



Jonathan Cribb, IFS

11 May 2023

ELSA 20th
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Changing patterns of work at older ages



Economic
and Social
Research Council

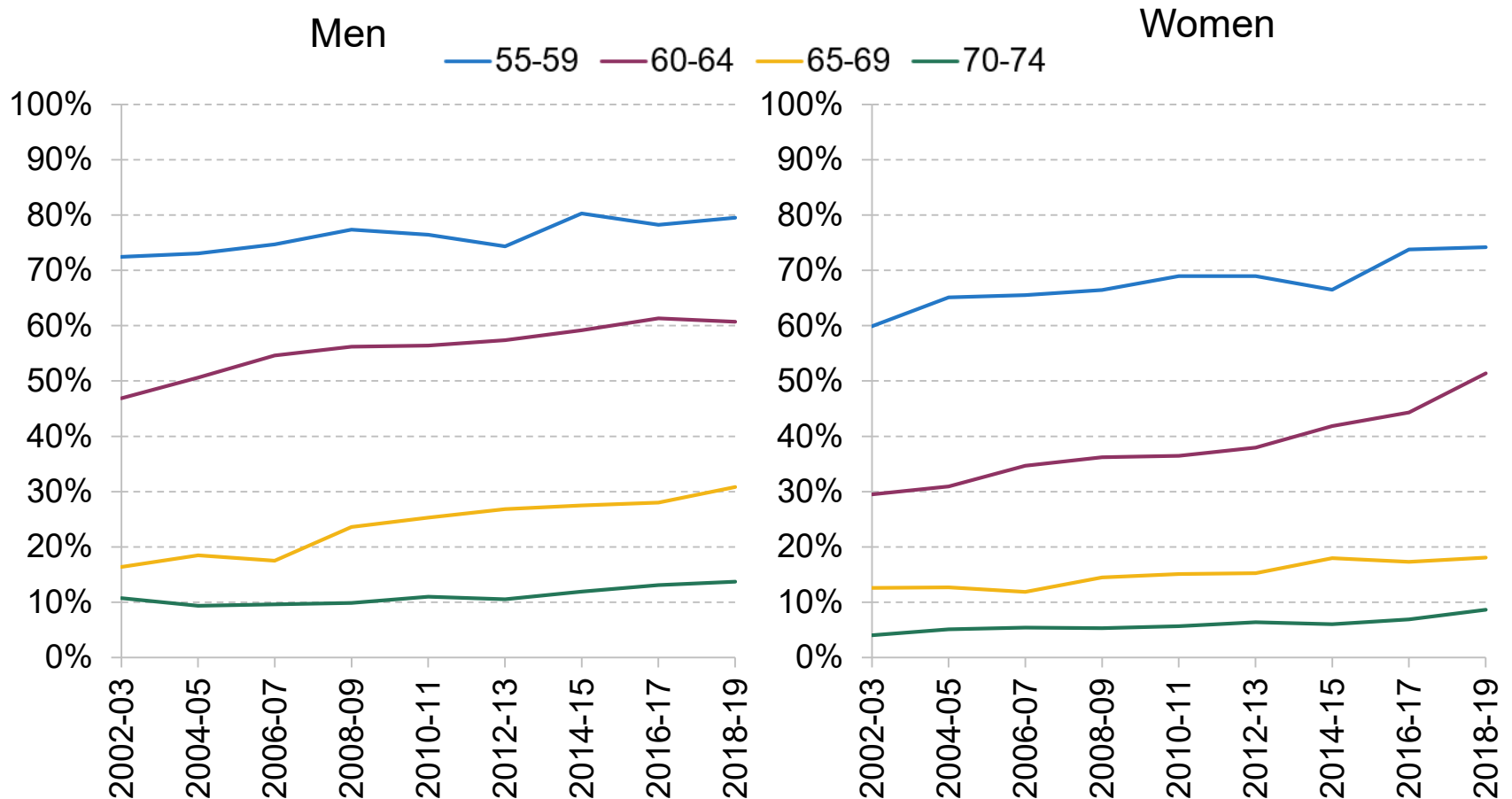
Examine three long-standing changing patterns of work at older ages

- Post-pandemic, some evidence of changes in those trends
1. Long run rises in employment at older ages
 2. Flat/lower rates of disability for those aged 55-74, rising employment for disabled; significant average additional health capacity to work
 3. More flexibility in work at older ages on a number of dimensions

ELSA will help researchers understand and explain these changes in the world of work

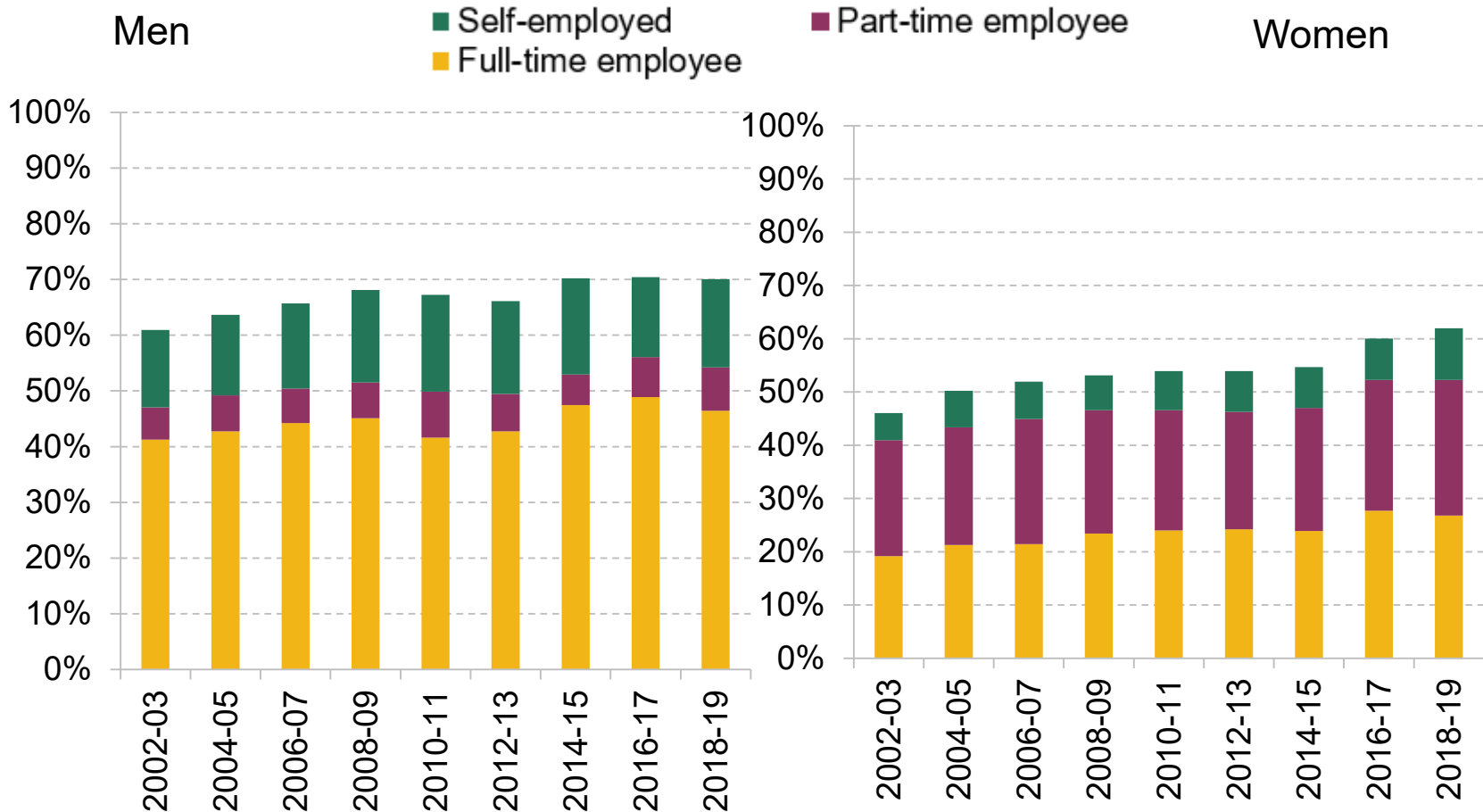
Rising employment rates since 2002; especially women 55-64

