

Understanding the changing patterns of work at older ages

Thursday 17th June
13:30 - 14:15





17 June 2021
Online event

@TheIFS

Changing patterns of work at older ages

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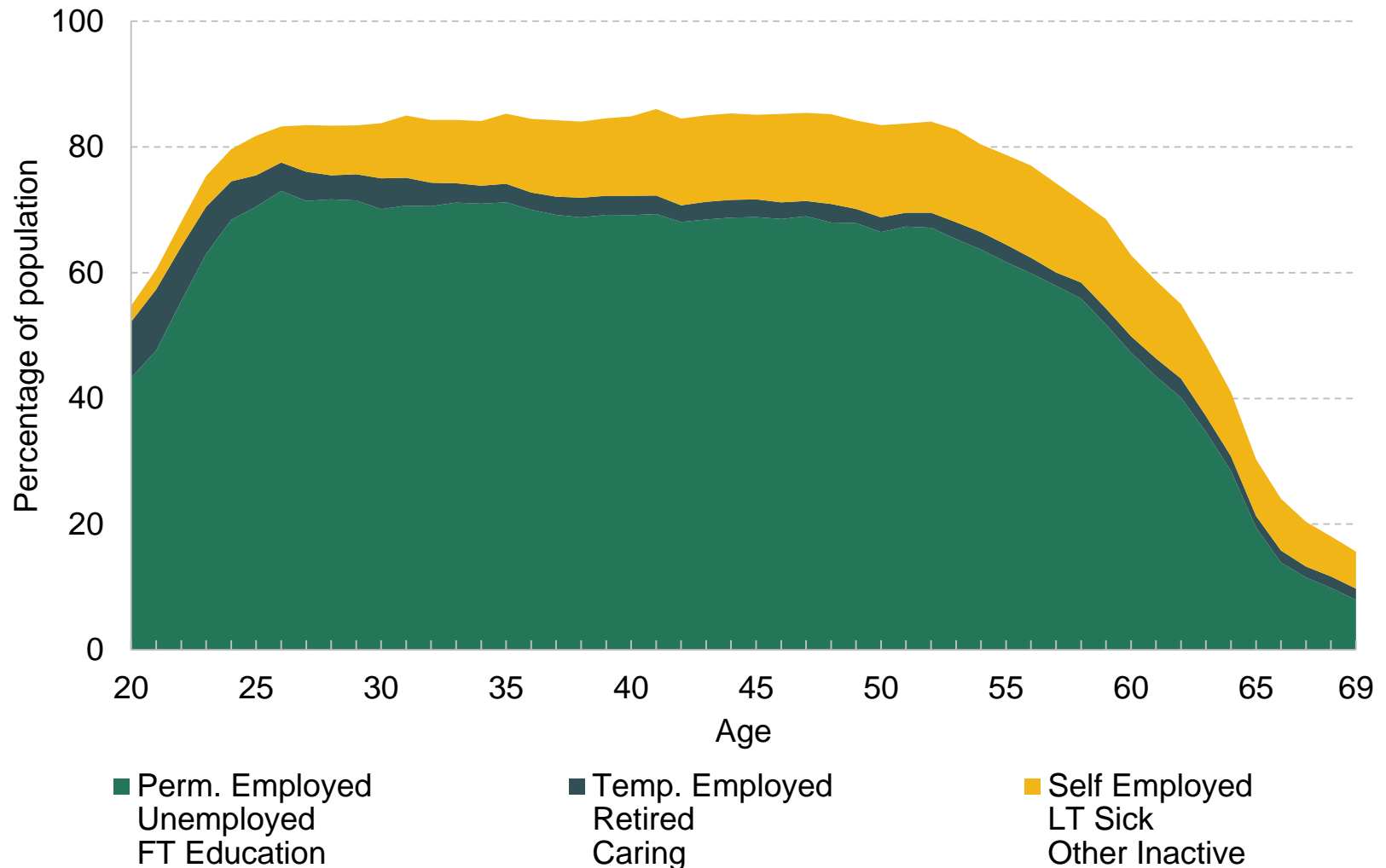


Economic
and Social
Research Council

Introduction

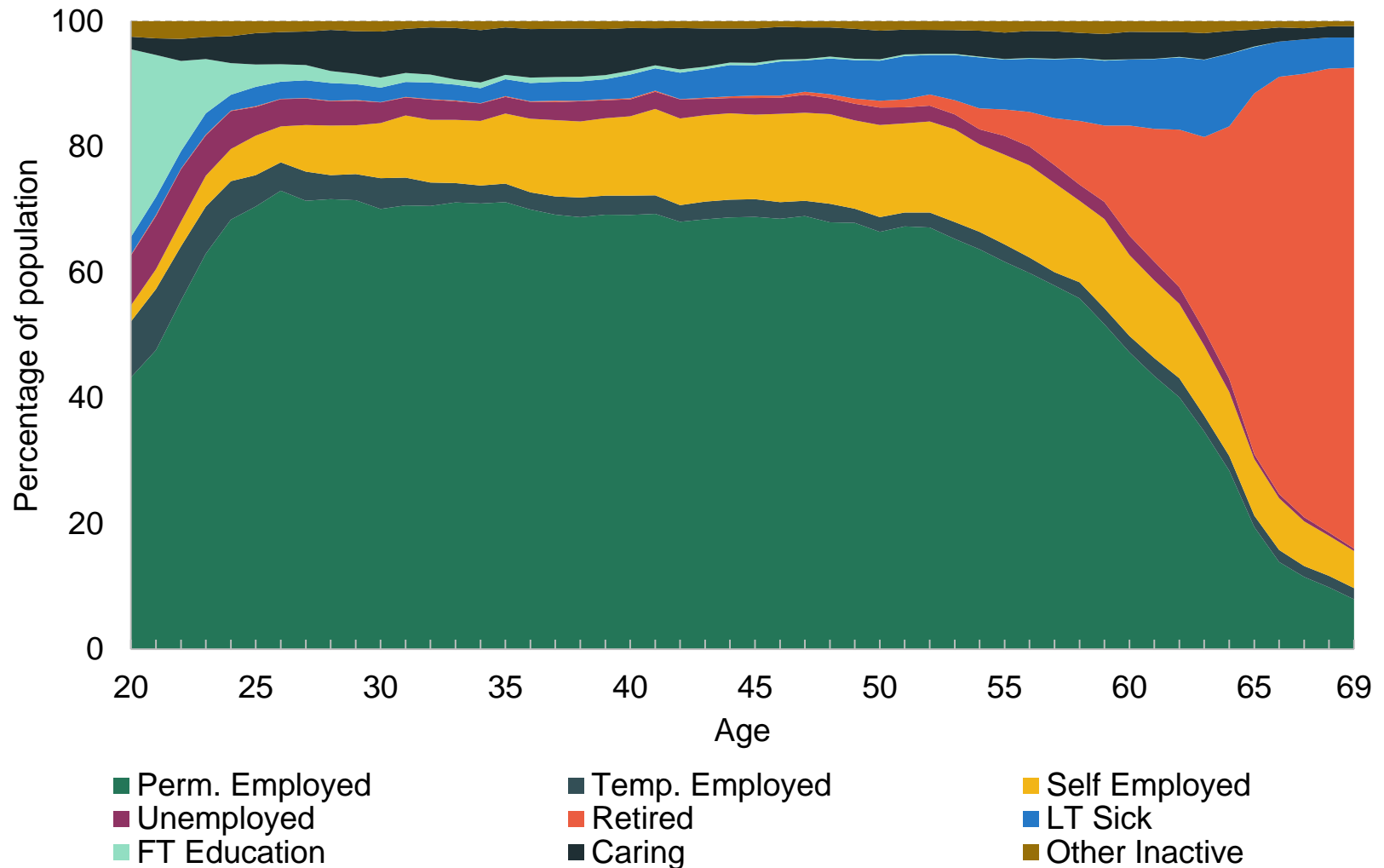
- We need to understand the opportunities and challenges facing older workers, particularly during the recovery from Covid-19
- We provide fresh evidence on the nature of paid work at older ages
- We examine in depth the transitions that people make in the run up to retirement:
 - In and out of work and between different forms of work
- What are the implications of these trends for policymakers, employers, and third sector organisations?

Economic activity, by age, 2017-19



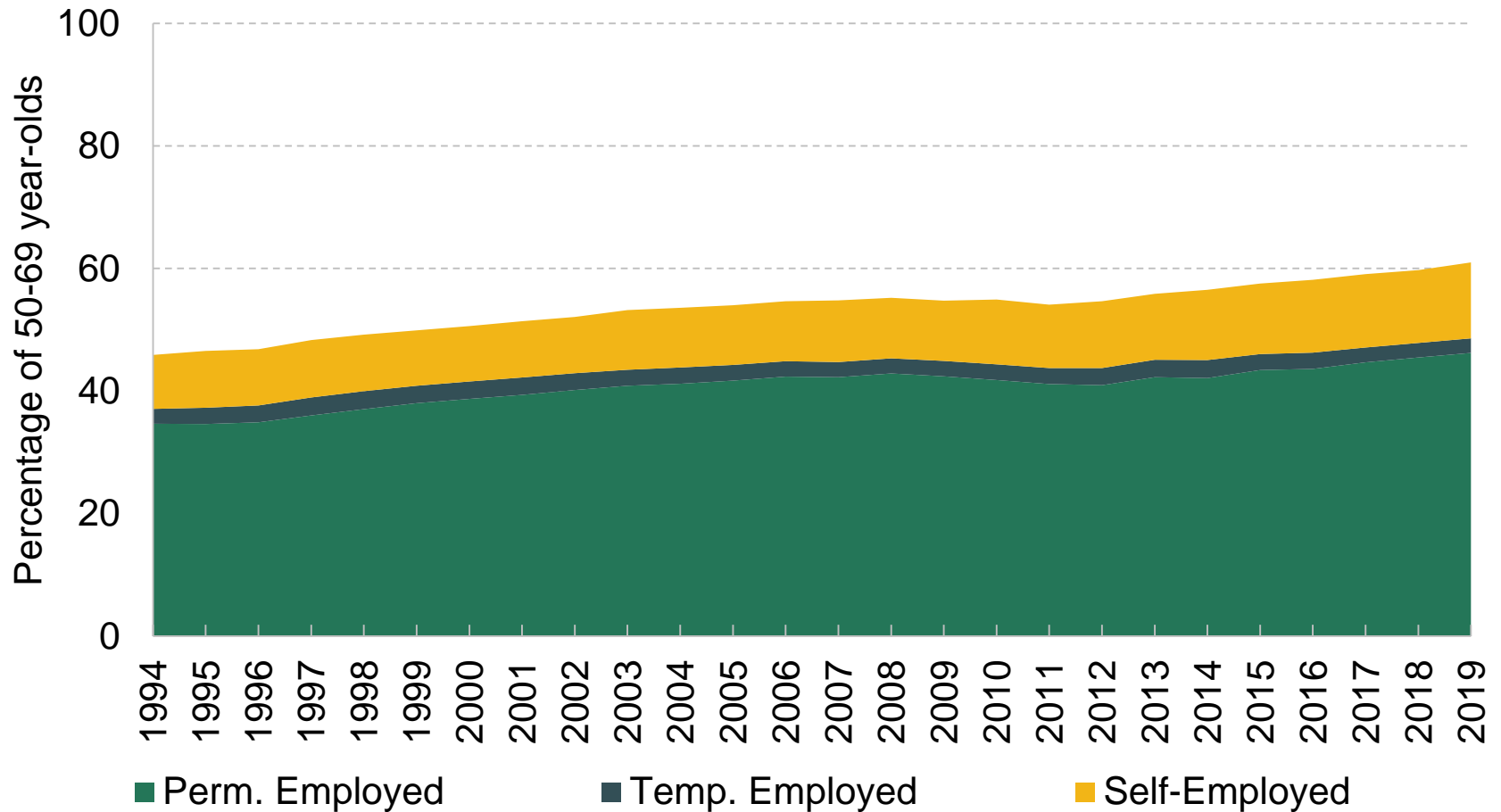
Source: Figure 1.1 in Crawford et al (2021). Based on Labour Force Survey Data

