

# **Age Discrimination and the Employment Rights of Elderly Canadian Immigrants**

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# EXECUTIVE SUMMARY

## I. Immigrants and the Employment Rights of Elderly Canadians

The human rights code in most Canadian jurisdictions restricts the employment rights of the elderly, either by defining “age” to exclude those 65 years of age and older or by identifying a *bona fide* mandatory retirement plan as reasonable limitation on the equality rights. This paper considers the possibility that these restrictions entail “adverse effect” discrimination for immigrants to Canada. Since many immigrants arrive relatively late in their working life and with little personal wealth, denying them the right to employment may inadvertently create an undue economic hardship by limiting their capacity to accumulate sufficient savings for retirement.

## II. The Economic Assimilation of Canadian Immigrants

The employment experience of immigrants differs significantly from that of native-born Canadians. Immigrants generally face relatively low wages upon first entering the Canadian labour market but, over time their incomes gradually “catch up” to that of native-born Canadians with similar educational background and work experience. Since immigrants are less likely to accumulate as much personal savings and pension entitlements prior to age 65—by virtue of a shorter work career and a lower average annual income—they suffer a more significant decline in income upon retirement.

### III. The Economic Status of Elderly Canadian Immigrants

Examination of the 1996 Census of Canada indicates that among those 65 years of age and older:

- \$ Immigrants receive, on average, 9 percent less income than native-born Canadians and experience a much higher incidence of low income.
- \$ The average income of immigrant women is 64 percent of what immigrant men receive, a percentage similar to that in the general population.
- \$ The average income of immigrants varies significantly by country of birth and is remarkably low for those from several southeast Asia countries (including China, Hong Kong, the Philippines and Vietnam). Consequently, the incidence of low income among elderly immigrants from these countries is extremely high, in some cases in excess of 40 percent.
- \$ Immigrants with a relatively low average income have a heavier dependence on government transfer payments and current employment earnings rather than income derived from past savings.
- \$ In order to estimate the relative importance of different factors upon the income of elderly Canadians, multiple regression analysis was undertaken. The key finding is that an immigrant's year of arrival in Canada plays a significant role in explaining current income. Recent cohorts of immigrants, by virtue of their limited number of years in the Canadian labour market, incurred a substantial income penalty. This magnifies the implications of mandatory retirement upon their economic well-being.

## IV. Age Discrimination and Employment Income

Comparing provinces with and without a statutory definition of age suggests that in the absence of legal barriers to employment, elderly immigrants are more likely than native-born Canadians to remain in the labour force and will earn higher employment incomes.

## V. Personal Experiences of Canadian Immigrants

Interviews were conducted with 85 Canadian immigrants concerning their employment experience and attitude towards mandatory retirement. All of those interviewed are currently working or had worked in the paid labour force. Their responses obviously varied but some general observations can be drawn:

- § In the decision to migrate, employment was a central concern, while retirement, and the possibility of mandatory retirement, was too far in the future to warrant much consideration. For many, providing a better future for their children was the paramount concern.
- § Few indicated difficulty in finding a job, although some with professional training cited delays in obtaining accreditation to work in Canada. Many with either few marketable skills or little knowledge of English obtained employment only because they were willing to accept low-paying work as restaurant workers, garment workers and cleaners.
- § Three-quarters of the immigrants 60 years of age and older had retired from their principal occupation, and one-third of these reported that they had been subject to mandatory retirement. Those that retired voluntarily based their decision on the

desire “to enjoy life” as well as financial considerations. Among those who were forced to retire, half stated that they had experienced economic hardship as a result.

§ The majority of those interviewed favoured a change in mandatory retirement policies, preferring either complete abolition or an increase in the age limit. Of those that did not, most cited the need to create opportunities for younger workers. This adherence to the “lump-of-labour” argument is surprising given that it is frequently invoked against immigrants themselves and is likely due to the importance many immigrants place on providing a better economic future for their children.

## VI. Conclusion and Policy Implications

Any discussion of the employment rights of the elderly must be informed by the intersection between age and immigration status. Specifically, the findings of this study inform three aspects of public policy in Canada:

- *Human Rights Legislation:* The cost imposed on the elderly by restricting their employment rights is often justified in terms of the benefits accruing to younger workers in the form of enhanced job prospects. The social benefits of this policy are increasingly circumspect as the “dependency burden” increases and labour market conditions change, while it places an undue burden of the costs on elderly immigrants who rely more heavily on employment earnings for their livelihood.
- *Immigration Policy:* A recent legislative review of immigrant policy suggests that age should play a greater role in the selection of immigrants given the greater dependence of older immigrants on social assistance. This recommendation however, fails to consider the degree to which the dependence of elderly immigrants upon social assistance is a reflection of other social policies, such as mandatory retirement, that limit the ability of elderly immigrants to earn income. More generally,



if Canada remains committed to family reunification and the protection of refugees, it must ensure that immigrants in these entry categories can enjoy a reasonable standard of living.

- *Income Maintenance and the Elderly:* A distinct success story in Canadian social policy has been the reduction in the percentage of the elderly living below the low-income cut-off line. This has largely been achieved by improvements in public and private pension plans and the tax incentives provided under Registered Retirement Savings Plans (RRSPs), that is, income derived from previous employment, as opposed to universal social welfare benefits. This reliance upon private sources of income to ensure the well-being of elderly Canadians has left the incomes untouched of those who, by virtue of their limited savings upon arrival and late entry into the labour force, are at much greater risk of living below the poverty line.



# I. Immigrants and the Employment Rights of Elderly Canadians

One of the most significant ways in which legislation affects the lives of older Canadians is with respect to the entitlement to employment. While the human rights code in all Canadian jurisdictions extends protection against discrimination on the basis of age, several limitations on this right apply to those 65 years of age and older. Four provinces—Newfoundland, Ontario, Saskatchewan and British Columbia—provide a statutory definition of age, for the purposes of employment, to be less than 65 years. Moreover, most other provincial codes, as well as the Canadian Human Rights Act, specify that protection against age discrimination does not apply with respect to a *bona fide* mandatory retirement plan.<sup>1</sup> The Supreme Court of Canada has upheld these restrictions as a reasonable limit on equality rights.

Restrictions on the employment rights of the elderly are largely justified in terms of the desire to improve the job opportunities of younger workers, to preserve the integrity of private and public pension plans, to facilitate seniority-based wage and promotion schedules in collective labour agreements and to avoid introducing regular employee testing into the workplace.<sup>2</sup> Whether or not these arguments were once compelling, they are less persuasive in the current demographic and economic climate. Indeed, the aging of Canada's population and the increasing proportion of older people presents a significant

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<sup>1</sup> Where federal jurisdiction applies, Section 15(1) of the Canadian Human Rights Act outlines three conditions under which mandatory retirement is not deemed to be a discriminatory practice (N.C. Agarwal, "A Mandatory Retirement and the Canadian Human Rights Act", paper prepared for the Canadian Human Rights Act Review Panel (October 1999)).

<sup>2</sup> The importance of mandatory retirement in preserving seniority-based wage structures is outlined in E. Lazear, "Why is There Mandatory Retirement," (1979) 87 *Journal of Political Economy* 1261 at 1284. Its role in reducing the need for workplace monitoring is discussed in M. Gunderson, "Mandatory Retirement and Personnel Policies," (Summer 1983) *Columbia Journal of World Business* 8 at 15. See also M. Gunderson and J.E. Pesando, "The Case for Allowing Mandatory Retirement," (1988) 4 *Canadian Public Policy* 32 at 39.

economic challenge over the next twenty years. The expected growth in the “dependency burden”—or the percentage of nonworking-age individuals in the total population—threatens to strain Canada’s social security system and place greater demands on government expenditures. Concurrently, the prospect of a labour shortage looms as the “baby boom” generation reaches retirement age and the declining birth rate makes it unlikely that there will be a sufficient number of workers to take their place in the labour market.<sup>3</sup>

Moreover, undue consideration has been given to the possibility that barriers to employment have a differential effect on specific groups of Canadians. Ostensibly “neutral” policies may have unforeseen consequences that lead to what is variously defined as “adverse effect”, “constructive” or “systemic” discrimination. For instance, the Ontario Human Rights Act defines adverse effect or constructive discrimination to prevail “where a requirement, qualification or factor exists that is not discrimination of a prohibited ground but that results in the exclusion, restriction or preference of a group of persons who are identified by a prohibited ground of discrimination and of whom the person is a member.”<sup>4</sup> (An old example would be minimum height requirements for police officers limiting the access of women to the profession.) In this respect, the concept of “intersectionality”—or the correlation between factors such as age and gender—has received greater attention.

Where employment rights are concerned, it is appropriate to consider the relationship between age and immigration status if only on quantitative grounds. Immigrants, as a group, tend to be older than native-born Canadians: in 1995, they composed 17.3 percent of the overall population, but 27.2 percent of elderly Canadians. Today, nearly one in four Canadians aged 65 years and older are immigrants (see Table 1).

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<sup>3</sup> F. Denton and B. Spencer, “Population Aging and the Maintenance of Social Security Systems,” (1997) 16 *Canadian Journal on Aging*; and “Demographic Trends, Labour Force Participation and Long-Term Growth,” in T.J. Courchene and T.E. Wilson. eds., *Fiscal Targets and Economic Growth* (Kingston: John Deutsch Institute of Queen’s University, 1998).

<sup>4</sup> *Ontario Human Rights Act*, R.S.O. 1990, c. H-19, s. 11(1).

The majority of the elderly are women, with the percentage slightly higher in the non-immigrant (57.5%) than the immigrant (55.0%) population.

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**Table 1: Distribution of Population Aged 65+ Years, by Immigrant Status, 1996**

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Immigrant Status	Population Aged 65 Years and Over			% of Elderly
	All Ages	65+	% of Group	
Native-Born				
Women	11,002,530	1,260,067	11.5%	41.7%
Men	10,675,666	933,000	8.7%	30.8%
Total	21,678,200	2,193,067	10.1%	72.5%
Immigrant				
Women	2,365,367	453,100	19.2%	15.0%
Men	2,221,400	370,633	16.7%	12.2%
Total	4,586,767	823,733	17.9%	27.2%
Non-permanent Residents	149,933	6,900	4.6%	0.2%
Total	26,414,900	3,023,700	11.4%	100.0%

Source: Statistics Canada, *1996 Census Public Use Microdata File on Individuals* (Ottawa). Based on a 3 percent sample of the population.

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More prescient is the abundant literature that documents the different economic experiences of immigrant and native-born Canadians. Immigrants typically arrive with little personal wealth and thus have a higher rate of attachment to the paid labour force. When comparing individuals in the labour force with similar educational backgrounds, work experience and skills, immigrants encounter relatively low wages upon first entering the labour market and then experience a gradual “catching up” with the incomes of native-born Canadians. In other words, immigrants experience “economic assimilation” as their English or French language skills improve, as they become more accustomed to Canadian cultural

norms, or as the degree of discrimination in the labour market diminishes.<sup>5</sup> Immigrants tend to earn less and have lower incomes over the duration of their working lives and therefore experience lower incomes after retiring.

Accordingly, any policy dealing with the employment rights of the elderly must consider the intersection between age and immigration status. For immigrants who may face a shorter period of time in which to accumulate sufficient savings for their retirement, further attenuating their working careers through mandatory retirement may impose significant economic hardship. This burden may be particularly acute for immigrant women who, relative to native-born women, exhibit a much stronger attachment to the paid labour force.

The objective here is to explore the extent to which limitations on the employment rights of the elderly—including mandatory retirement provisions—have a particularly adverse effect on the economic and social well being of Canadian immigrants. Section II summarizes the existing literature on the economic assimilation of immigrants to Canada and considers the implications for an individual's income after reaching 65 years of age. In Section III we provide an overview of the economic status of elderly Canadian immigrants which focuses on the average income and incidence of low income by country of origin. Section IV provides tentative evidence consistent with the view that provinces which limit the employment rights of the elderly create an adverse effect for immigrants. Section V then summarizes the findings derived from 85 interviews conducted with elderly Canadian immigrants in order to provide a richer portrait of their work and retirement experiences. In Section VI we conclude, reiterating the need to give due consideration to the experience of

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<sup>5</sup>

This literature is reviewed in Hugh Grant and Ronald Oertel, "Diminishing Returns to Immigration? Interpreting the Recent Economic Experience of Canadian Immigrants," (1998) 30(3) *Canadian Ethnic Studies* 56 at 76.

immigrants in any policy discussion concerning the employment rights and income maintenance of elderly Canadians.

## II. The Economic Assimilation of Immigrants to Canada

The “economic assimilation” of immigrants—or the capacity of the host economy to “absorb” new immigrants—has been the major focus of recent research on the economics of immigration. In Canada this has spawned extensive literature that compares the labour market behaviour and age-earnings profiles of immigrants relative to their native-born counterparts. While the empirical results vary depending upon the “cohort” group based on year of arrival, three clear trends emerge.

First, immigrants tend to have a higher rate of participation in the paid labour force and tend to work longer hours. This reflects a smaller accumulation of savings or wealth, or a relatively late entry into the labour market, often due to interruptions in their working lives caused by economic and political events. The relatively high rate of labour force participation is especially the case among women immigrants given the greater incidence of two-income families among immigrants than non-immigrants.<sup>6</sup>

Second, after adjusting for all measurable productivity characteristics (such as education, work experience, language skills), immigrant workers face an “entry penalty” in terms of a lower initial wage relative to their native-born counterparts. Over time however, the earnings of immigrants gradually “catch up” with those of native-born workers with equivalent observable skills. Interpretations of this “economic assimilation” vary. On the one

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<sup>6</sup>

C. Worswick, “Credit Constraints and the Labour Supply of Immigrant Families in Canada,” (1999) 32 *Canadian Journal of Economics* 152 at 170; “Immigrant Families in the Canadian Labour Market,” (1996) 22 *Canadian Public Policy* 378 at 396. M. Baker and D. Benjamin, “The Role of the Family in Immigrants= Labour-Market Activity: An Evaluation of Alternative Explanations,” (1997) 87 *American Economic Review* 705 at 727.

hand, it may reflect the acquisition of “unobservable skills” (such as greater English or French language proficiency, or greater familiarity with Canadian cultural norms); on the other hand, it may reflect the gradual decline in discrimination faced by new immigrants, particularly visible minorities, as they acculturate.

