

NEWS RELEASE

Employment rate for Canadians 15-64 at record levels, but aging population limiting overall labour market recovery

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For immediate release

VANCOUVER—The employment rate for Canadians between 15 and 64 years of age (working age) is at a historic high, but the overall labour market has yet to fully recover from the pandemic-induced recession due to the continued aging of the country's population, finds a new study by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

The study compares labour statistics for the first five months of 2022 relative to the same period in 2019 to gauge the recovery of the country's labour market. In total, there were 347,300 more potential workers aged 15 to 64 in 2022 compared to 2019. However, there were 533,120 more people employed in this age category in 2022 than 2019, vastly outstripping the growth in population.

“Clearly the labour market, and more specifically employment levels for working-age Canadians, has more than rebounded from the pandemic-induced recession,” commented Tegan Hill, economist at the Fraser Institute and co-author of *An Aging Population: The Demographic Drag on Canada's Labour Market*.

The lack of a full recovery in the employment rate is explained by Canada's aging population. The study shows how there were 729,100 more people over the age of 65 in 2022 compared to 2019 but that only 62,680 were employed. Put differently, only 8.6 per cent of the new people over the age of 65 in 2022 compared to 2019 are employed.

“The aging of the population will continue to impose a drag on the labour market as seniors continue to represent a larger share of the population over the age of 15, assuming no changes in their participation or employment rates,” said Alex Whalen, policy analyst at the Fraser Institute and co-author of the study.

“Canada needs to re-assess policies impeding potential workers over the age of 65 from participating in the labour market.”

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