Economic activity, by age, 2017-19



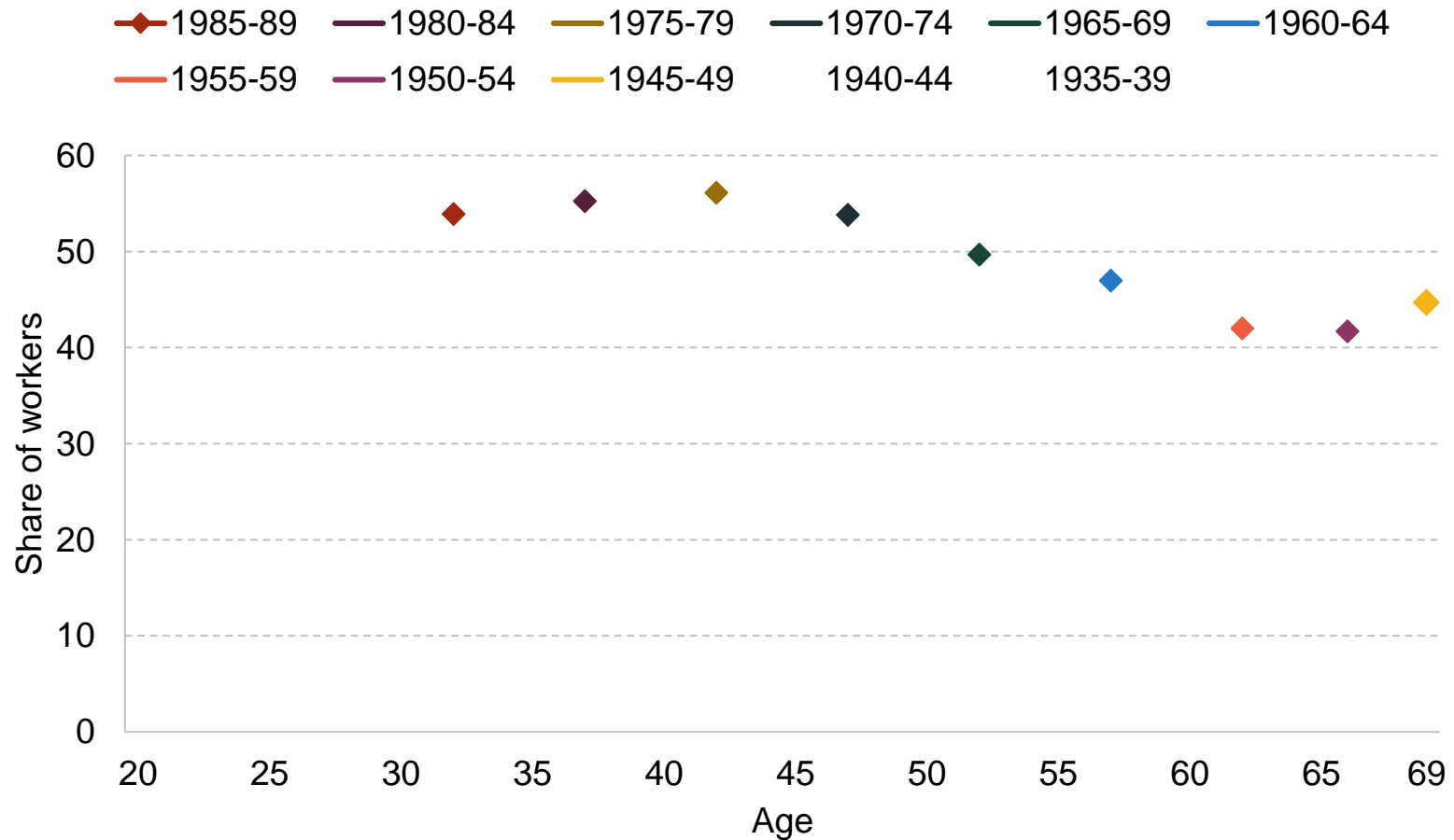
Source: Figure 1.1 in Crawford et al (2021). Based on Labour Force Survey Data

Employment rates of 50-69 year olds



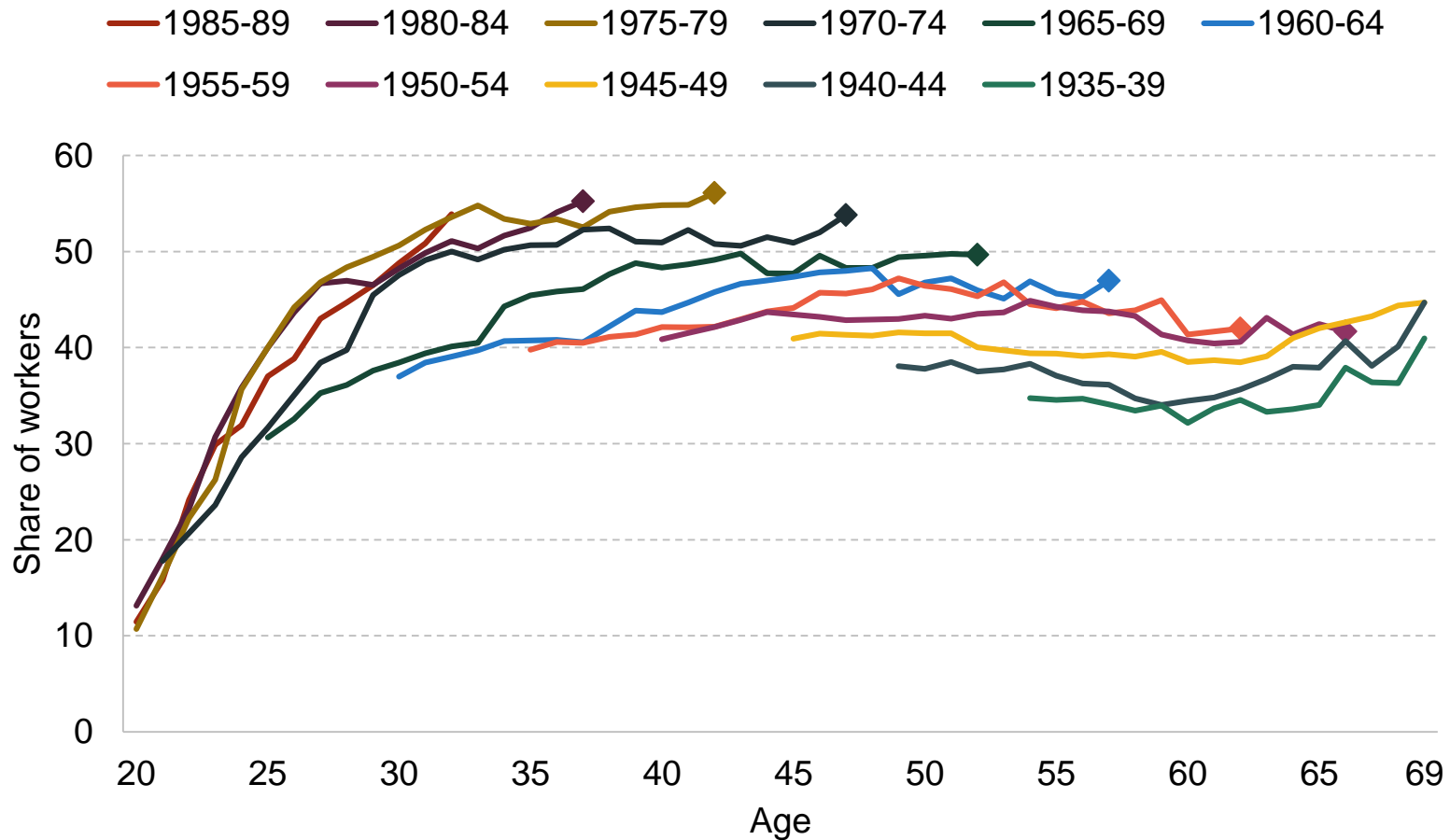
Source: Figure 1.2 in Crawford et al (2021). Based on Labour Force Survey Data

% of workers in prof/technical occupations, in 2019



Source: Figure 4.2 in Crawford et al (2021). Based on Labour Force Survey Data, 1992-2019

% of workers in prof/technical occupations, by age + cohort



Source: Figure 4.2 in Crawford et al (2021). Based on Labour Force Survey Data, 1992-2019