Third, the *rate* of economic assimilation—indeed whether or not immigrants’ incomes ever “catch up” to those of native-born Canadians during their working lives—has varied significantly among different cohort groups depending upon their year of arrival. Evidence from the 1981 and 1991 Census indicated that more recent immigrant cohorts experienced a higher initial entry penalty and a much slower rate of assimilation such that the prospect of ever catching up with the earnings of their native-born counterparts was unlikely.<sup>7</sup> More recently, an exhaustive examination of the 1991 Census suggests a break in the pattern. While the 1981-85 cohort had lower initial earnings than the previous cohort, the following group arriving in 1986-90 had earnings that were approximately equal to those of the 1981-85 cohort, pointing to the possibility that the decline in entry earnings of successive cohorts has stopped. As well, the assimilation rate of the 1981-85 cohort was found to be 17.2 percent over the first five years in Canada, compared to a 0 percent assimilation rate over the first five years for those immigrants arriving between 1976-80.<sup>8</sup>

A separate question, unaddressed in the literature, concerns the post-retirement incomes of immigrants. The simple life-cycle model implies that individuals will save during their working lives in order to accumulate sufficient wealth for their retirement years; during retirement their assets gradually diminish as they dissave. In effect, individuals seek to

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<sup>7</sup>

M. Baker and D. Benjamin, “The Performance of Immigrants in the Canadian Labour Market,” (1994) 12 *Journal of Labour Economics* 369 at 405; D.E. Bloom, and M. Gunderson, “An Analysis of the Earnings of Canadian Immigrants” in J.M. Abowd and R.B. Freeman, eds., *Immigration, Trade, and the Labour Market* (Chicago: University of Chicago Press, 1991); and D.E. Bloom, G. Grenier, and M. Gunderson, “The Changing Labour Market Position of Canadian Immigrants,” (1995) 28 *Canadian Journal of Economics* 987 at 1005.

<sup>8</sup>

Mary Grant, “Evidence of New Immigrant Assimilation in Canada,” (1999) 32 *Canadian Journal of Economics* 930 at 955.



“smooth out” their lifetime consumption when their annual income varies significantly over time. For the elderly, future income is known with reasonable certainty (notwithstanding variations in the rates of inflation and interest), but one’s longevity may not be. With perfect foresight regarding longevity, wealth should fall to zero at the time of death; under the more realistic assumption of uncertain longevity, wealth will gradually diminish as the retiree ages. Alternatively, if leaving a bequest is an important goal, the rate of dissaving may be less acute.

Empirical investigation of life-cycle models finds that the level of education, gender, marital status, ethnicity and cohort effects play a major role in explaining the heterogeneity in the saving behaviour of American households.<sup>9</sup> For the elderly with children, the “bequest motive” is also found to be a significant determinant of dissaving. The overriding result however, is that many individuals or households do not accumulate sufficient wealth for their retirement years, which results in a greater dependence on government transfers, a high incidence of low income, and a gradual decline in total income with age.<sup>10</sup>

As insightful as this literature is, it has not considered the importance of immigration status on the age-earnings and age-wealth profiles. Even if the rate of economic assimilation is sufficiently high such that immigrants’ earnings indeed catch up to those of non-immigrants, it is unclear whether their life-long employment earnings provide sufficient savings for their retirement years. This argument is stylized in Figure 1. Assume that an immigrant enters the country in year “a” at the beginning of his or her normal working life. After adjusting for all “observable” differences in productivity (education level, work experience and language skills), the immigrant faces an entry penalty (e) in terms of a lower

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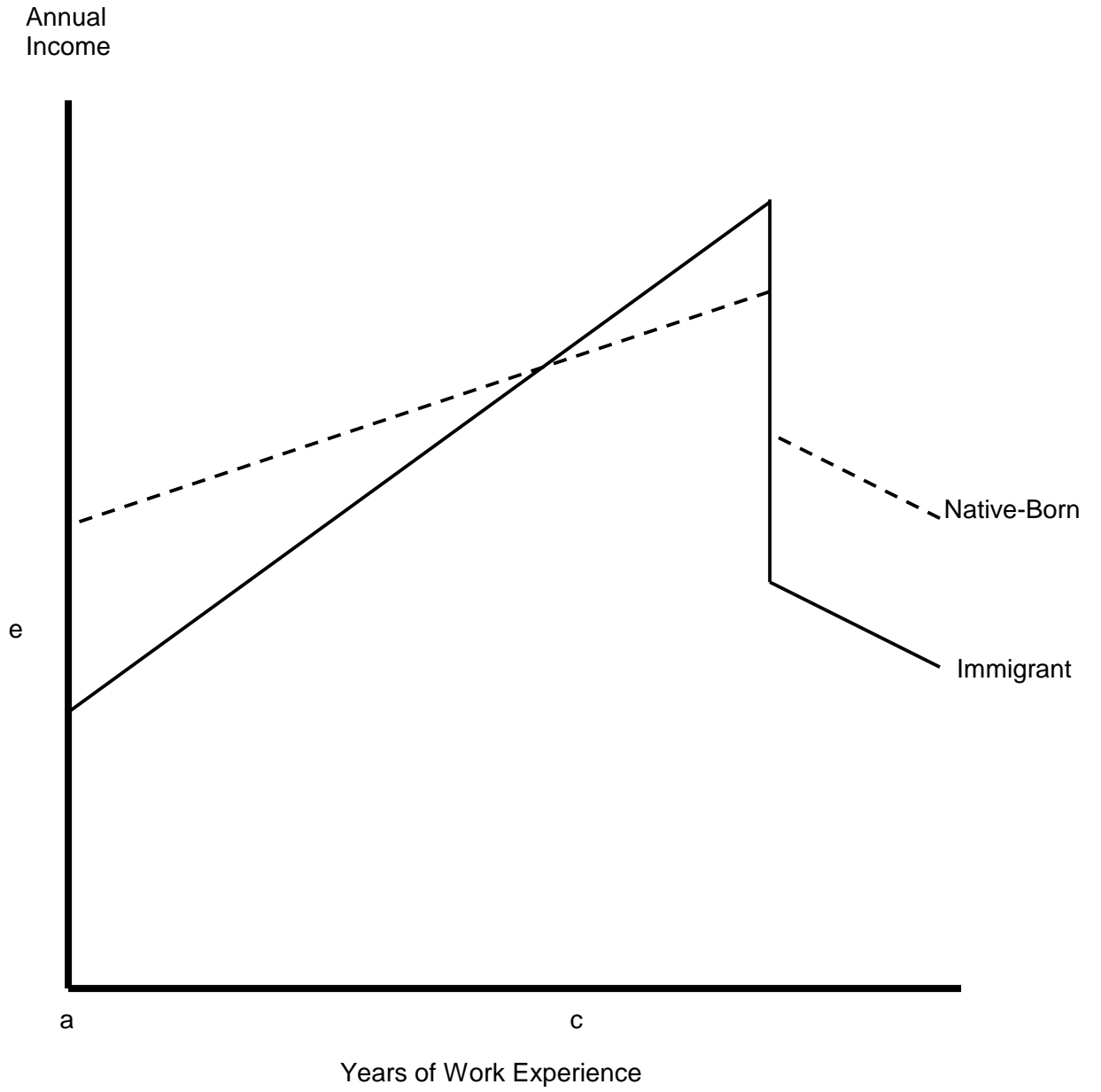
<sup>9</sup> V. Hildebrand, “Wealth Accumulation of US Households: What Do we Learn from the SIPP Data?” SEDAP Research Paper No. 41, McMaster University, (Hamilton, Ontario, 2001).

<sup>10</sup> E.G. Engen and W. Uccello, “The Adequacy of Household Savings,” (1999) 2 Brookings Papers on Economic Activity 65 at 187; M.D. Hurd, “Research on the Elderly: Economic Status, Retirement and Consumption and Saving,” (1990) 28 Journal of Economic Literature 565 at 637.

initial wage, but enjoys a faster increase in annual income with greater experience in the Canadian labour market. This more rapid rate of increase in income is attributed to the economic assimilation that occurs. The immigrant's annual income then catches up to the non-immigrants (with the same observable skills) in year "c". If however, year "c" occurs sufficiently late in the immigrant's working life, his or her lifetime earnings may be lower and, assuming similar rates of savings, the immigrant enjoys a lower income during retirement.

It follows that if an immigrant's entry into the Canadian labour market occurs at a relatively late age, such that the age-earnings profile is attenuated, the likelihood of his/her income catching up to that of the native-born counterpart is reduced. The implications for incomes beyond the normal age of retirement are apparent. Assuming a similar rate of savings out of current income, accumulated saving at the normal age of retirement will be less and, accordingly, income will be lower.

Figure 1: Hypothetical Income Paths  
Immigrant and Native-Born Canadians



### III. The Economic Status of Elderly Canadian Immigrants

The economic status of elderly Canadians improved steadily after 1971 with the maturation of the Canadian and Quebec Pension Plans (instituted in 1966). The result has been a rise in average real disposable income, greater income equality and a fall in the incidence of low income. Indeed, Canada now exhibits low-income rates for the elderly that are among the lowest in the OECD.<sup>11</sup> How immigrants have fared amid these changes, however, is unclear.

A portrait of the economic status of elderly Canadian immigrants can be derived from data from the 1996 Census of Canada. The Statistics Canada public-use microdata file provides detailed information for 3 percent of all Canadians, or a sample of 792,447 individuals. This includes data on income by source, personal characteristics (such as age, gender and marital status), and data specific to immigration status (country of birth, year of immigration and age at immigration). We define elderly to include all individuals 65 years of age and older.

#### A. Average Income

As Table 2 indicates, there was a significant gap between the incomes of elderly immigrant and native-born Canadians in 1995. Immigrant men received, on average, \$1,773 (or 8.5 percent) less income than native-born men, while immigrant women received \$1,556 (or 9.2 percent) less than native-born women. The income gap between men and women is fairly consistent, with women receiving 64 percent of what men do.

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<sup>11</sup>

J.Myles, "The Maturation of Canada's Retirement Income System: Income Levels, Income Inequality and Low Income among the Elderly," Statistics Canada, Analytical Studies Branch, Research Paper no. 147 (Ottawa, 2000).

The incidence of low income, though still high relative to the total population, has fallen dramatically over the past thirty years. Between 1971 and 1985, the percentage of elderly unattached individuals living below the low-income cut-off line fell from 46.8 to 36.8 percent. The incidence of poverty tends to be much higher among unattached individuals as opposed to those living in families.<sup>12</sup> It has continued to decline since; in 1995, 23.6 percent of women and 13.0 percent of men lived below the low-income cut-off line. This said, immigrants face a greater likelihood of low income: one in four women, and one in six men.

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**Table 2: Average Income and Incidence of Low Income  
Elderly Canadians, by Immigration Status and Gender, 1995**

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**A. Average Income**

<b>Immigrant Status</b>	<b>Total</b>	<b>Women</b>	<b>Men</b>	<b>Women/Men (%)</b>
Native-Born	\$20,873	\$16,846	\$26,312	64.0%
Immigrant	\$19,100	\$15,290	\$23,764	64.3%
Immigrant/Native-Born (%)	91.5%	90.8%	90.3%	

**B. Incidence of Low Income**

<b>Immigrant Status</b>	<b>Women</b>	<b>Men</b>
Native-Born	22.6%	11.4%
Immigrant	26.4%	17.5%

Source: Statistics Canada, *1996 Census Public Use Microdata File on Individuals* (Ottawa).

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<sup>12</sup>

G. Oja, & R. Love. "Pensions and Incomes of the Elderly in Canada, 1971-1985" Income Analytic Report No. 2 (Ottawa, Ont. : Statistics Canada, Labour and Household Surveys Analysis Division, 1988).

## B. Income by Country of Birth

When the average income of elderly immigrants is examined according to place of birth, some striking differences emerge. Table 3 provides a breakdown of average income and the incidence of low income among the elderly according to place of birth and gender. Immigrants from the United States, the United Kingdom and northern Europe generally enjoyed higher incomes and a lower incidence of poverty than native-born Canadians; however, immigrants from the area of Asia, Africa and Central/South America experienced remarkably low average incomes. Expressed as a percentage of the earnings of native-born Canadians, average income was particularly low among immigrants from south Asia (chiefly India and Pakistan, 62% for men and 57% for women); China (47% and 58%); the Philippines (45% and 61%); and Vietnam (37% and 50%). Notable in this respect, and contrary to many popular perceptions of the “wealthy Chinese immigrant,” is the low average income of elderly immigrants from Hong Kong (51% and 64%).

Accordingly, the incidence of low income among immigrants from certain regions is alarmingly high: women from west Asia and the Middle East (43%); men (42%) and women (36%) from Hong Kong; men (45%) and women (36%) from Vietnam; women from Africa (40%); and men (33%) and women (40%) from Central and South America.

**Table 3: Mean Income, Relative Indices and Incidence of Low Income  
Aged 65 Years and Over by Place of Birth and Sex, Canada, 1995**

Place of Birth Income	Men			Women		
	Income	Index	Low Income	Income	Index	Low
Canada	26,312	100	11.4%	16,846	100	22.6%
All Immigrants	23,764	90	17.5%	15,290	91	26.4%
USA	29,632	113	9.0%	18,422	109	20.5%
UK	29,887	114	9.4%	17,504	104	21.9%
Northern Europe	26,847	103	9.7%	16,138	96	21.8%
Southern Europe	18,766	71	23.1%	12,619	75	26.1%
Other Europe	25,784	98	14.5%	17,114	102	26.6%
Former USSR	23,597	90	13.8%	16,659	99	30.2%
Former Yugoslavia	21,795	83	18.4%	15,620	93	28.4%
West Asia and Middle East	18,043	69	31.3%	10,856	64	42.7%
South Asia	16,387	62	25.3%	9,669	57	21.7%
China	12,414	47	35.0%	9,814	58	34.0%
Hong Kong	13,378	51	42.0%	10,780	64	36.4%
Philippines	11,715	45	23.5%	10,336	61	22.7%
Vietnam	9,727	37	45.2%	8,359	50	36.4%
Other East/Southeast Asia	19,208	73	35.1%	11,028	65	35.2%
Africa	24,050	91	29.8%	14,410	86	40.2%
Central/South America	19,221	73	32.9%	12,857	76	40.3%
Other	30,590	116	2.6%	16,788	100	30.3%

Source: Statistics Canada, 1996 Census Public Use Microdata File on Individuals (Ottawa).

