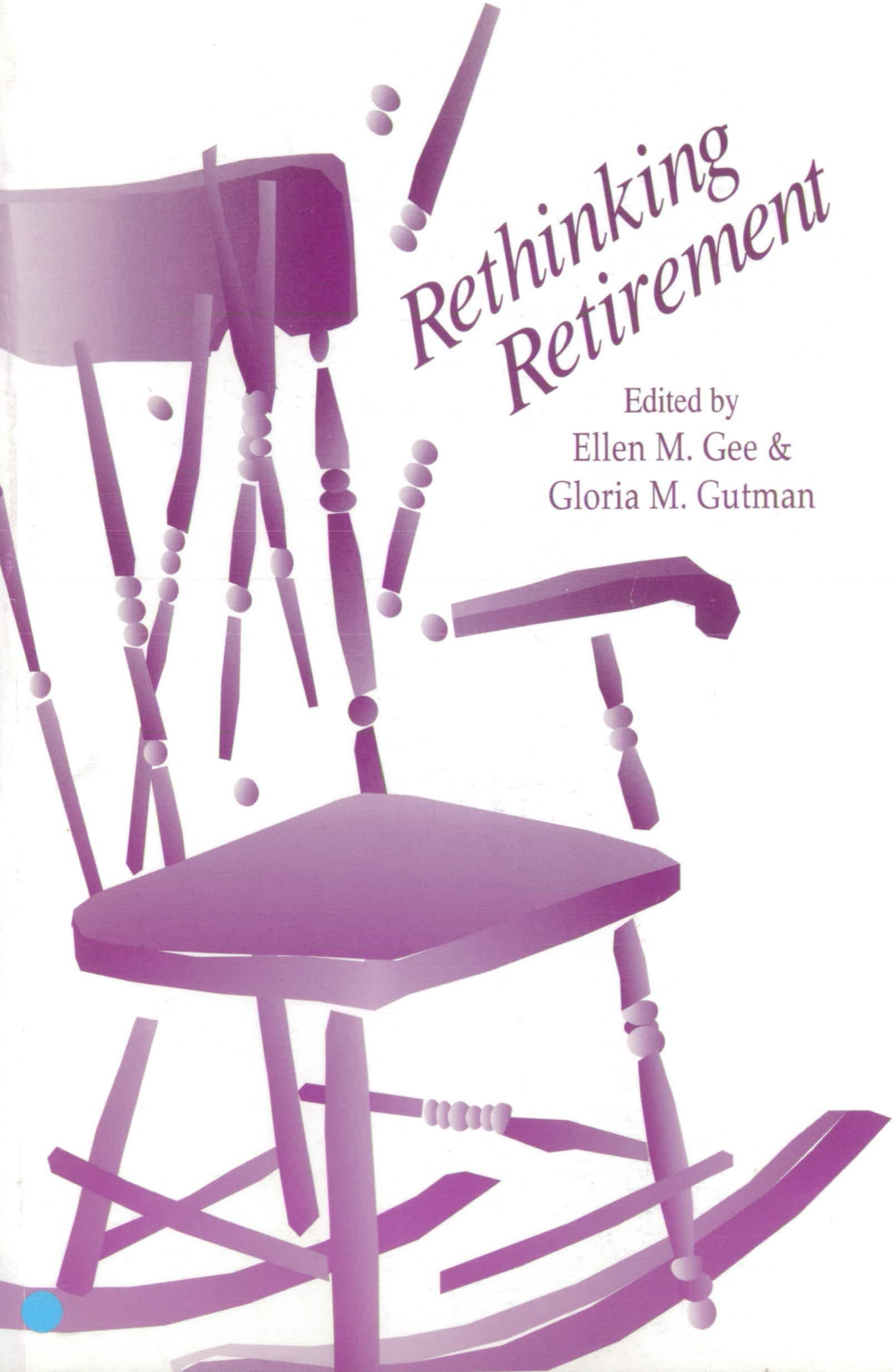
Rethinking Retirement

Edited by
Ellen M. Gee &
Gloria M. Gutman



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CHAPTER 1

INTRODUCTION

Ellen M. Gee and Gloria M. Gutman

ORIGIN OF THIS VOLUME

Four of the seven chapters in this volume are based on papers originally presented at the 6th Annual John K. Friesen Lecture Series in Gerontology held at Simon Fraser University April 3-4, 1995. The impetus for the symposium and the volume was provided by the profound changes that are taking place in Canada and throughout the developed world in the way retirement is being conceptualized, timed, and reflected in corporate and public policy.[1] A systematic examination of these changes seemed warranted.

CHAPTER ORGANIZATION AND CONTENT

Following this introductory chapter, Ellen Gee, in Chapter 2, draws our attention to the important fact that population aging can be viewed either as a social triumph, whereby we have overcome many of the factors that caused people, and especially women and children, to die prematurely or, we can view population aging as an impending disaster. The "social crisis" view, based on an erroneous belief in demographic determinism, when coupled with economic reductionism, leads, she argues, to some social policy choices we want to think very seriously about before adopting. Gee also introduces the argument, elaborated on by some of the other authors, that the politics of gender are on a collision course with current social policy trends.

[1] The symposium itself was the "brain child" of Lillian Zimmerman, who played a key role in its organization, along with Gerontology Centre Director Gloria Gutman and Wendelin Fraser, Continuing Studies, SFU.

At issue are underlying beliefs about the family and women's traditional role in it, the importance of paid work for women's economic well-being, and the shift away from state and towards individual responsibility for one's social and financial well-being in the sunset years.

Victor Marshall begins Chapter 3 by raising questions about our definition of retirement. Starting from the classical "event, process, status and role" definition, he notes that today, many people leave the workforce, voluntarily or involuntarily, well before the age of 65. As a result, classical research on the predictors and on the consequences of retirement is largely outdated. It must be replaced, he argues, with data and concepts that reflect the changes that have taken place in retirement as a social institution and in its timing as well as the growing diversity of job patterns and work histories.

Organizational and technological change are the focus in Chapter 4. Here, Marshall draws attention to the widespread economic restructuring that is taking place throughout the developed world, resulting in flattened organizational structures that resemble contemporary population pyramids. While these changes are largely at the expense of older workers, he takes the position that rather than blaming technological development for widespread de-layering, re-engineering, downsizing, rightsizing, etc., these should be viewed as a potential vehicle for job creation and economic expansion.

In Chapter 5, Robert Brown approaches the issue of retirement through a lens focused on the financing of public pensions. He notes that our changing demography could lead to large increases in Canada Pension Plan (CPP) contribution levels, creating significant economic burden to younger workers. An alternative direction, which he favours, is to increase the normal age of retirement, i.e., the age of entitlement for public pension benefits such as CPP. Although using different approaches, the chapters by Brown and Gee direct policy attention to the question of mandatory retirement at age 65.

Susan McDaniel, in Chapter 6, underscores the importance of considering retirement in the context of the intersection of four contemporary trends: demographic shifts and especially, the entry of the baby boom generation into the pre-retirement years; restructuring of the Canadian economy; changes in family life; and in the life course. She presents important new qualitative data supporting prior quantitative findings of marked gender differences in the way labour market transitions are experienced.

The final chapter, by Lynne MacFadgen and Lillian Zimmerman, presents findings from a recently completed study of women and retirement. Data sources include personal interviews with 47 women aged 45-64 who are currently working for a financial institution in Vancouver and a focus group held with seven former employees of the same company, now aged 54-72. The study showed a a surprisingly high proportion of survey respondents (49%) who were unable to estimate their future retirement income from pension and other sources. The authors suggest this reflects both a lack of information and an inability to amass adequate retirement savings.

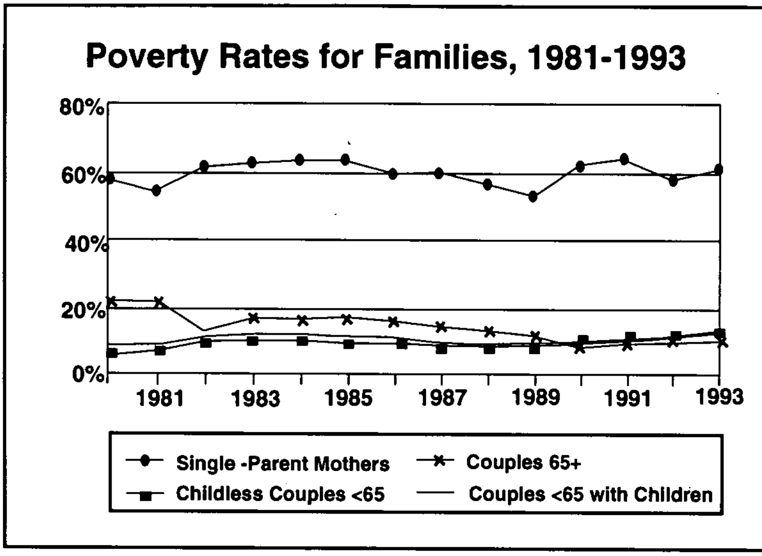
SOME BACKGROUND DATA: POVERTY AMONG OLDER MEN AND WOMEN

Throughout the book reference is made to the impact of retirement on income. But how do older people stand, economically, in relation to other groups within Canadian society? Are there many who are impoverished or just a few? Haven't things improved tremendously for most and won't they continue to get better as the baby boom generation ages?

Statistics Canada publishes low income cutoffs each year. The National Council of Welfare, like many other social policy groups, regards the low income cut-offs as poverty lines and uses the terms "poor" and "low income" interchangeably. As the Council notes in their Poverty Profile Up-date for 1991 (National Council of Welfare, 1993) "Statistics Canada takes pains to avoid reference to poverty, says the cut-offs have no official status, and does not promote their use as poverty lines". Still, it is instructive to examine families and unattached individuals in relation to these cutoffs.

Figure 1 shows poverty rates for four family types one of which are couples aged 65 and over. As can be seen, the news is good in that since 1980, the proportion of older couples who are poor has dropped from 22.2% to 9.7%. In examining Figure 1 we are also struck by the much higher poverty rate among single-parent mothers than among the other three family types.

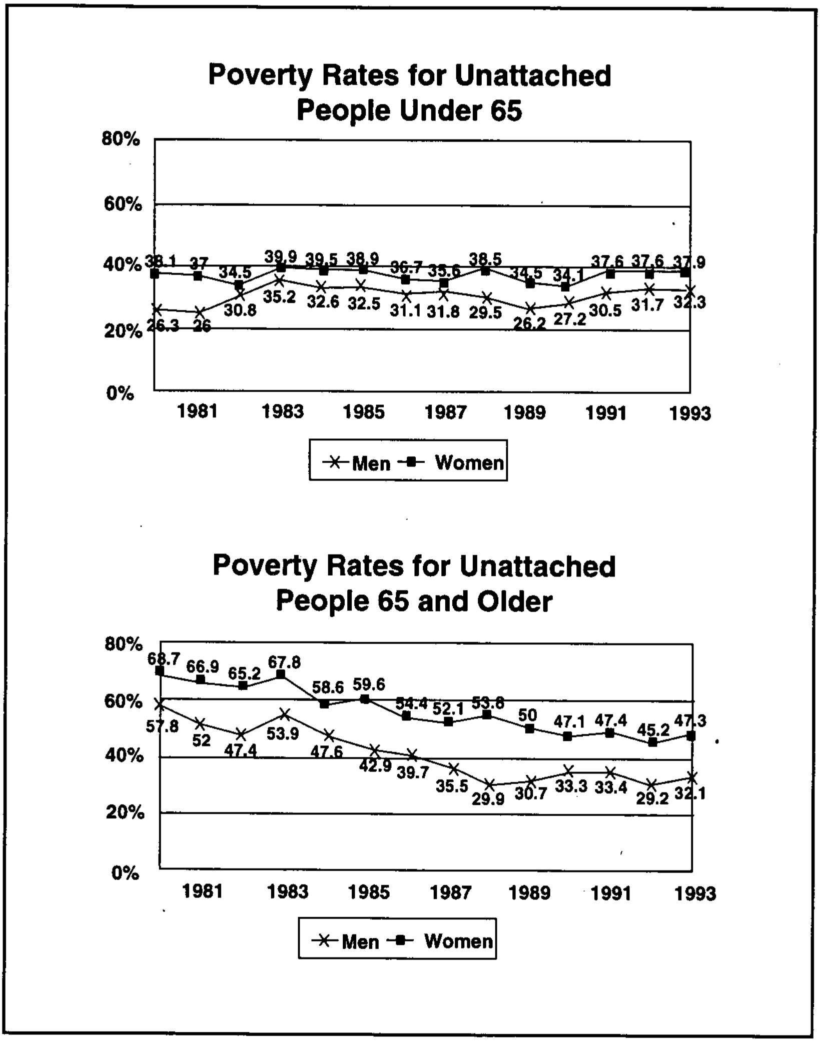
Figure 1



Source: *National Council of Welfare (1995)*

Before we conclude that older people are all right financially, we need to examine poverty rates for unattached persons. As shown in the bottom portion of Figure 2, while poverty rates have decreased since 1980 for both men and women aged 65 and over, in 1993, the latest date for which figures are available, they still stand at unacceptably high levels: 47.3% for women and 32.1% for men. Comparison of Figures 1 and 2 is also instructive. It is apparent that for unattached women the situation is the reverse of that for families: poverty rates are higher for unattached women aged 65 and over than for unattached women under age 65 (47.7% and 37.9% respectively). In 1993, rates were essentially the same for unattached men under and over age 65 (32.3% and 32.1%).

Figure 2



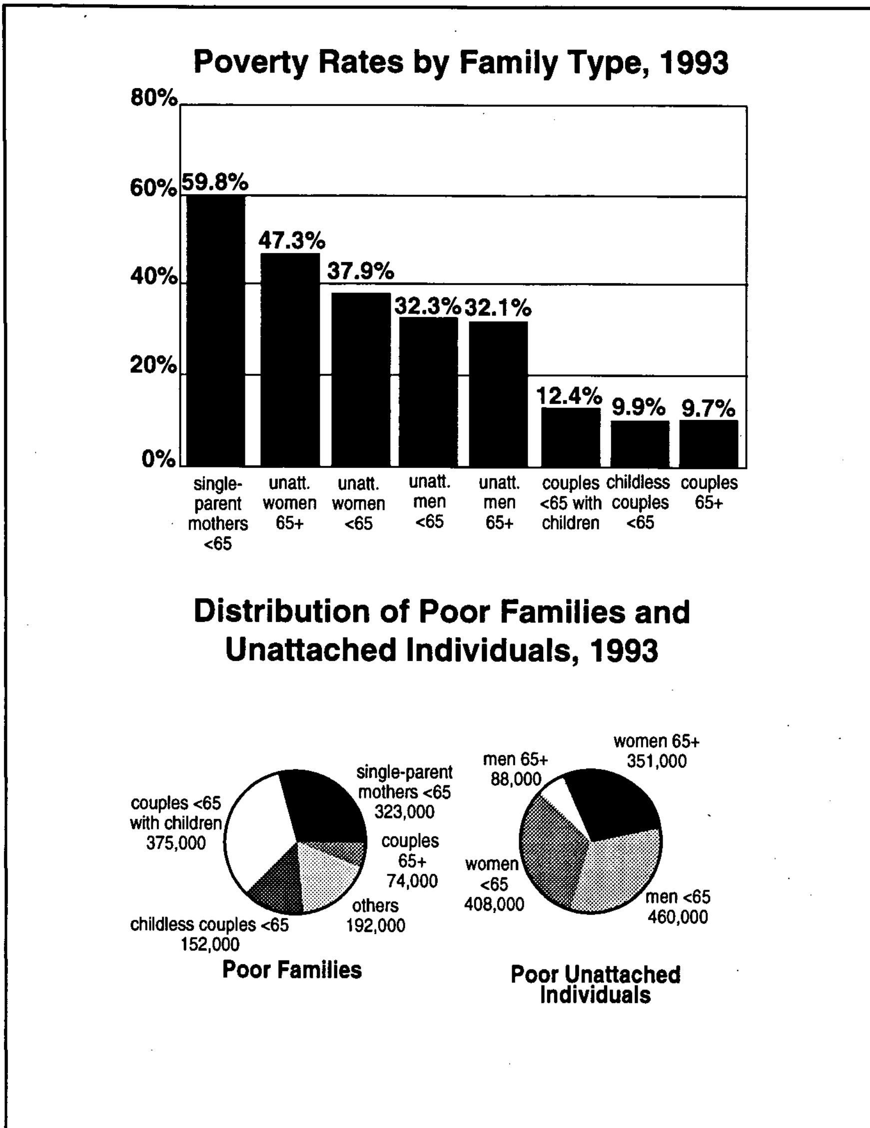
Source: *National Council of Welfare (1995)*

Figure 3 combines data from the two previous figures. The top portion shows that unattached women aged 65 and over are second only to single-parent mothers in terms of the proportion impoverished (47.3% compared with 59.8%). The pie charts at the bottom of Figure 3 indicate the numbers who are poor. These include 323,000 single parent mothers, 408,000 unattached women under aged 65 and 351,000 unattached women aged 65 and over. If persons aged 65 and over of both sexes and all living arrangements are included, the number of Canadian seniors living in poverty in 1993 was 636,000 or 20.5%.(National Council of Welfare, 1995). It is also important to note that poverty among elderly Canadians has been on the increase in recent years. For example, the percentage of seniors in poverty in 1993 (20.5%) is higher than in 1991 (20.0%) and in 1992 (18.6%). This represents a departure from the yearly changes from 1980 to 1990, all of which showed declines in the percentage of older Canadians living in poverty.

Sources of Income

It is instructive to examine the sources of income of seniors in light of current discussions about individual responsibility for finances in retirement. Based on data from Statistics Canada's 1989 Survey of Consumer Finances, the National Advisory Council on Aging (1993) notes that together, the Old Age Security Pension and Guaranteed Income Supplement (OAS/GIS) and the Canada/Quebec Pension Plan (C/QPP) account for over one-third of the income of senior families and more than one-half of the income of unattached seniors.

Figure 3



Source: *National Council of Welfare (1995)*

Table 1 shows that federal government transfer payments constitute an even greater proportion of the income of poor seniors. Only a minority have investment income, receive provincial supplements or receive benefits from an occupational pension plan. Amounts received from these sources are generally small. For example, while 40% of poor unattached women aged 65+ had investment income in 1993, on average it amounted to only $1,830 per year.

Table 1

Sources of Income for Poor Seniors, 1993

Source of Income	Poor Couples 65 and Older		Poor Unattached Men 65 and Older		Poor Unattached Women 65 and Older	
	Percent Receiving	Average Amount to Recipient	Percent Receiving	Average Amount to Recipient	Percent Receiving	Average Amount to Recipient
Old Age Pension and Guaranteed Income Supplement	89%	$11,846	98%	$7,226	99%	$8,319
Canada and Quebec Pension Plan	67%	$4,102	75%	$4,387	59%	$3,018
Investment Income	36%	$1,976	22%	$941	40%	$1,830
Provincial Supplements	36%	$2,174	32%	$1,463	31%	$744
Occupational Pension Plan	9%	$4,829	19%	$2,356	16%	$2,444
Income from all Sources	100%	$16,816	100%	$11,921	100%	$11,735

Source: *National Council of Welfare (1995)*

Regional Distribution of Poverty Among Women in High-Risk Groups

Table 2 shows poverty rates by region for women in high-risk groups, defined by the National Council of Welfare (1993) as unattached women under age 65, unattached women aged 65 and over and single-parent mothers. Rates are high in all regions of the country. The particularly high level of poverty among unattached women aged 65 and over in Quebec is likely associated with the lack of a provincial income supplement for low-income seniors.

Table 2

Poverty Rates for Women in High-Risk Groups, 1991

Region	Unattached Women Under 65	Unattached Women 65 and Older	Single-Parent Mothers Under 65
Atlantic	39.7%	43.4%	64.3%
Quebec	46.3%	56.0%	61.7%
Ontario	29.9%	45.2%	64.0%
Prairies	37.6%	42.6%	60.1%
British Columbia	37.8%	sample too small	55.7%
Canada	37.6%	47.4%	61.9%

***Source:** National Council of Welfare (1993)*

Rural-Urban Comparison of Income Patterns of Seniors

The National Advisory Council on Aging (1993) notes that while income patterns are similar for rural and urban seniors, due in part to the weight of government transfer payments in seniors' incomes, a higher proportion of senior families in rural areas has low income compared with their urban counterparts. The Council draws particular attention to rural-urban income differences among unattached women aged 70 and over. In 1988, 40% of those living in urban settings had incomes below $10,000 per annum compared with 49% of unattached women aged 70+ living in rural settings. Lower living costs in rural settings may, however, render this difference less meaningful than it might seem at first glance.