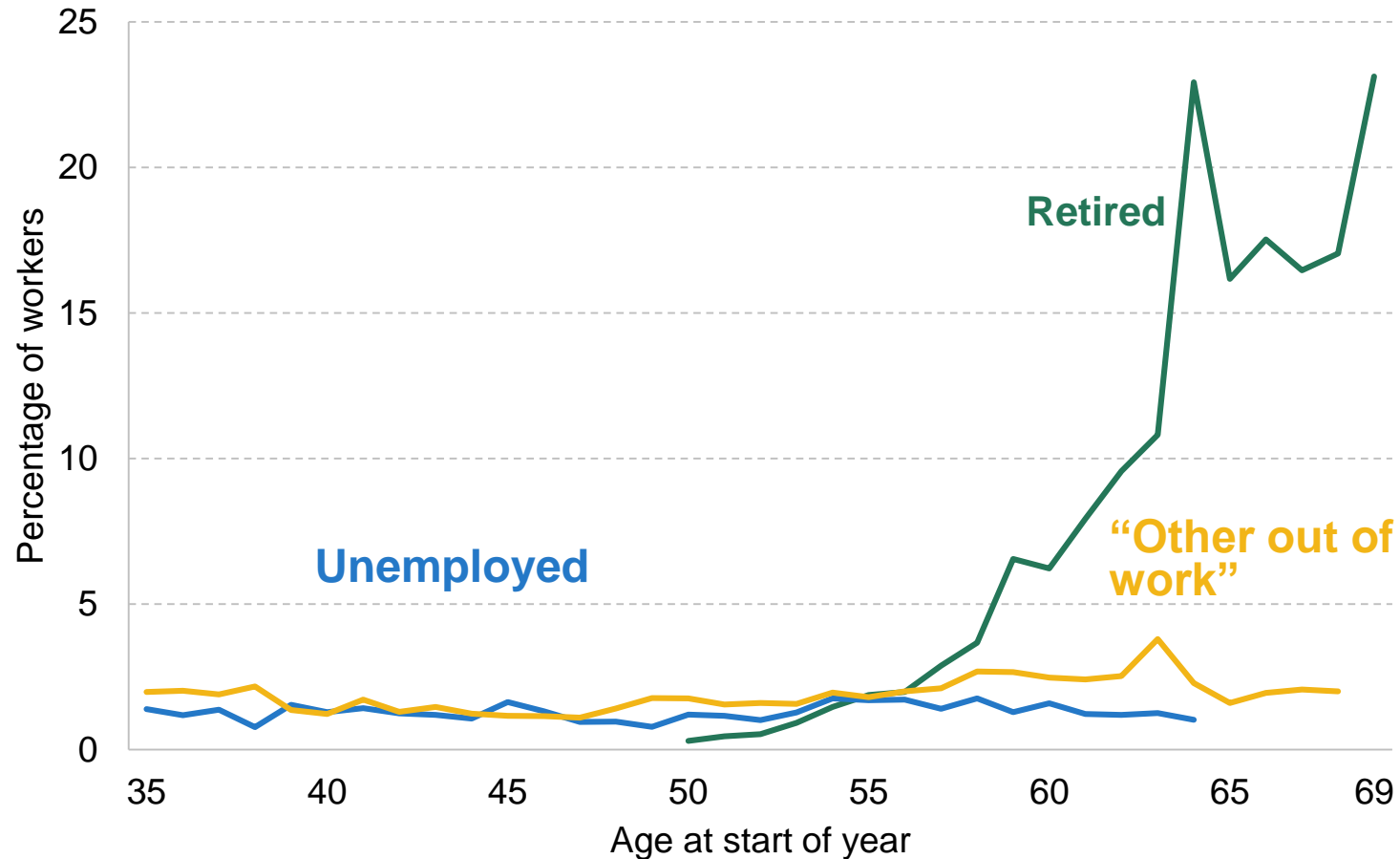
How do older workers move in and out of work?

What are workers doing a year later, by age?



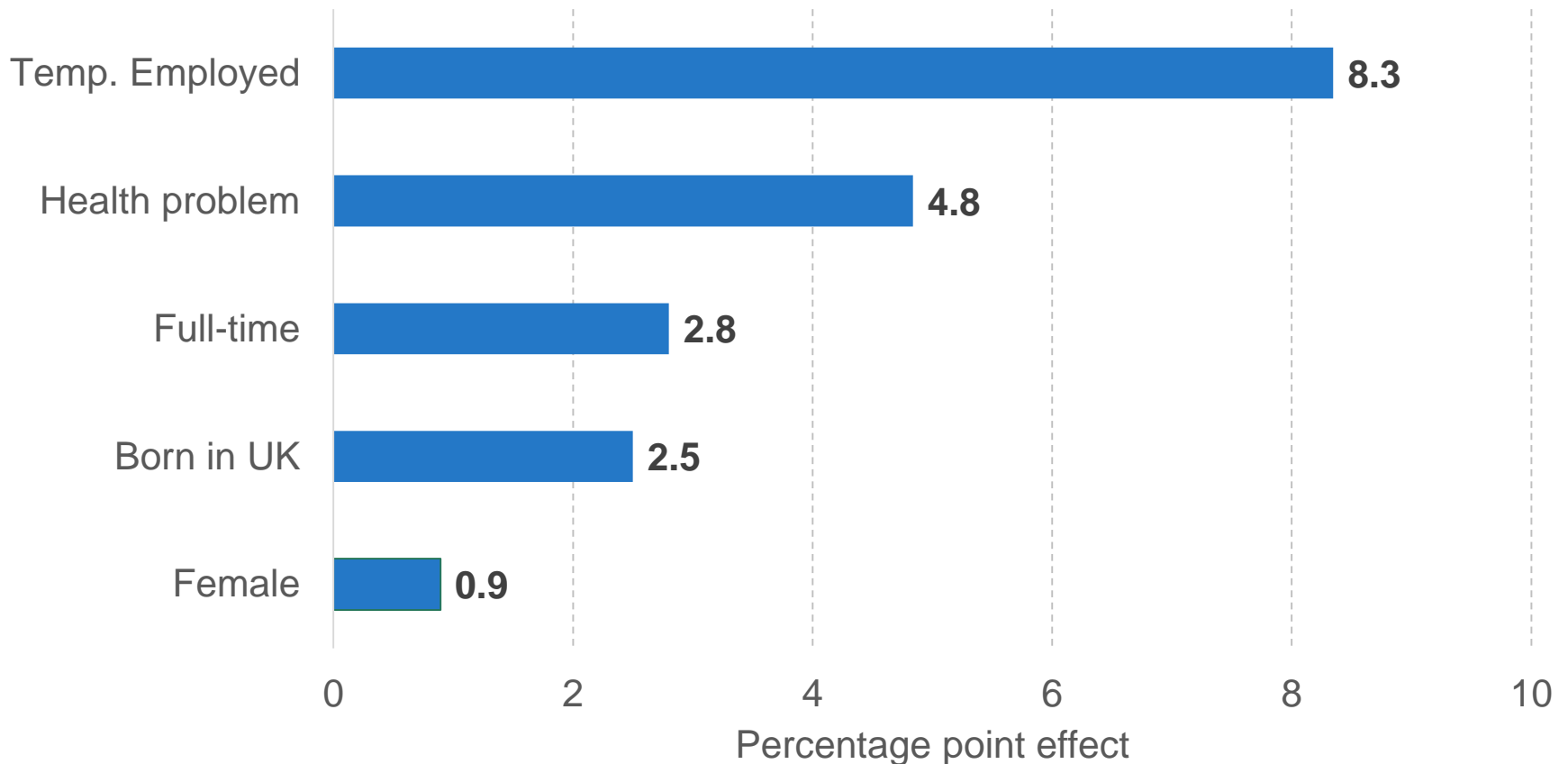
Source: Figure 2.1 in Crawford et al (2021). Sample is those that are employed when first enter the Labour Force Survey (from 2012-2019), graph shows the percentage that are retired, unemployed, or otherwise out of work one year later.

What are workers doing a year later, by age?



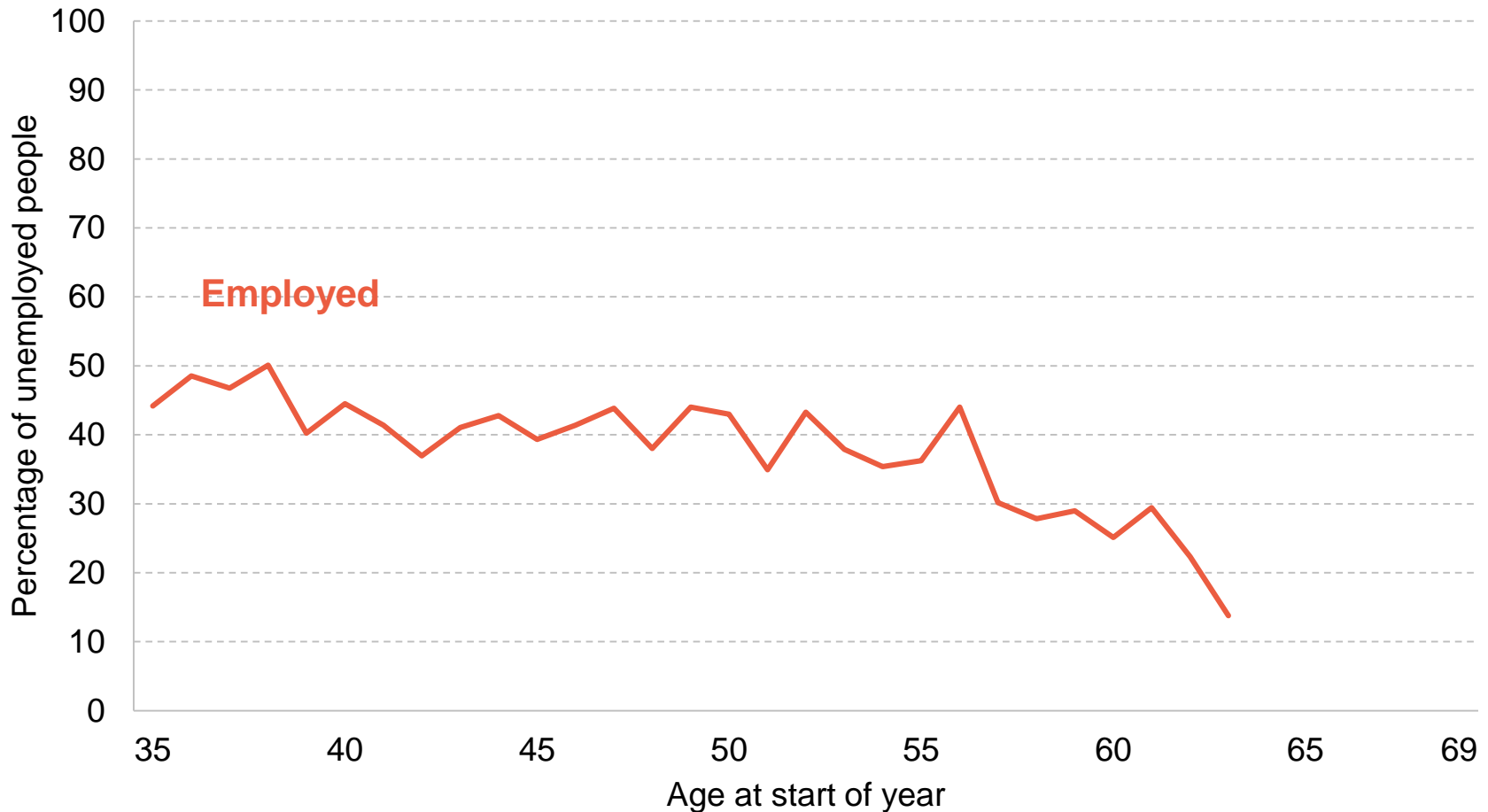
Source: Figure 2.1 in Crawford et al (2021). Sample is those that are employed when first enter the Labour Force Survey (from 2012-2019), graph shows the percentage that are retired, unemployed, or otherwise out of work one year later.

