

Economic and Social Reports

Employment by choice and necessity among Canadian-born and immigrant seniors



by René Morissette and Feng Hou

Release date: April 24, 2024



Statistics
Canada

Statistique
Canada

Canada

How to obtain more information

For information about this product or the wide range of services and data available from Statistics Canada, visit our website, www.statcan.gc.ca.

You can also contact us by

Email at infostats@statcan.gc.ca

Telephone, from Monday to Friday, 8:30 a.m. to 4:30 p.m., at the following numbers:

- Statistical Information Service 1-800-263-1136
- National telecommunications device for the hearing impaired 1-800-363-7629
- Fax line 1-514-283-9350

Standards of service to the public

Statistics Canada is committed to serving its clients in a prompt, reliable and courteous manner. To this end, Statistics Canada has developed standards of service that its employees observe. To obtain a copy of these service standards, please contact Statistics Canada toll-free at 1-800-263-1136. The service standards are also published on www.statcan.gc.ca under “Contact us” > [“Standards of service to the public.”](#)

Note of appreciation

Canada owes the success of its statistical system to a long-standing partnership between Statistics Canada, the citizens of Canada, its businesses, governments and other institutions. Accurate and timely statistical information could not be produced without their continued co-operation and goodwill.

Published by authority of the Minister responsible for Statistics Canada

© His Majesty the King in Right of Canada, as represented by the Minister of Industry, 2024

Use of this publication is governed by the Statistics Canada [Open Licence Agreement](#).

An [HTML version](#) is also available.

Cette publication est aussi disponible en français.

Employment by choice and necessity among Canadian-born and immigrant seniors

by René Morissette and Feng Hou

DOI: <https://doi.org/10.25318/36280001202400400002-eng>

As Canada's population gets older and life expectancy keeps increasing, Canadian-born and immigrant seniors may alleviate downward pressures on the overall employment rate through their involvement in the labour market.

Many seniors work past their mid-60s for various reasons. Some find it necessary to keep working because of inadequate retirement savings, mortgage payments, unforeseen expenses, or the responsibility to support children and other family members in Canada or abroad. Others choose to work to provide a sense of personal fulfillment, stay active and remain engaged.

Working by choice rather than necessity may have important implications for the well-being of seniors. Furthermore, data on employment by choice and necessity may help employers and policy makers understand the factors that influence seniors' retirement decisions.

To shed light on this issue, this article uses data from the Labour Force Survey (LFS) and examines the degree to which Canadian-born and immigrant seniors aged 65 to 74 worked by choice or necessity in 2022.¹

1. Since March 2020, LFS respondents who were employed and aged 60 and older were asked the following question: "Some people retire, while others continue working, either by choice or by necessity. What was your main reason for working last week?" Answer choices were "by choice" or "by necessity." Focusing the analysis on 2022 allows these responses to be examined by population group, about which the LFS started collecting information in January 2022.

One in five seniors aged 65 to 74 worked in 2022—almost half of them by necessity

Of all Canadian-born and immigrant seniors aged 65 to 74, 21% were employed in 2022. Nine percent reported working by necessity and 12% reported working by choice. Those working by necessity represented 351,000 individuals that year.²

Immigrant seniors were more likely than their Canadian-born counterparts to work by necessity in 2022. Of all immigrant men aged 65 to 74, 15% reported working by necessity in 2022 (Table 1). The corresponding percentage was 9% for Canadian-born men.³ Immigrant women (9%) were also more likely than Canadian-born women (6%) to report working by necessity.⁴

Table 1

Percentage of population aged 65 to 74 employed in 2022 by choice or necessity, by immigrant status and selected characteristics

