



Online
20th June 2022

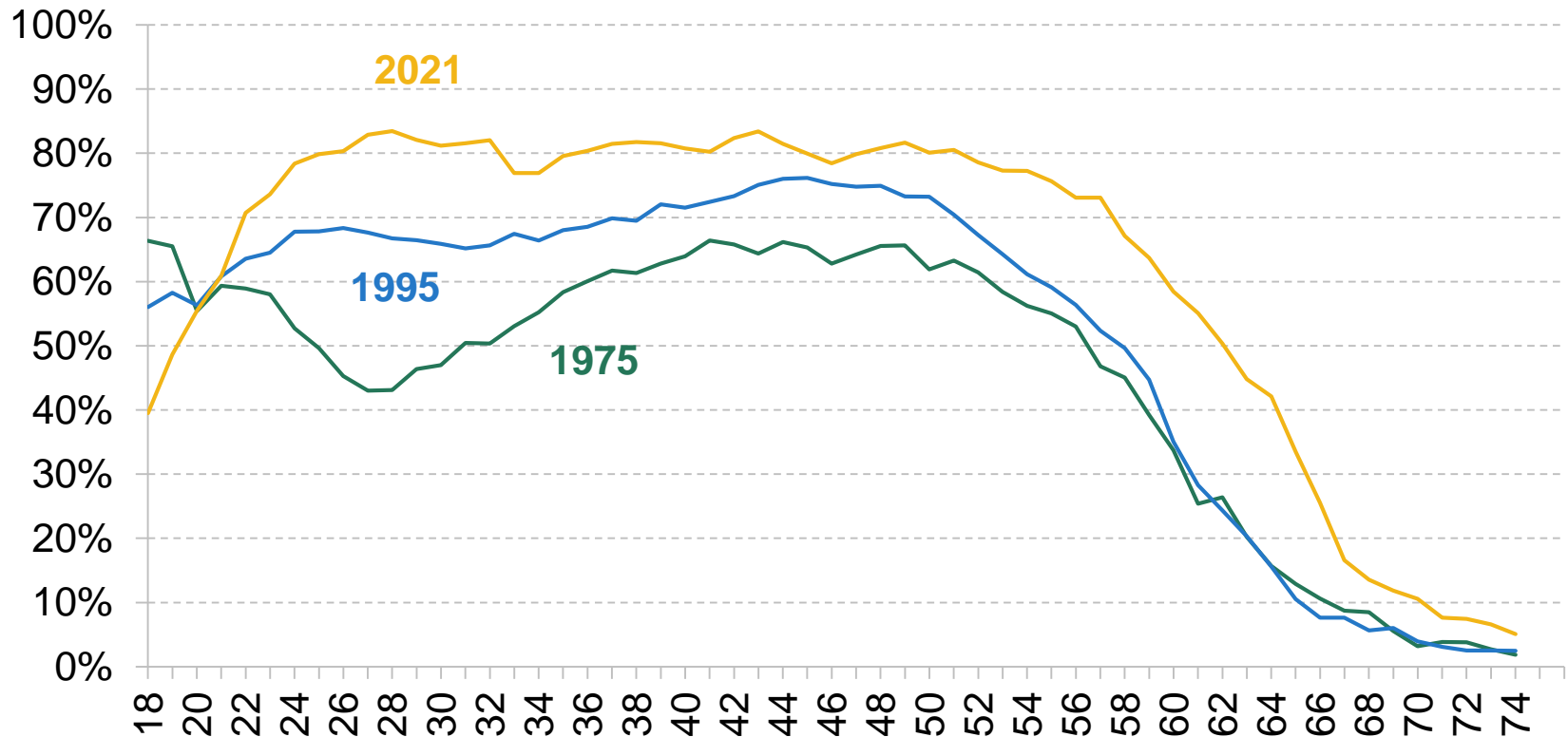
@TheIFS

Recent and future patterns of work around state pension age

Jonathan Cribb

Much higher employment rates than a few decades ago

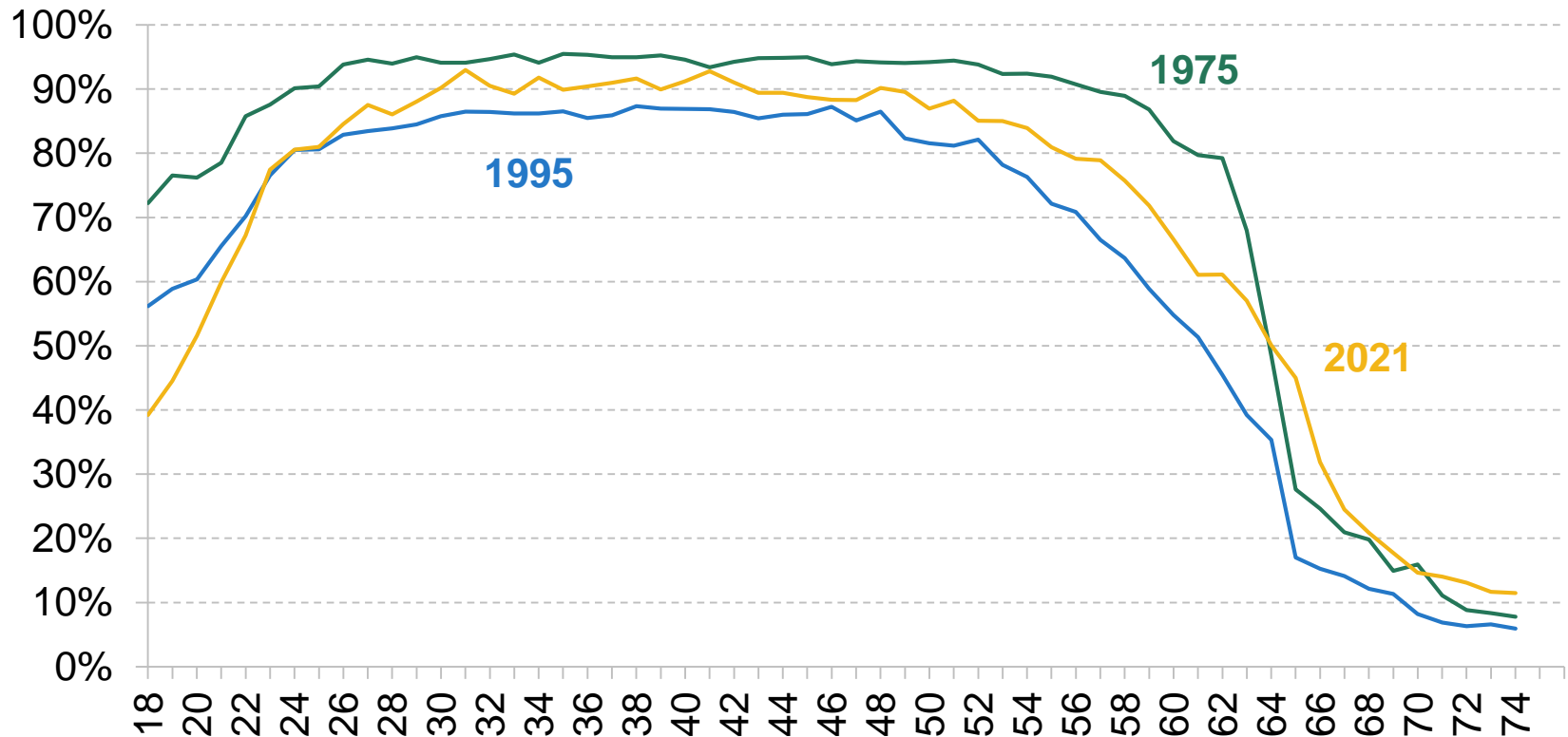
