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Sources of income of racialized individuals 65 years and over in Canada, 2020

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Note to readers

This study uses microdata from the 2021 Census of Population long-form questionnaire (which represents about 25% of the population). The detailed questionnaire provides comprehensive sociodemographic information for a very large representative sample of the national population. Data on racialized individuals and immigrant generations are the most relevant elements of the study.

In the 2021 Census of Population, the reference period for all income variables is the 2020 calendar year.

Data on racialized groups are measured using the “visible minority” variable from the Census of Population. Under the *Employment Equity Act*, visible minorities are defined as “persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour.” The visible minority population consists mainly of the following groups: South Asian, Chinese, Black, Filipino, Arab, Latin American, Southeast Asian, West Asian, Korean and Japanese. For more information on how to effectively use and interpret data on visible minorities and population groups from the 2021 Census, please refer to the [Visible Minority and Population Group Reference Guide, Census of Population, 2021](#).

All the data in this article cover individuals aged 65 years and over.

For the purposes of this study, the category “women+” includes women as well as some non-binary persons, while the category “men+” includes men as well as some non-binary persons.

The amounts shown are median values, reflecting the fact that the median income of a specific group. Median income is the amount that divides the income distribution of that group into two halves, i.e., the incomes of half of the units in that group are below the median, while the incomes of the second half are above the median. Median incomes of individuals are calculated for those with an income (positive or negative).

For the purposes of this study, the Indigenous populations and non-permanent residents are not included in the analysis.

In this study, the income sources examined include employment income, market income, private retirement income, investment income, and benefits from the Quebec Pension Plan (QPP) and the Canada Pension Plan (CPP). For more information, see the [Dictionary, Census of Population, 2021](#).

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Sources of income of racialized individuals 65 years and over in Canada, 2020

By **Dorcas Hindir**

Diversity and Sociocultural Statistics

Highlights

- In 2020, 38% of racialized individuals aged 65 and over had private retirement income, compared with 66% for non-racialized individuals.
- In 2020, 94% of non-racialized women were receiving Quebec Pension Plan (QPP) and Canada Pension Plan (CPP) benefits, compared with 69% of racialized women. By comparison, 75% of racialized men and 95% of non-racialized men, respectively, received these benefits.
- Private retirement income varies by racialized group. Japanese individuals had the highest rate (74%), while West Asians had the lowest rate (15%).
- In both racialized and non-racialized groups, men aged 65 and over had higher employment rates than women in the same age group. For example, Arab men aged 65 and over had a higher income rate (33%) than Arab women in the same age group (15%).
- Second-generation racialized individuals were more likely than third-generation or more racialized individuals to receive certain sources of income after the age of 65.

Background

While income experiences vary among racialized groups, several factors may help explain the disparities in access to different income sources among racialized groups in Canada. One such factor is immigration, as a significant proportion of racialized individuals aged 65 and over (46%) were born outside the country, a majority of whom (45%) immigrated between the ages of 25 and 44 (Statistics Canada, 2023). These individuals did not necessarily have the chance to build sufficient retirement savings before their arrival, which can lead to financial insecurity, exacerbated by the administrative obstacles related to residency and contribution requirements to access retirement pensions (Statistics Canada, 2022a; Government of Canada, 2021).

Wage gaps are also a potentially significant factor that can influence access for racialized groups to sufficient financial resources for retirement. Although racialized individuals have high levels of education, access to better-paying jobs and workplace pension plans may still be limited due to persistent barriers. For example, many racialized individuals reported experiencing discrimination or unfair treatment in their workplace, the most common place reported for these incidents (Statistics Canada, 2024). These barriers can limit access for racialized individuals to quality job opportunities (Galarneau, Corak and Brunet, 2023), thus contributing to wage disparities and potentially limiting their ability to build financial resources for retirement.

Introduction

According to the 2021 Census of Population, 14% of people aged 65 and over in Canada are part of racialized groups, compared with 25% of the total Canadian population. Older racialized adults are a highly diverse group, primarily made up of South Asian, Chinese, Black, Filipino, Arab, Latin American, Southeast Asian, West Asian, Korean and Japanese individuals. This diversity reflects the growing diversity of Canadian society, attesting to Canada's multiculturalism (Hou, Schimmele and Stick, 2023).

Canada's population is aging rapidly, with an increasing number of people aged 65 and over (Statistics Canada, 2024a). This is particularly evident among racialized groups, whose population grew by 38% from 2016 to 2021, far more than the same age group in the non-racialized populations, which grew 18% over the same period. Although racialized people make up a significant proportion of this aging population, they can face specific challenges in terms of social and economic integration, as well as unequal access to the labour market.

These factors can limit their ability to accumulate resources for retirement, such as pensions (Picot and Lu, 2017). As the racialized populations continues to grow, it is important to better understand their sources of income in order to inform program and policy development for this population.

The purpose of this study is to examine disparities in access to different sources of income for individuals aged 65 and over. This group is especially important because in 2023, the average retirement age was around 65, which affects how these individuals access their income sources (Statistics Canada, 2024b). This study is characterized by its intersectional approach, taking into account not only age, but also gender, generation status and geography, to better understand how these factors interact and influence financial resources at retirement age. This analysis is intended to fill existing gaps in analyses on the income sources of racialized individuals.