Employment rates of people aged 55 to 74, 2002 to 2019



Rises in full-time employment; big gender differences in hours

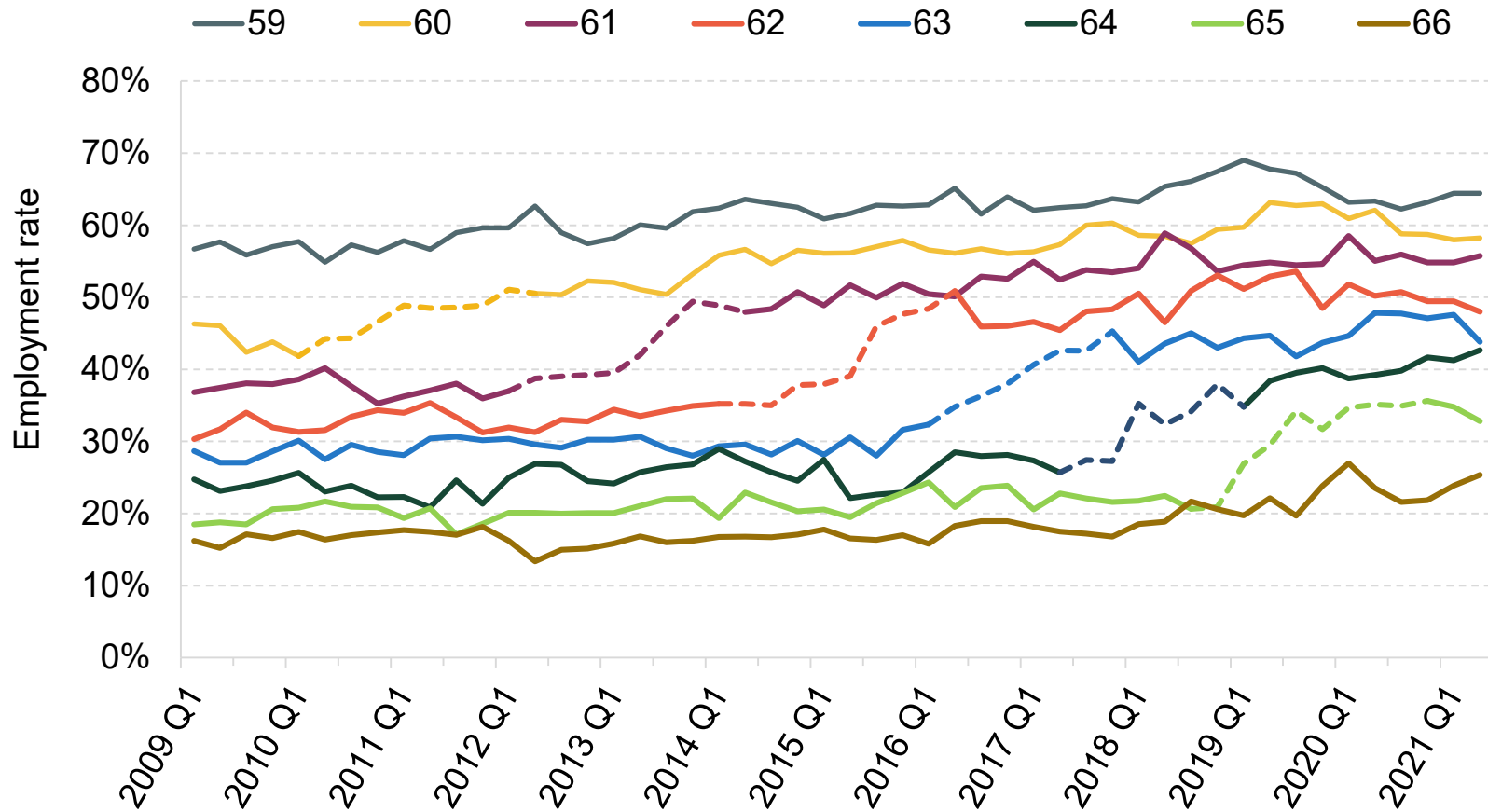
Full-time/ part-time/ self employment, people aged 55 to 64, 2002 to 2019



Note: Full-time is working at least 30 hours per week . Source: Author's calculations using ELSA, waves 1-9 © Institute for Fiscal Studies

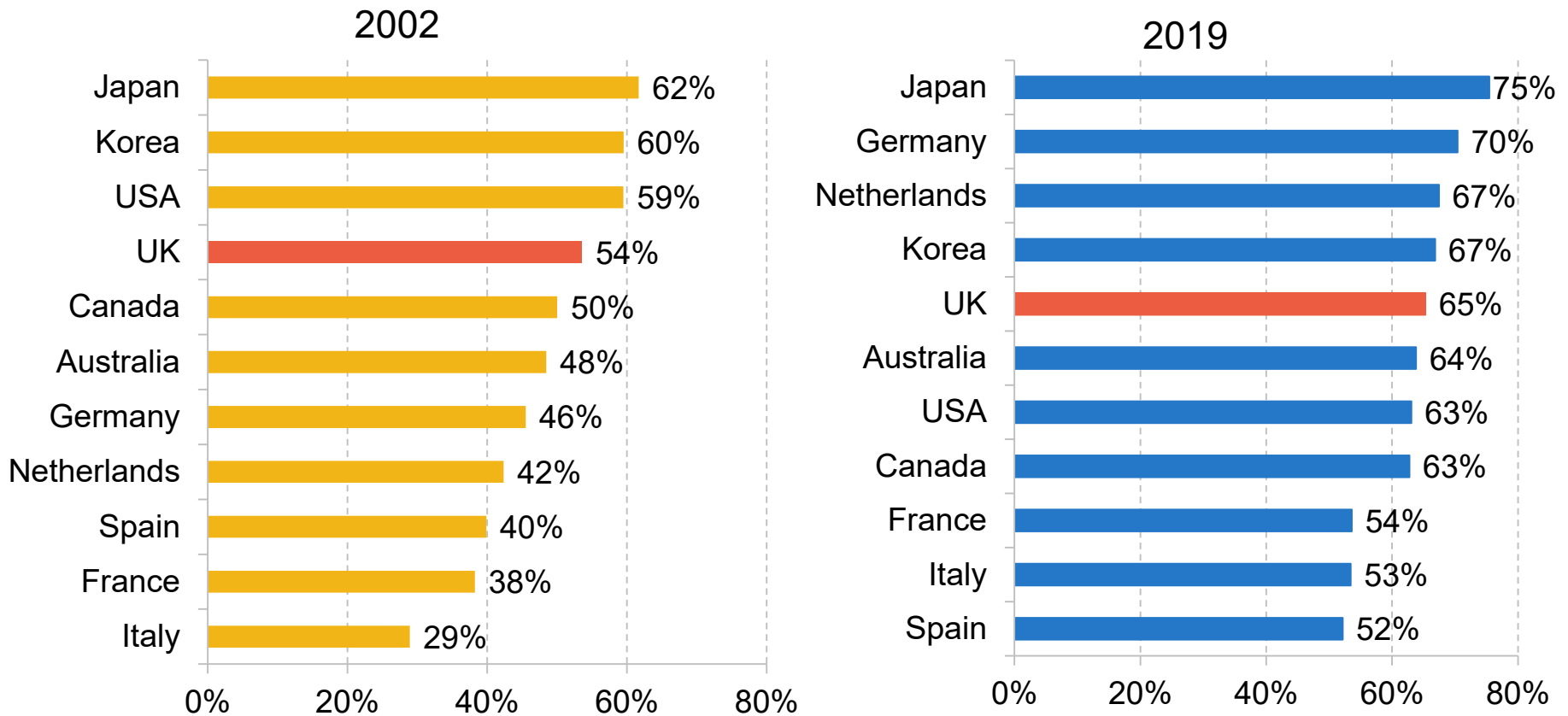
Some increases in employment caused by increases in state pension age