Employment rates of women, in 1975, 1995 and 2021



Source: Figure 1.2 from Cribb and Emmerson (2022)

Much higher employment rates than a few decades ago

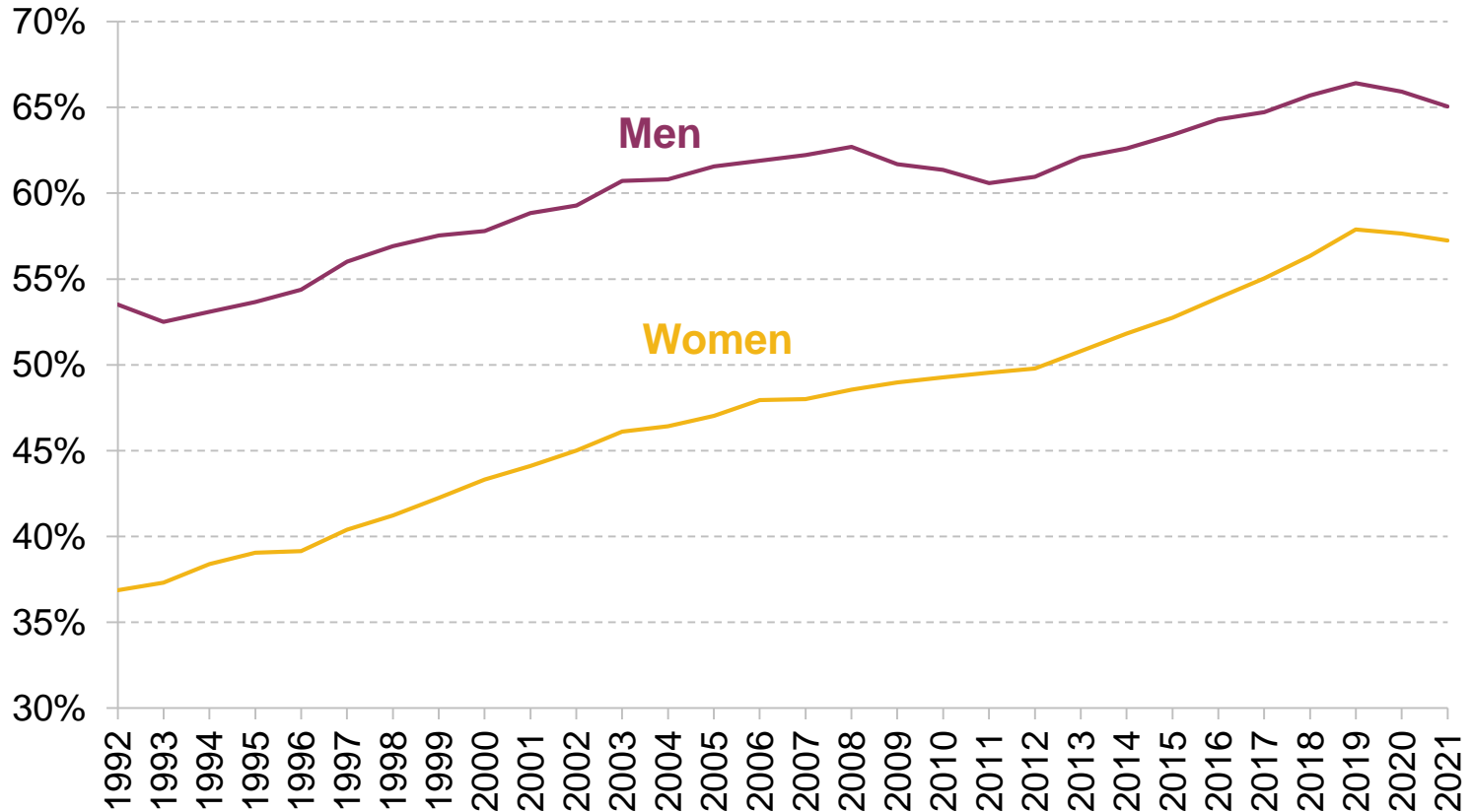
Employment rates of men, in 1975, 1995 and 2021