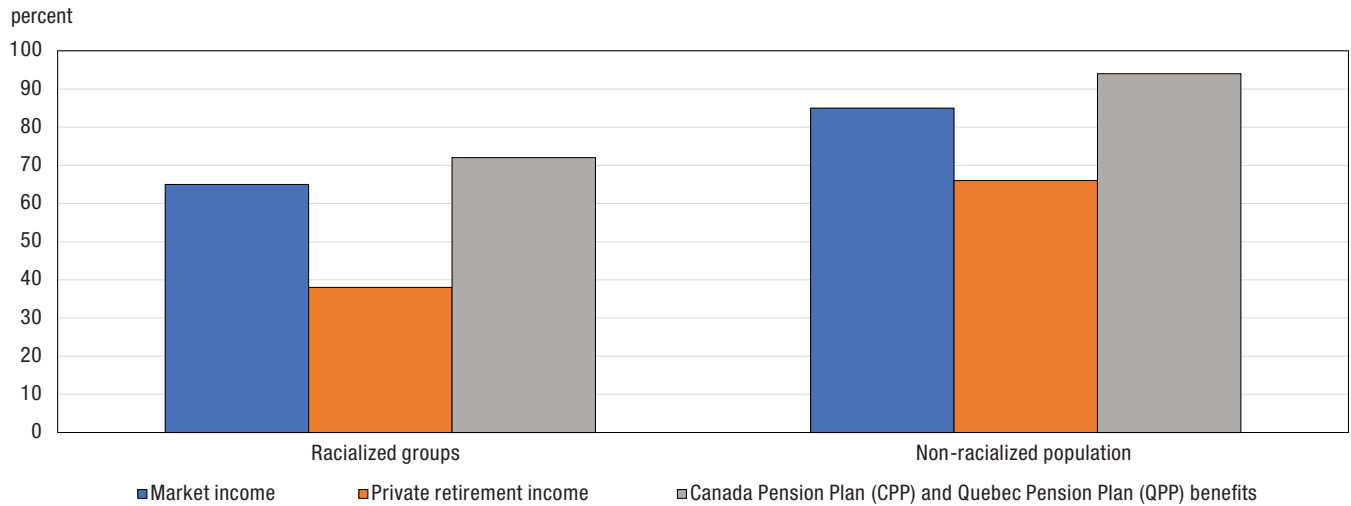
Previous studies

in their annual review of the labour market, Patterson, Hazel and Saunders (2019) showed that in 2018, men aged 55 to 64 had a participation rate of 72%, while this figure was 18% for those aged 65 and over. The reasons why older racialized and non-racialized adults continue to work are different. Older racialized adults, the majority of whom are immigrants, often work out of necessity due to economic challenges or lack of financial security for retirement, while older non-racialized adults may work by choice (Morissette and Hou, 2024). In addition, in 2020, racialized individuals aged 65 and over, and particularly racialized women, had larger poverty gaps. Among all the groups of older women examined, they were most at risk of low income or poverty, with significant gender gaps: 19% were below the low-income cut-off, before tax (LICO-BT) and 9% below the poverty line (MBM). Older immigrant women followed closely with proportions of 18% below the LICO-BT and 7% below the MBM (Leclerc, 2024). Although many other studies (Galarneau, Brunet and Corak, 2023; Sheila, Galabuzi and King, 2019; Picot and Lu, 2017) have examined economic integration and wage gaps in the racialized populations, few have looked at their sources of income at retirement age.

In 2020, racialized individuals aged 65 and older had fewer sources of income compared to the non-racialized individuals

With the exception of the Japanese population, whose income was higher than the income of the non-racialized populations, the trends observed in the different racialized groups show generally lower income than that of non-racialized individuals. For example, 66% of non-racialized individuals had private retirement income, with a median amount of \$17,400, compared with 38% of racialized individuals, who had \$11,000. Moreover, 85% of non-racialized individuals also had market income, with a median amount of \$21,400, compared with 65% of the racialized populations, who had a slightly higher median amount of \$14,300. Lastly, 94% of non-racialized individuals receive benefits from the Quebec Pension Plan (QPP) and the Canada Pension Plan (CPP), with a median income of \$8,600, versus 72% of racialized individuals, who had a median of \$5,280 (Charts 1 and 2).

Chart 1
Proportion of racialized groups and the non-racialized population aged 65 and older receiving different income sources in Canada in 2020

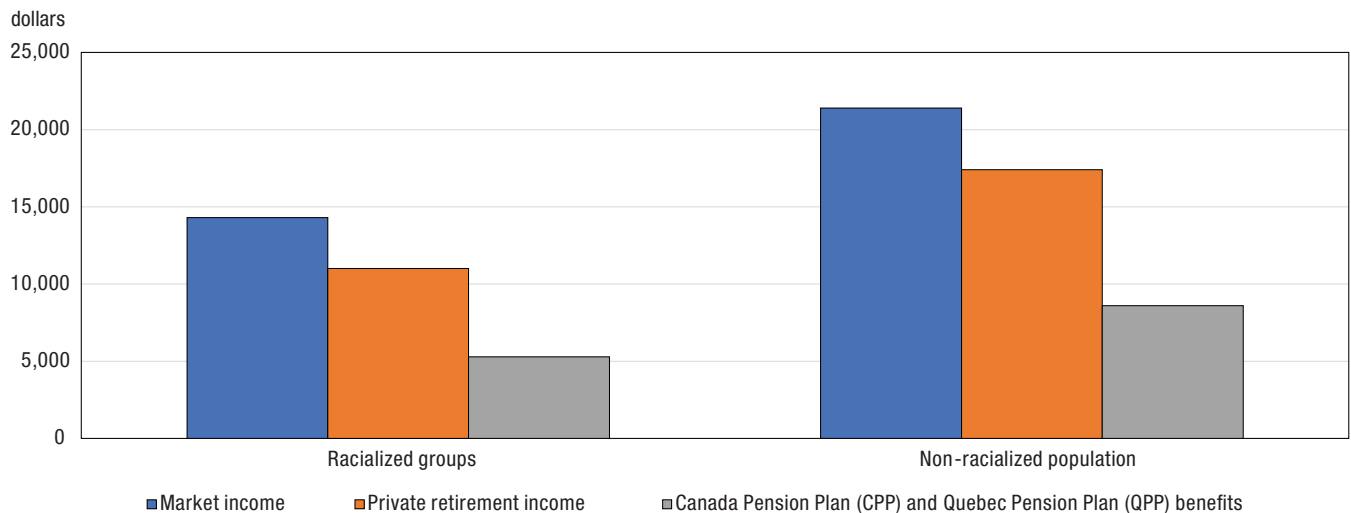


Notes: In the 2021 Census analysis and communication products, the terms "visible minority" and "Not a visible minority" have been replaced with the terms "racialized groups" and "non-racialized population".

For the purposes of this study, Indigenous respondents are not included in the analyses.

Source: Statistics Canada, Census of Population, 2021.

Chart 2
Median income for racialized groups and the non-racialized population aged 65 and older receiving different income sources in Canada in 2020



Notes: In the 2021 Census analysis and communication products, the terms "visible minority" and "Not a visible minority" have been replaced with the terms "racialized groups" and "non-racialized population".

