



Factors Influencing Retirement Timing among Immigrants

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*The views expressed in this presentation are the authors' and do not necessarily reflect
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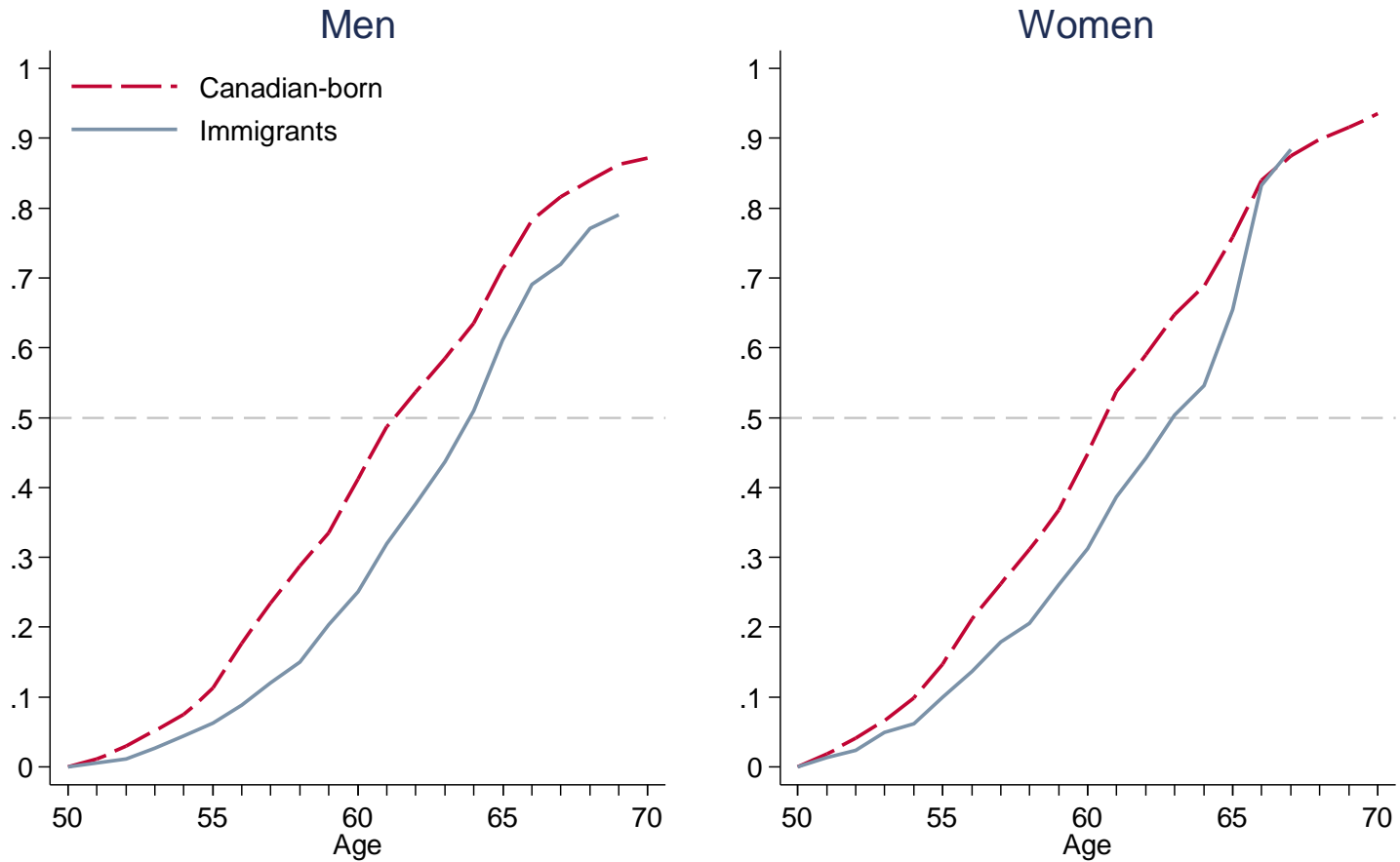


Issue understudied

- Extensive Canadian literature on retirement but few studies focused on immigrants
- About one-fourth of older workers are immigrants and this share is growing – important in the context of an aging workforce
- Some research suggesting that, relative to the Canadian-born, immigrants:
 - Retire, or expect to retire, later
 - Are less financially prepared for retirement
- Less is known, however, about more specific factors influencing retirement

What explains these differences?