Source: Figure 1.1 from Cribb and Emmerson (2022)

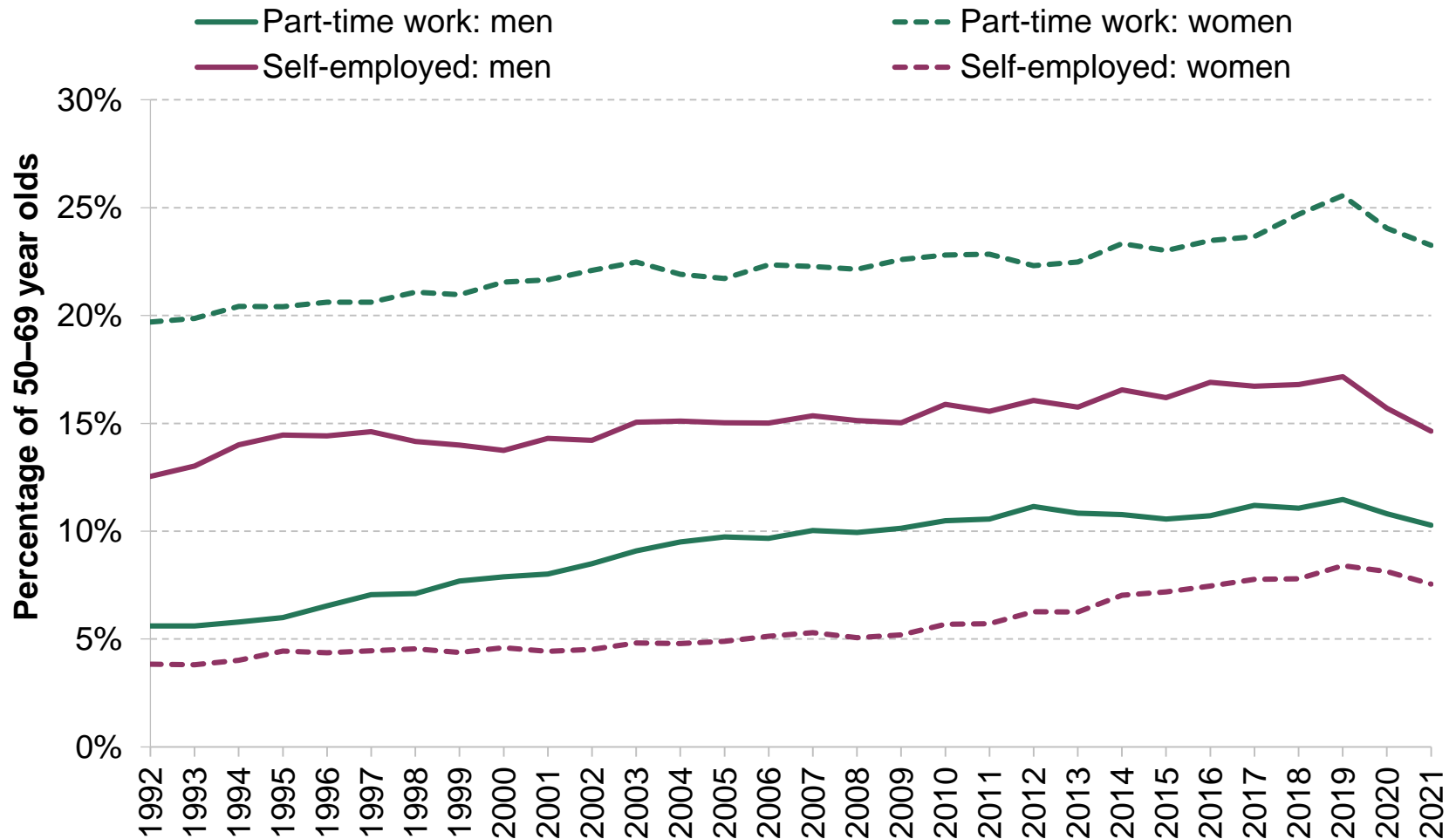
Employment fallen back during the pandemic