CONCLUSION: A LOOK AHEAD

We have already observed that poverty rates among Canada's seniors have been increasing in recent years. What does the future look like? While we cannot make predictions with any real certainty, there are danger signs that retirement income in Canada is headed down a path toward increasing insecurity and inequality. There are high levels of poverty among single-mother families and unattached women under the age of 65. Until and unless the income inequities of these two groups are addressed, we can expect successive cohorts of women entering the age group 65 and over to contain substantial numbers who are impoverished.

Another factor that does not portend well for the income prospects of upcoming seniors is unemployment among older workers. As pointed out by Victor Marshall in this volume, while older workers do not "officially" have a high rate of unemployment, they experience the longest duration of unemployment. For example, in 1993, approximately 25% of men and 17% of women aged 45 and over who were unemployed had been so for more than one year. This compares with 16% of unemployed men and 12% of unemployed women aged 25-44, and 8% of unemployed men and 5% of unemployed women aged 15-24 (Statistics Canada, 1994). Also, it should be kept in mind, as Marshall argues, that "real" unemployment may in fact be considerably higher among persons aged 45 and over who become discouraged in job-seeking and come to define themselves as retired.

Recent rhetoric, which may well be followed by direct policy changes to make individuals more responsible for their own retirement income, fails to recognize the structural factors (e.g. gender, race, class) that make for an uneven playing field, and carries the potential to create two classes of elderly persons — "rich" and "poor". This can be seen in terms of occupational pension plans and Registered Retirement Savings Plans (RRSPs), in particular. Occupational pension plans are available to only 51.8% of men and 42.5% of women who are employed paid workers (Statistics Canada, 1994). Also, it has been argued that anticipated increases in CPP contribution levels may hamper any efforts to expand the private pension system, and could possibly result in the termination of some existing private plans (Frenken, 1993). Reductions in occupational pension plans would particularly affect women — who are more likely to work for small employers who may no longer be able to afford private plans, and who are concentrated in low-wage jobs, making private pension plan contributions increasingly difficult as more of their income is withheld for the CPP.

In addition, the expectation that RRSPs will play a major role in future retirement income is fraught with problems. It neglects the differential ability of younger persons to purchase them, which also contains a gendered dimension. In 1991, 20.3% of women tax filers contributed to such savings plans, compared with 28.1% of male tax filers (Statistics Canada, 1994). Either way, the vast majority of Canadians do not/cannot purchase RRSPs, and the majority of those who do are relatively high income earners. Add to this the fact that the cashing in of RRSPs before the age of 65 is increasing (Frenken & Standish, 1994). For example, in 1991, approximately 604,000 Canadians under the age of 65 cashed in $3.3 billion of their RRSP savings. Particularly striking are data indicating that more than one-half of the withdrawers were under the age of 45 and virtually certainly not funding their own early retirements. Since about 20% of the withdrawers did not have any employment income or Unemployment Insurance benefits (in the year of tax filing), it seems that many people are being forced to use RRSP savings to live "now", not later.

As pointed out by Gee and McDaniel (1991), pensions in Canada have become political, with direct implications for retirement timing and retirement processes. In the face of changing demographics and global economic restructuring, the time for "rethinking retirement" is *now*. We hope that this volume contributes to the academic and political debate on retirement and income security in later life, so as to construct a future in which older workers are not cast aside, in which older Canadians can live in economic and social circumstances that enhance their quality of life, and where income inequalities in later life are minimized.

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CHAPTER 2

POPULATION AGING: A CONTESTED TERRAIN OF SOCIAL POLICY[1]

Ellen M. Gee

INTRODUCTION

This chapter examines current policy issues and directions in Canadian society in light of population aging. It will show that demographic aging (along with economic reductionist views) has led to a crisis view of the welfare state — a view that has paved the way for policy directions with negative implications for the well-being of elderly Canadians (present and future), particularly women. It examines four dimensions of the current "contested terrain" of social policy as they relate to older persons. These dimensions — particularly the relationship between economic and social policy, changes in federal/provincial roles in social provision, and shifts in the criteria for resource allocation — highlight tensions in and attacks on the fundamental principles that under girth the Canadian social welfare system. Discussion then turns to a consideration of the demographic concept of "cohort," showing how it can illuminate the dangers in today's policy moves. The chapter ends with a consideration of one policy issue — mandatory retirement — to exemplify how social policy change and population aging could be meshed together to both enhance the well-being of the elderly and reduce costs to the public purse.

POPULATION AGING AS A SOCIAL PROBLEM

To most demographers, population aging is viewed as a social triumph because of the underlying factors responsible for it. First, it

[1] An earlier version of this chapter was presented as an invited paper at the Simon Fraser University President's Lecture Series, March, 1994.

results from our ability to control births — declining fertility is the major cause of population aging. Second, population aging reflects our collective ability to avert the all-too-plentiful deaths of infants, children, and young adult men and women (particularly pregnancy-related deaths amongst women) that characterize most of human history and are still the case in much of the world. It is difficult to view the controlling of unwanted births and the overcoming of early deaths as anything other than social "goods." That population aging is the inevitable result of this demographic change is not something to be grudgingly accepted or to be alarmed about, but rather to be recognized for the success that it represents.

That we as a society have managed to turn a major, and perhaps even unparalleled, social **accomplishment** into a social problem would be laughable but for the fact that the welfare of today's, and tomorrow's aged is at stake, as is the welfare of today's and tomorrow's non-aged, given the inexorable links between generations.

Our construction of aging as a "social problem" results from a combination of misperceptions and erroneous causal attributions that can be organized along two dimensions. The first is **demographic determinism** — the view that demography is the major cause of social change and, particularly these days, of the increasing costs of the welfare state and of anticipated escalating costs in the future. As Susan McDaniel (1987) has cogently argued, we have made population aging a "guiding paradigm" of the Canadian welfare state. In so doing, we have oversimplified the complex social and economic issues intertwined with demographically-related change and we run the risk of making serious policy errors. In a recent article, Northcott (1994) found empirical support for McDaniel's thesis, as well as evidence that Canadians have accepted the population crisis scenario to the degree that they are predisposed to accept policy options that might otherwise be viewed as undesirable, e.g., increased taxes and the targeting of old age security benefits.

It is, of course, true that Canada's population is aging — it has been doing so rather steadily since 1881. Currently, there are just over 3 million Canadians aged 65 and over, comprising 11.6% of the total population (a fairly low percentage compared with most western countries, notably Sweden where 18% of the population is aged 65+).[2] Statistics Canada projections are that the proportion of the population aged 65 and over will increase about a percentage point during the decade of the 1990s (to nearly 13%) and then expand quite substantially to 23.2% in 2036. This expansion is due to the entry of the baby boomers into the ranks of the elderly, beginning in 2011.

Despite the fact that those who will reach old age between now and 2036 are already born, future trends in population aging are not as certain as they might seem (Uhlenberg, 1992). Population projections do not have a stellar track record; despite rigorous statistical techniques, they are based on assumptions about future levels of fertility, mortality and international migration that are unknowns and difficult to predict. If fertility takes an unanticipated upswing (or downswing) and/or if mortality improves more (or less) than expected, the projected figure of 23% aged 65 and over in 2036 will be off the mark. For example, for the U.S. where the standard projection for 2030 is 22% and thus very close to ours, different projections produce a range from 13% to 36% (Siegel & Taeuber, 1986; Uhlenberg, 1988). While such extreme values are highly unlikely, they are useful reminders of the uncertainties involved in population projections.

Not only are we unsure about the future proportion of the population that will be aged, we have created concerns about the present and future "dependency burden" at a time when our total dependency ratio (the ratio of the number of persons under 20 and over 65 to the number of persons aged 20-64) is at an **historical low point**. In 1991, the total dependency ratio in Canada was .65 (in other words, there were 65 persons in the traditionally-defined dependent age groups for every 100 persons aged 20-64). Approximately 30% of this "dependency" stems from the aged population. Thirty years ago, in 1961, our dependency ratio was .98. In 2036 (cautions about forecasts kept in mind), our dependency ratio will be .82 — and dependency will be about evenly split between the young and the old.

We should not take these dependency ratios too seriously as people in the so-called dependent ages groups can be economically productive and make economic contributions of either a paid or an unpaid nature. Nevertheless, these ratios are useful in placing our changing age structure into perspective. We are not facing a

[2] Data in this section are from Desjardins and Dumas (1993) unless specified otherwise.

demographic crisis — rather particular groups are selectively using demographic data to buttress and justify policy changes that have more to do with ideology and politics than they do with demography.[3]

Blaming demographic change — and more specifically, the increase in the proportion of older people, for this or that social ill has an important diversionary function. If the Canada Pension Plan (CPP) is "in trouble," the increasing numbers of older people drawing benefits is the "obvious" reason. We do not have to look beyond this to the high rate of unemployment that reduces the flow of money into the CPP fund or to the fact that large-scale provincial borrowing over the years has severely depleted the fund (Marshall, 1993). In a similar vein, rising health costs can easily be attributed to the growing numbers of elderly, rather than forcing us to tackle the difficult issues surrounding a health care system controlled by a medical monopoly with a Star Wars approach to expensive technological interventions. Even more fundamentally, a "numbers" approach distracts us from examining problems in our social and economic relationships associated with our shared principles of social justice (Clark, 1993).

The second dimension involved in the construction of population aging as a social problem is **economic reductionism**. This involves the view that costs are the only — or the major — factor involved in public policy. Regarding the aged, the dominant idea is that we can no longer afford to provide them with social benefits at anything like the level we have done in the past. Even the left-of-centre Caledon Institute of Social Policy has joined the chorus; in a recent publication, Battle and Torjman (1994) write "in the area of elderly benefits, in particular, changes will have to be made in the current set of programs. It will be not be possible to sustain an adequate system of payments for the elderly...." (p.16).

One could counter such views by pointing out that there are other values than cost savings, that non-economic factors are involved in our decisions about the kind of society that we want to live in and that social policy decisions must be based on a range of factors of which cost is only one (Marshall, 1993). However, the marriage of social policy and cost issues is so strong that it is doubtful that humanist appeals will carry much weight. Perhaps the best way to fight

[3] A recent addition to the literature on the alarmist aspects of demographic rhetoric in relation to health care costs is a 1995 article by Barer, Evans and Hertzman.

economic reductionism is on its own turf and in its own terms, i.e., by showing that cost cutting can have unintended consequences that increase costs, and that sound social policies can contribute to economic productivity. While this does not attack the foundation of economic reductionism, it does, at least, broaden its approach to social policies.

THE CONTESTED TERRAIN OF SOCIAL POLICY

Demographic determinism and economic reductionism did not develop by chance — they are manifestations of the dilemma of maintaining a market economy and a democracy, i.e., the joint attempt to advance private profit and public interest (Estes, 1991). This tension is a long-standing one, but one of its "battlegrounds" has become the aged and aging policy, as demographic change has become politically wedded to economic troubles in the last part of the twentieth century. The aged and aging policy are at centre stage in the current contested terrain of social policy. Let us consider four aspects of that terrain.

Social Policy Aimed at Demographic Change?

One of the major policy issues in an aging society is whether attempts should be made to "solve" population aging by altering the age structure, i.e., by making it "younger." This can be done (at least theoretically) by raising fertility, increasing immigration, and/or by increasing mortality at older ages. For the most part, western countries are not attempting to implement policies to raise the birth rate to the degree that would be needed to counter population aging. In the Canadian case, this would mean increasing the number of children that women have from the current 1.6 to over 3 (Health and Welfare Canada, 1989); the impossibility of the task has kept policy makers away from this as a serious option (although strenuous policy efforts are being made in Québec to increase fertility, at least in part aimed at "younging" the provincial population).

Increasing immigration, however, **is viewed** as more viable. And, Canadian immigration policy has moved in the direction of increasing the annual number of immigrants. We now allow in 250,000 immigrants per year; however, as pointed out by Statistics Canada's Chief Statistician Ivan Fellegi (1988), the number of immigrants needed to affect our age structure to any significant degree exceeds

600,000 per year. It is doubtful that Canada could politically absorb this many immigrants on an annual basis. If our aim is cost reduction, it does not seem likely that the social costs associated with dealing with 600,000 immigrants per year from very diverse countries of origin offer a politically viable alternative. Last, we could opt to ration health care to the old, as a means of increasing the mortality rate at later ages. While no country has attempted this, it is an alternative that is being debated in the academic policy literature in the United States (e.g., Callahan, 1987).

Criteria for resource allocation

Any attempt to mesh welfare state policies with a market-based economy will contain contradictions, due to differing underlying assumptions or, more fundamentally, differing interests, power, and resources. This can be seen in the various principles of allocation involved in Canadian income security policies for the elderly. Three allocation principles have evolved over the years: **age**, **need**, and **merit**. This mixture of criteria contains contradictory principles, which become more evident in economic recessionary times, as can be seen in various steps taken in recent years. For example, age *per se* as a criterion was eliminated[4] with the OAS "claw-back" (Bill C-28), which changed a universal benefit to a need-based one — a policy change that reflects a perennial Canadian ambivalence about the principle of universality (Banting, 1987).

The need-based programs, which operate as a "safety net," have a more secure footing. Indeed, Guaranteed Income Supplement (GIS) benefits have improved substantially over the past decade. However, there are signs that some need-based programs are under threat: court challenges to the Spouse's Allowance could, if successful, result in curtailment of the program; and in 1991 the Manitoba income supplement to low-income seniors was de-indexed (Gee & McDaniel, 1991).

In recent years, most of the reforms have been made in private pensions, which cover less than one-half of the labour force and an

[4] It is important to note that age is still used, along with need or merit, in other income security measures, e.g., the Guaranteed Income Supplement, the Spouse's Allowance, tax credits, etc. While these allocation principles are intertwined, the point here is that age alone is no longer a criterion of resource allocation.

even smaller percentage of working women, and in private retirement savings plans, which are not equally accessible to Canadians. Thus, "merit" is being emphasized, with merit defined as contributing to one's own income in old age — a definition of merit that is heavily biased along gender and class lines.

These recent policy directions reflect an historically-grounded ideological tension in Canadian social policy regarding the "proper" role of the free market in distributing income (Guest, 1985). That our old age income security system is evolving to one based on need and merit is regressive and problematic on at least two scores. As Neysmith (1987) notes, the criteria of need and merit are contradictory — they are based on opposing beliefs about the relationship between the individual and society, the role of government in social welfare, and the play of market forces. Along with the inherent contradictions we are building into our system of old age security (again), we are also planting the seeds for a high degree of income inequality in later life.

Canadian federalism

Another source of tension within the Canadian welfare state is our federalist political system. The BNA Act gave the federal government jurisdiction over important social and economic matters, and left to the provinces responsibilities of a relatively minor nature — as least as perceived in 1867. What we now think of as "health and welfare" was deemed minor (by default, as it was not mentioned in the BNA Act) and, therefore, the responsibility of the provinces. As society changed and "health and welfare" took on increasing importance, the provinces had the responsibility but not the finances to cope. As a result, an uneasy liaison between the federal and the provincial governments developed, with provincial responsibility for social programs coupled with dependence upon federal funding.

Even in the area of income security, the one policy area most under federal jurisdiction, federal/provincial relations have left their mark. A pertinent example relates to the Canada Pension Plan. In the mid-1960's, Ontario — the site of the major insurance companies — was strongly opposed to the formation of the CPP. Ottawa, needing support from the province of Ontario, agreed to a scheme whereby the provinces could borrow from the pension fund at low interest rates. And borrow they did, for all manner of things from bridges to parks, to the point where there is little chance the money can be repaid (Finlayson, 1988). As a result, the CPP does not have a cushion of funds, but rather has to rely almost solely on current contributions ("pay-as-you-go"). This makes the CPP highly dependent on current labour force participation and unemployment trends. To the degree that the future of the CPP is in jeopardy — and it is **not** clear that it is — we should look to the draining off of funds for provincial loans before pointing a finger at population aging.

In the current times of economic downturn, the federal government has chosen to reduce its funding to the provinces for social programs as a way of dealing with the deficit. In the late 1950s, the federal government's share of total social spending was approximately 54%; at present it is around 38% (Battle & Torjman, 1994). This has forced the provinces into a number of strategies to reduce costs (in particular, privatization of services). Some provinces are harder hit than others, with the result that an already fragmented and uncoordinated "system" of social service and health care delivery is further eroded.

The Relationship between Social and Economic Policy

Reduction in federal funding for social services, driven by the view that economic growth and social programs are contradictory, exemplifies a trend toward amalgamation of social and economic policy and a corresponding subordination of social policy to economic policy (Neysmith, 1987). With economic policy aims such as deficit reduction and reduced government intervention in the marketplace and investor encouragement, options for social policy are very limited.

Also, the focus on economic policy renders less visible the two-way relationship between economic policy and social policy. While it is easy to see that economic productivity is necessary for social policies (i.e., to pay for them), it is less obvious that social policies, by contributing to the well-being of the population, enhance the economy. The emphasis on economic policy also fosters absurdities such as the view that public pensions are a burden whereas "private" pensions and RRSPs — although they are heavily state subsidized[5] — are not a drain on the public purse (Gee & McDaniel, 1991; Walker, 1990).

[5] The state subsidization of private pensions and RRSPs is approximately $10 billion per year (Battle & Torjman, 1994) — "welfare" for persons who are not usually viewed as "recipients."

The resulting limited options for social policy mean that cost-cutting measures are seized upon. However, changes that appear to save costs may not really do so. For example, community (or home) care has become the preferred policy direction for frail elderly persons. In part, this is based on an assumption that population aging is the cause of increasing health costs — an assumption that research has shown to be false. Increases in the supply of physicians, in fee structure and in hospital budgets are much more important than increases in the aged population (e.g., Evans, 1984; Pfaff, 1990). Nevertheless, the move toward community care in the face of population aging gains momentum. This is so despite a lack of evidence showing that community care really is cost-reducing, and a number of studies that indicate that home care costs are underestimated (e.g., Marshall, 1989). Also, it is important to keep in mind that this supposedly cheaper mode is actually family care backed up with a meagre supply of home care services (Bond, 1992). In other words, this policy move shifts responsibility for care of the frailer aged to families (mostly women). While it is true that a large portion of elder care is provided by families and women anyway, the adoption of community care as explicit policy further removes options from women in the amount and type of care they give.

GENDER AND AGING POLICY

Because women live substantially longer than men, and because women are our socially-defined caregivers, aging policy has an important impact on women's lives (Gee & McDaniel, 1993). Existing social policies regarding the aged have not benefitted women as much as men — and indeed are based on gender inequality. Women are substantially more likely to be poor in old age, in part because their societal contribution has an unpaid component which is unrewarded in pension terms. Women's caregiving role has also meant that they are the invisible backbone of "social" welfare.

Young's (1990) differentiation of two types of social policies is useful. One type is oriented towards *individuals* who are viewed as rights-bearing, and is tied to participation in the paid labour force. The second type is tied to persons as *family members* who are viewed as dependent clients. Women are in both of these categories, but their roles and responsibilities in the second category, enmeshed with their family responsibilities, affect their ability to access the rights associated with the first category (Neysmith, 1993). In other words, women are partially denied their rights as individuals and citizens because of their social placement in the domestic sphere. As policy moves more in the direction of individual responsibility, women lose out because of structural constraints stemming from their family duties. Losses escalate with public withdrawal from the social welfare arena.

So, the politics of gender are on a collision course with current aging policy directions. The overall thrust of social change to increase women's status in society, and their role as independent actors, conflicts with aging policies — particularly *vis-à vis* elder care — that assume increased family contribution. At issue is our underlying ideology of familism — a set of beliefs that sees all families as willing and able to provide care and which is based on an idealized mythology of past and present family life (McDaniel, 1993; McDaniel & Gee, 1993). Women are being placed in a structural and ideological straightjacket — they are expected to provide care (and more care) in a policy context that fails or refuses to recognize the dependency consequences for them.

The politics of gender and aging highlight a fundamental policy issue. It is clear that current aging policy directions favour a shift towards individual responsibility for individual and social welfare. We are to be responsible for our own income security in later life; we are responsible for our health in later life; we are responsible for looking after our "own" if and when they become frail. This represents falsely dichotomous thinking — a separation between the "public" and the "private." But, as C. Wright Mills (1959) wrote so many years ago, the private and the public are not separate — "private troubles" are also "public issues." With regard to the aged, evidence for the interrelationships between private and public abounds. For example, poor health is related to socio-economic status, and later life income is highly related with gender (Gee & Kimball, 1987). A failure to recognize the "public" component of problems of individuals sets the stage for the creation of an elderly underclass, mostly comprising women, who are blamed as individuals for the play of social and economic forces that underlies their dependency. These forces operate throughout the life course; hence it is important to appreciate that social policies in an aging society are not limited only to the elderly (Gee & McDaniel, 1993).

