

OMERS Social Value

The Stability Dividend

From Lifestyle Advantage to Structural Security

February 2026



CANADIAN CENTRE FOR
ECONOMIC ANALYSIS

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PART 1: EXECUTIVE SUMMARY

THE SOCIAL VALUE IMPERATIVE

In the economic climate of 2025, the concept of "value" in a pension plan has transcended traditional financial metrics. While funded status and investment returns remain critical operational indicators, the true value of the OMERS Defined Benefit pension plan (the Plan) is measured by its impact on the lived experience of its members.

Social Value measures the impact of non-financial factors on an individual's well-being. At a generic level, when a specific factor—such as possessing a secure, guaranteed pension—meaningfully increases an individual's life satisfaction, that increase can be equated to the same impact as a substantial rise in household income. This "income equivalent" approach allows us to assign a tangible value to the peace of mind provided by the Plan.

METHODOLOGY: MEASURING WHAT MATTERS

To rigorously measure this value, CANCEA conducted a comprehensive "moment-in-time" analysis in November 2025, building upon the longitudinal baseline established in our 2021 study.

The methodology models the life satisfaction of every individual respondent to isolate the specific impact of their pension arrangement. We surveyed two distinct populations: active and retired OMERS members, and a representative control group of Ontario residents. Using advanced regression modelling, we assessed individual Life Satisfaction on a scale of 0 to 10, controlling for demographic variables such as age, gender, income, and region.

This allowed us to compare equivalent classes of individuals who are statistically identical in their demographic profile, with the singular difference being whether they hold a Defined Benefit (DB) pension, a Defined Contribution (DC) pension, or No Workplace Pension. By tracing these satisfaction levels over time and accounting for normalization, we can attribute observed differences directly to the structure of the pension plan. The results provide a definitive evidence base for the unique value of the DB model.

STRATEGIC INSIGHTS: THE STABILITY DIVIDEND

The 2025 analysis reveals that the pension has evolved from a "lifestyle enhancer" into a primary determinant of resilience. In a year characterized by a "bifurcated" economic reality—where macroeconomic indicators have stabilized but daily affordability remains strained, OMERS members exhibit a profound resilience that is largely absent in the broader population. The findings confirm that the OMERS DB pension provides security in an uncertain world, and that the DB model offers significant value in protecting member well-being.

The following table summarizes the key findings that define the "Stability Dividend", illustrating the profound advantage OMERS members maintain over the general population.

KEY FINDINGS DASHBOARD: THE VALUE OF THE OMERS DB MODEL

Strategic Theme	The 2025 Evidence (Key Finding)	The Social Value Implication
Security in an Uncertain World	The Stability Dividend: Retired OMERS members are 2.26 times more likely to report meeting their income needs effectively than the general population without pensions (64% vs 28%).	The Plan creates a "Solvency Floor", insulating members from the immediate shocks of the macro-economic environment (inflation, housing costs).
Critical Social Infrastructure	The Civic Multiplier: Non-retired OMERS DB members are 2.09 times more likely to donate \$100+ to charity than their peers without private plans from their place of employment.	OMERS members stabilize communities across Ontario, maintaining philanthropic support even when the general population retracts spending.
The DB Model Offers the Most Value	Increased Decoupling: A structural gap has opened between pension types. While OMERS DB retirees maintain high financial confidence (64%), retirees with a DC pension have dropped to 45% due to market anxiety.	Risk transfer is the primary driver of well-being. The structure of the asset (defined benefit) matters more than the presence of savings (defined contribution).
Gender Equity	The Gender Shield: Retired female OMERS DB members report a Life Satisfaction score of 7.81/10, effectively closing the gender well-being gap, while female DC members suffer a collapse in resilience.	The Plan acts as a structural intervention for gender equity, neutralizing the "double burden" of household inflation management and portfolio risk.