Employment rates of women, by single year of age, 2009 to 2021



Increases in employment not limited to the UK

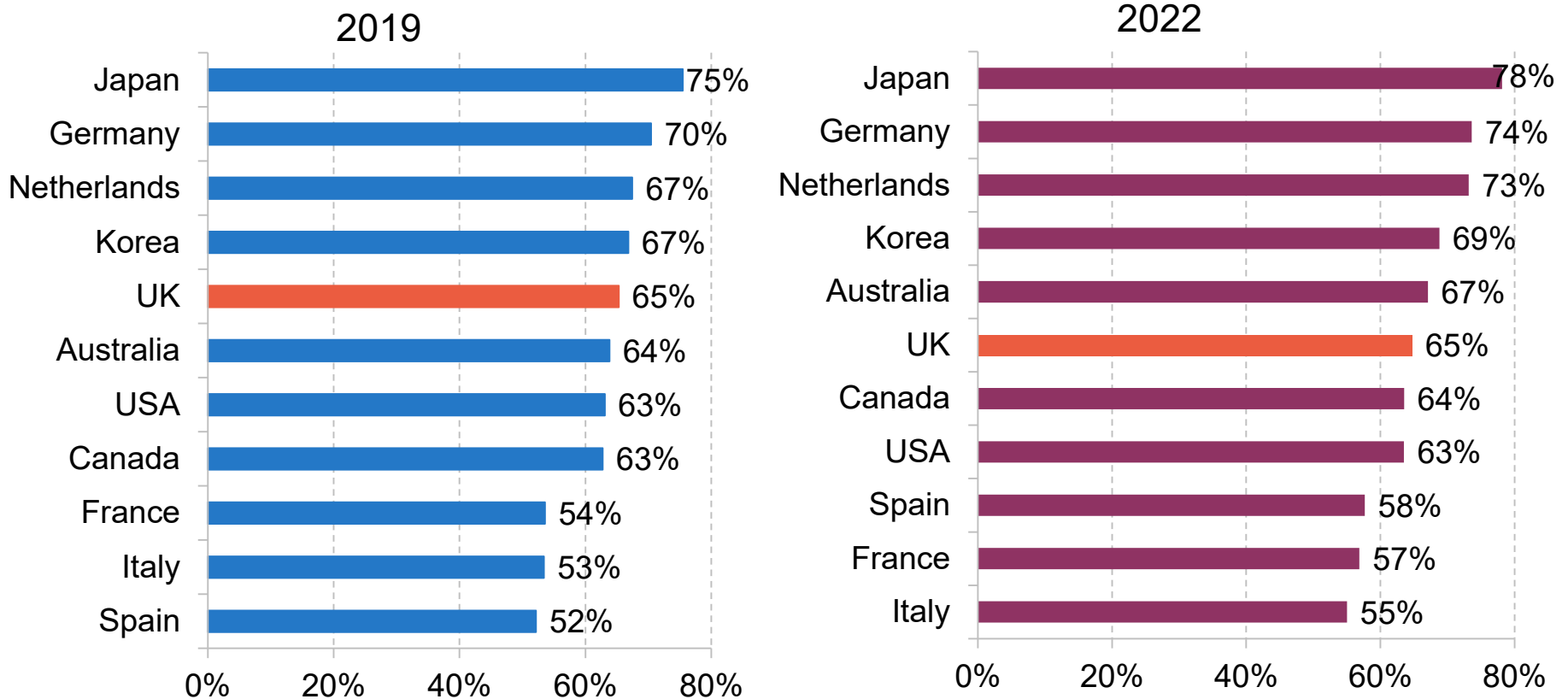
Employment rates of 55-64 year olds, 2002 and 2019, major high-income countries



Source: OECD data. 2002 data points for FRA, KOR, are from 2003. DEU data for 2002 from 2005.

But unusually not risen since pandemic

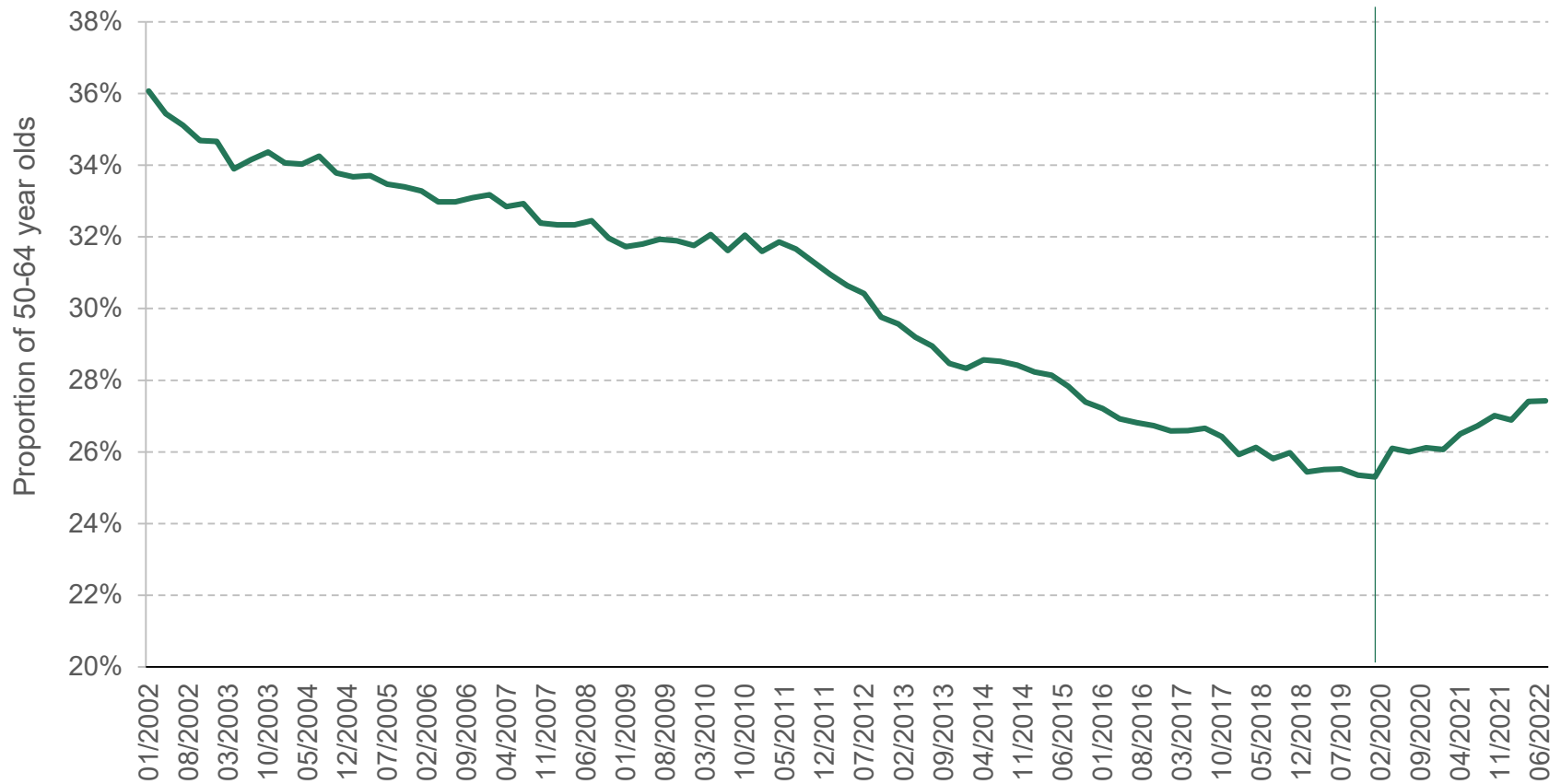
Employment rates of 55-64 year olds, 2002 and 2019, major high-income countries



Source: OECD data. 2002 data points for FRA, KOR, are from 2003. DEU data for 2002 from 2005.