THE IMPORTANCE OF CONSIDERING COHORTS

Although demographic determinism is to be avoided, it is nevertheless the case that demography is important. I wish to suggest a way to use a demographic perspective that may be useful in framing our thinking about the policy issues surrounding population aging. At the same time, this will highlight the "wrong turns" that we are currently taking in the policy arena. To do this, I turn to the demographic concept of **cohort** — which refers to people born at a given period of time and who share a common life trajectory because of the timing of their birth in relation to the economic and social forces occurring over their life time.

Today's elderly were, for the most part, born in the first quarter of this century. They may be viewed as "lucky" in that they were able to materially benefit from World War II and the thirty or so years of unprecedented economic growth that followed it (although their opportunities for taking advantage of economic prosperity were differentially structured by gender, class, and race). This material benefit took the form of low levels of unemployment, surplus wages that could be invested, the institutionalization of occupational pension plans (albeit for a minority, mainly men), and reforms in the public pension and health care systems. As a result, today's elderly, although far from wealthy, are the most well-off of any cohort of elderly in Canadian history and contain a minority who are visibly affluent.

It is important to realize that this cohort of elderly is historically anomalous. Persons born in the second part of this century — the future aged — face very different economic conditions. Today's workplace is fraught with unemployment and underemployment, job change, a "declining middle class," increased contract work, etc. We are witnessing increasing cashing in of RRSPs (Frenken & Standish, 1994) as people try to cope with their present economic circumstances. In 1991, the latest year for which we have data, 604,000 Canadians made early RRSP withdrawals to the tune of $3.2 billion. And, more than one-half of these people were aged under 45.

Current pension policy changes are being made with **cohort-blind lenses**. The public pension system is being eroded in the face of a rising deficit intertwined with a visible portion of the aged who are affluent, who can afford to have their OAS clawed-back. We are being told we must be responsible for our own income security in later life. Upcoming cohorts of old people will not be able to do this — the economic circumstances of their lives simply will not permit it. To this we must add that the OAS claw-back ceilings are only partially indexed which means that increasing numbers of people with lower and lower incomes will be subject to it. The way is being paved for a real crisis in old age income — not because of the increasing proportion of people who will be old — but because public pension policy changes are being made without an appreciation of the ways that cohorts differ in ability to financially prepare for old age. And, any argument that women's increased labour force participation will counter our structurally-conditioned ill-preparedness is based on wishful thinking, not evidence (Gee & Kimball, 1987).

An appreciation of cohort differences also serves to highlight that social policies in an aging society have to focus on all age groups. Social and economic advantage or disadvantage cumulates with age (Gee & McDaniel, 1991). This does not mean that social resources should be re-directed from old to young — *à la* the intergenerational equity thesis (Walker, 1990) which represents a politically expedient use of demographics to camouflage welfare restructuring (Walker, 1993). Rather, it means that we have to re-think ways to structure social policy to meet the needs of different cohorts.

The demographic concept of cohort can also be usefully applied to policies regarding caregiving. Increasingly, our policies are premised on the family as the major source of care. However, inter-cohort differences in family size suggest that this policy direction contains problems. Today's elderly have approximately three children who survived to adulthood; the cohort born in 1960 will have approximately 1.6 (Gee, 1990). So, in the long-run, policy based on the primacy of family as elder caregiver is likely doomed — we simply are not having the numbers of children that will allow for it.[6]

[6] This is not to suggest that reduction in family size is the only problematic feature of present day directions in elder care policy.

CONCLUSION: THE CASE OF MANDATORY RETIREMENT

I have showed where I think we are going wrong in aging policies. And, it might appear that I am suggesting a *status quo* that does not seem to be affordable. Although I reiterate my concerns about economic reductionism, and repeat my point that sound social policies make good economic sense, it is nevertheless true that costs cannot be ignored — even if they are not being driven by demographic change. With regard to the social policy "ledger," there is one area where significant revenues could be generated and costs reduced. If we have to reinvent or reform the welfare state to mesh with population aging, the place to start is with retirement policy.

First, mandatory retirement at age 65 makes no sense in a society where average life expectancy approaches 80. Age 65 is an arbitrary number, bearing little relationship to ability to contribute, and it was established in a very different demographic era. Second, research indicates that the relative number of young people in the labour force will decline due to demographic change. If older people continue to exit at relatively young ages, we will face a labour shortage (McDonald & Chen, 1993). Third, mandatory retirement reinforces the view that older workers are less productive/needed, while at the same time playing into the hands of employers who seek to hire new workers at lower costs — a management strategy that no longer meshes with our collective societal needs.

The retention of workers to, say, age 70 or even 75 will significantly reduce the economic costs that have come to be viewed as emanating from population aging. Even more important is the de-marginalization of older persons that would result.

However one chooses to view the benefits of "deinstitutionalizing" retirement, it is not an easy task. Governments, employers, unions and workers themselves are all involved, each with their own agenda. The major challenges include the following:

- the re-training (and who pays for it?) of older workers in a technologically changing workplace;
- the acceptance by employers and unions of greater flexibility of work days, work weeks, and work years without penalty to workers. This is particularly relevant with regard to women — of all ages (until and unless we work out ways to de-gender

domestic work);

- the need to ensure that older persons who cannot work are not economically penalized;
- the adjustment of pension policies to correspond with the new timing and flexibility of retirement;
- changes in attitudes towards older people and their productive capabilities; and
- changes in the attitudes and values of older people themselves, many of whom have come to view early departure from the labour force as a right.

Perhaps most important of all, we need to ensure that a lengthened work life does not become the "lot" of lower-paid persons without access to private pensions, while others continue to leave the labour force at relatively young ages. While fear of this outcome had led some to be very skeptical of later retirement (e.g., Myles & Street, 1995), our collective efforts to deal with the above challenges would do much to avoid this negative consequence of later retirement.

These are big changes, but a reintegration of older people into the wider society is worth the effort — on both economic and non-economic grounds. Also, an approach that focuses upon retirement (and therefore work) forces us to attend to gender as it interacts with the definition of and rewards for societal contribution. We will fare better in our attempts to mesh social policy and population aging if we focus our attention on these issues, and cease attempts to either tinker with existing policies or challenge (some of the) fundamental principles of the social welfare state as it has developed in Canada.

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CHAPTER 3

RETHINKING RETIREMENT: ISSUES FOR THE TWENTY-FIRST CENTURY[1]

Victor W. Marshall

INTRODUCTION

Let us start with a basic premise: retirement is a social institution, invented by human beings. It is, as sociologists these days like to say, "socially constructed". It did not always exist; it is not something found in "nature". Contemporary patterns of retirement in Canada are quite different from earlier patterns and from patterns of retirement in other countries. The nature of retirement, as a social institution, is highly changeable or malleable. The numbers and percentages of men and women who retire at different ages are strongly influenced by a number of factors. Many of these factors can easily be shaped by public and/or corporate policy, while others cannot. We want to be clear about the differences, to learn what we must live with and what we might seek to change.

This chapter seeks to sharpen our thinking about retirement and to free us, perhaps, to think about it in different ways. It begins with discussion of the definition of retirement and a brief review of classical research on retirement which asked two questions: "What factors influence the timing of retirement for individuals?" and "What are the consequences of retirement for them?" Attention is then turned to the much neglected area of women's retirement, followed by a discussion of retirement as a social institution, and changes in that social institution. This will take us to a discussion of current incentives that lead some people to take early retirement — policies and practices

[1] This chapter incorporates information from the Issues of an Aging Workforce study conducted by CARNET: The Canadian Aging Research Network at the Centre for Studies of Aging, University of Toronto. The study is supported by the Innovations Branch of Human Resources Development Canada. The ideas expressed are those of the author and not necessarily of Human Resources Development Canada.

at the governmental and corporate levels that are thought to influence exit patterns from work. The chapter concludes by highlighting the tremendous uncertainty that is faced by workers today as they try to figure out their best strategy to ensure a "good" retirement.

WHAT IS RETIREMENT?

Retirement is an ambiguous word. It refers to an event: that specific point in time when a person leaves paid employment. It refers to a process: over time, a person may go through several stages or phases of leaving paid employment, including anticipation and planning, leaving the job, and adapting to a new status in life. It refers to a status: that of a person who has been in paid employment but is no longer. It refers to a role: the conduct of persons in the retirement status.

Even this view of retirement as an event, process, status and role is simplistic. Persons who quit their job at age 25 would probably not say they had retired, unless they intended never again to take on paid employment. Today, many people aged 45 or 55 are quitting or losing their jobs but taking on new work roles either part time or full time — or they want to. We use the term retirement whether it is a voluntary or involuntary departure from paid employment. Many European researchers interested in changing age patterns in labour force participation emphasize that the age of leaving work is often lower than the age of receiving formal pension support from the public or even the private sector. They want a term that is independent of receipt of pensions, and the term they prefer is "early exit" (Kohli, et al., 1991).

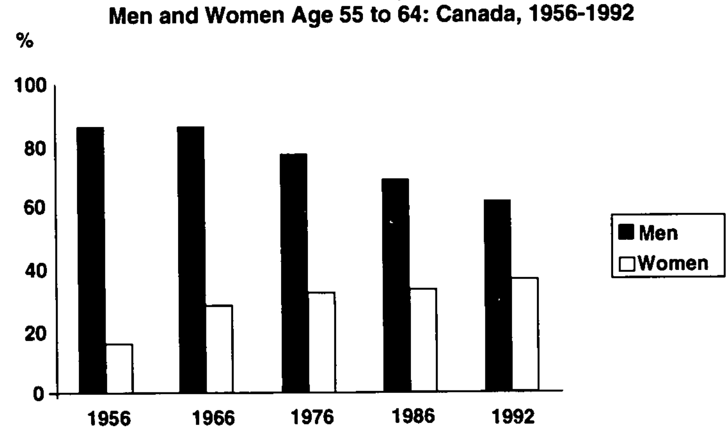
Early exit can be followed by many different financial options: unemployment with support from severance or unemployment insurance while looking for work; a period of inability to work due to illness or disability, with support from disability insurance; re-employment, either full or part time; or "early" retirement with no intention to work (Schmähl, 1989).

Let us briefly consider the phenomenon of early exit in Canada. Age 65 is thought by most Canadians to be the age of retirement. That is the age at which we receive the Old Age Security (OAS), and at which eligibility for the Canada Pension Plan (CPP) takes effect. It is the age at which 90% of private pension schemes begin to pay benefits (Statistics Canada, 1990a in Leblanc, 1995). But it is possible to receive CPP at age 60 (with reduced benefits), and entitlements from private pensions can be received under early retirement provisions. In Canada, nevertheless, age 65 is the key age because so many social arrangements about the end of work and about income security for the later years treat it as the normal time to leave work.

Despite this, there is a dramatic increase in the proportion of people who leave paid employment before age 65 in Canada and many other countries. Figure 1 shows a significant overall decline in the labour force participation rates of men and women aged 55-64 in Canada over the period 1956-1992. A national survey in 1989 found that of persons who said they were retired, 65% of men and 60% of women had done so before the age of 65 (Lowe, 1992). If this is so, is it really accurate or meaningful to speak of them as having taken "early retirement"? It is early only in relation to the idea that people retire at age 65.

Figure 1

Labour Force Participation Rates of Men and Women Age 55 to 64: Canada, 1956-1992



Source: *McDonald and Chen (1994).*

In Canada today, the average age of retirement is not 65, but 62, and the most dramatic changes that are occurring can be seen among people aged 55-64. The rising rates of labour force participation for women reflect a general trend towards gender equality. Women's labour force participation rates in the 55-64 age category began increasing in the 1950s and reached 30% by 1969. After that, the increase has been modest, up to 36% in 1992. The trend in men's labour force participation is very different. In 1953, 86% of men aged 55-64 were in the labour force either working or, much less frequently, looking for work. The percentage in the labour force declined to below 80% by 1975, after which the decline accelerated. By 1992, only 62% of men aged 55-64 were in the labour force.

Canada's experience is not unique. Table 1 shows recent labour force participation rates for persons aged 55-69 from 18 developed countries. Canada is in the middle range in labour force participation.

Why has there been a decline in male labour force participation rates in the 55-64 age category? That question takes us to a discussion of the classic research on the predictors of retirement

CLASSICAL RESEARCH: PREDICTORS OF RETIREMENT

North American research on retirement has focused on the individual and on the timing of his or her retirement, and the consequences of retirement or of retirement at different ages. This research deals with the influence of general factors rather than specific retirement or work policies and programs which will be considered later.

The general factors research asked if such social and demographic variables as social class, health status, or job characteristics were associated with the timing of retirement. Palmore and colleagues at Duke University (Palmore et al., 1985) re-analysed seven major American surveys dealing with reasons for early retirement. They found that most retirement before age 65 was not forced but rather resulted from perceptions of health problems, the attractiveness of retired life, and low commitment to or satisfaction with the work situation. The authors drew the following policy implications from their findings:

Table 1.

Labour Force Participation Rates, 1994, Selected Countries

Country	Age Groups - Men			Age Groups - Women		
	55 - 59	60 - 64	65 - 69	55 - 59	60 - 64	65 - 69
Australia	71.8	48.7	8.4[1]	37.0	15.4	2.3[1]
Austria	63.0	12.7	3.6	23.8	5.2	1.2
Canada	73.6	47.6	16.6	47.5	24.8	7.8
Denmark	81.9	47.1	24.6	64.5	26.8	8.0
Finland	62.7	23.9	7.1	62.1	18.0	3.1
France	69.3	18.2	4.5	47.8	15.1	3.2
Germany	81.5	34.9	8.0	45.5	11.9	4.0
Ireland	79.8	59.4	26.5	22.1	14.0	5.9
Italy	68.9	37.2	12.6[2]	21.1	10.0	3.9[2]
Japan	94.1	75.6	55.3	56.4	40.1	28.0
Netherlands	59.2	18.0	—	19.3	4.2	—
New Zealand	80.3	39.0	8.7[1]	49.3	20.2	2.7[1]
Norway	81.8	61.5	25.8	61.5	45.8	16.7
Portugal	71.9	53.0	29.9	40.1	25.6	14.6
Spain	73.6	44.8	6.3	24.4	16.2	3.9
Sweden	82.5	57.8	—	77.2	49.1	—
UK	75.7	52.2	13.1	54.5	24.7	8.0
USA	77.4	54.9	25.8	57.0	37.4	16.0

Note: The data presented in this table have been drawn from the labour force sample survey of the country concerned, except France (from official estimates).

[1] This age group includes all people over the age of 65.
[2] This age group covers people between the ages of 65 and 70.
Source: International Labour Organization (1994): *Year Book of Labour Statistics*, 1994, 53rd Issue.

> *If reducing early retirement is a desired goal (to reduce the drain on the Social Security system and pension funds), then the most effective policies would focus on maintaining workers' health, making their work more attractive, and reducing the attractiveness of early retirement benefits. If delaying retirement beyond the normal retirement age is a desired goal, then the most effective policies would focus on eliminating mandatory retirement, discrimination against older workers, and reducing pressures for retirement (subtle and overt) from employers and fellow workers. Increasing opportunities for self-employment and part-time employment among older workers would also delay full retirement. Finally, delaying the availability of retirement benefits would have a strong effect on delaying retirement (p.167).*

It is interesting that Palmore et al., (1985) restricted their policy considerations to ways of keeping people in the labour force longer. Most employers today are looking for policies that lead to early exit. It is also interesting that the classical research on predictors of retirement tended to assume that the retirement decision was largely a matter of free choice. If this was so in the past, it is less so now. This can be seen in Table 2 which presents data from national surveys conducted in Canada in 1987-89 and 1990-92 among persons not in the labour force, who retired earlier than planned. In 1990-92, 211,000 persons reported having retired earlier than they had planned. Economically related reasons for early exit were given by 41.7% (88,000 people) compared with 28.4% (54,000 people) just three years earlier. Table 2 also shows increases in the use of retirement incentive programs and in the numbers who left work unexpectedly due to plant closures or layoffs.

Table 2

Persons Not in the Labour Force who Retired Earlier than Planned: Canada, 1992

	Period of Retirement 1987-89 (000's)	Period of Retirement 1990-92 (000's)
Retired earlier than planned	190	211
Reasons for early retirement:		
• Illness or disability	69	63
• Economic-related reasons	54	88
— Incentive	34	43
— Closure/layoff	20	45
• All other reasons[1]	68	60

[1] *Includes care for relative or friend, wanted to stop working, other reasons and not stated.*

NOTE: *Estimates may not add up to totals due to rounding.*

Source: *Survey of Persons not in the Labour Force, November, 1992 as cited in Perspectives on Labour and Income, 1993, Winter, 9.*

CLASSICAL RESEARCH: CONSEQUENCES OF RETIREMENT

The classic research on the consequences of retirement will only be briefly mentioned as it is largely out of date. The research question was basically whether retirement was a good or a bad thing for people. The consequences of early retirement were of less interest because early retirement was not a significant phenomenon.

We have all heard someone say, "He retired and within six months he was dead". There has been a persistent myth that retirement causes illness and death. There is a small but significant correlation between retirement status and health, but the direction of causation is not that of the myth. Rather, some people retire because they are experiencing health problems.

There are, of course, other consequences of retirement. Retirement is associated with a significant drop in income. A large representative survey of Canadians conducted in 1991 showed that men aged 45-64 who were retired had 22% less family income than those who are working full time; retired women in the same age category had 27% less family income than women who are working full time (Ballantyne & Marshall, 1995). American studies show that early retirement causes greater loss of income than retirement at age 65 (Palmore et al., 1985). Another effect of retirement is a change in social activities; with the cessation of work there is increased leisure time available. Retirement has little influence on social attitudes or life satisfaction, although American research shows that early involuntary (but not voluntary) retirement is associated with lower life satisfaction that retirement at age 65 (Palmore et al., 1985).

WOMEN AND RETIREMENT

In the past, researchers largely ignored women's retirement. There is still much more data about men's than women's retirement and Canadian data about women's retirement are sparse. Research literature from the U. S. indicates some similarity in the factors influencing retirement of women and men. However, family obligations play a more important role for women than for men. We also know that there are differences in the consequences of retirement. For example, since women have lower earnings and more intermittent work histories than men, they have, on average, lower pension benefits following retirement. Perhaps this explains why, in our study at Sun Life (Marshall, 1995), women were almost twice as likely as men to say they did not know when asked, "At what age do you expect to retire?" Also, while older and younger men were equally likely to say they did not know, younger women (aged 30-40) were the most likely of all women to give this response. This speaks to the economic uncertainties that women experience over their entire lifetimes. As one older woman who has worked part time during periods of her employment at Sun Life stated:

> *I think the situation with retirement and women is really different than with the men. Especially at our age, if we've had children and had to stay at home for periods of time, we don't have pensions that we can live on. We are dependent*

on our husbands' pensions. If and when we retire, the pension I've earned you couldn't live on because you haven't been in the work force long enough and made enough money. Especially in my situation, working part time, and yet I worked my entire life.

This woman works for an insurance company that in fact pays good salaries and has a generous pension plan — she is among the privileged few women in this country. Yet she remains economically dependent on her husband.

RETIREMENT AS A SOCIAL INSTITUTION

Retirement emerged as a social institution with the development of the private and public pension systems. In Canada, the first formal private pension plan was established for federal civil servants in 1870, just three years after Confederation (Bryden, 1974). The Grand Trunk Railway established a plan for clerks and some other inside workers in 1874 and, according to Bryden, by the 1920s most employees of railways, banks and some other financial institutions had some pension coverage. However, only about 10-15% of the work force had any private pension coverage by 1936. Coverage rose significantly during the Second World War (Bryden, 1974), but even today it extends to only just over 40% of the paid labour force.

With respect to public pensions, the Old Age Pensions Act, passed in 1927, provided $20 per month for persons aged 70 years and older, but with means testing. Costs were shared equally by the federal and provincial governments[2], but all the provinces did not buy in until 1936, by which time the federal government had increased its share to 75% (Murphy, 1982). In 1951, a new Old Age Security Act was passed: pensions were administered and financed by the federal government; means testing was dropped; and age of eligibility remained at 70. However, a means-tested pension was made available to persons aged 65 to 69 years under the Old Age Assistance Act (phased out after the introduction of the Canada/Quebec Pension Plan and the Guaranteed Income Supplement).

[2] Bryden (1974) has noted that this was the first significant and continuing federal intervention in the social welfare field, as well as the first significant federal-provincial joint scheme.

The Canada and Quebec Pensions Plans were introduced in 1965 as compulsory and contributory plans covering all employees between the ages of 18 and 70. At the same time, the qualifying age for OAS was reduced, one year at a time over a five year period, from 70 to 65 (Murphy, 1982)[3].

There is nothing sacred about the eligibility age of 65. When Bismark established the first broadly-based public pension scheme in Germany, the age of eligibility was 70, just as it was in the initial Canadian plan. There is still considerable national variability in the age of eligibility for public retirement pensions. For example, the pension is received in Denmark from the age of 67; in France normally from 60; in Italy from age 60 for men and age 55 for women; and in Greece, at age 65 for men and age 60 for women, but those who undertake arduous work can qualify five years earlier. Japan has a "normal" retirement age of 60 but seems also to have a standard for arduous work — for example ship workers can retire at 58 but academics have to wait until age 65 (Moore, Tilson & Whitting, 1994).