Employment rates of 50-69 year old's, 1993-2021



Source: IFS calculation using LFS data from 1992 to 2021

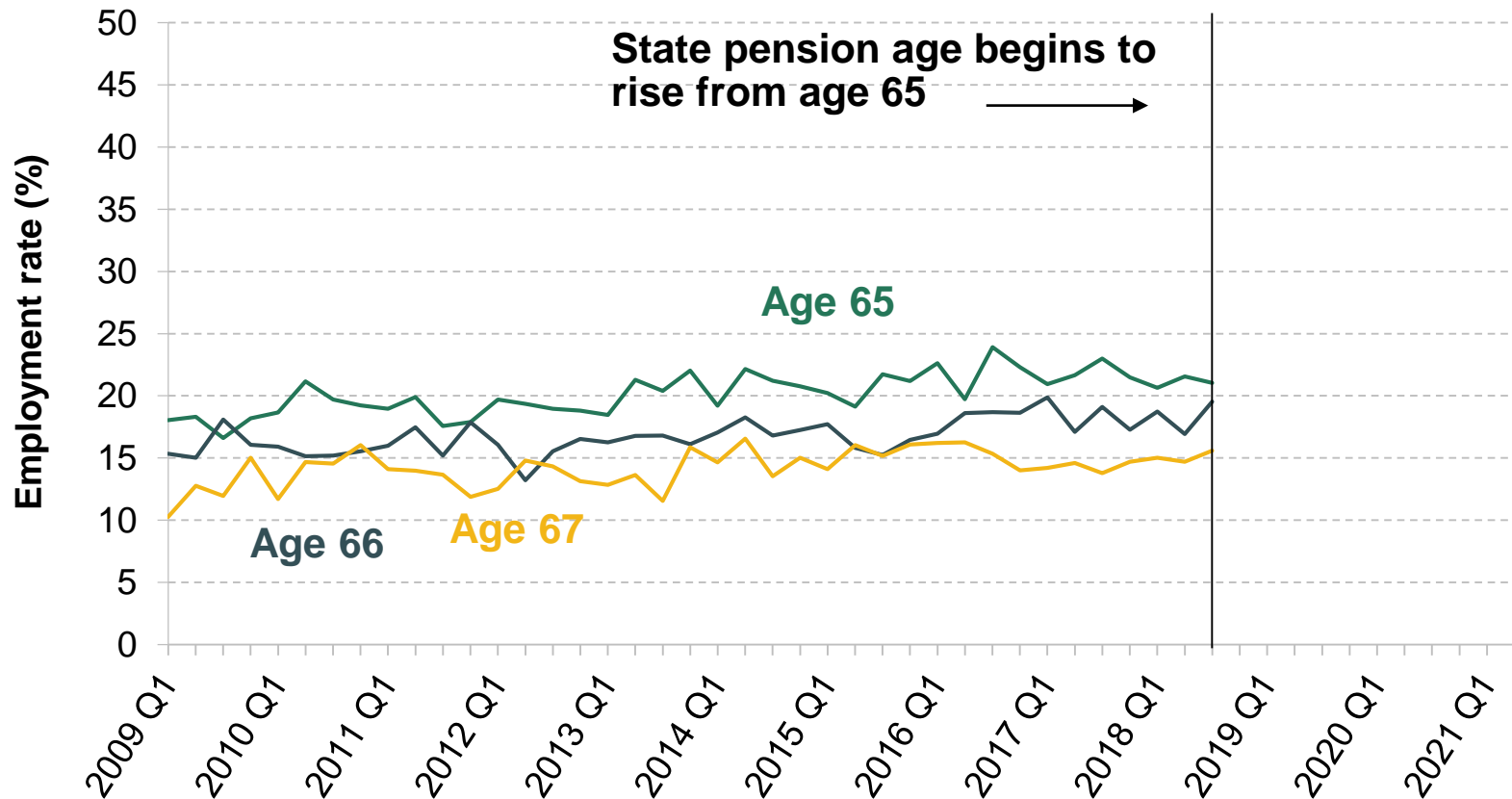
Falls concentrated in part-time work and self employment



Source: Figures 3.1 and 3.4 from Cribb and Emmerson (2022)

Higher state pension age boosts employment - women

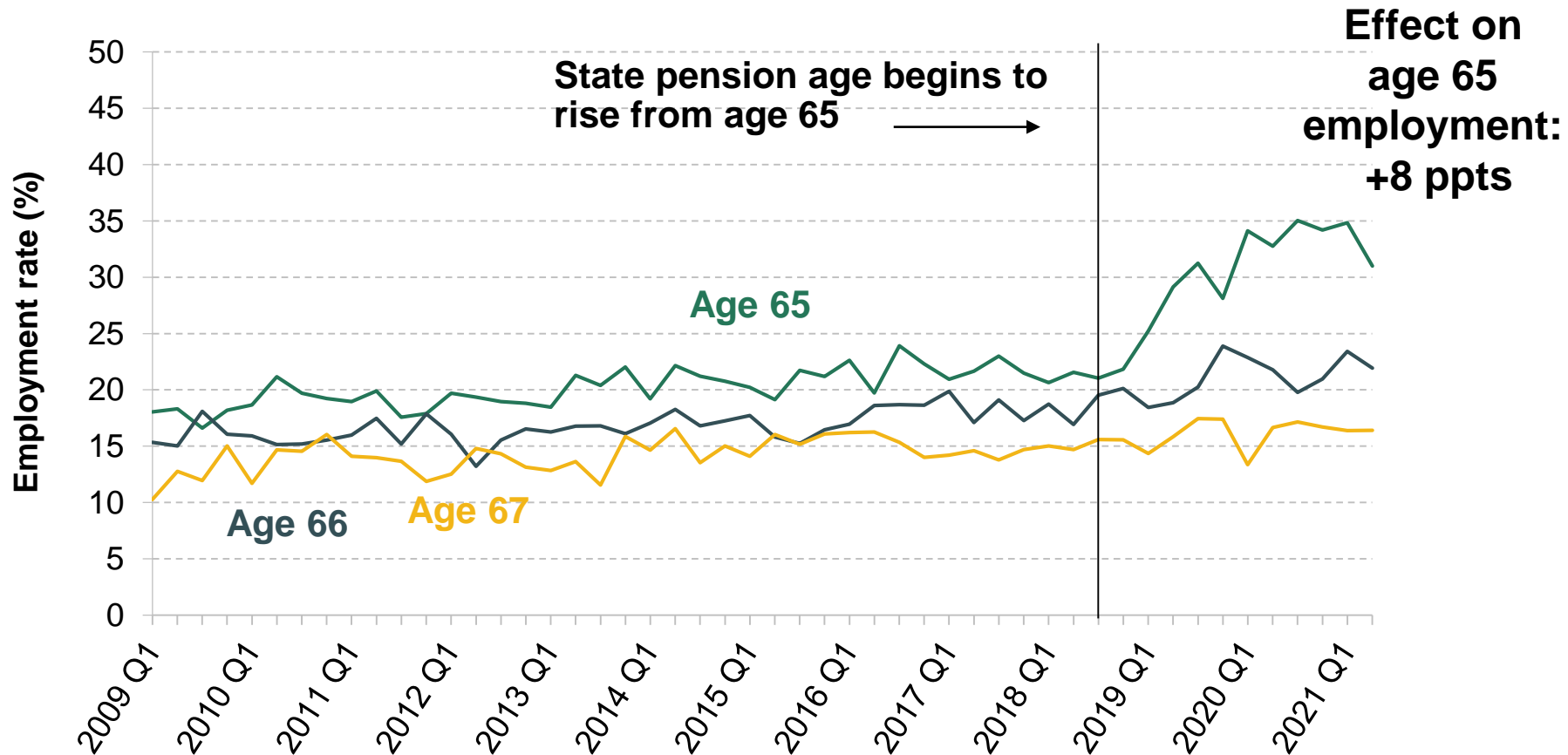
Employment rate of 65-, 66-, and 67-year-old women, 2009-2021