For the purposes of this study, Indigenous respondents are not included in the analyses.

Source: Statistics Canada, Census of Population, 2021.

Among racialized groups aged 65 and older, the Japanese population were the most likely to have private retirement income and investment income.

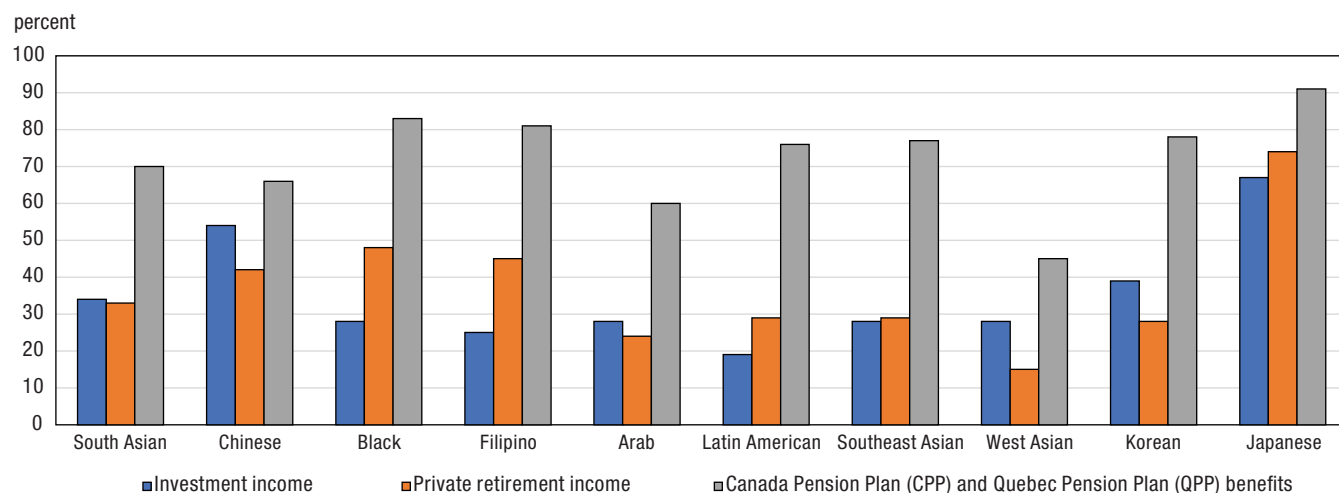
While racialized individuals aged 65 and over had a lower median income than non-racialized individuals in the same age group, a detailed analysis reveals differences in income sources within the various racialized groups. Japanese individuals stood out in that almost three-quarters (74%) had private retirement income, with a median income of \$17,200. They were followed by Black individuals, close to half of whom (48%) had this type of income, with a

median of \$13,100. Arabs (24%) and West Asians (15%) had the lowest proportions of private retirement income, with median amounts of \$11,600 and \$8,100, respectively (Charts 3 and 4). Meanwhile, Japanese (91%; \$9,100) and Black (83%; \$7,600) individuals had the highest rate in terms of QPP and CPP benefits (Charts 3 and 4).

The Japanese population was in 2020, the group with the most income, benefits and financial investments. In fact, their rates and amounts were often higher not only than those of all racialized groups, but also of the non-racialized population (Table 1). Many factors can account for this income, such as generation status.

Chart 3

Proportion of racialized groups aged 65 and older receiving different income sources in Canada in 2020



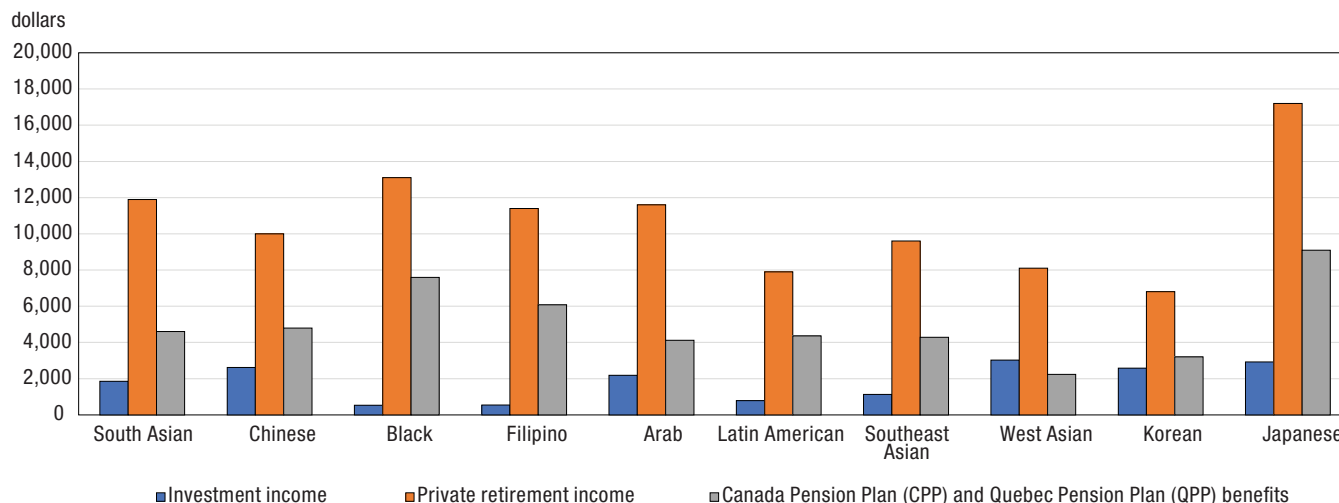
Notes: In the 2021 Census analysis and communication products, the terms "visible minority" and "Not a visible minority" have been replaced with the terms "racialized groups" and "non-racialized population".

For the purposes of this study, Indigenous respondents are not included in the analyses.

Source: Statistics Canada, Census of Population, 2021.

Chart 4

Median income for racialized groups aged 65 and older receiving different income sources in Canada in 2020



Notes: In the 2021 Census analysis and communication products, the terms "visible minority" and "Not a visible minority" have been replaced with the terms "racialized groups" and "non-racialized population".

For the purposes of this study, Indigenous respondents are not included in the analyses.