## C. Income by Source

The overall decline in the incidence of low income among the elderly has been greatly affected by changes in private and public pension plans over the past thirty years. Since the early 1970s, there has been a steady expansion in the value and coverage of the Canada and Quebec Pension Plans (CPP/QPP); employer-sponsored pensions plans; and investment income derived from registered retirement savings plans (RRSP). When added to universal Old Age Security (OAS) and means-tested Guaranteed Income Supplement (GIS) benefits, the average income of elderly Canadians grew more rapidly than that of the population as a whole between 1971 and 1989.<sup>13</sup>

Women benefited less than men from these pension changes. Despite the rising participation rate of women in the paid labour force, expanded provisions for survivor benefits in pension plans, and legal changes that require pension entitlements to be split upon divorce, pension income was more inequitably distributed between men and women. Instead, it was the growth in investment income that caused the gap in average income between elderly men and women to narrow from roughly one half to one third between 1971 and 1985.<sup>14</sup>

The relative dependence of immigrant and native-born Canadians on various forms of income is displayed in Table 4. Income is grouped under three categories: a) income from government transfer payments, including OAS and GIS benefits; b) income derived primarily from previous employment earnings, including CPP/QPP benefits, private pension benefits, RRSPs and investment income; and c) income from current employment and self-employment.

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<sup>13</sup> *Supra* note 11; and *supra* note 12.

<sup>14</sup> *Supra* note 12.



**Table 4: Mean Income, by Source of Income  
Elderly Canadians by Place of Birth and Gender, 1995**

Place of Birth	Government Transfers <sup>1</sup>		Savings <sup>2</sup>		Current Earnings <sup>3</sup>	
	Men	Women	Men	Women	Men	Women
Canada	25.9%	42.0%	60.6%	52.5%	13.5%	5.5%
Outside Canada	26.8%	44.0%	57.9%	48.9%	15.3%	7.2%
USA	21.5%	37.0%	64.7%	55.7%	13.8%	7.3%
UK	21.0%	38.8%	65.6%	56.1%	13.4%	5.1%
Northern Europe	23.2%	25.9%	60.0%	69.8%	16.8%	4.3%
Southern Europe	37.9%	59.0%	50.9%	35.5%	11.2%	5.6%
Other Europe	26.1%	40.5%	56.6%	51.0%	17.4%	8.5%
Former USSR	28.8%	43.8%	63.1%	50.8%	8.1%	5.5%
Former Yugoslavia	32.8%	45.0%	51.5%	46.5%	15.7%	8.5%
West Asia/Middle East	33.3%	57.0%	36.8%	34.5%	29.9%	8.5%
South Asia	33.3%	60.8%	45.9%	33.6%	20.8%	5.6%
China	38.7%	57.1%	49.7%	36.4%	11.6%	6.5%
Hong Kong	27.5%	39.5%	52.3%	58.4%	20.2%	2.2%
Philippines	47.7%	59.7%	29.2%	28.0%	23.2%	12.3%
Vietnam	67.6%	75.1%	19.1%	16.9%	13.3%	8.1%
Other South East Asia	28.1%	51.6%	51.0%	41.5%	20.9%	6.8%
Africa	25.6%	47.3%	42.0%	41.2%	32.4%	11.5%
Central/South America	31.3%	52.3%	47.3%	33.7%	21.4%	14.0%
Other	21.2%	36.2%	62.1%	57.5%	16.6%	6.2%

Notes:

1. includes OAS and GIS benefits, and other government transfers unrelated to previous work experience;
2. includes private and CPP pension benefits, RRSP and investment income;
3. includes earnings from employment and self-employment.

Source: Statistics Canada, *1996 Census Public Use Microdata File on Individuals* (Ottawa).

For native-born men, 26% of their income in 1995 was derived from government transfers, 60% from personal savings, and 13% from current earnings. The distribution for immigrant men, taken as a whole, is only slightly different. When the immigrant population is examined according to place of birth, however, significant variation emerges. In particular, immigrant men from Asia display a greater reliance upon government transfer payments and current employment/self-employment earnings than on income from previous savings. Of particular note are elderly men from the Philippines for whom 47% of their income is derived from government transfers, 23% from current employment, and only 29% from previous savings; and men from Vietnam who have an extraordinary heavy reliance upon government transfer payments (68%) and extremely low income derived from previous savings (19%).

Elderly women, and elderly immigrant women in particular, display a greater reliance on government transfer payments.<sup>15</sup> Native-born women obtained 42% of their income from government transfers, 52.5% from previous savings, and 5.5% from current employment. The distribution for immigrant women is similar, with a slightly higher dependence on government transfers (44%) and a slightly higher reliance on current employment earnings (7.2%). A much different situation exists for immigrant women from south and southeast Asia. Dependence on government transfer payments is much higher (reaching 75% among women from Vietnam) and in many cases, income from current employment represents a much more significant share of total income (as high as 12.3% among immigrant women from the Philippines).

## D. Determinants of Income of the Elderly

The low economic status of some elderly immigrants—whether measured in terms of average income, the incidence of poverty or dependence upon government transfers—is alarming. Since the majority of the elderly are no longer in the labour force, their current income is largely derived from saving out of previous employment. Past earnings, in turn, may vary according to a number of factors. Marital status and the number of dependents can affect the degree of labour force attachment; human capital skills (as reflected in the education level and knowledge of an official language) influence an individual's wage rate or salary level; and age at the time of immigration often dictates the number of years spent in the Canadian labour market. The relative importance of these variables however, cannot be observed directly in the data. It is appropriate, therefore, to estimate the determinants of the income of elderly Canadians using multiple regression techniques.

The reported incomes of 90,712 elderly Canadians in the 1996 Census sample were estimated according to a standard wage function that relates an individual's earnings to various personal and human capital characteristics. We considered the influence of one's age, marital status, education level, language skills and immigration status on annual income. Appendix 2 elaborates on the methodology used and provides a more detailed review of the empirical results.

This empirical exercise largely yielded the anticipated results, most notably that annual income is predicted to increase with one's education level and knowledge of English or French. The issue of greatest immediate concern, however, is the influence of immigration status on income. Specifically, more recent cohorts of immigrants received a much lower income.

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<sup>15</sup>

For previous work on this issue, see M. Boyd, "Immigration and Income Security Policies in Canada: Implications for Elderly Immigrant Women", (1989) 8 Population Research and Policy Review 5 at 24.

In order to illustrate the importance of year of arrival upon predicted income, consider a “representative” man with the average characteristics of all men in the Census sample: he is 73 years of age, with 9.7 years of formal education, speaks English or French and is or was married. The “representative” woman in the sample is 74 years old, with 9.5 years of schooling, speaks an official language and is or was married. Table 5 displays the estimated difference in their incomes in 1995 depending upon their time of arrival in Canada. Had the man arrived before 1950, he would be receiving \$21,841; during the 1950s, \$20,011; during the 1960s, \$18,936; during the 1970s, \$15,491; and after 1991, \$5,771. A similar income pattern is found for the representative woman.

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**Table 5: Estimated Annual Income According to Year of Arrival, 1995\***

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<b>Period of Arrival</b>	<b>Men</b>	<b>Women</b>
<1950	21,841	14,063
1951-1960	20,011	13,461
1961-1970	18,936	13,276
1971-1980	15,491	12,708
1981-1990	5,771	3,492

\*The representative man is 73 years old, has 9.7 years of schooling, speaks an official language and is married. The representative woman is 74 years old, has 9.5 years of schooling, speaks an official language and is married.

This finding helps explain the low average income and high incidence of poverty among immigrants from south and southeast Asian countries. It is not their country of origin per se that accounts for their low average income, but that they share similar traits, including less proficiency in English or French and a later year of arrival in Canada. With fewer years of work experience in the Canadian labour market, they are less able to save enough income for their retirement years. This emphasizes the need to know more about if and how limitations on employment rights impose an economic burden on immigrants.

## IV. Age Discrimination and Employment Income

Is there any statistical evidence to suggest that removing the protection against age discrimination for elderly Canadians contributes to the relatively low economic status of elderly immigrants? In other words, do human rights codes in Canada, either by facilitating mandatory retirement plans or by otherwise limiting the employment rights of those beyond the normal age of retirement, impose a “binding constraint” upon an individual’s access to paid employment?

The participation rate of elderly Canadians in the paid labour market has declined over the past twenty-five years, from 9 percent in 1976 to 6 percent in 1998. In the latter year, roughly 60 percent worked on a full-time basis.<sup>16</sup> In 1995, 10 percent of elderly men and 5 percent of elderly women received employment income.

The degree to which the employment of the elderly is reduced by mandatory retirement provisions is difficult to determine. While age-earnings profiles for immigrants and non-immigrants alike reveal a sharp decline in employment income upon reaching the age of 65, there is no means of determining whether or not people exit the labour force voluntarily.

It is instructive, however, to compare the labour force behaviour of elderly immigrants and non-immigrants according to the definition of age in provincial human rights codes. In Table 6, data on labour force participation rate and employment earnings is separated into two categories. “Provinces with a Statutory Definition of Age” includes the four provinces (Newfoundland, Ontario, Saskatchewan and British Columbia) where protection from age discrimination covers only individuals under the age of 65 years.

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<sup>16</sup>

Health Canada, *Statistical Snapshot No. 18: Still on the Job*. Ottawa, 2000.

“Provinces with no Statutory Definition of Age” include the other provinces and territories, where the elderly are extended the same protection against age discrimination. No comparison *between* these categories is warranted since data for the four provinces that define age are dominated by Ontario and British Columbia which are relatively strong labour markets. It is useful, however, to compare the labour force participation of immigrants and non-immigrants within each category.

In category A (provinces with a statutory definition of age), the labour force behaviour of immigrants and non-immigrants is similar. For men the participation rates are virtually identical (11.6 percent native-born and 11.1 percent for immigrants), while the earnings of native-born are 6 percent higher (\$25,043 versus \$23,669). The difference in earnings may be due to a higher average wage rate or greater hours of work.

In category B (provinces with no statutory definition of age), there is a marked difference in labour force behaviour. Among men, immigrants display a higher participation rate (12.2 percent versus 9.8 percent) and their average earnings are 20 percent higher (\$26,805 versus \$22,529). Similarly, among women the participation rate of immigrants is greater (5.6 percent versus 4.4 percent) and the average earnings of immigrants is 5 percent higher (\$15,201 versus \$14,527).

These results are consistent with the view that in provinces where there are no legal barriers to employment (notwithstanding the possibility of mandatory retirement), immigrants are more likely to remain in the labour force beyond the normal age of retirement and receive a higher annual income. This by no means constitutes definitive evidence that immigrants suffer an undue burden by restricting the employment rights of the elderly. It does suggest, however, that the possibility merits further investigation.

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**Table 6: Elderly Canadians Reporting Employment Earnings  
by Gender and Immigration Status**

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**A. Provinces with a Statutory Definition of Age (< 65 years)\***

	Native-Born		Immigrants	
	Part. Rate	Average Earnings	Part. Rate	Average Earnings
Women	6.1%	\$15,186	6.1%	\$16,086
Men	11.6%	\$25,043	11.1%	\$23,669
Total	8.5%	\$21,018	8.3%	\$20,631

**B. Provinces with no Statutory Definition of Age**

	Native-Born		Immigrants	
	Part. Rate	Average Earnings	Part. Rate	Average Earnings
Women	4.4%	\$14,527	5.6%	\$15,201
Men	9.8%	\$22,529	12.2%	\$26,805
Total	6.7%	\$19,467	8.6%	\$22,642

Note:

\*Newfoundland, Ontario, Saskatchewan and British Columbia.

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Source: Statistics Canada, 1996 Census Public Use Microdata File on Individuals (Ottawa).

## V. Personal Experiences of Elderly Immigrants

During the summer of 2001, 85 interviews were conducted with elderly Canadian immigrants in order to gain a picture of their work and retirement experiences, and to elicit their views on mandatory retirement. A diversity of experiences was sought, drawing upon individuals from different immigration entry classes (independent, family and refugee), different countries of origin (with a focus on southeast and south Asia) and arrivals in Canada over a range of years. An in-depth, semi-structured questionnaire (Appendix 3) was designed in order to facilitate the discussion. All interviews were on a face-to-face basis, with many conducted in a language other than English. The interviews lasted approximately one hour, with each individual asked about their decision to migrate, work experience,

retirement, current income and attitudes regarding mandatory retirement. In the “Profiles” that follow, we have changed the names of the interviewees to avoid disclosing their identity.<sup>17</sup>

It is important to emphasize that the respondents were not randomly selected. Attention was initially restricted to those who had worked in the paid labour force in Canada and who may have been subject to mandatory retirement; subsequently, we sought the opinions of younger immigrants in order to consider whether a subsequent generation had similar employment experiences and attitudes towards mandatory retirement. No statistical inferences about the immigrant population as a whole should be drawn from this sample of interviews, however, the responses are illustrative of the range of experiences of elderly Canadian immigrants.

## A. Reasons for Migrating

Sixty-five of the people interviewed were 60 years of age or older. The majority left from southeast Asia (Hong Kong, mainland China, Taiwan and the Philippines), south Asia (India and Sri Lanka) and Europe (primarily England and the former Czechoslovakia). Most arrived prior to 1980, such that they have been in Canada for more than 20 years. Roughly two thirds entered under the skilled worker/independent immigration class; 24 percent were sponsored by relatives or entered under the family reunification program; and 12 percent were refugees.

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<sup>17</sup>

*Interviews were conducted in London, Toronto, Winnipeg, and Saskatoon by William Acres, Gretta Wong Grant, Ning Wu, Jai Shen-Dong, Mussie Yemane and Kavita Ram.*



**Summary Description of Interviewees Aged 60+ Years**

	%
<b>Gender</b>	
Male	66
Female	34
<b>Place of Birth</b>	
Southeast Asia	30
South Asia	24
Other (primarily Europe)	46
<b>Year of Arrival</b>	
< 1960	8
1960-1969	46
1971-1979	32
1980-1989	10
1990 -	4
<b>Current Age (years)</b>	
60-64	34
65-69	34
70+	32
<b>Immigration Entry Class</b>	
Skilled	62
Family/Sponsored	24
Refugee	12
Student	4

The factors influencing the decisions to migrate obviously varied. For many, “push” factors dominated: several left China in the wake of the Tianamen Square incident; a few cited political unrest in eastern Europe; and all of the Vietnamese immigrants entered as refugees. Others, particularly those entering under the skilled worker and family classes, referred to the general promise of a better future, both economic and otherwise:

*“It was the possibility of more opportunities in Canada. It was a young country, a growing country. We also thought that the opportunities for the children, while they were growing, would be much more.”*

Among the specific reasons given—including less pollution, a better lifestyle and the desire for adventure—two were paramount: employment opportunities and access to quality education for their children.