Strategic Theme	The 2025 Evidence (Key Finding)	The Social Value Implication
Workforce Stability	The Retention Anchor: 90% of active members (and 91% of those under age 35) cite the OMERS pension plan as a key reason for staying with their employer.	The Plan is essential infrastructure for the municipal and broader public sector, locking in talent and reducing turnover costs during a volatile labour market cycle.
Housing Resilience	The Housing Wedge: Non-retired OMERS members are 2.97 times more likely to own a home than their non-pensioned peers (77% vs 26%).	The pension protects disposable income, that has follow-on benefits, one of which is evidenced by members able to anchor themselves to higher home ownership rates.

THE POWER OF PENSION SECURITY

This study confirms that the value of an OMERS pension extends far beyond a retirement line item; it is a critical piece of social infrastructure that fosters individual well-being and community resilience across Ontario. By providing a bedrock of financial certainty, the Plan acts as a "Gender Shield" and a stabilizer for mental health, ensuring that members can navigate an increasingly uncertain world with confidence.

The data gathered and statistically analyzed throughout this report leads to several undeniable conclusions regarding the social and economic impact of the Plan:

- **Pillar of Stability:** The Plan provides essential security, allowing members to focus on their health and well-being today because their future is protected.
- **A Magnet for Talent:** Plan membership is a primary driver of workforce stability. 90% of active members and an impressive 91% of those under age 35 identify their pension as a key factor in remaining with their employer. Even among retirees, 85% credit their pension for their long-term career commitment when they were working.
- **Social Infrastructure:** Much like the tangible economic benefits OMERS brings to the province, the Plan serves as a foundational social asset that strengthens the fabric of Ontario's communities.

- **The Gold Standard:** When compared to other models, the OMERS pension offers the most significant value to members, providing a high level of life satisfaction-evidenced by the 7.81/10 score among retired female members that other retirement vehicles struggle to match.

Ultimately, the Plan is more than a retirement fund; it is a commitment to the long-term prosperity of Ontario and, these findings show how a secure pension is not just a benefit, it is the foundation for a healthier, more stable society.

PART 2: THE STRUCTURAL REALITIES

In the economic climate of 2025, the Plan pension has evolved from a traditional financial asset into critical social infrastructure. As Ontario navigates a period of "bifurcated" economic reality, the survey results reveal that the Plan provides a unique form of security in an uncertain world, insulating members from the stressors that are currently eroding the well-being of the broader population. Overall, OMERS members reported an average life satisfaction of 7.95/10, compared to 4.65 for the general population. The following twelve structural realities detail this shift, illustrating how DB pensions, and the Plan in particular, decouples member quality of life from market volatility while stabilizing communities across the province (Bank of Canada, 2025b; Statistics Canada, 2025a; Statistics Canada, 2025b; Healthcare of Ontario Pension Plan; Behavioural Insights Team, 2024).

THE PLANNING ADVANTAGE

Preparation for the future is a key indicator of current well-being. Among the non-retired population, 93% of OMERS members report that their pension contributes to their retirement plan. In contrast, only 79% of DC members feel their plan contributes effectively.

This gap highlights the "Crisis of Confidence" among DC holders. Even though they have a plan, fewer feel it contributes meaningfully to their future, likely due to the risks associated with the "Conversion Horizon" (turning assets into income). OMERS members possess a "default" plan that requires no active management, resulting in near-universal confidence in their future readiness. By embedding readiness into the employment contract, OMERS acts as an automatic financial planner, eliminating the "planning paralysis" that affects the broader workforce.

THE STABILITY DIVIDEND

The 2025 analysis establishes a stark hierarchy in financial sufficiency. When asked if they are "Meeting retirement income needs", 64% of OMERS retirees responded favourably, compared to only 28% of the general population without a pension. This difference creates a ratio of 2.26x, meaning a retired OMERS member is more than twice as likely to feel financially secure than their neighbour without private pensions. This is also reflected in the fact that 74% of retired OMERS members feel prepared for a sudden \$10,000 expense compared to 34% of the general population.

In an economic climate characterized by rising prices and persistent food inflation, income predictability has become the primary driver of resilience (Statistics Canada, 2025a; Food Banks Canada, 2025; Bank of Canada, 2025). While the general population grapples with the volatility of the "Blue-Collar Recession", the indexed, guaranteed nature of the OMERS DB model provides a financial floor. This allows members to maintain their standard of living, whereas nearly three-quarters of the group without private pensions struggle to meet their income requirements. For OMERS, this affirms that the Plan functions as essential

social infrastructure; the value of the pension has shifted to "solvency protection", insulating members from the immediate shocks of the macro-economic environment.

