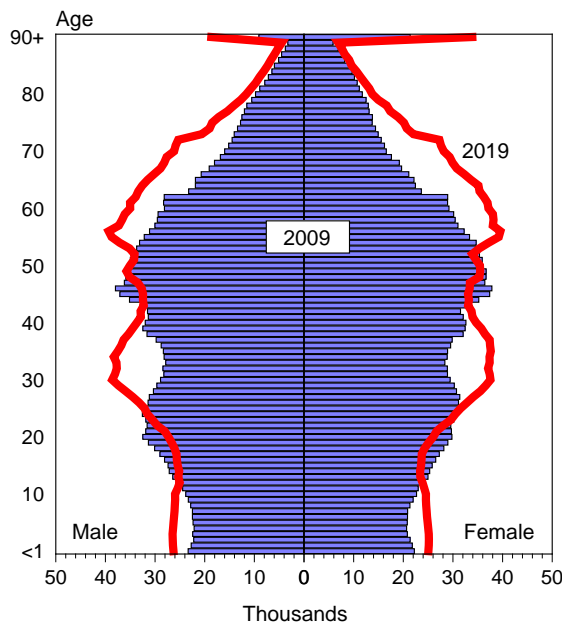


## B.C.'s Ageing Workforce

The leading edge of British Columbia's baby boom generation is set to turn 65 next year. Many baby boomers have already retired, but the rate of retirement for this cohort is likely to escalate in the coming years, which could have serious implications for the province's labour force. More than ever before, it will be critical for employers to have succession plans and training programs in place in preparation for the need to replace retiring employees. However, the ageing of BC's population, which can be seen clearly in the population pyramid below, has implications for the labour force beyond just succession plans and training.

BC's population will have an older profile ten years from now



Source: BC Stats

An older population will also affect the types of goods and services in demand. Occupations in health services, those related to leisure activities suited to seniors (e.g., golf) and so forth will see a bump up in demand. Those jobs that require younger labour (e.g., physically demanding work) and entry jobs normally filled by inexpe-

rienced youth could face labour shortages as demand outstrips supply.

The urgency in terms of the need for succession planning and training varies by occupation. Most industries have an occupational hierarchy that people move through as they gain experience and it is no surprise that senior management positions tend to be populated by older workers, on average. In 2009, the average age of workers in senior management in BC was 46.6, compared to an average age of 40.7 across all occupations. Middle managers and other management occupations also had an older age profile, with an average age of 43.6. However, even within the management ranks, there was a fair bit of variability. Managers in primary production (except agriculture) averaged 47.3 years, while those in protective services were 41.1 years old, on average.

Given the older age structure of management positions, it is not surprising that they tend to have higher than average rates of exit due to retirement and death. Senior managers, in particular, are far more likely to retire than the average worker. In 2009, the rate of retirement among senior managers was 42 retirements per 1,000 people in the labour force, compared to 23 out of 1,000 people in the labour force overall. They

*This report is based on data extracted from the inaugural release of the BC Labour Market Scenario Model (BCLMSM); the model provides high quality labour supply and demand forecast information for British Columbia. The BCLMSM project was undertaken by BC Stats and the Ministry of Advanced Education and Labour Market Development, in partnership with the Ministry of Finance.*

*The full British Columbia Labour Market Outlook (2009-2019) report can be accessed at: <http://www.workbc.ca/docs/BCLMOutlook.pdf>*

were also far more likely to die, with a rate of 4.9 deaths per 1,000 people in the labour force, compared to 3.0 overall. While the age structure likely was the most significant reason for this higher death rate, the stress of senior management positions could also have been a contributing factor.

Unlike the average age of the labour force overall, which is expected to shift up slightly from 40.7 years in 2009 to 41.0 years a decade later, the average age of senior managers and most middle management occupations is forecast to decline. For senior managers, the shift in average age is expected to be fairly dramatic, from 46.6 in 2009 to 43.3 in 2019, while for middle managers, the average age is forecast to drop by one full year from 43.6 to 42.6.

The expected drop in age is basically the result of older employees exiting the workforce and younger workers replacing them. This pattern is the same for most occupations with an older age profile. Of the five oldest occupational groups in 2009, all are expected to see the average age of their labour force decline significantly by 2019.