Source: Statistics Canada, Census of Population, 2021.

In both racialized and non-racialized groups, men aged 65 and over had higher employment rates and earnings than women in the same age group

Employment income means that individuals are still active in the labour market, earning a salary or wages. In 2020, Filipinos had the highest employment rate among racialized groups, with 34% earning a median income of \$21,000. Among these workers, 40% of men earned \$25,200, while 31% of women earned \$18,600. This group was followed by the Black population, for which 32% of individuals were still in the labour market and had a median income of \$14,800. In contrast, Chinese individuals had the lowest rate (21%) with a median income of \$9,200 (Table 1).

Gender differences are also observed in the employment income of other racialized groups, with considerable differences between men and women in the rates and amounts. For example, among the Arab population aged 65 and over, a third of men (33%) had twice the employment income of women, with a median income of \$14,500, compared with \$10,800 for the 15% of women who had employment income. Among West Asians, women were almost half as likely as men (17% compared with 33%) to have employment income, and their median income was lower than that of men (\$10,600 and \$14,400, respectively). Among the Korean population, 30% of men had a median employment income of \$12,300, while 16% of women earned a median income of \$9,900. This trend was also seen in the non-racialized populations, where women not only had lower incomes, but also lower median amounts than men (Table 1).

It is important to note that racialized individuals with high employment income at retirement are often those who have fewer sources of other income, such as private retirement income. This suggests that because of the lack of these additional income sources, these individuals are forced to continue working beyond age 65 to supplement their financial resources. This may be why about half of older adults who continue to work do so out of necessity, often to meet their basic needs or support their families (Hazel, 2018).

Table 1
Sources of income of racialized groups and the non-racialized population aged 65 and older in Canada, 2020

	Total – Gender		Men+		Women+	
	median amount (\$)	percent	median amount (\$)	percent	median amount (\$)	percent
Total income						
Total – Population	32,800	100	40,000	100	27,800	100
Racialized groups	23,200	99	25,400	99	22,600	98
South Asian	22,600	98	25,200	98	21,800	97
Chinese	22,600	99	23,200	99	22,200	99
Black	28,600	99	32,000	99	27,000	99
Filipino	26,600	99	29,000	99	25,400	99
Arab	22,400	98	25,200	98	20,800	97
Latin American	22,600	98	25,000	99	22,200	98
Southeast Asian	22,400	99	23,400	99	21,800	99
West Asian	21,800	98	22,600	99	21,000	97
Korean	21,800	99	23,000	99	21,200	99
Japanese	38,800	100	45,200	100	34,400	100
Racialized groups, n.i.e.	26,000	99	31,200	99	23,800	99
Multiple racialized groups	25,200	99	28,400	99	23,800	99
Non-racialized population	35,200	100	42,400	100	29,400	100
Market income						
Total – Population	20,600	82	26,000	85	15,900	79
Racialized groups	14,300	65	16,800	70	12,200	61
South Asian	14,900	58	18,400	67	11,500	50
Chinese	11,700	74	13,600	76	10,200	72
Black	17,600	70	20,600	73	15,500	69
Filipino	17,600	71	19,200	75	16,800	69
Arab	14,400	52	17,400	61	10,000	40
Latin American	12,400	54	15,700	62	10,200	48
Southeast Asian	12,700	54	15,300	60	10,600	48
West Asian	11,400	48	13,000	57	9,200	39
Korean	10,500	60	12,500	66	8,700	55
Japanese	23,600	93	28,400	94	19,000	91
Racialized groups, n.i.e.	15,900	68	21,000	74	12,700	63
Multiple racialized groups	15,900	69	18,400	74	14,100	65
Non-racialized population	21,400	85	27,200	88	16,400	82
Employment income						
Total – Population	7,600	29	7,600	37	7,650	22
Racialized groups	12,700	26	14,800	32	10,900	21
South Asian	12,000	26	14,300	35	9,700	19
Chinese	9,200	21	10,900	26	7,800	18
Black	14,800	32	16,200	38	13,300	27
Filipino	21,000	34	25,200	40	18,600	31
Arab	13,600	25	14,500	33	10,800	15
Latin American	16,800	28	20,200	37	12,900	21
Southeast Asian	15,600	23	19,800	29	12,000	18
West Asian	12,700	25	14,400	33	10,600	17
Korean	11,900	23	12,300	30	9,900	16
Japanese	9,500	25	10,300	31	8,400	20
Racialized groups, n.i.e.	12,800	29	17,000	37	9,200	24
Multiple racialized groups	12,600	28	14,600	34	11,300	24
Non-racialized population	6,700	29	6,500	37	6,950	22
Investment income						
Total – Population	1,380	47	1,450	48	1,320	47
Racialized groups	1,780	37	1,820	39	1,740	36
South Asian	1,860	34	1,860	38	1,840	30
Chinese	2,620	54	2,500	54	2,720	53
Black	536	28	592	27	500	28
Filipino	540	25	532	23	544	26
Arab	2,180	28	2,620	32	1,720	23
Latin American	785	19	720	20	830	18
Southeast Asian	1,130	28	1,080	28	1,190	27
West Asian	3,020	28	3,360	31	2,540	24
Korean	2,580	39	2,640	40	2,520	38
Japanese	2,920	67	2,660	65	3,020	68
Racialized groups, n.i.e.	890	35	900	36	870	34
Multiple racialized groups	1,640	38	1,490	40	1,760	36
Non-racialized population	1,350	50	1,420	50	1,300	49

Table 1
Sources of income of racialized groups and the non-racialized population aged 65 and older in Canada, 2020

