

Effect of retirement on life satisfaction in Canada

Anfal Adawi, Ida Ferrara, Sadia M. Malik. "Effect of retirement on life satisfaction in Canada: Evidence from the 2008–2009 Canadian Community Health Survey – Healthy Aging." *CRDCN research-policy snapshots*. Volume 3, Issue 2. July 2024. <http://hdl.handle.net/11375/30005>

Context

This research fills an important gap in understanding the impact of retirement on life satisfaction in Canada, challenging previous assumptions and providing new insights. This study uses data from the 2008-2009 Canadian Community Health Survey – Healthy Aging to demonstrate that retirement significantly enhances life satisfaction. This study provides evidence within the Canadian context that contrasts with the mixed results from other countries. The robust methodology, addressing self-selection and unobserved individual differences, ensures reliable findings.

Key finding(s) from the research

After addressing the issues of self-selection and unobserved individual differences, this research finds that retirement has a positive and statistically significant effect on life satisfaction.

Population(s) studied: Seniors aged 55-85

Research dataset(s) used: Canadian Community Health Survey – Healthy Aging 2008–2009

Policy implications for this research

Canada's population is aging rapidly and retirement represents an important transition in the lives of the aging population with crucial policy relevance due to its fiscal and welfare implications. This study provides evidence on the positive effect of retirement on wellbeing as measured by life satisfaction. This evidence underscores the importance for policymakers, when designing retirement policies in Canada, to weigh the fiscal costs of retirement at an earlier age against the benefits of retirement in terms of improved life satisfaction and psychological wellbeing. These insights can guide policymakers in designing retirement policies that promote wellbeing and help set informed targets for future social programs. The findings of the study are also useful for individuals planning to retire.

Policy area(s) this research can inform: Health; Population and demography; Seniors and aging

Read the full article

Adawi, A., Ferrara, I., & Malik, S. M. (2023). Effect of Retirement on Life Satisfaction in Canada: Evidence from the 2008–2009 Canadian Community Health Survey–Healthy Aging. *Canadian Public Policy/Analyse de politiques*, 49(S1), 48–75. <https://doi.org/10.3138/cpp.2022-037>