Rise in people aged 50-64 out of labour force

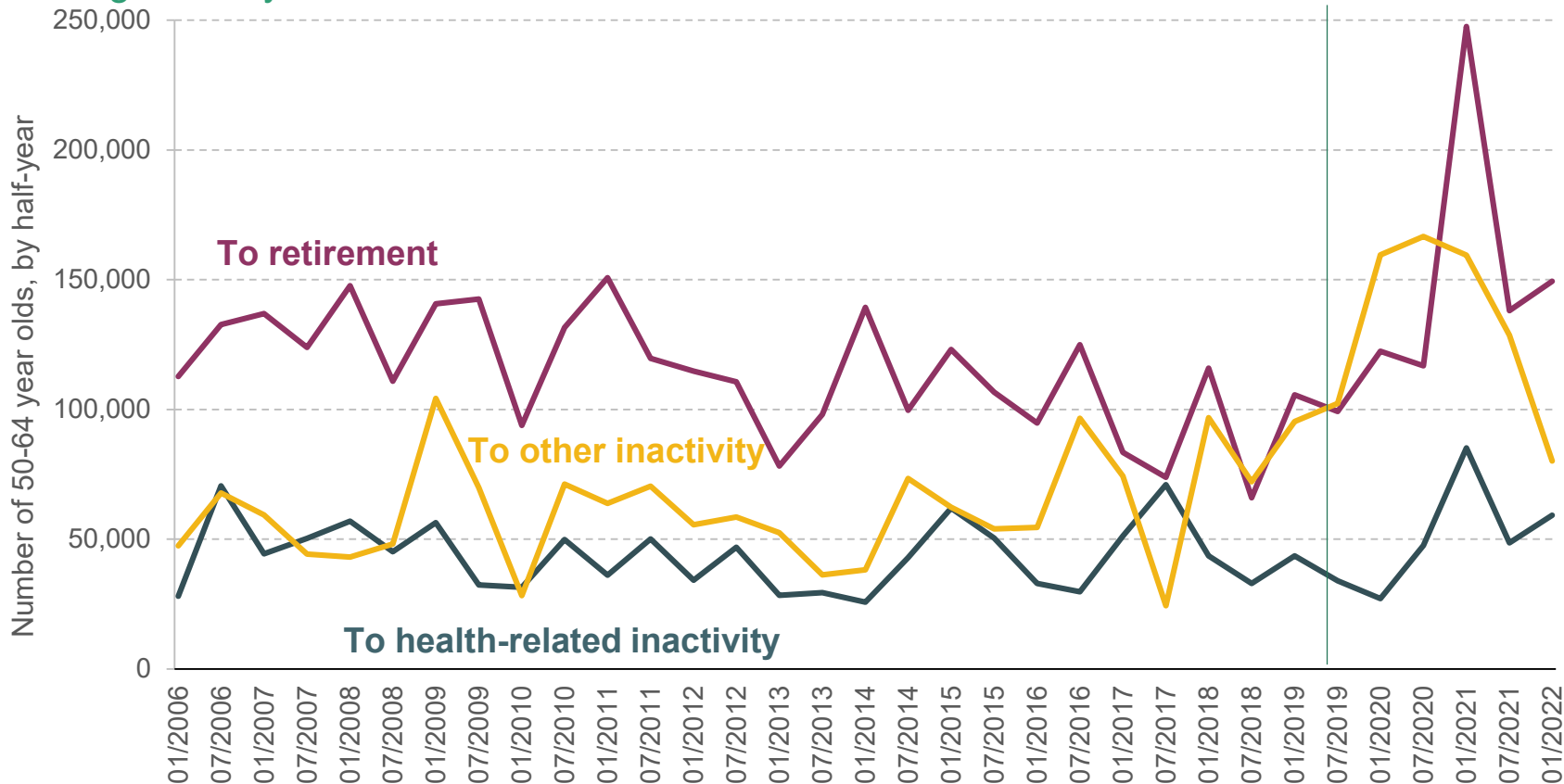
Inactivity (non- labour-force participation) rate among 50-64 year olds



Source: Updated version of Boileau and Cribb (2022), using Labour Force Survey. Vertical line indicates last data before pandemic.

Increased flows out of work to self-reported “retirement”, “other” inactivity

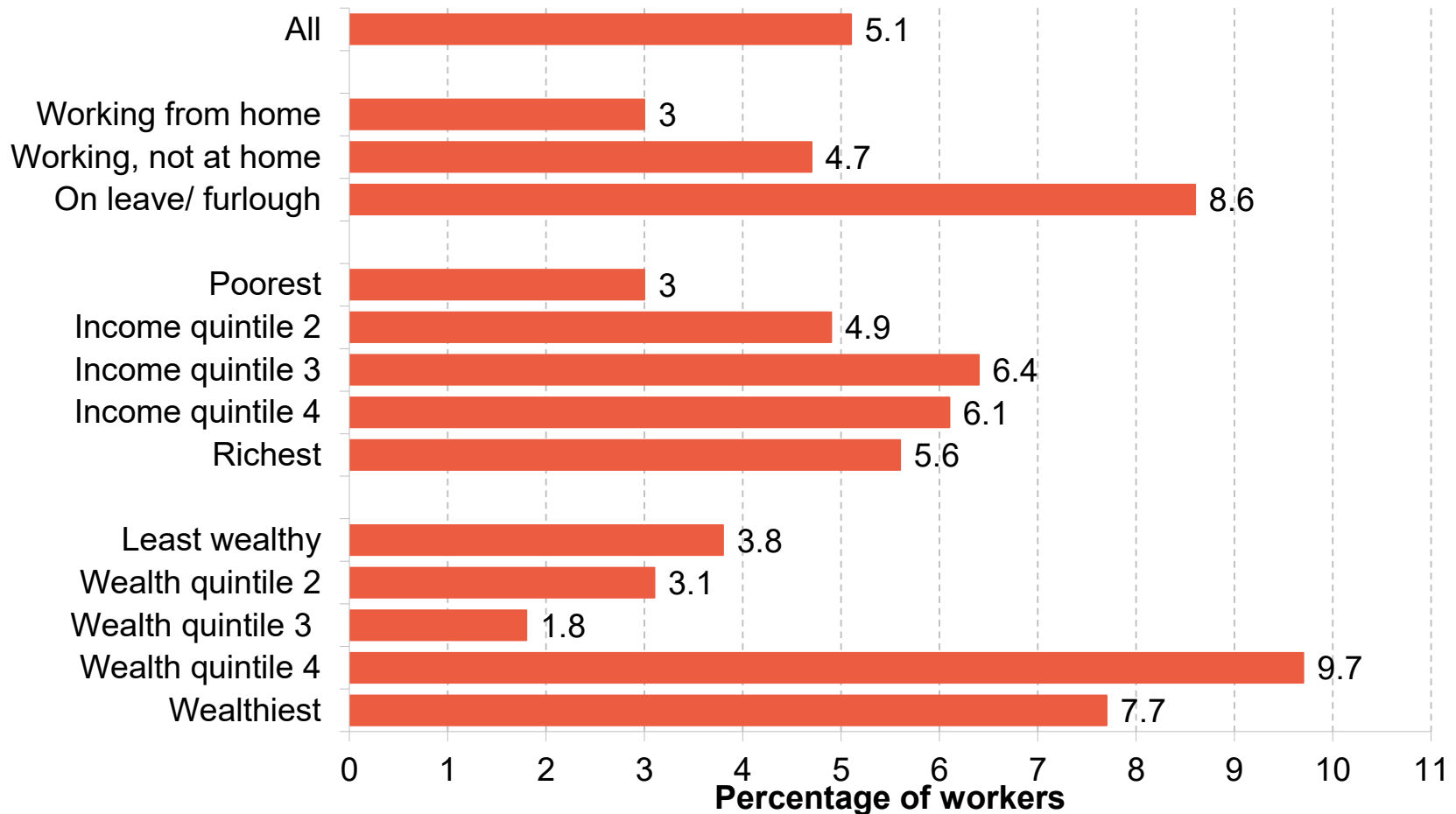
Outflows from employment over the course of three months, by half-year, among 50–64 year olds



Source: Boileau and Cribb (2022) using Labour Force Survey data. Vertical line indicates last data before pandemic.