Factors associated with 50-69 year olds leaving employment by next year



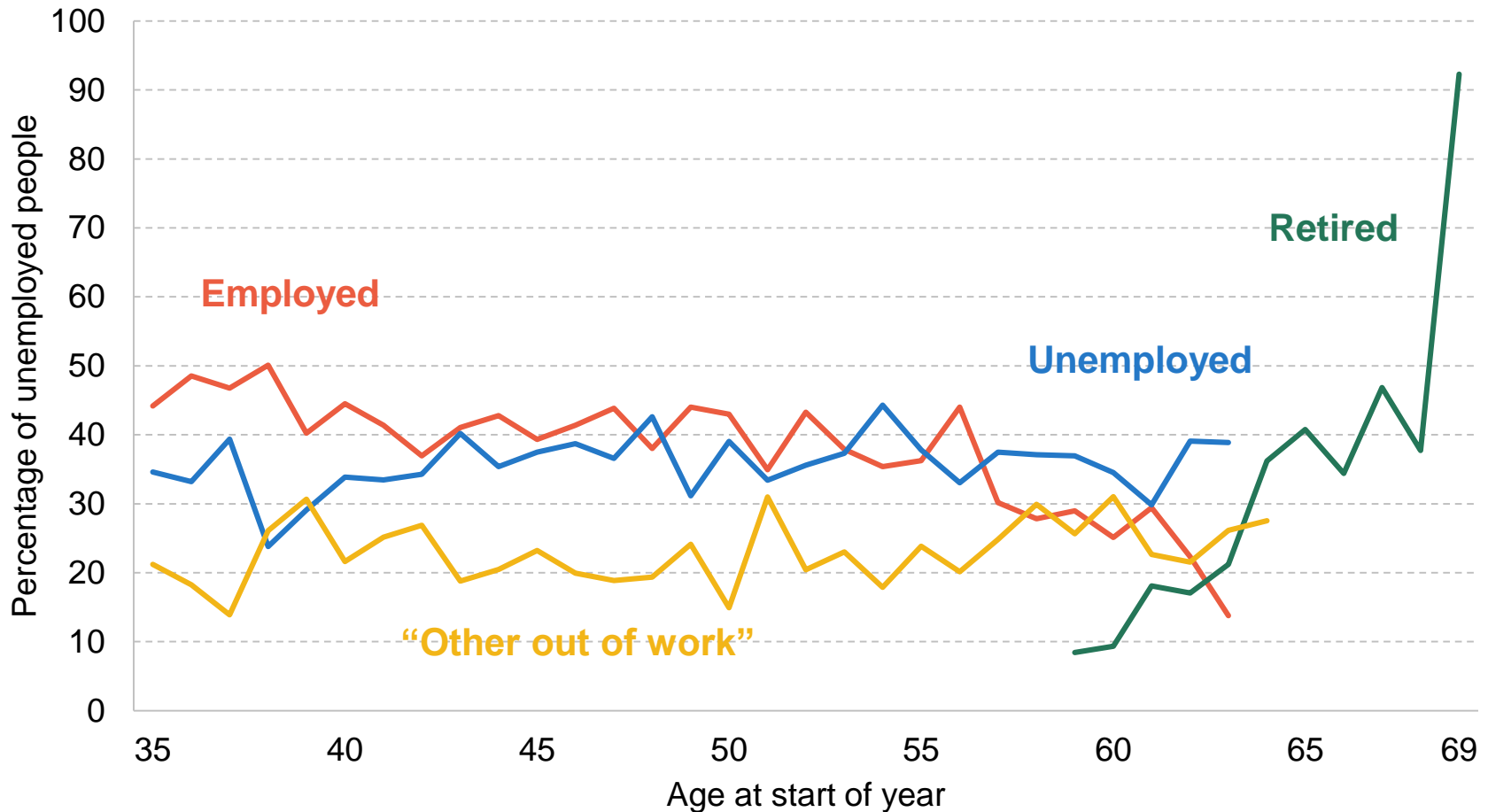
Source: Figure 2.2 in Crawford et al (2021). These are average marginal effects from a multinomial logit model, so associations are controlling for other observed factors. Based on 2012-2019 data. All reported effects are statistically significant at (at least) the 10% significance level.

What are unemployed workers doing one year later, by age?



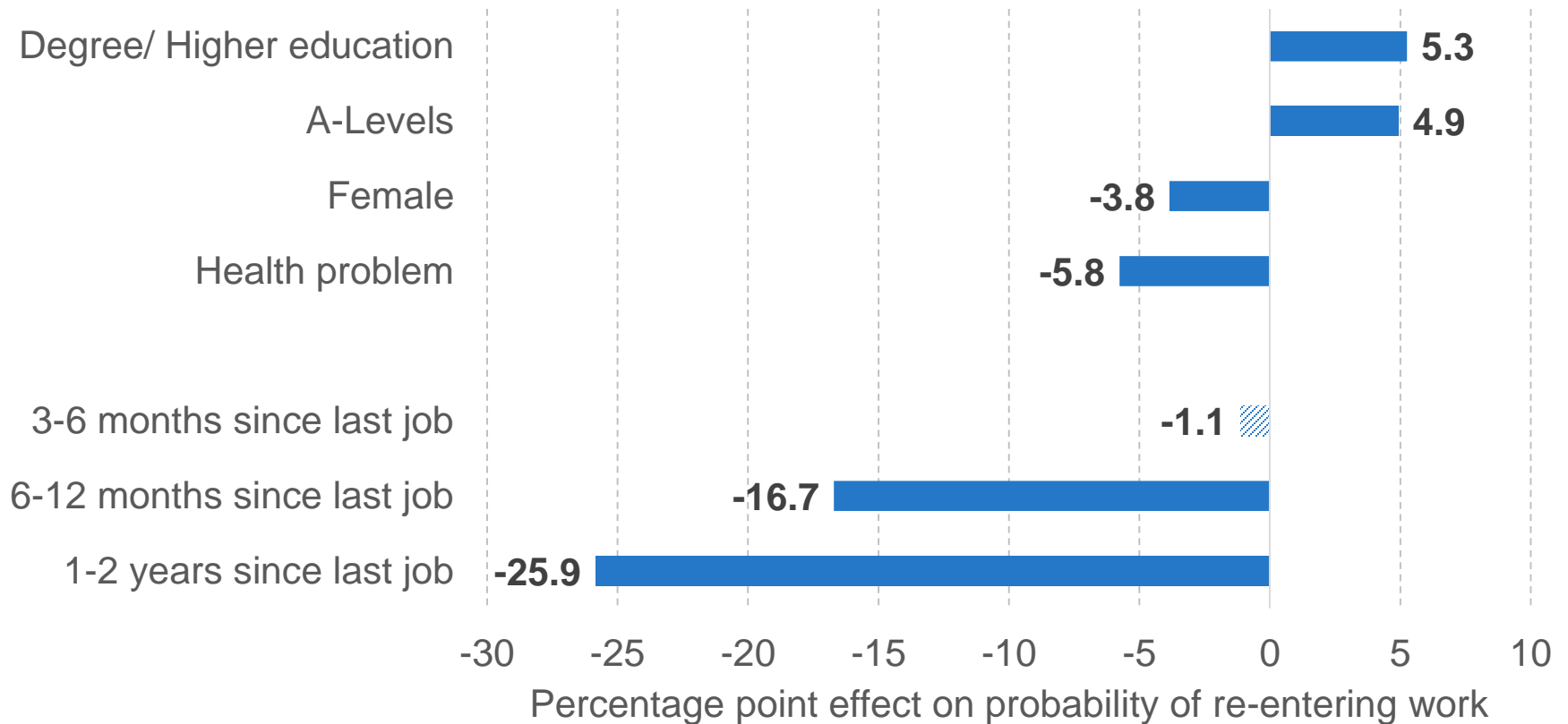
Source: Figure 2.3 in Crawford et al (2021). Sample is those that are unemployed when first enter the Labour Force Survey (from 2012-2019), graph shows the percentage that are retired, employed, unemployed, or otherwise out of work one year later.

What are unemployed workers doing one year later, by age?



Source: Figure 2.3 in Crawford et al (2021). Sample is those that are unemployed when first enter the Labour Force Survey (from 2012-2019), graph shows the percentage that are retired, employed, unemployed, or otherwise out of work one year later.