CHANGES IN THE INSTITUTION OF RETIREMENT

New retirement patterns include phased retirement, bridge jobs, and part-time work after a person "retires". Phased retirement can be accomplished with stability if a firm allows its workers to gradually move to fewer hours or reduced responsibilities. In our case study research project at Sun Life, we asked employees, "If you had the option, would you like to retire gradually, for example, to go from full time to part time employment in your last two years of work?" Almost 60% answered yes. I will focus my discussion, however, on bridge jobs and part-time work that is not necessarily with the same employer.

If we extrapolate from American evidence, most Canadians have a career job — a long-lasting job with one employer. Career jobs are now increasingly followed by one or more additional jobs that serve as a "bridge" to complete retirement (Quinn, Burkhauser & Myers,

[3] As Bryden (1974) notes, there is no necessary logical tie between pensions and old age, but in Canada the term "old age has been used well-nigh universally in this context for more than half a century, and it appeared in the short titles of all relevant Canadian statutes before the Canada Pension Plan, as well as in the long title of the Canada Pension Plan"(pp. 3-4).

1990; Ruhm, 1990). Approximately one-third of all career jobs in the United States have ended by the time the incumbent is 55, and about one-half have ended by age 60 (Doeringer, 1990). Three-quarters of all bridge jobs for older male workers involve a change in occupation or industry, and more than one-half lead to pay cuts of 25% or more (Doeringer, 1990). There are many routes to retirement, and today about 30%-40% of people who move into a "final" retirement, completely leaving paid employment, do so through a process that includes some part-time employment or work in bridge jobs. Comparable Canadian data are not available but I suspect that the patterns would be similar.

The new pattern involving bridge jobs has an influence on retirement income security. But what is the old pattern? Doeringer (1990) calls it the "economic security package". Stable work led to government and (sometimes) private pensions, job-based health insurance, protection from layoff, predictable promotions, and seniority as a criterion for promotion and protection from layoff. Aging, in this model, was positive because it led to more seniority and, with the passage of time, to promotion and higher wages. Most retirees today have experienced this pattern. As Doeringer notes:

> *Seniority and accumulated work experience place many older workers high on their career ladders and insulate them from much of the economic uncertainty and job restructuring that have affected the job security and earnings of younger workers.*
>
> *As a result, older workers have been spared much of the job displacement and work disruption associated with recent structural changes in the American economy. They have long had the lowest unemployment rates of any group of workers, and they are one of the few groups in the society whose real income has improved in the last fifteen years (p.7).*

One American study of union retirees (who have higher pension incomes than non-union retirees) found that 40% either had or desired to have a bridge job. While a benign view of bridge jobs is that they are a wonderful way to ease into retirement, a contrasting view is that they are a way for industry to develop an alternative, low-cost, easily managed labour pool. Young people can be in these kinds of jobs too, but the decline in full-time employment after age 55 creates a ready pool of older people from whom to recruit employees (Applebaum & Gregory, 1990). The jobs tend to be low wage jobs (such as in nursing homes, child day care, or the well-known McDonald's restaurant jobs), and often have poor working hours as well.

Financial reasons prevail in motivating retirees to take up bridge jobs, but there are other reasons as well, such as the desire to do something useful, for companionship, to keep busy, or simply the joy of working (Applebaum & Gregory, 1990). The image that is projected by the McDonald's advertisements is that older people come to work at McDonald's for the fun of it, or just for a little extra "pin money" that is not really needed. I suspect that these are not in fact the major reasons.

A distinction has been made between "old-concept part-time work" and "regular, new-concept work". The difference is in how the employer treats the part-time worker. New-concept part-time work could be job sharing, a move to part-time work as a transition to retirement, or long-term part-time paid employment in a regularized relationship in which the employer's commitment to workers is demonstrated through benefits and fair wages (Kahne, 1985, as cited in Applebaum & Gregory, 1990).

According to one American source, unions have only recently become sympathetic to flexible work arrangements, and increased their inclusion of part-time workers in bargaining units. Part of the resistance has come from older male workers who are most threatened by the increase in the number of such jobs, which they see as increasing management's control over labour at the expense of workers. Gradual or phased retirement may be interpreted as management's way around seniority rights (Applebaum & Gregory, 1990). Unions with high proportions of female workers may be more accepting of flexible work arrangements because of child-care and other family responsibilities that fall disproportionately on women. Interestingly, Applebaum and Gregory (1990) suggest that older workers in bridge jobs tend to be more sympathetic towards unions than the average worker, because "they are old enough to remember the difference a union can make."

In summary, I would argue that if people's retirement patterns are changing, it is because the nature of the retirement system is changing. People leave paid employment for two types of reasons: push or pull. Many people will be pulled into early retirement by the prospects of economically secure leisure supported by a strong combination of public and private pensions or annuities, the assurance that they will be able to find the health care they might need, etc. Sometimes these incentives come as part of a retirement package. Some people are pushed into retirement by health problems that make it impossible for them to work. Some, no doubt, leave because their work is not pleasant and they have little commitment to work in general or to their particular experience of it. Increasingly, however, if people take early retirement (either voluntarily or involuntarily), they do not leave paid employment completely. Flexible work arrangements such as part-time work or other bridge jobs can meet the desires and expectations of a growing number of older workers to ease gradually into retirement. Caution should be exercised, however, about bridge jobs if low wages and benefits exploit or demean the older worker.

INCENTIVES AFFECTING THE TIMING OF RETIREMENT

Recent European research on factors that influence early exit from the paid labour force indicate that changes in government pension provisions can have strong effects on labour force participation (Schmähl, 1989). American data suggest that government pension provisions (Social Security) have little influence on retirement timing, but that private pension plans and economic incentives do.[4] "Defined benefit" private pension plans in particular have been found to provide strong disincentives to work.

Economic incentives, according to Doeringer (1990), have stronger effects on retirement decisions than health changes and mandatory retirement.[5] He qualifies this generalization to white men, on the grounds that women and minorities, who have been little studied, experience the greatest economic disadvantages. He also notes that the impact of the supply of jobs on retirement decisions has

[4] This might reflect the relatively non-interventionist role of the government in the U.S. when contrasted with many European countries.

[5] Doeringer (1990) emphasizes the importance of transitional work and bridge jobs between the career job and the final exit from the work force. Also, Quinn, Burkhauser, and Myers (1990) have done landmark work in this area.

been under-researched.

We are currently conducting a case study on issues of an aging workforce at Bell Canada. We know that reducing the workforce is a major corporate restructuring device when we see a highly profitable company such as Bell Canada, trimming one quarter of its workforce — and this in a company that has already trimmed its workforce considerably in recent years. In fact, it has trimmed about 6,000 employees over the past five years, so the current cuts are only an accentuation of an existing trend. The average age of retirement of Bell employees prior to the most recent announcement of cuts was 55. It will no doubt be considerably lower three years from now when 10,000 of its employees — almost all of whom will be over age 50 — will have left the company under a targeted retirement incentive program. However, we are told by Bell management that almost no one who has left Bell in the previous ten years retired at age 65 — virtually all retirees left under what used to be called V-TIPS — Voluntary Termination Incentive Programs. We may wonder why Bell, with its advertisements about "the long-distance feeling", could not come up with a better term. It did recently drop the V in V-TIPS. Bell retirees now simply talk about being "tipped".

It is interesting that Bell President John McLennan also announced that the company will spend about $850 million to acquire new technology to facilitate faster and simpler customer processing (Campbell, 1995). The business community, and even one of the Bell unions, acknowledged that Bell had to take drastic steps to remain competitive. Thus, restructuring, competitiveness, and technological change came together to create a situation of large-scale staff reductions — and 10,000 people took early retirement. In the formal announcement of the downsizing, the President of Bell said it might not be possible to completely avoid layoffs. The prospect of layoffs, of course, became an incentive to employees to take TIPS if they were offered.

At a more general level, we are interested in formal plans and regulations that provide opportunities or incentives to leave full-time paid employment. A Canadian survey by Axmith and Associates (Gibb-Clark, 1995a) found that the most common early incentive package paid either two weeks or one month for every year of service; and that there has been an increase in the practice of paying severance in one lump sum. There are regional differences, but most companies offer some degree of choice as to whether the payments are taken in one lump sum or in combination with salary continuance provisions.

Most large companies allow early retirement without a cut in pension benefits, according to a Financial Executives Institute of Canada survey of 223 pension plans (Gibb-Clark, 1995b). There are, of course, class differences in the routes to early retirement. Blue collar workers are more like to experience involuntary retirement while white collar workers are more likely to receive early pension benefits and incentives (Schellenberg, 1995).

European data show that there are many "early exit" routes to retirement — i.e. institutionalized mechanisms to provide income security to people who leave paid employment prior to eligibility for state pensions. Holland is the extreme case. In addition to having very low female labour force participation rates, Holland has a very low rate of male labour force participation past the age of 54. Its exit rate is higher than that for France, Germany, Great Britain, Sweden, the United States, and Canada. This high rate has been accomplished by a diverse collection of arrangements. Private-sector early retirement incentive schemes gained support from trade unions, employers and government as a means to cope with high unemployment rates (at the societal level) and economic problems (at the firm level). The unions emphasized that some categories of workers with poor working conditions deserved to retire before the official age of retirement. There was also strict legislation protecting workers from layoff, which led to the increased use of disability schemes to provide a pension (de Broom and Blomssma, 1991). Unemployed persons in occupations with no employment prospects in their locality were able to receive disability benefits quite easily. At the high point in 1977, 63.6% of men aged 60-64 who were not in the labour force were receiving a disability pension (de Vroom & Blomssma, 1991). Explicit policy changes have since reduced this percentage. In Germany, older workers who are handicapped or unemployed for over a year, can enter the public pension system that is otherwise activated at age 65 (Kohli and Rein, 1991).

Is this happening in Canada? According to Schellenberg (1995), CPP/QPP disability pensions are now paid to twice as many 55-64 year olds as ten years ago. What is interesting is that, unlike Germany and Holland, this is not a matter of formal policy, yet it is taking place anyway.

RETIREMENT IN AN ERA OF UNCERTAINTY

David Foot (1994) recently argued that it should be easy to create greater job flexibility for organizations by encouraging partial retirement:

> *There are a lot of overworked people now in their mid-forties to early fifties, who have their mortgages largely paid off, who might willingly work four days a week for 80% salary. Or three days a week for 60% salary. Management saves huge bucks by doing this, because it's the highest paid workers who are most likely to take advantage of this opportunity. Furthermore, half of a senior manager's salary pays the full salary of a new, young labour market entrant.*

I think this is an overly optimistic scenario. As we hear about the prospect of increased pension clawbacks and reductions in the levels of pension support, and as we worry about the uncertain economic future of our children, many of us will want to take the precaution of maintaining high earnings as long as we can. In support of this argument, it should be noted that Lowe (1992), using 1989 General Social Survey data, showed that while 34% of Canadians aged 15 years or older did not know when they planned to retire, 43% said they planned to retire before they reach age 65. Just 14% said they planned to retire at age 65, and 1% after 65. However, more recent evidence suggests that there might be a move away from this desire for early retirement. For example, Axmith and Associates (Gibb-Clark, 1995a) surveyed 1,034 Canadian companies. Those offering early retirement incentive packages reported that only 44.8% of eligible employees took them.

Many employees are placed in a "game-analyzable dilemma" when they contemplate their futures. They are playing the retirement incentive game against management and it is like chess or poker — to play it well you have to have a good idea of the strategy of the people you are playing against. Management designs an incentive plan to induce employees to take early retirement. It makes its own bet about what is the least financially attractive incentive plan that will produce the required downsizing. It can be complicated because the employer might opt for a targeted program rather than an across-the-board incentive plan. The employee playing this retirement game must decide: "Should I take this incentive plan now, or wait a bit longer for a better incentive plan to be offered?" But what if enough fellow employees take the offer to satisfy management? Or what if, instead of a better offer, straight layoffs follow? When Ontario Hydro introduced massive cuts a few years ago it used a mixed strategy of incentives and straight layoffs. As noted earlier, the CEO of Bell hinted that Bell might have to take this route as well.

In order to make a rational decision about when to retire, one needs to know how much one would be earning at that time, how much had been saved, what one's pension benefits would be and how they would be influenced by inflation, deflation or other economic conditions both at the time of retirement and over the remaining, post-retirement years of one's life. One would have to predict his or her own life expectancy accurately. Finally, if offered an early retirement incentive plan, one would have to accurately predict if a better retirement plan would be offered next year or if involuntary retirement or job displacement was in one's future. Many years ago, a very old woman living in a retirement community in New Jersey said to me, "I just got my bank statement and it isn't too high. If you only knew how long you had ... you could work it out to the cent. But you can't". She speaks of an age-old dilemma — no one wants to run out of money before they die — but why lead a very frugal life only to die rich?

CONCLUSION

This chapter has attempted to describe both the complexity and the remarkable degree of change that characterizes retirement patterns now and over the twentieth century. I believe that there will be continued rapid social change in the institution of retirement over the next 15 to 20 years. Beyond predicting change, and because of it, the future looks cloudy to me. I mean this in two ways: cloudy because it is difficult to foresee what will happen; and cloudy because I am not overly optimistic about it.

The most critical issue, I believe, will be to provide income security to a very large population of retirees. How we pay for it — whether through the private or the public sector — is not the critical question. The problem is to be able to generate, and then to allocate, a sufficient proportion of the country's wealth to sustain a non-working population. The large size of the baby boom cohort, and the small size of the cohorts that will follow it makes this especially challenging. Once the baby boom cohort exits the paid labour force, it will be up to its successors to produce most of the wealth.

The growing diversity of job patterns — what I conceptualize as the move away from the career to the job and then to the task, as a means of organizing work — will also make this more of a problem than it would otherwise be. People who lack stable employment histories end up with lower retirement pension incomes than those with more stable histories. We know this with certainty because we see women more economically disadvantaged than men in retirement for precisely this reason. And people who work at tasks on contract will be less likely than those with jobs, and much less likely than those with career stability, to develop adequate retirement benefits.

What should we do? First, I believe that we have to recognize the human costs involved in corporate restructuring and downsizing. There are companies that do a good job of providing parachutes and safety mechanisms for those who lose their job. But there are enough horror stories to be a cause for concern. Second, we should continue to develop more flexible work options that will meet many older workers' desires to maintain some sense of connection to the world of work and also provide some additional income, while simultaneously opening up more job opportunities for others. Third, in a world where there is so much instability, and where rational individual-level planning for retirement is virtually impossible, we must try to reverse the current trend of placing more and more responsibility for providing income security in retirement onto individuals. In other words, it is absolutely essential that we preserve our social safety net for seniors.

While this conclusion may be a bit pessimistic, I am not without hope. If there is one message I have tried to convey, it is that the social institution of retirement is changing dramatically. Many of the pressures leading to the early exit of workers from paid employment are the result of corporate restructuring and downsizing activities that were simply not foreseen 10 or 15 years ago. If such changes have occurred, dramatic changes of a more positive nature can also occur.

The future does not just happen to us — we can help to make that future. If we are to do a good job of that, we do, truly, have to put our heads together and rethink retirement.

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CHAPTER 4

THE OLDER WORKER IN CANADIAN SOCIETY: IS THERE A FUTURE?[1]

Victor W. Marshall

INTRODUCTION

I am an older worker. Are you? If so, do you have a future? Do I? I ask these questions at the outset because we have had some difficulty deciding who or what an older worker is. There are formal definitions, but consensus is lacking. This makes it difficult to ask workers, or employers, questions about older workers because they may not agree with the formal definitions. For example, Canadian government agencies define older workers as persons aged 45 or older. In the United States, federal legislation protects workers from age discrimination from age 40 on. In this chapter, I will be using the age of 45 to define older workers although some data are presented for workers aged 55-64.

In addressing the question: "Does the older worker have a future in Canadian society?" six dimensions, organized into separate sections, are considered. First, I look briefly at the phenomenon of population aging, which indicates that there will soon be a tremendous increase in the number and proportion of people in the age range 45-64, where they have the potential to be older workers. In the second section I examine labour force participation. A major factor influencing labour force participation is the widespread economic restructuring that is taking place in Canada. This is discussed in the third section. Older and younger workers alike are affected by both

[1] This chapter incorporates information from the Issues of an Aging Workforce study conducted by CARNET: The Canadian Aging Research Network at the Centre for Studies of Aging, University of Toronto. The study is supported by the Innovations Branch of Human Resources Development Canada. The ideas expressed are those of the author and not necessarily of Human Resources Development Canada.

organizational change — change in how we organize the work process — and *technological change* such as the increased use of computers. There are interesting questions being debated about how older workers might be affected differently than younger workers by such changes. I enter this debate in the fourth and fifth sections. The fate of the older worker is partly shaped by the attitudes of management, co-workers, and by older workers themselves. More generally, attention should be paid to the values we share as Canadians and to the values climate within our work organizations. Then, I examine their fit with what is happening to older workers. The concluding section returns to the question, "The older worker in Canadian society: Is there a future?"

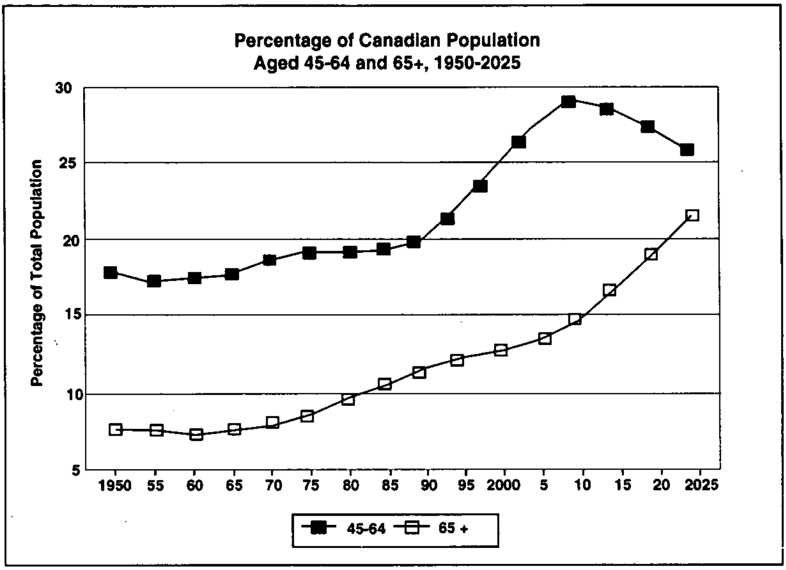
POPULATION AGING AND THE OLDER WORKER

The Canadian population is aging as shown by the bottom curve in Figure 1. The increase in the proportion of the population aged 65 and over from its present 12% to double that over the next forty years is truly dramatic. However, my concern here is with the top curve, which shows the trend in the proportion of the population aged 45-64. This is the category that includes most older workers[2] — since very few people work after age 65 — and this category is growing even more dramatically and rapidly than the older population.

The reason that the older worker is of particular interest is that we are at a point in history when we will see a dramatic growth in the numbers and proportion of people who might become older workers, due to the aging of the baby boom generation. The oldest baby boomer was born in 1946 and is therefore now 49 years old. The baby boom ended in 1965, so that the youngest baby boomer will turn 45 in 15 years. Since the baby boom was followed by the baby bust, each year fewer young people are entering the labour force, a phenomenon that has been going on for the past fifteen years. Thus, if the baby boomers continue to work, they will constitute an increasing proportion of all workers — and the average age of the labour force will rise. However, as will be seen, demography is not all there is to the story.

[2] The labour force consists of both employed persons and unemployed persons who are seeking employment.

Figure 1



Source: *CARNET– The Canadian Aging Research Network*

LABOUR FORCE PARTICIPATION AND THE OLDER WORKER

In January, 1995, 13.5 million Canadians were employed, and 1.4 million persons were unemployed but still in the labour force[2]. Of the 1.4 million unemployed persons, 228, 000 had been unemployed for at least 53 weeks — that is, for over a year. Therefore, although 5.5% of jobless Canadians are experiencing chronic unemployment, most of the unemployed are not chronically unemployed. However, the number and percentage of chronically unemployed has increased since 1990, as has the percentage of unemployed who are chronically unemployed and the average number of weeks unemployed (from 16.8 weeks in 1990 to 24.2 weeks in 1995).

Unemployment differentially affects the young and the old, as can be seen in Table 1. Tom Baker, a researcher with the Social Planning Council of Metropolitan Toronto notes that "there is a real polarization in the labour market, which results in those people who are unemployed facing a far longer period of unemployment than would have historically been the case". This polarization is along age lines. Younger people are more likely to be unemployed, but workers aged 45 and older are more likely to be chronically unemployed (Philp, 1995).