	Total – Gender		Men+		Women+	
	median amount (\$)	percent	median amount (\$)	percent	median amount (\$)	percent
Private retirement income						
Total – Population	16,600	62	20,800	64	13,400	60
Racialized groups	11,000	38	12,200	39	10,000	37
South Asian	11,900	33	13,500	36	10,100	29
Chinese	10,000	42	11,100	43	9,000	41
Black	13,100	48	14,400	47	12,200	50
Filipino	11,400	45	10,900	47	11,700	45
Arab	11,600	24	13,700	28	9,400	20
Latin American	7,900	29	8,400	31	7,350	27
Southeast Asian	9,600	29	9,900	33	9,200	26
West Asian	8,100	15	8,500	16	7,300	13
Korean	6,800	28	7,850	30	5,840	25
Japanese	17,200	74	21,000	75	14,200	73
Racialized groups, n.i.e.	12,000	44	13,200	48	10,600	42
Multiple racialized groups	11,500	44	13,000	45	10,600	44
Non-racialized population	17,400	66	21,800	69	13,800	64
Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) benefits						
Total – Population	8,400	91	9,000	92	7,650	90
Racialized groups	5,280	72	5,840	75	4,800	69
South Asian	4,600	70	5,320	76	3,720	64
Chinese	4,800	66	5,600	69	4,080	64
Black	7,600	83	7,800	85	7,450	82
Filipino	6,080	81	6,280	84	5,960	80
Arab	4,120	60	4,640	68	3,320	50
Latin American	4,360	76	5,240	82	3,520	72
Southeast Asian	4,280	77	5,240	82	3,360	73
West Asian	2,240	45	2,300	52	2,160	37
Korean	3,200	78	3,400	80	3,000	76
Japanese	9,100	91	9,800	92	8,200	90
Racialized groups, n.i.e.	7,000	81	7,800	85	6,450	78
Multiple racialized groups	6,360	79	7,050	82	5,760	77
Non-racialized population	8,600	94	9,100	95	7,850	94

Notes: In the analysis and communication products for the 2021 Census, the terms “visible minority” and “not a visible minority” have been replaced with the terms “racialized groups” and “non-racialized population”, reflecting the increased use of these terms in the public sphere.

For the purposes of this study, Indigenous respondents are not included in the analyses.

Multiple racialized groups: Individuals who reported more than one racialized group by selecting at least two responses, such as “Black” and “South Asian”.

Men+ and women+: Includes men and women, as well as some non-binary individuals.

Source: Statistics Canada, Census of Population, 2021.

Regional analysis of financial resources of older racialized adults at retirement age in Canada

A regional analysis of the financial resources of racialized and non-racialized individuals at retirement age in Quebec, Ontario, Alberta and British Columbia showed that racialized individuals in these provinces were less likely to have market income, with a smaller gap in British Columbia (20% lower). This trend was also observed for investment income, where racialized groups lagged behind the non-racialized populations, particularly in Alberta (19% lower) and Quebec (18% lower) (Table 2).

In addition, racialized individuals were also less likely to have a private retirement income, especially in Quebec and Ontario, as the proportion who had private retirement income was 31% lower than the proportion of non-racialized individuals (Table 2).

Racialized individuals aged 65 and over in British Columbia and Alberta seemed to have higher income than their counterparts in Quebec

An analysis of financial resources at retirement of older racialized adults in these Canadian provinces showed that older Chinese and Japanese adults in British Columbia and Alberta had particularly high sources of income at retirement. In British Columbia, more than half of older Chinese adults (57%) had investment income, and nearly half (42%) had a source of private retirement income. Meanwhile, more than two-thirds (68%) of older Japanese adults had investment income and almost three-quarters (73%) a source of private retirement income.

In Alberta, the trends are similar, with older Japanese adults in the lead: over half (65%) had investment income and nearly three-quarters (74%) a private retirement income source, the highest rates among all racialized groups and in these four provinces. These two groups had much higher rates of private retirement income and investment income than all racialized groups, with 37% who had investment income and 40% who had retirement income in Alberta, compared with 46% and 39%, respectively, in British Columbia (Table 2).

Moreover, older racialized adults in Quebec were generally less likely to have investment and private retirement income than their counterparts in the other provinces. In Quebec, Latin Americans had the lowest rates, with 18% who had investment income and 23% private retirement income.

Table 2
Sources of income of racialized groups and the non-racialized population aged 65 and older, by region in Canada, 2020