Only a few individuals experienced a major financial disruption as a cause or result of migrating, however, the majority arrived with very little money. In many cases, individuals relied upon relatives to pay for their airfare or incurred debt to finance their move. One Indian immigrant's situation was representative:

*"In India nobody sells their stuff, so I had a whole house full of stuff that I just gave to people and relatives. Here we started with \$200, it was very hard."*

With the exception of five percent of individuals who placed their savings at over C\$100,000 upon their arrival in Canada, all reported very modest accumulated wealth. Indeed, over one half stated that they had savings of less than \$1,000.<sup>18</sup>

<b>Savings Upon Arrival</b>	<b>%</b>
< \$1,000	58
\$1,000-\$4,999	23
\$5,000-\$19,999	14
\$100,000+	5

In no case did the prospect of mandatory retirement influence the decision to migrate or the choice of province. Many held the impression that similar rules regarding age applied in their home country (India at age 58, England at 65, and Hong Kong at 65). For one man escaping the political turmoil in Czechoslovakia in 1968, there were no thoughts about retirement despite the fact that he was 54 years old at the time:

*"I didn't care what time I had to retire—I just wanted to find work!"*

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<sup>18</sup>

*No effort was made to estimate for the real value of assets; however, this would not appreciably alter the order of magnitude.*

The same was true for a couple that, in their late 30s, left behind the political unrest in

Sri Lanka:

*“We didn’t think that far... we should have given it a little more thought but I suppose but again, because of the near panic situation, we thought we would come and see what we can.”*

For the most part, the prospect of retirement decision was too far in the future to merit consideration in the decision to migrate.

## B. Living and Working in Canada

Regardless of the reason for migrating, finding work was a major concern. Almost all began looking for work immediately after arriving; most reported having had little difficulty finding work; and few suffered no prolonged bouts of unemployment.

<b><i>How Long Did It Take You to Find a Job?</i></b>	<b>%</b>
Less than 1 month	63
1-3 months	23
6 + months	14
<b><i>Did your first job meet your qualifications?</i></b>	
Yes	58
No	42
<b><i>Did you suffer any prolonged periods of unemployment?</i></b>	
Yes	13
No	87
<b><i>How many years have/did you work in Canada?</i></b>	
Less than 10	4
10-19	27
20-29	44
30 +	25

**Profile 1:**

*Mrs. Leung is a 71-year-old widow who emigrated from Hong Kong with her husband and two children in 1975. Their goal was to provide better educational opportunities for their children. Their savings at the time were approximately \$10,000.*

*She began looking for work immediately but her lack of knowledge of English made it difficult to find employment. After three months, she found a job selling fast food two days a week and, two months later, obtained full-time work in a Chinese restaurant. Work was physically demanding, six days a week and at little more than minimum wage. "I earned money and when I earned extra I would buy RRSPs, so I could save even more money. When I first came I only made \$2.00 an hour at my job. My little sister only made \$1.25 an hour working as a fabric cutter. But little by little it got better. The job was very hard, every day I worked eight hours. At that time my children were still very young (7 years old). When I came home I would have to look after them and cook for them, so it was a very hard life."*

*She continued working for 15 years but was forced to retire at the age of 60 for health reasons. She currently receives OAS and CPP benefits, as well as the income from her RRSP. Her income is modest, but she can rely upon the support of her children when necessary. "If I don't have enough, then my . . . children will help out that week. I usually have enough to live on. I bought my own house in the area. I don't go out every day to eat. I make my own food at home to save money."*

*Her attitude towards retirement reflects that of a woman who undertook physically demanding work in order to provide a better life for her children. She has been financially self-sufficient and has asked for very little in return. "If you have enough money to retire and do not put any hardships on the government then you should retire. But some people don't have enough money and need to take from the government, then it's bad that they [be forced to] retire . . . If you have enough money to retire, then you should do it. But if you don't have enough, what other choice do you have? If people have to work they should be allowed to, if they don't then they should retire."*

Among those with few marketable skills or little knowledge of English, the majority found work fairly readily, but only because they were willing to accept any work that was available (see Profiles 1,3, 6 and 7). Several worked as cleaners, seamstresses, restaurant workers and agricultural labourers, remaining in the same occupation for the duration of their working lives. A Portuguese immigrant began looking for work the day after arriving, found a job as a janitor and remained in the same occupation for 32 years:

*"Since I didn't know how to speak, read and write English, whatever was fine."*

Several with professional or technical training had pre-arranged employment (a tool-and-die maker, an airplane mechanic, several school teachers and health care professionals and even one pipe-organ builder). Others experienced problems obtaining professional accreditation. In a few instances (see Profile 8) this prevented them from working in their field of expertise; in other cases, it affected their initial job placement and rate of promotion. Such was the case for a woman who was a nurse in India before coming to Canada in 1971:

*“I thought they should have given me more because of my education, but they did not give me more . . . Promotion I had, but with the promotion there are certain salary scale, if you have taken one or two postgraduate nursing courses they gave me money for the lowest that they could give me. I could have got for the administration, they did not give, they say we will give you the lowest. I was sad, but I needed a job so I kept on doing the job.”*

A woman who emigrated from Sri Lanka had similar problems having her professional training as a speech pathologist recognized despite receiving her training in England:

*“There was the usual hassle of foreign qualifications. Fortunately I had my British qualifications and so they took me in because of that. But, otherwise I think I would have had a little more problem . . . They didn’t pay me as much as they did a ‘Canadian’ at first because they thought that my British qualifications were not up to par and then it took them a little while to go through [evaluate] the qualifications . . . I started at the bottom pay scale.*

**Profile 2:**

*Mrs. Maharaj is 64 years old. Born in India, she came to Canada from England in 1976 with her husband and children. "I felt that there was a lot of prejudice in England. I did not wish my children to go through that. And I was under the impression that Canada was one country where there would be no prejudice." Since she had worked as a public health nurse she expected no difficulty in finding employment, but this was not the case: "I was given the impression by the immigration people that because of my background and qualifications and knowledge of the English language, that I would have no trouble finding a position as a nurse as soon as I arrived here. What they failed to inform me of was that I had to re-register here and take their exams . . . Eventually I thought that I would sit the nursing exam. I did pass but when I got my Canadian qualifications again I had a problem and they started telling me that I was over qualified. So I had a hard time finding a position in the nursing field." After five years, she was finally successful and obtained a position as a public health nurse.*

*After working for over 20 years, Mrs. Maharaj is obliged to retire from her job in less than a year when she reaches age 65. "I wouldn't mind continuing working if my health is good. But I cannot do that. After my retirement I requested that I could return even part time or casual. And I was told no I cannot do that because I would be taking some other person's position." She states that she would like to work until about age 68, both for financial reasons and because "I love what I am doing." Moreover, "I think [my employer] appreciates my knowledge very much . . . working in this community maternity program, my midwifery expertise has become very useful and they appreciated that. I think I would like to go back into nursing but it will not be possible for me to work in this province. So if I move from here, perhaps I will. I think that in other provinces there is such a shortage of nurses that they will be pleased to have me there."*

*"I still think mandatory retirement is unfair because, it is age discrimination. Just because you are old, it does not mean that you can just retire at 65. Some people might need that income to survive . . . I know many [such people]; being a public health nurse I've gone into many homes and I've found that they are having hardships. Their income is not enough and they are living at the poverty line." She also sees mandatory retirement as ill-conceived from a social standpoint: "right now there is a shortage of nurses . . . There are many, many highly-qualified and experienced nurses who are made to retire at 65 and they are quite fit and capable and can contribute to the medical field. Unfortunately, they are forced to retire . . . they can't even come back and help voluntarily in the nursing field. And they are recruiting nurses from New Zealand and other parts of the world when they have qualified people right here. Sometimes there are people at the age of 65 that are more enthusiastic and more fit to work than some people who are in their 40s. And it will benefit society to have senior, experienced people in certain fields."*

One Czechoslovakian man spent five years searching for a job in his field:

*"I had partial income for about five years until I was able to get into employment that was sufficient with the education I had received. It took about five years to find work in mechanical engineering, the same work I was doing in Czechoslovakia . . . I noticed that people with less education were getting employment that was at a higher wage than I was even though I had a better education."*

Few people cited experiences of overt racial discrimination in the place of work (see Profile 8). One nurse suggested she experienced subtle discrimination that was compounded by her age and gender:

*“I felt there was a subtle discrimination for being old, and for being a woman of another nationality . . . I have no way of proving it. But I could feel that in group discussions and other places I felt it . . . [B]ecause my work was so pure that it would not find any fault. But, finding fault sometimes with the language, the way I am speaking or sometimes the way my colour is, or sometimes the way I worked.”*

Self-employment proved to be an attractive alternative for many seeking better and more flexible working conditions. One woman from Germany asserted that:

*“Immigrants were paid less, so starting my own business was a way to get around that.”*

For a Greek immigrant who worked in the restaurant industry for 30 years before opening his own restaurant, self-employment provided not only a higher income but also greater control over his decision to retire:

*“If I had stayed as a paid labourer I do not think that I would be prepared to retire and that is why I started my own business.”*

In general, the majority of those interviewed were satisfied with their working experience in Canada. When asked if it had met their expectations at the time of their arrival, roughly two-thirds stated that it had and only 7 percent stated it fell short of their expectations.

*Did your working experience in Canada meet your expectations?*

	%
Fell Short	7
Met	65
Exceeded	28

Since most arrived during the buoyant labour market of the 1960s and 1970s, they readily found employment. Among the highly skilled, most eventually secured a job in their area of expertise; among the less skilled and with little knowledge of English, their expectations, at least with respect to income, were extremely modest and most were happy to secure any job.

### C. The Retirement Decision

Of those individuals 60 years of age and older, three-quarters had retired from their principal occupation. Roughly half of these retired prior to age 65; 44 percent retired upon reaching age 65; and 10 percent retired after age 65.

***Have you retired from your principal job?***

	%
Yes	74
No	26

***Age of Retirement***

55-59 years	18
60-64 years	29
65 years	44
> 65 years	9

***Were you obliged to retire?***

Yes	36
No	64

Many individuals explained their decision to retire in terms of their desire to “enjoy life”:

*“Despite my employer’s resistance, I decided to retire when I reached 65 . . . my desire to try and enjoy retirement life outweighed my working life.”*

One respondent, who retired at the age of 56, did so on the basis of careful calculation:

*“Each one of us, we need relaxation and enjoyment. On a statistical basis for people of our age, death is statistically at 67 years. If you retire at 65, you can only enjoy the retirement for 2 years. One of the factors that forced me*



to retire is statistical data that I have. So on a statistical basis I will enjoy it for 11 years.”

**Profile 3:**

Mrs. Huang arrived from Taiwan in 1973, at the age of 32, with her husband and their three children. They were anxious to leave because the political turmoil between Taiwan and China prompted fears that their two sons would be drafted. With few marketable skills and little knowledge of English, she was happy to get a job right away as a seamstress in a garment factory: “I had to make the stitching on the collars of shirts, they had to be at a perfect 90 degrees. They provided courses teaching us how to sew properly. I finished the course at the top of my class, I even got a certificate!” After five years she quit to run her own small Chinese restaurant. Her husband worked for 25 years as a mechanical engineer and when he was obliged to retire at age 65, she decided to retire. They live comfortably on her husband’s pension and their personal savings. “We have our own house. We don’t spend money frivolously (on alcohol and gambling).” She is displeased, however, with the fact that she receives no government pension benefits: “for immigrants like myself who have worked for 25 years in Canada and have paid lots of taxes yet receive little to no benefits . . . I think that it is unfair. No matter what, the Canadian government supplements your income so that you can live off of it. If you pay less taxes you get less CCP, but you get more Old Age Security to compensate.”

Mrs. Huang accepts the logic of mandatory retirement because “it is good for the younger people. It frees up positions for them in the workforce . . . Once you are 65, your health isn’t as great as it used to be. It depends on the job. If your job is too physically demanding then you should retire but if it is an office job then I guess you could still work. But no matter what, one gets slower with age . . . and there’s nothing anyone can do about that . . . I don’t think most people want to work forever. If you are getting on in years you should quit. If you work into your seventies you will be too old to enjoy the life you have been saving up for. It’s a pity.”

A former nurse emphasized how satisfying she found work, but still saw a virtue in being forced to retire:

“Because we love our work so much . . . I am talking of myself, I love it so much I could have gone another 10 years. Because I felt so good at work, a lot of friends, good work, and money coming in, satisfaction, and it was good. So, mandatory [retirement] is good. Somebody has to tell you, ‘hey you stop’ . . . With people like me, you can be fine to do something. So you think of volunteering. People like me volunteering in health field or anywhere else is a lot of help to society. Maybe they should retire earlier than 65 . . . [Retirement is] a blessing, and I was waiting for it. It is great. This is the time that you are forced to think of yourself, that you have ignored bringing up the family, bringing up society. So once in awhile there has to be focus towards your own. It is good.”

There is a widely held perception that the elderly in some immigrant communities are less dependent on their own income, relying instead on support from family members. Some of the people interviewed espoused this view. Specifically, two characteristics of the immigrant community were cited as a factor in limiting the income expectations of retirees.

The first was a high savings rate. According to a woman who emigrated from India:

*“Ethnically speaking, we are frugal people: we live with very little, we can manage life with little and we don’t compare ourselves with the mainstream Canadians. We cannot live an extravagant life. We don’t want to. We can control our expenses and manage. And it doesn’t bother us that much, but this is simply because we come from a country where we had little, and we have little now, so we learn to manage it here . . . We cannot live the Canadian lifestyle here, some of us I mean.”*

This point was reiterated by another Indian immigrant:

*“I can speak of East Indian people, they generally save. Other people may not be saving. Our people have good habits and good family approaches, and we save for our children.”*

The second characteristic, most often cited by southeast Asian immigrants, was a strong cultural reinforcement of the responsibility of children to provide for their elderly parents.