The occupations with the oldest workers, on average, are in natural resource industries, such as fishing and forestry, or in the transportation sector, particularly rail transportation. For some of these, the older age profile is likely the result of lean years in the industry, which created few entry opportunities for young workers and also caused layoffs among younger people, leaving only the more experienced workers behind.

**Average Age by Occupation in British Columbia  
Top and Bottom Five in 2009—Projected to 2019**

Occupation	2009	2019
Fishing vessel masters and skippers and fishers	48.7	44.9
Logging machinery operators	47.6	45.3
Managers in primary production (except agriculture)	47.3	44.1
Supervisors, railway and motor transportation	46.8	42.9
Train crew operating	46.7	43.9
Athletes, coaches, referees and related	32.7	36.9
Cashiers	32.4	36.3
Mine service workers and operators in oil and gas drilling	32.3	37.4
Occupations in food and beverage service	31.1	36.5
Food counter attendants, kitchen helpers and related	30.5	35.1
<b>Overall – All Occupations</b>	<b>40.7</b>	<b>41.0</b>

Those occupations with significantly younger age profiles are concentrated in the service sector, particularly in food and beverage services. These jobs are often low paid entry-level positions that require little experience. One notable exception is mine service workers and operators in oil and gas drilling. It is likely that the physical requirements of this occupation are the explanation for the younger workforce. Similarly, and not too surprisingly, athletes, coaches, referees and related occupations also have a younger age profile due to the physical requirements of their profession (it is almost certain that athletes comprise the large majority of this occupational group).

In contrast to those occupations with older workers, the forecast for these younger occupational groups is for the labour force to age over the next ten years. This is likely due to a combi-

nation of an ageing population and also the fact that labour supply shortages could force service sector industries to offer higher wages to attract labour, which in turn could draw older workers into those jobs. In addition, these industries may look at non-traditional groups for labour, such as seniors, which also would have the effect of driving up the average age.

While shortages of unskilled labour could be a concern with an ageing population, an even greater worry is the fact that the highest retirement rates are in those occupations requiring the greatest skill and experience. It shouldn't be too surprising that these occupations have an older labour force given the years of training and work experience required to land these positions. In these types of occupations, in particular, succession planning and training programs will be essential.

Regionally, the story is much the same. Although the labour force in some regions is younger or older than in others, reflecting the age distribution of the overall population, the same types of industries are vulnerable to age pressures: management positions and occupations requiring a great deal of skill and experience. There are some differences with respect to the oldest and youngest occupational labour force by region, due mainly to regional differences in industrial structure, but there are also many commonalities.

For example, workers in occupations providing food and beverage services are among those with the youngest average age in almost every region of the province. At the other end of the scale, those occupations with the oldest workers are often supervisory and management jobs.

Specific areas of concern among the regions include an ageing workforce in many of the primary industries, particularly among managers and the more skilled occupations. For instance, in Thompson-Okanagan, most of the occupational groups in the logging and mining sectors have an older labour force. In Cariboo, it is the

processing occupations that are facing significant retirement pressures.

**Average Age in 2009, Selected Occupations**

Region	Senior Management	Food counter attendants, kitchen helpers and related
Vancouver Island/Coast	46.1	29.6
Mainland/Southwest	46.5	31.3
Thompson-Okanagan	47.3	29.0
Kootenay	48.9	27.2
Cariboo	46.7	28.5
North Coast & Nechako	45.4	33.9
Northeast	46.2	29.5
<b>British Columbia</b>	<b>46.6</b>	<b>30.5</b>

These are areas where there is clearly a need for succession planning. Companies that are ill-prepared for the need to replace retiring employees will likely face issues with productivity and product/service quality. Unless there are programs in place to ensure that corporate knowledge is not lost with departing employees, time and energy will be wasted re-learning the processes and procedures that work best and that allow companies to be competitive.

As British Columbia's population ages, these kinds of challenges will be faced across many occupational groups. Even for those industries where there is a younger labour force, there will likely be challenges due to labour shortages and the need to compete with other industries for labour.