	Canadian-born men			Immigrant men			Canadian-born women			Immigrant women		
	Employed	By choice	By necessity	Employed	By choice	By necessity	Employed	By choice	By necessity	Employed	By choice	By necessity
	percent											
All	24.1	15.0	9.1	28.6	13.9	14.7	15.9	9.9	6.0	17.7	8.9	8.8
Age group												
65 to 69 years	30.0	17.3	12.7	38.0	16.7	21.3	21.7	13.0	8.8	24.5	11.4	13.1
70 to 74 years	16.8	12.1	4.7	18.0	10.7	7.3	8.8	6.1	2.7	10.0	6.2	3.9
Education level												
Less than high school	19.2	10.3	8.8	19.4	7.3	12.1	10.5	6.1	4.4	7.8	3.4	4.5
High school	24.1	14.0	10.1	23.4	11.4	11.9	15.3	8.8	6.5	14.7	7.0	7.7
Postsecondary certificate or diploma	22.4	13.6	8.8	29.6	14.5	15.1	16.6	10.2	6.4	20.7	10.2	10.5
Bachelor's degree	26.9	18.5	8.4	31.5	13.0	18.5	17.3	11.5	5.7	21.2	11.4	9.8
Above bachelor's degree	38.6	29.3	9.3	39.3	24.3	15.0	24.1	18.1	6.0	31.7	17.8	13.8
Married or in a common-law relationship?												
No	20.9	12.0	8.9	25.5	12.6	12.9	16.3	8.3	8.1	17.9	7.4	10.5
Yes	25.2	16.0	9.2	29.2	14.2	15.1	15.7	10.8	4.9	17.6	9.8	7.8
Lives in a rented dwelling?												
No	24.6	15.9	8.7	28.0	14.2	13.8	16.3	10.5	5.7	18.0	9.2	8.7
Yes	21.8	10.3	11.4	31.5	12.1	19.3	14.4	7.2	7.2	16.4	7.5	9.0
Selected population groups												
South Asian	F	F	F	33.6	13.0	20.7	F	F	F	15.8	7.3	8.6
Chinese	F	F	F	19.7	11.7	8.0	F	F	F	13.0	6.8	6.2
Black	F	F	F	37.8	15.6	22.2	F	F	F	21.1	8.7	12.4
Filipino	F	F	F	34.5	12.6	21.8	F	F	F	25.0	11.8	13.2
White	24.2	15.1	9.1	27.8	15.7	12.1	15.9	9.9	6.0	18.1	10.2	7.9

F too unreliable to be published

Source: Statistics Canada, Labour Force Survey, 2022.

- Of all seniors aged 75 and older, 4% were employed; 1% were working by choice and 3% by necessity.
- Since 24% of Canadian-born men and 29% of immigrant men were employed in 2022, these numbers imply that 38% of **employed** Canadian-born men and 52% of **employed** immigrant men worked by necessity that year.
- Several factors may lead immigrants to work by necessity after their mid-60s. Some immigrants who landed in Canada during adulthood may not have accumulated retirement savings that are comparable to those of Canadian-born seniors as they reach 65. Other immigrants (for example, those who are aged 65 and older and arrived recently) may not qualify for some government transfers and experience a much higher rate of chronic low income than Canadian-born seniors (Picot and Lu, 2017).

The degree to which immigrants worked by necessity in 2022 varied across population groups. About 20% of Black, Filipino or South Asian immigrant men reported working by necessity that year, compared with 8% of Chinese immigrant men and 12% of White immigrant men. Black immigrant women (12%) and Filipino immigrant women (13%) were also more likely than Chinese immigrant women (6%) to report working by necessity.

Canadian-born and immigrant men living in a rented dwelling were more likely to work by necessity than homeowners. For example, 19% of immigrant men living in a rented dwelling reported working by necessity in 2022, compared with 14% of their counterparts who owned a home. Since housing wealth is a significant wealth component for most Canadians (Morissette, 2019) and most individuals aged 65 to 74 are homeowners (Hou, 2010), living in a rented dwelling likely reflects fewer financial resources and a greater need to sustain employment.

Meanwhile, Canadian-born and immigrant women who were married or in a common-law relationship worked by necessity to a lesser extent than women who had no spouse.

Regardless of immigrant status and gender, seniors aged 70 to 74 were less likely to be employed, be it by choice or by necessity, than seniors aged 65 to 69.

While the propensity of seniors to work by necessity varied by age, marital status, immigrant status, population group and homeownership status, it did not vary substantially across education levels. For example, 8% of Canadian-born men with a bachelor's degree reported working by necessity in 2022, a proportion similar to that reported by their counterparts with no high school diploma (9%). However, the percentage of seniors who worked by choice increased markedly with education, thereby explaining entirely—in an accounting sense—why seniors' employment rates increased with education.⁵

Seniors who worked by necessity earned lower wages and held jobs with lower skill requirements

Seniors who worked by necessity in 2022 were less likely to be self-employed and more likely to work full time than those who worked by choice. For instance, 78% of immigrant men working by necessity held full-time jobs, while the figure stood at 67% among those working by choice (Table 2). The difference, at 24 percentage points, was even larger among Canadian-born men.