According to a woman who arrived from Taiwan as a child:

*“Immigrant families have a different perspective. Parents expect and want their children to take care of them when they get older; it’s both tradition and a ‘face’ thing. It’s very non-North American, non-British. Thus economic ‘suffering’ is less of an issue.”*

This argument, however, cuts both ways. Many elderly immigrants had the responsibility to support less fortunate family members in their country of origin (see Profile 4). A West Indian immigrant spoke of the need to support family members at home who could not rely on generous social security programs, while a woman from the Philippines saw forced retirement an encumbrance upon the need to meet family responsibilities:

*“On top of limiting their ability to save for their retirement it will prevent them from fulfilling their social obligation which is helping their relatives back home.”*

**Profile 4:**

*Mrs. Du is 62 years old. She, her husband and their two children were Vietnamese “Boat People”, coming to Canada in 1979. Arrested twice trying to escape and with all of their assets seized by the Vietnamese Government, they arrived with no money whatsoever. Despite having a university degree, she had difficulty finding work—“not because of a lack of education but rather unfamiliarity with the system”—and returned to university to obtain a Masters and doctoral degree. She subsequently obtained a university position. Her husband works full-time with the Federal Government while obtaining his doctoral degree. Together they enjoy a good income of roughly \$90,000 per year.*

*Despite their relatively high current income, their financial position remains difficult. Mrs. Du and her husband are both obliged to retire in three years and, though money is not a “big deal” to them personally, they send roughly half of their disposable income to her mother and sister in Vietnam. “Retirement will be a strain on our ability to provide support for family members over time—it is a foreign concept.” Accordingly, they see mandatory retirement as an infringement upon their ability to meet their financial obligations to their immediate family.*

The decision to retire and “enjoy life” is obviously dependent upon one’s economic circumstances. In this respect, the financial incentives to retire “early” were paramount for many individuals. An assembly-line worker accepted an early retirement package because he had achieved his maximum benefit entitlement:

*“I took early retirement because no matter how long I was going to work I was not going to get anything else added to my pension and I was a little tired of working. I have thought about getting other work because I want to be active and to make sure that I’ve got enough money; but I found that my pension was good enough for me to live on.”*

A woman from the Philippines, who was working as a dietician at a hospital, was “encouraged” to retire at the age of 60 by her employer:

*“I only found out [that I was eligible for early retirement] when my employer notified me. She had said that I qualified for the magic 80 [the combination of age and years of service] . . . My employer encouraged me to retire. I had worked there for more than twenty years, and they had told me that I would be getting the same amount of money if I had been working.”*

Many of the people who were not subject to mandatory retirement continued to work past the age of 65. Some did so less for financial reasons than for the enjoyment derived from work. A 68 year old immigrant from Israel, who works in the information-technology sector, insists that:

*“I’m at my best and can still contribute to the working economy and to myself. I enjoy working tremendously so it’s not fair to discriminate based on age . . . I don’t think it extends to society. It’s more of a personal choice. Some people want to retire early, some enjoy work so want to continue to do so . . . don’t make me retire if I don’t want to do so.”*

Many highly skilled individuals enjoyed not only a generous pension plan but also the possibility of part-time employment and consulting work. For a high school teacher from India:

*“I chose to retire early [at age 64]. The government had given choices to people so I exercised my option for early retirement . . . I didn’t seek other employment but I did a little bit of management consulting and palmistry and voluntary work.”*

Similarly, a university professor had the relative luxury of retiring from his full-time position, maintaining part-time employment with the university and engaging in consulting work.

*“I took early retirement in 1999 [at the age of 63]. I worked part-time for a year, receiving a tax-free research fellowship of \$7,000 and additional funds for teaching a course. I’ve completely retired from the University now but continued to work for a different company and have had no problem finding work.”*

Most unskilled workers had no such options available; nonetheless, many opted to retire despite the modest lifestyle derived from CPP and OAS benefits. For one man from the Philippines, the decision to leave an arduous job was easy despite the resulting decline in income:

*“I retired from my principal occupation, which was a cleaner . . . I wasn’t obliged [to retire] . . . the job was tiring and boring.”*

The same is true for a man who emigrated from Portugal and worked as a cleaner for 30 years:

*“I wasn’t forced to retire, I decided to receive a package and retire when I was 59 years old . . . I am caretaker of a rooming house and my rent is partially covered.”*

For others, the decision to keep working past the age of 65 was based on financial considerations. Some continued to work on a part-time basis to afford a “more comfortable” lifestyle (see Profile 5). A 68-year old woman, who emigrated from Israel when she was 49, works as a bookkeeper on a part-time basis. She has no plans to retire.

*“My spouse was not able to continue to work [because of mandatory retirement] although I am able to as a part-time worker. I think it might affect women more as they tend to have lower average incomes and therefore, on average, have lower pensions. It’s also economic [for me], as I’m working because my household needs the income.”*

**Profile 5:**

*Mr. Shankar is 68 years old; a retired professional engineer. He emigrated from India when he was 47, with his wife and two children. “You know so many hardships in India, with the job or without the job. With the job here you can have a better life, better living conditions.” His economic situation was compounded by a failed business venture so, roughly \$20,000 in debt he came to Canada under the sponsorship of his sister.*

*Since his professional credentials were recognized in Canada, Mr. Shankar encountered little difficulty obtaining work in his field. His initial employer went bankrupt but, after a short bout of unemployment, he found another job with the provincial government which he held until he was obliged to retire at the age of 65.*

*He maintains that, given his good health, he would have preferred to continue working until the age of 70. His pension income is adequate and he has enjoyed retirement, but he is not without financial worries. “Because I did not have enough years of work, and all I needed was another five years to increase my pension money, so that when I retire I would have gotten more money than what I am getting right now. Now it is just sufficient but down the road when inflation and things build up? What will happen to me at that time, I do not know.” As he states, had he been able to continue working . . . ‘I would have been more comfortable. Let’s put it that way.’ His transition to retirement, for both financial and other reasons, has been eased by the part-time, contractual work with his previous employer. “Whenever they need some job to be done they call me and I do the job for them.”*

*Mr. Shankar sees mandatory retirement as socially beneficial “because there are new generations coming up and if the old people keep working at the same job, the younger people will never get a chance to work . . . I think that is why there should be a retirement age. To bring in new people and new people will bring in new ideas, because everybody’s mind works differently and that will bring the enhancement of the society.” Nonetheless, he deems it to be unfair to individuals “in the sense that they should be given a chance to work if they want to.” Accordingly, he would favour a higher age limit of 70 with a transition to retirement that provides for more flexible work hours. “That would be better because a person, by the time he has worked up to that age he would like to rest, as I do. Because to keep working all the time is, I mean some people do like to keep on working, [but] only at their pace . . . let them choose their workload based on their ability at that age, between 65 and 70.”*

If public pension plans provide an incentive to retire before age 65, there are penalties for working after age of 65 in the form of reduced GIS payments or OAS “claw-backs”. A Vietnamese refugee who found his pension barely adequate to live on, continued to work despite the financial disincentive of having his GIS benefits reduced (see Profile 6).

**Profile 6:**

*Mr. Nguyen is 70 years old. He came to Canada from Vietnam as a government-sponsored refugee when he was 48 years old, accompanied by his wife and three children. With no family savings, he was prepared to accept any work. “When you are a refugee you don’t know what job you might get, you don’t really care. I just wanted to leave Vietnam. The government helped me find a job . . . as a janitor in the local school. I didn’t want to be a janitor though, so I found a job as a motor home repairman. But I was too short and the job was hard . . . so I quit and found a job as a sewing machine repairman.” Having been a textile mechanic in Vietnam, “this job was actually easier for me. I picked it up really fast, [after] a couple of months I could do it.” He continued in the same position for seventeen years until he chose to retire at the age of 65 despite having no company-sponsored pension plan. “There was lots of pressure [at work]. But I think any kind of job is the same thing even for people from Canada. When they get a job, they work, they are under pressure and they are unhappy. Everybody is waiting to retire.”*

*Retirement, in Mr. Nguyen's view, should be a reward for a lifetime of hard work: "I work for the factory; I look at the people who retire. Some people retire after 65 and a few months later they pass away. I saw lots of people like that. Life is very short, you have to enjoy it." He also accepts the need for older workers to make way for younger workers: "The old people can retire and the young people have to get a job to make a living. This is why this policy [of mandatory retirement] helps the young people." He is extremely critical, however, of social policy that does not provide a sufficient level of income for retired workers: "the problem is the government and the money that is needed . . . The government pension is just enough for a living, that's it. And then you have to have your pocket money." Accordingly, he maintains that people should have the right to choose when to retire: "some families have young children, so some people want to make a little more money to live more comfortably. So it's okay for them to work." He has continued to work on a part-time basis with the same company to replace workers on vacation but believes that he is unduly penalized for doing so. "The government is not fair. When you get a job after you retire you have to pay a lot of tax. You feel you can work, intend to work, but when you get a job the government cuts your pension . . . Even if you work a lot (and manage) to save money or buy RRSPs the government takes 10%. If I make \$1000 the government takes \$100 and I (am) left (with) \$900. They take it right away. When you go to the bank to get RRSPs they take it off right away."*

For others, mandatory retirement has contributed to their difficult financial circumstances (see Profiles 7 and 8). Among the 22 people that were obliged to retire, 14 stated that they would have preferred to keep working and 7 of these cited financial hardship.

***Mandatory retirement caused economic hardship? (n = 14)***

	%
Yes	50
No	50

One school teacher, "pushed into" retirement at the age of 62 following some difficulties at work, comments on the importance of a few extra years of work towards providing for a larger pension:

*"Let's just say to leave it to the option of the individual to work after 65, and then make it mandatory at 70. In my case, I would have been able to continue until at least 65. And there are teachers, there are people who work hard and carry on until they are 75 . . . I am happy because I had no problem managing life but I still had that feeling that I should have continued three years and have accumulated a little bit more money because generally the last four or five years before retirement we are looking at building a home or having some income you can depend on, which I was not able to*

*because I had to retire early. Three years more would have made a lot of difference.”*

He also refers to a friend's predicament:

*“I know a person here who came here 10-12 years after I did, and he has only 20 years of salaries here and he got mandatory retirement at 65, and his pension is only \$920 a month, plus CPP. He asked me ‘can I manage?’ and I said you can manage, you shouldn’t have any difficulty but you will not be able to live extravagantly or you’ll have to watch your expenses. So there are people like that who are not able to live comfortably. He would have continued at least another five years. He was quite healthy, quite able. So he was quite worried, quite concerned that . . . “will I be able to handle my life?””*

Finally, a man from Portugal offers a very unique reason for why some immigrants may face particular difficulties if forced to retire:

*“People have to make decisions for themselves . . . Such reasons that make me believe this is that some immigrants increase their age to avoid national service and the like in their respective country before they immigrate to Canada. If mandatory retirement is legislated it will hit them and make them dependent on government assistance.”*

**Profile 7:**

*Mr. da Silva is 65 years old, living with his wife and disabled daughter. He emigrated from Portugal at the age of 38, with no savings and the hope of a better economic future for his family. Within two weeks of his arrival in Canada, he found a job as a cleaner. He deemed this to be below his qualifications and experience but because of his poor knowledge of English “I didn’t have a choice.” He remained in the same occupation until this year when was obliged to retire at the age of 65.*

*He found his work more difficult as he grew older because of the physical tasks involved; nonetheless, he wants to continue working for financial reasons. His wife was employed for only ten years in Canada so they depend upon his small company pension and CPP benefits and their OAS benefits. They also provide support for their daughter. When asked if their current income is sufficient to provide for their basic needs, he responds: “No, it is not enough but what can I do?” He sought other employment “but due to my language skills I couldn’t find one.”*

*While he recognizes the justification for mandatory retirement, Mr. da Silva maintains that the government has a responsibility to ensure an adequate income for older Canadians: “government should give to people a [physically] easy job after retirement. In Portugal retired people work after retirement and get paid on top of their pensions. The jobs they do is sweeping sidewalks, cleaning schools.”*



**Profile 8:**

*Mr. Sanduhar is 67 years old, divorced and living alone. He came to Canada from India in 1977 when he was 43. He acquired an LLB degree in India and then spent 18 years working for a financial institution before emigrating; however, his law degree was not recognized in Canada. He found a variety of short-term jobs as an accounting clerk in the private sector and suffered through a year of unemployment. He then wrote the qualifying examinations for the provincial public service commission and, after applying for over 70 different positions, was finally offered a job as an accounting clerk in 1980.*

*Mr. Sanduhar accepted the position with the province despite the fact that he felt it was below his professional qualifications. "It was a starting point because I was feeling most insecure in terms of my three years in various jobs. And so for my survival I had to accept any permanent job." The subsequent 19 years he spent working with the government, however, were not altogether happy ones, a fact which he attributes in part to racial discrimination: "the people who were working with me at the same department, I did not find a single employee who was a university graduate. I am sorry to say and be blunt, that if I was a different colour I would have been pushed for further reclassification and I would have been given the job. The reason why I'm telling this, that within employment when new opportunities came for the position, I always got a 'love' letter, that you are not consistent with our expectation." At the age of 61, his position was declared redundant and he was shifted to another job at a lower classification and on a short-term contractual basis. His contract was continually renewed until he was obliged to retire upon reaching 65 years of age.*

*Retirement has been financially difficult for Mr. Sanduhar. Having opted out of the employer's pension plan in favour of managing his own portfolio, he suffered a significant financial loss during the recent downturn in the stock market. His current income, derived from OAS and CPP benefits, is not sufficient to meet his basic needs: "out of my OAS and CPP, I have to pay \$650 in rent and then I have to pay \$700 on my bank loan. So every month I have a financial deficit of \$800-900 dollars." Accordingly, he has returned to school to acquire further training in accounting and plans to seek another job. "The only choice that is left is I am able to work and find a job. I'm prepared to go."*

## D. Views of Younger Immigrants

Interviews were also conducted with 25 younger immigrants, ranging in age from 45-52, and mostly drawn from immigrants from southeast Asia living in Toronto.

