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Chair

Mr. Ed Komarnicki

Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

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•(1105)

[English]

The Chair (Mr. Ed Komarnicki (Souris—Moose Mountain, CPC)): Good morning, everyone. It's good to see you all here bright and early. We have at least one happy New Democratic member this morning for sure.

I'd like to welcome officials to our study on engaging experience: opportunities for older persons in the workforce. I understand we'll have a presentation by Yves Gingras. We'll also hear from Dominique La Salle and Catherine Demers.

We will have the usual opening remarks, and then questions and answers, alternating between the parties.

[Translation]

Mr. Yves Gingras (Senior Director, Economic Policy Directorate, Labour Market Analysis, Department of Human Resources and Skills Development): Mr. Chair, thank you for inviting Human Resources and Skills Development to today's hearing. We are very pleased to be here today to discuss the labour market situation of older workers.

[English]

Older Canadians, generally understood to be those 55 and over, are an important source of labour supply across Canada. In 2012, nearly one in five individuals who were working or unemployed were age 55 and older, which is up from one in nine in 2002. According to Statistics Canada, it is expected that by 2021 about one in four of these individuals will be age 55 and over.

The labour market performance of older Canadians has been relatively strong over the past decade as they experienced low levels of unemployment and the greatest increases in participation and employment when compared to other age groups. For example, the unemployment rate of older adults ages 55 to 64 was 6.3% in 2012, which compares favourably to that of youth ages 15 to 24, at 14.3%. It is similar to that of prime-age workers, ages 25 to 54, at 6.0%.

The employment rate for older adults rose about 10% between 2002 and 2012, and that of seniors almost doubled from 6.5% in 2002 to 12.0% in 2012. Between 2002 and 2012, the average age of retirement in Canada increased from age 61 to 63. This is expected to continue to increase as Canadians are delaying retirement later into their lives for reasons such as better health, later entry into the labour market with higher levels of education, and lack of retirement savings.

Some older Canadians face challenges when trying to find work. For example, once unemployed, older adults are more likely to become long-term unemployed. If older workers do find re-employment after suffering a job displacement such as a layoff, company downsizing, or a plant closure, many of these workers report earning up to 25% less in their new job compared to the previous job. Displaced older workers in small communities often face significant barriers to re-employment, especially in remote areas where there is limited economic infrastructure to support employment transitions and/or areas that were heavily reliant on traditional industries.

Promoting the continued participation of older Canadians to sustain our supply of labour is increasingly important, especially given employers in some sectors are reporting skilled labour shortages and that the pace at which Canada's labour force grows will slow to less than 1% over the next decade.

[Translation]

Recognizing that older workers' skill and experience are important for our economy, the Government of Canada has been committed to reducing barriers to employment among older Canadians.

[English]

Several programs have been implemented to directly support older Canadians looking for work. For example, the targeted initiative for older workers helps unemployed older workers who live in small, vulnerable communities affected by high unemployment and/or significant downsizing stay in the labour market by providing a range of employment activities, including training. Since the launch of this initiative in 2007, \$270 million has been invested in this program and more than 27,800 clients have been targeted for participation in communities across the country.

In addition to this program, ThirdQuarter provides an online job forum that makes it easier for older workers to find jobs that match their skills and helps businesses find workers with the skills they need.

To connect Canadians, including older Canadians, with jobs, the Government of Canada invests \$2.7 billion annually through labour market development agreements, labour market agreements, and labour market agreements for persons with disabilities. These federal transfers are in support of labour market programming that is delivered by provinces and territories.

Economic action plan 2013 announced that the Government of Canada will transform skills training through the introduction of the Canada jobs grant through the renewal of the labour market agreements with the provinces and territories in 2014-15.

The labour market agreements will be reformed to directly connect skills training with employers and jobs for Canadians with the Canada jobs grant. The labour market development agreements will also be renegotiated to reorient training toward labour market demand.

Finally, economic action plan 2013 also announced that the labour market agreement for persons with disabilities will be reformed to better meet the employment needs of Canadian businesses and also improve the employment prospects for persons with disabilities.

In order to ensure that older Canadians can work longer, the Government of Canada eliminated mandatory retirement for federally regulated employees in 2011. The government also removed disincentives to work and introduced flexibility to accommodate differences in work-to-retirement transitions through the pension system.

In 2008 the annual guaranteed income supplement earnings exemption was increased from \$500 to \$3,500, allowing low-income seniors who work to retain more of their GIS benefits before the benefit reduction applies.

Recent changes to the old age security program announced in budget 2012 will give workers the choice of deferring receipt of OAS pension for up to five years in order to receive a higher annual pension benefit. In addition, in 2009 the government reformed the Canada pension plan to better reflect how Canadians choose to live, work, and retire.

A number of changes are being phased in to provide greater flexibility for older workers, especially those who seek to combine income from employment and a pension. As a result, people are no longer required to reduce their earnings or stop working in order to start receiving an early CPP retirement pension. People who delay CPP receipt past the age of 65 will now receive a larger increase to their benefits. The post-retirement benefit was created, allowing working CPP retirement pension beneficiaries under the age of 70 to continue to contribute to the CPP in order to increase their retirement income.

Finally, the Government of Canada introduced changes to the tax rules to allow phased retirement arrangements under certain workplace pensions.

• (1110)

[Translation]

Recent Government of Canada consultations have revealed that older workers are valued by employers.

HRSDC continues to study measures that can help address labour market challenges faced by older Canadians and increase their labour market participation and employment.

The federal government cannot act alone, as it shares responsibility for labour market programs involving training with the provinces and territories.

In addition, the workplace also has a role to play. For example, the 2008 Survey of Older Workers found that flexible work arrangements could create an incentive for older workers to continue to work longer.

Additionally, the National Seniors Council, an advisory council established by the federal government, has also led consultations on the issue. Since 2011, the council has consulted a number of stakeholders on how to support the workforce participation and continued employment of older Canadians. These consultations highlighted the importance of engaging employers to promote the design of workplace policies and practices that meet the needs of an aging workforce.

We look forward to seeing the findings of the committee's study and the policy recommendations that will result.

Thank you.

[English]

The Chair: Thank you very much for that presentation. Certainly, older workers would want more flexible arrangements, perhaps fewer hours and more getaway time if that were possible, so I can appreciate that.

We'll start our first round of questioning with Chris Charlton.

• (1115)

Ms. Chris Charlton (Hamilton Mountain, NDP): Thank you, and I thank the witnesses very much for being with us this morning.

I have a number of questions in a bunch of different directions. Let me start first by making an observation.

It seems to me that when we're talking about older workers, we may want to divide our conversation into two separate groups of older workers. One, I would suggest, would be those who are ages 55 to 64 who, if they're losing employment, have a dramatically more difficult time in finding new employment or accessing skills training. The other would be perhaps those who are 65 and over who may well be seeking employment simply because they can't make ends meet on their public, private, or workplace pensions.

Let me start by asking a question about your presentation. On page 3 of the written document which is before us, the bullet reads, "The Government is also implementing measures that help promote the continued labour force participation of older Canadians by removing disincentives to work...".

What disincentives to work are you removing?

Mr. Yves Gingras: In the introductory remarks, we stated a number of programs that are adjusted. There are adjustments that are brought in, for example, to some laws that remove the mandatory retirement in federally regulated fields. That is an area where there's more possibility for people to contribute longer.