5. For example, 19% of Canadian-born men with a bachelor's degree reported working by choice in 2022, compared with 10% of their counterparts with a high school diploma. Since seniors' employment rates increase with education, the fact that their propensity to work by necessity varies little across education levels implies that among those who are employed, the percentage working by necessity generally falls with education.

Table 2

Types of jobs held in 2022 by individuals aged 65 to 74 who were employed by choice or necessity, by selected characteristics

	Immigrant status and gender							
	Canadian-born men		Immigrant men		Canadian-born women		Immigrant women	
	Employed by:							
	Choice	Necessity	Choice	Necessity	Choice	Necessity	Choice	Necessity
	percent							
Self-employment	40.9	34.5	40.0	33.4	27.2	26.0	30.7	21.7
Full-time jobs	58.1	72.5	67.0	78.1	38.9	57.0	49.7	62.5
Selected industries								
Manufacturing	7.7	10.2	13.9	15.2	4.1	4.5	8.9	10.0
Wholesale trade	4.6	4.8	4.0	5.4	1.9	2.7	3.0	0.8
Retail trade	9.9	12.6	10.5	12.4	14.3	16.6	10.8	14.5
Transportation and warehousing	7.0	13.3	6.3	11.7	2.6	3.4	3.0	1.5
Professional, scientific and technical services	13.9	7.2	14.8	8.2	12.5	9.1	11.6	8.4
Administrative and support, waste management and remediation services	4.0	4.0	4.8	5.6	4.5	7.0	3.8	5.7
Educational services	5.9	3.9	6.0	4.8	9.0	8.4	8.7	7.8
Health care and social assistance	5.1	4.9	8.2	4.6	19.1	17.5	19.0	19.3
Arts, entertainment and recreation	2.9	2.9	2.0	1.0	4.8	2.5	2.8	2.0
Accommodation and food services	1.5	1.5	2.2	5.3	2.1	4.3	4.0	5.1
Public administration	4.1	2.7	2.9	2.5	4.7	4.3	6.8	3.3
Training, education, experience and responsibility (TEER)								
0	17.2	14.9	14.7	10.1	8.3	8.4	8.4	7.1
1	23.9	14.0	30.9	15.5	23.0	17.1	24.4	19.2
2	18.7	19.3	16.2	20.7	17.4	16.9	17.8	13.3
3	17.3	24.0	14.3	16.5	20.8	21.2	18.7	18.9
4	12.0	13.7	12.6	16.1	19.7	21.1	18.7	22.1
5	10.9	14.0	11.2	21.1	10.9	15.4	12.1	19.4
	dollars							
Hourly wages (employees)								
Average	34.67	29.46	39.03	29.01	29.78	26.33	30.12	26.30
Median	27.00	24.04	30.28	22.65	23.08	22.30	25.00	22.00

Notes: TEER 0: Management. TEER 1: Completion of a university degree (bachelor's, master's or doctorate) or previous experience and expertise in subject-matter knowledge from a related occupation found in TEER 2 (when applicable). TEER 2: Completion of a postsecondary education program of two to three years at a community college, an institute of technology or a CÉGEP; or completion of an apprenticeship training program of two to five years; or occupations with supervisory or significant safety (e.g., police officers and firefighters) responsibilities; or several years of experience in a related occupation from TEER 3 (when applicable). TEER 3: Completion of a postsecondary education program of less than two years at a community college, an institute of technology or a CÉGEP; or completion of an apprenticeship training program of less than two years; or more than six months of on-the-job training, training courses or specific work experience with some secondary school education; or several years of experience in a related occupation from TEER 4 (when applicable). TEER 4: Completion of secondary school or several weeks of on-the-job training with some secondary school education, or experience in a related occupation from TEER 5 (when applicable). TEER 5: Short work demonstration and no formal educational requirements.

Source: Statistics Canada, Labour Force Survey, 2022.

Differences in seniors' industry of employment are also observed. Senior men who worked by necessity were more often employed in manufacturing and in transportation and warehousing—two sectors that typically provide blue-collar jobs—than senior men who worked by choice. Senior women who worked by necessity were more often employed in retail trade and in administrative and support, waste management and remediation services than those who worked by choice.

