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- PARTICIPATION OF OLDER WORKERS
- PUBLIC PENSIONS AND WORK
- UNIONIZATION

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.	not available for any reference period
..	not available for a specific reference period
...	not applicable
p	preliminary
r	revised
x	confidential
E	use with caution
F	too unreliable to be published

Highlights

In this issue

Participation of older workers

- Over the last decade the proportion of older workers (those aged 55 to 64) has risen, with 6 in 10 employed or looking for work in 2006. This group represented 12% of the labour force (2.1 million).
- The main thrust behind the upward trend is women's labour force participation rate, which rose from 38% to 62% between 1976 and 2006 for those aged 55 to 59, and from 24% to 37% for those aged 60 to 64.
- One in 4 older workers is self-employed and 1 in 5 works part time. Part-time work is one of the few job characteristics that is notably different for older and core-aged workers (those aged 25 to 54), suggesting transitional changes before retirement.
- Two-thirds of older workers who work part time do so from choice compared with only 28% of core-aged, part-time workers.

Public pensions and work

- The vast majority of workers take up Canada and Quebec Pension Plan (C/QPP) benefits before the age of 65, and an increasing proportion start them at age 60.
- Among those with employer pension benefits and no employment earnings, nearly 4 in 5 started C/QPP benefits at age 60. For those combining work and employer pension benefits at age 59, the take-up rate was 3 in 5. Take-up rates at age 60 were only 26% for workers without employer pension coverage and 17% for those with coverage.
- In 1996, 39% of new C/QPP beneficiaries did some work for pay. By 2004, the proportion had jumped to 48%. Post-retirement work was more common among men and highest among persons not covered by an employer pension in their pre-retirement job.
- Between 1996 and 2004, the proportion of C/QPP pensioners earning $5,000 or less declined. This decline was more than offset by strong growth among those earning between $5,000 and $20,000, and even more among those earning over $20,000.

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Participation of older workers

Katherine Marshall and Vincent Ferrao

Interest in the labour market behaviour of the baby-boom generation (those born between roughly 1946 and 1965) continues unabated—and for good reason. The activity rate of this population bulge can affect employment levels, the economy in general, the use of public services, as well as individual and family economic well-being of boomers themselves. For some years now, special attention has been paid to their predicted retirement patterns since a mass wave of early departures could cause serious disruption to the labour force.

However, recent studies and indicators suggest that baby boomers may not in fact be collectively fleeing employment for 'freedom 55' (Copeland 2007; Martel et al. 2007; Wannell 2007). The oldest boomers turned 60 in 2006, the same year that saw a record proportion of 60 to 64 year-olds in the labour force (45%). Furthermore, the average age of retirement remained steady at 61.5—still up from a low of 60.9 in 1998. The non-exodus of older workers may be dampening the threat of a sudden and severe labour shortage.

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This article examines the labour market trends of the population aged 55 to 64.[1] As well, it looks at the employment characteristics of those with a job in 2006 vis-à-vis core-age workers (aged 25 to 54). Are older workers starting to reduce their work hours or change jobs, or is it business as usual? This age range is of particular interest as most people are expected to retire sometime between 55 and 65. Indeed, labour force participation falls dramatically for those 65 and over. In 2006, only 13% of women and 23% of men aged 65 to 69 were in the labour force, and for those aged 70 and over the rates dropped to 2% and 7% respectively. (For more information on the employed 65-and-over age group, see Walsh 1999 and Duchesne 2004.)

An older population, and more working

Over two million people aged 55 to 64 were employed or looking for work in 2006, representing 12% of the total labour force—up from one million (10%) in 1976 (Table 1). The two principal forces behind these increases are an aging population and rising labour force participation rates[2] among older workers. For example, as a proportion of the total population,

Table 1 Characteristics of the 55-to-64 age group

	1976			2006		
	Both sexes	Men	Women	Both sexes	Men	Women
Population ('000)	1,916	926	990	3,615	1,780	1,836
% of total population	11	5	6	14	7	7
Labour force ('000)	1,017	703	314	2,123	1,180	943
% of total labour force	10	7	3	12	7	5
			%			
Education						
University degree	5	7	4	19	22	17
Less than university	95	93	96	81	78	83
Labour force participation rate	**53**	**76**	**32**	**59**	**66**	**51**
University degree	75	86	53	67	72	60
Less than university	52	75	31	57	65	50

Source: Statistics Canada, Labour Force Survey

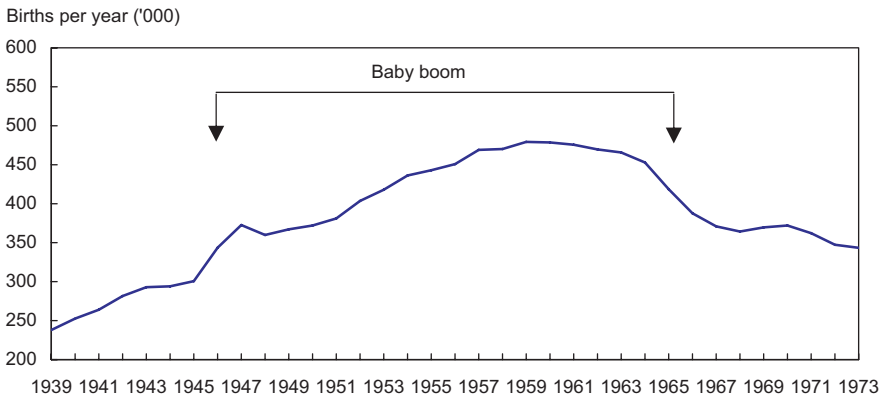
those aged 55 to 64 represented 11% in 1976 and 14% in 2006—a proportion predicted to grow as the later and larger part of the baby-boom generation ages (Chart A). At the same time, the overall labour force participation rate for this group increased from 53% to 59%. However, behind this increase are two different trends for men and women. The participation rate for older men went from a high of 76% in 1976 to a low of 58% in 1995, rebounding by 2007 to 67%. Women, on the other hand, have seen a constant increase, from 32% to 53% (Chart B).[3]

Majority in their late 50s still working

A breakdown by age shows that the majority of men aged 55 to 59 were attached to the labour force in 2006 (76%). This rate was below the 1976 high of 84% but above the 1998 low of 71% (Chart C). Meanwhile, women of the same age saw their participation rate climb steadily, from 38% in 1976 to 62% in 2006. Not surprisingly, a smaller proportion of people in their early 60s (60 to 64) participated in the labour force, but again recent increases have occurred for men (from 43% in 1995 to 53% in 2006) and women have seen continued gains (reaching a record of 37% in 2006).

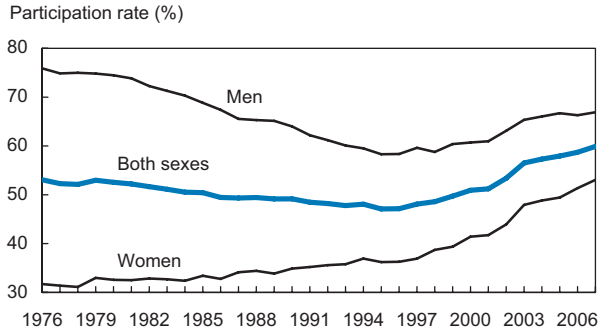
Although the long-term trends are similar in Canada and the United States, the U.S. participation rates are generally higher for both men and women. Women show larger gaps, with 67% of Americans aged 55 to 59 and 47% aged 60 to 64 in the labour force in 2006—4 and 10 percentage points higher respectively than their Canadian counterparts. This is intriguing given that younger Canadian women have consistently higher labour force participation rates than their American counterparts.[4] One possible reason could be that some older Americans purposely remain employed in order to have continued access to employment-based health insurance (Copeland 2007) since universal health care coverage (Medicare) is offered to Americans only at age 65.

Chart A The baby boom consisted of roughly 20 years of above-average births



Source: Statistics Canada, Vital Statistics

Chart B Six in ten 55 to 64 year-olds in the labour force in 2007

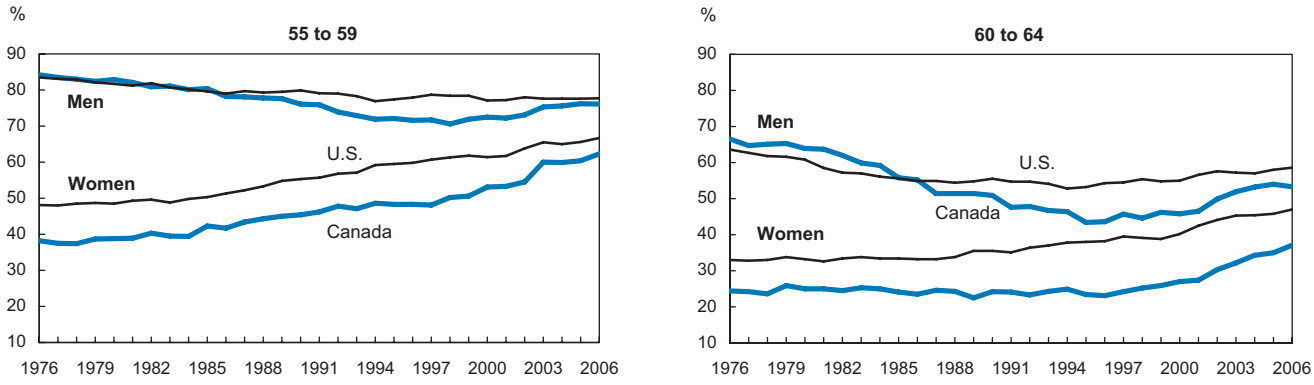


Note: 2007 is a January-to-June average.
Source: Statistics Canada, Labour Force Survey

Women and education levels likely to keep trend line rising

Women's labour force attachment today is much stronger throughout the life cycle than in the past. Therefore, as younger generations of women reach their retirement years, they will have higher rates of labour force participation than their predecessors. For example, differences are evident among those aged 55 to 64 in 2006 (the age group under study) and those 10 years older. Women in the younger cohort were much more likely than those in the older one to be attached to

Chart C Labour force participation rates for those 55 to 64 generally higher in the United States



Sources: Statistics Canada, Labour Force Survey; US Department of Labor, Bureau of Labor Statistics

the labour force when they were aged 35 to 44—72% compared with only 53% (Chart D).[5] In contrast, little difference is seen for labour market activity and life cycle between the two different cohorts of men except at the near-retirement age when the younger group was more likely to be participating in the labour market (66% versus 58%).

