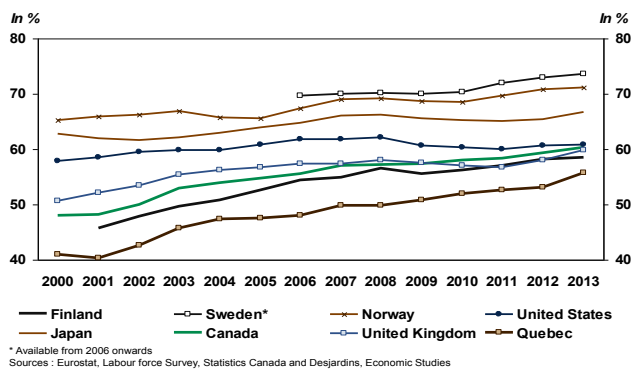
A QUICK GLANCE AT SOME OECD COUNTRIES

Some data compiled by the OECD give us an idea of where Quebec stands relative to certain OECD countries in terms of the employment rate. The available data can be used to compare the age 55-to-64 cohort. This brief overview (graph 7 on page 4) encompassing a horizon extending from 2000 to 2014 enables us to draw a few conclusions.

First of all, we observe that Norway and Sweden have employment rates above 70%. Meanwhile, Japan, with a population whose median age is higher than those of Canada and Quebec, also has an employment rate higher than theirs. On the other hand, Finland, whose median population age surpasses those of Canada and Quebec, has a lower employment rate among workers aged 55 to 64, compared with Canada. Obviously, a comparison such as this makes no claim to thoroughly cover the issue. However, it does show that employment rates can be raised from what we now see in Canada. It also makes us aware that it would be hasty to conclude that an older population correlates with a significantly higher employment rate in all parts of the world.

⁵ Doreen Duchesne, Statistics Canada, *More seniors at work in Perspectives*, February 2004, volume 5, no. 2, pages 5 to 19. No. 75-001-XIF in the Catalog. <http://www.statcan.gc.ca/pub/75-001-x/10204/4168618-eng.htm>

**Graph 7 – Employment rate among those aged 55 to 64:
Improvement since 2000**



THE PARTICIPATION RATE IS ALSO ON THE UPSWING

Just like the employment rate, the labour force participation rate has also risen. In fact, the trend in the participation rate is practically identical to that of the employment rate. It comes as no surprise that the participation rate is higher in the 60–64 age group than in the 65–69 age group. The participation rate reached a peak in 2014. Quebec’s rate is lower than the Canadian average, as well as the rates of Ontario and Alberta. Finally, as is the case for the employment rate, Alberta stands head and shoulders above the rest and is helping to inflate the Canadian average. This phenomenon can be seen in both the 60–64 and the 65–69 age groups. However, given the oil price slump that occurred in 2014 and in the beginning of this year, both the employment and participation rates will probably decline among Alberta’s senior workers.

**LABOUR FORCE PARTICIPATION BY SENIORS:
MORE THAN JUST A FLASH IN THE PAN**

To the question “Has the labour force participation of the population aged 60 and over really increased?” we can answer in the affirmative. To the question “Will the participation rate increase in the years to come?” we can in all likelihood again answer yes, and specify that there will be a significant proportion of part-time jobs.

However, this increased participation will not be automatically propelled by the aging of the population, as we saw earlier. Businesses’ pressing need for trained and experienced workers, the shift of the labour market to the tertiary sector with less physically demanding working conditions, the changes caused by low interest rates, government incentives to extend the working lives of seniors and the rising life expectancy are some of the reasons that suggest that the seniors’ participation rate will keep rising in the years ahead, both in Quebec and in Canada overall. For businesses, this sizable pool of experienced workers will give them the wherewithal to confront the competition. For workers, the labour market appears to be more welcoming to those who wish to extend their working lives in paid jobs.

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