Table 1

Average Weeks Unemployed: Males Aged 15-24 and 45+, 1990 &1995		
	Weeks Unemployed	
	age 15-24	age 45+
1995	18.5	36.4
1990	12.4	24.6

Source: *Statistics Canada Labour Market Survey Data cited in Philp (1995)*

Chronic unemployment leads many workers to give up the search for work. They become "discouraged workers" and may define themselves as retired. As such, they are no longer counted in the labour force — so that unemployment rates actually underestimate the percentage of older workers who are not working. Futurist John Kettle noted in 1993 that if the unemployment rate was combined with the "premature retirement rate" for workers over age 55, the figure would be 23.1%, creating what *The Globe and Mail* (1993) called a "lost generation of older workers".

Another issue is the changing composition of full-time and part-time jobs. January 1995 was a good month for job growth — if you don't look too carefully. There was a net gain of 15,000 jobs, due to the creation of 25,000 part-time jobs and the loss of 10,000 full-time jobs (Canadian Press and Bloomberg, 1995).

A number of factors conspire against the labour force participation of older workers including continuing high levels of unemployment, chronic unemployment and a loss of full-time jobs. The labour force participation rate of Canadians aged 55-64 has been falling. The total pattern is accounted for by a marked decline in the rate for men (from 86.4% in 1956 to 62.0% in 1992); the rate for women, which increased between 1956 and 1986, has now levelled off at 36.4%. The average age of retirement is 62 and likely to fall considerably below that.

A growing percentage of older workers are in part-time work, not always by choice. Among men aged 55-64 who are working, the percentage in part-time work rose from 3% in 1981 to 7% in 1993; among women the comparable increase is 25% to 30%. Working part-time is sometimes by choice, but sometimes it is due to family or personal responsibilities or an inability to find full-time work. The percentage of part-time workers aged 55-64 in 1993 who fell in this "involuntary part-time work" category was 41% for men and 27% for women (Schellenberg, 1994). If age 45 is used to define older workers, 14% (or just under one-half million) are employed part-time, one-third because they cannot find full-time employment (Schellenberg, 1994).[3] Of the small number of people who work beyond age 65, the percentage working part-time is quite high, approximately 30% of men and 45% of women (McDonald & Wanner, 1992).

We should also bear in mind that many people who retire return to work, especially those who retire very early. Their return is likely to be to part-time work. We know little about these people, but the 1991 Survey on Aging and Independence, using a representative sample of adult Canadians aged 45+, reveals that 21% of men and 11% of women who described themselves as retired said they returned to paid employment. They tend to be highly educated skilled workers and professionals or managers, rather than people with less education or human capital. Fully 76% of men and 88% of women who returned to paid employment did so as part-time workers (Schellenberg, 1994).

ECONOMIC RESTRUCTURING AND THE OLDER WORKER

It should be apparent that demographic factors, and even more dramatically, economic factors are shaping the future of the older worker. Conducting our research has been difficult because of the changes that are occurring. For example, we had negotiated entry to a major Canadian energy company to conduct a case study, when the company underwent massive restructuring. A new CEO swept the vice-presidential level clean, including the Vice-President Human Resources who had agreed to the case study. With large-scale layoffs at all levels of the company, the new CEO judged it an inappropriate time to have us do a case study on issues of an aging workforce. And this was not an isolated example. Many of the major energy companies in the "Oil Patch" in Calgary are restructuring, and early retirement incentive plans or simply layoffs — both of which disproportionately affect older workers — are often part of this restructuring. They are not interested in hosting a case study precisely

[3] Figures are for 1992.

because of the instability that makes these companies of major interest to us.

Last fall we began negotiating with Bell Canada, and just as I was about to arrange a meeting with the President of Bell Ontario to discuss a case study, there was a major shake-up. We were, however, able to secure access to Bell. During this access process, we met with a Vice President who handed us a business card listing his occupation as T/VP. The T stood for "temporary". I am happy to say that the T has since been removed, the person stayed in the job, and the case study is proceeding.

What we have, then, is a conjunction of demographic and economic factors. Just at the time when a huge bulge of baby boomers is entering the "older worker" category, corporate restructuring is going on at an unprecedented scale. Many companies have worked hard to be "leaner", and this has sometimes meant "meaner". Restructuring has led to massive job losses across the board; but one restructuring mechanism that has been easy to implement and that has increasingly been used is to provide incentives for older workers to leave paid employment.

Corporate restructuring affects workers of all ages, but some American evidence suggests that different forms of restructuring affect older and younger workers differently. Michael Useem (1994) has recently reviewed this evidence and concludes that both the costs and the benefits of restructuring are experienced more intensely by older than younger workers. This is because older workers are concentrated in industrial sectors that experience certain forms of restructuring. Thus, in a study of 406 large American companies, those with older workforces were more likely to be located in manufacturing, more likely to be very large, and twice as likely to have collective bargaining. It is precisely these types of companies that have seen the most extensive restructuring in the U.S. (and probably in Canada). Companies with higher proportions of workers aged 50 and over were more likely to have sold off business units, had large-scale layoffs, reduced management staff, offered early retirement, or imposed hiring freezes. Conversely, companies with younger work forces were more likely to be shutting down operations, merging units, or shifting full-time workers to part-time employment.

The Louis Harris survey that Useem analyzed to obtain the above information also showed that early retirement was an important means used by companies to avoid laying off workers. The data also showed that there was a substantial increase in use of early retirement incentives whereas there were declines in the percentage of companies using hiring freezes, salary reductions, and voluntary separations to avoid layoffs (Useem, 1994).

I think we are in a kind of trap. The golden handshake of a retirement incentive plan seems to be the most readily available way to reduce staff complement, so it is increasingly used. It appears to be the first and sometimes the only strategy invoked when a company wants to restructure. In an era when there are many corporate takeovers, clearing out the vice-presidential level becomes an easy way for a new CEO to get rid of potential internal opposition while, maybe, saving some money. However, management theory is incredibly faddish. Last year's management media guru with the best-selling book is almost sure to be supplanted by a new guru. As we see the pendulum now begin to swing away from Total Quality Management approaches and de-layering of management, I hope that it starts to swing in a direction that will see less use of retirement incentive plans.

ORGANIZATIONAL CHANGE AND THE OLDER WORKER

The restructuring of many corporations has had the interesting consequence of making their organizational structure look more like the age structure of the population. David Foot (Foot, 1994; Foot & Venne, 1990) has pointed out that the traditional organizational structure of a workplace was pyramidal — one president, a few vice presidents, several seniors managers, more junior managers, and lots of workers at the bottom of the pyramid. That pyramidal shape of the work organization corresponded quite well to what demographers used to call "population pyramids" — but which are not pyramids any more. This is particularly true of the demographic shape of the labour force, which Foot describes as shaped more like a barrel.

The flattened hierarchy of many work organizations caused by such restructuring methods as de-layering, getting rid of middle management positions, and moving towards work teams, is better suited to current demographic patterns than a tall hierarchy with many levels (a pyramid)

— but only if we can find new ways to make work productive and satisfying for workers who are no longer moving up — and, of course, only if we can find ways to keep these older workers employed.

In a major American insurance company that we are studying, we asked people in a focus group to describe what kind of careers they could expect with the company. One worker in a management position stated:

> *The word career has been stricken literally from all Human Resources Development material. So after 23 years with a company, what do you have? You're not allowed to have a career anymore because your job is — you know, you could be eliminated tomorrow .... It is no longer a career.... you cannot have the word career in documentation because there are no careers here any more...*

With advancing age, an employee today can anticipate few moves upward, but perhaps more lateral moves. To avoid burnout, and to facilitate teamwork in work groups with little hierarchy, employers would be well advised to provide lateral moves. As Foot (1994) states:

> *... you give your employees much more opportunity to move around. This means that the career path has to change.... This means that the age of the specialist is going, and the age of the generalist is re-emerging. The specialist can do only one occupation, whereas lateral moves often are associated with changes in occupation and in the sort of skills needed (p.15).*

Many forms of restructuring include de-layering the organization by removing management levels. One multinational company we are aware of has reduced from over twenty to nine layers. This means that promotion is no longer as viable a reward mechanism as it once was — there are too few layers to allow much of it.

Often accompanying de-layering is the increased use of semi-autonomous work teams and similar forms of work organization that are less hierarchical than traditional job structures. Shea (1991) argues that innovations such as semi-autonomous work teams and quality circles discriminate against older workers. He suggests that older workers are not as competitive as younger workers, causing friction in work groups. Older managers are disadvantaged by their traditional expectations of performance that focus on efficiency of solo, rather than consensual, decision-making processes.

Despite the substantial attention paid to new organizational and management practices, in fact little is known about their potential differential effects on older workers. It is reasonable to suggest, however, that workers who have spent many years doing things one way might be resistant to organizational change.

TECHNOLOGICAL CHANGE AND THE OLDER WORKER

It is commonly believed that technology destroys jobs. If that is the case, then there is little future for the older worker. Certainly, technology does eliminate some jobs. A recent issue of *The Economist* (1995) described the fear of job loss from technology as a "misplaced panic". However, the address label on my issue is printed right on the magazine, as part of the cover. Someone lost their job over the technology that replaced the gummed label that used to carry my address. However, if technology destroyed jobs we would surely have no jobs left by now, because technological development has being accelerating throughout most of history. As *The Economist* story puts it:

> *In the past 200 years, millions of manual workers have been replaced by machines. Over the same period, the number of jobs has grown almost continuously, as have the real incomes of most people in the industrial world. Furthermore, this growth and enrichment have come about not in spite of technological change but because of it (p.21).*

If technology results in more work with less labour, jobs are not necessarily lost. Instead, increased productivity and economic growth will spur new demand. As *The Economist* article pointed out, black and white and then colour television, microwave ovens, video-cassette recorders and soft contact lenses are all new technologies. Technology can be used to make old products more efficiently, expanding old markets by reducing unit costs. Technology can also make new products, creating more markets. In neither case is it necessary to reduce jobs. The choice to reduce jobs is not then simply technology-driven.[4]

Rather than viewing population aging as a threat it can be viewed as a stimulus for jobs. The sectors that are predicted to experience increased job opportunities as a result of it include computers and informatics, health services, the travel industry, other service industries related to the expansion of retirement-based leisure activities, as well as education and training to help workers redeploy to areas where there are more jobs.

Any form of organizational change is likely to see old and young employees performing tasks that they have not performed before, and working in new ways that may be at odds with prior work experiences. The new, more horizontal firms will require Canadian companies to increase their training programs; to teach people the new skills required for these lateral moves. As the U.S. Secretary of Labour Robert B. Reich (1994) notes:

> *Our emphasis on education and training of the young must be matched by a similar commitment to make full use of the productive capacity of older workers. Experience, maturity, know-how, dependability, and other positive traits that characterize older workers have always been important .... Over the next decade, the labor force will be expanding at an unusually slow pace. Fewer new workers will be entering the job market.*
>
> *Public investment in education and training must be coupled with private investment in new ways to work better and smarter (pp. 5-6).*

In Reich's view, the U. S. cannot afford to leave the older worker out of the picture. His argument applies equally to Canada. Statistics Canada's 1992 Survey of Adult Education and Training found that older workers were less likely to participate in work — related courses and training than younger workers — a finding that is general across the OECD countries (Plett, 1990).

Commenting on the situation in Europe, Drury (1993) states: "Unemployed older workers have little or no chance of obtaining

[4] The *Economist* article provides an illustration from the U.S. banking industry. The introduction of automated tellers and sophisticated computer systems was not accompanied by job loss. Rather, the banks diversified their products. The same appears to be the case in Canada with banks and possibly in the insurance sector.

suitable training. No EC country provides targeted training programs for older workers despite the fact that they are most in need of retraining due to outdated work skills and low educational qualifications" (p.15). An International Labour Organization survey of twelve countries including Canada, found no specific policy on training of older workers. Five European countries actually set maximum age limits that exclude older unemployed workers from training programs (Plett, 1990). In Canada, federal government training programs do not target older workers and have not broken private-sector resistance to training older workers. This is despite the recommendations of federal government task forces since 1981, which emphasize adjustment policies for older workers, including wage subsidies and short term training (Canada Employment and Immigration Advisory Council, 1985; House of Commons Standing Committee on Human Rights, 1988; Trueman, 1989). Only two Canadian provinces, Ontario and Manitoba, have job training programs for displaced older workers.[5]

Some of the best programs are being provided by corporations such as IBM, Ford, and Lockheed in the United States (AARP, 1988). In Canada, federal-provincial responsibilities in this area are very much in a state of turbulence. Both levels of government should work more actively with the private sector for job training and retraining in general, and they should heed the frequently-voiced plea to target the older worker for such training.

ATTITUDES, VALUES, AND THE OLDER WORKER

It is ironic that a few decades ago, when the baby boomers first started to enter the labour force, the concern of human resources specialists was that there would be too many young workers and not enough older workers. The baby boomers did not have a good reputation in terms of the values of corporate culture. To keep these activist, arrogant, undisciplined workers in line, it was felt that the maturity, stability, and company loyalty of the seasoned long-time employee would be useful.

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[5] In Ontario, the TRANSITIONS program will fund a displaced worker over age 45 for training expenses and costs up to $4,500 over a two year period; in Manitoba, the Job Training for Tomorrow Program offers wage assistance to employers training of workers over age 55 (Trueman, 1989).

The American sociologist and corporate guru, Rosabeth Moss Kanter (1994) recently described the dilemmas faced by corporations with regard to older workers:

> *To be candid, from the point of view of American companies seeking to be more competitive in the global economy, the aging workforce is a mixed blessing. Many companies associate it not with a loyal, experienced workforce knowledgeable about its employers' business but with:*
>
> - *higher compensation costs as more people reach the upper levels of pay scales;*
> - *rising health care and pension costs;*
> - *seniority and tenure systems that make it hard to replace people;*
> - *uncertain returns from "experience" in light of pressures for innovation and change (pp.7-8).*

Negative attitudes about the ability of older workers to benefit from education and training play a part in sustaining discriminatory barriers to accessing such programs. In an American study Didben and Hibbett (1993) found that 58% of employers cited the lack of appropriate skills as the reason for not hiring older workers, but only 16% provided training. In another U.S. study (AARP, 1986), involving 400 companies, 48% said they believe that training can increase employment for older workers, but only 30% provided training.

In the Canadian context, a study of managers of 651 firms in Calgary found them to believe older workers are "stuck in their trades, are unfamiliar with new technologies, are afraid of new technology, have failed to keep up, are resistant and fearful of change, are unable to make dramatic career changes, and are slow to learn" (Gibson, Zerbe & Franken, 1992, p.170). Aside from the fact that such views might influence these managers' new hires or stance towards older workers currently in their employ, the irony of ageist attitudes is that people tend to reach the point where they are the targets of their own

[6] See our case study of the Sun Life Assurance Company of Canada. Overall attitudes toward older workers were positive but older workers were more positive than their younger colleagues; and significant minorities of older workers endorse negative views that would apply to themselves.

stereotypes. With increasing age, negative attitudes toward older workers soften, but do not totally disappear.[6] Perhaps they should not, because while the research evidence clearly establishes that many negative views of the aged or of older workers are highly inaccurate, we must acknowledge that there are some limitations that come with aging.

SUMMARY AND CONCLUSION

This chapter has identified a number of factors that bear on the question of whether there is a future for older workers in Canada. Some of these factors are not likely to change very much, while others can change a great deal depending upon our social and political will. One factor that we cannot do much about is population aging. Even social engineering attempts to alter the age structure of our society — such as by trying to persuade people to have more babies, or greatly increasing the number of immigrants we accept — would have only small effects in the near term, and they are extremely unlikely from a political or values perspective.

We can probably do little about the inexorable march of technology, and we probably do not want to. Luddite attitudes that technology can only bring harm have little currency today. What we might do, however, is make some choices as to how we use technology.

Where we can have an impact is with corporate restructuring. The strong, world-wide emphasis on the global restructuring of the economy which has led to re-engineering, total quality management, downsizing, rightsizing, de-layering and so forth, while a recent arrival on the business scene has struck with the force of a tidal wave.

When organizational restructuring removes whole layers of positions from what used to be the upper layers of an organizational pyramid, who suffers? Rosabeth Kanter (1994) asks:

> *At a time when most organizations, whether in the private or public sector, desperately need innovation and change, how do they tap new knowledge, the latest knowledge out of school, and renew the skills of their workforce? How do they reduce bureaucracy — which often means cutting middle and upper layers of the pyramid occupied by older people*

who earned those positions after many years of hard work and loyal service? (p.9).

Certainly, if older workers are to find employment in the future, intensified training efforts will be required, and the question, "training for what?" must be answered better than we have done up to now in Canada. We will need to step up training programs to keep older workers up to speed; and we will have to make these training programs age-sensitive (Halle, 1990). By this I mean they should: be attuned to the workers' current career stage and life goals; be sensitive to age-related differences in literacy and numeracy; build upon experiential strengths; provide additional practice and learning time; incorporate memory prompts; recognize possible sensory deficits in hearing and vision; and, where possible use peer training methods and the discovery learning method (Halle, 1990).

When reviewing the demographic factors, one important point was left unsaid: that the general demographic trends which produce an aging workforce have also produced some concerns about future labour shortages. In an era of persistent high unemployment and job loss, in which many hope (or fear) that technology will replace more jobs, these concerns may seem misplaced. However, serious scholars in this area such as Lynn McDonald, Mervyn Chen, David Foot, Grant Schellenberg, and myself, have pointed out that a job shortage could turn into a labour shortage as the baby boomers start to exit the labour force.

During the 1970s we saw large growth in the labour force (averaging 3.2% a year) but during the 1980s we saw lower growth (averaging 1.9% a year) caused largely by the fact that the large group of baby boomers had been absorbed by then, and the cohorts that followed them were all smaller in size. While people aged 15-24 comprised 26% of the labour force in 1971 they will account for only 17% by the end of this century. With fewer young people entering the work force, a continued trend toward early exit could lead us to labour shortages (McDonald & Chen, 1994).

This will not happen if the economy stays poor; and it will not happen if technology lives up to the hopes that some have for it. But let us assume that the economy will continue to improve over the next decade. And let us assume that technology will create some jobs as well as destroy others. Then we might very well need the services of older people.

We know that Canadians prefer to retire early if they can afford to. How then, can we keep older workers in the labour force? Here, the value of the part-time older worker should be recognized, but if we are to retain older workers, we will have to revise pension policies so as to reduce incentives for early retirement and make it possible to retain benefits and pension privileges while working part-time (McDonald & Wanner, 1982). We will also have to recognize that employees who are aged 45 or older may well have family care responsibilities — to children, to aging parents, spouses, other family members, or to all of these. We know that many older workers, particularly but not exclusively women, leave employment, forfeit training opportunities, or otherwise restrict their careers due to family care responsibilities. Thus, programs that include eldercare components are a key to retaining older workers. Not incidently, they can improve the life experiences and health, and reduce the stress levels, of older employees (Martin Matthews & Rosenthal, 1993).

Changing patterns of exit from the work force have important implications for the income security of the elderly. Older workers are expensive to the companies that employ them, but older persons not in the work force may draw heavily on unemployment, disability, or welfare funds. And, if they have private pension coverage, they are probably receiving lower benefits than had they retired at age 65. We must ask if the massive severing of older people from work will come back to haunt us through increased demands on the state social safety net.

I have broader concerns about what might be called "social integration". Sociologists ask, what is it that ties people to society? What gives people a sense of connectedness, stability, predictability, and loyalty to something beyond themselves? The major bonds that have historically tied people to one another in society have been the family and work.[7] While the family has changed dramatically over the past half century, it continues to be a "haven in a heartless world" for many people, and I think it will adapt so as to continue to provide a basis for social integration and social solidarity.

I worry more about work and its declining ability to provide social integration. Companies like IBM, or the large Japanese companies, used to provide life-long employment for workers, and counted this a virtue. If you went to work for IBM, you were there for life. IBM dropped that policy earlier in this decade. Bell was another such company. Its "Ma Bell" image not only symbolized the unity of the generations through that "long distance feeling" — it was a company that made a point of instilling in its employees a sense it was an employer that was as committed to them as they were to be to it.

I mentioned earlier the employee of a large U. S. insurance company who told us that at that company there are no longer careers —only jobs. In late 1994, Fortune Magazine ran a story entitled "The end of the job". If we think of a career as paid employment with the expectation of fairly predictable progress through the ranks, accompanied by increasing rewards, then a job is paid employment with no career prospects. But at least many jobs have benefits and short-term stability. However, many companies are out-sourcing work to other companies. More work is being done under contract. The worker no longer receives wages or a salary in return for time spend working; instead payment is for a "deliverable" — in a new global take on the concept of piecework.