Factors associated with unemployed 50-69 year olds returning to work next year



Source: Figure 2.2 in Crawford et al (2021). These are average marginal effects from a multinomial logit model, so associations are controlling for other observed factors. Based on 2012-2019 data. All reported effects are statistically significant at (at least) the 10% significance level except the effect of being 3-6 months since last job

Implications



- End of furlough is likely to prove challenging for older workers
 - 14% of employees aged 65+ furloughed at end of April
 - Older unemployed considerably less likely to find new work, esp: women; those with less formal education
 - Older workers have been with their employers for longer: Almost 70% of 55 year olds have job tenure >5 years cf. 35% at age 30
- We should pay special attention to those who have longstanding health problems (39% of workers aged 50-69)
 - 5 percentage points more likely to leave work; 6 percentage points less likely to find new work if unemployed



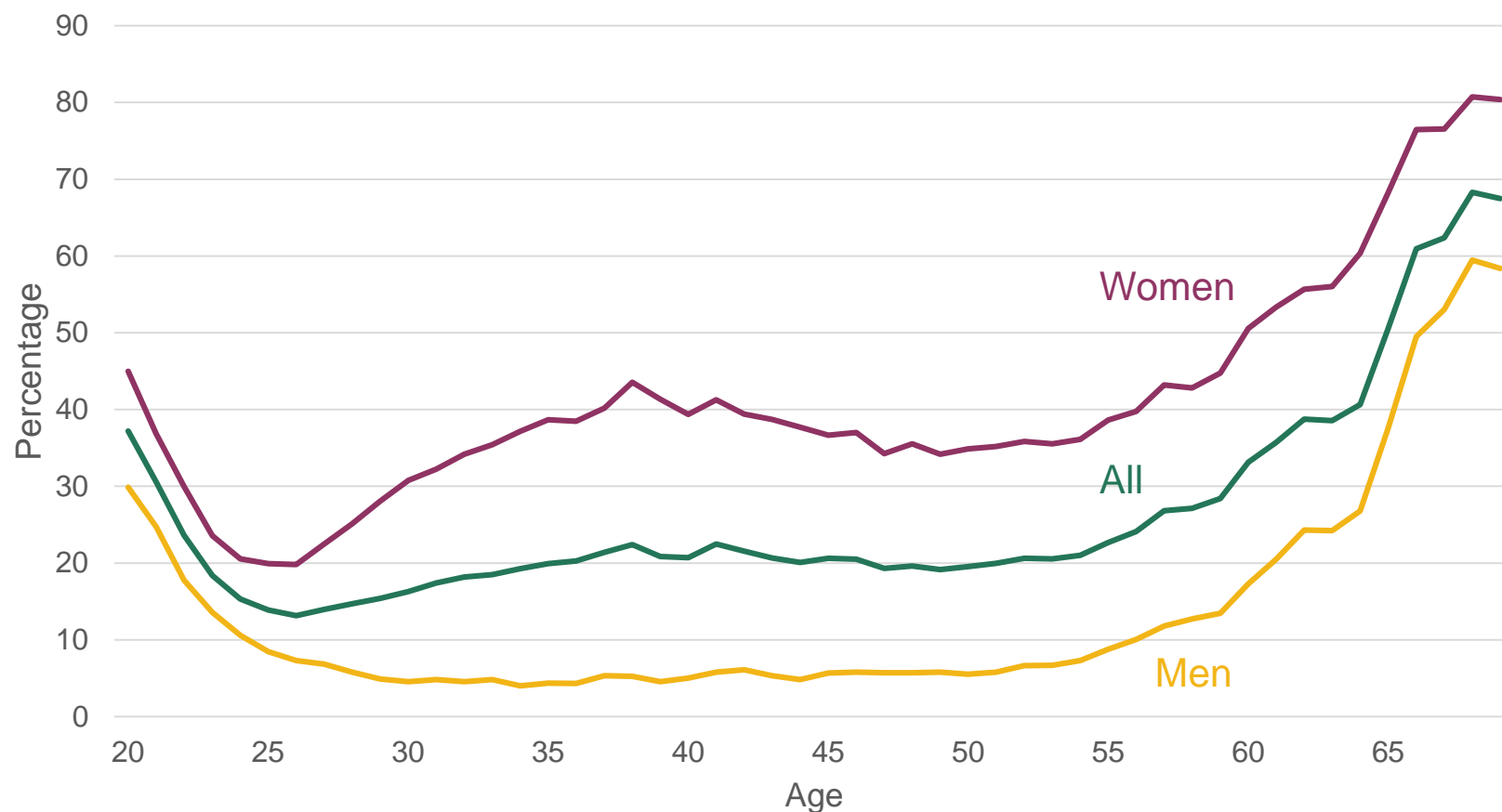
Changes in the type of work older workers do

This section

- Want to understand what type of work older workers do
- How the type of work is associated with different characteristics
- And how this changes as people get older
- Focus on:
 - Are older people satisfied with their hours of work?
 - Do they move into part-time work?
 - Do they move into self-employment?
 - Do they change occupation?

Part-time work much more common among older workers

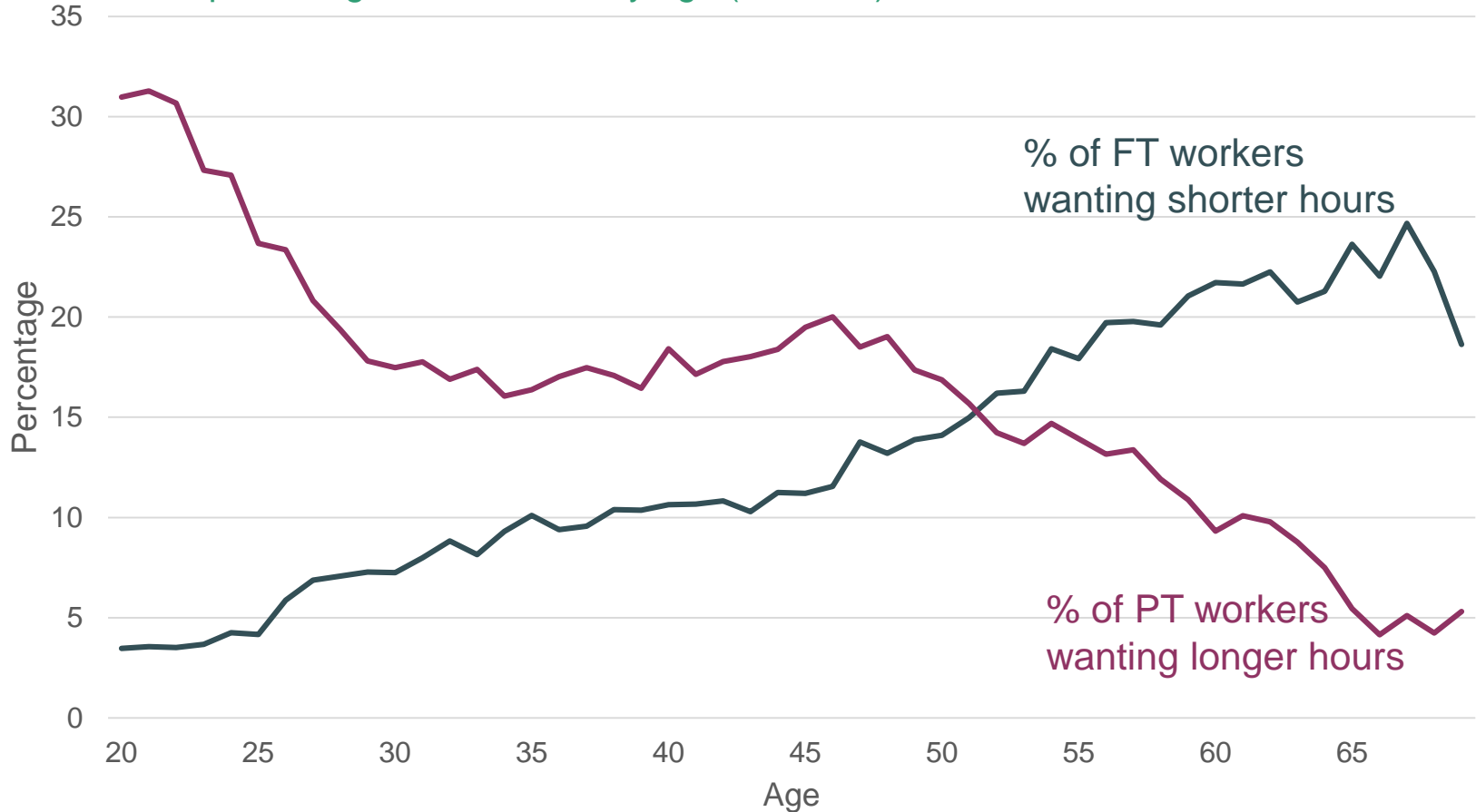
Percentage of workers working part-time, by age (2017-19)



Source: Figure 3.1 of Crawford et al. (2021). Based on Labour Force Survey data. Part-time work defined as working < 30 hours per week.

But a large share of older workers still want shorter hours

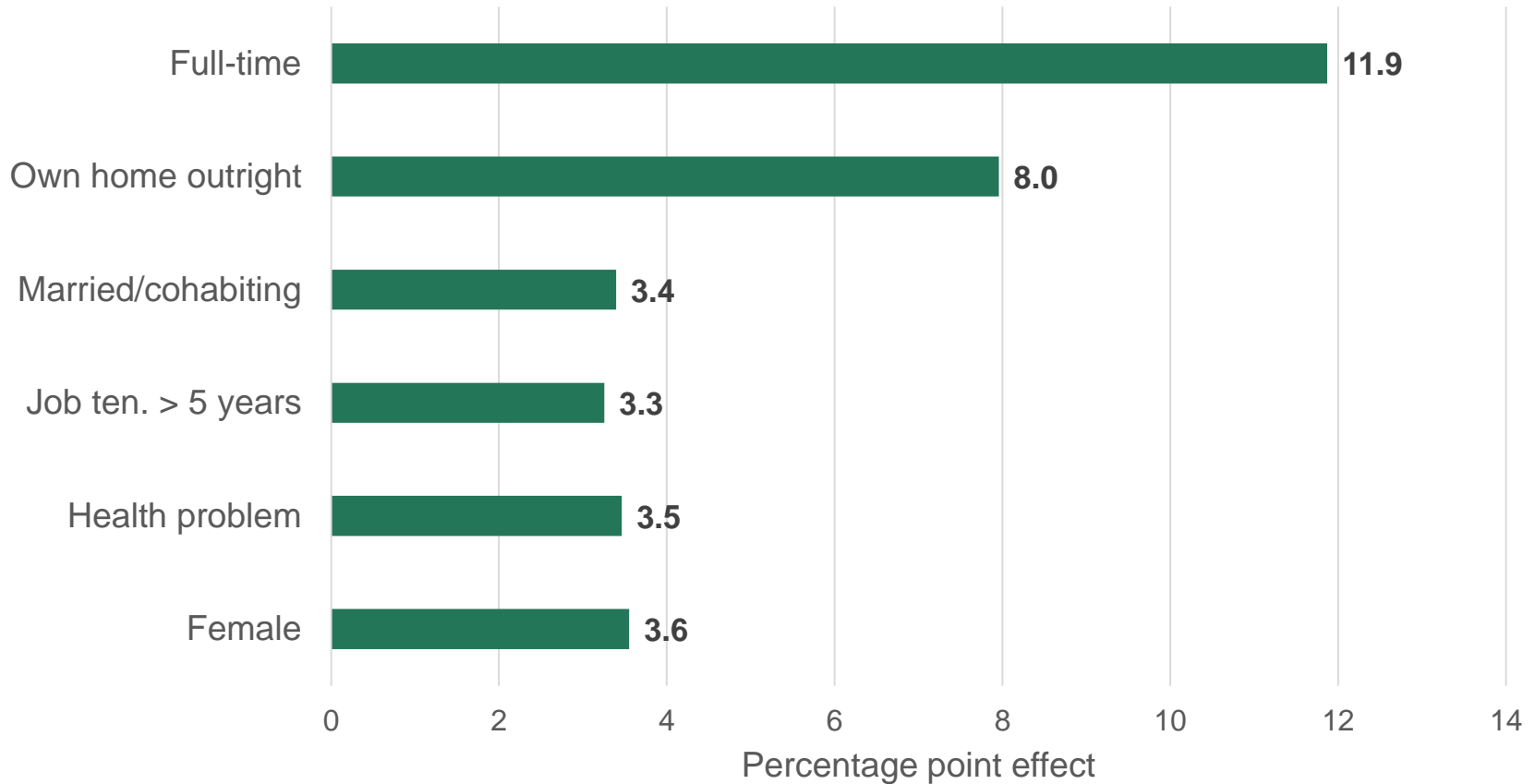
Percentage of part-time workers preferring longer hours and percentage of full-time workers preferring shorter hours, by age (2017-19)



Source: Figure 3.2 of Crawford et al. (2021). Based on Labour Force Survey data

Which groups of older workers tend to prefer shorter hours?