A second reason to expect continued growth in the participation rate of those aged 55 to 64 is the increasing level of educational attainment. The higher the level of education, the greater the likelihood of being employed since more schooling often translates into higher-quality job opportunities and higher earnings. Those with a university degree, for example, have much higher participation rates than those without a degree; in 1976, only 5% of those aged 55 to 64 had graduated from university, but by 2006 this proportion had increased to 19% (Table 1).

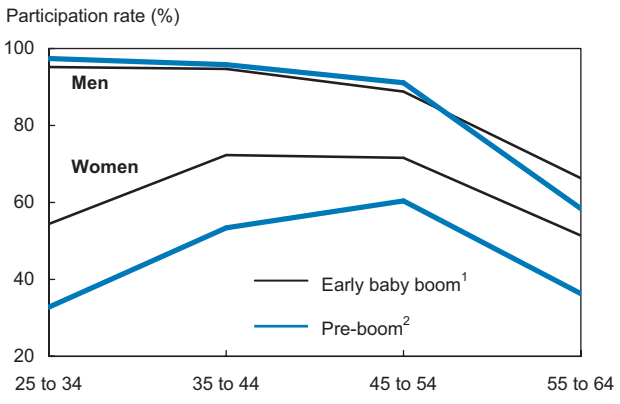
The second half of this article focuses on those aged 55 to 64 who were employed sometime in 2006.

Alberta leads the way

Despite variation, the employment rates of 55 to 64 year-olds are higher in every province than ever before (Chart E). The country is in the midst of a tight labour market and employer demand is boosting employment levels.

In 2006, Alberta had the highest employment rate of older workers (68%). Because of the oil boom, the province has been experiencing labour shortages in many industries and occupations and is attracting workers of all ages. It is therefore not surprising to see Alberta continuing to lead the way in the proportion

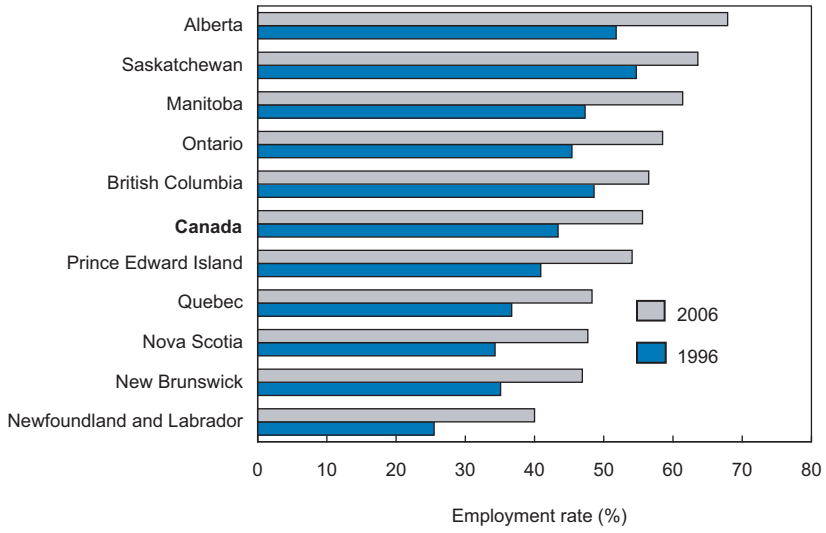
Chart D Participation rates for early baby-boom women consistently higher than for pre-boom cohort



1 Age 55 to 64 in 2006 and born between 1942 and 1951. (Not all birth years are strictly in the designated cohort label.)
2 Age 65 to 74 in 2006 and born between 1932 and 1941.
Source: Statistics Canada, Labour Force Survey, 1966, 1976, 1986, 1996 and 2006

of older workers with a job. Saskatchewan and Manitoba also had rates of over 60%. The proportions in Ontario and British Columbia were also slightly above the national rate of 56%, while Prince Edward Island was just below (54%). Quebec, Nova Scotia, New Brunswick as well as Newfoundland and Labrador were further below the national average, although they have also shown upward trends in recent years.

Chart E Almost 7 in 10 Albertans aged 55 to 64 had a job in 2006

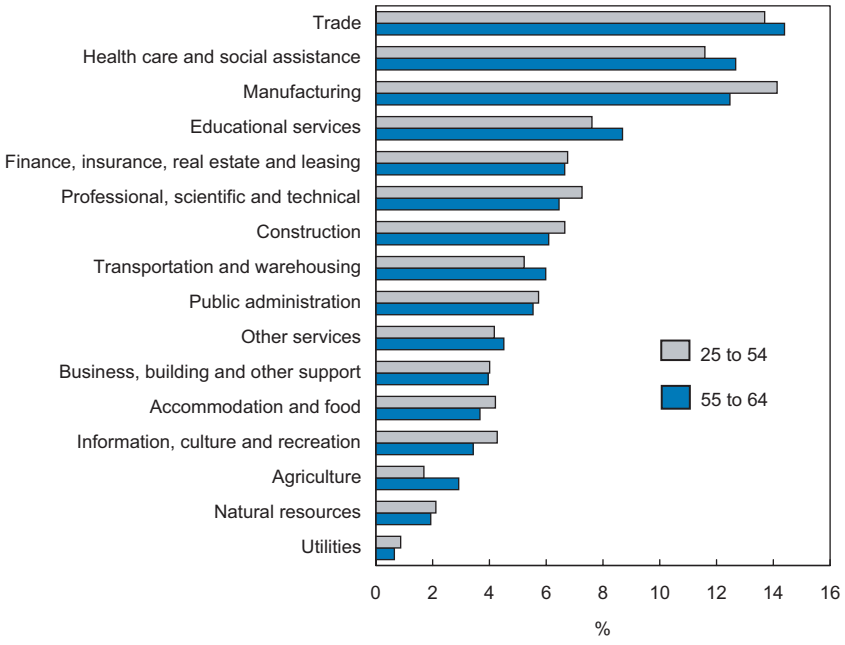


Source: Statistics Canada, Labour Force Survey

Most older workers are employed in services

About 3 in 4 workers aged 55 to 64 were employed in the service sector in 2006, similar to the proportion for those aged 25 to 54. Retail and wholesale trade had the largest share of older workers, followed by health care and social assistance (Chart F). Within the goods sector, which employed 25% of older workers in 2006, about half worked in manufacturing.

Chart F Employment by industry generally similar for core-age and older workers



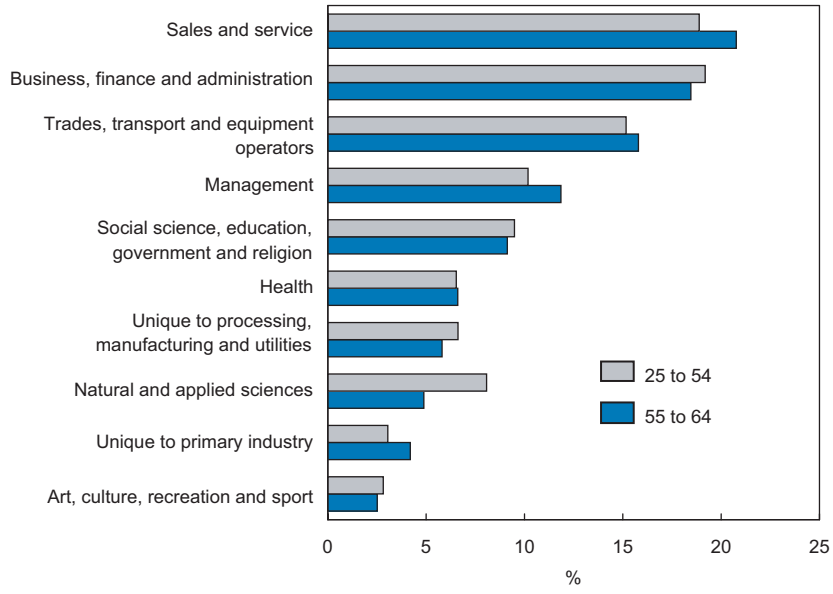
Source: Statistics Canada, Labour Force Survey, 2006

The distribution of older workers by occupation is also not much different from their core-age counterparts. In 2006, just over 20% of 55 to 64 year-olds were employed in sales and service occupations, followed by business, finance and administration; and trades, transport and equipment operators (Chart G). In 2006, relatively more older workers than persons aged 25 to 54 were employed in management occupations (12% versus 10%). Accumulated experience may explain the slight difference.

Self-employment and part-time work rates notable among older workers

Even though core-age and older workers may have similar occupation and industry employment pat-

Chart G More than 1 in 5 older workers held sales and service jobs



Source: Statistics Canada, Labour Force Survey, 2006

The shift towards non-standard work arrangements among older workers suggests that some are making a conscious transition towards retirement. One indication is that two-thirds of older part-time workers reported working a shorter work week from preference, compared with only one-quarter of core-age part-timers.

Older men earn the most

Older men who remain employed appear to be economically rewarded. Despite having shorter work hours, their higher hourly earnings ($24.31) are sufficient to place them first in terms of average weekly earnings (Chart H). Since the hourly rate for older women ($19.23) is below core-age women ($19.59), and more than 1 in 4 work part time, their weekly earnings are more than $300 less than their male counterparts ($643).

terns, their work arrangements vary. Self-employment is much higher for older workers, for example, and particularly for men—18% of core-age men were self-employed in 2006 compared with 30% of those aged 55 to 64 (Table 2). Although the difference was less striking, older women also had a higher rate of self-employment than core-age women.

Workers aged 55 to 64 have shorter average weekly work hours than core-age workers (37.7 versus 39.0), although the gap is narrower for men (40.9 versus 42.1) than for women (33.6 versus 35.6). This is because more older workers, particularly women, tend to work part time—11% of men and 28% of women, compared with 5% of men and 19% of women aged 25 to 54.