**Summary Description of Interviewees Aged less than 60 Years (n = 33)**

	%
<b>Gender</b>	
Male	39
Female	61
<b>Place of Birth</b>	
Southeast Asia	70
South Asia	6
Other (primarily Europe)	24
<b>Year of Arrival</b>	
< 1960	6
1960-1969	21
1971-1979	15
1980-1989	24
1990 -	33
<b>Current Age (years)</b>	
40-44	15
40-49	36
50-54	30
55-59	18
<b>Immigration Entry Class</b>	
Skilled	55
Family/Sponsored	27
Refugee	9
Student	9

The range in work experience is particularly apparent among the younger immigrants we interviewed in Toronto. Most who emigrated from Singapore, Hong Kong and Taiwan, and some from mainland China, either arrived as students or with a university degree and most are working in the information technology field. They generally possess skills in high demand, have prospered in the “new economy” and many plan on retiring at a very early age.

But for many of the recent immigrants from mainland China, the story is much different. Often with poor English-language skills and without recognized training, many are working in unskilled and semi-skilled occupations: a librarian is a driver for a courier service; two office clerks and a former teacher sew in a garment factory; a former manager in a

manufacturing company assembles personal computers; an accountant works as a machine operator in a garment factory; another teacher works as a house painter; and an office supervisor currently runs his own business repairing electronic machinery.

Despite the divergence in labour market experience, many readily adhered to the stereotype of older workers as less productive and, accordingly, supported the practice of mandatory retirement:

*“It is fair because the skills and energy of older people deteriorate . . . People can’t work over 65 years old. It is too tiring for old people [to work].”*

This view was reinforced by the perception that many of the jobs created in the “new economy” required a new set of skills and the capacity for workers to adapt quickly.

According to a man from mainland China:

*“With the advance of technology and constant changes in most working environments, older people are much harder to learn new things and less likely to adapt to changes. With increasing health problems, productivity and efficiency cannot be matched to that of younger co-workers and yet older people usually reach the top level of pay because of their seniority. In other words, employers are getting less for what they are paying.”*

A 46-year old woman from Taiwan also deemed mandatory retirement to be an appropriate labour market policy:

*“The policy is fine for me. I have no problem with this and don’t feel it infringes on my rights. Ontario is not the only place with this policy in Canada or in the world . . . It gives the younger population a chance at the job market, especially during tight economic times and often, a chance to move up the organizational hierarchy.”*

These harsh views need to be placed into context in two ways. First, many southeast Asian immigrants expressed the strong adherence to an ethic that sees retirement as a reward for years of hard work. If the goal is to work and save when one is young in order to retire as early as possible, remaining in the labour force beyond a certain age abrogates this principle and denies younger workers the opportunity to work. The comments of a 48-year-old man from China are representative of this view:

*“Old people have not enough energy to work and they should enjoy their life. People should work hard when they are young, but life is not for work only . . . [Mandatory retirement] would give younger people and new immigrants more chances to get a job.”*

Second, family obligation is a deeply entrenched social norm according to another immigrant from Taiwan:

*“Many recent Chinese immigrants are either sponsored by their children or what we call wealth immigrants . . . Of those sponsored by their children, it is considered lack of luck that you’re old and still have to work for a living. You lose face if your grown children cannot support you.”*

The view that older workers are less productive did not go unchallenged. According to a recent immigrant from mainland China:

*“Because how old someone is doesn't mean they can't do a good job. They might even be able to do a better job. They have more experience. Why do they have to retire? Unless they physically can't do it anymore I can't see why they should have to retire. They can make extra money for a good living; they don't need government assistance. It's good for both of them.”*

Nor was it possible for some to ignore the implications of forced retirement for their own future. For one man who arrived last year from China at the age of 49, his future economic prospects are not bright. Although his wife works in a garment factory and he has a good job working in a university, he is only too cognizant of the short window of time in which to support his teenage son and to save for his retirement:

*“I can work here only 15 years! I can't save enough money in 15 years . . . [Mandatory retirement] should be abolished.”*

## E. Attitudes Towards Mandatory Retirement

Three questions were posed in order to elicit the views of those interviewed about mandatory retirement. When first asked their opinion about mandatory retirement legislation, the responses were evenly split; however, when the same question was posed with respect

to immigrants, two-thirds responded that it may be unfair. Finally, when asked if changes should be made to legislation, half preferred that the age of retirement be left as an individual decision and another one-quarter recommended that the mandatory age be raised.

***Do you think that mandatory retirement is fair?***

	%
Fair	48
Unfair	46
Not sure	6

***Do you think mandatory retirement may be unfair to immigrants?***

Fair	30
Unfair	68
Not sure	2

***Should changes be made to mandatory retirement legislation?***

No	18
Age should be lowered	2
Age should be raised	27
Leave to personal choice	53

The reasons provided for these apparently anomalous responses require some elaboration.

For half of those interviewed, mandatory retirement is first and foremost a human rights issue: people should be able to choose until what age they work. This view was frequently, and succinctly, reiterated in the following terms:

*“Not all people want to retire. To some, their work is their life . . . [Mandatory retirement] does not respect old people and their rights.”*

Many emphasized the importance of work for an individual's sense of self worth:

*“Some older people thrive on working. The sense of self-worthiness plays a key part in the overall well being of an individual. To be forced to retirement signifies inferiority of one's mental and physical ability, both of which cannot be simply determined just because of turning 65.”*

Others placed primary importance on an individual's choice to keep working in order to maintain a reasonable standard of living:

*"It is unfair especially for new immigrants. If an immigrant comes to Canada with a bunch of kids and older age it will be difficult to save money for retirement . . . I prefer to see the mandatory retirement abolished. We live in democracy and the choice has to be made by individuals."*

Among those that responded that mandatory retirement was "fair," most gave as a justification the need to create job opportunities for younger workers:

*"There are new generations coming up and if the old people keep working at the same job, the younger people will never get a chance to work. . . . I think that is why there should be a retirement age. To bring in new people and new people will bring in new ideas, because everybody's mind works differently and that will bring the enhancement of the society."*

Some referred to need for "new blood" in specific occupations. For a retired high school teacher who emigrated from England:

*"Sooner or later a limit has to be reached when an individual has to retire and should retire. And if you leave this at an open end, to retire when they choose, then there will be a lot of people who are not always capable of performing their jobs and that is not fair. At the same time younger people coming into the workforce, they should have an opportunity also. And if people keep hanging onto their jobs, whether they are good at it or not, then younger people are blocked from getting an entry into those jobs . . . You have to have a rule."*

The same argument was offered by another retired teacher:

*I think it's fair because it is very important to keep new blood coming into the system. As a teacher it is important to be current with the new students arriving in classes—the metaphors of everyday life change—and thus need current teachers to do this. The classroom requires vitality and speed, and most teachers want to go earlier.*

That so many of the people interviewed readily accept the need for older workers to retire and make room for younger workers seems paradoxical. The "lump-of-labour" argument—that each job occupied by one individual denies employment to another—is frequently invoked as a reason for opposing increased levels of immigration; since one would expect most immigrants to emphatically deny that they "took jobs away" from native-

born Canadians, it is surprising that they then embrace this view to justification for mandatory retirement. Given the importance that many placed upon the desire to provide a better future for their children in their decision to migrate, many immigrants appear inclined to accept the need to retire in order to enhance the job opportunities of younger workers.

For those who did not adhere to “lump-of-labour” fallacy, there was no conflict between the individual’s right to work and appropriate labour-market policy:

*“Canada’s population is small and therefore has lots of room for good workers . . . The retirement age limit should be raised or simply made optional . . . Give whoever is capable of working the opportunity to continue to contribute to the Canadian economy.”*

A retired university professor from East India holds a similar point of view:

*“Well the idea of retiring at a certain age is connected to the thought that others are waiting and if you stay too long it will reduce the chances of other’s coming in. But you were assuming that there were more people than the jobs. If a situation occurs when there are more jobs than people than the companies will think of perhaps revising their age limit.”*

Others took the argument a step further in order to emphasize that it was in society’s interest to retain older workers because of their greater experience. According to a man from the Philippines:

*“People [over 65] should be allowed to contribute to the labour force, it is their right. They have much experience and they can contribute . . . I think it is bad for society. Canada is considered as a good country of opportunity, but this (the law) is not good. It discriminates against people for their age . . . There should be no mandatory retirement. [People] should retire only when the person is ready. There should be no forced retirement.”*

Another man cited the recent events in the information technology sector to make the same point:

*“People should be able to retire when they wish . . . Younger folks have no trouble getting rid of older folks. But there is no wisdom in this in the current technology climate, as can be seen by the many failing businesses.”*

Several individuals argued that the right to work beyond age 65 was also beneficial in terms of placing less of a burden on social assistance. According to one:

*“Now the government’s eyes are open, and it wants more people to come but presently, if all the people retired, the present working force has to pay the penalty in the form of raising CPP contributions plus raising unemployment insurance. So to avoid that complexity . . . the present work force should be allowed to work without any mandatory [retirement] up to the age of 70 or . . . they should allow more people from other countries who are meeting the requirements in terms of information and technology.”*

Many of those who deemed mandatory retirement to be fair were not without sympathy for immigrants who had difficulty accumulating sufficient savings for their retirement. They suggested a flexible application—depending upon either the occupation, the individual’s financial status and a few were prepared to accept regular performance evaluations:

*“When you are 65, there should be another kind, not only performance review, but what you might call an extension review; like whether he deserves an extension. An evaluation of somebody’s professional skills and then subject to that, then an evaluation of whether that person should be given the option to continue working or not . . . There should be a little flexibility, both from the employee and the employer’s point of view.”*

**Profile 9:**

*Mrs. Santos is 68 years old and works part-time as a registered nurse. Her husband is a retired physician. They moved from the Philippines to the United States as students and when their visas expired in 1962 they moved to Canada. “You know at that time they needed nurses and doctors in Canada. And we were so welcomed.. we were here to solve the problems of the shortage of medical people, especially nurses.” She has worked for over 30 years, eventually being promoted to head nurse and then a supervisor in a major hospital. She has a great affinity for her work and finds it both “emotionally and mentally satisfying”; however, a shortage of nursing staff made her job “stressful and tiring, and you just don’t want to be a nurse anymore when it gets like that.” When she was 53 years old she switched to part-time work until she was “bumped” from her position when cutbacks forced a reduction in the number of part-time positions. With the recent shortage of nursing staff, she has resumed working on a part-time basis.*



*Mrs. Santos thinks that mandatory retirement is very unfair. "Some people at the age of 65 they are still strong and fit for work, and it really depends on your physical health and mentality . . . Different provinces shouldn't be able to discriminate. People should be able to work for as long as their body and mind allow them to. It is the choice of the individual. I mean if you are 60 and you cannot do it anymore then retire. And if you are 80 and you still can do it, I think you should have the constitutional right to choose to work . . . Sometimes people work not because of the money but because of mental reasons... your self-esteem."*

*Her husband, who worked until age 68, concurs. "Companies shouldn't discriminate against someone because of age. If they are still healthy and can work they should be allowed to. If you force people to retire they cannot maintain an income. There is a dignity of labour and if people aren't allowed to work then they might not be able to support themselves. If they have a willingness to work then it is their right to do so. And more workers means more taxes to the government instead of many people living off of the government. People have the right to free will. Whether or not they work depends on themselves and their health and willingness to be in the work force. The government doesn't have a right to decide."*

Mandatory retirement as a labour-market policy cannot be separated from incomes policy and, specifically, public and private pension provisions. Many who supported mandatory retirement as an appropriate labour market policy recognized the plight of elderly immigrants who find themselves in difficult economic circumstances. The solution, however, was not in allowing or compelling them to continue working but through other social policy initiatives, including pension reform.

*"Yes, I do think that forcing individuals to retire at 65 years of age may place an economic burden on them. So address that economic burden in another way, rather than using it to force somebody to have to continue to work over the age of 65."*

A woman from Taiwan echoes the same sentiment:

*"There are people who are 'tired' of working (for whatever reason), but cannot retire prior to 65, as they will not get a complete pension. This is like a penalty. Another issue is that a person can only contribute a percentage of their income to RRSP or pension plan. This is very limiting, especially if your income is lower, your hands are tied . . . The issue isn't just when the mandatory retirement age should be, or should there be one. The problem is bigger, including so many factors: economic, cultural, health, and social services support . . . If the economic hardship issue is to be looked at seriously, there need to be changes in many avenues, attitude, economic factors, social structure, cultural factors, religion; many of these need to be dealt with simultaneously. It is a multi-faceted issue, changing the mandatory retirement age, or removal of it is not going to resolve anything . . ."*

*. The right to work is less relevant at age 65 than the right to universal healthcare and other related social services."*

A woman who migrated from England also places greater priority on reforming social policy rather than obliging older Canadians to work to support themselves:

*"It all depends on the individual, but I feel people should have a choice. They should not have to work because of economic reasons but should be able to slow down their life in comfort. They work all their lives for society and should be rewarded for it . . . Yes, but that's a problem with pension plans that require many years of commitment. Women from lower income homes are hit hard if they have lost a spouse, or taken time out to bring up a family . . . I would prefer it to be more flexible with safety nets . . . Not everyone is unfit at 65. Some people hit it earlier, some are more than capable for many years."*

No one argued that immigrants should receive special dispensation in this regard; however, one woman recognized how immigrants are penalized because pension contributions are not portable internationally and offered an innovative remedy:

*"I think one of the things that they could do is to give them some sort of reimbursement for the time they have worked in other countries. I think they did that for a time with teachers who had worked in Britain; they took into account the years they had worked there and may give it (pension) so there won't be such a shortfall . . . I know my husband contributed to the pension scheme in Sri Lanka for many years and I haven't got a cent of it. And neither did he reap the benefits of it. So that should be somehow taken into account. Because let's not forget these immigrants have spent their time and money educating themselves in other countries. Canada did not pay for their education. So Canada is getting them on a plate with all their qualifications and skills!"*

The issue is obviously complex and a 51-year old man from Singapore elegantly summarizes many of the considerations involved:

*"Perhaps a balanced approach would be to recognize that there are exceptions to the rule and to allow for such cases. The argument in favour appears to be that if a person is of sound health and can offer work of value why should they not be allowed to work? Absolute solutions do not as a general rule address the situation for all cases; however, it would be in society's best interest to strongly advocate retirement at age 65. Any society would be unduly burdened financially if there were more retirees than the pension coffers can afford. Depending on the supportability of public pension funds there may be compelling reasons to raise the retirement age."*

*“At the end of the day the government needs to balance pension payment affordability with the needs of its society. It needs to address the needs of the majority and yet not totally ignore the needs of the less fortunate. There are no absolute solutions. Any caring society must make room and consideration for all of its members, especially the less fortunate. That is the ultimate role of all governments. Mandatory no, but some form of compromise is needed.”*

## F. Summary

Despite the variety of experiences of those interviewed, a few generalizations can be drawn. In large part, people arrived in Canada with little or no savings and often well into their normal working lives. Their experience in the Canadian labour market was generally favourable, although the degree of economic “assimilation” varied with employment conditions at the time of arrival and the individual’s job market skills. Most were prepared to retire from their primary occupation when they reached their early or mid-60s and cited retirement as a “reward” for years of hard work. Nonetheless, many took advantage of part-time opportunities to continue working. Others decided not to retire either for financial reasons or because they found work personally rewarding. Among those forced to retire at the age of 65, many found the transition difficult for both financial and personal reasons.