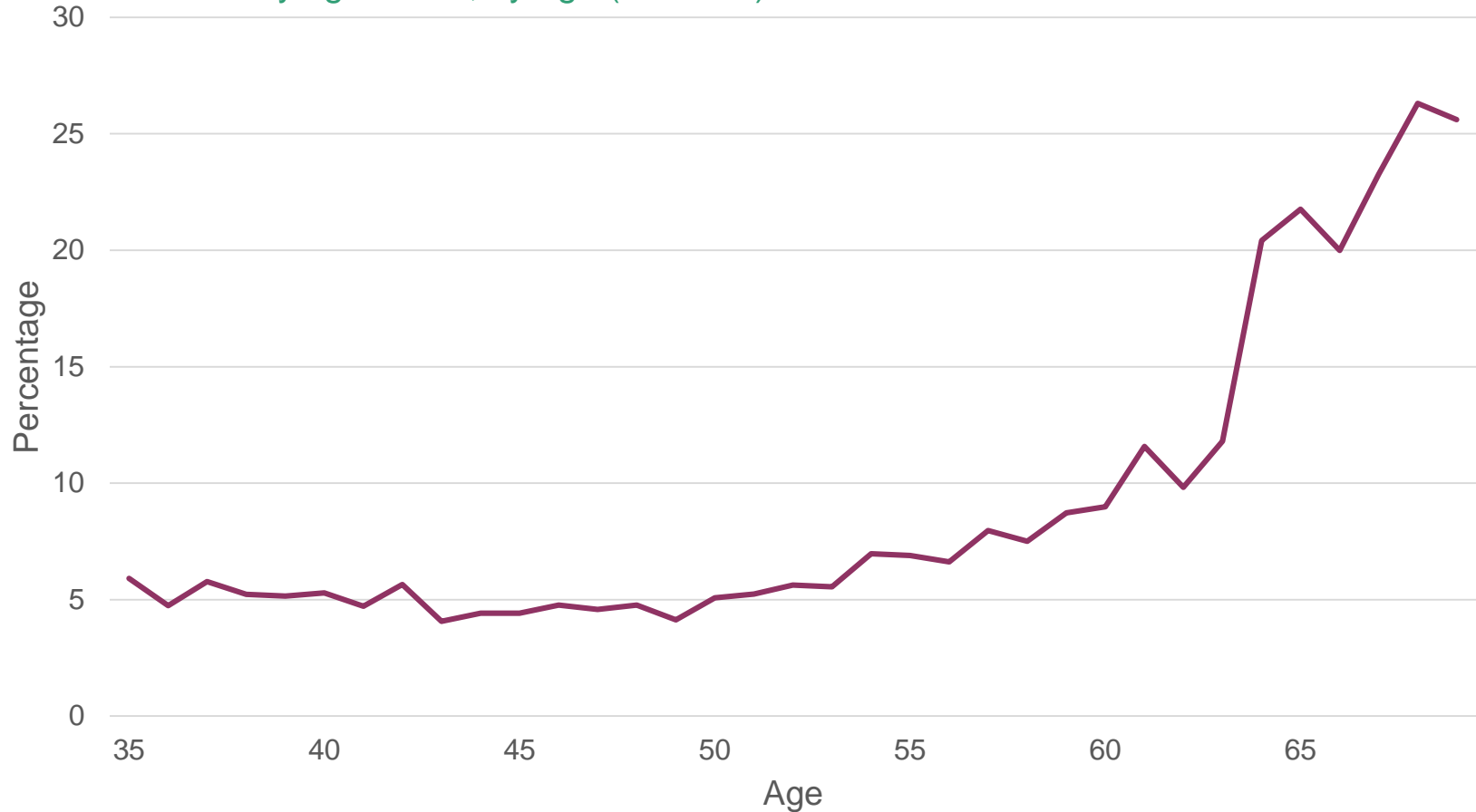
Average marginal effects on prob. of preferring shorter hours for 50-69 year-old workers



Source: Figure 3.4 of Crawford et al. (2021). Based on Labour Force Survey data. These are average marginal effects from a multinomial logit model, so associations are controlling for other observed factors. Based on 2017-2019 data. All reported effects are statistically significant at (at least) the 10% significance level.

Older full-time workers are more likely to become part-time, esp. in 60s

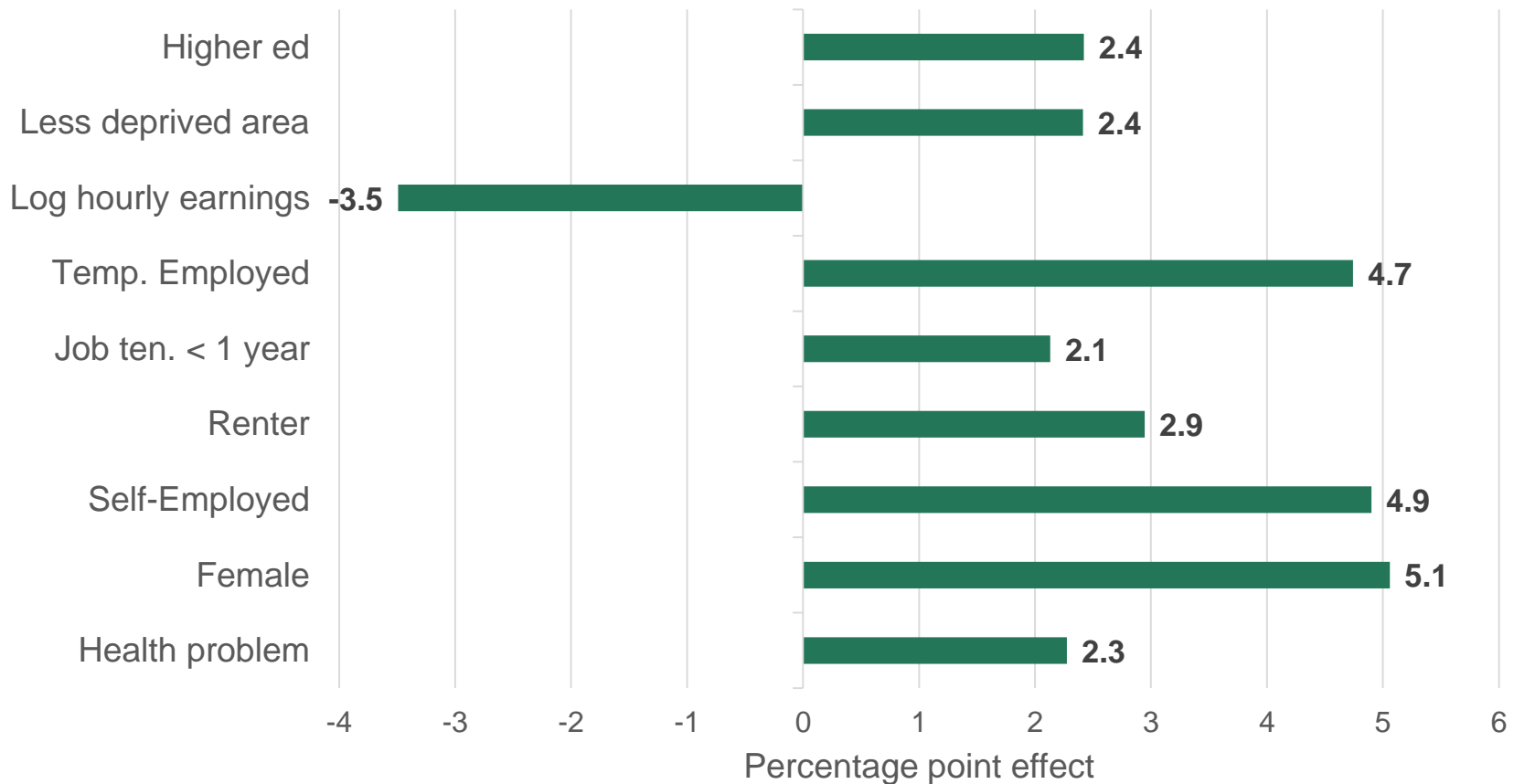
Percentage of full-time workers moving into part-time over the course of a year, conditional on staying in work, by age (2012-19)



Source: Figure 3.5 of Crawford et al. (2021). Based on Labour Force Survey (LFS) data. Sample is those that are full-time when they first enter the LFS (from 2012-19), graph shows the percentage that are part-time one year later, conditional on staying in work

Which groups are more likely to move into part-time work?

Characteristics associated with switching to part-time over the course of a year, for FT workers that stay in work



Source: Figure 3.6 of Crawford et al. (2021). Based on Labour Force Survey data. These are average marginal effects from a logit model, so associations are controlling for other observed factors. Based on 2012-2019 data. All reported effects are statistically significant at (at least) the 10% significance level.