When we're looking at the amount that people can earn and keep with them before they start losing some of the government benefits that they receive, like the guaranteed income supplement, the exemption used to be at \$500 and now this has been increased to \$3,500. This is an incentive for people to go and earn, knowing that they can keep more of the money that they earn.

These are some examples, and I named a few in my introductory remarks, that go in that direction. They may not be swift and very fundamental changes, but they are small changes that go in the direction of improving incentives or removing disincentives for people to stay longer.

Ms. Chris Charlton: Would you include raising the age of eligibility for OAS from 65 to 67 as having removed a disincentive?

Mr. Yves Gingras: This change was done mainly to ensure the sustainability of this program.

Ms. Chris Charlton: Really?

Mr. Yves Gingras: This is what has been done. Raising the age from 65 to 67 is to ensure that in the context of an aging population, we have a program that will be able to be run in a more sustainable manner, because we will have fewer people, fewer working-age Canadians, there to pay for the benefits that will be collected by more people who will not be active.

We're looking forward; this is planning for the long term. This is a change that will be implemented 10 years down the road. This is planning for the decades to come.

Nowadays, we have four working Canadians for every senior individual we have in our society. By 2030 this ratio will be down to two working-age Canadians to one senior in Canada. This is preparing for that new reality that we'll be facing in a few decades from now.

Ms. Chris Charlton: I may have misunderstood, but all the actuarial evidence at the time that this change was announced actually suggested that the OAS was quite stable in actuarial terms and the actuarial forecast for a particular number of years.

I wonder if it might be appropriate for me to ask whether you could table the studies that you're referring to that show there was a financial need to do that.

Mr. Chair, how much time do I have? Do I have five minutes or seven?

The Chair: You get seven and you're at 4:15 right now.

Ms. Chris Charlton: All right, so let me just move along.

The Chair: I'm not sure where you've gotten to in your questioning, but carry on if you wish and we'll come back to what it is you might want.

Ms. Chris Charlton: Thank you very much.

I'll focus on folks between 55 and 64 for the purpose of the few minutes I've got left.

I know that in my hometown of Hamilton, for example, we've had mass layoffs in a number of industrial plants. You know that the manufacturing sector has been particularly hard hit in this country. In those instances, there used to be a program for older worker adjustment. It was a program designed to help older workers transition. That program is no longer in existence.

I wonder if you can tell me if there are any programs, currently, that offer the same kind of support. If not, why is that program no longer deemed necessary, given the current economic climate and given the numbers that you yourself have presented with respect to the difficulties older workers have?

• (1120)

Ms. Catherine Demers (Director, Employment Programs and Partnerships, Department of Human Resources and Skills Development): I believe you may have been referring to the program for older worker adjustment, POWA, which ended in 1997 and was meant as a bridge to retirement. It was a pilot program. It was actually a predecessor to the targeted initiative for older workers which followed that program. The reason it ended at the time was that, based on evaluation evidence, it was showing that it was not leading to very good outcomes, certainly not good employment outcomes for the participants, because it was really meant as a passive income support program and not as an active employment measure program.

Ms. Chris Charlton: I'm sorry, because I have such limited time, I don't mean to be rude, but can I just ask about the targeted initiative for older workers? It provides training or provides help to access employment. Do you actually have statistics on the success of that program and would you be able to provide those to us?

Ms. Catherine Demers: Yes, we do. The program was evaluated. We have very good evidence showing that it has a positive impact on the employment outcomes of participants. Of those surveyed, 75% found employment after their participation.

Ms. Chris Charlton: POWA was really designed to help the 25% who wouldn't have been able to succeed even under this program, right? So right now, for those 25% there is nothing; there is absolutely no support anymore. Am I right?

The Chair: You're at the end of your time, but you can go ahead and conclude.

Ms. Chris Charlton: You can just say yes.

Voices: Oh, oh!

Ms. Catherine Demers: There is support. POWA did not offer training. So there is support for those individuals. In fact, they can continue to participate in initiatives.

Ms. Chris Charlton: Thank you.

The Chair: Right now, just to be clear, Ms. Charlton, there was no agreement to supply whatever information you required. Were you requiring some additional information?

Ms. Chris Charlton: I was just asking whether it would be possible to provide the information Mr. Gingras referred to with respect to the OAS.

The Chair: What were you were asking for specifically?

Ms. Chris Charlton: Mr. Gingras had suggested that it was clear the OAS was not going to be sustainable, which was counter to most of the evidence that I think actuaries actually presented at the time the change was implemented. I just wondered whether we could get access to that information.

The Chair: Before we get into that, I'm not so sure it's relevant to the topic of study. It is relevant to the question you posed, but it's not relevant to the topic we're studying: engaging experience: opportunities for older persons in the workforce.

My initial thoughts are that's not what we're studying, and therefore, I wouldn't have the department officials digging into that unless we were going to study it.

Now, before there's any commitment, I don't know what your position was. He never answered the question, but I think ultimately, I'd probably put it to the committee if it became an issue.

Ms. Chris Charlton: Could I just ask, Chair, whether those were public documents. There wouldn't be any reason for you not to share them, would there?

The Chair: Are they available somewhere?

Mr. Yves Gingras: Yes, the Chief Actuary of Canada did a report showing the evidence that we used, and this is a report that is publicly available.

The Chair: Of course, you can find it if you wish, but I don't think it relates to this study that we're doing here. My sense is if it's publicly available, you can get it, but I don't think it's part of this study and if the committee wants to....

Ms. Chris Charlton: The point was made.

The Chair: All right, we'll leave it at that.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Chair, I have a point of order. I would think it would relate to this. When the officials refer to removing disincentives and they identify the increase in the OAS as a disincentive, I would think it's relevant to the study.

The Chair: A disincentive to encourage people to engage in the workforce...?

Mr. Rodger Cuzner: Yes, that was the reference made in the testimony.

•(1125)

The Chair: Does anybody else have a comment?

Mr. McColeman, go ahead.

Mr. Phil McColeman (Brant, CPC): I'd like clarification on that, because I didn't hear that. It was not included in this. Ms. Charlton brought it up to make a political point. That's why she did it.

Mr. François Lapointe (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, NDP): A point of order.

The Chair: Hold on.

Okay, Mr. Lapointe.

Mr. François Lapointe: It was part of the testimony. It was shown as part of the plan to increase...incentive.... It was there, much before my colleague started to ask any questions.

Mr. Phil McColeman: Mr. Chair, I'd like you to ask—

The Chair: Hold on a second.

Mr. Gingras, maybe in your presentation—

Mr. Yves Gingras: Yes—

The Chair: —did you refer to it as a disincentive?

Mr. Yves Gingras: Well, it is under that theme, because, not so much the age 65, moving the age from 65 to 67, what I was referring to is giving workers the possibility to defer their receipt of the pension by five years. It gives them the flexibility to decide if they wish to obtain their pension earlier or later.

That notion of flexibility gives them some choices to do some tax planning or decide if it makes more sense for them to receive that pension earlier or later, given their work patterns.

The Chair: That's a very different question from the one that Ms. Charlton's posing. She's saying delaying the pension from 65 to 67 would be a disincentive. That's what I think she was referring to, not that particular statement.

Does someone else wish to make a comment?

Mr. François Lapointe: I just wanted to make sure I was in the same room.

[Translation]

My colleague asked if it was possible to table the document that allowed you to say that that there were economic and administrative reasons for this change. That did not imply that she was saying that it was an incentive.

