

LMiC Snapshot

Labour market resilience in the face
of an aging population

July 2025



Why did we undertake this research?

Laura Adkins-Hackett and Anne-Lore Franklin undertook this [research](#) for LMIC to better understand the impact of mature workers on the Canadian labour market, given their important role in shaping workforce trends. By exploring this topic, we aim to provide valuable insights that can help support labour market informed decisions and planning across various sectors.

What did the researchers find?

The study found that Canada's workforce is aging rapidly, with workers aged 55 and older growing by 184% since 2000. In 2000, only 1 in 9.5 workers was in this age group, but by 2023, it was 1 in 4.6. This increase is driven by the baby boomer generation, longer careers, people living longer, and declining birth rates.

Overall, the aging workforce has raised concerns about labour and skills shortages as mature workers retire. Certain sectors are at higher risk, particularly trades, transport, and equipment operators (15% of the workforce) and business, finance, and administration occupations (16%). These sectors rely heavily on older workers and are among the largest in the economy.

The national replacement ratio, which measures the number of workers under 55 for every worker aged 55 and older, has declined significantly—from 8.5 in 2000 to 3.6 in 2023. A lower ratio signals greater reliance on older workers and higher risk of shortages. Management roles have some of the lowest replacement ratios across Canada, highlighting potential challenges in maintaining leadership and transferring knowledge.

Risks also vary by region. Alberta, Manitoba, and Nunavut currently have no occupations at high risk of shortages. However, other provinces face challenges in key sectors like trades and business roles. As retirements increase, strategies such as immigration, increasing participation from underrepresented groups, and encouraging longer careers will be critical to addressing these risks.

How was this research conducted?

The researchers analyzed the age distribution across various occupations and regions by using Statistics Canada's 2023 Labour Force Survey for provincial data and the 2021 Census for territorial data.

A key metric we introduced in the study is the "Replacement Ratio," which compares the number of younger workers to mature workers in specific occupations and regions. This ratio helped to identify areas at higher risk of labour shortages as mature workers retire and leave the labour market.

The study also considered factors such as the size of the baby boomer cohort influencing the share of mature workers in the labour market, increased life expectancy, longer careers, declining birth rates, longer periods of education and later entry into the labour market, which influence the availability of younger workers.



What does this mean for you?



For most Canadians

Canada's workforce is aging rapidly—more than 1 in 4 workers is now 55 or older. These insights reveal growing risks of labour shortages, especially in key sectors like trades, business and administration, where older workers play a critical role. Some sectors may face shortages which could create opportunities for people entering or re-entering the workforce, including younger workers, career changers, and underrepresented groups.

What's next?

Career planning may look different than in the past. People may work longer, return to work after retirement, or switch careers later in life.

Understanding these trends can help Canadians stay informed about how the labour market is shifting, where gaps may emerge, and how different industries are affected by retirements.

For policymakers

These findings point to a shrinking replacement ratio and a growing reliance on older workers, especially in leadership roles. This raises concerns about workforce sustainability and highlights regions and sectors at greater risk of shortages.

What's next?

Policymakers can use these insights to support targeted solutions, such as encouraging workforce participation among underrepresented groups or adapting immigration policy. Strategies to manage potential shortages might include:

- ▶ Supporting older Canadians who want to keep working
- ▶ Expanding access to training and upskilling
- ▶ Increasing participation among underrepresented groups
- ▶ Reviewing immigration policy to fill gaps in high-risk occupations





For employers and employees

The data underscores how much businesses rely on mature workers, particularly in sectors like trades, business and administration. Retirements could lead to gaps in leadership and institutional knowledge if not addressed proactively.

What's next?

These insights can support planning and conversations around succession, talent development, and workforce needs—helping employers and employees better understand the dynamics at play as the workforce continues to age.



What are some limitations of the study?

This study uses data from Statistics Canada's Labour Force Survey (LFS) Public Use Microdata File (PUMF) for 2023 and the 2021 Census. While these are reliable sources, there are a few important limitations to keep in mind:

- ▶ **Regional data varies:** Territorial data comes from the 2021 Census, while provincial data uses the 2023 Labour Force Survey. This means comparisons between provinces and territories may not reflect the same time period.



Related research

Adkins-Hackett, L., & Fraikin, A. (2023). [*LMIC to examine occupations at risk due to an aging workforce*](#). Ottawa: Labour Market Information Council (LMIC).

Adkins-Hackett, L., & Fraikin, A. (2024). [*Labour market resilience in the face of an aging population*](#). Ottawa: Labour Market Information Council (LMIC).