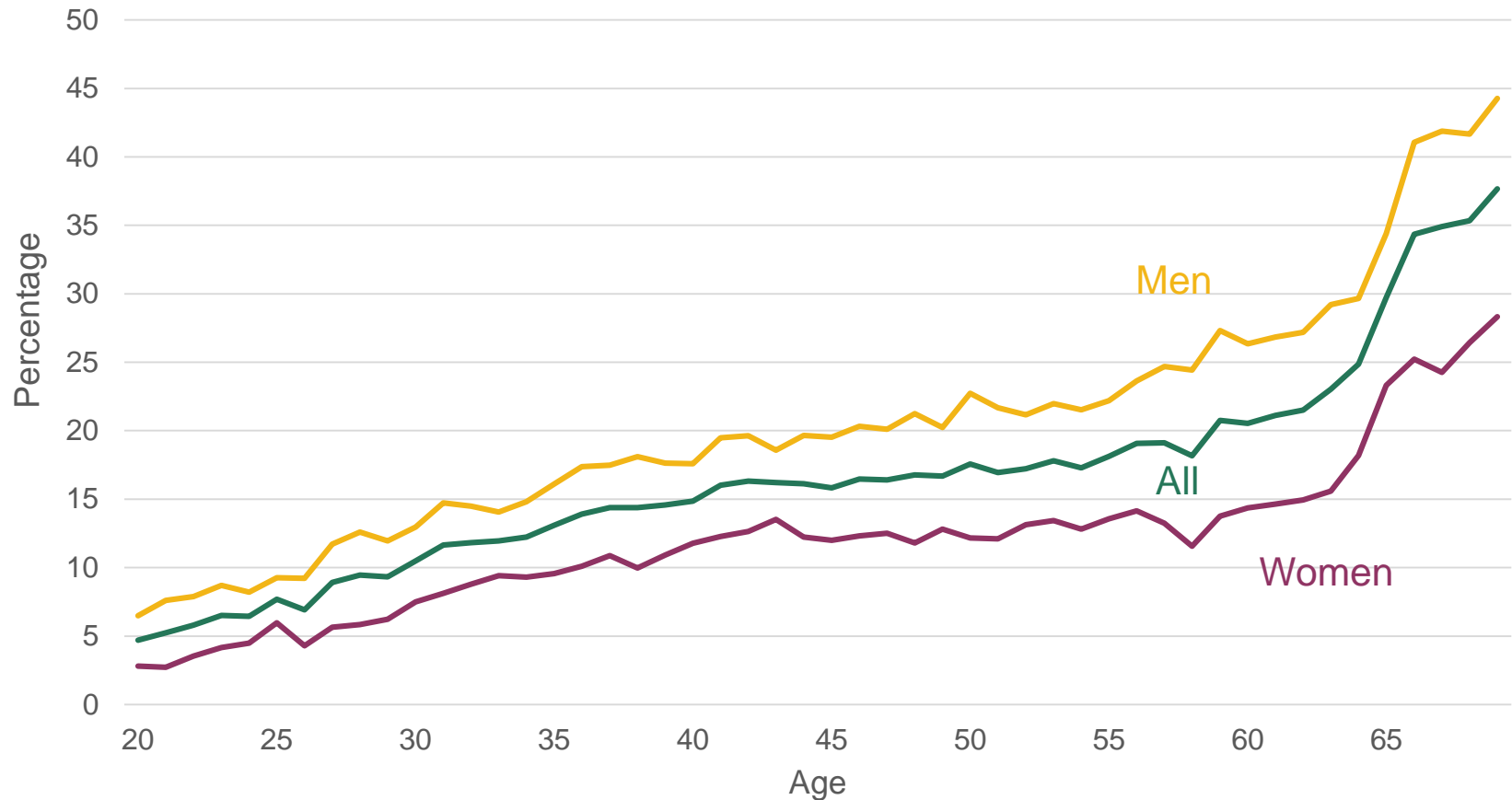
Key points



- Significant number of older workers would benefit from lower hours of work and more flexibility
- For some, part-time work acts as way of making a gradual transition into retirement. Especially common among:
 - People with higher education and living in less deprived areas
 - And people with lower labour market attachment
- However, around 7% of 50-69 year-old workers in 2019 wanted to work more hours per week
 - Some older workers move into part-time work because they can't find a suitable full-time job

Self-employment is also more common among older workers

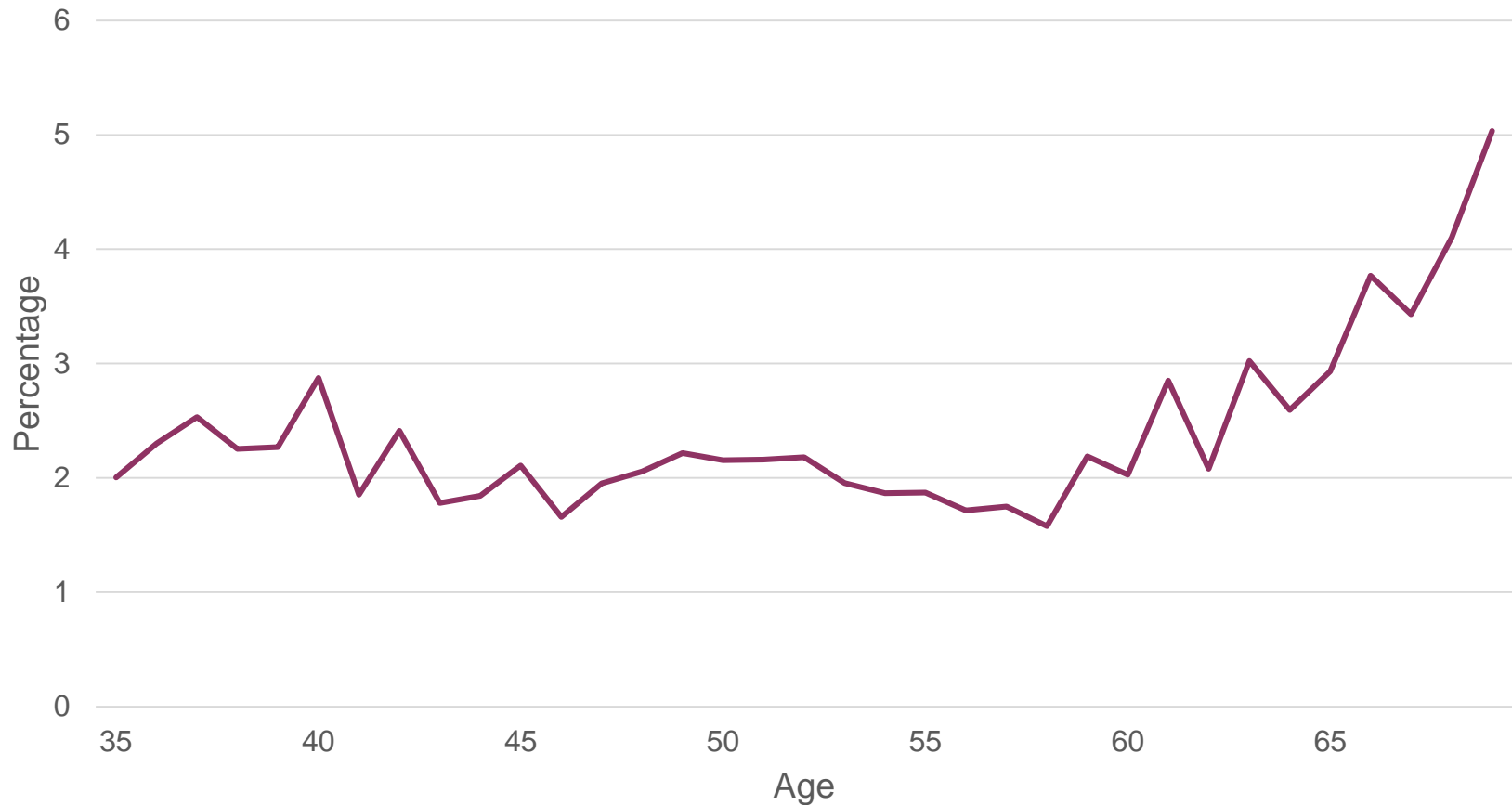
Percentage of workers in self-employment, by age (2017-19)



Source: Figure 5.1 of Crawford et al. (2021). Based on Labour Force Survey data

Movements into self-employment increase from age 60

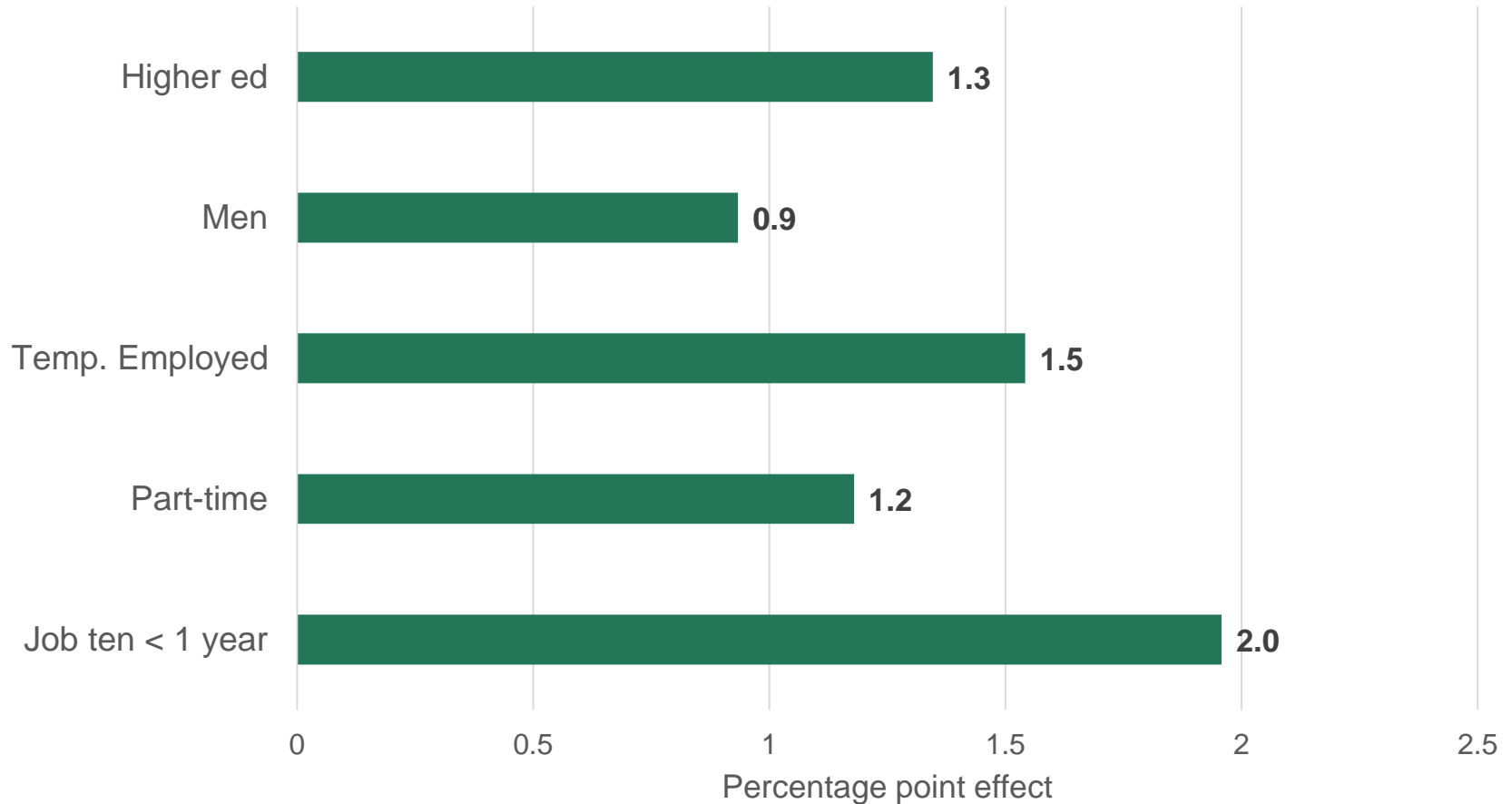
Percentage of employees moving into self-employment over the course of a year, conditional on staying in work, by age (2012-19)



Source: Figure 5.2 of Crawford et al. (2021). Based on Labour Force Survey (LFS) data. Sample is those that are employees when they first enter the LFS (from 2012-19), graph shows the percentage that are self-employed one year later, conditional on staying in work

Who is most likely to switch to self employment in a year?