It is on the table. The officials have told us today that it was part of the plan. So it is directly linked. As I see it, asking if it has real consequences on the public purse is a fundamental aspect of our work as parliamentarians. It goes right to the heart of this subject. I do not see how it could be separated.

[English]

The Chair: I don't see it that way, but I'll put it to the committee shortly.

Back to the first point you raised about the flexibility for pensions, that's one thing, but the raising of the age from 65 to 67 that you particularly talked about is another thing. Did you indicate that one way or another as being a disincentive?

Mr. Yves Gingras: No.

Mr. Colin Mayes (Okanagan—Shuswap, CPC): I have a point of order.

The Chair: Go ahead.

Mr. Colin Mayes: First of all, OAS is not a pension; it's a supplement. The fact is that this was discussed and debated in the House during the 2012-13 budget debate. All the information was given to anybody who wanted to listen. I don't know why we're talking about this when it's out of context with the study.

Mr. Joe Daniel (Don Valley East, CPC): And the information is publicly available.

The Chair: That was my thought and I would so rule, but Ms. Charlton hasn't asked for it; she just left it at that. So unless she specifically does, I won't need to rule on it.

Mr. Rodger Cuzner: Mr. Chair, on this point, we've discussed it enough, but I think it's pertinent to the study as it was referred to. But again, if the document is public and Mr. Gingras said that he referenced the document, then I think it's relevant. But I wouldn't want to get hung up on it here. It's public. Let's move on.

Mr. Colin Mayes: On a point of order, he did not reference the OAS. He referenced the fact of the initiative as far as the Canada pension plan...and that might be an incentive for somebody to stay in the workforce.

Chris brought up the issue of the OAS; she brought that to the table. It had nothing to do with the presentation. So I disagree with that argument.

The Chair: I would find that if she requested it, I would rule it out of order, and the committee could correct me if they wished. But I don't intend to get into that aspect of it with respect to our study.

Thank you very much for that.

We'll now move to Mr. Mayes.

Mr. Colin Mayes: Thank you, Mr. Chair, and thank you to the witnesses for being here.

Let's get on a more positive note. Let's talk about the 75% of the people who did find employment after the targeted initiative for older workers. One of the things I can recall as a member of Parliament is listening to the testimonials about the lumber industry, especially in Quebec. During the downturn in that sector many of the workers were retrained and went into the aerospace industry, where they found they were getting higher paid jobs with maybe less physical work.

Is that a correct statement, and are there any testimonials of other successes in that program that you could share with the committee?

• (1130)

Ms. Catherine Demers: The evaluation results from the targeted initiative for older workers show that of those who find employment following their participation in the program, the vast majority find employment in a new sector. They actually transition out most of the time from a traditional sector that is in decline into a different type of occupation or different sector in their local area.

We have seen results showing transitions into tourism, the service sector, transportation. Often some projects are even designed to be tailored to the needs of certain employers with needs in that particular community or area.

Mr. Colin Mayes: The statement in the opening testimony was that there was a decrease in the compensation for older workers as they transitioned. Is there a reason for that? Is it because of the different sector they're going to, or is it because of the age of the person who's entering that particular labour market?

Mr. Yves Gingras: I pointed to an expectation of losing up to 25% of one's wage when someone is displaced and has to look for new employment. This is the reality for many workers, not just older workers, but it's particularly affecting older workers. For them it's harder to find a job and often that job will pay less.

For someone who loses their job, there's a process of realizing that they may not be able to find the same wage. The numbers we have,

the statistics we have, show that the loss of wage, which is quite significant, could go up to 25% for a person who has to relocate, or find a new employment once they are displaced. This is in general; it's not related to the program. It is just what we observed across sectors across the country.

Mr. Colin Mayes: Thank you.

Are there any other policies that you think the government can undertake to try to encourage more seniors to be retrained for other jobs and stay in the workforce longer?

Mr. Yves Gingras: I'm here to help you understand the programs as they are and bring you the facts that you need to conduct your study.

What I could say on this is that the government has announced in the budget that we are going to reform the transfers with provinces to make training more responsive to employers' demands.

This is something that will be quite fundamental in improving the way we train all workers, not just older workers. This is something that has been announced and will be negotiated with provinces. We're not alone in this. We are partners with provincial and territorial governments. That's for all workers in Canada, including older workers.

Mr. Colin Mayes: As we implement the Canada job grant for skills training, those people who have been in those trades and are older workers could be a great asset to furthering the mentoring of tradespeople.

This is something that has been brought up in my constituency, where there's the opening of the new mines, and the oil and gas sector. Young people are going out to these jobs. It would be a real asset to have a person who had been in that trade at some time to mentor the young people who are going into these different training programs.

Is there any way we can somehow encourage that? For the government I'm sure it would be a partnership with the corporate sector, but also as part of that initiative I think this would be a real advantage for that program.

Ms. Catherine Demers: In the context of that new announcement, what is being planned is actually some consultations with stakeholders and employers to find out exactly how it can work in various circumstances of various types of businesses, and different types of workers and skills needs. It could be an opportunity for those issues to come out during those consultations for the final design of the grant.

Mr. Colin Mayes: Do I still have time?

• (1135)

The Chair: Yes.

Mr. Colin Mayes: There are assumptions here that we're moving the age of retirement further ahead and that's not a positive thing for the workforce. I actually fully disagree, because of course I've hit that age.

I think that's a very positive thing as far as the health of older people is concerned. It seems that once they're disengaged, their lifestyle doesn't seem to be as healthy, or as active, which is not good for their overall mental and physical health. I think this is a positive thing that we actually look for opportunities in various sectors to use the knowledge that has been built up over many years of employment, and use those people within the growing economy that we're trying to provide for this country.

The Chair: Your time is up and you've made your comment and you've made your thoughts known to the committee for sure. It may be rhetorical in a sense, but...

We'll now move to Madam Boutin-Sweet.

[*Translation*]

Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP): Thank you, Mr. Chair.

Thank you, madam, gentlemen.

I have some questions about the targeted initiative for older workers. The program was supposed to end in 2012, but it was extended until 2014. The first point is whether there is any intention to extend it again.

The second point is that the program targets small communities, particularly those with a high rate of unemployment or a significant drop in employment. But we know that those significant drops in employment often happen in big cities. The manufacturing sector is suffering badly and sometimes there are massive layoffs.

First, is the program going to be renewed? Second, can it be changed so that it can apply to larger cities and to different circumstances?

Mr. Yves Gingras: I can answer that question.

The program really does end in 2014. Then it will be up to the government to decide whether or not it will be renewed. As a public servant, all I can tell you is that we will be there to provide advice when decisions are made.

The program was designed for small communities. Its scope has already been extended to include cities of 250,000 and more. That is an option that will be one of the considerations in terms of a possible renewal in 2014. I cannot express an opinion on it.

Ms. Marjolaine Boutin-Sweet: You said that you intend to give the government advice. What kind of advice do you intend to give?

Mr. Yves Gingras: It is not my role to come here to tell you about the advice that we could give the government on a decision that it has to make. We are here to help you to understand how the programs work and to provide you with the facts that may be of help to you as you conduct your study. I am not here to speculate or to give you my personal opinion.

Ms. Marjolaine Boutin-Sweet: I would like to have heard you tell us what you feel the needs are and which solutions you intend to propose to the government.

Mr. Yves Gingras: I cannot answer that.

[*English*]

I cannot answer as this would be speculative or giving my own opinions on where things should go.

[*Translation*]

Ms. Marjolaine Boutin-Sweet: Okay.