Table 2 Job characteristics of core-age and older workers

	25 to 54			55 to 64		
	Both sexes	Men	Women	Both sexes	Men	Women
			'000			
Employed	11,620	6,127	5,493	2,012	1,117	895
			%			
Employment rate[1]	82	86	77	56	63	49
Class of worker						
Employee	85	82	88	76	70	83
Public sector	22	16	28	22	16	30
Private sector	63	66	60	54	54	53
Self-employed	15	18	12	24	30	17
Unionized (employees)	35	34	35	39	38	39
Type of work						
Full-time	88	95	81	81	89	72
Part-time	12	5	19	19	11	28
Part-time by preference	28	26	29	66	64	67
			Hours			
Average usual hours (all jobs)	39.0	42.1	35.6	37.7	40.9	33.6

1 Number employed expressed as a percentage of the population.
Source: Statistics Canada, Labour Force Survey, 2006

Older workers take more time off from work

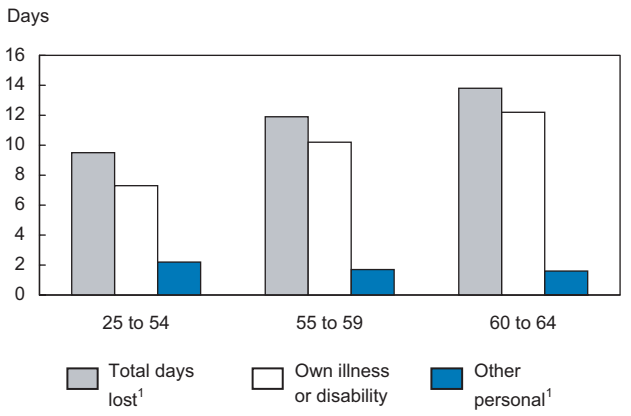
Older employees tend to be absent from their job because of illness or disability more often than their core-age counterparts. In 2006, 55 to 59 year-olds working full time lost just over 10 days for this reason while 60 to 64 year-olds lost just over 12 days; 25 to 54 year-olds were absent only 7 days (Chart I). Health issues could be more common among older workers, but unionization and working in the public sector are also linked with higher absenteeism rates—characteristics more prevalent among older workers (Statistics Canada 2007).

Summary

Although a higher proportion of workers aged 55 to 64 are self-employed and have shorter workweeks than core-age workers, the majority are employees (76%) and work full time (81%). Furthermore, earnings and occupations of older and core-age workers are strikingly similar.

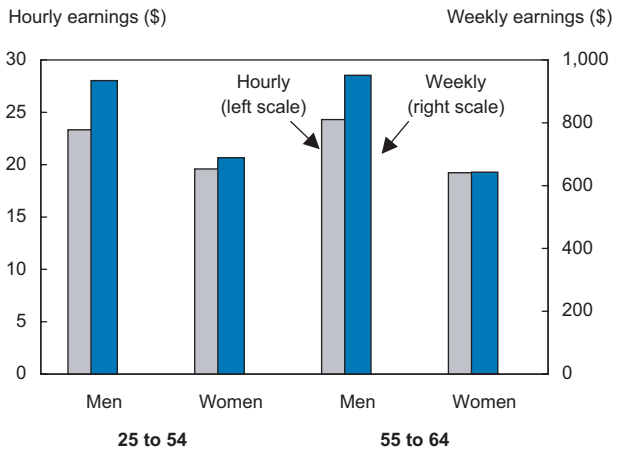
During the past decade, the participation rate of men and women aged 55 to 64 has climbed steadily, reaching 60% in the first half of 2007. This is an important trend since most of this age group are members of the front end of the baby-boom cohort (those aged 55 to 61 in 2007), and their labour market attachment suggests a strengthening participation rate in the near future. Women's increasing labour force participation and rising educational attainment in particular imply a continued upward trend. A third influence may be an increasing desire among those over 55 to continue working, either out of interest, financial concern, or a social shift brought about by a tighter labour market, skill shortages and the virtual elimination of mandatory retirement at age 65. Whatever the reasons, the increasing labour force participation rate among older workers will likely soften the eventual economic impact of the aging baby-boom cohort.

Chart I Days lost per year increase with age among full-time employees



1 Excluding maternity leave.
Source: Statistics Canada, Labour Force Survey, 2006

Chart H Older men retain their earning power



Source: Statistics Canada, Labour Force Survey, 2006

Perspectives

Notes

1 The data for this article come from the Labour Force Survey (LFS), a monthly household survey that collects information on labour market activity from all persons 15 years and over. For detailed information about the LFS, look on the Statistics Canada's Web site under *Definitions, data sources and methods* for an alphabetical listing of surveys and statistical programs.

2 The labour force (the employed plus the unemployed) expressed as a percentage of the population.

3 The 2007 figure is a January-to-June average.

4 In 2006, 70% of Canadian women aged 16 to 24, and 81% of those aged 25 to 54, were in the labour force; this compared with 58% and 75% respectively for American women.

5 LFS participation rates from 1976 and 1986 were used for these figures. For example, those born between 1942 and 1951 were aged 35 to 44 in 1986, and those born between 1932 and 1941 were this age in 1976.

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Public pensions and work

Ted Wannell

Do I have enough money to retire? is a question that older workers have been trained to ask themselves as they consider the transition out of the workplace. The financial tally includes employer pension plans, registered savings plans and other investments, as well as entitlement to public pension benefits—the Canada and Quebec Pension Plans (C/QPP) and Old Age Security/Guaranteed Income Supplement (OAS/GIS). These resources are balanced against projected spending and other considerations, such as health, family demands and leisure activities.

Do I really want to retire? is the question that more and more employers and policy analysts may want workers to consider. With tight labour markets and baby boomers entering the transitional years, impediments to remaining on the job are receiving increased attention. Mandatory retirement is largely being written out of provincial labour codes, and the federal government is proposing adjustments to registered pension plan legislation that would facilitate phased retirement. Labour market factors may also influence employers to adopt more senior-friendly policies, such as leave for eldercare and flexible working hours.

Indeed, a long-term trend toward earlier retirement faltered in the late 1990s and the median retirement age began to inch upward. Similarly, the labour market participation rates of older men turned a corner in the mid 1990s, while the participation rates of older women continued to climb unabated. Apparently changes are afoot.

Although research on the retirement process is growing by leaps and bounds, some gaps in knowledge persist. Studies that integrate the many factors involved in the retirement process are hampered by the lack of a dedicated aging survey in Canada. Several proposals are currently with funding agencies to fill that gap. Yet even a dedicated survey may not be the best instrument to examine some issues. Sample surveys typically cannot provide consistent estimates of relatively rare events, such as taking up a pension, for small populations. However, both public and employer pension plans have features that are best assessed by examining single years of age: take-up rates at initial eligibility or interaction effects between public and private pensions.

This study uses a large sample of tax data to examine the take-up rate of C/QPP benefits, the co-receipt of C/QPP and other benefits, and employment following benefit take-up. The focus will be on taxfilers in their 60s, since this is the age range of eligibility for C/QPP retirement benefits. The first goal is to establish take-up patterns by age and to determine whether the patterns have changed over time. The database also follows individuals over time, allowing post-pension work patterns to be inferred by receipt of employ-

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Data source and definitions

The **Longitudinal Administrative Databank** (LAD) is based on a 20% sample of T1 tax records covering a 22-year period ending in 2004 at the time of this analysis. Records are linked over time for individuals, and each year's information is used to ascertain the current family structure.

The study uses three-year mini-panels. Each panel consists of a start year identifying those with employment or RPP income, a mid-year to track take-up of C/QPP benefits, and a following year to capture new income patterns. More precisely, the mini-panels are selected according to the following criteria:

- aged 60 to 69 in the middle year
- no C/QPP benefits in the start year
- positive employment or RPP income in the start year
- no disability deduction in the first two years
- C/QPP and RPP receipts do not fall between the second and third years

Three mini-panels were drawn to examine long-term trends: 1994 to 1996, 1999 to 2001, and 2002 to 2004.

ment or self-employment income. Since work patterns should vary according to the trajectory into retirement and may be affected by features of the pension programs themselves, the population is divided into groups whose behaviour should vary.

Public pensions

Economists use life-cycle models to explain work patterns by age. In the absence of pension plans and with a preference for leisure over work, individuals save from earnings until their accumulated wealth can support projected lifetime expenditures; then they retire. Since people differ in earnings, spending and savings rates, retirement should be spread out smoothly across the older age ranges.

In reality, much of the saving takes place in employer and government pension plans. Collection of benefits is based on formulas that tend to concentrate retirement at specific points determined by eligibility requirements. For example, a previous study on registered pension plan (RPP) take-up among workers in their 50s found a distinct peak at age 55, the age at which several large plans begin to offer unreduced benefits (Wannell 2007). These early pensioners had much higher than average pre-pension earnings and low-intensity paid work patterns following receipt of pension benefits. These results suggest that RPP eligibility rules create a pent-up demand for retirement, particularly among high-earnings workers. Overall, roughly one-fifth of workers begin to collect RPP benefits before they become eligible for C/QPP retirement benefits at age 60.

The Canada and Quebec Pension Plans are mandatory for almost all employees and are funded by employer and employee contributions. C/QPP contributions and benefits are designed to replace up to 25% of a benchmark earnings indicator—the average industrial wage—assuming retirement at age 65 and an adequate contribution history. The earnings replacement rate for those earning more than this benchmark—$41,100 in January 2005—would thus be less than 25% (Social Development Canada 2005a).

C/QPP changes in 1987 gave contributors more choice in timing their retirement. Although 65 remains the benchmark age for benefit calculation, benefits can be commenced earlier or later, with penalties or premiums designed to equalize the lifetime value of benefits received. Contributors can collect benefits as soon as 60 with a 30% penalty or as late as age 70 with a 30% premium.

Given the healthy financial situation of typical young RPP recipients and their weak attachment to the workforce, they should have a high take-up rate of C/QPP at age 60 and further reduce their paid work. Workers with RPPs who did not retire in their 50s should also have higher early take-up rates and subsequently work less than similar workers without RPPs because of the wealth locked in their employer pensions.[1]

However, another program effect of the C/QPP may be an impediment to post-benefit work. Unlike RPPs, the C/QPP requires contributors aged 60 to 64 not to work at any job during the month in which they first collect benefits. Although this provision does not apply to those who earn less than the monthly maximum benefit, this period of unemployment may help some pensioners sever ties to the job market.[2] So all else equal, workers retiring with C/QPP benefits may be less likely to re-enter the job market compared with those receiving RPP benefits only.