What clearly emerges among the attitudes expressed is that an individual’s right to choose when to retire is paramount. The apparently voluntary decision to retire however, itself reflects the incentives in existing pension plans that encourage “early” and punish “late” retirement, and the “claw-back” of social benefits that discourage recipients from continuing to work beyond the age of 65.

If mandatory retirement for many is strictly a question of individual rights, others carefully reflected on the relationship between the rights of the individual and interests of society. Some reinforced the individual’s right to choose with the argument that the economy needed more experienced workers and that anticipated burden placed on public

pension plans would be reduced. Those who justified mandatory retirement on social grounds argued that companies “needed new blood” and that there was a need to make room for younger workers in the labour market. Yet even those who favoured mandatory retirement emphasized the need for a flexible application, sensitive to the needs of those less economically fortunate.

The most intriguing result is the frequency with which immigrants adhered to the “lump-of-labour” fallacy in citing the need for older workers to retire. Why immigrants adopt this view with respect to age, when they might be expected to reject it when applied to immigration status, is likely due to two factors. First, many emphasized that their reason for migrating was to provide a better future for their children. The pre-eminence of this concern may well contribute to their willingness to retire to improve their children’s job prospects. In the relatively difficult job market of the early 1990s (when most of those interviewed were reaching retirement age) probably magnified the concern for their children’s job opportunities. Second, and to a lesser extent, adherence to the lump-of-labour fallacy is attributable to cultural norms—most frequently expressed by southeast Asian immigrants--that place a heavy responsibility of children to provide for their elderly parents.

## VI. Conclusion and Policy Implications

Exemptions to the human rights codes in Canada restrict the employment rights of elderly Canadians by potentially obliging them to retire at the age of 65. Mandatory retirement provisions have largely been justified on social grounds as an appropriate labour market policy: it is necessary that the elderly retire in order to make room for younger workers. But the aging of Canada’s population and the rising dependency ratio will continue to place greater attention on policies governing employment rights as well as the standard of living of elderly Canadians. Given the “intersectionality” between immigrant status and the elderly, it

is imperative that any policy discussion gives adequate consideration to the unique work and retirement experiences of immigrants.

## A. Human Rights Policy

Denying elderly Canadians the right to employment is termed an “anachronism”, a denial of the rights of a specific group of individuals that is neither appropriate to changing demographic and labour market conditions, nor justified on the basis of overriding social benefits. Discrimination on the basis of age is not simply a matter of mandatory retirement at age 65 but extends to the structure of incentives influencing the retirement decision. Gunderson identifies a wide range of institutional and legal constraints that encourage individuals to retire prior to the age of 65 and disincentives for those remaining in the labour force beyond 65.<sup>19</sup> First, the CPP and QPP, like most private employment-based pension plans, include incentives for early retirement and penalties for delayed retirement. Benefits can be received as early as age 60 and the reduction in monthly benefits is small relative to the longer period of entitlement; in contrast, delayed receipt of benefits until the age of 70 provides no increase in monthly payments to offset the shorter duration of benefits. Second, both forms of government income support for the elderly—the universal OAS and income-tested GIS—include “claw-backs” that reduce the size of benefits above a particular income threshold. These claw-backs create a monetary disincentive to work, since any employment income reduces one’s OAS and GIS benefits, in some instances on a dollar-for-dollar basis. Third, rules governing RRSPs do not permit contributions after age 69 and also require that accumulated funds must be converted to an annuity by that age. Both of

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<sup>19</sup>

M. Gunderson, “Flexible Retirement as an Alternative to 65 and Out.” (1998) 106 C.D. Howe Institute Commentary (Toronto: C.D. Howe Institute).

these rules discourage work to the extent that they increase an individual's marginal rate of taxation.

Gunderson acknowledges that the design of these policy instruments is for "good reason"—in particular, to effect a more equitable distribution of income—but also may have unintended and "perverse" consequences for an individual's decision to work beyond the normal age of retirement. Accordingly, he urges that

Policymakers should critically assess the legal and institutional barriers to postponed retirement. In the absence of compelling social reasons to the contrary—reasons that are made explicit and subject to public debate—employees and employers should be free to work out their own arrangements on "normal," early and postponed retirement.<sup>20</sup>

## B. Immigration Policy

Since World War II, Canada's immigration policy has been directed towards three objectives. First, independent class migrants—or skilled workers—have been selected on the basis of the labour market conditions, with the old point system designed to match those with the most desirable mix of skills to job openings. Second, accepting family class immigrants has been largely based on the desirable social policy of reunifying families. Third, protection to refugees has been a central aspect of Canada's international commitment.

A recent legislative review has recommended a thorough revision of immigration policy with greater emphasis on limiting the costs to society.<sup>21</sup> Singled out for attention was age as a factor in the selection of immigrants. Studies in both Canada and the United States observe the increasing dependence of elderly immigrants upon social assistance,

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<sup>20</sup>

*Supra note 19 at 2.*

<sup>21</sup>

*R.S. Trempe, S. Davis and R. Kunin, Not Just Numbers: A Canadian Framework for Future Immigration (Ottawa: Advisory Group, Immigration Legislative Review, 1997).*

particularly among those who arrive after age 55.<sup>22</sup> In Canada, this has prompted calls for greater aged-based discrimination in the selection of immigrants without considering whether or not the dependence on social assistance is itself a reflection of age-based discrimination in the Canadian labour market. If Canada remains committed to the goal of reunifying families and providing protection to refugees, however, then it also has an obligation to mitigate their risk of living in poverty.

### C. Incomes Policy

A distinct success story of recent Canadian social policy has been the increase in average income and the significant decline in the incidence of low income among the elderly. This has occurred largely because of an expansion in the coverage and value of employment-based pension plans, both public and private, and RRSPs that have fostered greater saving.

Myles observes that

Earnings-related pensions are not the usual policy instrument one thinks of when considering reducing income inequality or low-income rates among seniors. They are aimed, after all, at reproducing the income differentials created during the working years. Since a large share of benefits in all such plans goes to middle and upper income families, it is often argued that the social insurance (i.e. earnings-related) model creates welfare states for the middle class that do little to help the poor or achieve more equality.<sup>23</sup>

This reliance upon pension income and savings derived from past employment, while raising the average income of elderly Canadians, has had little impact on the economic well being of many elderly immigrants. Basavarajappa emphasized the extreme income

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<sup>22</sup> M. Baker and D. Benjamin, "The Receipt of Transfer Payments by Immigrants to Canada" (1995) 30 *Journal of Human Resources* 650-76; W-Y Hu, "Elderly Immigrants on Welfare," (1998) 33 *Journal of Human Resources* 711 at 741. It is important to emphasize that Baker and Benjamin find that immigrants, in general, are less dependent on social assistance than their native-born counterparts.

<sup>23</sup> *Supra* note 11.

inequality among older immigrants.<sup>24</sup> The incidence of low income among elderly immigrants (17.5 percent among men and 26.4 percent among women) remains unacceptably high and is significantly greater than that for native-born Canadians (11.4 percent for men and 22.6 percent for women).<sup>25</sup>

Moreover, Osberg argues that there is insufficient attention paid to the “intensity” of poverty in Canada and, in particular, the “poverty gap” (or the difference between the low-income cutoff line and the average income of the poor.)<sup>26</sup> Despite the decline in the incidence of poverty among Canada’s elderly, much economic hardship persists and it is heavily concentrated among specific groups of immigrants. This being the case, it is appropriate to rethink income maintenance policies for the elderly in Canada and the consequences for income equality.

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<sup>24</sup> K.G. Basavarajappa, “Distribution, Inequality and Concentration of Income among Older Immigrants in Canada, 1990,” *Statistics Canada, Analytical Studies Branch, Research Paper Series, no. 129* (Ottawa, 1999).

<sup>25</sup> See Table 3.

<sup>26</sup> L. Osberg, “Poverty in Canada and the USA: Measurement, Trends and Implications,” (2000) 33 *Canadian Journal of Economics* 847 at 877.



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# Appendix 1: Human Rights Legislation

The human rights code in all Canadian jurisdictions prohibits discrimination on the basis of age. Four provinces, however, limit this right for the purposes of employment by defining age to include only those under the age of 65 (and all jurisdictions make reference to the age of majority). All jurisdictions, with the exception of Manitoba, also make specific reference to *bona fide* occupation requirements and mandatory retirement plans (as well as group insurance and benefits plans) as an exemption to the prohibition against age discrimination.

All human rights commissions in Canada also make reference to, or include a definition of “adverse effect discrimination” (in French, “discrimination per effet préjudiciable” or “discrimination par suite d’un effet préjudiciable”). New Brunswick, for instance, defines adverse effects discrimination as:

a uniform practice or standard which has a negative or adverse effect on a group of persons because it does not accommodate them, even though this could be done without sacrificing legitimate objectives or incurring undue hardship. Such discrimination is also called indirect discrimination or systemic discrimination. It may occur even when everyone is treated the same and there is no intent to discriminate. What makes a practice discriminatory is its impact and the failure to accommodate the particular characteristics of the affected group short of undue hardship.<sup>27</sup>

Appendix Table 1 summarizes the treatment of age for the purposes of employment in human rights codes in Canada.

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<sup>27</sup>

*New Brunswick Human Rights Commission, Equality Rights Definitions (amended 7 May 2001). Fredericton.*

<b>Appendix Table 1: Human Rights Legislation in Canada relating to Age</b>			
<b>Jurisdiction</b>	<b>Definition of Age</b>	<b>Exceptions</b>	<b>Section</b>
Canada	none	that individual has reached the normal age of retirement for employees working in positions similar to the position of that individual; the terms and conditions of any pension fund or plan established by an employer, employee organization or employer organization provide for the compulsory vesting or locking-in of pension contributions at a fixed or determinable age in accordance with sections 17 and 18 of the <i>Pension Benefits Standards Act, 1985</i> .	s. 15
British Columbia	19-64 years	a bona fide scheme based on seniority; or the operation of a bona fide retirement, superannuation or pension plan or to a bona fide group or employee insurance plan.	s. 13
Alberta	18+ years	the operation of any bona fide retirement or pension plan or the terms or conditions of any bona fide group or employee insurance plan.	s. 7 and 38
Saskatchewan	18-64	the operation of any term of a <i>bona fide</i> retirement, superannuation or pension plan, or any terms or conditions of any <i>bona fide</i> group or employee insurance plan, or of any <i>bona fide</i> scheme based upon seniority.	s. 1 and 16
Manitoba	none	None specified in the Code	
Ontario	18-64	an employee superannuation or pension plan or fund or a contract of group insurance between an insurer and an employer that complies with the Employment Standards Act	s. 10 and 25
Quebec	none	In an insurance or pension contract, a social benefits plan, a retirement, pension or insurance plan, or a public pension or public insurance plan, a distinction, exclusion or preference based on age, sex or civil status is deemed non-discriminatory where the use thereof is warranted and the basis therefore is a risk determination factor based on actuarial data.	s. 20
New Brunswick	repealed in 1992	termination of employment or a refusal to employ because of the terms or conditions of any <i>bona fide</i> retirement or pension plan; the operation of the terms or conditions of any <i>bona fide</i> retirement or pension plan that have the effect of a minimum service requirement; or the operation of terms or conditions of any <i>bona fide</i> group or employee insurance plan.	3
Nova Scotia	none	the operation of a bona fide retirement or pension plan or the terms or conditions of a bona fide group or employee insurance plan; a bona fide plan, scheme or practice of mandatory retirement	s. 6
PEI	none	a genuine retirement or pension plan or genuine group or employee insurance plan	s. 11
Newfoundland	19-64	termination of employment because of the terms or conditions of a good faith retirement or pension plan; operation of the terms or conditions of a good faith retirement or pension plan which have the effect of a minimum service requirement; or operation of the terms or conditions of a good faith group or employee insurance plan.	s. 9

## Appendix 2: Estimating the Determinants of Elderly Incomes

The earnings gap between immigrants and the native-born is generally estimated using cross-sectional data and an equation which fits employment income to personal and employment characteristics. Personal characteristics included as explanatory variables differ depending upon the hypothesis to be tested: some studies include marital status to control for expected differences in the choice of hours of work, while others include country of source or ethnicity. Employment income is used as the dependent variable in order to capture differences in wages, hours of work, and unemployment rates. Consider a conventional income function:

$$\log(Y) = a_0 + a_i(Z_i) + a_j(P_j)$$

where  $\log(Y)$  = the logarithm of annual employment income;

$Z_i$  = a vector of employment characteristics; and

$P_j$  = a vector of personal characteristics.

Employment characteristics include years of schooling ( $SCH$ ), work experience ( $EXP$ ) and language skills ( $LANG$ ) as measures of human capital endowment. Since the earnings-experience profile is expected to increase at a decreasing rate, experience also enters the equation in quadratic form ( $EXP$ ,  $EXPSQ$ ). To test for the difference in earnings between immigrant and native-born workers, a dummy variable is included for migration status ( $IMMIG$ ) and the years since migration ( $YSM$ ):

$$\log(Y) = a_0 + a_1(SCH) + a_2(EXP) + a_3(EXPSQ) + a_4(LANG) + a_5(IMMIG) + a_6(YSM)$$

where  $SCH$  = years of education;

$EXP$  = years of work experience, estimated using Mincer's rule of thumb that  $EXP = (Age - SCH - 6)$ ;

*EXPSQ* = years of work experience squared;

*LANG* = a dummy variable assuming a value of 0 for no knowledge of English or French, and 1 otherwise;

*IMMIG* = a dummy variable assuming the value of 0 for native-born and 1 for immigrants;

*YSM* = years since migration.