You mentioned cities of 250,000 people. Montreal has a few more people than that and a lot of manufacturers are closing. In my riding, a Mabe plant is closing. Seven hundred good jobs are going to disappear.

Could we not have similar programs for large cities? Large cities have needs as well.

Ms. Catherine Demers: We should mention the current objectives of the program and the reason why they focus on smaller communities. There is a set amount of money. The goal of the fund is to respond to the specific, precise needs of older workers who have less access to employment services in their communities.

In big cities, there is a little more infrastructure; there are more services, training possibilities and programs. There is a reason why this program, from the outset, has had eligibility criteria based on the size of the community. It really is the case that older workers who lose their jobs in more traditional sectors have more difficulty finding another job and are more likely to find themselves out of work for a long time. So more intensive intervention is needed in order to help them reconnect with the labour market.

The goal really was for the existing funds to be used in small communities, not in larger ones where a lot of services and training programs are already provided.

• (1140)

Ms. Marjolaine Boutin-Sweet: I want to talk to you about two things that may be connected. Many manufacturing workers may not necessarily have a high level of education. Continuing education, including the basics and literacy training, might be of interest to older workers as a way of helping them to find a new job.

Let's say that we know that a company is going to be closing, not right now, but gradually, in a year or two. Would it be worthwhile to have a flexible program that would train workers while they are still working with the company, knowing that they are going to lose their jobs? They could be trained so that they can get jobs in another industry. Perhaps employment insurance program could be used as a way to provide training to those workers so that they can be transferred somewhere else. In that way, they could split their time between their training and their work with the company that is going to close.

Ms. Catherine Demers: Labour Market Development Agreements, or LMDAs, can possibly provide some opportunities, in exceptional cases, to workers at risk of losing their jobs. It really has to be shown that the company is in danger of closing its doors and that the workers are in danger of losing their jobs. So it is possible to be ahead of the game in facilitating the adjustment.

This is a program that is operated by the provinces. So it can work in different ways in different provinces.

Ms. Marjolaine Boutin-Sweet: Is there nothing at federal level?

Ms. Catherine Demers: Workers' training under LMDAs happens because of our agreements with the provinces.

Ms. Marjolaine Boutin-Sweet: Okay.

I would like to ask a quick question about the ThirdQuarter project that you mentioned earlier. I see that there is an online job forum to help older workers find a job more easily. But older workers do not go online as frequently.

Do many people go to the site? What success rate does the project achieve?

[English]

The Chair: Maybe we'll conclude with that response.

[Translation]

Mr. Yves Gingras: This is a program that started up in one province and has spread to six provinces. It is relatively new, so we do not have a lot of information about how well the program is used or its success rate up to now. The program is currently in the process of being rolled out.

Service Canada centres also provide support to people who want access to databases and computer systems. If they have difficulty accessing them, they can get assistance. We have offices all over Canada. That helps a lot with access to the database.

[English]

The Chair: Thank you for that.

We'll move to Mr. Butt.

Mr. Brad Butt (Mississauga—Streetsville, CPC): Thank you very much, Mr. Chair.

Thank you, Mr. Daniel, for letting me grab your spot. I have a couple of specific questions I want to ask.

I agree with Ms. Charlton. In this study, we're going to look at two different types of older workers. We're going to look at individuals 55 to 64 who have lost a job and want and need to keep working. What are the challenges around that and what we can do for them?

My second question is, what about people who want to continue to work beyond 65 into their 70s? I'll give you the example of one of my constituents in a minute.

I want to start with this example: I'm 55 years old. I've lost my job. I walk into a Service Canada office to file my EI claim. Beyond processing the actual claim...I may have worked for a company for 25 years, but something has happened—they've gone out of business, or downsized, whatever—I've lost this job due to no fault of my own.

What else are we presently doing to help that individual find a job, or transition, or retrain, or whatever, either by Service Canada delivering that directly, or by partnering with the provinces, if we've provided funding to the provinces, to run employment centres that are working with older workers, specifically that 55 to 65 age range?

These are people who want to and need to continue to work for 10 more years, and may have to transition to finish. Walk me through what we do for that 55-year-old Canadian who walks into our offices

to make that claim. What else do we do to help them become re-employed?

• (1145)

Ms. Catherine Demers: A 55-year-old who becomes unemployed can look for assistance through Service Canada for determining their EI eligibility. In terms of supports for re-employment and for training, this person will be referred to the local provincially run employment office that designs and delivers training and employment programs under a number of agreements—federal, provincial, territorial agreements—that we have for training and skills development.

For example, if they are deemed EI eligible, they can access training supports and employment measures, for example, some employment assistance measures. With the support of a counsellor, they identify their needs, do a skills assessment, and receive some job search assistance and job search techniques. With their counsellor, they can identify a plan for getting additional training or literacy training and then would go into what we call the return-to-work action plan. That is managed through the province under our agreements.

If they are not eligible for EI, they can have access to the same suite of interventions most of the time and in most of the provinces under the labour market agreement program. If they are in a smaller community that is eligible for TIOW, where the province has implemented TIOW projects, they can be referred to the community organization responsible for delivering a targeted initiative for older worker project. Those are different types of programs available for that person.

Mr. Brad Butt: Okay. That's good. That's what I wanted to know. When I have people coming into my office and this is an issue, I certainly want to be able to tell them what we are doing. I'm sure we could do more, and that's going to be part of this study, but it's good to know programming is there and there are options for individuals in this category to pursue, so I appreciate that answer.

Let's move to the second stage. A gentleman in my riding who's 70 years old certainly wanted to retire and certainly could retire, but the company he's worked for has asked him to stay and work two days a week. They want his expertise; he's a quantity surveyor. They're finding it very difficult to recruit a new person into that role due to the lack of people with that particular skills training within this company in Mississauga.

He believes he's being penalized for continuing to work, meaning when he adds up CPP, OAS, and the other entitlements he's getting, plus getting paid two days a week at a skill level job that's fairly well paid, even though he's only working two days a week, his view is there's really no incentive for him to keep working. The employer wants to keep him because they need him, and he would love to work two days a week. He doesn't want to work full time, but he's happy to go in two days a week. He wants to golf on Thursday, but he doesn't mind going to work on Monday and Tuesday.

His line to me was he believes the system has set up a disincentive for him to continue to work at 70.

Have we looked at scenarios like that? I realize that involves the Department of Finance too, and I understand it's how income taxes are assessed, I understand all that. I think there are going to be more and more Canadians who want to do this, who want to keep working a couple of days a week, for whatever reason. It could be financial, but it could just be they want to do that.

I'm concerned that the way the system is set up is we've got a disincentive for older workers to do that. Have we looked at that at all and made sure we're not creating a disincentive for older workers to continue to work, even if it is part time?

Mr. Yves Gingras: Yes, we do take this into consideration. We had a number of consultations with Canadians. There was a panel on older workers in 2007. A report was released in 2008. We did some consultations, round tables with employers and employees across the country in 2011.

We hear what you brought to the committee, but what comes out in terms of the decision to retire, the first reason that comes up is whether people are healthy or not. Their health is the crucial element in whether they want to continue working or not. If they are healthy, then the financial considerations in terms of readiness to retire come second. The third element in terms of their decision has to do with the quality of the work experience.

When we ask them what it would take for them to stay longer, the main thing is flexibility in the workplace. As an example, working just a few days a week is what they seek. They're not thinking of the financial aspect first. Many will say that if they're provided with flexibility, they would like to make a contribution.