We are moving from the career, to the job, to the task as a means of organizing work. It is hard to know how far this process will take us, but it seems to be happening at a rapid pace. I fear that the further we go down that road, the less work will function as a means of providing social integration and social solidarity. We are not currently in a values climate that seems to care much about social integration and social solidarity. Concern about the human impact of corporate rationalization on a global scale is rather muted.

Is there a future for the older worker? The answer you would rather hear might depend on whether you live to work or work to live. Most Canadians would rather not be older workers; they would prefer to retire. But there is an "if" to that which is "if they can afford it". If their labour is needed, it is possible to restructure benefits and retirement incentive packages to promote people remaining in the work force. We have been doing the opposite in recent years, but in future we may have to reverse course.

[7] Religious belief could also be argued to support social solidarity. It too no longer has the same pervasiveness or strength of effect as in earlier eras.

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CHAPTER 5

SECURITY FOR SOCIAL SECURITY — RAISE THE AGE OF ENTITLEMENT?

Robert L. Brown

It seems that we hear only bad news about the Canada Pension Plan (CPP). Just recently, the CPP actuary announced that without a further increase in proposed contribution rates, the CPP would run out of money by 2015 (Office of the Superintendent of Financial Institutions, 1995). While the provinces had previously agreed to contribution rate increases that would take the CPP contributions from 5.4% today (2.7% from the worker and 2.7% from the employer) to 10.1% by 2016, we are now told that contribution rates will have to rise to 11.8% by 2016 and to 14.4% by 2031. Why this sharp increase? Are there no alternatives?

The reason for the increase in contribution rates is the rapidly aging Canadian population. By international standards, Canada, today, is a relatively young nation. Only 11.4% of our population is aged 65 and over, compared with, for example, Sweden where 17% of the population is aged 65 and over.

However, that is going to change drastically over the next 30 years. By the year 2025, Canada will have 18.8% of its population aged 65 and over. There are two reasons underlying this increase. First, Canadians are living longer. For example, in 1961, the life expectancy of a 65 year old in Canada was 13.5 years for men and 16.1 years for women. Today, (Statistics Canada, 1995), it is 15.7 years for men and 19.9 years for women. Second, and more importantly, Canada had a huge (the most dramatic in the world) baby boom in the years 1946 to 1965. In 1965, one-third of Canada's population was aged 15 and under! In the early years of the second decade of the twenty-first century, this large cohort will begin to reach the age of 65.

Canadian social security safety nets for the aged are dependent on the ratio of workers to retired elderly. That includes Old Age Security, the Guaranteed Income Supplement, the Canada/Quebec Pension Plans, and universal health care. All of these programs take in revenue from workers and taxpayers, and pay out benefits, mostly to people over age 65.

Except for Old Age Security, these programs were designed in the late 1950s and early 1960s during the baby boom years. It was reasonable for the architects of these systems to assume that, long-term, there would be approximately seven workers for each beneficiary. However, the baby boom ended in 1965 and was followed by the baby bust. Today, we have about five potential workers for every retired Canadian, but by 2030, we will have only 2.5 workers per beneficiary.

What does this all mean? It means rapidly rising contribution rates and taxes to support the social security benefits that are being promised today. But will the next generation of workers make these kind of contributions to fund these promised benefits? More and more Canadians, and even some public policy analysts, are saying "no" (e.g., Canadian Institute of Actuaries, 1993).

Actually, the problem is even more basic than how to fund Canada's public social security programs, since all retirement income security schemes are affected by shifting demographics. Starting in 2011, baby boomers will reach the age of 65, the "official" retirement age. By 2030 (less than twenty years later), the last of the baby boom will have retired and Canada will look to the baby bust generation for its supply of labour. In the period between 2011 and 2030, we will see a 51% increase in the demand made on the workers to provide non-working Canadians with goods and services. Those demand levels are 60% higher than what exist today.

So even with a fully-funded private pension plan, or an RRSP, backed by private-sector assets, someone must create the goods and services for you to consume when you retire. There is one overwhelming economic truth: wealth must be created before it can be transferred. Without continued wealth creation, private-sector assets are worthless.

If Canadians expect to receive everything that is being promised today, then tomorrow's workers will have to transfer 60% more wealth to the non-working population than is being transferred today. It is extremely doubtful that this can, or will, occur. But keeping today's promised benefits and asking tomorrow's workers to pay for them is not the only alternative. If the benefit formula were to change so that the retirees of tomorrow accepted slightly smaller benefits, then a new equilibrium could be achieved.

One such alternative that is worth consideration is a shift upward in the normal retirement age. With the "correct" rise in the age of entitlement, the ratio of beneficiaries to contributors could be maintained at today's level. The rise that is needed starts with a normal retirement age of 65 in 2006 which the rises slowly and gradually to age 69 by the year 2030 (Brown & Iglesias, 1989).

Is such a shift in the age of entitlement a viable alternative? There are reasons to believe that the answer is yes. For the past twenty years, both government and the private sector have been providing incentives for workers to take early retirement. In part, this was to assist in reducing the high levels of youth unemployment created when the baby boom entered the labour force. In less than twenty years from now, however, the baby boom will start to retire, and, by 2030, we will be dependent on the baby bust generation for our labour supply. Today's incentives for early retirement will become tomorrow's incentives for later retirement, not just for government social security benefits, but also in the private sector as Canada faces skilled labour shortages.

Some workers today are being forced to retire and would rather be working, at least part time in a flexible work arrangement. It is both illogical and unfair to relegate the experience and expertise of capable older workers to empty role structures merely because they attain a certain chronological age.

There are individual economic reasons to expect the normal age at retirement to rise. While the cohort born between 1946 and 1955 was 30% wealthier than their parents by age 30, the cohort born between 1956 and 1965 was 10% less well-off than their parents by age 30. Much of the personal wealth that allows workers to retire early today exists because of the significant real increase in the value of housing that took place in the 1970s and 1980s as the baby boomers bought their first homes. However, that windfall is now history, and there is no reason to expect the value of housing to rise faster than inflation for the next forty years. In fact, if the baby boomers all try to "downsize" their housing at the time of retirement, one should expect capital losses to occur. Thus, the workers born after 1955 may not be able to accumulate enough wealth to retire early. This is especially true given their enhanced life expectancy. Instead of creating enough wealth to pay for fifteen years of retirement, twenty-five years could be the norm.

If, in 1966, when the Canada Pension Plan was introduced, the government had set the period of benefit pay-outs at the 1966 life expectancy, then the following normal retirement ages would be equivalent to retirement at age 65 in 1966:

Equivalent Age at Retirement

YEAR	AGE
1966	65.0
1991	68.4
2011	69.9
2031	70.7

Source: *Author's calculation*

Many other countries have already announced intentions to raise the age of entitlement to Social Security benefits to control the rate of increase of required contributions. For example, the United States announced in 1983 that its normal retirement age for Social Security would increase from 65 now to age 66 by 2008 and to age 67 in 2027. Advance notice of the kind displayed in the United States is essential to provide sufficient time for workers and employers to modify retirement plans and systems now in place.

A more recent example is the legislative change proposed for Sweden. The proposed pension reform (Swedish Ministry of Health and Social Affairs, 1994) would see Social Security pensions automatically modified to reflect changes in life expectancy. Every year, the census bureau would calculate the new Swedish life expectancy (sex-specific) and retirement benefits would be adjusted appropriately.

CONCLUSION

Is the Canada Pension Plan bankrupt? Clearly not. Further, there are options other than raising contribution rates. We could quietly go on our way, expecting the next generation of workers to transfer 60% more of their wealth to non-workers than we do today, or we can begin a public dialogue on the benefit alternatives. One alternative worth debating is a rise in the age of entitlement.

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CHAPTER 6

WORK, RETIREMENT AND WOMEN IN LATER LIFE[1]

Susan A. McDaniel

INTRODUCTION

Research on the labour market experiences of mid-life and older women is increasing, revealing new knowledge, but also showing us how much is not yet known. Retirement remains, for the most part, a presumed life transition for men, but not necessarily for women (Galarneau, 1991; Gee & Kimball, 1987; McDonald & Wanner, 1990). Despite the growing, but still small number of studies that focus on women's retirement (Gendell & Siegel, 1991; Hayward & Liu, 1992; Henretta & O'Rand, 1980; 1983; Siegel, 1993), most studies of retirement include only men (Casey & Laczko, 1989; Cliff, 1993; Hayward, Friedman & Chen, 1995; Hayward & Grady, 1990; Lindsay & Devereaux, 1991; McGoldrick & Cooper, 1989; Stelcner & Kyriazis, 1990; Wolfson et al., 1992), although some do include women (Arber, 1992; Ginn, 1992; Kohli et al., 1992; Laczko & Phillipson, 1991), and others, for example (Hardy 1991) focus on women specifically.

At the same time that interest is growing in women's retirement, changes are occurring which impact on the context of retirement and women. Demographic shifts have meant that the labour force is aging, that the baby boom generation is entering mid-life, and that the life course of women (and men too) has been altered substantially. Also, economic change in Canada (and throughout the industrial world) has meant that employment, unemployment, and retirement may no

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longer mean what they were taken to mean in the past. Guillemard and Rein (1993) suggest that "The social meaning of retirement is coming undone" (p.472). And labour force withdrawals may not be as linked to chronological age as they were once presumed to be. The concept of material and family security has shifted, too, with family changes, increased labour force participation of women, cutbacks to and abandonment of social programs by provinces and the federal government, and changes in family income.

This chapter focuses on changes in work and retirement among mid-life Canadians, with particular attention to women. Specifically, the interest here is in situating the experiences of a sample of recently non-working mid-life Canadians in the context of the profound macro-level changes occurring in work and in the Canadian economy.

The research focuses on individual experiences in structural context. I examine how large-scale changes in the structures of work, in the economic structure of production, and in family status, relate to the experiences of older working people, particularly women, in Canada in the 1990s.

CHANGING PATTERNS OF WORK IN LATER LIFE

Sweeping shifts have occurred in the work lives of men and women in the last several decades, in Canada as well as in the United States and Europe. Two of these are particularly salient. First, there is the enormous increase in labour force participation of women, with particularly large increases among married women, and women with children at home. Data from the 1991 Census of Canada show that among those women who might be expected to be least likely to work outside the home — married women with husband present and all children less than six years old — labour force participation rates were 69.0%, compared to 49.4% in 1981 (Statistics Canada, 1993).

The second shift in labour market activity has been noted largely for men — the massive move to early retirement (Atkinson & Sutherland, 1993; Casey & Laczko, 1989; Gendell & Siegel, 1991; Kohli et al., 1991; Lindsay & Devereaux, 1991; Lowe, 1991; McDonald & Wanner, 1990; Tindale, 1991). Guillemard and Rein (1991) note "a dramatic decline in the employment of older workers" (p. 469). The employment rate of men aged 45+ has fallen considerably in Canada since the 1980s and has led to a debate as to whether this decline is actually early retirement or unemployment (See, for example, Casey & Laczko, 1989; Marshall, this volume; Osberg, 1988).

Further questions have been raised about a set of resultant losses. These include: the increasing reliance on retirement as tool of economic restructuring (Atkinson & Sutherland, 1993; Blanchet, 1993; Calasanti & Bonnano, 1991; Casey & Wood, 1993; Christiansen, 1990; Esping-Andersen & Sonneberger, 1991; Guillemard & Rein, 1993; Henretta, 1992; Hutchens, 1993; McDaniel, 1992b; Tindale, 1991), about the actual labour market activity of older men and women (Fontana & Frey, 1992; Guillemard, 1991; Hayward & Grady, 1990; Lindsay & Devereux, 1990; McDonald & Wanner, 1992; Methot, 1987; Stelcner & Kyriazis, 1990; Wolfson et al., 1992), and about the family aspects of labour market activity in later life or early retirement (Gee & McDaniel, 1991; Hayward & Liu, 1992; Henretta & O'Rand, 1983; McDaniel, 1992a; 1992b; O'Rand et al., 1992).

The trend toward earlier retirement among Canadian men is revealed in the precipitous drop in labour force participation of men aged 65 years and older — from 75% in 1921, to less than 25% by 1971 (Synge, 1980). This may be the result of what was termed in 1950, "the retirement myth" (Hochman, 1950), the idea that men (there were largely men in the labour force in 1950) were not capable of work beyond age 65. This nascent attitude has been shown to have been supported by wider structures of work and social policies, including retirement policies (Henretta, 1992; Quadragno, 1988). Since 1971, employment among men aged 65 and over has dropped even more, to only 11.3% in 1991 (Statistics Canada, 1991).

Among women, almost 20% of those aged 65+ worked outside the home in 1921, a rate higher than among women aged 35-64. By 1971, the rate had dropped to 8.3% (Synge, 1980). It has been speculated that women aged 65 and over in the 1920s, 1930s and 1940s might have returned to the labour force upon the death of their spouses, out of economic necessity (Synge, 1980).

For men aged 45-64, there is a clear and precipitous decline in labour force participation from 1921-1971. For women, the pattern among this age group almost mirrors in reverse the male pattern, although at a lower level. In the years since 1971, as older males have left the workforce earlier in larger numbers, women of the same age have increased their labour force participation.

Although it is clear that massive shifts in labour force participation by gender and age have occurred since 1921 in Canada, and that the pace of these shifts has picked up in recent decades, little is known about women in late working life and their labour market activity and retirement. And, almost nothing is known about those who have changed their labour market status and not retired.

DEMOGRAPHIC SHIFTS AND OLDER WORKERS

The inexorable demographic aging which all industrialized countries are experiencing provides impetus to understanding the shifts in late life labour market activity, since more of the population will be in these age groups (Esping-Andersen & Sonneberger, 1991; Henretta, 1992). As Bouvier and DeVita (1992) show, in their analysis of the baby boom generation in the U.S. entering mid-life, the challenges will be large and different from those faced previously. Not only is the baby boom generation larger than any other generation ever born, it is likely to shape later life as it has every other life stage it has experienced.

Issues of demographic dependency related to public policy issues such as universality and entitlement to pensions, health care and other social programs, and to economic issues such as inflation, unemployment, free trade and job security — have become salient (Gee, 1994). Demographic dependency concepts, however, presuppose a simplistic, and now largely outdated, model of working life: schooling, work, retirement. Although it is widely acknowledged that demographic dependency is only a proxy for actual dependency, the extent of the approximation is seldom fully explored. The presumption of labour market withdrawal at age 65 requires serious questioning: there is the above-mentioned trend toward early retirement, and there is also labour market activity occurring after the age of 65. Labour market activity and change among those in mid-life has not been as well examined as, for example, the labour market activity of younger workers (McDaniel, Lalu & Krahn, 1993; Picot, 1992; Picot & Baldwin, 1990a; 1990b; Picot & Pyper, 1993; Ross &

Shillington, 1991; Statistics Canada, 1992).

Demographic shifts have meant that the scripts of our family lives have altered, too. For example, a smaller proportion of our lives is spent in having and raising children than previously. More time is spent alive in multiple generations, sometimes as many as five or even six generations. Women are likely to live longer as widows than ever before (Gee & Kimball, 1987). This means a greater imbeddedness in family in different ways than women have experienced previously. The nature of family commitments are more diffuse, and increasingly extensive for women, but less recognized by public policy and by the working world than more nuclear-family based obligations (Baker, 1994; Gee, 1994; McDaniel, 1992b; 1993).

ECONOMIC RESTRUCTURING AND OLDER WORKERS

The Canadian economy in recent years is undergoing an immense restructuring, resulting in massive layoffs and plant closings. Changes are occurring on several fronts — including expanding free trade arrangements, shifts in employment sectors, and inflation (which many economists predicted, correctly, would fall to zero, lower than in the US.), and most recently in public sector restructuring most pronounced in Alberta and New Brunswick, but now occurring federally as well as in other provinces. The consequence is that employment and the everyday perception of it has changed. Jobs are no longer fully expected, certainly not anticipated to last a lifetime, and are increasingly seen in terms of specific periods of work, followed by job changes, periods of retraining, returning to school, etc. The discontinuous employment path is becoming normative for both men and women, but of course, women were pioneers in discontinuous employment.

Some analysts see Canadian workplaces as going through the darkest period of our history. Workplaces increasingly are in disarray, with changes occurring so rapidly that neither management nor employees can comprehend what is happening. One of the many new books on this (of an estimated 400 in the past two years), by Marti Smye, entitled, *You don't change a company by memo*, suggests that employees in Canada today are like adult children of alcoholics, who live in cycles of hope, expectation, and disappointment over and over again, until they have become bitter and cynical. This, of course, does nothing to promote the much vaunted "working smarter" concept that has become so popular in these difficult times.

New concepts have arisen to describe the early withdrawal from the paid labour force that may be neither retirement nor unemployment. One of these is "disemployment" (Kohlberg & Hagen, 1991-92), which describes the undesired exit from paid employment and consequent exclusion from the paid labour force, which results in detachment, idleness and passivity rather than well-being.

Findings from recent research by the author reveal that age may be a more central component to current economic restructuring in Canada than it has been in past recessions, or than has been acknowledged. Incentives to early retirement and buy-outs of older workers, may account for a sizable portion of the nearly one-half million workers displaced from their jobs in Canada in the past three years. And older workers remain unemployed for a much longer time. Margaret Philp (1995), social policy reporter of the Globe and Mail, notes in response to Statistics Canada data on long-term unemployment, that a polarization in the Canadian labour market by age is emerging, with older workers (age 45+) accounting for a growing proportion of the chronically unemployed, although, in sheer numbers, there are more young people without work. Thus, in a supposed post-industrial society, there may be a return to age as a criterion for work eligibility, in this case job security and continuity. This finding is consistent with findings in other parts of the world (Atkinson & Sutherland, 1993; Casey & Wood, 1993; Friedman, 1993; Guillemard & Rein, 1993; Kohli et al, 1991).

Accompanying economic restructuring is a shift in the paradigm of Canadian social policies (Gee, 1994; McDaniel, 1993). Devised to enable industrialists to quell worker unrest and make for a more productive workforce, Canada's social programs are now increasingly portrayed as a luxury that may no longer be affordable (McDaniel & Gee, 1993). Canada's income security programs, including pensions and unemployment insurance, were built and continue to rest on the twin pillars of markets and politics to a greater degree than in most other industrialized countries (Myles, 1989). Social programs in Canada modify the effects of market forces, within the limits of government supports and allow them to play out without their full, often devastating impact. This delicate balance is contingent on active labour market participation by a significant proportion of people and active contributions to pension plans, a presumption that may no longer be sustainable. It is also premised on a particular life course pattern of work, one that is simply outdated.

RECONCEPTUALIZING RETIREMENT AND EMPLOYMENT

Reconceptualizing paid work, family life, life course, and the relation of public policy to employment has meant shifts in the way retirement is seen. No longer clearly an entitlement, retirement is being used as a tool of economic restructuring, as well as a means of reducing the numbers of more expensive older workers in the economy. Guillemard and Rein (1993) add emphasis to this when they suggest that "private early exit arrangements, especially in the form of severance pay, have expanded" (p.497). Changes are also occurring in definitions, as some people are forced to leave work before they are eligible for a pension, and yet are perceived as too old to obtain other work. This can mean that growing numbers of working age people in mid-life are outside the labour force with limited likelihood of returning to their usual level of employment, and yet are not retired and not eligible for any pension.

Among women, the issues loom even larger. Women who work at home are outside the labour force, and have no claim on any pensions (other than OAS) except those to which they might have access through their husbands. The work women do at home is considered outside of economic activity. Policy questions have been raised about displaced homemakers with limited labour force experience and few skills, about survivor's benefits that are sometimes traded away in favour of job security, and of part-time work for women as the only option. Recent Statistics Canada data indeed reveal that women are more often involuntarily employed part-time, and that this trend is increasing (Statistics Canada, 1994). And Hardy (1991) shows that women are more disadvantaged than men in their ability to maintain attachment to the labour force, when they are employed.

MULTIPLE LABOUR MARKET TRANSITIONS IN LATER LIFE

In analyses of national data on labour market activity done in another phase of the aging workforce research (McDaniel, Lalu & Krahn, 1993), it was found that the expected move from 'employment' to 'not in the labour force' is not necessarily the modal transition for later life Canadians. It is apparent that Canadians aged 45-64 tend to make multiple transitions in and out of work, and into and out of the labour force. There is no smooth transition from work to retirement for either men or women.

Gender differences did, however, emerge from the multi-state life table analysis of the 1988-90 Labour Market Activity Survey (LMAS) data. Overall, men experience longer duration in "employment" than do women. Men also spend more years in "unemployment" and lose more years to death than women. And women, not surprisingly, spend more years "not in the labour force" than men. Marital status also matters. While not-married women have very similar expected duration of stay in "employment" compared to not-married men, the pattern is very different among the married. Married men spend more years at work than married women. And, married women spend longer duration than not-married women outside of the labour force.