Source: Figure 2.4 from Cribb and Emmerson (2022)

Higher state pension age boosts employment - women

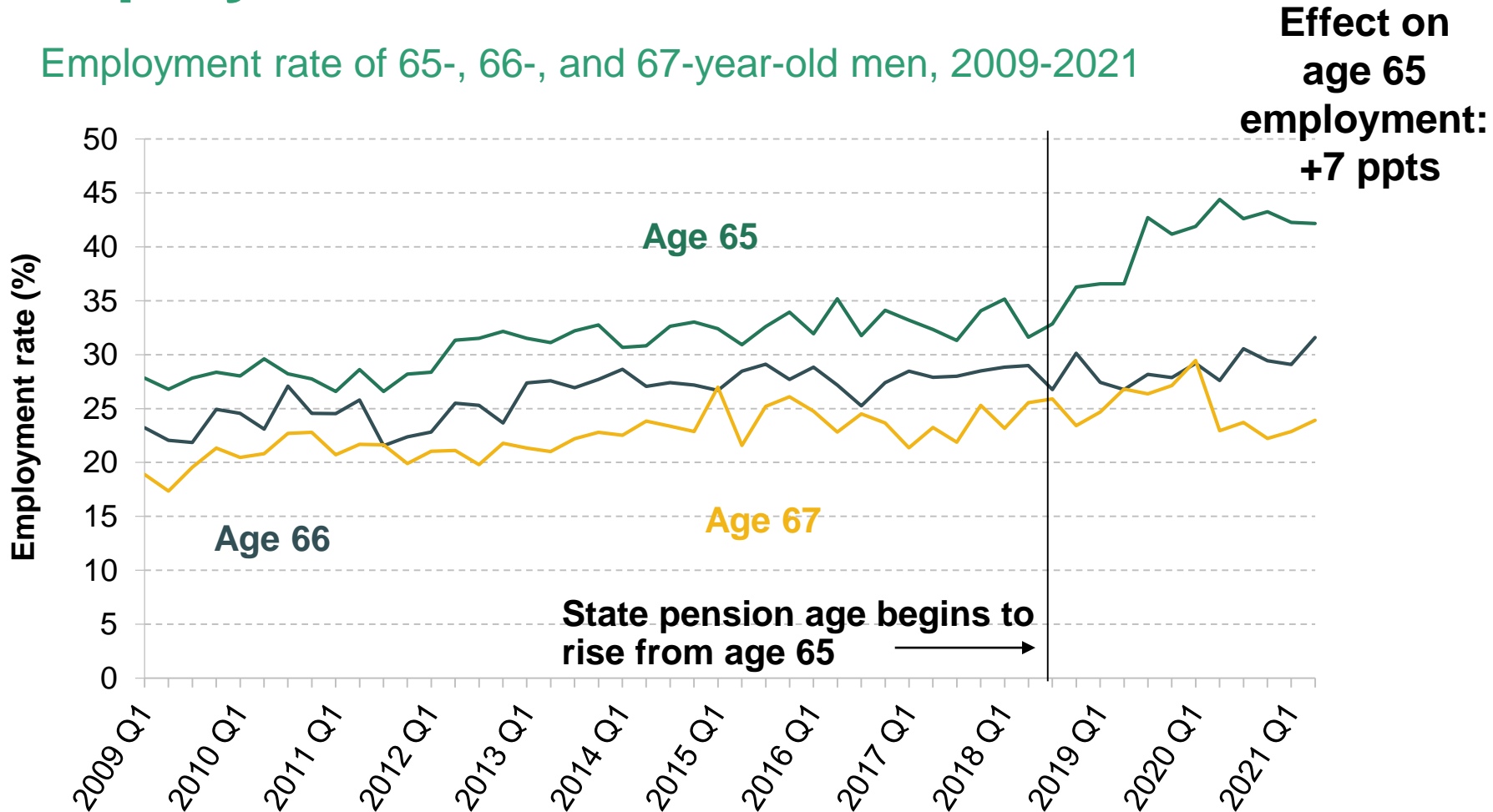
Employment rate of 65-, 66-, and 67-year-old women, 2009-2021



Source: Figure 2.4 from Cribb and Emmerson (2022)