When it comes to finances, as I mentioned in my introductory remarks, the guaranteed income supplement used to allow workers to keep the first \$500 they earned. This has been increased to \$3,500. This is another element that helps with the decision to stay longer in the labour market, but the financial reason is not usually the first reason.

• (1150)

The Chair: Thank you.

Mr. Cuzner.

Mr. Rodger Cuzner: Thank you very much, Mr. Chair.

The comments made by Mr. Butt are absolutely correct. I hear the same thing in my office on a number of occasions. It does present a disincentive. Specifically, could you first confirm the funding for the targeted initiative for older workers? In 2011-12 the funding level was about \$61 million. The planned funding for 2013-14 is just a little over \$32 million. Would you concur with that?

Ms. Catherine Demers: The annual funding is \$25 million per year. It was renewed at \$50 million over two years in 2011.

Mr. Rodger Cuzner: Okay. Is that down from 2011-12 when it was \$60 million?

Ms. Catherine Demers: Prior to that, it was actually \$50 million per year, but that included the economic action plan additional top-up. So we're actually back now to the original allocation amount.

Mr. Rodger Cuzner: That was a one-time thing over a three-year period.

Ms. Catherine Demers: It was an additional amount for three years.

Mr. Rodger Cuzner: Perhaps you could walk me through this as we go forward, because the older workers will be part of this. As you enter into the round of negotiations on the new LMDAs, the labour agreements, you would come to the table and for the most part, you would have the same level of funding that you're currently engaged in with the provinces, and pick a number—\$200 million with the Province of Nova Scotia. You'd sit down with the Province of Nova Scotia and say, "Okay, we're doing a new agreement. This is pretty much where we're coming from." Is that how negotiations...? Would that be a reference to the negotiations?

Ms. Catherine Demers: I'm sorry, but just to clarify, are you talking about the labour market agreement?

Mr. Rodger Cuzner: Yes, exactly. That's what I had asked.

Ms. Catherine Demers: Once the federal offer is made, it would be with a specific allocation, and it's based on the same funding level. That is what was announced in the budget. It's the same funding level.

Mr. Rodger Cuzner: The question that has been asked about this new arrangement that was announced in the budget is this: if a province is experiencing some financial hardship now and it's not able to match the funding when it's one-third, one-third, one-third, would the money on the table from the federal government lapse?

Ms. Catherine Demers: That will be subject to the negotiations with the provinces and territories when they begin.

Mr. Rodger Cuzner: Could it possibly lapse?

Ms. Catherine Demers: The government has indicated its intention to renew the labour market agreements in 2014. It intends to negotiate the renewal and transformation and introduction of the Canada job grant with the provinces and territories through negotiations over the next year. This is a partnership arrangement, and it will also do so in consultation with employers and stakeholders. That's what the budget has indicated and the government has indicated.

• (1155)

Mr. Rodger Cuzner: That's about as good a non-answer as you can give. I commend you on that.

Voices: Oh, oh!

Mr. Rodger Cuzner: The 2008 report on the expert panel on older workers set out 13 recommendations. Are you comfortable identifying the ones that were moved on and the ones that weren't acted on?

Mr. Yves Gingras: That report was published in 2008. The first recommendation was for an awareness campaign to promote the value of older workers, because sometimes they are discriminated against. The department undertook a number of initiatives. The department created the National Seniors Council to reach out, to consult. In 2011 HRSDC also announced a national consultation, as I mentioned, to reach out to employers and to older workers to understand the workplace dynamics and to look for—

Mr. Rodger Cuzner: I apologize, but I have only one minute left. Are there a couple of the recommendations that haven't been acted upon? That might be best.

The Chair: He's narrowing down the field.

Mr. Yves Gingras: A number of them were put in place.

As for those that were not acted on, there was a recommendation to launch a new national longitudinal survey of work-to-retirement transitions. That was not acted on, although we did finance a survey of older workers in 2008. It was not longitudinal, but a survey was done. There was a recommendation to establish a centre for the study of implications of the aging population. I'm not aware that this was acted on. There was a recommendation to test the viability and cost-effectiveness of a wage insurance plan. I'm not aware that this was acted on.

Those are examples of measures that were not implemented.

Mr. Rodger Cuzner: Thank you very much.

Thank you, Chair.

The Chair: A wage insurance plan, Mr. Cuzner, may be something you want to look into.

Moving on to our next questioner, go ahead, Mr. McColeman.

Mr. Rodger Cuzner: Oh, that's cold. That's terrible.

Voices: Oh, oh!

Mr. Phil McColeman: Are you finished, Mr. Cuzner?

The Chair: Mr. McColeman.

Mr. Phil McColeman: I'm just waiting for Mr. Cuzner to finish.

First of all, thank you, witnesses, for being here and kicking off this study and giving us the valuable background. Particularly, the notes here are very well done.

There's a popularized notion being debunked here when I read:

The labour market performance of older Canadians has been relatively strong over the past decade as they experienced low levels of unemployment and the greatest increases in participation and employment when compared to other age groups.

I almost think that there has been a message out in public that we have a category of individuals reaching this point in their work life cycle who, all of a sudden, are out there unemployed in mass numbers. Now they are unemployed, as your numbers indicate, but in fact they are performing better than other categories.

Am I correct in debunking the myth that is perhaps out there in the public realm?

Mr. Yves Gingras: The fact that older Canadians are doing better in terms of employment is due to the experience they have and the employers' wanting to keep that experience. If employers face

difficulties, they want to keep these workers. Often, they will let go the less experienced and the young people. That explains, I think, why older workers are valued and kept.

The problem is when they are displaced and lose their jobs, when they become unemployed. This is when trouble starts for them. When you look at how they will be able to find a job or how long they will stay unemployed, they do the worst. It is harder for them if they experience unemployment.

This is the point on which I'd like to focus. The spell of unemployment will be much longer for older workers. The loss of earnings, once they find a new job, will be more important. Their value will go down, and they're not able to find a job at the salary they used to have.

Losing a job has very dramatic consequences for an older worker.

• (1200)

Mr. Phil McColeman: I understand that and I appreciate it. Really, the nub of what our study wants to address is that very thing: how we can better provide supports to people to get through that very difficult transition in the latter part of their life.

Often their next job will be, as you've commented and as has been said today, in an occupation that does not pay as much. It's interesting to also hear you say that for quite a number of these people, as you found when you went across the country and consulted focus groups, maintaining income where it was is not as high on their list of priorities.

Is it fair to connect this, as you testified?

Mr. Yves Gingras: What I could say is that workers would like to find a job at the same wage. Employers will pay the prevailing wages, according to the market. If someone is displaced and has to upgrade their skills—this is just something that we observe—they are not going to be able to earn as much.

What you're raising, I think, calls into question the role of government. Where or how far should the government go in intervening in this area? The labour market allocates workers to where they're needed. A huge emphasis has been placed on improving the information we provide to workers so that they can quickly connect to the jobs that exist and that correspond to their skills.

The job alert system, which the department has improved, is sending messages every day to workers early in their process, so that they quickly find a job and get back to work. We know that the longer they stay unemployed, the more difficult it will be for them, because they're losing their skills as they are unemployed. We want to avoid that and make sure....

Perhaps what I can offer to you is that connecting people quickly to jobs is a way to mitigate the loss of skills and loss of earnings capacity. If they find a job quickly, employers are able to grow their businesses and these workers are able to continue exercising their profession, using their skills, as opposed to losing their skills.