Some groups more likely to plan to retire earlier

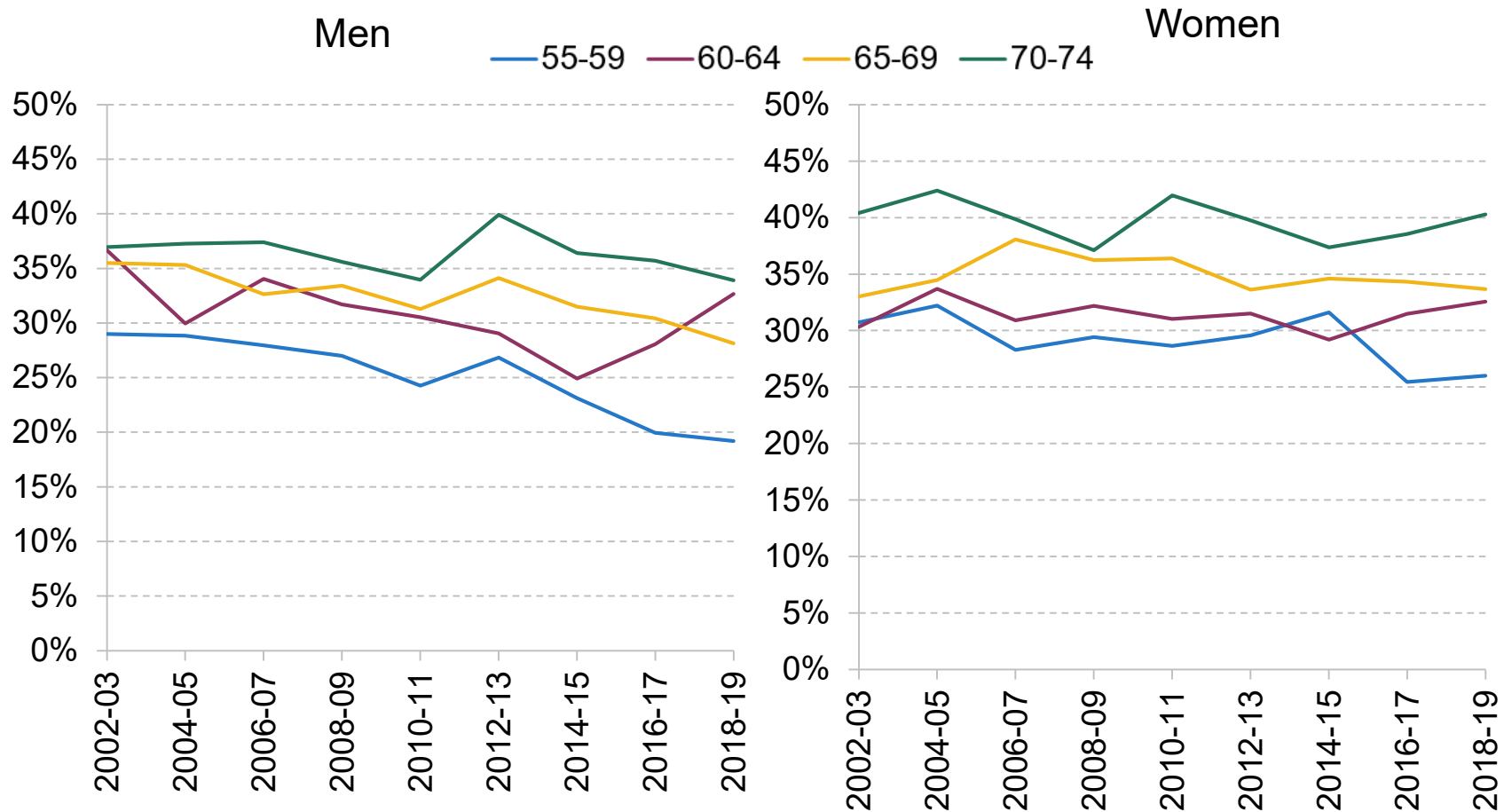
Percent of people in employment (age 54+) pre-pandemic who report the pandemic has caused them to plan to retire earlier



Source: Crawford and Karjalainen (2020) using ELSA covid study wave 1 (June/July 2020).

Disability rates for 55-74 year olds similar to, or lower, than in early 2000s IFS

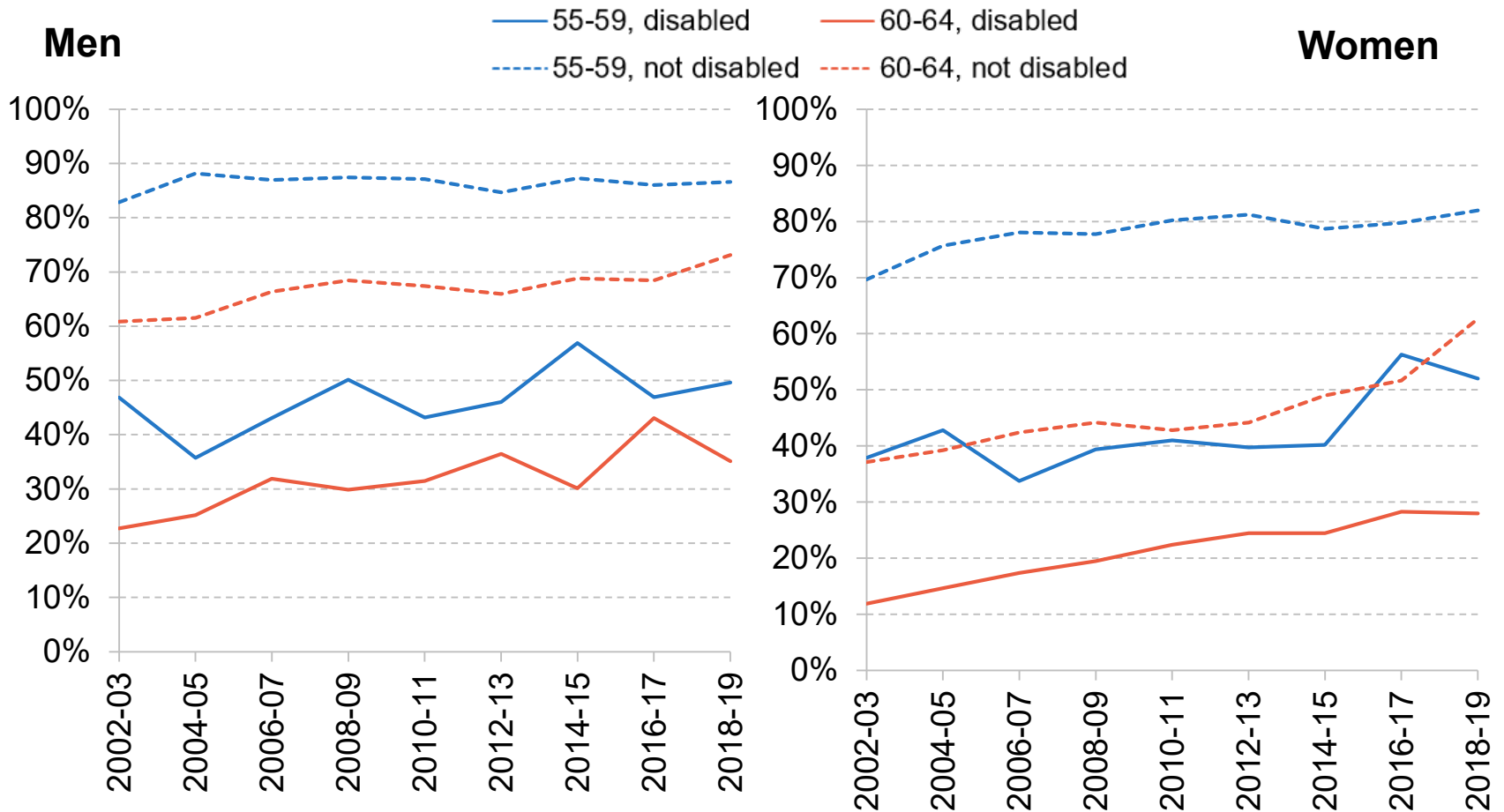
Disability rates (longstanding & limiting condition), by age and sex, 2002-19



Source: Author's calculations using ELSA, waves 1-9.