	Total income		Market income		Employment income		Investment income		Private retirement income		Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) benefits	
	median	percent	median	percent	median	percent	median	percent	median	percent	median	percent
	amount (\$)		amount (\$)		amount (\$)		amount (\$)		amount (\$)		amount (\$)	
Quebec												
Total – Population	30,000	100	17,600	80	5,800	25	705	46	15,600	61	7,950	94
Racialized groups	22,000	99	11,700	58	11,500	24	1,160	29	9,700	33	4,240	74
South Asian	21,600	98	14,500	56	11,300	24	2,380	33	12,200	33	4,960	73
Chinese	20,600	98	7,600	67	7,250	17	2,040	44	6,750	37	3,320	66
Black	24,200	99	13,300	63	12,700	27	508	26	10,700	38	5,280	81
Filipino	23,800	99	14,600	68	13,900	27	520	29	13,600	44	4,560	90
Arab	21,000	98	12,200	54	12,100	27	1,600	26	10,000	24	3,400	62
Latin American	21,200	99	10,000	48	13,100	25	516	18	6,650	23	3,280	74
Southeast Asian	21,400	99	13,300	54	9,400	20	1,740	31	11,700	33	3,960	82
West Asian	20,400	98	8,800	45	7,100	22	1,700	24	8,200	15	2,740	45
Korean	19,200	99	9,300	54	7,250	15	4,080	35	4,720	32	2,360	79
Japanese	30,400	98	15,300	84	5,440	28	2,320	58	9,600	61	7,300	87
Racialized groups, n.i.e.	24,800	100	12,200	70	12,200	25	1,090	39	8,800	43	6,450	82
Multiple racialized groups	22,200	98	11,200	64	7,550	21	930	36	10,800	39	5,000	82
Non-racialized population	30,800	100	18,000	81	5,440	25	695	47	15,900	64	8,100	95
Ontario												
Total – Population	34,800	99	22,000	82	6,080	31	1,620	48	17,800	62	8,700	89
Racialized groups	23,000	98	15,000	64	11,800	27	1,620	36	11,800	38	5,720	71
South Asian	22,400	98	15,500	58	11,800	28	1,700	34	12,500	32	4,880	67
Chinese	22,200	99	12,000	72	7,450	22	2,620	52	10,800	40	4,800	64
Black	30,400	99	18,400	73	13,800	33	516	28	13,500	52	8,300	85
Filipino	27,400	99	18,400	71	18,000	35	504	26	12,300	47	6,400	82
Arab	22,600	98	14,900	49	12,400	23	2,340	29	12,000	23	4,400	57
Latin American	22,800	98	12,800	54	17,600	27	795	19	7,900	29	4,760	77
Southeast Asian	22,200	99	12,200	53	16,800	24	1,000	26	8,700	27	4,640	74
West Asian	21,800	98	10,800	44	12,000	24	2,380	24	9,100	13	2,200	44
Korean	21,800	99	10,000	58	10,300	23	2,260	36	6,750	28	3,600	81
Japanese	45,200	100	28,800	93	5,880	28	2,900	66	21,000	77	9,400	91
Racialized groups, n.i.e.	25,800	99	16,000	67	12,400	30	830	34	12,100	43	7,100	81
Multiple racialized groups	25,800	99	16,600	68	10,800	29	1,400	36	12,700	44	6,800	79
Non-racialized population	38,000	100	23,600	87	5,000	32	1,640	52	18,800	69	9,000	94
Alberta												
Total – Population	36,000	99	22,800	85	11,800	33	1,960	52	16,200	61	8,800	90
Racialized groups	24,400	98	15,100	67	15,600	28	1,800	37	10,600	40	5,480	73
South Asian	23,600	97	14,400	60	12,500	26	1,980	33	10,600	34	4,320	68
Chinese	24,400	99	12,600	78	12,000	24	2,140	53	10,000	49	5,640	73
Black	30,400	97	21,800	71	24,000	38	810	30	13,700	42	7,600	75
Filipino	26,400	97	20,000	68	27,600	36	670	22	11,300	38	5,640	74
Arab	24,800	98	17,400	51	17,200	25	2,360	27	12,800	26	4,800	68
Latin American	24,800	97	15,000	61	19,200	31	920	18	8,300	34	4,920	78
Southeast Asian	23,800	99	13,700	54	17,400	24	820	24	9,200	29	4,480	80
West Asian	23,000	96	11,700	56	11,400	31	3,160	31	5,600	23	2,600	51
Korean	24,600	99	12,100	68	15,800	27	3,360	41	7,100	31	4,720	77
Japanese	40,000	100	23,200	94	15,300	25	3,400	65	15,700	74	9,300	93
Racialized groups, n.i.e.	29,200	98	20,400	71	7,800	29	1,400	41	16,600	48	7,950	78
Multiple racialized groups	25,000	99	17,800	66	18,800	29	1,980	35	10,000	42	5,840	78
Non-racialized population	38,800	100	24,200	89	10,900	34	2,000	56	17,000	65	9,000	94
British Columbia												
Total – Population	33,600	100	21,200	84	11,200	27	2,180	52	16,200	62	8,400	89
Racialized groups	23,400	99	13,200	69	14,000	24	2,500	46	10,000	39	4,560	72
South Asian	23,200	99	13,400	59	12,700	24	2,080	36	10,300	33	3,160	79
Chinese	23,200	99	11,700	76	11,600	20	2,900	57	9,600	42	4,640	67
Black	35,200	100	23,000	80	23,000	36	860	35	16,600	54	8,200	85
Filipino	27,200	100	17,400	73	24,200	35	745	27	10,900	46	5,800	81
Arab	23,800	98	23,600	51	25,200	24	3,440	31	12,900	28	4,760	57
Latin American	23,400	98	15,100	62	18,400	31	1,530	24	10,400	32	4,640	75
Southeast Asian	23,200	99	11,600	54	16,200	23	1,130	28	8,600	27	3,640	75
West Asian	23,200	98	13,200	59	17,400	29	4,680	37	6,600	17	1,960	47
Korean	21,600	99	10,800	63	12,500	21	3,520	44	6,400	25	2,400	74

Table 2
Sources of income of racialized groups and the non-racialized population aged 65 and older, by region in Canada, 2020

	Total income		Market income		Employment income		Investment income		Private retirement income		Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) benefits	
	median	percent	median	percent	median	percent	median	percent	median	percent	median	percent
	amount (\$)		amount (\$)		amount (\$)		amount (\$)		amount (\$)		amount (\$)	
Japanese	35,600	100	20,400	92	11,400	22	3,000	68	15,600	73	8,800	91
Racialized groups, n.i.e.	25,200	99	16,200	69	17,000	26	1,140	36	10,400	47	6,550	82
Multiple racialized groups	25,000	99	14,800	77	18,000	28	2,480	49	10,000	48	5,760	77
Non-racialized population	37,600	100	23,200	89	10,000	28	2,160	55	17,400	69	8,900	94

Notes: In the analysis and communication products for the 2021 Census, the terms "visible minority" and "not a visible minority" have been replaced with the terms "racialized groups" and "non-racialized population", reflecting the increased use of these terms in the public sphere.

For the purposes of this study, Indigenous respondents are not included in the analyses.

Multiple racialized groups: Individuals who reported more than one racialized group by selecting at least two responses, such as "Black" and "South Asian".

Source: Statistics Canada, Census of Population, 2021.

Background

People of African descent have lived in what is now known as Canada for over 400 years. The first Black person to set foot in Canada was Mathieu Da Costa in 1604, followed by Olivier LeJeune, who is recorded as the first enslaved African to have lived in Canada (in New France) in 1628. There are three main countries, continents or regions with which Black populations have ancestral ties: Canada, Africa and the Caribbean (Domey and Patsiurko, 2024).

- While just over 4 in 10 Black individuals (41%) were born in Canada, Black populations accounted for the largest proportion (36%) of all racialized individuals in the third generation or more in Canada. In 2021, 6 in 10 Black individuals in Nova Scotia (60%) and almost 1 in 4 Black individuals in New Brunswick (22%) were third generation or more, reflecting the legacies of historical Black communities (Domey and Patsiurko, 2024).

The first Japanese community in Canada also has historical roots dating back to the 18th century, although in a different historical context than the Black population. The first person of Japanese origin, Manzo Nagano, settled in British Columbia in 1877. Japanese immigration to Canada occurred in two waves: the first from 1877 to 1928, and the second from 1967 onward (Lindsay, 2001).