Proportion ever retired, by age



Kaplan-Meier estimates, GSS 2007.

A decorative header image showing silhouettes of a diverse group of people, including men, women, children, and individuals with disabilities, walking in a line. The silhouettes are light blue and set against a white background.

Goal and research questions

- **Goal**

- To shed light on the factors influencing retirement timing among immigrants.

- **Research questions**

- What factors appear to precipitate/delay retirement among immigrants?
- Do factors influencing retirement (work experience, education) have the same effects for immigrants and the Canadian-born?
- Are immigrant-specific characteristics (e.g. age of arrival) important?



Data source

- General Social Survey on Family, Social Support and Retirement (Cycle 21, 2007) - 23,000 respondents 45+
- Information on immigrant status & characteristics such as age at arrival, country of birth & first childhood language
- Retrospective information on nature/timing of several events (retirement, work interruptions, family and caregiving histories)
- Limitations
 - No retrospective information on some important factors (e.g., job characteristics, financial circumstances, health)
 - Lack of data on ‘immigrant class’ (e.g. economic, family refugee) & official language proficiency at arrival

A decorative header image showing silhouettes of various people, including a person in a wheelchair, a person with a cane, and a person with a stroller, representing diversity and accessibility.

Definitions

Immigrants: Born abroad & ever ‘landed immigrant’

Retirees: ‘Ever retired from a job or business’ or main activity in last 12 months was ‘retired’

Retirement transition: First retirement during ages 50-65

Group at risk: Started working full-time between ages 15 and 49, working at age 50, and never retired before age 50

Excluded:

- Proxy respondents & those aged 85+
- Immigrants who were older than 50 when they arrived in Canada

Method – Event History Analysis (EHA)

- Piecewise exponential models to estimate the effect of independent variables on the risk of retiring ('hazard')

$$h_i(t) = h_0(t) \exp(\mathbf{x}_{it} \boldsymbol{\beta}) \quad h_0(t) = \exp\left(\sum_{t=50}^{65} \gamma_t d_t\right)$$

- Hazard: Limiting probability of retiring at a given age conditional upon not having retired before that age
- Three pooled models (men and women together):

Models	Sample size
Immigrant models (two)	1,500
Canadian-born model	7,400

Method - Variables included in EHA models

All Models	Immigrant Models (additional variables)
Work experience*	Model 1
Highest level of schooling	Age of arrival
	First childhood language
Marital status/Gender*	Visible minority
Death of partner*	
Presence and age of children*	Model 2
Informal caregiving*	Age of arrival
	Region of birth
Region of residence	
Urban/rural	
Birth cohort	
Economic downturn*	
* <i>Time varying variable</i>	

Descriptive statistics (I)

	Immigrants	Canadian-born
	%	
Female	44	47
University degree	35	26
Ontario	61	34
Urban(CMA/CA)	93	77
Born during 1948-57	47	50
At age 50:		
Married	84	79
Child(ren) aged 0-17	48	36
Informal care to family	9	16
	Years	
Work experience (average)	25.0	27.1

shaded cells are signif. different from the Canadian-born at 0.05 level

Source: Statistics Canada, General Social Survey, 2007

Descriptive statistics (II)

	Immigrants
	%
Arrived during 1950-1999	94
Age of arrival	
<13	18
13 to 19	13
20 to 34	51
35 to 49	18
Region of birth	
UK/Ireland	17
Other Europe	41
Asia, S/C America, Caribbean & Africa	36
US, Oceania & Other	6
Visible minority	31
First childhood language	
English	34
French	3
Other	63