Employment rates of disabled people rising from low base

Employment rates by age, sex, and disability status

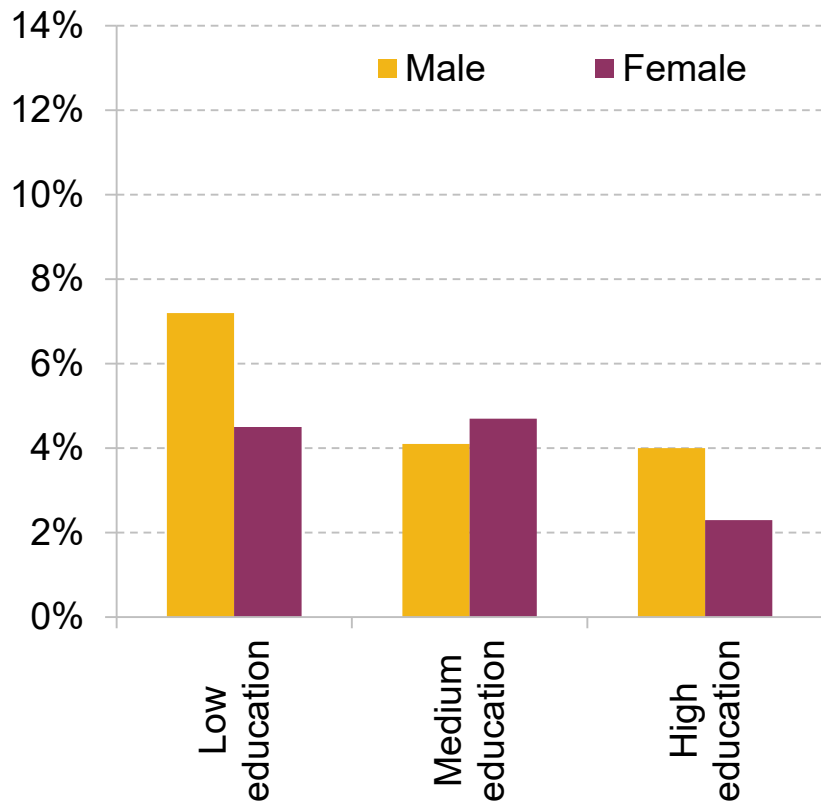


Source: Author's calculations using ELSA, waves 1-9.
 Disabled defined as having a longstanding condition which limits their activities.

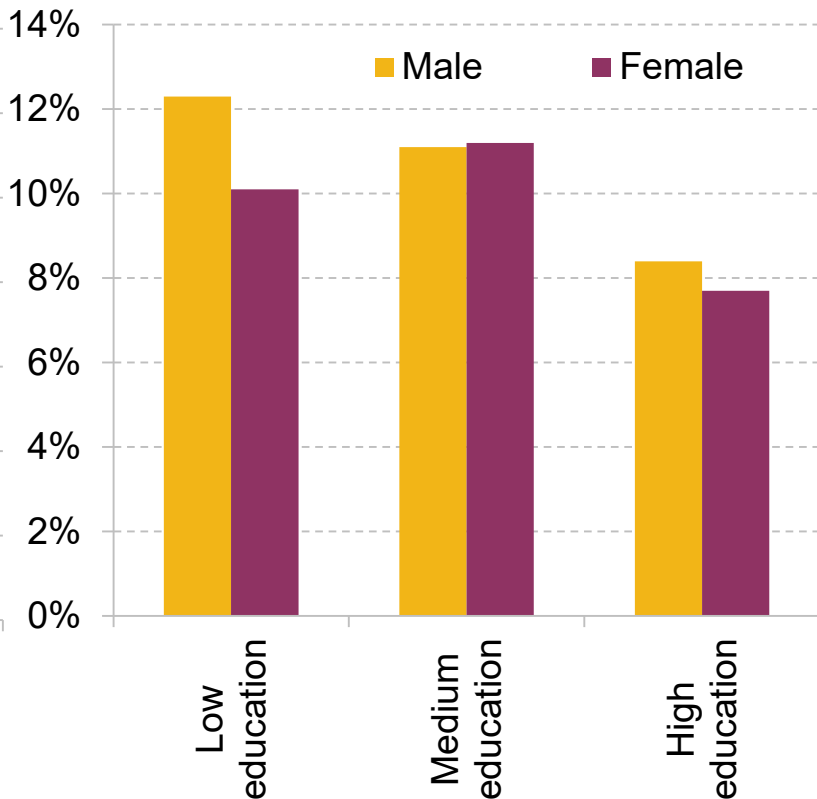
Small shares of employment decline explained by in health in England

Share of employment decline between ages of 50 and 70 explained by declines in health

England (ELSA)



United States (HRS)

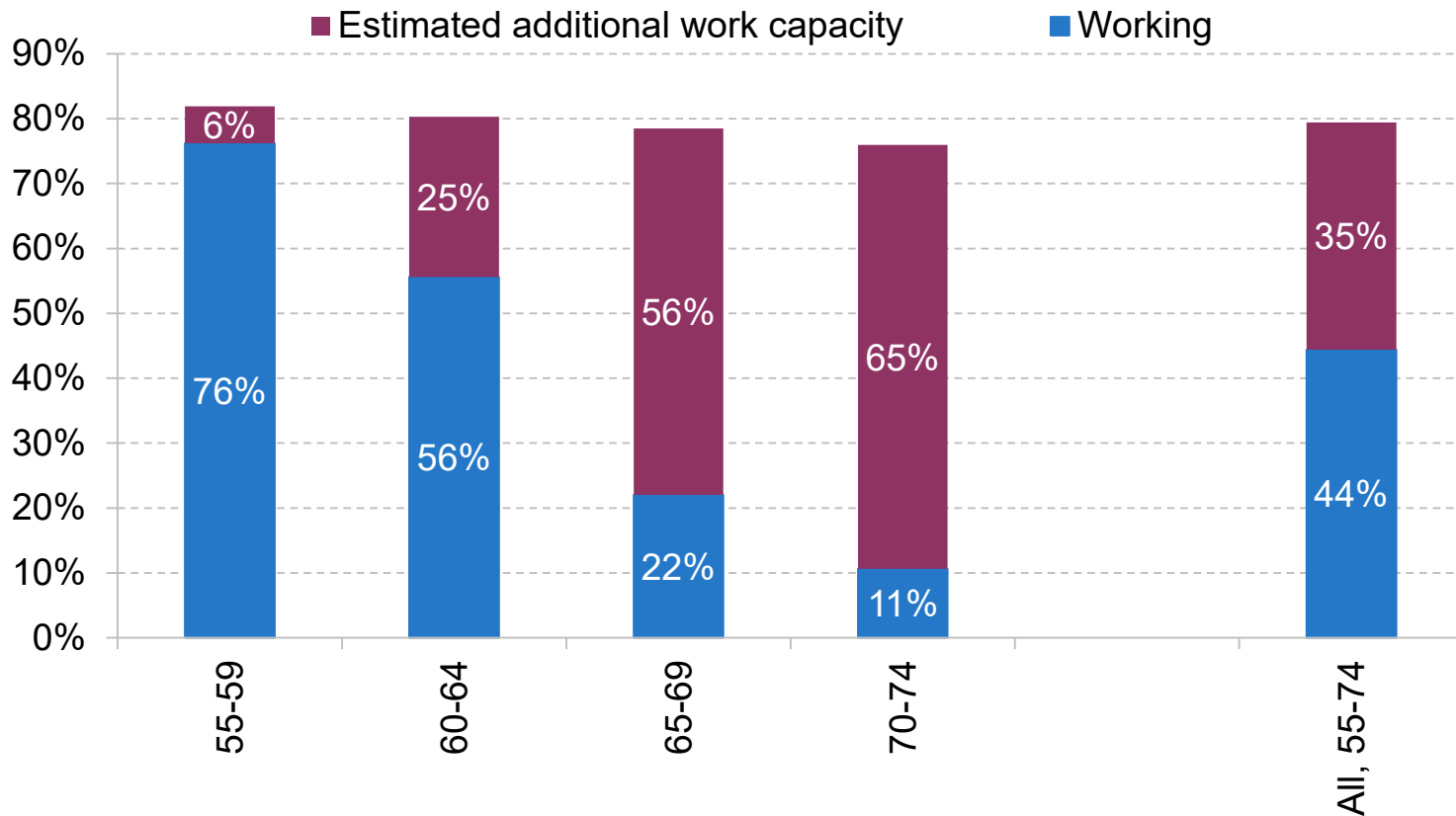


Source: Table 6, Blundell, Britton, Costa Dias, and French (2005);

Note: health measured using subjective health but results robust to various definitions and measures of health. .