Old Age Security and the Guaranteed Income Supplement constitute the other public pillar of income support for seniors. OAS benefits are based on length of residence in Canada, while the GIS is specifically targeted at low-income seniors. For well-paid workers with a lengthy contribution record to the C/QPP, the GIS will not come into play, and the OAS entitlement is equivalent to a significant boost in wealth. This adds another powerful incentive for these workers to further reduce their labour market participation at age 65.

Other features of the OAS and GIS may have more specific effects for high- and low-income seniors. Unlike the C/QPP, both programs are means-tested—benefits are clawed back when income exceeds set thresholds (Social Development Canada 2005b). GIS benefits are reduced by 50 cents for every dollar of income above the threshold ($13,464 for singles in the last quarter of 2004). OAS benefits are clawed back at 15 cents for every dollar past its threshold ($59,790 for singles in 2004). These features increase the effective tax rate on employment earnings for those in the shoulder ranges, likely reducing their work incentive relative to other seniors.

Interaction between the C/QPP and the GIS could hasten the retirement of older, low-income workers (Guillemette 2004). For some workers, extending their C/QPP contribution period past age 60 could reduce their eventual GIS entitlement. For this group, continuing to work adds little to their lifetime income relative to previous work. Thus some may choose to

retire even though it does result in an immediate and ongoing drop in income. Since co-receipt of C/QPP benefits and the GIS is fairly common, this effect is potentially non-trivial.

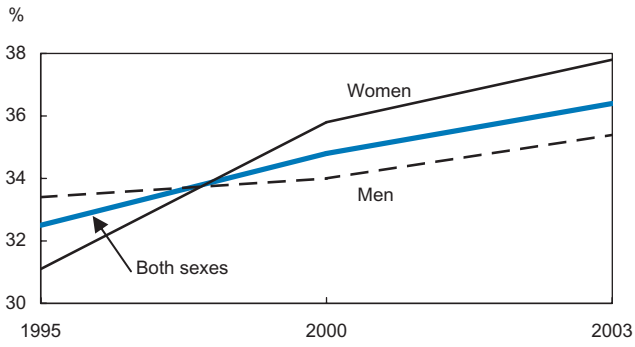
The retirement decision is obviously complex. Studies that explore the program effects mentioned above typically use simulation studies of hypothetical individuals (Pollock and Sargent 2004) or models based on estimated pension/wealth accrual (Baker, Gruber and Milligan 2001). The intention of this paper is not to formally test such program effects. Rather, it describes the uptake and receipt of program benefits by various individual characteristics, as well as employment earnings following benefit receipt.

The focus is on take-up of C/QPP benefits by four groups for whom take-up incentives should differ: those with RPP income only, RPP and employment income, employment income only and current RPP coverage, and employment income only and no current RPP coverage.

C/QPP early take-up rates increasing

The changes to the C/QPP in 1987 allowed more flexibility in the timing of retirement. An increasing proportion of workers are choosing to take their benefits at age 60, the earliest possible. From 1995 to 2003, take-up at age 60 increased by almost 4 percentage points, from 32.5% to 36.4% (Table 1). The increase was greater for women (6.7 percentage points) than for men (2.0) (Chart A).

Chart A More women taking up C/QPP benefits at age 60



Source: Statistics Canada, Longitudinal Administrative Databank

Although the single-year retirement rate is still highest at age 65, the base population in each cohort has been greatly diminished by retirement between 60 and 64. As a result, more than twice as many people retired at age 60 in 2003 as retired at age 65 (data not shown).[3]

The take-up rates at older ages generally declined over the period, although there was a distinct dip in 2000 for nearly every subgroup, followed by a partial recovery by 2003.[4]

Single-year take-up rates can also be used to calculate the cumulative proportion of a cohort that would take up benefits if exposed to the period-specific rates as they aged. This is similar to the method of constructing life expectancy based on cross-sectional mortality rates (see Wannell 2007). Since the trough in single-year take-up rates creates a corresponding dip in the cumulative rates, 1995 to 2003 changes should be more indicative of long-term trends. These data indicate that the trend to retirement at age 60 has been offset by lower take-up rates at ages 61 to 64, such that a smaller proportion had retired by age 65 in 2003 than in 1995 (Chart B). This suggests a polarization in C/QPP take-up, whereby an increasing proportion are col-

Table 1 C/QPP take-up rates by age and sex

	1995			2000			2003		
	Both sexes	Men	Women	Both sexes	Men	Women	Both sexes	Men	Women
Age					%				
60	32.5	33.4	31.1	34.8	34.0	35.8	36.4	35.4	37.8
61	19.3	18.8	19.9	14.0	13.2	15.1	17.9	17.4	18.7
62	16.1	15.7	16.6	12.0	11.2	13.3	12.8	12.3	13.4
63	17.0	17.0	17.0	11.4	10.6	12.6	12.4	12.1	12.8
64	17.7	17.5	18.0	12.6	12.1	13.7	13.3	12.9	13.9
65	80.2	83.5	75.2	76.8	78.1	75.0	78.0	78.4	77.3
66	46.0	57.8	35.0	15.6	17.6	14.6	42.7	48.5	36.6

Note: Had employment or RPP earnings in previous year.
Source: Statistics Canada, Longitudinal Administrative Databank

lecting benefits at age 60 while a much smaller, but growing proportion is delaying take-up until after age 65.

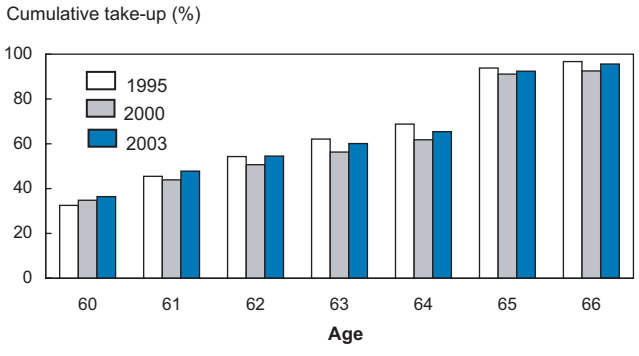
Despite the premium for delaying C/QPP take-up past age 65, less than 1 in 10 do so. Apparently the effect of other forms of wealth accumulation (RPPs, OAS/GIS eligibility, RRSP savings) has a greater impact on the retirement decision than the C/QPP late retirement premium.

Private pension benefits increase early C/QPP take-up

The hypothesis that having RPP income generates a pent-up demand for early C/QPP take-up receives strong support from the data. Nearly 4 in 5 RPP beneficiaries with no employment in 2002 began receiving C/QPP benefits at age 60 in 2003—the highest rate of all the groups (Chart C). This was also the only group where the take-up rate at age 60 exceeded the rate at age 65 (data not shown). The proportion was somewhat less among those combining work and RPP benefits: 3 in 5 began collecting C/QPP at age 60.

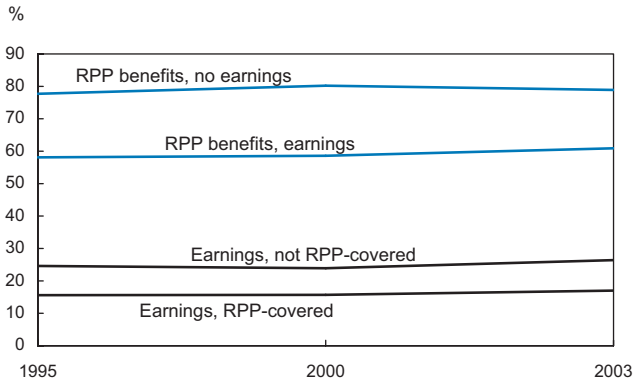
Those who were working and not collecting RPP benefits were much less likely to commence their C/QPP benefits at age 60. Somewhat surprisingly, those without RPP coverage in their current job were more likely to start benefits at age 60 than those with RPP coverage: 26.4% compared with 17.0%. This result is most likely related to selection effects.[5] For example, those with a preference for leisure, with greater wealth, or with accumulated pension benefits would have commenced RPP benefits before their 60th birthday, leaving those relatively less likely to retire for these reasons in the workplace.

Chart B C/QPP take-up at age 60 has gone up, but so has take-up after 65



Note: Had employment or RPP earnings in previous year.
Source: Statistics Canada, Longitudinal Administrative Databank

Chart C C/QPP take-up at age 60 more than double for those with RPP benefits



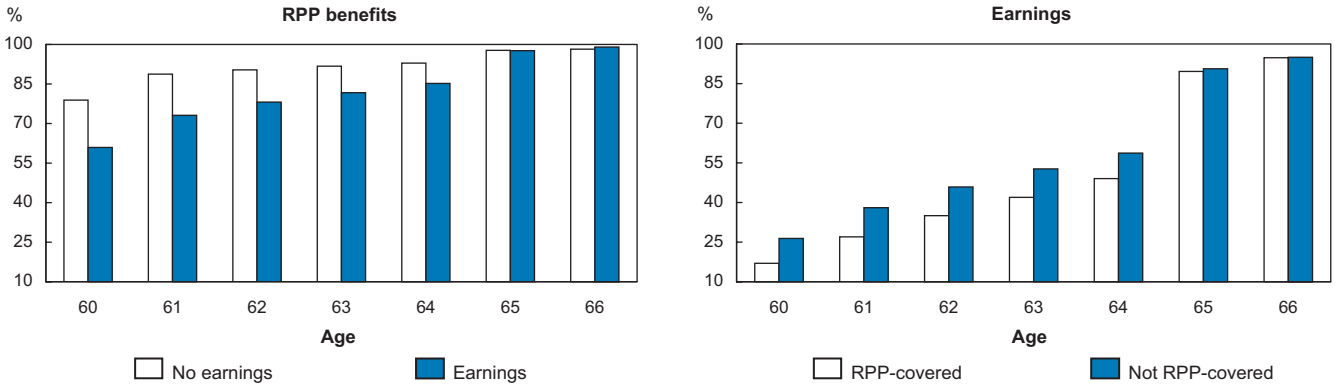
Source: Statistics Canada, Longitudinal Administrative Databank

The increasing trend to collect C/QPP benefits at age 60 was dampened by those with earnings but no RPP benefits. The proportion in each group grew by 1 or 2 percentage points between 1995 and 2003. Because of the much higher incidence of C/QPP take-up at age 60, the cumulative C/QPP take-up for those already receiving RPP benefits remained much higher than for those without RPP income until age 64 (Chart D). High take-up rates among all groups at ages 65 and 66 significantly narrowed but did not close the gap. By age 66, less than 1 in 50 RPP beneficiaries had not begun receiving C/QPP compared with about 1 in 20 non-beneficiaries.