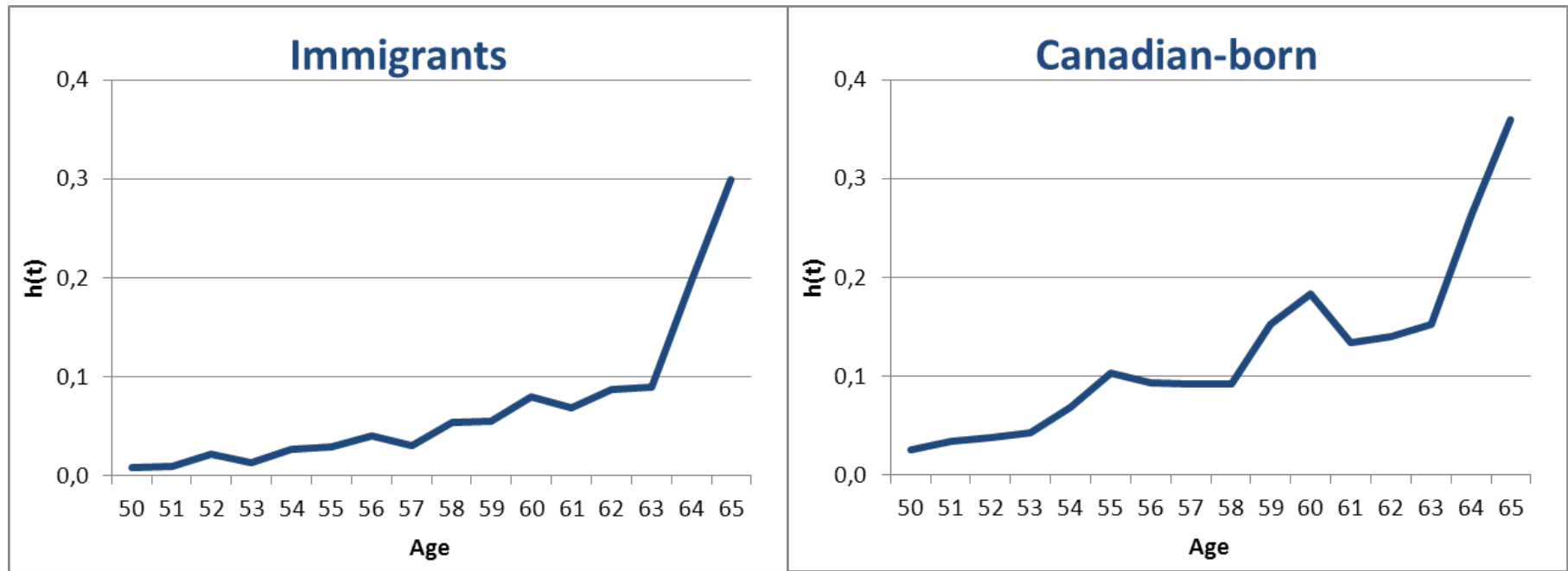
Source: Statistics Canada, General Social Survey, 2007