Higher state pension age boosts employment - men

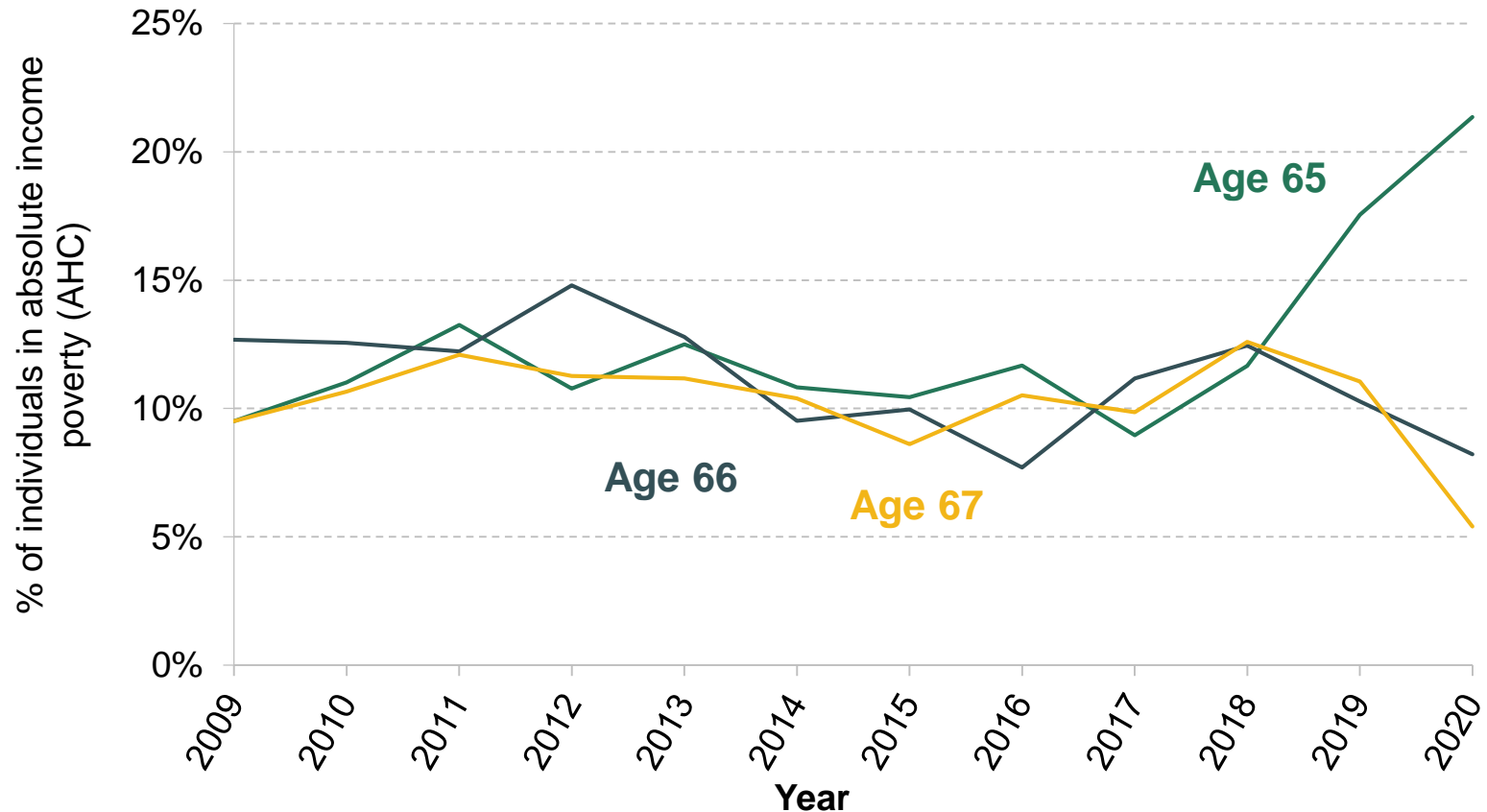
Employment rate of 65-, 66-, and 67-year-old men, 2009-2021



Source: Figure 2.4 from Cribb and Emmerson (2022)

Increase in SPA from 65 to 66 leads to rises in income poverty

Absolute income poverty rate (measured after deducting housing costs) of 65 to 67-year-olds