- In the 2021 Census, close to 63% of Japanese Canadians (a total of 129,430 individuals) reported being second generation (38,810 individuals) or third generation or more (42,425 individuals). As a result, they had the second highest proportion of the racialized individuals in the third generation or more in Canada. In British Columbia, 39% of Japanese-Canadians are third generation or more, reflecting the existence of historical Japanese communities dating back to the 18th century. This trend is also found in Ontario (35%) and the Prairie provinces (22%).

Sources: Domey and Patsiurko, 2024; Colin, 2001.

Previous studies (Banting and Thompson, 2021; Hou, Schimmele and Stick, 2023) have shown that the socioeconomic integration of the second and third generations depends largely on the experiences of their parents and persistent discrimination in Canada. The socioeconomic outcomes of these generations show that they have been successful in the labour market (Wu, Schimmele and Hou, 2012). An analysis of their incomes reveals significant differences by generation status, particularly among the Black and Japanese populations, which have a high proportion of members in the third generation or more. This sets them apart from other racialized groups, mostly made up of first- and second-generation individuals. This section of the study focuses on Black and Japanese populations due to the sufficient number of third-generation individuals or more, which is not the case for the other racialized groups.

Second-generation Japanese and Black individuals in Canada had a higher rate of investment and private retirement income than the third generation or more

Second-generation Japanese and Black individuals stood out for their higher income rates in several key areas. For example, more than 7 in 10 second-generation Japanese (72%) had investment income for retirement, with a median income of \$3,240, and nearly nine-tenths (86%) had sources of private retirement income, with a median income of \$18,800. In comparison, 67% of the third generation or more had investment income (\$2,700) and 71% private retirement income (\$27,600) (Table 3).

Although these rates are lower than those observed in the Japanese population, the second-generation Black population also has higher rates of income sources at retirement age, with about one-third (34%) having investment income (\$1,030) and more than half (56%) having private retirement income (\$17,800). This contrasts with the third generation or more, where a quarter (23%) had investment income (\$460) and more than half (51%) had private retirement income (\$15,500). In addition, among both the Japanese (98%) and Black (86%) populations, a higher proportion of the second generation received CPP and QPP benefits than the first generation (Table 3).

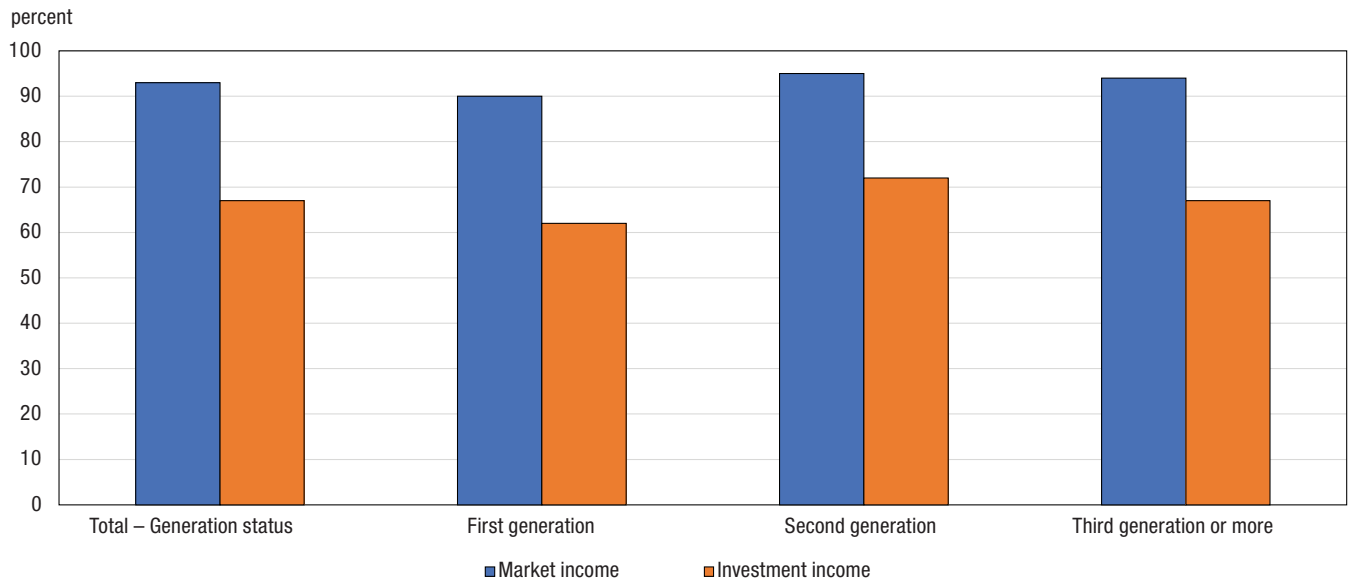
Compared with these two groups, 47% of non-racialized individuals in the third generation or more had investment income (\$1,050) (Table 3). This rate was higher than for second-generation Blacks, but lower than second-generation Japanese. The economic success of second-generation populations in Canada is in part linked to high levels of education, influenced by their parents' education and family expectations. This may help them access higher-paying jobs and build financial assets, which can contribute to their retirement situation (Wall and Wood, 2023).

Second-generation individuals in both the Black and Japanese populations were more likely than other generations to have market income at retirement

Second-generation individuals aged 65 and over, in both the Black and Japanese populations, had higher market incomes than those in the third generation or more. For example, nearly four-fifths (79%) of the Black population had market income, with a median income of \$21,600, compared with 69% for the third generation or more (\$18,000) and 70% for the first generation (\$17,400). For the Japanese population, almost all second-generation individuals (95%) had market incomes, with a median income of \$25,600, compared with 94% for the third generation or more (\$33,600) and 90% for the first generation (\$16,200) (Table 3). Interestingly, despite higher market incomes, nearly 8 in 10 second-generation Black adults (79%) were still in the labour market after retirement age (Charts 5 and 6).