Significant additional work capacity for people aged 60-74 in England

Share of men working and estimated additional work capacity for 55-74 year olds given relationship between health and employment of people aged 50-54



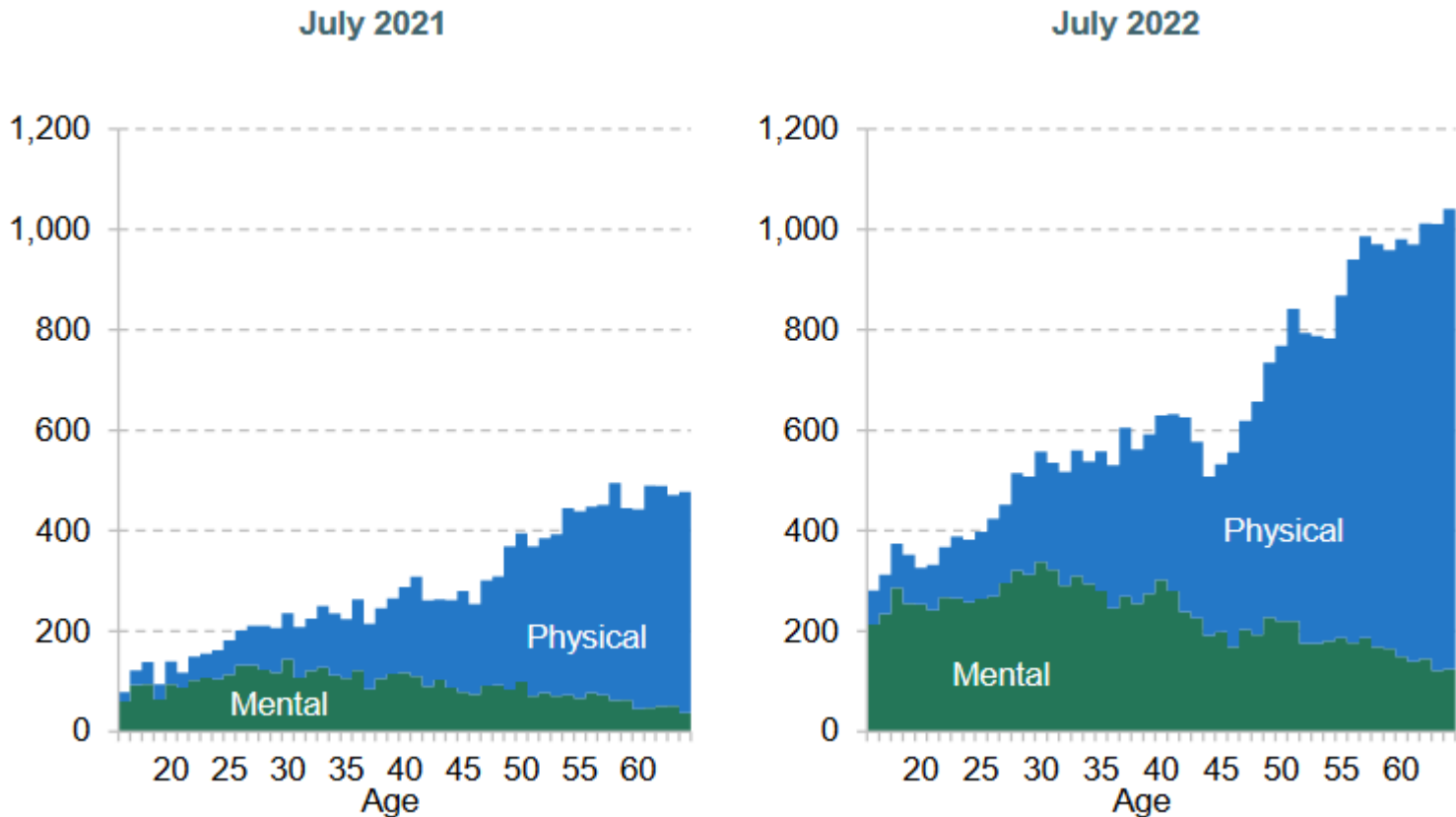
Source: Figure 16, Banks, Emmerson, and Tetlow (2018)

Note: similar results found for women. Other approaches also implies significant health capacity to work.

Are there changes post pandemic? IIFS

Large increases in disability ben caseload

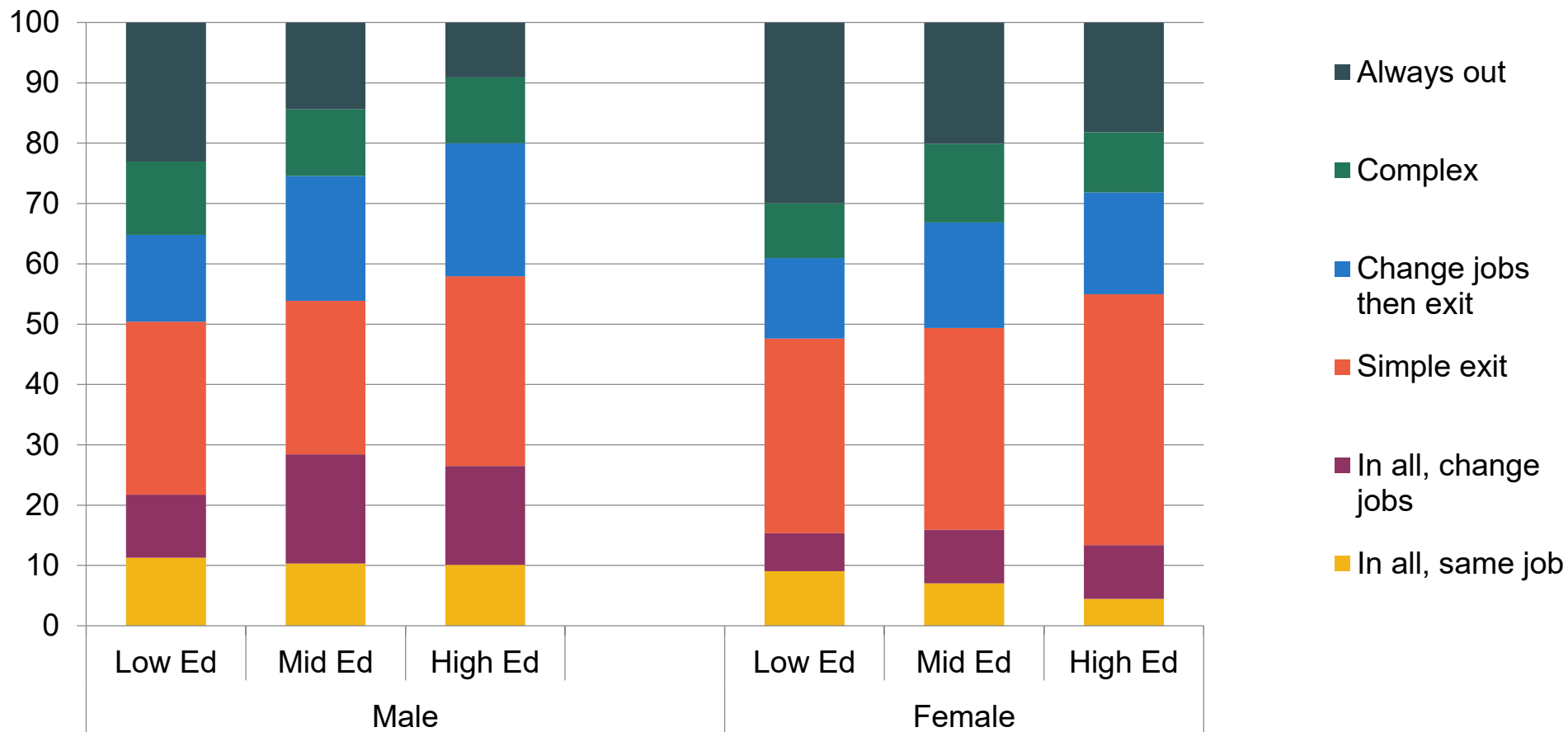
Monthly Personal Independence Payments awards by age and type of disability



Source: Joyce, Ray-Chaudhuri and Waters (2022) using DWP Stat-Xplore data.
Note: Excludes Scotland