Findings from multivariate analysis

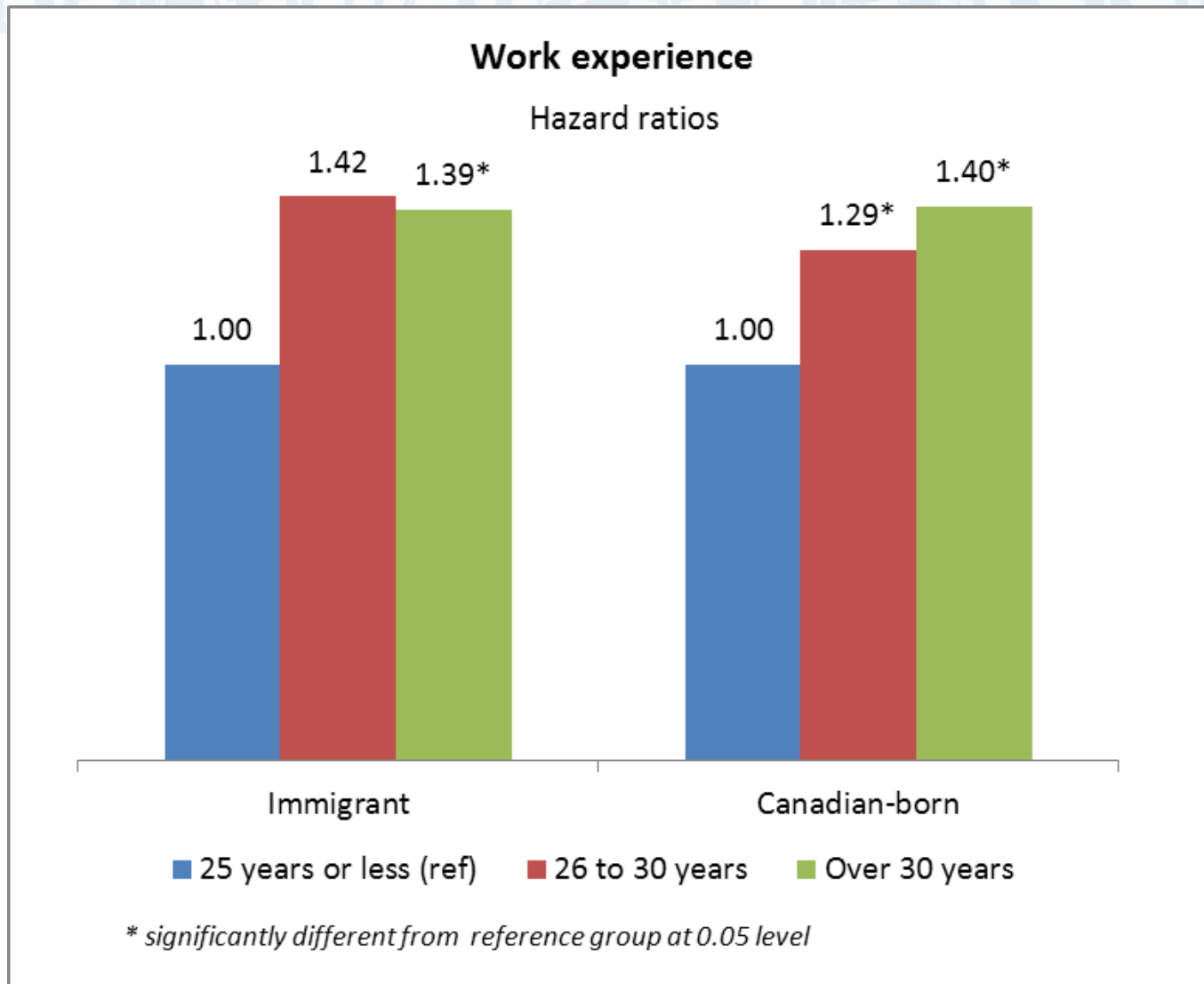
Risk of retirement generally increases with age

Predicted risk of transitioning into first retirement (baseline)*



* For white married male, in Ontario CMA, born 1938-47, univ. deg., had child aged 24+ & over 30 years of work exp. by age 50, never a caregiver, never exp. partner death &, if immigrant, arrived at age 24, did not speak E/F as 1st language.