INCREASED DECOUPLING

A notable divergence has emerged between Plan members and Defined Contribution (DC) members. While 64% of Plan retirees report meeting their income needs effectively, only 45% of DC retirees say the same. The data suggests that the presence of *any* plan is less predictive of well-being than the *structure* of the plan itself (Organisation for Economic Co-operation and Development, 2025a; Organisation for Economic Co-operation and Development, 2025b).

This gap highlights the "Anxiety of Agency". DC members, managing their own market and longevity risk during a period of trade volatility, are experiencing a degradation of confidence (Macklem, 2025). The DB model decouples the member's security from the performance of the market, whereas DC members remain tethered to market fluctuations, eroding their comparative peace of mind. This highlights how risk transfer, rather than just savings, is a key component of retirement security.

THE "HOUSING WEDGE"

Housing tenure has cemented itself as the definitive fault line in Ontario's social fabric. The data reveals that non-retired OMERS members are 2.97 times more likely to own a home than their peers without private pensions (77% vs 26%). Even among retirees, the gap remains significant, with Plan members 1.3 times more likely to own their home (86% vs 66%).

As rent inflation outpaced wage growth, the "No Private Pension" workforce was disproportionately trapped in the rental market, exposed to rising shelter costs (Canada Mortgage and Housing Corporation, 2025; Bank of Canada, 2025c). Many OMERS members, leveraging the income stability of their DB promise, have successfully anchored themselves in the property market. The pension effectively acts as a proxy for housing security, shielding members from the rental crisis and supporting broadly distributed asset accumulation beyond just the monthly pension cheque.

THE DETERIORATION OF FINANCIAL RESILIENCE

The 2025 results show that retired OMERS members are 1.58 times more likely to report favourable (low) levels of stress (53%) compared to the population without private pensions (33%). Conversely, the non-pensioned group exhibits signs of systemic fragility, with two-thirds unable to report positive stress outcomes (Angus Reid Institute, 2025).

The cost-of-living crisis has eroded the emotional and financial buffers of the general public. The population without private pensions, with lower guaranteed income floors, generally lives in a state of hyper-vigilance regarding their finances (Mullainathan & Shafir, 2013; Hobfoll, 1989). The DB pension

absorbs this volatility, allowing members to navigate the same macroeconomic environment with significantly lower cognitive load and anxiety. By removing financial anxiety, the Plan functions as a mental health intervention, maintaining member psychological equilibrium.

HEALTH CAPITAL

Financial security is translating directly into health outcomes. Retired OMERS members are 1.38 times more likely to report positive mental health (60%) than the general population (44%). Similarly, they are 1.37 times more likely to report positive physical health outcomes (42% vs 31%).

This evidence supports the "Health Trap" hypothesis, which suggests that the chronic stress of financial instability manifests physically. People, such as OMERS members, shielded from these stressors and likely better able to afford health-preserving behaviours, preserve their "health capital" far longer into retirement (Marmot, et al., 2010). Consequently, a healthier retiree population reduces the burden on Ontario's public healthcare infrastructure, effectively positioning OMERS as a partner in public health.

THE GENDER SHIELD

The survey identifies a profound "Resilience Collapse" among women without defined benefit protection. Female DC members reported a Health & Resilience¹ score of 19.3, falling below the baseline for women with no private pension at all (24.6). In stark contrast, female OMERS members reported a resilience score of 41.6.

Many women in 2025 faced a "Double Burden": managing the household impact of sticky food inflation while simultaneously bearing the cognitive load of portfolio risk in DC plans. The OMERS DB pension acts as a structural shield, neutralizing the portfolio risk component. This allows female members to manage household economic pressures without the compounding stress of financial anxiety. The result is quantifiable: retired female OMERS members report a robust Life Satisfaction score of 7.81/10 (compared to 4.46 to those without private pensions), effectively closing the gender well-being gap relative to their male counterparts.

