

Income Inequality Among Seniors in Canada: The Role of Women's Labour Market Experience

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Abstract

The distribution of income among seniors in Canada has changed substantially over the past decade, reflecting an overall increase in income and an increase in income inequality. In this study I decompose the distribution of income among senior couples to determine the extent to which changes in the labour market activity and retirement experiences of women and men have contributed to this shift in the income distribution. I use data from the Canadian Survey of Labour and Income Dynamics, 1996 and 2006, and the methods of Firpo, Fortin and Lemieux (2007, 2009). Results suggest increases in women's access to pension income and employment have driven increases in income across the distribution with relatively small disequalizing effects. Increases in women's access to public pensions have had important equalizing effects, while most of the increase in senior income inequality can be attributed to increases in senior men's and women's education levels.

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