The largest gender difference in work duration is among those with less than high school education. Women in mid-life are more likely than men to move from working to non-working status. This likelihood increases with age for both men and women. Education increases the likelihood of remaining at work, but women with higher education have a lower likelihood of remaining employed until age 65 than do women with high school only.

This following data reflect the intersection of four contemporary trends: demographic shifts such as the movement into the pre-retirement years of the baby boom generation; restructuring of the Canadian economy; shifts and changes in family life and family security; and shifts in the conceptualization of retirement and work activity in later life.

DATA SOURCE

Data come from qualitative interviews conducted with unemployed workers aged 45-64 who are part of a support group in Edmonton, Alberta. The data were collected as one phase of a large research project on the aging workforce. In the larger study, 600 interviews were conducted with a sample of employed and unemployed workers aged 45-64 in large and small companies in

Alberta. The qualitative interviews grew out of a need for human faces and life experiences to aid in interpretation of the national and provincial patterns of change discussed above.

Those interviewed, a total of 8 persons (5 women), were contacted through a support group to which the author was invited to speak. Each was individually interviewed in February and March 1994 by a trained interviewer who was experienced in qualitative research. Each interview lasted approximately 1.5 hours and focused on issues of identity, family, structural/personal concerns about job loss, and coping. Most of those interviewed had been middle managers, were well educated and therefore, expected to be relatively insightful about their situations and the changing labour market in general. Several were employed after some period of unemployment; others were employed part-time, or had held a series of part-time jobs. For all of those interviewed, unemployment insurance benefits and accompanying opportunities for retraining had either run out, or they were no longer eligible as a function of their labour market status. The respondents has thus experienced, or were experiencing at the time of the interviews, multiple labour market changes.

Soon after preliminary analysis of the interview data had been completed, a focus group was set up, bringing all the respondents together with the interviewer and the researcher to share viewpoints and experiences. This took place over an evening at one of the normal meeting places of the support group. It is emphasized that the purpose of the qualitative interviews was to humanize the quantitative findings. No attempt is made, due to the small, unrepresentative sample, to generalize from these data.

DATA ANALYSIS

The qualitative interview data were analyzed following the established approach of Brewer and Hunter (1989) and the focus group method of Krueger (1988). In these approaches, either transcripts of the interviews or the interviewer's notes are analyzed for recurring concepts or categories, in order to develop "thick descriptions" of themes (with quotes from each of those interviewed). The themes are then combed and recombed for insights and relevant common experiences. In this research, the extensive notes of the interviewer were analyzed in this way.

FINDINGS

From the qualitative interviews, it is found that women experience labour market transitions differently than men do. It is evident that several of the women in this sample had faced labour market transitions previously. Several commented on their previous transitions into and out of the labour market. Some mentioned that the transition from employment to unemployment "was done better by us [women] than by them [men]". Men, more than women, internalized a kind of "guilt" for their situations. Men expressed deep concerns about their breadwinner role being compromised as a result of the transition from employment to unemployment. Women, on the other hand, who had children, focused on their responsibilities to their children rather than their social roles and statuses *per se*. Several of the women with dependent children remarked, in various ways, that they would take any work, no matter what the pay or the status, to feed their children. None of the men made this claim.

The pattern found in the life table analyses of the LMAS data, of similarity between unmarried women and men, was borne out in the qualitative data. Among the unmarried women respondents, a recurrent theme was (as it was for the men) that work was central to their lives:

> *I was really involved with my work, to where work was my life. It was really unbalanced. When I was laid off, I was lost.*
>
> *I was lost when my job went. I felt I still had a lot to offer.*

The most major transition recently experienced by the respondents was from employment to unemployment. Their strongest interest, whether male or female, was to find work, not to think about leaving the labour force or retiring, despite the fact that they were in an age group when the literature suggests they might be preparing for early retirement:

> *When I was told that there were too many people with qualifications in this field and not enough work, I was shocked. (female)*
>
> *There are no jobs. I tried "information interviewing" but people don't want to see you. (female)*

The employment area is shrinking. The bottom line is the jobs aren't there. (male)

I tried looking for all kinds of jobs, still tied into previous work. (male)

Education emerges as a central theme in these interviews, particularly among the women:

I trained on the job. It is difficult to claim credit for this on a resumé.

I had adaptable skills from varied contracts, but it is difficult to express on a resumé.

Experience gained is as good as a degree.

A large part of the work never shows.

Education was also an issue for the men:

Middle managers have a lot of experience that is unrecognized ... for example, I am not invited to roundtable discussions on management, the job doesn't have "the handles".

You train bright, young engineers and they take the credit for your practices.

Valuable for the purposes of this chapter are the views of respondents on the volatility of the labour market. There is a strong sense of awareness of structural change among those interviewed. The problem was often "nationalized" by the respondents, many of whom mentioned that they thought Canada was facing "traumatic changes", an uncertain economic future, and internal tensions and fragmentation. Respondents spoke of seeing themselves as "expendable labour." And they spoke of a "social contract" they had internalized when they were growing up that involved a mutually beneficial government/people bond that freed workers to be innovative, to develop technology, to push their skills and abilities to the limit. When this contract is broken, they say that they feel as if their energies have to go into survival of themselves and the people they love. A second kind of social contract between employer and employee is, according to the respondents, based on loyalty and integrity. With that contract broken (the "expendable labour"), the team sense is lost, as is the continuity. A sense of betrayal is evident:

We grew up in an environment which taught us these values — commitment of the boss and the government to us, and us to the boss and the social contract with the government. Now, we're just going back to what it was before the social contract. It was just a blip in history.

DISCUSSION

From these analyses, it seems clear that the transition from employment to retirement for later life Canadians is far from the smooth transition that it has long been presumed to be by individuals and by social policy. Multiple transitions occur into and out of employment and into and out of the labour force. The patterns emerging from these analyses are not random but are strongly influenced by gender, as has been shown.

Several questions are raised by this analysis, most of which cannot be answered with existing data. How does marital status among mid-life women affect their experiences with job restructuring and with labour status change? Is the push factor of dual retirement with a spouse, as discussed by Hornet and O'Rand (1983), the important determinant? Is a cohort effect apparent for the generation of women in this sample, born in the pre-baby boom years 1920-1944, who may have spent greater proportions of their lives not in the labour force than have women born since 1944? What other factors might be operative, such as economic incentives, pension availability, health factors, family responsibilities? Some hints of answers to some of these questions begin to emerge from the interviews, but full answers must await more research.

It is clear, however, that women's mid-life labour market experiences and their reactions to it are more diverse than men's in that family and non-family women experience employment status change differently. Much more attention must be given in future research to women as simultaneous family members and active participants in the labour market. As begun to be revealed in this qualitative study, many of the existing presumptions about women's later life employment and the identity aspects of employment for women, may, in fact, be inaccurate. This research is important in examining the complex and rapidly changing interrelationships of economic, family, and gender factors in the models of labour market participation in the supposed pre-retirement years. There could be implications for dependency ratio analyses, as well as for policy and theory about women's labour market participation, withdrawal and reentry. Dependency ratio analyses, always problematic as proxies for economic categories, may be increasingly insensitive in light of the volatility of the changing labour market, and the extent of labour market activity change in later working life.

Policy and theory have much catching up to do with respect to retirement in contemporary context. Just as theory on retirement was beginning to incorporate the experiences of women, the situation has changed in such a way as to make the old models, even the few models that considered women's labour market activity, irrelevant. A strong need is emerging for a broad understanding and appreciation of the ways in which gender and age, as well as family and work status, interact to construct present policies and practices which affect both retirement and work. The basis for research into the transition between work and retirement is changing, with the templates of earlier generations being no longer appropriate. The emerging reconceptualizations of interactions among paid work, non-paid work, non-work (which could be retirement, unemployment, or not in the labour force), and family, need to be more clearly articulated and brought to bear on policies on pensions and retirement.

Our challenge is indeed to rethink retirement, its principles and the assumptions on which it rests. The terrain of work and non-work is changing dramatically, with profound implications for those in both statuses. Policies which remain based on old, outdated or single gender models will become hobbled horses in the new era.

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CHAPTER 7

WOMEN'S RETIREMENT: SHIFTING GROUND[1]

Lynne MacFadgen and Lillian Zimmerman

INTRODUCTION

This chapter examines individual and structural factors influencing older women's work and approaches to retirement. Of particular interest is the intersection between paid labour (the public sphere) and unpaid domestic work (the private sphere), in relation to the acquisition of resources for women's later life.

We report data from a recently completed study conducted by the Gerontology Research Centre, Simon Fraser University in collaboration with the Vancouver City Savings Credit Union (VanCity). A sample of 54 women aged 45 years and older, all current or former VanCity employees, participated in a survey and focus group discussion designed to identify the specific needs and circumstances that older women experience in anticipation of retirement and when adapting to this life transition. The study is situated in a traditionally female service sector which has a large non-unionized workforce.

The chapter begins with a review of the labour force and demographic trends and the theory that formed the underpinnings of the study. Results from the study are then presented, highlighting the factors influencing women's retirement decisions and their expected and actual financial security in later life. We close with a discussion of

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shifting retirement trends, proposed policy reforms and priority research issues.

LABOUR FORCE AND DEMOGRAPHIC TRENDS

Two major trends in the twentieth century in Canada and throughout Western industrialized societies have been the influx of women into paid labour and population aging. Women now comprise almost half (45%) of the Canadian labour force (Statistics Canada, 1994). In 1991, people aged 65 years and older accounted for 11.6% of the population; by 2036 this age group is expected to reach 23.2%, due in part to aging of the baby boom generation (Townson, 1994). Moreover, women's longevity exceeds men's — the most recent data show that life expectancy for Canadians has increased to a record 80.9 years for women and 74.6 years for men (Statistics Canada, 1995). It is important to note that the risk of widowhood increases with age — 33.5% of Canadian women aged 65-74 are widowed, this proportion increases to 59.2% among women aged 75-84 and to 78.8% among those aged 85+ (Statistics Canada, 1992). Since women are significantly less likely to remarry than widowed or divorced men, more women than men grow old alone (National Advisory Council on Aging, 1993). This has the effect of increasing the risks of dependency and inadequate finances. The convergence of population aging, women's increased longevity and their increased labour force participation has important implications for work and retirement in general and for women in particular.

Despite the growth of the female work force, there has been a neglect of research on women and retirement until very recently (Belgrave, 1989; Ginn and Arber, 1991; McDonald & Wanner, 1990; Perkins, 1993). While there has been a burgeoning of interest in the topic (Adelmann, Antonucci & Jackson, 1993; Rix, 1993; Weaver, 1994), research is still in the early stages. The focus is frequently still restricted to men, with gender considerations appearing as secondary (Hayward & Liu, 1992).

An important overlay to existing research is the current economic climate of restructuring and the proposed reforms to Canadian social programs. The study of women's retirement becomes more urgent given the situation of older Canadian workers experiencing downsizing and job displacement (see chapters by Victor Marshall and

Susan McDaniel in this volume). Changes in the nature of work and the shift from permanent to contingent employment reduce the chances that many workers will hold career jobs and "women seem to be among the most seriously affected" (National Advisory Council on Aging, 1993). Further, proposed changes to Canada's income security system may have serious implications for older women. Rethinking retirement is indeed a women's concern.

LITERATURE REVIEW

The present study focuses on the interrelationships among women's longevity, their paid and unpaid work histories, their access to pension income, and the cumulative effects of these factors on late life income. An overview of the literature is presented to highlight issues relevant to women's retirement, labour force participation, caregiving obligations, pensions and poverty.

Women and Retirement

Most retirement research has focussed on the retirement of men (Martin Matthews & Tindale, 1987; Szinovacz, 1982); thus, the gendered aspects of retirement have been largely excluded from analysis (Gratton & Haug, 1983: McDonald & Wanner, 1990). As Calasanti (1993) notes, there are many ways women's experiences have been "subtly" ignored, which limits our understanding of the retirement process of both men and women. Also, the exclusive focus on men's work in the public sphere curtails recognition of women's work in the private sphere and its consequences for women's late life resources and retirement income.

Women in the Labour Force

The influx of women into paid labour is variously described as dramatic or spectacular. In 1993, 58% of all Canadian women aged 15 and over were labour force participants (up from 44% in 1975), comprising 45% of the total labour force (Statistics Canada, 1994). Over the past three decades, women between the ages of 45 and 54 have participated in the paid workforce in unprecedented numbers, so that by 1991, 70% were in the paid labour force (Townson, 1995). Although women have made gains in the professional and managerial occupations, the majority continue to work in traditional jobs. In 1993, 71% of all working women were employed in teaching, nursing and health-related occupations, clerical work or sales and service (Statistics Canada, 1994). Such work frequently takes place in the service sector, in small firms with low wages and few benefits.

As a recent study reminds us, part-time work is highly gendered; women are much more likely than men to work part-time (Clement & Myles, 1994). In 1993, 26% of all employed women worked part-time, compared with 10% of men (Statistics Canada, 1994). Domestic responsibilities play a significant role in curtailing women's paid work outside the home; however, it should be noted that some women prefer to work part-time.

Changing Retirement Patterns

Retirement patterns have altered throughout Western industrialized societies with work exits occurring at younger ages (Kohli, Rein, Guillemard & Van Gusteren, 1991; McDonald & Chen, 1993). The "traditional" retirement age of 65 is no longer extant. However, as Schellenberg (1994) finds, there are important differences by age and gender; most of the decline is accounted for by the exit of older men from the labour force — participation rates for men aged 55+ declined by 20% between 1966-1990, while the rate for women remained stable. This stability may stem from a balance between older women remaining in paid labour and those retiring. For women, marital status is an important consideration — married women are more likely to retire early, one-half doing so before age 60, compared to 28% of non-married women. Other major factors influencing retirement timing include employer practices, health concerns, and the adequacy of finances.

Women and Caregiving

Despite the large numbers of women now in the paid workforce, the gendered division of domestic labour continues, accounting in large measure for interrupted, part-time, and late-entry patterns. As Walker (1991), McDaniel and Gee (1993) and others point out, the caregiving work performed by women is underscored by expectations that the family bears and accepts such responsibilities. In the last decade, we have witnessed dramatic increases in the labour force participation of women with young children; between 1981 and 1993, the proportion of mothers employed outside the home rose from 49% to 63% (Statistics Canada, 1994). A recent publication prepared for the International Year of the Family by the Conference Board of Canada (1994), notes that research consistently shows that employees with childcare responsibilities experience high distress levels, lowered productivity and increased absenteeism. It also reports that Canada's available daycare spaces can accommodate only 14% of children in need of care, which means that employees are often forced to use ad hoc and short term childcare solutions, or face leaving the workforce to assume full-time childcare responsibilities themselves. This situation, which varies by marital status, income level and employment, has a major impact on women's ability to accumulate resources during their working lives.

The aging of both the population and the workforce are converging to create what Myles (1991) calls "the caregiving crunch". Put simply, the increasing numbers of older people mean increasing eldercare responsibilities in a context of a reduced number of caregivers. Nevertheless, little attention has been directed towards caregivers in relation to work and retirement (Brubaker & Brubaker, 1992).

The conflict between paid work and caregiving responsibilities is reflected in estimates of the numbers of women who leave or expect to leave paid work to give care. These range from 9%-25% (Brubaker & Brubaker, 1992; Moen, Robinson & Fields, 1994). Rayman, Allhouse and Allen (1993) suggest that as older workers contend with eldercare needs at later stages in their careers, they may face age discrimination in hiring. It should be noted that the later work years can be those of highest earnings; thus older women who leave their jobs for eldercare may face negative pension consequences. Further the Canada/Quebec Pension Plan (C/QPP) does not recognize caregiving work other than for children.

A recent study by Chappell and Litkenhaus (1995) highlights these dilemmas. It found that 72.7% of informal caregivers to adults were women, with an average age of 52; most were married and 52.2% were employed. However, 31.5% of those who were not employed indicated that they would like to work and 11.9% said that they had left work to provide care.

Pensions

Pensions are a key component of later life income, and reflect both gender differences in labour market activity and a perpetuation of earlier life inequalities (Gee & McDaniel, 1991; Ginn & Arber, 1991; Myles, 1989). Canada's pension system is described as three-tiered: (1) Old Age Security (OAS) plus the Guaranteed Income Supplement and the Spouses' Allowance Program; (2) The Canada/Quebec Pension Plan (C/QPP); and (3) semi-private Registered Retirement Savings Plans, Registered Retirement Plans and employer pensions. The system has been described as designed primarily on a male model based on the expectation that a breadwinner will engage in an uninterrupted working life and provide for his family (Finlayson, 1988). However, some reforms to the C/QPP such as pension splitting and the child drop-out provision favour women (Townson, 1995).

To date, the OAS is received by all Canadian residents age 65 and over.[2] The proportion of women contributing to the C/QPP increased between 1981-1991 from 56% to 61% (Statistics Canada, 1994). Because more women than men work part-time, have lower earnings and interrupt their work for family responsibilities, their pension equity varies accordingly. One study, comparing average monthly income from C/QPP for persons over 65 years, showed that women receive approximately 60% of men's income from that source (Schellenberg, 1994).

Not unexpectedly, older women are more dependent on government pensions than men. Data from the 1991 Survey on Aging and Independence indicate that 78% of women aged 65 and over, compared with 52% of men cite government pensions as their main source of personal income (Health and Welfare Canada, 1993).

Although women's access to employer pension plans has increased, coverage is highest in traditional male sectors, such as public administration, transportation, utilities and primary manufacturing. Women's employer pension coverage is still well below men's — 43% of female workers compared with 52% of male workers (Statistics Canada, 1994). Of particular significance is the lack of survivor benefits in employer plans — 78% carry no survivor benefits (National Advisory Council on Aging, 1993).

[2] However, higher-income Canadians are subject to the OAS "claw-back".

Registered Retirement Savings Plans are increasingly utilized and the number of women contributing has grown. However in 1991, 20% of female tax filers contributed compared with 28% of men and women's average contribution ($2,300) was $1,000 less than men's (Statistics Canada, 1994).

Poverty

The term "feminization of poverty" has come into general usage in recognition of the financial deprivation experienced by groups of women — especially female single parents and older women. In her article on "recycling poverty," Perkins (1993) notes the large numbers of women living in post-retirement poverty and suggests an interactive analytical model of poverty encompassing class, race, gender and age. Researchers have also commented on the failure of studies to relate the later life poverty of older women to pre-retirement structures (Ginn & Arber, 1991).

Data compiled by the National Council of Welfare (1995) indicate a decline in poverty for Canadians 65 years and older over the last decade, from 33.6% to 18.6%. This is no doubt based on improvements in the Canadian income security system for older people. However, the proportion of seniors living in poverty increased from 18.6% in 1992 to 20.5% in 1993 (comprising 636,000 people, 350,000 of whom are women). When disaggregated by age and marital status, the poverty rate for unattached older women was 47.3% in 1993, compared to 32.1% for unattached older men. The high poverty rate among elderly unattached women is a dramatic depiction of the fact that women's longevity and unattached status increases their likelihood of being poor. In fact, among poor unattached elderly individuals, women aged 65 and older outnumber their male counterparts by a margin of four to one (National Council of Welfare, 1995).

There is growing recognition that it is important to make a distinction between personal and household income. Personal income is considered the appropriate unit of analysis for estimating women's access to later life resources. According to Ginn and Arber (1991), measures of household or family income render "women's poverty invisible" and it is thus important for researchers to make this distinction.

THEORETICAL FRAMEWORK FOR THE WOMEN AND RETIREMENT STUDY

A political economy perspective, with a structured dependency framework, was incorporated into the Women and Retirement study. This approach is predicated on the assumption that the position of older working women and women retirees is shaped and conditioned by their place in the social structure (Estes, 1984; Lazco & Philipson, 1991; Stone & Minkler, 1984). In addition, the "structured dependency" approach suggests that dependency among older women is largely determined by economic and social policy, sex discrimination, and the sexual division of labour (Meade & Walker, 1989).

A life course analysis was used for the present study in order to capture the labour force and domestic experiences of women over the life span. This is consistent with other studies examining women's economic circumstances as rooted in their lifelong structural experiences (Ballantyne, McMullin, Marshall & Daciuk, 1993; O'Rand, Henretta & Krecker, 1992).

The following research questions were addressed:

1) What are women's family and worklife patterns, and how do they vary across different age cohorts?

2) What factors related to women's worklife patterns and family responsibilities influence their ability to amass later life resources? Are these factors constant across age cohorts?

3) What are the differences and similarities in expected retirement age, anticipated reasons for retirement and preparations for retirement across the age cohorts — when marital status, income level, anticipated retirement income, and perceived health status are taken into account?

4) What is the relationship between women's retirement preparations and knowledge of sources of retirement income and pension equity?

5) What is the relationship between women's work attachment and retirement timing and preparations?