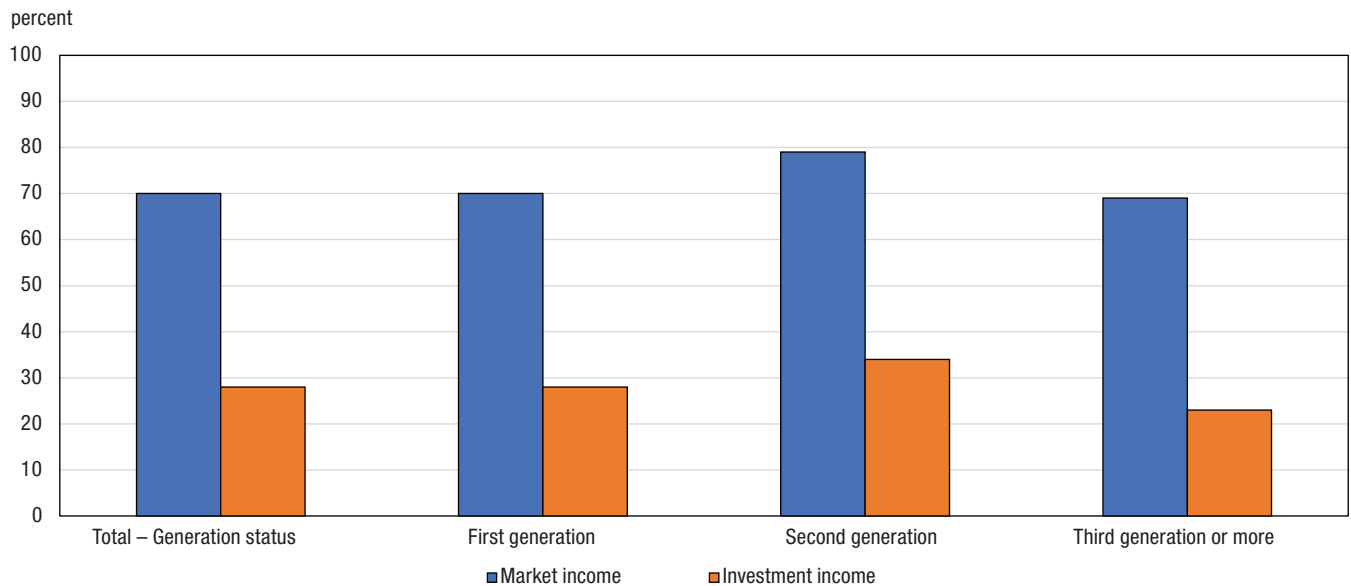
These trends were reversed for the third generation of the non-racialized populations, 84% of whom had market incomes (\$21,600), while 3 in 10 (30%) older individuals worked after retirement (Table 3).

Chart 5
Proportion of the Japanese population aged 65 and older receiving different income sources in Canada in 2020, by generation status



Source: Statistics Canada, Census of Population, 2021.

Chart 6
Proportion of the Black population aged 65 and older receiving different income sources in Canada in 2020, by generation status



Source: Statistics Canada, Census of Population, 2021.

Table 3
Sources of income of racialized groups and the non-racialized population aged 65 and older, by generation status, Canada, 2020

	Racialized groups		Black		Japanese		Non-racialized population	
	median amount (\$)	percent	median amount (\$)	percent	median amount (\$)	percent	median amount (\$)	percent
Total – Generation status								
Total income	23,200	99	28,600	99	38,800	100	35,200	100
Market income	14,300	65	17,600	70	23,600	93	21,400	85
Employment income	12,700	26	14,800	32	9,500	25	6,700	29
Investment income	1,780	37	536	28	2,920	67	1,350	50
Private retirement income	11,000	38	13,100	48	17,200	74	17,400	66
Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) benefits	5,280	72	7,600	83	9,100	91	8,600	94
First generation								
Total income	23,200	99	28,600	99	31,000	100	33,200	99
Market income	13,800	65	17,400	70	16,200	90	18,800	85
Employment income	12,800	26	15,400	32	10,200	25	7,050	26
Investment income	1,740	37	540	28	2,800	62	2,120	53
Private retirement income	10,600	37	12,800	48	11,500	68	14,200	67
Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) benefits	5,080	71	7,550	83	7,300	86	8,600	90
Second generation								
Total income	44,000	99	37,200	97	43,200	100	39,600	100
Market income	29,000	90	21,600	79	25,600	95	24,400	89
Employment income	9,800	31	7,650	37	5,800	19	6,320	31
Investment income	3,600	62	1,030	34	3,240	72	1,880	56
Private retirement income	20,000	71	17,800	56	18,800	85	19,200	71
Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) benefits	9,400	90	8,700	86	10,100	98	9,000	95
Third generation or more								
Total income	36,400	100	28,600	100	50,000	100	34,800	100
Market income	24,600	80	18,000	69	33,600	94	21,600	84
Employment income	11,000	31	9,900	28	10,900	34	6,700	30
Investment income	1,640	44	460	23	2,700	67	1,050	47
Private retirement income	19,600	59	15,500	51	27,600	71	18,000	65
Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) benefits	8,700	93	7,800	94	9,400	91	8,500	96

Notes: In the analysis and communication products for the 2021 Census, the terms “visible minority” and “not a visible minority” have been replaced with the terms “racialized groups” and “non-racialized population”, reflecting the increased use of these terms in the public sphere.

For the purposes of this study, Indigenous respondents are not included in the analyses.

Source: Statistics Canada, Census of Population, 2021.

Conclusion

In summary, an analysis of the income sources of racialized and non-racialized individuals at the average retirement age in Canada shows that non-racialized individuals generally have higher median incomes from private pensions, investments, and government benefits such as the QPP and the CPP than racialized individuals.

The data also indicate that both racialized and non-racialized men are more likely to have higher income rates than women in several retirement income categories, reflecting persistent gender disparities in financial security in retirement. In addition, the economic challenges racialized women are likely to face, compounded by double marginalization due to their gender and ethnocultural background.

The analysis by region indicates that older racialized adults are likely to experience variations in financial resources in retirement across Canada. Some provinces, such as Alberta and British Columbia, seem to offer potentially favourable retirement conditions for some groups, while others, such as Quebec, may present challenges.

Finally, the impact of generation status on income sources at retirement age is evident in the second-generation Black and Japanese populations, which stood out for having the highest rates of investment and market income than other generations.

In future analyses, it will be interesting to look at the different sources of retirement income of various racialized groups, homing in on the migratory status and period of immigration of these populations, because the length of stay in Canada can influence the accumulation of resources for retirement (Hou, Schimmele and Stick, 2023).

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