Widespread increases in employment among 60-somethings

As noted earlier, the Labour Force Survey has documented a trend to increasing labour market participation among older workers beginning in the late 1990s. The LAD data verify this trend using earnings-based measures of labour market participation. The data also indicate that the increase in paid work occurred in all groups—before or after starting C/QPP payments, with or without RPP benefits.

Chart D Cumulative C/QPP take-up rates in 2003 much higher for RPP recipients until age 64

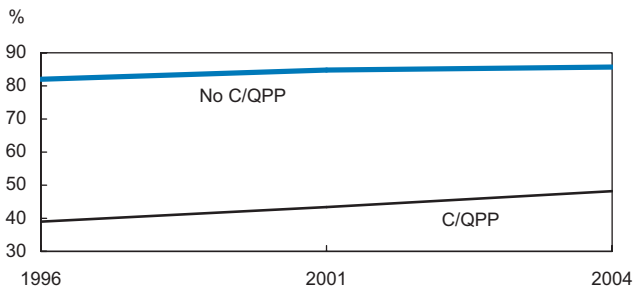


Source: Statistics Canada, Longitudinal Administrative Databank

The mini-panels (see *Data source and definitions*) enable paid work in the third year (measured by the presence of employment income) to be related to characteristics or activities from the previous two years. The clearest distinction in work patterns is between those who did and did not begin collecting C/QPP in the middle year. Obviously, the decision to stop working and start collecting benefits should suppress subsequent labour market participation—and it does. Employment rates are nearly double among those who did not start C/QPP benefits the previous year compared with those who did (Chart E). Nevertheless, a substantial and increasing proportion of C/QPP beneficiaries are doing some work for pay the year following their 'retirement.' Indeed, the incidence of paid work increased much faster among C/QPP pensioners than among non-pensioners.

Women were less likely to work for pay than men in each group in each period (Table 2). Over time, the gap narrowed among non-beneficiaries. Among C/QPP recipients, rapid employment gains by men widened the gap even though employment gains were substantial for women as well.

Chart E The incidence of earnings increased more among C/QPP recipients



Source: Statistics Canada, Longitudinal Administrative Databank

Employment rate increasing regardless of RPP coverage

Among the three groups who were working and did not start C/QPP benefits in the reference year, employment levels remained very high the following year. The employment rate was highest among those

Table 2 Persons with earnings by C/QPP status

	1996	2001	2004
		%	
Men			
Did not start C/QPP	85.7	88.0	87.8
Started C/QPP	39.8	45.4	49.9
Women			
Did not start C/QPP	76.8	80.3	82.8
Started C/QPP	37.7	40.7	45.8

Source: Statistics Canada, Longitudinal Administrative Databank

with RPP coverage in their current job, followed by those working without RPP coverage, and finally those combining earnings and RPP benefits. Each of these groups also showed some growth in employment rate between 1996 and 2004.

Very few workers who started a period with RPP benefits and no employment earnings were working at the end of the period. The movement into employment was greater among those who started to collect C/QPP, although the rate was also increasing for those with or without C/QPP benefits.

Among those who worked at the start of each period and began C/QPP benefits in the middle year, at least 4 in 10 continued with some level of employment in the third year. And this post-benefit employment increased by at least 10 percentage points between 1996 and 2004 (Chart F). The incidence of continuing employment was highest and increased the most for those without RPP benefits or RPP coverage in the first year. Their situation indicates relatively weak retirement resources, so it is not surprising that many continued to work after starting C/QPP benefits. What is perhaps more surprising is that by 2004, the majority of those who started the period in RPP-covered jobs or by combining work and RPP benefits continued to do some paid work while collecting C/QPP benefits. Even those with multiple sources of pension income are contributing to the trend to more paid work among 60-somethings.

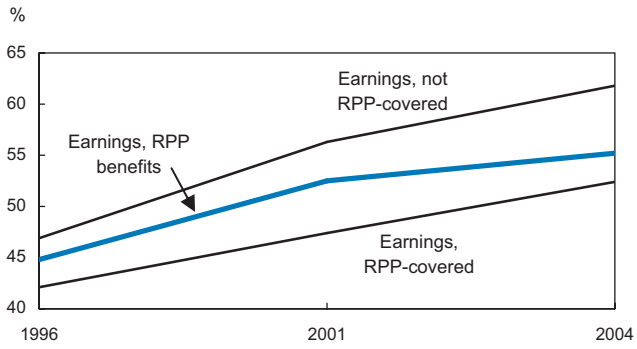
Work intensity of C/QPP recipients increasing

An earlier study found that more than half of those who began receiving RPP benefits in their 50s did some work the year following 'retirement,' but work intensity was relatively low (Wannell 2007). Although the incidence of work grew among this group from 1996 to 2004, most of the growth was at the lowest level of intensity (less than $5,000).

The overall incidence of work among new C/QPP recipients was somewhat lower than among their younger counterparts at each time point but was growing faster, particularly at higher levels of intensity (Chart G). Those earning more than $20,000 accounted for just over a quarter of employed new C/QPP recipients in 1996. By 2004, they made up more than a third of a much larger pool of working pensioners. The 16.7% of new C/QPP pensioners who earned more than $20,000 in 2004 nearly equalled the proportion of 50-something new RPP recipients (17.3%) who surpassed that benchmark.

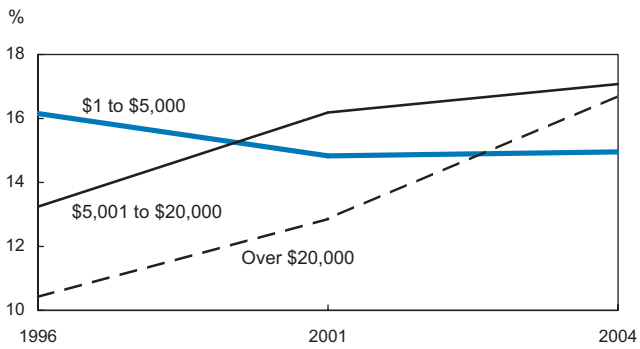
Prior receipt of RPP benefits had a large effect on work intensity among new C/QPP recipients (Chart H). Those who were already receiving RPP benefits were much less likely to be earning more than $20,000 in 2004 (14.6%) than those who had been working in a job without RPP coverage (23.5%). Those who had worked at a job with RPP coverage were in the middle at 20.4%. Thus work intensity among C/QPP

Chart F The proportion of employed C/QPP pensioners has increased



Source: Statistics Canada, Longitudinal Administrative Databank

Chart G Work intensity has increased among C/QPP pensioners



Note: Zero earnings (not working) excluded.
Source: Statistics Canada, Longitudinal Administrative Databank

The Guaranteed Income Supplement and employment

The GIS is a means-tested social transfer for low-income seniors. Approximately one-third of those aged 66 to 70 receive at least some benefits. Once recipients pass a family income threshold based on the number, age and pension status of family members, benefits are clawed back at a rate of 50 cents for each dollar of additional income. Since other benefits for seniors (such as public-housing subsidies) may also be means-tested, additional income may result in very little additional spending power for GIS recipients (Shillington 2003). These clawbacks may well be a strong disincentive—except for those already near the upper limit—to seek paid work.

Among 66 to 70 year-olds, GIS recipients are only about one-third as likely to work for pay as those receiving other public pension benefits but no GIS. The work gap between GIS recipients and non-recipients is greater among women than men. As with most groups examined in this study, the incidence of paid work increased among GIS recipients from 1996 to 2004.

Paid employment among public pension recipients

	1996	2001	2004
		%	
Men with earnings			
C/QPP and/or OAS, no GIS	25.8	28.8	31.9
Receiving GIS	8.9	10.8	11.2
Women with earnings			
C/QPP and/or OAS, no GIS	14.7	16.4	18.8
Receiving GIS	3.1	4.1	4.8

Note: Includes 66 to 70 year-olds not claiming the disability deduction.

Clawbacks are not the sole reason for the low employment rates of GIS recipients. Low education, declining health and an intermittent employment history may also contribute. For example, those who received the GIS at age 65 were less likely to be working at age 64 than other public pension recipients. Again the gap is greater among women.

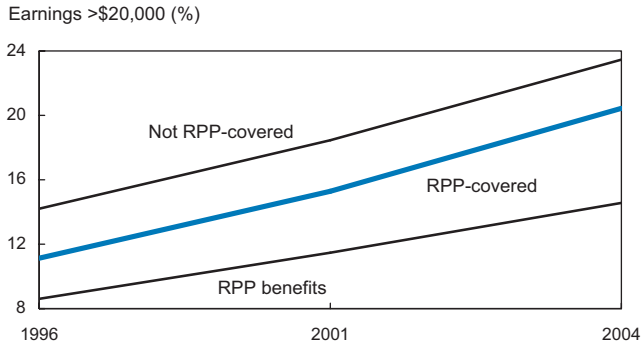
Clearly, a substantially smaller proportion of GIS recipients had recent work experience. Since the lack of recent experience may affect employability, the ratio of employment rates before and after age 65 may be a more valid comparison. Given employment at age 64, GIS recipients were still about half as likely as non-recipients to continue working after age 65. This gap was similar for men and women.

Who was working at age 64?

	1995	2000	2003
		%	
Men, at age 65			
C/QPP and/or OAS, no GIS	50.0	47.9	50.0
Receiving GIS	28.1	27.7	27.7
Women, at age 65			
C/QPP and/or OAS, no GIS	35.3	33.3	34.9
Receiving GIS	13.7	12.7	14.3

Note: Includes 64 year-olds not claiming the disability deduction.

Chart H Work intensity among C/QPP recipients strongly influenced by private pension status



Source: Statistics Canada, Longitudinal Administrative Databank

recipients seems to be related to financial circumstances. Those without the financial backing of an RPP or those with an RPP who could not afford to retire early tended to work more.

Summary

The primary goal of this analysis was to document patterns in the take-up rate of C/QPP benefits and employment following C/QPP take-up. Antecedent receipt of RPP benefits was of particular interest since this potentially represents a pent-up demand for C/QPP benefits at age 60. The recent increase in labour force participation among older age groups makes these issues particularly timely.