Changing jobs in 50s/60s not uncommon, esp. for men with education

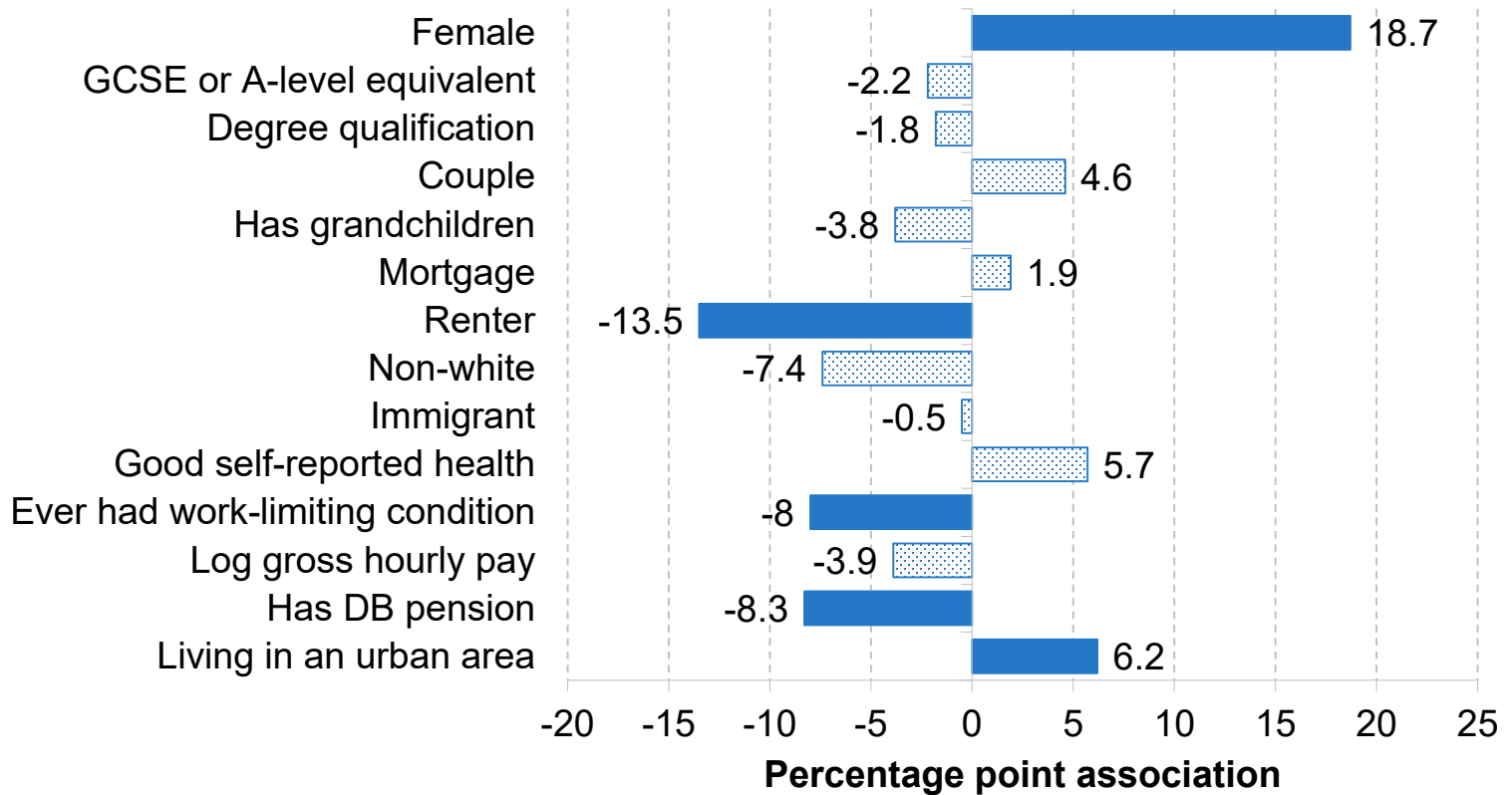
Employment trajectory types by sex and education, 2002-03 to 2014-15



Source: Banks (2016) using ELSA data waves 1-7.

People with DB pension less likely to retire via part-time work

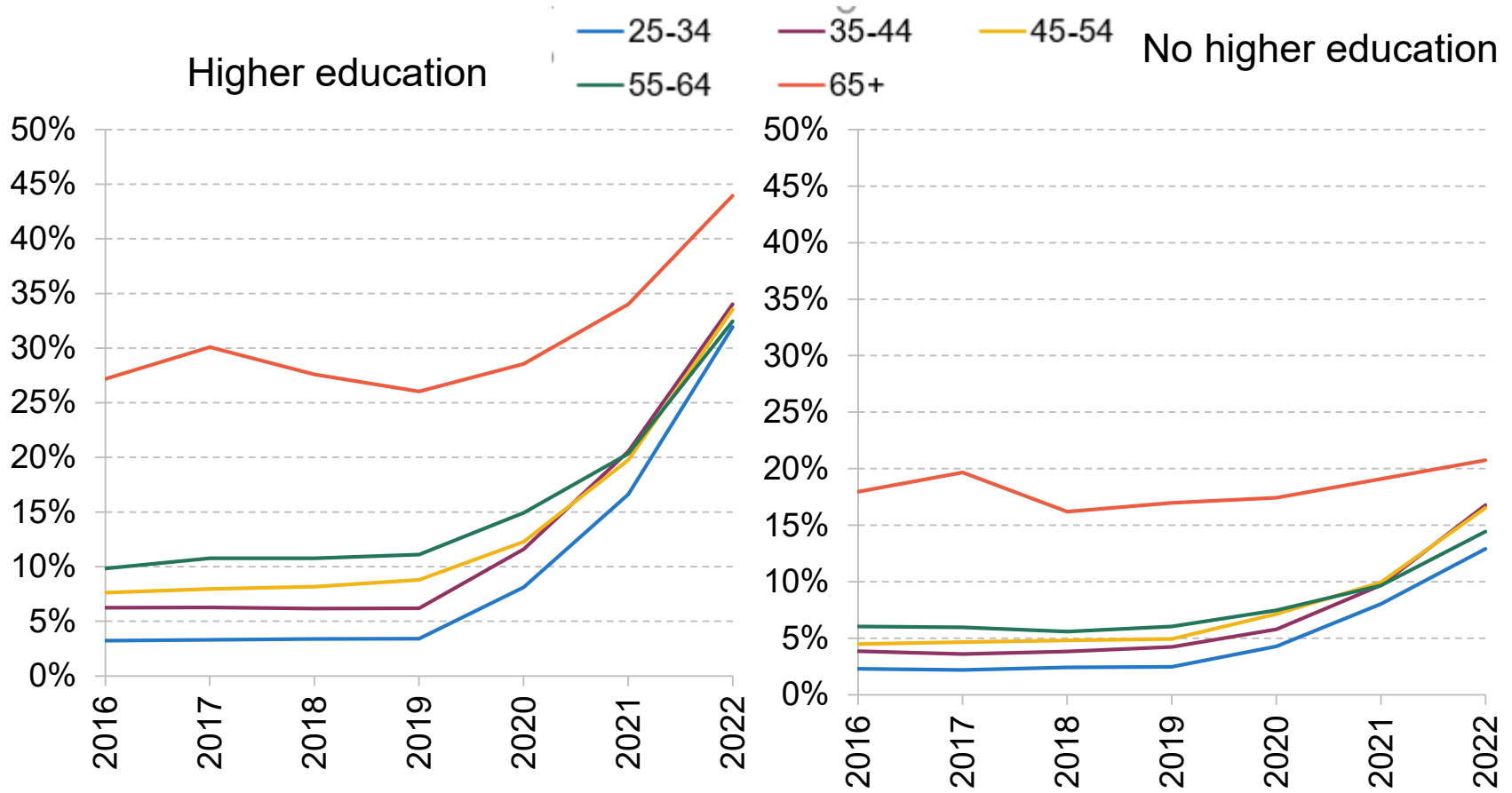
Characteristics associated with gradual retirement (via part-time work) among those aged 50-59 and working full-time in 2002-03



Source: Figure 3.7 of Crawford et al (2021). Also controls for job characteristics (not shown; not statistically different from zero at 5% significance level) . Solid bars show effects are statistically different from 0 at 5% significance level.

Increased remote work; though bigger growth for younger workers

Percentage of workers working at least one full day per week, by education



Source: Author's calculations using the Labour Force Survey

Falls in labour force participation partially reverses longer run trends towards more work around state pension age. Why?

- ELSA will allow to understand potential roles of furlough; health; access to pension wealth

Pre-pandemic significant potential health capacity to work; but there are inequalities: for sizeable group difficult to work to SPA

- Initial evidence of recent changes with ↑ in disability benefit caseloads

Remote work is only one form of flexibility; potentially increased gradual retirement with decline of defined benefit pensions

- ELSA already updated to account for these trends; and will continue to evolve with a changing world of work for people aged 50+

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

www.ifs.org.uk