RESEARCH DESIGN

Sample Recruitment

Older employees (aged 45 years and older) represent 15% of the total VanCity workforce and women (n=115) comprise 75% of all older employees. The vast majority (84%) of the 115 older working women are between the ages of 45-54. There are only 18 (16%) aged 55-64. A small group of women, estimated at 20, are known to have left VanCity in their later years (aged 50 and older). Following an agreed upon protocol to respect employee confidentiality and anonymity, VanCity mailed letters to all 115 of the currently employed women aged 45 and older, inviting their participation in a survey. The researchers were not in the position to contact potential participants until signed voluntary consent forms were received by VanCity. Of the 115 total eligible employees, consents were received from 47 older women (an acceptance rate of 41%).

At the time of the study was conducted, VanCity did not have a clearly-defined policy on the categorization of retirees; therefore, it was difficult to locate and contact women who had left the organization in their later years. The company was successful, however, in recruiting seven women to participate in a focus group.

Data Collection

The researchers and two trained interviewers conducted one and one-half hour personal interviews with the 47 older working women. All interviews were completed in May, 1994. In addition to socio-demographic data, information pertaining to four broad categories was collected: 1) work history/work life patterns; 2) financial and material circumstances (including expected pension); 3) pre-retirement planning; and 4) perceptions of emotional and physical health. The value of work to women and caregiving obligations/commitments were included in the latter section to capture those distinct factors influencing women's working life and retirement preparations.

A one and one-half hour focus group discussion took place in September 1994 at the VanCity Head Office facilitated by the researchers. The focus group provided an important vehicle for exploring the reasons for the dramatic drop in employment among VanCity employees aged 50 and over, and for comparing their experiences and circumstances with those of current employees. Open-ended focus group questions dealt with: the main reasons for their having left the organization in their later years; any major adjustments/surprises experienced in retirement or upon withdrawal from the workforce; desire for phased-in retirement options and/or early retirement incentives; and advice for women to plan a satisfactory retirement.

RESULTS

The survey data were analysed using an SPSS Program (Release 4.0, SPSS Inc.). Age groups were compared on the following selected variables: socio-demographic and health characteristics; labour force and income variables; pre-retirement factors; and factors associated with women's work attachment. The data were also examined for potential predictors of retirement timing. Delayed and non-delayed workforce entry women were compared with respect to their anticipated sources of retirement income. Value of work ratings were compared by marital status. The focus group session was audio-taped and a content summary of the major themes was prepared.

INDIVIDUAL INTERVIEWS

Sample Characteristics

The survey participants ranged in age from 45 to 64 years: 23 women (49%) were in the age group 45-49; 12 (26%) were aged 50-54 years; and 12 (26%) were aged 55-64. As shown in Table 1, participants in the 45-49 age group were predominantly married (70%), most still to their first husband. In the two older groups, the proportion married was, respectively, 42% and 33%. A majority in all three age groups were born in Canada and had at least one parent who traced his/her ethnic origin to Great Britain/United Kingdom.

Seventy percent in the 45-49 age group compared with 42% and 33% in the older age groups were living with a spouse. Approximately two-thirds in the 45-49 and 50-54 age groups lived in a single family house while a majority (58%) in the oldest group live in a multi-unit dwelling. The 45-49 age group was the most likely to have children under the age of 20 (35%) and to have children still living at home (52%). The 45-49 age group was also the most educated group. The highest educational credential earned by the two older age groups was a diploma/certificate. In the 45-49 age group 52% had attained university degrees. The 45-49 group also had the highest proportion (87%) who reported having had training of 25 hours or more, subsequent to completing their formal education, that had advanced their job skills. As shown in Table 1, in all groups such training most commonly focused on banking, loans and investments. The 45-49 age group had the highest proportion with management/leadership training (30%). In all groups approximately 40% indicated that the training taken had lead to career advancement at VanCity.

Table 1

Socio-demographic Characteristics of Survey Participants, by Age

Age Group	**45-49 (n=23)**		**50-54 (n=12)**		**55-64 (n=12)**		**Total (n=47)**	
Marital Status								
Married	16	70%	4	42%	4	33%	24	51%
Separated/divorced	5	22%	5	33%	5	42%	15	32%
Widowed	—	—	1	8%	3	25%	4	9%
Never married	2	9%	2	17%	—	—	4	9%
Ethnic background*								
Born in Canada	16	70%	7	58%	7	58%	30	64%
Ethnicity of parents GB/UK	7	61%	5	67%	5	83%	17	68%
Living Arrangement								
Alone	5	22%	2	17%	7	58%	14	30%
With spouse	16	70%	5	42%	4	33%	25	53%
With others	7	9%	5	42%	1	8%	8	17%
Dwelling Type								
House	15	65%	8	67%	4	33%	27	57%
Apt/condo	5	22%	3	25%	7	58%	15	32%
Other	3	13%	1	8%	1	8%	5	11%
Family Structure*								
Has children	18	78%	8	67%	12	100%	38	81%
Children < 20 years	8	35%	1	8%	—	—	9	19%
Children living at home	12	52%	3	25%	1	8%	16	34%
Formal Education*								
At least some post-secondary	14	61%	4	33%	6	50%	24	57%
University degree	12	52%	2	17%	1	8%	15	32%
Work-related training (25+ hrs)*	20	87%	9	75%	7	58%	36	77%
Banking/loans/investment	12	52%	7	58%	5	42%	24	51%
Computers	5	22%	4	33%	2	17%	11	23%
Management/leadership	7	30%	2	17%	—	—	9	19%
Other	7	30%	3	25%	3	25%	13	28%

* Columns cannot be summed

Work Patterns and Financial/Material Circumstances

An age comparison of selected labour force characteristics and income variables is presented in Table 2. The majority of women (79%) were working full-time; most (72%) held non-management positions. Managers were almost exclusively found in the 45-49 age group where they constituted 48% of the workers.

Table 2

Work Patterns and Income of Survey Participants, by Age

Age Group	45-49 (n=23)		50-54 (n=12)		55-64 (n=12)		Total (n=47)	
Current Employment Status*								
Full-time	19	83%	8	67%	10	83%	37	79%
Management position	11	48%	1	8%	1	8%	13	28%
Work Pattern								
Delayed entry	8	35%	4	33%	9	75%	21	45%
Interruption for child-rearing	13	57%	5	42%	5	42%	23	49%
Personal income								
Annual wages ≤ $29,999	4	17%	5	42%	6	50%	15	32%
Annual wages ≥ $30,000	19	83%	7	58%	6	50%	32	68%
Household income								
Total income ≤ $59,999	11	48%	4	33%	9	75%	24	51%
Total income ≥ $60,000	12	52%	6	50%	3	25%	21	45%
N/A	—	—	2	17%	—	—	2	4%

* Columns cannot be summed

Almost all women (97%) reported either delayed workforce entry or interruptions for having and raising children. The 55-64 age group most commonly reported delayed entry (75%), and the 45-49 age group, interruptions for having or looking after children (62%). The most frequently cited impacts of interruptions for childcare were: loss of earnings; reduced savings for retirement; and loss of job skills and career advancement opportunities. These factors are known to seriously impede women's ability to amass late life resources.

Only six women in the sample (13%) had experienced interruptions to care for an older adult spouse, parent, or relative (on average, they were out of the labour force for less than a year). The small number with this type of experience was attributed to the relatively young group interviewed. As these women age, they can be expected to take on additional spousal and eldercare commitments, thus compounding the effects of earlier work interruptions for childcare responsibilities.

While the majority of women sampled currently earn more than $30,000, 70% made less than $40,000 and just under two-thirds (64%) had total household incomes of less than $70,000. The youngest women in the sample were the most likely to have financial dependents (in the 45-49 age group 70% had children relying on them for either total or partial support); however, it was interesting to note that 25% in each of the two older groups were giving children (including adult children) in excess of $2,000 in financial aid annually. Of those women providing financial assistance to children, the majority had provided $2,000 or more in the past 12 months.

Approximately two-thirds (61%) of women in the 45-49 age group were unable to estimate their total annual retirement income (Table 3). While it is perhaps unrealistic to expect persons in this age group to accurately estimate the future value of income from pensions and other retirement income sources, 42% and 33% respectively, in the other two age groups responded that they "did not know" or had "no idea", suggesting that many women are unclear about their future financial needs and resources. While approximately half of the participants (53%) expected the same standard of living in retirement, 43% stated that they expected their situation to be somewhat or much worse. These results were punctuated by a young, mid-level manager's comments about being "terrified at the prospect of outliving my resources."

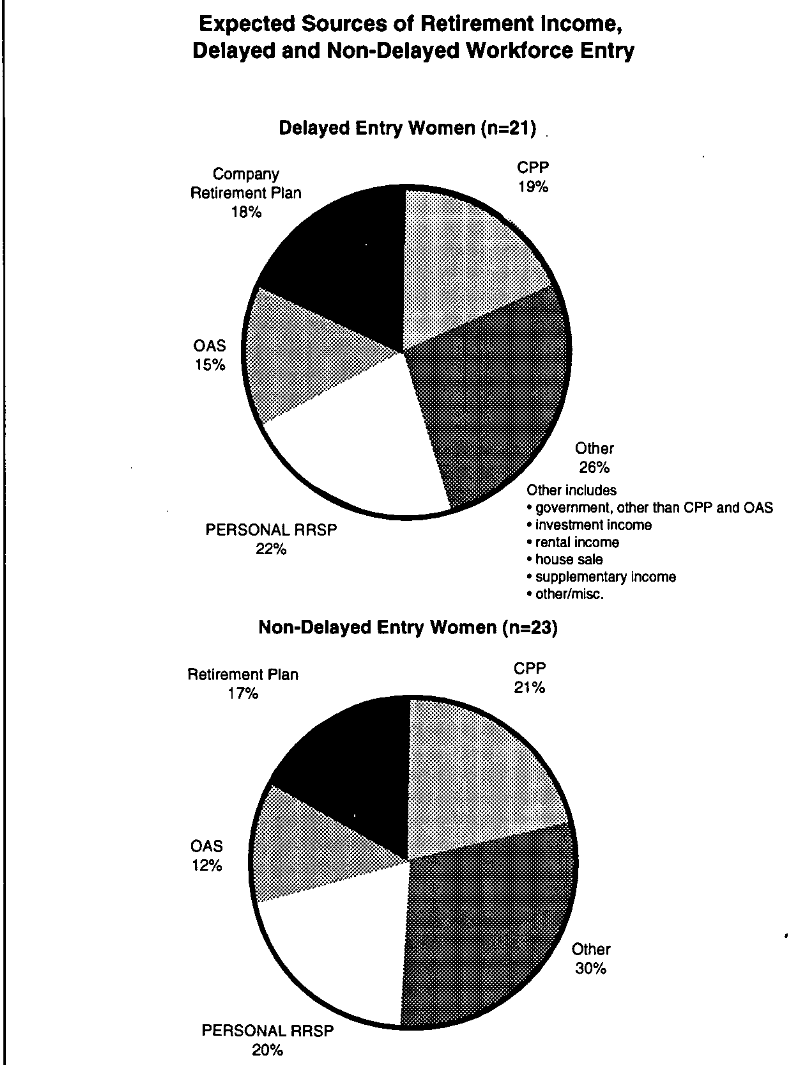
Table 3

Retirement Expectations and Plans, Survey Participants, by Age								
Age Group	**45-49**		**50-54**		**55-64**		**Total**	
Estimated Retirement Income								
≤ $24,000	2	9%	4	33%	6	50%	12	26%
≥ $25,000	7	30%	3	25%	2	17%	12	26%
N.A./DK	14	61%	5	42%	4	33%	23	49%
Expected Standard of Living								
Same as now	12	52%	7	58%	6	50%	25	53%
Worse	10	43%	4	33%	6	50%	20	43%
Better	1	4%	1	8%	—	—	2	4%
Retirement Planning*								
Has done some	18	78%	11	92%	7	58%	36	77%
Financial	17	74%	10	83%	6	50%	33	70%
Lifestyle	12	52%	5	42%	6	50%	23	49%
Other	5	22%	3	25%	5	42%	13	28%
Best Age to Participate in Pre-Retirement Programs								
≤ 40	11	48%	5	42%	1	8%	17	36%
≥ 40	9	39%	6	50%	8	67%	23	49%
Never	2	9%	—	—	2	16%	4	9%
NA/DK	1	4%	1	8%	1	8%	3	6%
Anticipated Retirement Age								
55-60	10	43%	6	50%	2	17%	18	38%
63-67	8	35%	3	25%	9	75%	20	43%
Never	2	9%	1	8%	—	—	3	6%
NA/DK	3	13%	2	17%	1	8%	6	13%
Work Adaptation*								
Fewer hours	7	30%	6	50%	10	17%	23	49%
Change kind of work	6	26%	1	8%	—	—	7	15%
Stop work altogether	5	22%	4	16%	—	—	10	21%
Never stop work	2	9%	1	8%	1	4%	3	6%
Have not thought about/DK	6	26%	—	—	—	—	6	13%
Other	1	4%	—	—	1	8%	2	4%

* Multiple responses reported. Columns cannot be summed

Response to an open-ended question about anticipated sources of retirement income (Figure 1) shows that delayed-entry women were only marginally more likely to anticipate reliance on the government-sponsored Old Age Security than their non-delayed entry counterparts (15% and 12% respectively). Several women commented that they did not believe that OAS/CPP would be in effect when they retired which may have contributed to an under-reporting of these sourInsert

Figure 1



Note: *Pecentages are based on multiple responses*

Pre-retirement Planning

The high rate of participation in financial pre-retirement planning programs/activities (70%) was not surprising given the fact that respondents were working in a large financial institution and could be expected to have access to financial planning information (Table 3). It is interesting to note that the 45-49 age group tended to recommend earlier ages for when people should participate in pre-retirement programs than the other age groups (48% recommended starting at under age 40). Young women in the organization may be more sensitized to the need to start sooner, particularly in the area of financial planning. With respect to anticipated retirement timing, 38% of the women reported that they expected to retire between ages 55-60 and 43% around the "usual" retirement ages of 65. When asked if they planned to stop work altogether or alter their hours/kinds of work in preparation for retirement, a strong majority in the oldest group (83%) said they planned to work fewer hours.

Predictors of Early Retirement

The data lend support to the general retirement literature showing that marital status, potential retirement income and current income are important predictors of early retirement. As shown in Table 4, married participants were more likely to report a preference for early retirement (age 55-60), whereas divorced/separated women reported a preference for later retirement (age 63-67). Women anticipating retirement incomes of less than $25,000 elected for later retirement, as did those reporting current incomes of less than $35,000. As one respondent stated, "it is hard to plan for retirement if you don't have the means to support yourself."

Importance of Work to Women

The importance of work in women's lives and the relationship between women's work attachment and retirement timing is a largely neglected area of inquiry. The literature is replete with references to the classic work-retirement transition for men. When asked what, if anything, women would miss by not working, 96% of participants stated that they would miss some aspect of their work. Social contact (contact with colleagues/co-workers and the public served) far outweighed other work-related factors in importance.

The specific work-related rewards (other than financial) that respondents rated as very/quite important were: the feeling of independence their job gives them (91%); the enjoyment gained from work responsibilities (87%); the structure and routine of work (74%);

Table 4

Anticipated Timing of Retirement, by Marital Status, Annual Wages and Estimated Retirement Income

Anticipated age of retirement	Early (55-60)		Later (63-67)		Total	
Marital status						
Married	11	61%	7	35%	18	47%
Separated/divorces	4	22%	9	45%	13	34%
Widowed	1	6%	2	10%	3	8%
Never married	2	11%	2	10%	4	11%
n	**18**		**20**		**38**	
Total annual wages						
≤ $34,999	6	33%	13	65%	19	50%
≥ $35,000	12	67%	7	35%	19	50%
n	**18**		**20**		**38**	
Estimated retirement income						
≤ $24,000	2	11%	8	36%	10	25%
≥ $25,000	6	33%	6	27%	12	30%
Unspecified/Don't know	10	56%	8	36%	18	45%
n	**18**		**22**		**40**	

and a sense of being valued (72%). Table 5 shows that married respondents (and formerly partnered) women ascribe important values to their work. This is an interesting finding, given the common wisdom suggesting that work may be more important to single, as opposed to, married women.

FOCUS GROUP DISCUSSION

Participant Characteristics

The focus group participants ranged in age from 54 to 72 years, with an average age of 60. Three of the seven focus group participants were married and four were either widowed, divorced or separated. Two of the participants were currently working. The average household income for participants was less than $59,999 and the average personal income was less than $29,999. Two women volunteered that their personal income was much less (in the order of $11,000) with two of the group currently on government assistance.

Table 5

Value of Work Ratings, by Marital Status										
Age Group	**Married (n=24)**		**Separated/ divorced (n=15)**		**Widowed (n=21)**		**Never married (n=4)**		**Total (n=47)**	
Job gives sense of independence										
Very/quite important	22	92%	14	93%	4	100%	3	75%	43	91%
Somewhat/a little important	2	8%	1	7%	—	—	1	25%	4	9%
Feel valued at work										
Very/quite important	20	83%	10	67%	2	50%	2	50%	34	72%
Somewhat/a little important	4	17%	5	33%	2	50%	2	50%	13	28%
Work structure/routine important										
Very/quite important	17	71%	12	80%	4	100%	2	50%	35	74%
Somewhat/a little important	6	25%	3	20%	—	—	1	25%	10	21%
Not at all important	1	4%	—	—	—	—	1	25%	2	4%
Enjoy work responsibilities										
Very/quite important	23	96%	10	67%	4	100%	4	100%	41	87%
Somewhat/a little important	—	—	5	33%	—	—	—	—	5	11%
Not at all important	1	4%	—	—	—	—	—	—	1	2%

Major Themes/Issues

It was evident from group comments that the older women had not received sufficient information concerning their options and alternatives, at the time of leaving the organization. There was a clear perception from the group that older employees, especially women, were not a priority in the organization. Competition with younger workers, no advancement opportunities for supervisory staff and rapid automation/technological changes were stated as reasons precipitating departure from the organization. In addition to childcare obligations, five participants reported experiencing work interruptions for spousal care, care of a disabled adult child and eldercare responsibilities.

Response to a question regarding advice for future retirees provided an almost unanimous recommendation that women employees need to start planning for their retirement early in their careers — especially financial planning. Several stated that it was important to children. The impact of these interruptions included: lost earnings, reduced retirement savings, lost job skills, and lost career advancement opportunities. Due to the relatively young age of the women surveyed, most respondents did not report spousal and eldercare commitments. Had there been larger numbers of women aged 55-64 represented, we might have seen more significant caregiving impacts. Further research is needed to determine the "real costs" associated with caregiving responsibilities over the life span. There are no reliable models available for estimating the effects of caregiving on later life financial security. Such models would be invaluable to the current debate about pension and income security reforms.

The survey findings also highlight women's propensity to provide financial assistance to adult children well beyond the age of dependency. When viewed in light of the current economic downturn, support of financial dependents may become the norm for middle aged and older women. This, coupled with increased eldercare, may further disadvantage women. Delayed-workforce entry women may be the most seriously affected given their anticipated reliance on government sources.

Future Trends and Priority Research Issues

Rethinking retirement necessitates consideration of the following trends and policy-related issues:

1. The changing economic context of restructuring and downsizing has not only accelerated early work leaving trends, but appears to have dichotomized early retirement into voluntary and involuntary work force exits. Siroonian (1993) found an 11% increase in earlier-than-planned retirement between 1990-1992, compared with the three previous years. It is interesting to note that his data are not gendered. Research into the gender specific effects of involuntary exits and the financial bridging strategies women are using requires additional emphasis.

2. Galarneau (1991) expresses the view that younger employed women will be better situated in their retirement than current older cohorts. No doubt, better educated and better paid

working women with good pensions and retirement income may avoid a bleak financial future. This may be an overly optimistic scenario, however, given the reality of the current economic downturn and the fact that the majority of women are still in traditional female work sectors, security for future older women is far from assured. Longitudinal studies are required to assess the validity of these assumptions.

3. The proposed reforms to Canada's social programs and the pension system will create a serious problem for future cohorts of older women. Their situation will be most critically affected by the means-testing of Old Age Security, Guaranteed Income Supplements, Spouses' Allowance Program and the potential raising of the age of eligibility for C/QPP. Older women may increasingly face the dilemma of needing to keep working for financial reasons and, at the same time, being called upon to exit earlier than planned to provide eldercare.

4. The anticipated growth in the service sector, and the increase in non-standard jobs, where large numbers of women work, will have serious effects on older women's financial security. Work in this sector is characterized by low wages, contingent work and low pension entitlement. Myles and Teichroew (1991) project that a dual pension system will evolve wherein men are predominately situated in the primary occupational sectors having more favorable pensions and women are relegated to the secondary service sectors having inferior pensions and benefits. On the other hand, the end result of current labour market transitions may be that poverty rates for older men may mirror those currently experienced by a significant number of older women.

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