About one-third of those working for pay at age 59 began to collect C/QPP benefits when they first became eligible at age 60. The take-up rate then drops for ages 61 to 64, spiking to a peak above 75% at age

65 when most people also become eligible for Old Age Security benefits. Despite this spike in the rate at age 65, more people, in absolute terms, began collecting C/QPP at age 60 since the eligible population was larger.

Two time trends are notable in relation to C/QPP take-up. First, the proportion beginning receipt at age 60 is increasing over time—more so for women than for men. Second, the cumulative proportion of a cohort that starts benefits by age 65 is edging down. This result is somewhat clouded by a trough in take-up rates at some ages in the year 2000.

The early take-up of C/QPP benefits is not evenly distributed. Those who were already receiving RPP benefits at age 59 were far more likely to start C/QPP benefits the following year, especially if they were not still working. Counter to expectations, those in jobs with RPP coverage were less likely to start their public pension benefits at 60 than those without RPP coverage. Still, this difference was small compared with the gulf that separated these two groups from those already receiving RPP benefits.

The rise in paid work among 60-somethings crosses all groups examined: men and women, before and after starting C/QPP benefits, and with and without RPP benefits. Even those who received RPP benefits at age 59 and did not work are increasingly finding their way back into paid jobs in their 60s. Paid work is most prevalent and intense for those not covered by an RPP in their last job before retiring, and it is also increasing significantly.

Overall, the supply and demand factors related to older workers seem to be moving in the direction desired by many commentators: toward longer careers. However, even with the large sample sizes from the LAD, the data quickly thin out when examining groups of particular interest to policy analysts. As such, multivariate methods would be much better suited to more closely assess the work incentives or disincentives of public pension programs.

Perspectives

Notes

1 Although workers without RPPs could compensate by saving more than those with RPPs, a recent study concluded that registered retirement savings did not differ between the two groups after controlling for income and personal characteristics (Palameta 2001).

2 Pollock and Sargent (2004) used simulation techniques to estimate that removal of the stop work requirement could extend working careers by two to four years.

3 Comparisons for the same birth year cohort reveal similar, though slightly dampened patterns—58% more 60 year-olds in 1995 than 65 year-olds in 2000 started receiving C/QPP benefits.

4 Rates for ages 67 to 69 have been suppressed because of small sample sizes.

5 Since membership in an RPP is derived from a non-zero pension adjustment (PA) on the tax file, individuals who extend their careers for more than a year beyond the contributory period of their RPP will be misclassified.

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August 2007

PERSPECTIVES

ON LABOUR AND INCOME

Unionization

Unionization rates in first half of 2006 and 2007

At 14.1 million, average paid employment (employees) during the first half of 2007 was 283,000 higher than during the same period a year earlier (Table 1). On the other hand, union membership increased by 72,000 to 4.2 million. Compared with last year, employment grew less while union membership expanded more. As a result, the unionization rate (density) remained unchanged at 29.7%.

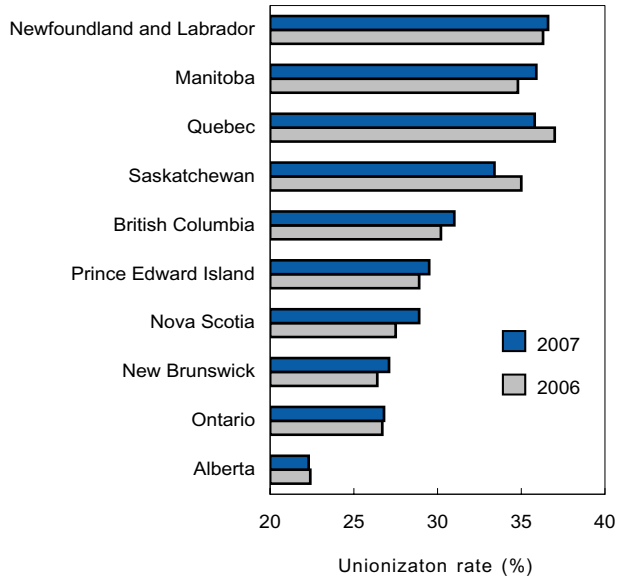
Both men and women registered marginal decreases in unionization rates. At 30.0%, the women's rate in 2007 continued to exceed the rate for men (29.3%).

Unionization rose slightly in the public sector (to 71.7%) but remained the same in the private sector (17.0%).

Seven provinces recorded increases. Decreases were seen in Quebec, Saskatchewan and Alberta (Chart A).

The rate fell from 23.2% to 22.9% for part-time workers and remained unchanged for full-time workers (31.2%).

Chart A Newfoundland and Labrador the most unionized province; Alberta, the least



Source: Statistics Canada, Labour Force Survey, January-to-June averages

Data sources

Information on union membership, density and coverage by various socio-demographic characteristics, including earnings, are from the Labour Force Survey. Further details can be obtained from Marc Lévesque, Labour Statistics Division, Statistics Canada at 613-951-4090.

Data on strikes, lockouts and workdays lost, and those on major wage settlements were supplied by Human Resources and Social Development Canada (HRSDC). Further information on these statistics may be obtained from Client services, Workplace Information Directorate, HRSDC at 1 800 567-6866.

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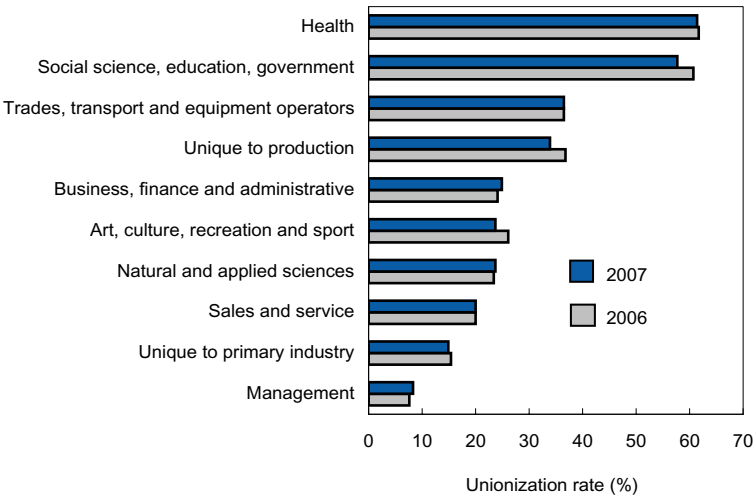
The unionization rate for permanent employees remained at 30.2%, but decreased to 25.8% for those in non-permanent jobs. The rate fell in workplaces with less than 20 employees, and those with 100 to 500, it increased in those with more than 500 employees and those with 20 to 99 employees.

Unionization rose in 8 of the 16 major industry groups: public administration; construction; information, culture and recreation; trade; business, building and other support; other services; finance, insurance, real estate and leasing; and accommodation and food. Professional, scientific and technical remained stable, while all other industry groups registered declines (Chart B).

Among the 10 major occupational groups, unionization rose in 3: business, finance and administrative; natural and applied sciences; and management. Trades, transport and equipment operators and sales and services remained stable, while the rest showed declines (Chart C).

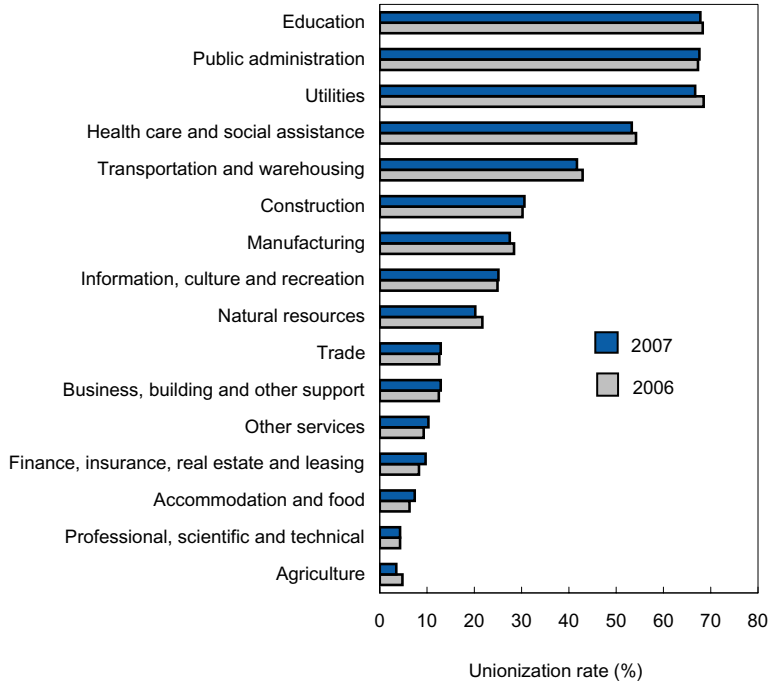
The number of employees who were not union members but covered by a collective agreement averaged 308,000, down slightly from 316,000 a year earlier (see Akyeampong 2000 for a description of this group).