... and with work experience



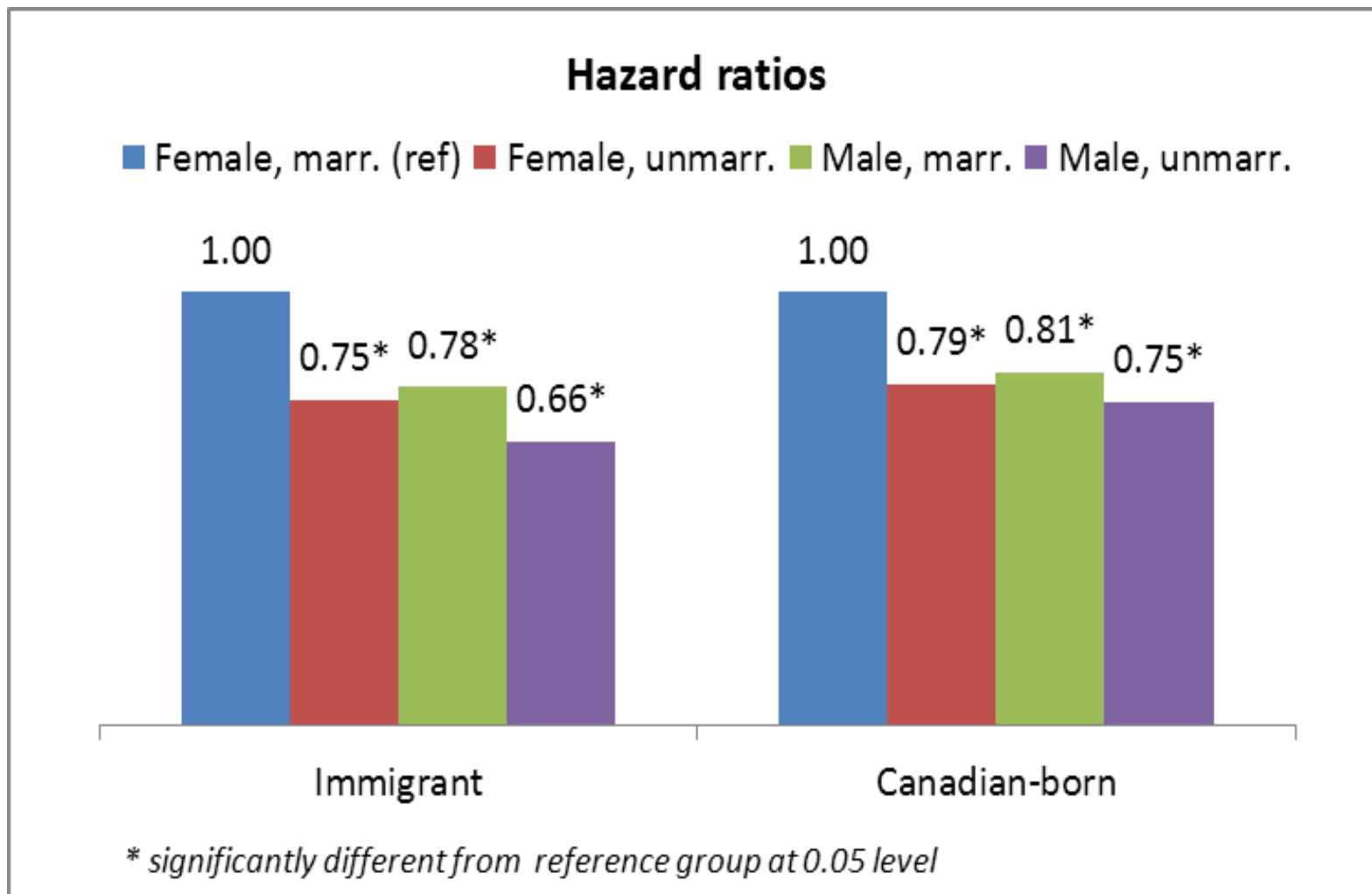
However, risk does not seem to vary with educational attainment

- Among Canadian-born workers, university graduates are more likely to retire, but no such difference among immigrants
- Possible contributing factor: ‘discounting’ of foreign education, (i.e. education not leading to better earnings/jobs and, thereby, higher ability to save for retirement)