THE "MIDDLE-INCOME PROTECTOR"

The protective effect of OMERS pensions is most visible in the middle-income bracket. High-income earners (\$100,000+) without pensions reported lower life satisfaction (47.7) than the average Plan member (63.6). Furthermore, middle-income Plan members (\$60,000–\$80,000) significantly

¹ Percentage of respondents reporting excellent or very good rating in health.

outperformed their non-pensioned peers in financial security metrics, preventing the slide into feelings of precarity observed in the general population.

This finding confirms that "structure outweighs flow". A high salary that is volatile or unprotected cannot replicate the peace of mind provided by a guaranteed income stream. The DB pension anchors the middle class, preventing them from slipping into the anxiety that characterizes the recessionary pressures affecting the broader workforce. OMERS demonstrates that it defends the middle-class standard of living; in an era where high income no longer guarantees high security, the pension provides the structural certainty required to maintain well-being.

THE CIVIC MULTIPLIER

The data confirms that OMERS members directly contribute financially to their communities. Non-retired OMERS members are 2.09 times more likely to donate more than \$100 annually to charity than their peers with private pension plans (61% vs 29%). Even in retirement, the trend holds, with members remaining 1.19 times more likely to donate than those without private pension plans. Additionally, 61% of OMERS retirees volunteer in their communities compared to 45% for those with no private pension.

This is the "Civic Multiplier" effect. Financial certainty creates a surplus of capacity that is directed outward (Putnam, 2000). While inflation has forced the general population to pull back on charitable giving to ensure their own survival, OMERS members retain the confidence to support communities across Ontario. This proves that the social value of the Plan extends beyond the membership; OMERS members help to stabilize the charitable sector during a time of economic contraction.

THE SOCIAL CONTRACTION

Overall, retired DC members are now the least likely group to donate to charity. Only 42% of DC retirees are frequent donors, a rate significantly lower than both OMERS DB members (76%) and the group without private pensions (64%).

This phenomenon is termed "Social Hoarding". DC retirees, facing the risk of outliving their savings in a high-inflation environment, are proactively withdrawing from the social contract to conserve capital (Edelman, 2025). The DC cohort, fearful of market volatility, has contracted socially to protect their finances. This highlights the broader societal risk of shifting away from DB models; a shift to DC arrangements may lead to a "Civic Recession", where retirees withdraw from the charitable sector due to longevity risk anxiety.

THE "INSULATION EFFECT"

When measuring the "Pension plan's contribution to standard of living", 92.2% of retired OMERS members report a positive contribution, compared to only 74.4% of DC retirees. This nearly 18-point gap

illustrates the "Insulation Effect" – the ability of the pension to protect lifestyle quality despite external pressures.

OMERS DB pension provides a "Stability Dividend" that DC plans cannot match during periods of volatility. While DC members may see their standard of living fluctuate with the markets (the "Volatility Tax"), Plan members experience their standard of living as more of a constant, insulated by the structural guarantee of the Plan. In an era where many feel their lifestyle slipping away, the OMERS pension acts as a firewall, preserving the economic agency of its members.

THE RETENTION ANCHOR

In a volatile labour market, the pension remains a remarkably effective retention tool (Smetanin & Stiff, Social Value Benefits: OMERS Pension Plan, 2021; Smetanin & Stiff, 2021 Social Value Benefits of Public Pension Plans in Alberta, 2021). The survey indicates that 90% of all OMERS active members agree that their pension membership is an important factor in staying with their current employer. This sentiment is particularly strong among the next generation of the workforce, rising to 91% for those under the age of 35, and was a defining factor for 85% of retirees.

In an era defined by "fragile stabilisation", workers prioritize security over mobility. The Defined Benefit promise is viewed as a non-replicable asset; employees understand they cannot find equivalent security in the private market, making the pension a powerful stabilizer for the public sector workforce. Consequently, the Plan functions as essential infrastructure for municipal and broader public service continuity, helping to lock in talent and reduce turnover costs for municipal employers.