Chart C Unionization in community service occupations far outpaced that in others



Source: Statistics Canada, Labour Force Survey, January-to-June averages

Chart B The highest unionization rates were in public-sector industries



Source: Statistics Canada, Labour Force Survey, January-to-June averages

Table 1 Union membership and coverage by selected characteristics

	2006			2007		
		Union density			Union density	
	Total employees	Members	Coverage[1]	Total employees	Members	Coverage[1]
	'000	%	%	'000	%	%
Both sexes	**13,804**	**29.7**	**32.0**	**14,087**	**29.7**	**31.8**
Men	6,979	29.4	31.9	7,059	29.3	31.7
Women	6,825	30.1	32.1	7,027	30.0	32.0
Sector[2]						
Public	3,229	71.4	75.1	3,257	71.7	75.2
Private	10,575	17.0	18.9	10,830	17.0	18.8
Age						
15 to 24	2,369	13.3	15.5	2,418	13.3	15.0
25 to 54	9,798	32.7	35.1	9,911	32.7	35.0
25 to 44	6,559	29.5	31.9	6,592	29.8	32.1
45 to 54	3,238	39.3	41.6	3,319	38.3	40.7
55 and over	1,638	35.5	37.7	1,758	35.1	37.4
Education						
Less than Grade 9	333	27.6	30.1	323	25.9	27.7
Some high school	1,497	21.9	23.5	1,490	21.1	22.8
High school graduation	2,848	27.1	28.8	2,874	25.8	27.4
Some postsecondary	1,214	21.6	23.7	1,188	20.9	22.9
Postsecondary certificate or diploma	4,799	33.4	35.9	4,937	33.8	36.2
University degree	3,113	33.7	36.7	3,274	34.1	36.9
Province						
Atlantic	931	28.9	30.5	945	29.9	31.2
Newfoundland and Labrador	180	36.3	38.1	187	36.6	38.3
Prince Edward Island	56	28.9	30.2	58	29.5	30.7
Nova Scotia	384	27.5	28.9	386	28.9	30.0
New Brunswick	311	26.4	28.1	314	27.1	28.4
Quebec	3,219	37.0	40.9	3,259	35.8	39.4
Ontario	5,494	26.7	28.4	5,548	26.8	28.5
Prairies	2,394	27.0	29.1	2,516	26.8	28.7
Manitoba	496	34.8	37.5	505	35.9	37.7
Saskatchewan	388	35.0	36.9	405	33.4	35.3
Alberta	1,510	22.4	24.4	1,606	22.3	24.2
British Columbia	1,766	30.2	32.0	1,818	31.0	32.9
Work status						
Full-time	11,276	31.2	33.6	11,483	31.2	33.5
Part-time	2,528	23.2	25.2	2,604	22.9	24.6
Industry						
Goods-producing	3,214	28.8	31.0	3,209	28.2	30.5
Agriculture	129	4.8	5.4	122	3.5	5.1
Natural resources	261	21.7	23.7	285	20.2	22.1
Utilities	119	68.5	72.5	131	66.7	71.2
Construction	685	30.2	32.2	727	30.6	32.8
Manufacturing	2,020	28.4	30.7	1,944	27.5	29.7
Service-producing	10,590	30.0	32.3	10,877	30.1	32.2
Trade	2,313	12.6	14.2	2,355	12.9	14.5
Transportation and warehousing	661	42.9	44.4	673	41.7	43.8
Finance, insurance, real estate and leasing	853	8.3	10.3	877	9.7	11.2
Professional, scientific and technical	717	4.3	5.4	743	4.3	5.5
Business, building and other support	517	12.5	14.8	519	12.9	14.7
Education	1,145	68.3	72.7	1,175	67.8	71.5
Health care and social assistance	1,546	54.2	56.5	1,605	53.3	55.5
Information, culture and recreation	626	24.9	26.9	642	25.1	26.8
Accommodation and food	895	6.3	7.4	961	7.4	8.3
Other	485	9.3	11.1	488	10.3	12.5
Public administration	833	67.3	72.5	839	67.6	72.6

Table 1 Union membership and coverage by selected characteristics (concluded)

	2006			2007		
		Union density			Union density	
	Total employees	Members	Coverage[1]	Total employees	Members	Coverage[1]
	'000	%	%	'000	%	%
Occupation						
Management	1,013	7.6	10.4	988	8.3	10.9
Business, finance and administrative	2,698	24.1	26.3	2,700	24.9	27.0
Professional	352	14.6	17.3	378	17.2	18.9
Financial and administrative	700	22.5	24.5	685	23.2	25.6
Clerical	1,645	26.7	28.9	1,637	27.3	29.4
Natural and applied sciences	981	23.4	26.1	1,030	23.7	25.8
Health	854	61.7	64.1	864	61.4	63.2
Professional	94	35.6	41.3	101	40.2	45.3
Nursing	264	81.4	83.2	266	81.2	82.9
Technical	211	59.3	60.9	229	56.5	58.0
Support staff	284	53.8	56.4	268	53.8	55.0
Social and public service	1,255	57.6	61.0	1,298	57.7	61.0
Legal, social and religious workers	564	35.8	38.4	589	36.8	40.0
Teachers and professors	690	75.4	79.5	710	75.1	78.4
Secondary and elementary	472	87.1	89.8	478	86.8	89.0
Other	219	50.2	57.2	232	50.8	56.6
Culture and recreation	331	26.1	28.4	301	23.7	26.1
Sales and service	3,444	20.0	21.7	3,674	20.0	21.7
Wholesale	359	6.1	7.4	381	5.4	6.5
Retail	1,013	11.8	12.9	1,062	12.3	13.6
Food and beverage	497	9.2	9.9	561	7.8	8.6
Protective services	215	54.6	60.7	231	54.9	62.0
Child care and home support	164	48.8	51.9	190	45.6	48.7
Travel and accommodation	1,195	25.5	27.3	1,250	26.1	27.7
Trades, transport and equipment operators	1,987	36.5	38.6	2,007	36.5	38.8
Contractors and supervisors	114	27.1	29.6	111	32.3	34.9
Construction trades	254	37.9	40.1	256	37.7	39.9
Other trades	781	38.4	40.4	793	39.6	41.9
Transportation equipment operators	504	38.1	39.9	511	36.3	38.1
Helpers and labourers	334	31.8	34.5	337	29.8	33.2
Unique to primary industry	273	15.4	17.0	277	14.9	16.9
Unique to production	970	36.8	39.4	946	33.9	36.2
Machine operators and assemblers	772	36.5	39.0	751	33.9	36.1
Labourers	198	38.0	41.1	196	33.6	36.5
Workplace size						
Under 20 employees	4,473	13.4	15.0	4,598	13.1	14.7
20 to 99 employees	4,548	29.7	32.2	4,638	30.0	32.3
100 to 500 employees	2,946	41.4	44.0	2,976	41.1	43.8
Over 500 employees	1,837	50.9	53.8	1,874	51.2	53.8
Job tenure						
1 to 12 months	3,147	14.6	17.2	3,341	14.9	17.3
Over 1 year to 5 years	4,361	23.0	25.2	4,448	23.1	25.1
Over 5 years to 9 years	2,194	32.1	34.1	2,206	32.9	35.1
Over 9 years to 14 years	1,278	36.7	38.7	1,308	36.6	38.7
Over 14 years	2,823	52.0	54.5	2,784	51.9	54.4
Job status						
Permanent	12,069	30.2	32.4	12,310	30.2	32.3
Non-permanent	1,735	26.3	29.4	1,777	25.8	28.5

1 Union members and persons who are not union members but covered by collective agreements (for example, some religious group members).
2 Public-sector employees are those working for government departments or agencies; Crown corporations; or publicly funded schools, hospitals or other institutions. Private-sector employees are all other wage and salary earners.
Source: Statistics Canada, Labour Force Survey, January-to-June averages

2006 annual averages

Approximately 4.1 million (29.4%) employees belonged to a union in 2006 (Table 2). An additional 320,000 (2.3%) were covered by a collective agreement.

Those in the public sector—government, Crown corporations, and publicly funded schools or hospitals—were four times as likely as their private-sector counterparts to belong to a union (71.0% versus 17.0%).

Almost 1 in 3 full-time employees belonged to a union, compared with about 1 in 4 part-time. Also, almost 1 in 3 permanent employees was a union member, compared with 1 in 4 non-permanent.

High unionization rates were found among employees aged 45 to 54 (39.0%); among those with a post-secondary certificate or diploma (33.3%) or a university degree (33.2%); in Quebec (36.4%) and Newfoundland and Labrador (35.6%); in educational services (68.2%), public administration (66.9%), and utilities (65.4%); and in health care occupations (61.4%).

Low unionization rates were recorded among 15 to 24 year-olds (13.4%); in Alberta (22.3%); in agriculture (4.0%) and professional, scientific and technical services (4.6%); and in management occupations (7.7%).

Table 2 Union membership, 2006

	Total employees	Union member	
		Total	Density
	'000	'000	%
Both sexes	13,986	4,108	29.4
Men	7,106	2,068	29.1
Women	6,881	2,040	29.7
Sector[1]			
Public	3,198	2,271	71.0
Private	10,789	1,837	17.0
Age			
15 to 24	2,443	327	13.4
25 to 54	9,864	3,196	32.4
25 to 44	6,592	1,918	29.1
45 to 54	3,272	1,277	39.0
55 and over	1,679	586	34.9
Education			
Less than Grade 9	349	95	27.3
Some high school	1,519	319	21.0
High school graduation	2,906	767	26.4
Some postsecondary	1,192	258	21.7
Postsecondary certificate or diploma	4,861	1,620	33.3
University degree	3,159	1,048	33.2
Province			
Atlantic	948	270	28.5
Newfoundland and Labrador	188	67	35.6
Prince Edward Island	58	16	28.1
Nova Scotia	389	105	27.0
New Brunswick	313	82	26.2
Quebec	3,263	1,189	36.4
Ontario	5,558	1,460	26.3
Prairies	2,436	650	26.7
Manitoba	501	172	34.3
Saskatchewan	396	135	34.2
Alberta	1,540	344	22.3
British Columbia	1,782	538	30.2
Work status			
Full-time	11,527	3,541	30.7
Part-time	2,459	567	23.1
Industry			
Goods-producing	3,298	931	28.2
Agriculture	139	6	4.0
Natural resources	274	58	21.3
Utilities	122	80	65.4
Construction	737	217	29.5
Manufacturing	2,026	570	28.2
Service-producing	10,688	3,177	29.7
Trade	2,331	301	12.9
Transportation and warehousing	666	276	41.5
Finance, insurance, real estate and leasing	863	76	8.8
Professional, scientific and technical	721	33	4.6
Business, building and other support	538	69	12.8
Education	1,109	756	68.2
Health care and social assistance	1,570	841	53.6
Information, culture and recreation	638	158	24.8
Accommodation and food	925	59	6.3
Other	490	47	9.6
Public administration	837	560	66.9

Differences between the sexes

For the third year in a row, the unionization rate for women in 2006 surpassed that of men (29.7% versus 29.1%).

Among men, part-time employees had a much lower rate than full-time (17.7% versus 30.4%). Among women, the gap was narrower (25.4% versus 31.1%).

The unionization rate of women in the public sector (72.7%) exceeded that of men (68.3%), reflecting women's presence in public administration, and in teaching and health positions. However, in the private sector, only 12.4% were unionized, compared with 20.9% of men. The lower rate among women reflected their predominance in sales and several service occupations.

A higher-than-average rate was recorded among men with a post-secondary certificate or diploma (33.5%). For women, the highest rate was among those with a university degree (38.9%), reflecting unionization in occupations such as health care and teaching.

Among those in permanent positions, the rate for men (29.9%) was almost identical to that for women (30.1%). Among those in non-permanent positions, women were more unionized than men (27.2% versus 23.1%).