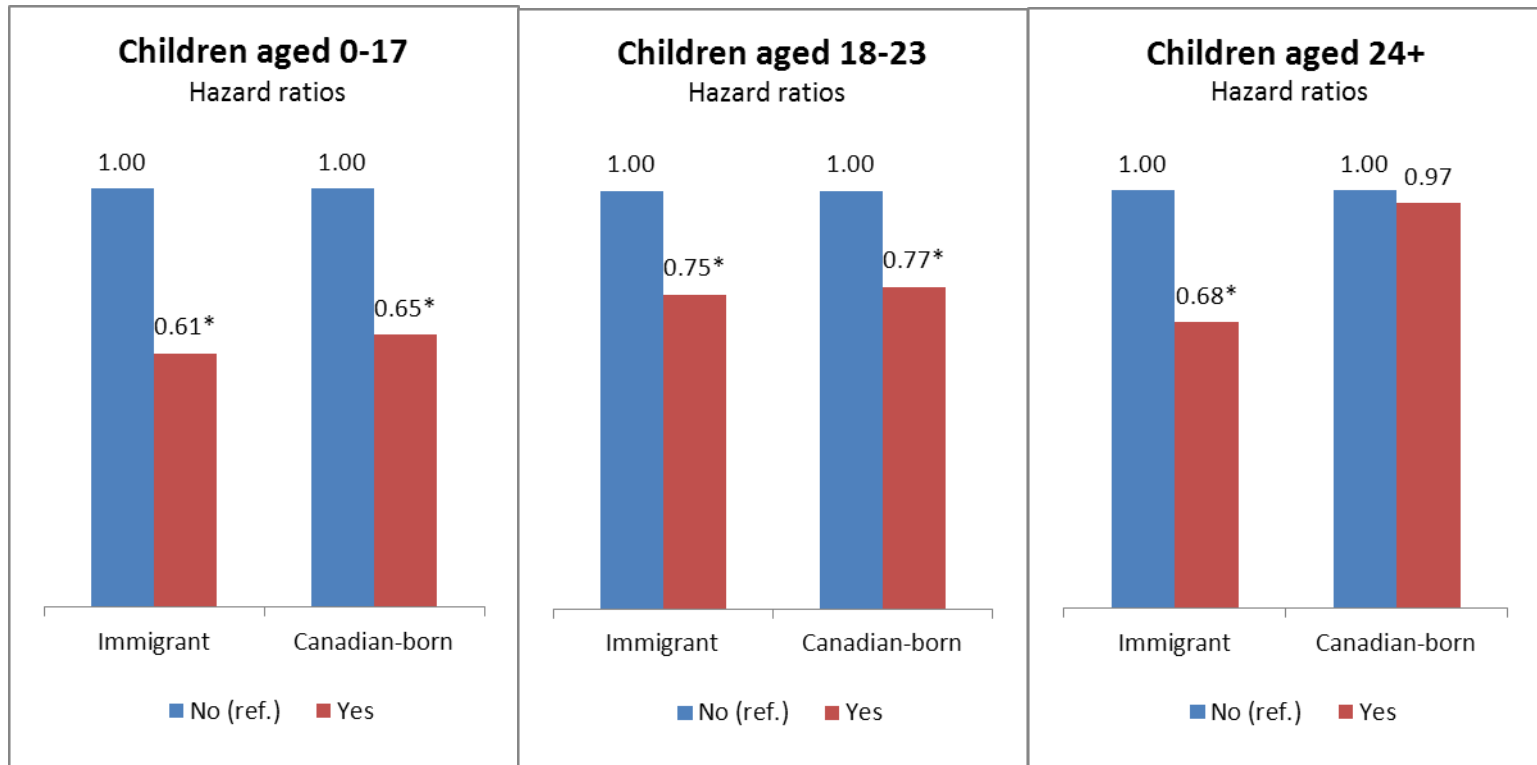
	Immigrant	Canadian-born
Highest level of schooling		
High school or less (ref)	1.00	1.00
Postsecondary, no degree	0.84	1.03
University degree	0.94	1.23

shaded cells are signif. different from ref. group at 0.05 level

Risk of retirement highest for married women ...