END OF SECTION COMMENTS

Collectively, these twelve structural realities delineate a fundamental transformation in the nature of the pension promise. The Plan has ceased to be merely a vehicle for wealth accumulation; it has become critical social infrastructure.

By providing a floor of solvency for members, the Plan acts as a stabilizer for the public health system, a sustainer of the charitable sector, and a retention anchor for the public workforce. In a world defined by uncertainty, the OMERS DB model provides the certainty required for members to remain healthy, resilient, and engaged citizens. This "Stability Dividend" benefits not only the members but generates tangible value for communities across Ontario, proving that the pension is a public good in a volatile era.

PART 3: THE LONGITUDINAL SHIFT (2021 VS. 2025)

Comparing the data from the 2021 baseline to the 2025 results reveals a fundamental shift in the role of the OMERS pension. In 2021, amidst the optimism of post-pandemic recovery, the pension functioned largely as a lifestyle enhancer (Smetanin & Stiff, Social Value Benefits: OMERS Pension Plan, 2021). By 2025, in a climate defined by economic friction and higher structural costs, the data indicates the Plan has matured into critical social infrastructure. The following analysis tracks this evolution, demonstrating how the Plan provides resilient security in an uncertain world, protecting members and communities even as broader economic sentiment softens.

THE EVOLUTION OF PENSION UTILITY

The narrative has shifted from 2021, where the pension provided a comparative "lifestyle bonus", to 2025, where it provides essential stability. The 2025 data indicates that a retired OMERS member is now 2.26 times more likely to report meeting their retirement income needs than a member of the general population without a pension (65% vs. 29%).

In the current economic climate, the absence of a pension is felt more acutely as a vulnerability rather than just a missed opportunity. This reinforces the finding that DB plans provide a unique form of security in an uncertain world. As cost pressures rise, the value of the pension has transitioned from facilitating "thriving" to ensuring "solvency", anchoring the member's financial life against the volatility that has eroded the confidence of the general public.

STRUCTURAL DIVERGENCE IN SATISFACTION

The life satisfaction gap between members and the general population has not just persisted; it has widened. What was a difference of degree in previous years has evolved into a pronounced structural divergence in the retirement experience. While 65% of OMERS retirees report meeting their income needs effectively, only 45% of DC retirees say the same.

This widening gap suggests that the Plan offers the most value during periods of economic stress. While the general population has been fully exposed to the cumulative effects of inflation and interest rate adjustments over the last four years, members protected by the DB structure have not experienced the same erosion of their baseline welfare. The pension advantage is effectively appreciating over time; as the economic environment becomes more complex, the relative value of the Plan membership increases compared to alternative arrangements.

THE HOUSING TENURE DIVIDE

In 2021, housing tenure was a significant variable, but in 2025, it has become a primary economic driver. The statistical correlation between "rentership" and "distress" has strengthened, effectively splitting the respondent pool into secure owners and vulnerable renters.

The rapid escalation of rental costs and interest rates between 2021 and 2025 has transformed housing from a background issue into a primary survival challenge. The pension's role has therefore evolved to include "housing defense". By supporting income stability, OMERS has allowed its members to remain on the secure side of the housing divide, a benefit that is far more critical in 2025 than it was in 2021. This highlights how pensions can act as a stabilizer, not just for income, but for the broader household balance sheet.

BEHAVIORAL ADAPTATION TO COSTS

While member volunteering remains high, the survey indicates a rational decrease in charitable financial donations compared to 2021 (-16%). OMERS members appear to be adapting to the economic environment of 2025 by maintaining their assets and standard of living while acting more conservatively with discretionary cash outflows.

This is a behavioral response to the current economic reality; members are not immune to price signals but have the capacity to make calculated adjustments to preserve their financial equilibrium. Crucially, despite this financial calibration, members continue to support communities across Ontario through sustained volunteerism. Unlike the general population, who may be forced to withdraw from civic life entirely to focus on survival, OMERS members adapt prudently, remaining a reliable pillar of community support even when liquidity tightens.

SHIFTING ECONOMIC SENTIMENT

In 2021, the prevailing sentiment was characterized by "recovery optimism"-a belief that normalcy was returning. In 2025, this has been displaced by a "crisis of expectation" among the general public. The general population's scores reflect a loss of future confidence that was not as prevalent in the previous survey.