Mr. Phil McColeman: Of course, the trajectory of the shortage of workers in this country, both skilled and unskilled, is on an upward incline, from what we read from Statistics Canada and others, and we are predicted to be a million workers short, within the decade, of the requirements employers will have. When we travel across the country, there are already acute shortages in certain regions of the country, as we all know.

That being the context, is connecting employers' needs, as the budget initiatives have attempted to do, particularly the Canada job grant, going to...? I suppose you're implementing this and I guess your opinion isn't required here, but is it the thrust of this to connect them with the jobs that the employer needs done?

Is that correct? Is what we want to do when we negotiate with the provinces to say that we want good results from the jobs that are out there, and not only for older workers, but for disabled workers and anybody else for that matter who's looking for a job?

Mr. Yves Gingras: I think this is correct. What's guiding the reform of transfers and the introduction of the Canada job grant is the desire to put employers right at the centre of decisions about what training is provided and to whom. It is reinforcing this training so that it's linked to real jobs.

Mr. Phil McColeman: Thank you.

The Chair: Thank you, Mr. McColeman, your time is up.

Let me say that we have some committee business, so I intend to suspend a little early. Rather than have a break now, unless someone wishes a break, we'll just continue for the next half hour without a break.

Is everybody in agreement with that?

Okay. We normally break at about this point. We'll just carry on for the next half hour or so to make sure that we finish the round of questioning.

We'll start with Mr. Cleary.

● (1205)

Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP): Thank you, Mr. Chair.

We're studying the opportunities for older persons in the workforce, obviously. My first question has to do with the percentage of the older workforce who are actually able to work. We've seen numbers saying that upwards of 25% of Canadians are unable to do their jobs past the age of 65, because they had jobs or professions that had a huge impact on their bodies and so are physically not able to work or for other reasons.

Do you have any stats for Canadians 55 to 64 who are unable to work and for those 65 and over?

Mr. Yves Gingras: I don't have statistics with me. I would say that, depending on the study you are looking at, these are definitions that can vary, that depend on the study. This is quite a complex question to answer. Sometimes as well, the information will come from administrative data that's collected around programs. Some of them are provincial programs. I could not risk giving a number, because there may be many numbers out there.

What I can tell you, though, is that the working life expectancy for a worker is on the increase. For example, in the early 1990s a worker at age 50 was expecting to work 12.5 years. In 2008 in our survey, we asked the same question: how long do you expect to remain in the labour force? Workers then at age 50 were expecting to stay 16 years. This had increased, between the early 1990s and 2008, by 3.5 years.

When we put that fact together with the fact that health is the most important reason someone would decide whether to retire or not, they give us an indication that the trend is going in the right direction. Workers are healthier and they want to continue contributing, and therefore we see that they are staying longer. They expect to stay much longer in the labour market than was the case two decades ago.

Mr. Ryan Cleary: So the short answer is that you don't have any hard and fast stats.

Mr. Yves Gingras: My colleague is pointing to some stats that could be helpful, so I'm going to quickly go to this page.

I have some statistics here. After retirement, if we ask people why they retired, the issue of health comes first again. Illness and disability were the most reported reasons provided by older workers ages 55 to 64; 17.2% tell us they had to retire due to health reasons. For seniors 65-plus, 9.3% say they left a job because they could not do their job. This is from a 2011 survey.

If we look at older adults ages 55 to 64, not in the workforce but who would like to work, 30% told us in 2011 that they did not look for work because they were sick. It was for a health reason. You would have to add that 30% of those who did not even look for work because they were sick to those who had to leave their jobs because they were sick. This is quite substantial.

Mr. Ryan Cleary: Mr. Chair, is it appropriate now to ask for those surveys to be tabled?

The Chair: Do you have them?

Mr. Yves Gingras: The source for this data is the labour force survey from Statistics Canada. It's publicly available.

The Chair: We will have Statistics Canada appearing before us on May 7. We could probably get those reports directly from them.

Ms. Chris Charlton: Can we ask them?

The Chair: Yes, I think that's a fair point. I'll make it a point to ask Statistics Canada when they're here.

Mr. Ryan Cleary: I have another question. Has the department studied the impact of raising the age of eligibility for old age security from 65 to 67 in terms of labour supply between 2023 and 2029? Have you done that in terms of actual numbers, what that will mean?

● (1210)

Mr. Yves Gingras: We have some models in the department that help us understand the dynamic of these decisions. These models are very limited in their capacity to estimate changes in the behaviour of people in face of such changes.

The other aspect to keep in mind is that we're looking at changes 10 years from now, in a context where there's tremendous or deep change in the way people contribute to the labour market. When you look at the current trends, you look at people who are changing their pattern of work. It's very difficult for us to pin down the impact this change will have on the work efforts of older Canadians 10 years down the road. It's something we'd like to do. We have models that can help us, but the modelling is partial because it doesn't take into account all the realities. It is not dynamic; it is static in time, so we have to use historical data to help us understand what the dynamic could be. It's very difficult for us.

Mr. Ryan Cleary: Do you think the department should study that more?

I understand the difficulty, and I understand, as you said, projecting 10 years out, but it would seem it would be important to try to put your finger on what's going to happen.

The Chair: I sense we're getting into the area that I made some comments about earlier.

As I look at the motion of what we're setting, I'll read it out loud and see where it takes us. It says:

The Committee then begin a new study entitled: "Engaging Experience: Opportunities for Older Persons in the Workforce";

That this study focus on employment opportunities for older persons and the supports available to them through the federal government....

In the introduction of the briefing book done by the Library of Parliament, it says:

....the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities agreed to begin a study of the economic opportunities available to older persons in the workforce, the obstacles preventing older workers from participating more fully in the labour market, and the federal support available to increase opportunities

Those are the specific outlines of the study. I suppose if you increase the age from 65 to 67, by that very nature you're attracting a certain measure of older workers to the workforce that may not have otherwise been there. But that is ancillary to the main object of our study. I don't think it is appropriate to get into the future planning as it may relate many years hence, in terms of raising the age with respect to receiving old age security and the impact it may have on the workforce.

That's my thinking on this subject. Unless somebody wishes to challenge it, that is what I would rule, so we're not going to ask for models, stats, or information with respect to that.

Mr. Ryan Cleary: Do I have time left?

The Chair: No, your time is up.

Mr. Ryan Cleary: Did that eat into my time?

The Chair: No.

Mr. Ryan Cleary: I have a point of order, then, Mr. Chair.

The Chair: Sure.

Mr. Ryan Cleary: If the decision has been made today to increase the age of eligibility to 67 from 65, I think it would be appropriate to release any kind of study that's done on the impact on the workforce.

The Chair: It's a point of order. It's not particularly debatable, but does anybody have anything to add to that? I've given my thoughts.

Mr. Phil McColeman: I disagree.

Voices: Oh, oh!

An hon. member: What a surprise.

The Chair: I've made my thoughts known on the subject, and I would stay with that.

Mr. Shory is next.

Mr. Devinder Shory (Calgary Northeast, CPC): Thank you, Mr. Chair, and my thanks to the witnesses for being here this morning.

Definitely these notes will be very helpful in our study.

In your presentation you talked about budget 2012, and basically deferring receipt of OAS benefits up to five years. I want to understand how it works. Could you make a quick comment on it?

