

How do the level and composition of income change after retirement?
Evidence from the LAD

Ross Finnie
University of Ottawa

Byron G. Spencer
McMaster University

Abstract:

This study uses data from the Statistics Canada Longitudinal Databank (the *LAD*) to address three general questions: (1) How great is *the average drop in the level of total income* after retirement? (2) What is the *composition of income* in retirement, and how does it change? and (3) What impact do mid-career income, employment, and locational characteristics have on income levels and composition in retirement? The analysis tracks income, in total and by source, on a year-by-year basis (i.e., at each year of age) from age 50, with the focus of attention on income in the period of retirement. We use both descriptive and regression approaches. In the latter, which focuses entirely on the retirement period, we include mid-career measures of income, employment, and savings behaviour as early predictors of post-retirement incomes.

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