In contrast, the pension provides a psychological anchor. In a world where the future feels increasingly uncertain for the general public, the defined benefit promise offers a rare point of certainty. This preserves member confidence even when broader societal optimism is fading, underscoring the role of the Plan as a stabilizing force that protects long-term social well-being against cyclical economic downturns.

END OF SECTION COMMENTS

The longitudinal shift from 2021 to 2025 demonstrates that the OMERS Defined Benefit pension is a counter-cyclical asset: its social and psychological value increases as the broader economy becomes more challenging. By insulating members from the structural shifts of the last four years, the Plan has proven itself to be critical social infrastructure, delivering value to members and stability to Ontario communities when it is needed most.

PART 4: TECHNICAL APPENDICES

APPENDIX A: SURVEY DESIGN AND SAMPLING METHODOLOGY

To ensure internal validity and minimize coverage error, the 2025 study employed a Dual-Frame Cross-Sectional Design. This approach aligns with the *OECD Guidelines on Measuring Subjective Well-being* (OECD, 2013) to minimize mode effects and ensure robust comparative inference.

A.1 SAMPLING FRAMEWORKS

The study drew from two distinct sampling frames to construct equivalent classes for analysis:

- **Survey Frame A (Target Population):** A probabilistic list-based sample derived from the OMERS administrative registry. A stratified random sampling method was applied to ensure adequate representation across Active and Retired statuses.
 - *Sample Size:* $n = 2600$ completed responses (approximate).
 - *Precision:* The effective sample size yields a margin of error of $\pm 1.92\%$ at the 95% confidence interval (Cochran, 1977).
- **Survey Frame B (Control Group):** A probability-based online panel of Ontario adults (18+). Quota sampling was applied to ensure the demographic composition matched provincial parameters for Age, Gender, and Census Metropolitan Area.
 - *Sample Size:* $n = 1600$ completed responses (approximate).
 - *Comparator Groups:* Respondents were screened to establish two distinct control groups: *Defined Contribution (DC)* and *No Workplace Pension (None)*.

A.2 WEIGHTING AND CALIBRATION

To correct for differential non-response and selection bias, raw data were calibrated using Iterative Proportional Fitting (IPF), commonly known as "raking" (Deming & Stephan, 1940; Kalton & Flores-Cervantes, 2003).

- **Calibration Vectors:** Weights were calibrated against Statistics Canada *Census 2021* marginal totals for Age, Gender, and Geographic Region.
- **Variance Estimation:** Standard errors were estimated using bootstrap replicate weights to account for the complex survey design, ensuring that reported differences in Life Satisfaction are statistically significant at the $p < 0.05$ level (Rao & Wu, 1988).

APPENDIX B: DEALING WITH LIMITATIONS

B.1 MULTICOLLINEARITY AND OMITTED VARIABLE BIAS

A necessary limitation of this analysis is the potential multicollinearity between "Pension Certainty" and "Employment Certainty".

- **Sectoral Context:** OMERS members are primarily public sector employees who faced a 2024 layoff risk of 0.6%, compared to 3.2% in the private sector (Statistics Canada, 2024).
- **Implication:** The "Stability Dividend" should be interpreted as a composite of both the defined benefit structure and the higher tenure security associated with the municipal public sector. The regression controls for income but cannot fully isolate the psychological benefit of job security from pension security.

To ensure the internal validity of the "Stability Dividend" and to rigorously isolate the marginal utility of the Defined Benefit pension structure from the complex matrix of socio-economic existence, the 2025 analysis employed a high-dimensional multivariate regression framework. Standard linear models often rely on a limited set of first-order demographic controls (e.g., Age, Income, and Gender), which leaves them susceptible to Omitted Variable Bias (OVB) and endogeneity. To mitigate this and strictly separate the "Pension Effect" from the "Person Effect", this study utilized a hyper-granular specification to construct valid counterfactuals.