Table 2 Union membership, 2006 (concluded)

	Total employees	Union member	
		Total	Density
	'000	'000	%
Occupation			
Management	1,006	78	7.7
Business, finance and administrative	2,730	648	23.7
Professional	371	56	15.0
Financial and administrative	707	154	21.8
Clerical	1,652	438	26.5
Natural and applied sciences	1,001	231	23.1
Health	860	528	61.4
Professional	101	35	34.9
Nursing	260	211	81.2
Technical	214	124	58.2
Support staff	285	157	55.1
Social and public service	1,122	678	60.4
Legal, social and religious workers	454	176	38.7
Teachers and professors	667	502	75.2
Secondary and elementary	449	391	87.0
Other	219	111	50.9
Culture and recreation	323	86	26.6
Sales and service	3,514	702	20.0
Wholesale	364	23	6.4
Retail	1,027	124	12.1
Food and beverage	521	49	9.4
Protective services	220	123	56.1
Child care and home support	156	74	47.4
Travel and accommodation	1,226	309	25.2
Trades, transport and equipment operators	2,032	728	35.8
Contractors and supervisors	116	35	29.7
Construction trades	270	98	36.3
Other trades	790	304	38.5
Transportation equipment operators	512	189	36.8
Helpers and labourers	344	103	29.9
Unique to primary industries	300	42	14.1
Unique to production	981	356	36.3
Machine operators and assemblers	778	285	36.6
Labourers	203	72	35.2
Workplace size			
Under 20 employees	4,586	603	13.2
20 to 99 employees	4,583	1,345	29.3
100 to 500 employees	2,959	1,216	41.1
Over 500 employees	1,858	944	50.8
Job tenure			
1 to 12 months	3,284	474	14.4
Over 1 year to 5 years	4,376	998	22.8
Over 5 years to 9 years	2,209	705	31.9
Over 9 years to 14 years	1,286	464	36.1
Over 14 years	2,832	1,467	51.8
Job status			
Permanent	12,163	3,648	30.0
Non-permanent	1,823	460	25.2

1 Public-sector employees are those working for government departments or agencies; Crown corporations; or publicly funded schools, hospitals or other institutions. Private-sector employees are all other wage and salary earners.

Source: Statistics Canada, Labour Force Survey

Average earnings and usual hours

Unionized jobs generally provide higher earnings than non-unionized ones (Table 3). However, factors other than collective bargaining provisions play a role as well. These include varying distributions of unionized employees by age, sex, job tenure, industry, occupation, firm size, and geographical location.

Although these factors have not been examined, it is clear that unionized workers and jobs tend to have certain characteristics that are associated with higher earnings. For example, union density is higher among older workers, those with higher education, those with long tenure, and those in larger workplaces. Although differences in earnings and non-wage benefits cannot be attributed solely to union status (Akyeampong 2002), the union wage premium (after adjusting for employee and workplace characteristics) has been estimated at 7.7% (Fang and Verma 2002).

In 2006, the average hourly earnings of unionized workers were higher than those of non-unionized workers. This held true for both full-time ($23.34 versus $19.84) and part-time ($19.36 versus $12.00) employees.

In addition to having higher hourly earnings, unionized part-time employees generally worked more hours per week than their non-unionized counterparts (19.3 hours versus 16.9). As a result, their average weekly earnings were nearly double ($378.88 versus $208.22).

On average, unionized women working full time received 94% as much in hourly earnings as their male counterparts. In contrast, women working part time earned 12% more.

Table 3 Average earnings and usual hours by union and job status, 2006

	Hourly earnings			Usual weekly hours, main job		
	All employees	Full-time	Part-time	All employees	Full-time	Part-time
		$				
Both sexes	**19.72**	**20.99**	**13.80**	**35.7**	**39.6**	**17.5**
Union member	22.79	23.34	19.36	36.0	38.7	19.3
Union coverage[1]	22.73	23.30	19.20	36.0	38.7	19.2
Not a union member[2]	18.33	19.84	12.00	35.5	40.0	16.9
Men	**21.43**	**22.44**	**12.78**	**38.3**	**40.8**	**16.6**
Union member	23.60	24.00	17.71	38.4	39.8	18.0
Union coverage[1]	23.58	24.00	17.57	38.4	39.9	17.8
Not a union member[2]	20.43	21.67	11.60	38.2	41.3	16.3
Women	**17.96**	**19.20**	**14.24**	**33.0**	**38.0**	**17.9**
Union member	21.96	22.54	19.85	33.5	37.3	19.7
Union coverage[1]	21.86	22.45	19.71	33.5	37.3	19.6
Not a union member[2]	16.15	17.58	12.20	32.7	38.4	17.3
Atlantic	**16.42**	**17.34**	**11.80**	**36.6**	**40.4**	**17.6**
Union member	21.25	21.46	19.39	37.6	39.5	20.4
Union coverage[1]	21.18	21.41	19.19	37.6	39.6	20.2
Not a union member[2]	14.38	15.40	10.09	36.2	40.8	17.0
Quebec	**18.87**	**19.94**	**14.01**	**34.7**	**38.3**	**18.3**
Union member	21.46	21.85	19.09	35.2	37.7	20.3
Union coverage[1]	21.33	21.75	18.75	35.3	37.8	20.2
Not a union member[2]	17.21	18.61	11.85	34.3	38.7	17.4
Ontario	**20.65**	**22.15**	**13.49**	**35.8**	**39.7**	**17.2**
Union member	24.07	24.81	19.11	36.3	38.9	18.6
Union coverage[1]	24.05	24.81	18.99	36.2	38.9	18.5
Not a union member[2]	19.32	21.04	12.00	35.6	40.0	16.8
Prairies	**19.90**	**21.13**	**13.82**	**36.7**	**40.6**	**17.3**
Union member	22.49	23.06	19.12	36.4	39.3	19.0
Union coverage[1]	22.54	23.11	19.21	36.4	39.4	18.9
Not a union member[2]	18.82	20.29	12.02	36.8	41.1	16.7
British Columbia	**19.91**	**21.03**	**15.21**	**35.3**	**39.6**	**17.4**
Union member	23.39	23.94	20.62	35.6	39.0	18.9
Union coverage[1]	23.40	23.96	20.55	35.7	39.0	18.8
Not a union member[2]	18.28	19.58	13.22	35.1	39.8	16.8

1 Union members and persons who are not union members but covered by collective agreements (for example, some religious group members).
2 Workers who are neither union members nor covered by collective agreements.
Source: Statistics Canada, Labour Force Survey

Wage settlements, inflation and labour disputes

Wage gains of 2.5% in 2006 matched the rate of inflation (Table 4). During the first four months of 2007, wage gains averaged 3.0%, over one percentage point higher than the rate of inflation (1.9%).

Wage gains in the private sector in 2006 (2.1%) fell short of those in the public sector (2.6%). The gap widened in the first four months of 2007. The corresponding figures were 2.5% and 3.6%.

Annual statistics on strikes, lockouts and person-days lost are affected by several factors, including collective bargaining timetables, size of the unions involved, strike or lockout duration, and state of the economy. The number of collective agreements up for renewal in a year determines the potential for industrial disputes. Union size and strike or lockout duration determine the number of person-days lost. The state of the economy influences the likelihood of an industrial dispute, given that one is legally possible.

The estimated number of person-days lost through strikes and lockouts more than doubled from 1.7 million in 2003 to 4.1 million in 2005. In 2006, however, the number dropped sharply to 813,000.

Table 4 Major wage settlements, inflation and labour disputes

	Average annual increase in base wage rates[1]				Labour disputes and time lost[3]			
Year	Public sector employees[2]	Private sector employees[2]	Total employees	Annual change in consumer price index[1]	Strikes and lockouts[4]	Workers involved	Person-days not worked	Proportion of estimated working time
			%			'000	'000	%
1980	10.9	11.7	11.1	10.1	1,028	452	9,130	0.37
1981	13.1	12.6	13.0	12.4	1,049	342	8,850	0.35
1982	10.4	9.5	10.2	10.9	679	464	5,702	0.23
1983	4.6	5.5	4.8	5.8	645	330	4,441	0.18
1984	3.9	3.2	3.6	4.3	716	187	3,883	0.15
1985	3.8	3.3	3.7	4.0	829	164	3,126	0.12
1986	3.6	3.0	3.4	4.1	748	486	7,151	0.27
1987	4.1	3.8	4.0	4.4	668	582	3,810	0.14
1988	4.0	5.0	4.4	4.0	548	207	4,901	0.17
1989	5.2	5.2	5.2	5.0	627	445	3,701	0.13
1990	5.6	5.7	5.6	4.8	579	271	5,079	0.17
1991	3.4	4.4	3.6	5.6	463	254	2,516	0.09
1992	2.0	2.6	2.1	1.5	404	152	2,110	0.07
1993	0.6	0.8	0.7	1.8	381	102	1,517	0.05
1994	0.0	1.2	0.3	0.2	374	81	1,607	0.06
1995	0.6	1.4	0.9	2.2	328	149	1,583	0.05
1996	0.5	1.7	0.9	1.6	330	276	3,269	0.11
1997	1.1	1.8	1.5	1.6	284	258	3,608	0.12
1998	1.6	1.8	1.7	0.9	381	244	2,444	0.08
1999	2.0	2.7	2.2	1.7	413	160	2,443	0.08
2000	2.5	2.4	2.5	2.7	379	144	1,657	0.05
2001	3.4	3.0	3.3	2.6	381	221	2,199	0.07
2002	2.9	2.6	2.8	2.2	294	168	3,033	0.09
2003	2.9	1.2	2.5	2.8	266	81	1,736	0.05
2004	1.4	2.2	1.8	1.9	298	260	3,225	0.09
2005	2.2	2.4	2.3	2.2	260	199	4,149	0.12
2006	2.6	2.1	2.5	2.5	150	43	813	0.02
2007[5]	3.6	2.5	3.0	1.9				

1 Involving 500 or more employees.
2 Public-sector employees are those working for government departments or agencies; Crown corporations; or publicly funded schools, hospitals or other institutions. Private-sector employees are all other wage and salary earners.
3 Involving 1 or more workers.
4 Ten person-days not worked.
5 2007 data refer to January to April only.
Sources: Statistics Canada, Prices Division; Human Resources and Skills Development Canada, Workplace Information Directorate