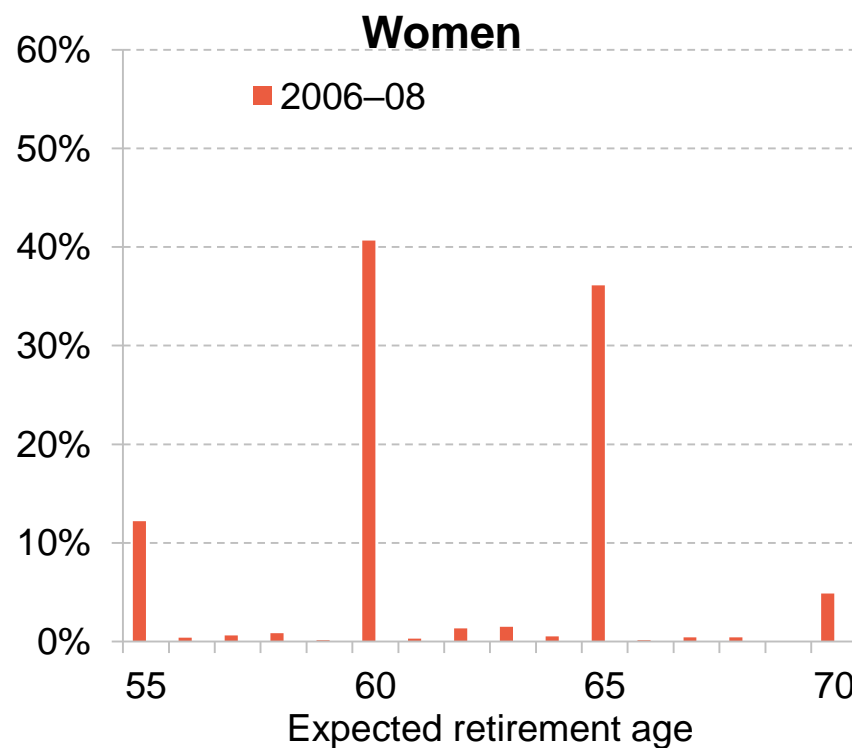
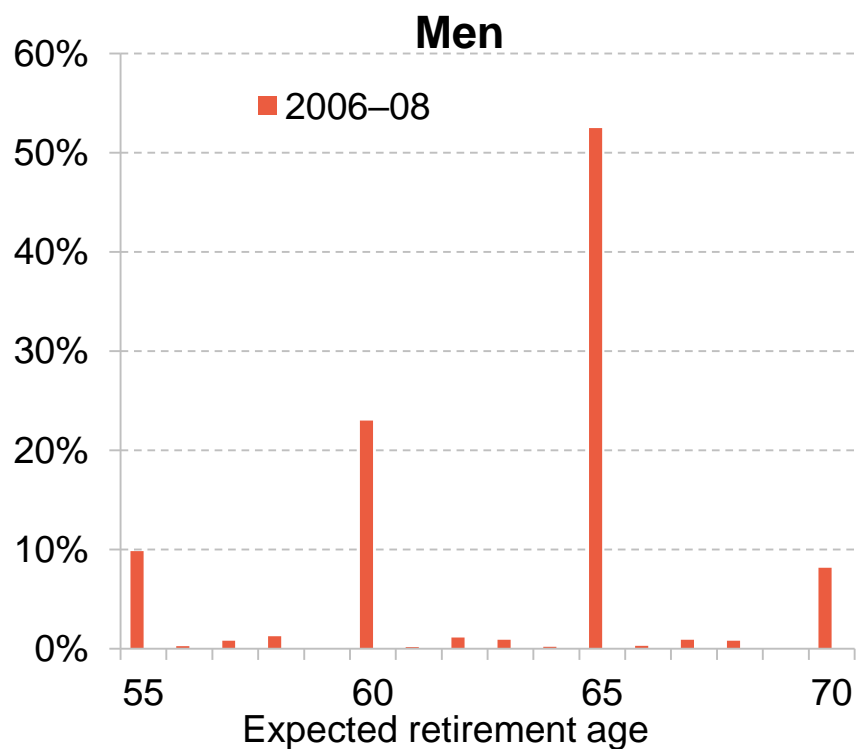
Source: Figure 4.3 from Cribb and Emmerson (2022)

Future patterns of work?

- Predicting/forecasting future employment rates is very hard
 - Between 2011 and 2020, OBR consistently forecast employment rates that were lower than the outturn
 - Since 2020: unexpected rises in inactivity (in particular for people in their 50s and 60s)
- What can we learn about future patterns of work at older ages from recent data?

Significant increases in expected retirement ages

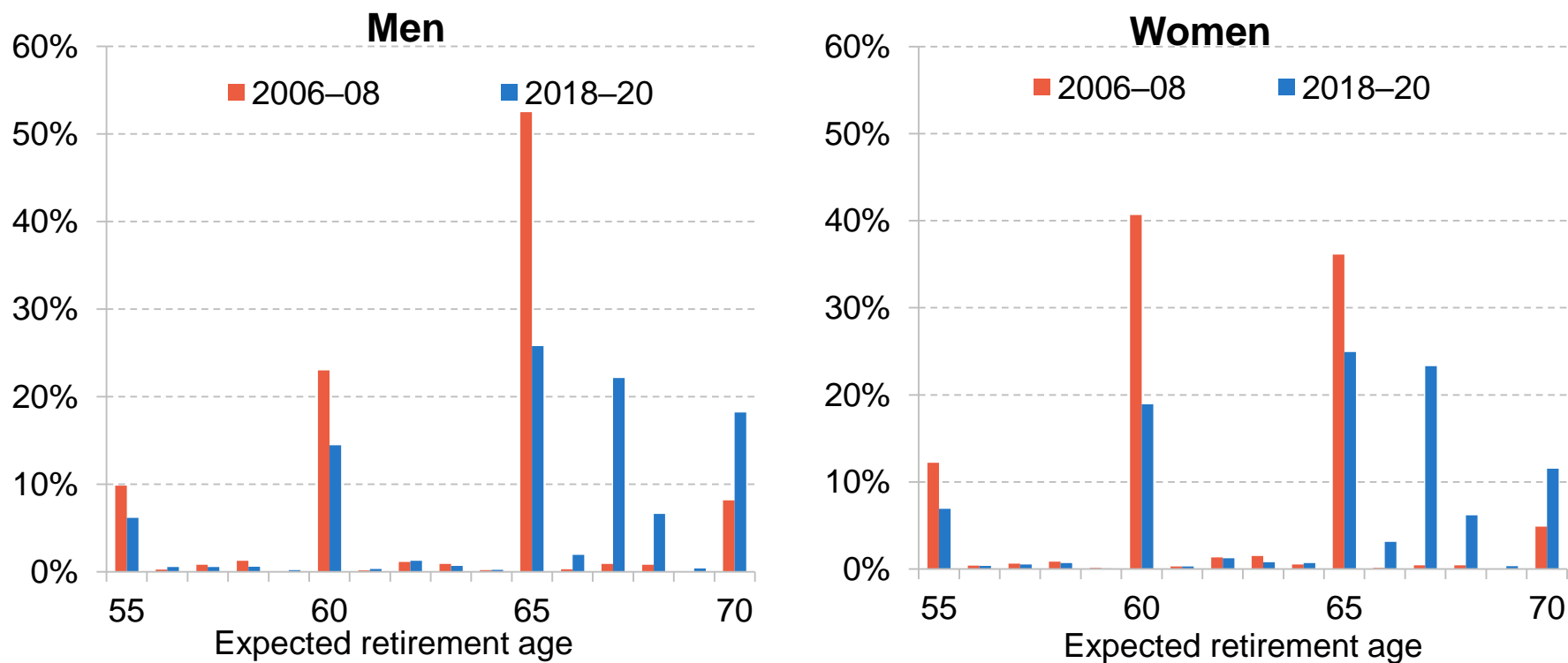
Expected retirement ages of non-retired 40- to 54-year-old men and women