Mr. Dominique La Salle (Director General, Seniors and Pensions Policy Secretariat, Department of Human Resources and Skills Development): This change which starts in July 2013 will allow Canadians who are turning 65 to delay taking the OAS pension. For each year that they delay, they will get an increase of 7.2%. In other words, if one is gainfully employed and wants to have a little bit more in retirement, one will have the flexibility of deferring the OAS. At the end of five years, that will be 36% more. It's an actuarial adjustment. That percentage was determined by the Chief Actuary of Canada. It takes into account that you will be receiving, in all likelihood, the benefit for a little less long, but you'll be getting more. It's a lifelong fully indexed benefit.

● (1215)

Mr. Devinder Shory: Am I right in understanding that this will also look after the taxation issue for the people Mr. Butt was referring to? For example, they want to continue working, and because they are not getting OAS at 65, their income level will not include those OAS benefits, which will reduce their income level for taxation purposes.

Mr. Dominique La Salle: It would be one of many considerations.

Mr. Devinder Shory: Okay.

In the presentation you talked about challenges for people who are 55-plus years of age who lose their job for any reason. You said that they basically have 25% less in earnings. I am trying to understand. On the one hand, we have a shortage of skilled workers, and on the other hand, these skilled people get 25% less in earnings. Where is the gap? How do we study it, and how do we try to fix it?

Mr. Yves Gingras: It's a very good question. I don't want to speculate, but it's a reality that in today's economy there is new technology emerging, and it's changing fast. It's possible that some people may not have kept their skills up to date, and when they happen to lose their job, they have to reinvest massively to be able to find a job in a similar occupation, since an employer might require a higher level of skill or knowledge of new software or technology. That may be one explanation: technological change.

Although we hear from employers that they value older workers, there's some indication that there could be discrimination sometimes. The employer may think twice before investing in the training of an older worker, who may not have many years to spend in the workplace, compared with a younger worker. That is something employers may have in mind. We sometimes hear in our consultations with workers that they felt they were discriminated against in that they could have brought value to a company but they felt that they were not given a chance.

I would say that the importance of this loss of benefits could depend on a person's circumstances. For example, it is more difficult for low-skilled workers to find their way back into employment. If you have a disability, if you are a recent immigrant, we know it is more difficult. There are factors associated with the individual that may make it more difficult to find a network and get back into a job quickly so that they don't lose their skills.

Mr. Devinder Shory: Basically you're saying the jobs grant program, programs like this, could help even seniors to upgrade and get into the right job market.

Mr. Yves Gingras: Yes. Helping people to quickly retrain and get ready for the jobs that exist is certainly one way to make sure they don't lose too much.

Mr. Devinder Shory: You said, "The government is also implementing measures that help promote the continued labour force participation of older Canadians by removing disincentives to work and introducing flexibility to accommodate differences in work-to-retirement transitions through the pension system."

Could you please elaborate on this?

• (1220)

Mr. Dominique La Salle: Beginning in 2007, the Income Tax Act was changed to allow people contributing to a defined benefit plan to collect some of the benefits while continuing to work part-time. Before that, you couldn't do it. It was not allowed.

The CPP, Canada pension plan, was also changed. I believe it was in 2009 that these discussions took place. It's phased over a number of years, but what is in place now is that you can collect....

We did away with what was called a work cessation test. You had to stop working for two months, detach yourself from the labour market, in order to start collecting the CPP, and then you could go back into the work market. What we found is that detachment, asking people to stop working, too many times for older workers meant that they could not go back to being gainfully employed.

This change now makes it possible to start collecting CPP while working. There's also flexibility in selecting the year you want to collect the CPP, from 60 to 70.

Mr. Devinder Shory: Thank you.

The Chair: Thank you. Your time is up.

We will now move to Monsieur Lapointe.

[Translation]

Mr. François Lapointe: Thank you, Mr. Chair.

After the 2011 election, I myself hired people in my riding who were over 55 years old on average. It works well for me. From time

to time, I have to deal with some stubbornness, given that they have a lot of experience, but that very experience sometimes leads to better decisions.

What I am sure I did not do was to bring about an overall loss of 25% in their income when they changed jobs. What bothers me most is that all the statistics look very much like what we see on the ground. For example, when Stryker, the manufacturer of hospital beds, closed its doors, people 55 and older ended up working in service industries at inevitably lower salaries. That is what we are seeing on the ground all the time.

Do you have statistics on the specific impact of that situation? I mean the loss of income and purchasing power and the requirement to work longer in order to have the means to be able to retire.

Do you have statistics on that generation of people who have lost their jobs in manufacturing and are now working at lower-paid jobs in the service sector?

Mr. Yves Gingras: Mr. Chair, there are a number of studies that help us to understand the repercussions of these job losses. As I mentioned, with older workers, the loss in revenue can reach 25%. The repercussions can vary from study to study, but the fact remains that the loss of income can be as much as 25%.

These are very pertinent studies that look at the changing trends in industrial production and the shift from the manufacturing sector to the service sector. That underlies all the results we see in the studies. The 25% drop in salaries is directly linked to these phenomena that are happening in Canada. A number of studies come to the same conclusion. A loss in salary brings with it a loss in purchasing power. That ties in with your question very specifically.

Mr. François Lapointe: Do any of those studies deal specifically with the repercussions of the situation, meaning the purchasing power of those people and the number of additional years they are going to have to work before they are able to retire? I am talking about the specific consequences that it will have on the tens of thousands of people 55 and over whose salaries have dropped.

Mr. Yves Gingras: You would like to know the extent to which it requires them to work longer?

Mr. François Lapointe: I want to discuss the consequences of that strong trend: people being paid less at the end of their lives.

Mr. Yves Gingras: In a study we conducted in 2008, we asked people which factors affected their decision to retire.

Mr. François Lapointe: Great.

Mr. Yves Gingras: In deciding whether they are ready to retire, people considered health reasons first, then financial reasons. If their plans change because they have a lower income, they will be forced to work longer. That is the second most important reason.

Mr. François Lapointe: Fine. I understand. I see that no study focuses specifically on that aspect. So it will be less interesting, in my opinion.

In terms of the targeted initiative for older workers, it is supposed to help workers from 55 to 64 years of age by providing a range of employment-oriented activities, such as training that is tailored to meet their needs.

In my riding, the Centre d'aide et de recherche d'emploi Montmagny-L'Islet has developed the Cible-55 program, which is supported in large part by the federal government. They do not provide specialized training. They do not teach welders how to use new computerized welding equipment, for example. The employees at the organization sit down with people who may not have prepared a resumé or gone to an interview in 25 years. So they offer to go through it all with them so that it will not be so hard later.

They get annual funding that is not indexed and they live under the constant threat of being told that their jobs will not exist next year. I do not understand that. People who lose their jobs after 25 or 30 years at the same place need someone to support them as they return to the workforce, by showing them, for example, how to write a resumé and how to express themselves in an interview.

Given that the need is not going to go away, why is the organization not offered three-year funding, at least? It could then have some assurance that it would be able to operate properly.

• (1225)

Ms. Catherine Demers: You were talking about tailoring measures to specific situations and that is precisely what the TIOW does. Each project varies with the location and with the community where it operates.

Mr. François Lapointe: Okay, so far.

Ms. Catherine Demers: It varies totally from province to province and from community to community. The duration of the project varies too, according to the needs.

Mr. François Lapointe: They are asking for a three-year agreement. But each year, it has to be renegotiated. They get no indexed increase and they are given no assurance in advance that the project will be renewed.

Ms. Catherine Demers: Are you looking at a renewal after 2014?

Mr. François Lapointe: I am looking at the federal funding.