B.2 ECONOMETRIC SPECIFICATIONS & HIGH-DIMENSIONAL CONFOUNDER ADJUSTMENT

To rigorously isolate the marginal utility of the DB pension structure from socio-economic noise, the 2025 analysis employed a high-dimensional multivariate regression framework designed to mitigate OVB (Belloni, Chernozhukov, & Hansen, 2014). Unlike standard linear models which rely on parsimonious controls (e.g., age and income), this specification utilizes a hyper-dense covariate matrix to strictly separate the "Pension Effect" from the "Person Effect".

B.3 HIGH-DIMENSIONAL FEATURE SPACE ($k > 200$)

The internal validity of the causal inference is predicated on the depth of the vector space used to control for unobserved heterogeneity. The analysis separates confounding variables across two distinct tiers of dimensionality:

1. **Determinants of Satisfaction D_{42} :** The dependent variable *SWL* is modelled as a composite outcome influenced by 42 distinct latent drivers, encompassing domains ranging from financial liquidity and housing tenure security to psychosocial metrics such as future-time perspective (OECD, 2013).

2. **Individual Heterogeneity (X_{200+}):** To address the selection bias inherent in the public sector workforce, the dataset characterizes each respondent through a matrix of over 400 unique attributes. This captures granular variance across socio-demographic strata, risk aversion profiles, cognitive load capacity, and economic micro-foundations (Heckman, 1979).

B.4 EQUIVALENTS OF HETEROGENEITY PROFILES

By leveraging this extensive feature space, the model constructs "Equivalents of Heterogeneity Profiles" (Rosenbaum & Rubin, 1983). This process identifies statistical "nearest neighbours" within the control group-individuals statistically isomorphic to OMERS members across health, wealth, and family structure-thereby isolating pension status as the sole varying treatment variable.

The structural equation is estimated as:

$$SWL_i = \alpha + \beta_{pension}P_i + \sum_{j=1}^{42} \lambda_j D_{ij} + \sum_{k=1}^{200+} \gamma_k X_{ik} + \varepsilon_i$$

Where $\beta_{pension}$ represents the isolated "Stability Dividend" after holding over 200 confounding variables constant (*ceteris paribus*). Variance estimation utilized bootstrap replication to ensure the finding is statistically significant ($p < 0.05$) and robust against overfitting (Efron & Tibshirani, 1993).

APPENDIX C: ECONOMETRIC SPECIFICATIONS (SOCIAL VALUE VALUATION)

The "Social Value" findings presented in this report are derived using the Well-being Valuation (WV) approach, a methodology formally recognized by the HM Treasury *Green Book* for non-market valuation.

C.1 THE INCOME EQUIVALENCE MODEL

The analysis estimates a Life Satisfaction function (LS) for individual i as:

$$LS_i = \alpha + \beta_1 \ln(Y_i) + \beta_2 P_i + \gamma X_i + \varepsilon_i$$

Where:

- Y_i represents household income.
- P_i represents pension status (DB vs. Control).
- X_i is a vector of demographic and socio-economic controls

C.2 COMPENSATING SURPLUS

By estimating the marginal utility of income (β_1) and the marginal utility of the pension (β_2), we calculate the Compensating Surplus (CS), the theoretical amount of additional income a non-member would require to achieve the same level of life satisfaction as a DB member, holding all other variables constant.

APPENDIX D: ATTRIBUTION ANALYSIS

To explicitly quantify the drivers of the "Satisfaction Gap" (e.g., the 3.3-point difference in retirement), the analysis utilized the Oaxaca-Blinder Decomposition technique (Blinder, 1973; Oaxaca, 1973). This method partitions the mean difference in outcomes ($\Delta\overline{LS}$) into two distinct components:

1. **The Endowment Effect (Explained Variation):** The portion of the gap attributable to differences in the *levels* of explanatory variables (e.g., DB members possess higher scores in Financial Security).
2. **The Coefficient Effect (Structural Variation):** The portion attributable to differences in the *returns* to those characteristics (e.g., the efficiency with which pension certainty translates into well-being).

Result: The decomposition confirmed that **61%** of the well-being gap is driven by the structural endowment of **Financial Security**, validating the "Stability Dividend" hypothesis.

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