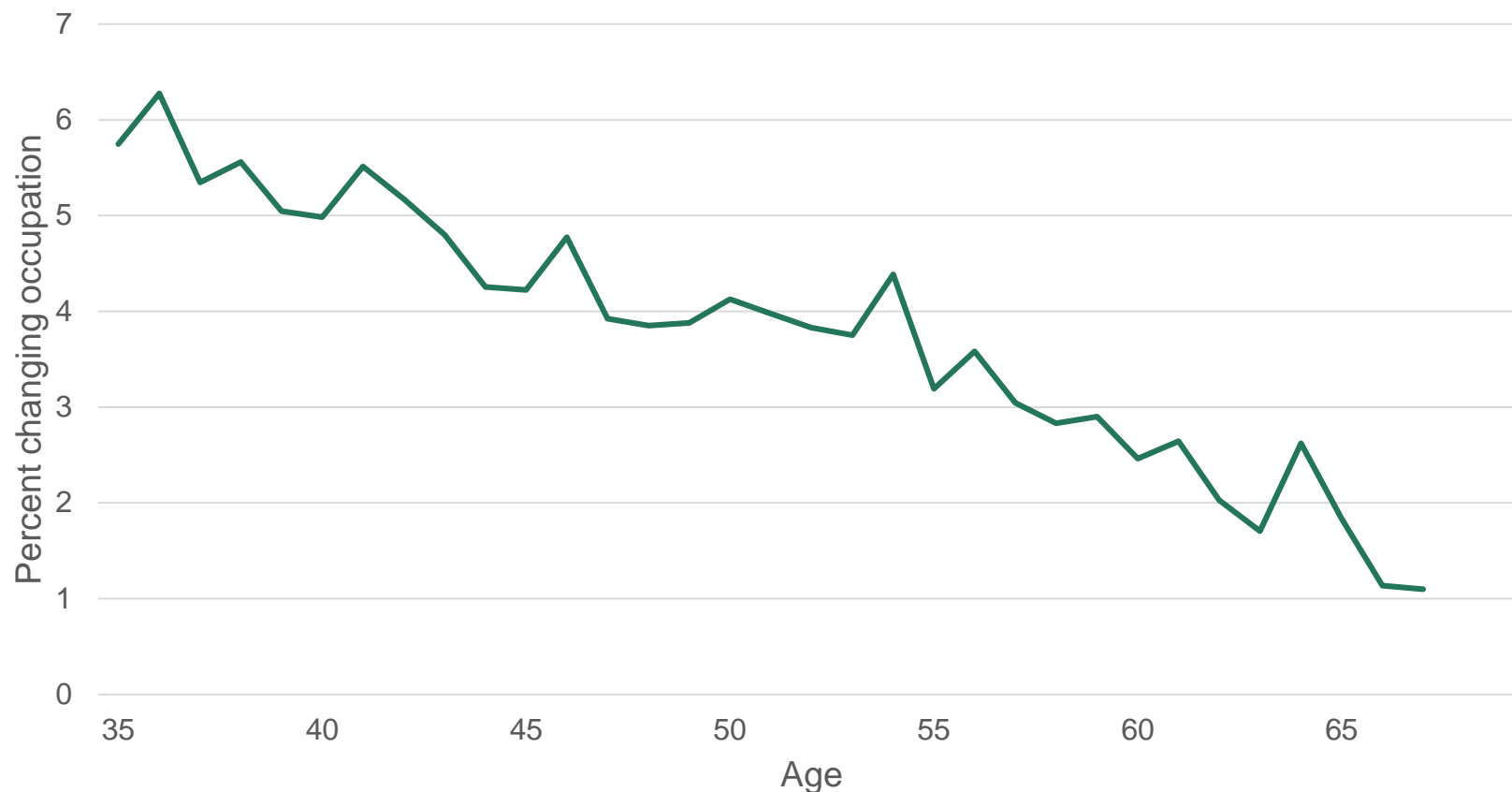
Characteristics associated with switching to self-employment over the course of a year, for employees that stay in work



Source: Figure 5.3 of Crawford et al. (2021). Based on Labour Force Survey data. These are average marginal effects from a logit model, so associations are controlling for other observed factors. Based on 2012-2019 data. All reported effects are statistically significant at (at least) the 10% significance level.

Occupation changes become less common with age

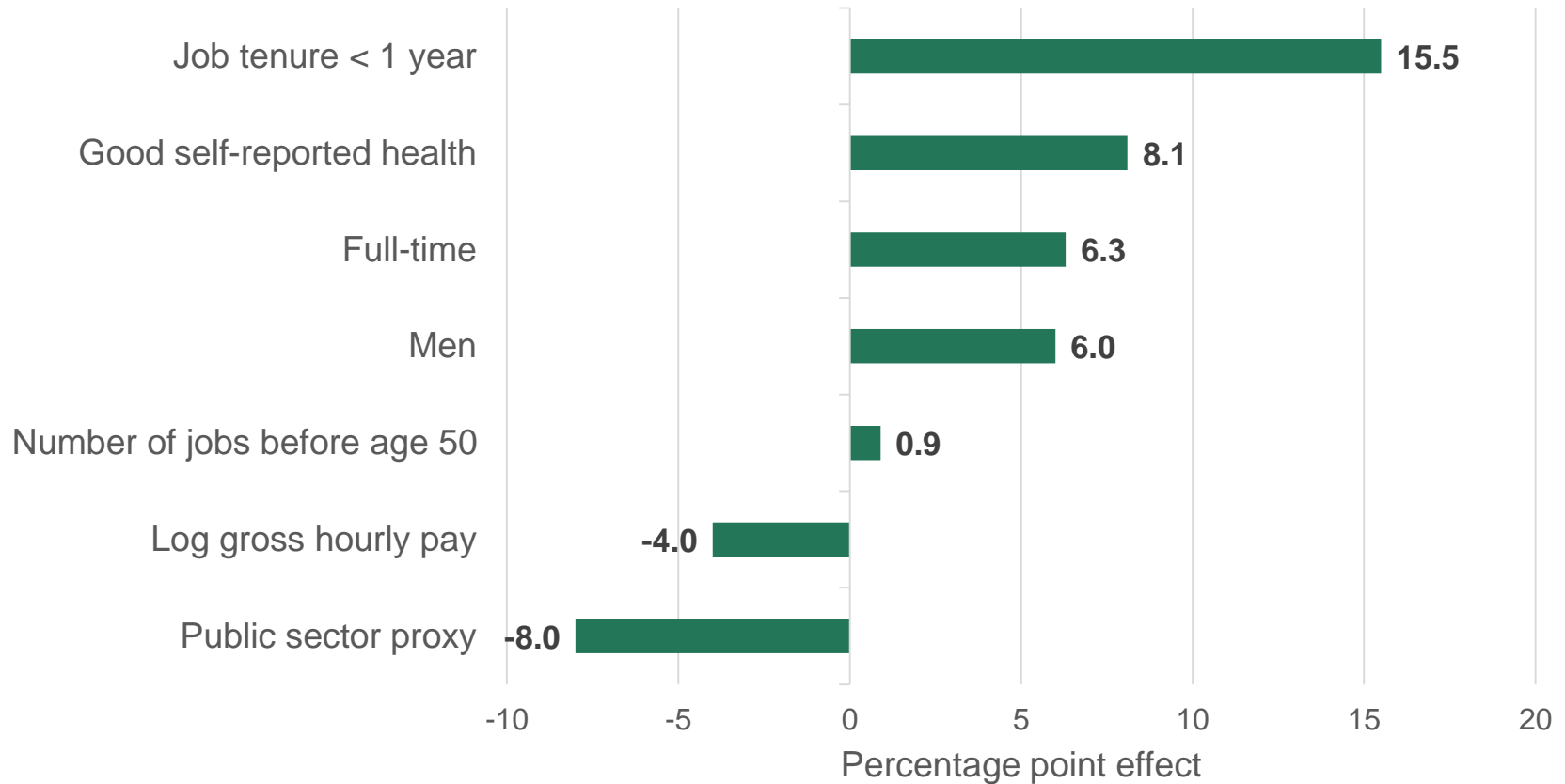
Percentage of workers changing occupation over the course of a year, conditional on staying in work, by age (2012-19)



Source: Figure 4.4 of Crawford et al. (2021). Based on Labour Force Survey (LFS) data. Sample is those that are working when they first enter the LFS (from 2012-19), graph shows the percentage that have change occupation one year later, conditional on staying in work

Which groups of older workers change occupation before retiring?

Characteristics associated with having multiple occupations before retiring among those aged 50-59 in 2002-03



Source: Figure 4.5 of Crawford et al. (2021). Based on English Longitudinal Study of Ageing data. These are average marginal effects from a logit model, so associations are controlling for other observed factors. Based on 2012-2019 data. All reported effects are statistically significant at (at least) the 10% significance level.

Policy implications

- Many older workers would benefit from lower hours of work and more flexibility
 - This option may not be equally open to everyone – especially after the pandemic
- There is a small but important section of the older workforce that would like to work more hours
- Older workers are much less likely to have changed occupation recently than younger workers
 - These transitions may be more important as the economy adjusts after the pandemic

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