If years of schooling, years of experience and language ability capture all observable skill differences, then years since migration measures the “assimilation effect,” or the growth in earnings independent of observable measures of labour quality.

To capture possible cohort effects, first elaborated by Borjas,<sup>28</sup> it is necessary to track immigrant cohorts over time. Owing to the lack of large-scale longitudinal data sets, “synthetic cohorts” are created by “pooling” data from two or more censuses. The regression model would then be expanded by including dummy variables for different “vintages” of immigrants:

$$\begin{aligned} \log(Y) = & a_0 + a_1(SCH) + a_2(EXP_i) + a_3(EXPSQ) + a_4(LANG) + a_5(IMMIG) + \\ & a_6(YSM) \\ & + c_1(COHORT_1) + c_n(COHORT_n) \end{aligned}$$

Specifying the income equation in this manner makes it possible to determine whether each immigrant cohort faces a different entry penalty (or initial wage gap), while the assimilation rate is assumed to be the same across cohorts.

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<sup>28</sup>

G.J. Borjas, "Assimilation, Changes in Cohort Quality, and the Earnings of Immigrants," (1985) 3 Journal of Labour Economics 463 at 489.



In order to consider retirement income, we assume that the chief variation is due to accumulated savings out of previous employment income. Past employment income is expected to vary according to the years of education (*SCH*) and knowledge of either official language (*LANG*, a dummy variable assuming a value of 1 for knowledge of French or English and 0 otherwise). No estimator for years of employment is included. We also include a variable for current age (*AGE*) since we expect dissaving to occur after the age of retirement, and a dummy variable for marital status (*NEVERMARRIED*). The expectation is that men who remain single throughout their life have a lower income (since they were not supporting a spouse or family) and higher for women (since they had no spousal income). Finally, a dummy variable for gender is included (*GENDER* = 1 for men and 0 for women).

Our estimating equation, therefore, is:

$$\begin{aligned} \log(Y) = & \alpha_0 + \alpha_1SCH + \alpha_2LANG + \alpha_3NEVERMARRIED + \alpha_4AGE + \alpha_5IMMIG \\ & + \alpha_6GENDER + \alpha_7COHORT_i + \varepsilon \end{aligned}$$

The same equation can be applied to separate samples for men and women with the exclusion of the variable for gender.

The estimated results are summarized in Appendix Table 2. All of the predictors have the expected sign with the exception of *AGE* for women, and all are significant at the 95 percent level. The results suggest that an individual's human capital endowment (*SCH* and *LANG*) plays an important part in increasing income; that as elderly men age, their income falls (due to dissaving), but for elderly women, income rises with age; that being or having been married increases a man's income but lowers a woman's income; and that despite these observations, a significant unexplained gap remains in the income of men and women. The effect of immigration status and the immigrant's cohort group is particularly revealing. The empirical results suggest that, with the exception of very early arrivals,

immigrants receive less money than native-born Canadians, and that the difference becomes more pronounced with the later immigration cohorts. This is consistent with the view that more recent immigrants have less current income because of a shorter history of work in the Canadian economy.

Appendix Table 3 summarizes the estimated marginal effects of changes in the value of each variable upon expected income. Given the mean values for individuals in the sample (for men, 72.7 years old, with 9.7 years of schooling, native born, speaks an official language and is married; for women, 73.7 years old, with 9.5 years of schooling, native born, speaks an official language and is married), the estimated annual income for the representative man and woman is \$21,344 and \$13,337 respectively. The marginal effects displays how a change in the value of each variable is predicted to affect average income.

These results, while admittedly exploratory, suggest that further research is needed on the relationship between the incomes of elderly Canadians and immigration status.

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**Appendix Table 2: Regression Results**


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**Dependent Variable:  $\log(Y)$** 

<b>Independent Variables</b>	<b>Estimated Coefficients</b> (absolute value of t-statistics in parenthesis)		
	<b>Men</b>	<b>Women</b>	<b>Total</b>
constant	4.225 (166.1)	3.344 (138.8)	3.617 (203.7)
Age	-0.003 (8.4)	-0.008 (26.4)	-0.004 (16.9)
Language	0.044 (3.9)	0.041 (4.1)	0.038 (5.2)
Schooling	0.025 (58.6)	.0187 (39.6)	0.022 (68.3)
Gender	B	—	0.187 (73.5)
Never Married	-0.086 (11.5)	0.103 (14.3)	-0.024 (11.9)
Immigrant	-0.168 (7.5)	-0.182 (8.2)	-0.183 (11.4)
Immigration Cohorts < 1951	0.178 (7.6)	0.205 (8.8)	0.198 (11.9)
1951-60	0.140 (6.1)	0.186 (8.1)	0.172 (10.4)
1961-70	0.116 (4.8)	0.180 (7.4)	0.162 (9.3)
1971-80	0.029 (1.2)	0.161 (6.6)	0.119 (6.9)
1981-85	-0.117 (4.2)	0.083 (3.0)	0.012 (0.6)
1986-90	-0.539 (19.4)	-0.769 (28.2)	-0.666 (33.7)
1991-95	-0.960 (35.5)	-1.245 (45.7)	-1.106 (56.6)
adjusted R <sup>2</sup>	.241	.253	.270

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**Appendix Table 3: Marginal Effects**  
(change in annual income estimated at the mean)

Variable	unit of measure	Change in Annual Income	
		Men	Women
mean income	representative individual	21,344	13,337
age	(1 additional year)	- 71	+ 236
years of education	(1 additional year)	+ 1,334	+ 585
language ability	(knowledge of English/French)	+ 1,993	+ 1,194
marital status	(never married)	- 3,790	+ 3,570
immigrant, by year of arrival	< 1951	+ 552	+ 725
	1951-1960	- 1,282	+ 123
	1961-1970	- 2,361	- 61
	1971-1980	- 5,814	- 630
	1981-1990	- 15,558	- 9,845
	1991-	- 19,750	- 12,838

## Appendix 3: Survey Instrument

It is important to emphasize that our objective was not to obtain a random sample of elderly immigrants from which to draw statistical inferences. Instead, potential respondents were sought on the basis of a number of criteria:

1. work experience: since our concern with employment rights, the principal target was individuals with past or current employment in Canada. We gathered a few comments from individuals who were self-employed or who had sought but were unable to obtain work in Canada.
2. age: in order to obtain the views of individuals who may have been or likely to be subject to mandatory retirement, we first sought to identify individuals at or past the normal age of retirement.
3. Province of residence: our principal concern was on obtaining the views of individuals in a province where a statutory definition of age limits protection from age discrimination for the elderly. Accordingly, we first sought interviews in Ontario and Saskatchewan. Subsequently, we deemed it useful to obtain the views of individuals on working past the normal age of retirement and thus conducted interviews in Manitoba where there are relatively few restrictions on the right to employment.
4. country of origin: in light of the extremely low average income and high incidence of low incomes among immigrants from southeast Asian countries, our primary target group was individuals from the Chinese-Canadian community. Other respondents were born in south Asia, Central America and Eritrea.

The survey instrument is attached.

## SCHEDULE A:

### RESEARCH STUDY FOR THE LAW COMMISSION OF CANADA MANDATORY RETIREMENT AND THE IMMIGRANT EXPERIENCE TOPIC GUIDE

#### 1. INTRODUCTION: NATURE AND PURPOSE OF STUDY

- 1.1 Explain that we are independent researchers, engaged in a study for the Law Commission of Canada. We are examining the potential effects of Mandatory Retirement—or the right of employers to define a “normal age of retirement”—particularly upon immigrants to Canada.
- 1.2 Roles of those attending the interview
- 1.3 Confidentiality
- 1.4 Explain structure of interview: a) immigration decision; b) work experience in Ontario and/or other provinces; c) current income (employment, self-employment, investment, public and private pensions, other government benefits); d) opinions on mandatory retirement; e) then chance for participant to add anything.
- 1.5 Explanation of audio tape and agreement on use

Note: Begin with a brief discussion of family/living situation (number of family members, how many are in Canada and Ontario, etc.)

#### 2. IMMIGRATION DECISION AND EXPECTATIONS

- 2.1 From what country and in what year did you emigrate? In what year did you obtain permanent residency (i.e. landed immigrant status and/or citizenship)?
- 2.2 In what year were you born?
- 2.3 Did you migrate by yourself or with other family members or friends?
- 2.4 Did you have relatives or friends living in Canada at the time?
- 2.5 Why did you decide to leave your home country? Probe fully – family, work, education, business, political reasons etc.
- 2.6 Did the likelihood of finding employment in Canada play a major role in your decision to emigrate?

- 2.7 Under which immigration category did you enter Canada?  
 -independent or skilled worker class;  
 -family class (spouse, grandparent, other);  
 -business class (investor, entrepreneur, self-employed);  
 -refugee (government-sponsored, privately-sponsored, refugees landed in Canada, other).
- 2.8 Did you emigrate by yourself or with family members?  
 If with family members, identify them (spouse, children, parents, other relatives)
- 2.9 Was it your intention to work (i.e. paid labour) in Ontario? Did other family members intend to do so?
- 2.10 When you moved to Ontario, were you aware that Ontario law may require an individual to retire at the age of 65?  
 If yes, did this play any part in your decision about which country or province to move to?  
 If no, would this have influenced your decision about moving to Ontario?
- 2.11 Were you working prior to emigrating to Canada?  
 If yes, what occupation?  
 If no, what was your principal activity (student, self-employed, homemaker, retired)
- 2.12 Did you suffer a significant disruption/loss of income prior to emigrating?  
 If yes, probe: had you lost your job? Did you lose your house or other assets?
- 2.13 Approximately how much personal savings did you have upon arrival in Canada?

### **3. EXPERIENCE OF WORKING AND LIVING IN ONTARIO**

- 3.1 Are you currently employed or did you previously work in the paid labour market in Ontario?  
 If yes, go to 3.2.  
 If no, probe: Why not? Self-employed; had retired prior to moving to Ontario; looked for work but unable to find a job; family responsibilities (homemaker, childcare, elder care). What was your chief source of income? (personal savings, pension, family income, support from other family members with whom you did not reside) Then go to Section 4.
- 3.2 Were you eligible to work upon arriving in Canada? How long after becoming eligible did you begin looking for work? What were you doing between the time that you were eligible to work and begin looking for work?
- 3.3 How long did it take to find your first job?
- 3.4 Was your first job appropriate to your level of education, training and qualifications?
- 3.5 Did you subsequently change employers or positions within the same firm?  
 If yes, was your subsequent work appropriate to your education, training and qualifications. How many different jobs have you held?

- 3.6 Were you on unemployment for any length of time, say for six months or more? If yes, did you receive employment insurance benefits or social assistance?
- 3.7 Did you at any time leave the labour force to raise children or for other personal reasons? If yes, why and for how long were you out of the paid labour force?
- 3.8 In total, how many years did you spend working in Canada?
- 3.9 What was your major source of income during this period? (employment or self-employment earnings, social assistance, investment income)
- 3.10 All things considered, how would you describe your experience of working in Canada and/or Ontario: a) exceeded my professional/financial expectations; b) basically met my professional/financial expectations; c) fell far short of my professional/financial expectations?

#### **4. RETIREMENT DECISION**

- 4.1 Have you retired from your principal occupation? If yes, in what city or province were you living at the time; at what age did you retire? If no, are you obliged to retire from your current job at the age of 65? What age do you plan on working until?
- 4.2 Were you obliged to retire because you had reached the age of 65? If yes, until what age would you have liked to have worked? Did this impose an economic hardship on you or your family members? Did you find retirement difficult for other reasons? If yes, probe gently.
- 4.3 Did you find your job less satisfying as you approached the age of 65? Did you find your employer's attitude towards you change? If yes, probe why/how.
- 4.4 Did you seek and/or obtain other work, either full- or part-time after retiring from your principal occupation? If yes, did you have difficulty finding work? What type of work did/are you engaged in?

#### **5. CURRENT INCOME**

- 5.1 Do you currently receive:  
 a private company pension?  
 employment earnings?  
 self-employment earnings?  
 Canadian Pension Plan benefits?  
 other government social assistance benefits?



- 5.2 Do you receive income support from a spouse, child or other relative? If so, roughly how much and from whom?
- 5.3 Do you provide income support to a spouse, child or other relative? If so, roughly how much and from whom?
- 5.4 Is your current income sufficient to meet your basic needs (food, clothing and shelter)?

## **6. MANDATORY RETIREMENT**

In the Province of Ontario, workers may be forced to retire at the age of 65 years. In some other Canadian provinces, mandatory retirement is not permitted without a legally justifiable reason for discriminating against workers on the basis of age.

- 6.1 Do you think Ontario's policy is fair/unfair to individuals? Probe, focusing as much as possible on the individual's human rights.  
 -if fair, why? (Because the skills of older people deteriorate?)  
 -if unfair, why? (Everyone over a certain age should enjoy the same right to work? Work is important to one's sense of self-esteem? Potential economic hardship?)
- 6.2 Do you think Ontario's policy is appropriate/inappropriate from the point of view of what is best for society? Probe, focusing as much as possible on what is in society's best interest.  
 -if yes, why? (To give young people a chance to work? To give employers the chance to terminate employees without having to fire them? To avoid workplace testing?)  
 -if no, why? (There aren't enough younger workers to replace them? The individual's right to work is most important?)
- 6.3 Do you think that mandatory retirement is unfair to many immigrant families who may not have been able to save enough money for their retirement by the age of 65? Probe:  
 -if yes: do you know of cases where an immigrant has been affected by mandatory retirement?  
 -if no: many immigrants have had their lives disrupted and have suffered a loss of income or have been unable to work for long periods of time. Don't you think that forcing individuals to retire at 65 years of age may place an economic burden on them?
- 6.4 Would you prefer to see any changes in mandatory retirement legislation? Probe: Should the age limit be lowered or raised? Should mandatory retirement be abolished (except in cases where there is a legally justifiable reason for discriminating against workers on the basis of age)? Explain.

## **7. OTHER ISSUES TO BE DISCUSSED (participant-generated)**

Thank and close.