Presence of children associated with delayed retirement

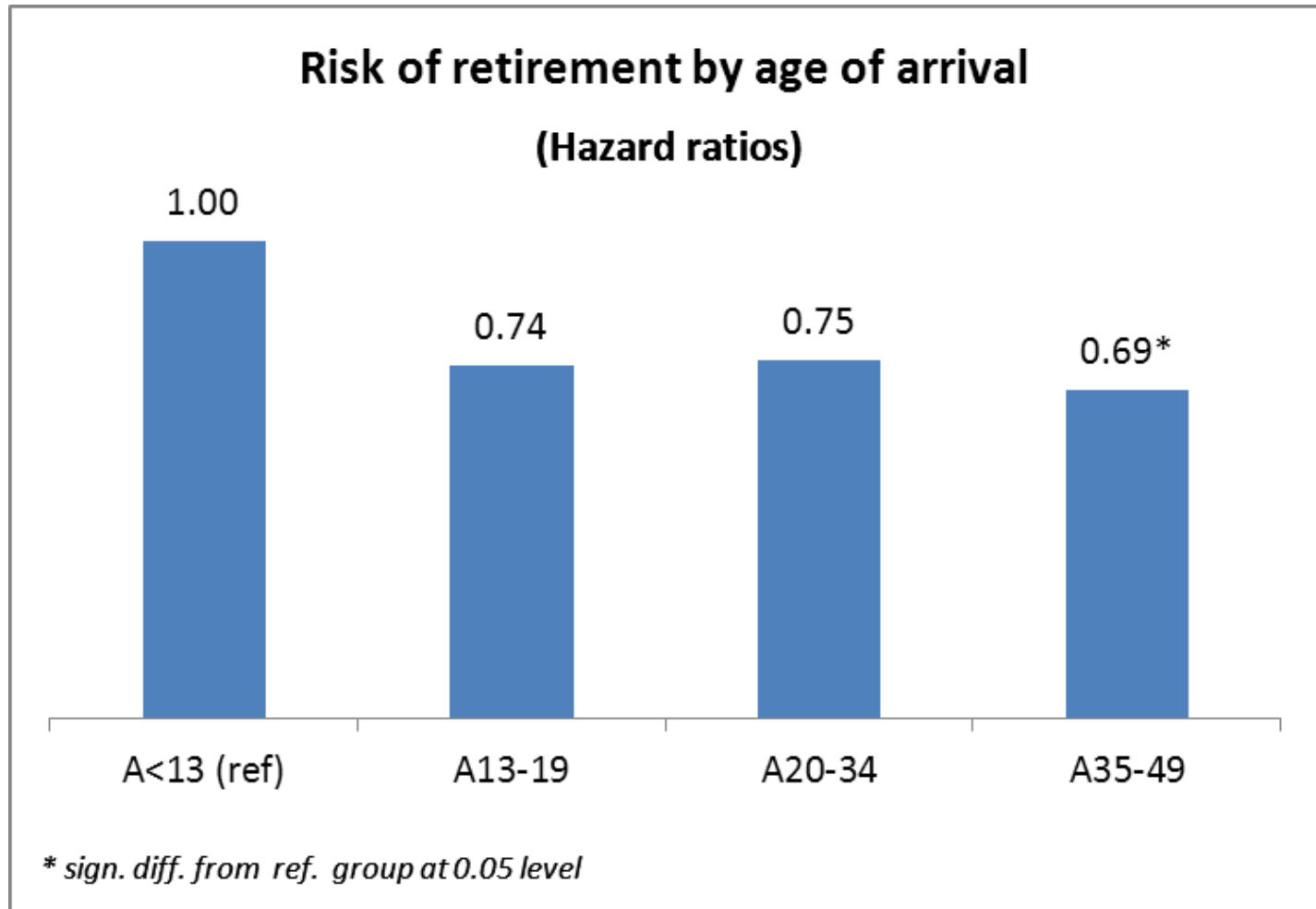


Spouse death and informal care associated with higher risk of retiring

	Immigrant	Canadian-born
	Hazard Ratios	
Experiencing death of spouse/partner		
No (ref)	1.00	1.00
Yes	2.21	1.74
Providing informal care to family member		
No (ref)	1.00	1.00
Yes	1.47	1.19

shaded cells are signif. different from ref. group at 0.05 level

Age of arrival: The older you arrive, the later you retire



Variations by first childhood language and visible minority status

- Not speaking English or French as mother tongue linked to 18% lower risk of retiring
- Risk of retirement about 1.3 times higher for visible minorities

	Immigrant
	Hazard Ratios
First childhood language	
English (ref)	1.00
French	0.70
Other	0.82
Visible minority	
No (ref)	1.00
Yes	1.27

