



Is Freedom 85 is the new 'freedom 55'?

Canada's urgent need to maintain a strong labour force is being met in significant numbers by simple age demographics, with boomers still opting to stay on the job, a new report suggests.

Close to 2.1 million Canadians between 55 and 64 were either employed or looking for work in 2006, a report from Statistics Canada says. The trend, which has been developing for the past several years, is seen as a real source of relief for the country's employers, worried that aging of the population will leave them with a serious skills shortage.

While increasing immigration numbers has been regarded as the principal answer to Canada's workforce demands, the fact boomers are no longer retiring in as large numbers as expected offers another alternative to bringing in growing numbers of newcomers. And that trend may last for at least two more decades.

First Nations leaders also point out that the country's aboriginal workforce offers yet another option. (See First Nations Economic Blueprint, Diversity!, September 2007)

The labour force activity rate of this population bulge, born between 1946 and 1965, can affect employment levels, as well as the economy in general, use of public services and the individual and family economic well-being of boomers themselves, according to the StatsCan report published in late August.

"Recent studies and indicators suggest that baby boomers may not in fact be collectively fleeing employment for 'freedom 55'," the study explains. "The non-exodus of older workers may be dampening the threat of a sudden and severe labour shortage."

This is just the first wave of baby-boomers, Vincent Ferrao, co-author of the StatsCan report stresses. The trend is likely to last, thanks to a bump in the birthrate around the early 1960s.

"It's not the peak yet," Ferrao told Diversity! in an interview. "There are more boomers born later. They're going to move up that population pyramid...it looks like this trend will continue increasing labour force participation."

The oldest boomers turned 60 in 2006, the same year that saw a record 45-percent proportion of 60 to 64 year-olds in the labour force, the report points out.

Many boomers continue to retire, Ferrao says, but a lot more of them are staying in the labour force. "So it's kind of dampening the effect of older workers retiring. Without this phenomenon, you'd even have a greater shortage of workers."

Employers are using what workforce they have available and are enticing their older workers to stay, due in part to the fact that provinces have abandoned mandatory retirement laws.

"I think older workers can probably set their own conditions with employers," Ferrao says. "A lot of them are making the transition to retirement...they're working part-time, they're reducing their hours and they're working on their own."

Many also retire and return to the labour force because they want to do something, he says. "Some of them don't have an employer-sponsored pension plan. Some of them don't have enough savings in their RSPs, so they continue to work."

Findings from 2006 show that most of the jobs among older workers were full-time positions in the service sector. Fourteen percent of the total population last year was made up of mature workers, compared to just 11 percent in 1976.

The study also found that baby boomers are staying in the workforce because they're more educated, have strong attachments to the workforce or because of other interests such as financial security.

"Whatever the reasons, the increasing labour force participation rate among older workers will likely soften the eventual economic impact of the aging baby-boom cohort," the report says. **D!**

For the complete StatsCan report, Participation of Older Workers visit the website <http://www.diversityintheworkplace.ca/> and look up this article.