Source: Figure 2.3 from Cribb and Emmerson (2022)

Significant increases in expected retirement ages

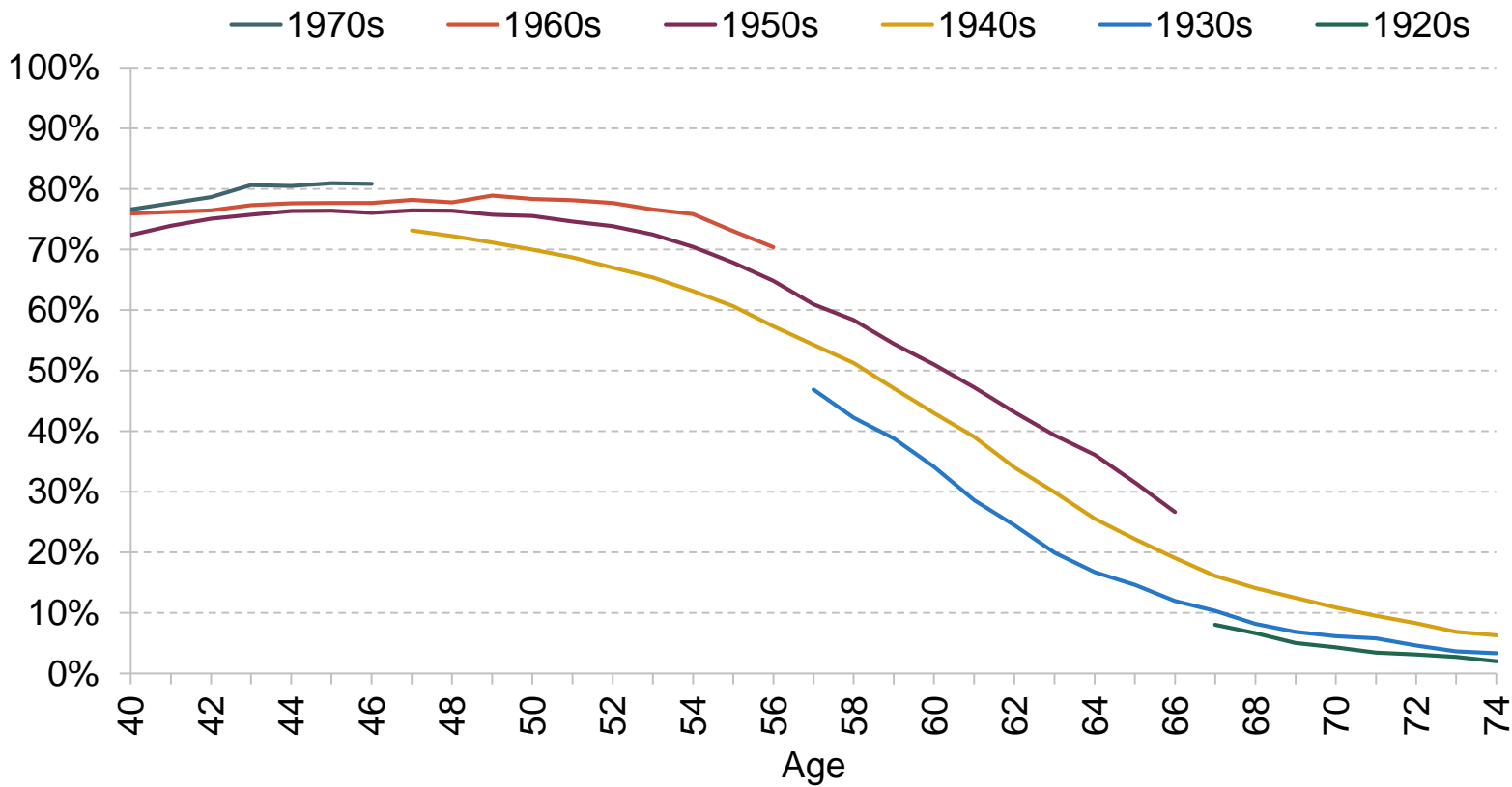
Expected retirement ages of non-retired 40- to 54-year-old men and women



Source: Figure 2.3 from Cribb and Emmerson (2022)

Generational differences in employment

Employment rates by age and decade of birth, women



Source: Figure 2.2 from Cribb and Emmerson (2022)

Conclusions

- Employment rates amongst 50- to 69- year olds risen for the best part of three decades
 - Fuelled by generational differences in labour market attachment and rises in state pension ages since 2010
- Pandemic has depressed employment (back to 2018 levels)
 - Driven by falling self-employment amongst men and part-time work amongst women
- Higher state pension age pushes employment but also income poverty
- Generational changes + further pension age rises likely to push up employment rates further

The Institute for Fiscal Studies
7 Ridgmount Street
London
WC1E 7AE

www.ifs.org.uk