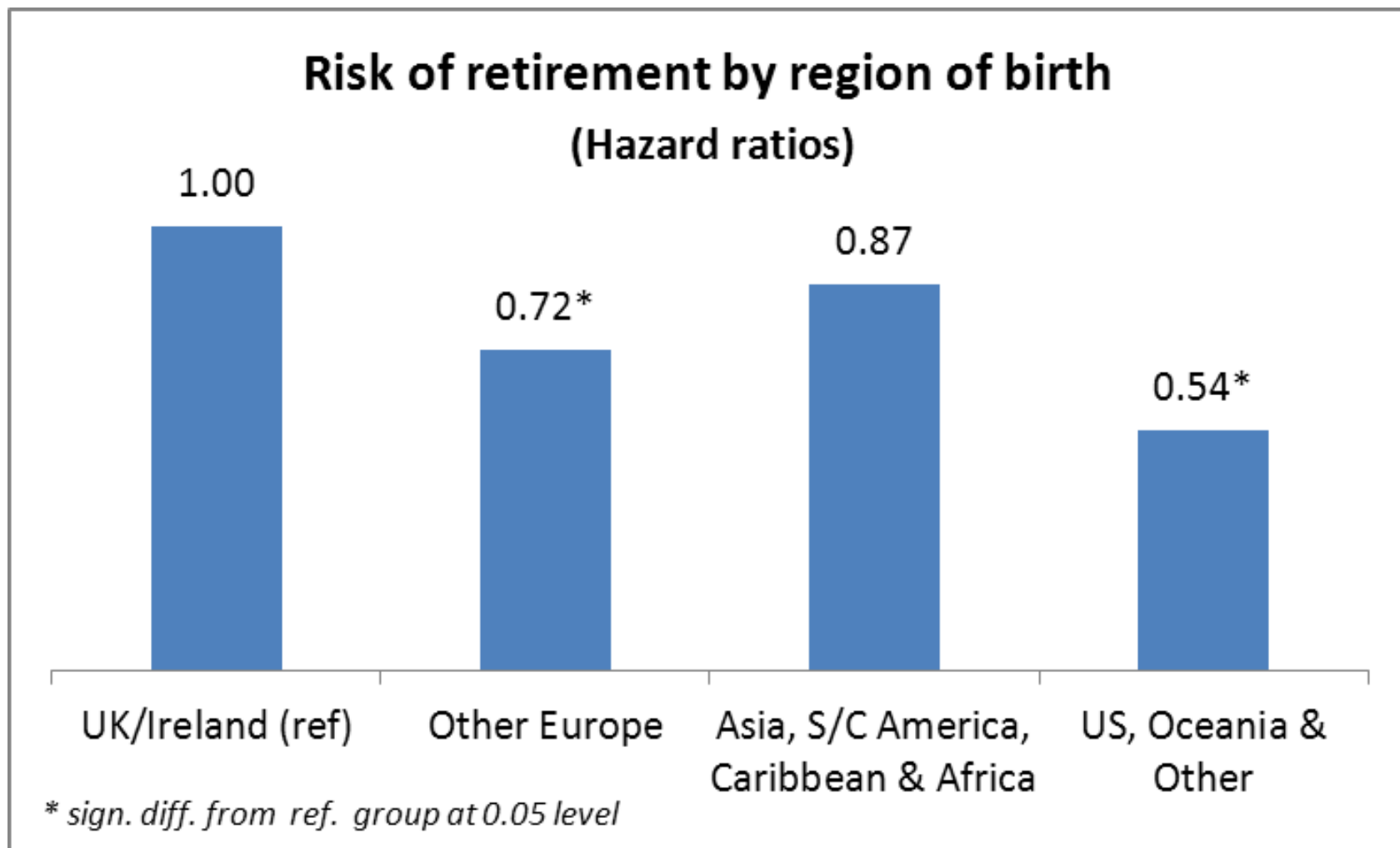
shaded cells are signif. different from ref. group at 0.05 level

A horizontal row of light blue silhouettes representing a diverse group of people. The silhouettes include individuals of various ages, a person in a wheelchair, a person with a cane, a person with a stroller, and a person with a baby, set against a light blue background.

Differences by region of birth

(Alternative model specification)

Immigrants from UK/Ireland appeared to retire sooner



Additional results

A decorative header image showing a row of light blue silhouettes of various people, including a person in a wheelchair, a person with a cane, and a person with a stroller, representing a diverse population.

- In line with results for Canadian-born model:
 - Risk of retiring lowest for most recent birth cohort (1948-1957)
 - No statistically significant differences for other variables (region of residence, urban/rural, and economic downturns)

A decorative header image showing a row of light blue silhouettes of various people, including men, women, children, and individuals with disabilities, representing a diverse population.

Summary (I)

- For Canadian-born and immigrant older workers, the following factors were associated with an higher risk of retirement:
 - work experience
 - being a married woman
 - informal caregiving
 - death of spouse/partner
- The presence of children is associated with a lower risk of retiring (except children 24+ among the Canadian-born)

Summary (II)



- In contrast to the Canadian-born:
 - educational attainment does not have a significant influence on timing of retirement for immigrants
 - age pattern appears to be somewhat different
- Immigrant-specific characteristics matter
 - age of arrival
 - 1st childhood language
 - visible minority
 - region of birth