Ms. Catherine Demers: After 2014?

Mr. François Lapointe: I do not see how the need is going to go away in the next three years.

Ms. Catherine Demers: That is what the government is going to look at next year. Given that the program comes to an end on March 31, 2014, information is going to be gathered so that it can be studied and used to support any decision about the future of the program.

Mr. François Lapointe: Thank you.

There is something else that I find odd. Are there any negotiations or discussions about the fact that certain pressures keep coming up for at least a decade, if not two? For older people, new technologies are an example. Some of these programs have to focus on problems that are going to keep coming back. Having to adapt to new technologies at 50 or 60 years of age, for example. The pace of new technology is not going to slow down in the next decade; it is going to speed up.

Why are resources not provided to deal with those problems? Resources could be assessed in terms of the problems and provinces could be guaranteed a presence for a good number of years in the name of social action.

[English]

The Chair: We'll conclude with the response to that.

[Translation]

Mr. Yves Gingras: Budget 2013 contained an announcement of quite a major reform in transfers to the provinces. At the moment, the federal government pays for most of the training provided by the provinces. That will continue, but there will be an increased role for employers in deciding the training that is going to be offered.

I see the question about the kind of training necessary to allow workers to meet the challenges and to move into existing jobs with existing technology as part of the discussion and negotiation that will take place with the provinces. We have to make sure that the training is better focused. That reform, which will be implemented in 2014, will allow employers to have more influence. That will certainly help to meet the specific need of having people trained for the technology of the jobs that are already there.

Mr. François Lapointe: Do you really think that a SME has \$5,000...?

[English]

The Chair: Your time is up, Mr. Lapointe. We concluded with that response.

We'll move to Mr. Daniel.

Mr. Joe Daniel: Thank you, Chair, and thank you, folks, for being here.

I want to dig down a little more in terms of the issues and challenges for older persons and their employment opportunities.

Has the department done any work looking at the statistics of how many people age 55 to 64 years are unskilled, tradespeople, qualified, extremely qualified, etc., to see where the opportunities lie for each of these groups?

• (1230)

Mr. Yves Gingras: The department uses statistics mostly from Statistics Canada for this area. We do have a good breakdown of skill levels by individual, by age group. We use this information that is provided to us by Statistics Canada. This information is publicly available and helps guide the improvement of our programs and consideration for new programs.

Mr. Joe Daniel: Is there one particular group that is the largest, for example, tradespeople, or unskilled people, that you're looking at specifically to see how we can actually get them back into the workforce?

Mr. Yves Gingras: When it comes to older workers, we have programs that finance the training done by provinces.

We have the TIOW, the program that my colleagues talked about, which is targeted to older workers. Within the program there's a flexibility to partner with provinces and address specific challenges that a group of workers may be facing. If it has to do with a group of workers who were displaced due to a plant closure, for example, this will be targeted to the exact, specific needs of that group.

The answer is yes, we have very general programs that apply to all the workforce, including older workers, through financing from the provinces, and we have targeted programs like the TIOW that will deal specifically with the issues at hand.

Mr. Joe Daniel: I was trying to dig down and find out if there was any specific group that is the largest group of unemployed older workers.

Is it mostly tradespeople who are being laid off in that age group, or is it unskilled workers? Are your programs, therefore, targeted specifically to help that group?

Mr. Yves Gingras: The program we have for older workers is a general program. It's targeted to older workers, but it's for all older workers.

When it comes to statistics about the characteristics of the older workers who may be unemployed, looking at my notes I see I do have a lot of statistics. But in order to be helpful to the committee, what I can say is that we know that in 2012, 11.3% of the unemployed among older adults, people age 55 to 64, were long-term unemployed. I think that points to an issue. When you become unemployed, that's where the problem starts, and a number of those will remain unemployed for a long period of time.

The unemployed older workers, on average, will spend 29 weeks unemployed, which is way above the average for Canadians in general. We find that a good share of those who lose their jobs do so due to a displacement, for instance, a plant closure, bankruptcy, or a layoff. Those people who are hit hard by something that they didn't see coming will be vulnerable. They need to redirect their efforts to find a job, and sometimes they need to upgrade their skills.

Mr. Joe Daniel: Have you come across any organizations that deliberately lay off their people just before they're 55?

The Chair: I wonder, Ms. Demers, if you have a point to make.

If you wish, go ahead.

Mr. Yves Gingras: In all the consultations I've been involved in, this was not evident to me in any of the discussions that we've had with employers and employees.

The Chair: Go ahead.

Ms. Catherine Demers: Just to add, I can talk about the profile of those who come to the targeted initiative for older worker program.

In terms of their profile, we know that 30% of them do not have a high school diploma. Most of them are low skilled. Fifty per cent of them were unemployed for more than 12 months, so long-term unemployed.

It's usually a last resort for those who come. They are low-skilled and have been unemployed for a very long time. Generally, because of the nature of the program, being in smaller communities, these people have worked in more traditional sectors which are in decline,

resource-based sectors. They have occupied the same job for many years and have not had the opportunity to develop a more diversified skill set, to adapt and transition to different types of occupations.

That's what we hear in terms of their characteristics.

• (1235)

The Chair: Does someone else wish to make a comment? No?

Okay. Go ahead.

Mr. Joe Daniel: Do you feel there are any non-monetary incentives that could be undertaken to remove or disperse some of the existing barriers and misconceptions for people of that age group who are trying to find a position?

Mr. Yves Gingras: When it comes to non-monetary incentives, our evidence is clear that when they get older the workers are looking for a flexible work environment. It calls for employers to be listening too. Often we're talking about workers who are working for them. It's a matter of having a discussion with these workers to find a way to accommodate them so they can stay in the business.

When it comes to the unemployed, it's about finding ways.... Often these are accommodations that are not too expensive. We know that from studies on persons with disabilities, for example. The incidence of disabilities among older workers is quite high and rising, and for employers it presents a challenge. We're talking non-monetary ways to accommodate part-time work, allowing people to deal with an episodic or chronic disability.

There are ways that employers can offer a flexible work environment, and this is the number one factor that will allow people to stay in the labour market.

The Chair: Thank you, Mr. Daniels. Your time is up.

Colleagues, I see we've been making good time. The clock has remained at 11 o'clock for the last 35 minutes.

We're going to conclude with Mr. Cuzner, if he has any questions.

Mr. Rodger Cuzner: I'm okay.

The Chair: You're okay? All right.

Thank you very much for taking time to appear before us. We certainly appreciate the information.

We'll take a brief suspension and then we'll deal with some committee business.

• (1235)

_____ (Pause) _____

• (1235)

The Chair: I'll get the attention of the members for a moment.

We have a motion from Ms. Charlton that she'd like to present.

I think we have unanimous consent, but maybe you want just to speak to it, or move it.

Ms. Chris Charlton: Thank you very much, Mr. Chair.

I have been in discussions with the other parties at the table about this motion. I think there is unanimous consent, but let me read the motion for the record.

I move:

That the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities undertake a study on opportunities for Aboriginal persons in the workforce, and the supports available to them through the federal government including the Aboriginal Skills, Employment and Training Strategy (ASETS) which is up for renewal in 2015; and that this study begin after the summer adjournment.

The Chair: Does everyone agree with that?

Some hon. members: Agreed.

The Chair: Seeing unanimity, then that's indeed what we'll do. The motion then passes.

(Motion agreed to)

Ms. Chris Charlton: Thank you very much.

The Chair: With that, the meeting is adjourned.

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