Seniors who worked by necessity also held jobs that require high levels of training, education and experience less often than seniors who worked by choice. The difference was particularly pronounced among immigrant men. Among those working by necessity, 26% held managerial or professional positions (TEER⁶ categories 0 and 1) in 2022. Among those working by choice, the corresponding percentage stood at 46%, a 20 percentage point difference.

Part of these differences resulted from differences in seniors' socioeconomic characteristics. For example, human capital and demographic factors—age, education, marital status and age at immigration (for immigrants)—accounted for one-fifth of the 20 percentage point difference noted above. However, these factors accounted for approximately 60% of the corresponding differences observed among Canadian-born men and immigrant women, and 90% of the difference observed among Canadian-born women.

Regardless of immigrant status, male and female employees who worked by necessity earned lower wages than those who worked by choice. The difference in average hourly wages between the two groups was significant, reaching 25% for immigrant men, 15% for Canadian-born men, 13% for immigrant women and 12% for Canadian-born women. Even after controlling for differences in human capital, demographic factors and selected job characteristics,⁷ most of these wage differences persisted. Depending on the gender-immigrant status cell considered, 54% to 63% of the wage differences observed between the two groups of employees—those working by necessity versus those working by choice—remained after controlling for these covariates. This implies that other factors that are not observed in the LFS—for example, workers' ability, field of study and whether one works in a high-paying firm—drive the remaining wage differences.

6. Training, education, experience and responsibility, as defined in the 2021 National Occupational Classification.

7. Including age, education, marital status, age at immigration (for immigrants), full-time status, permanent status, union status, firm size, industry and location of residence.

Conclusion

In recent years, the aging of the Canadian workforce has led to numerous discussions on how to increase Canada's aggregate labour supply. As life expectancy rises and physically demanding jobs account for a smaller share of jobs than they did in the past, seniors are one segment of the labour force for which increases in labour force participation rates are potentially feasible. While changes in the participation rates of seniors have been documented in the past (Uppal, 2010), the degree to which seniors work by necessity rather than by choice has not been documented to date.

This article fills this gap and shows that, overall, close to 1 in 10 seniors aged 65 to 74 reported working by necessity in 2022. Some groups of seniors with higher financial vulnerability, such as immigrants, women with no spouse and men living in rented dwellings, were more likely than others to work by necessity.

Compared with seniors who worked by choice, seniors who worked by necessity received lower wages and were more likely to hold jobs that required relatively little training, education and experience.

Taken together, these findings suggest that a number of seniors who work by necessity are more economically vulnerable than their counterparts who work by choice. Whether this is the case requires a detailed assessment of all their sources of income and wealth holdings, which is a task left for future research.

Lastly, it should be noted that the employment decisions of some seniors, as measured in 2022, may have been partly influenced by the COVID-19 pandemic. Whether the percentages of seniors working by choice or necessity were the same before the pandemic remains an open question.

Authors

René Morissette and Feng Hou are with the Social Analysis and Modelling Division, Analytical Studies and Modelling Branch, at Statistics Canada.

References

Hou, F. (2010). Homeownership over the life course of Canadians: Evidence from Canadian censuses of population. Analytical Studies Branch Research Paper Series, no. 325.

<https://www150.statcan.gc.ca/n1/pub/11f0019m/11f0019m2010325-eng.htm>

Morissette, R. (2019). The wealth of immigrant families in Canada. Analytical Studies Branch Research Paper Series, no. 422. Statistics Canada Catalogue no. 11F0019M. Ottawa: Statistics Canada.

<https://www150.statcan.gc.ca/n1/pub/11f0019m/11f0019m2019010-eng.htm>

Picot, G. & Lu, Y. (2017). Chronic low income among immigrants in Canada and its communities. Analytical Studies Branch Research Paper Series, no. 397. Statistics Canada Catalogue no. 11F0019M.

<https://www150.statcan.gc.ca/n1/pub/11f0019m/11f0019m2017397-eng.htm>

Uppal, S. (2010). Labour market activity among seniors, *Perspectives on Labour and Income*, Statistics Canada Catalogue no. 75-001-X, Vo. 11, No. 7, pp. 5-18.

<https://www150.statcan.gc.ca/n1/pub/75-001-x/2010107/article/11296/11296hl-fs-eng.htm>