

# EXPLORING RETIREMENT TRANSITIONS

A RESEARCH REPORT FROM ILC-UK AND  
THE UNCERTAIN FUTURES RESEARCH CONSORTIUM

**DECEMBER 2017**

---



[www.ilcuk.org.uk](http://www.ilcuk.org.uk)

## **Acknowledgements**

This report was produced by the research team at the ILC-UK, in collaboration with the Uncertain Futures research consortium, led by Professor Sarah Vickerstaff in collaboration with Ben Baumberg-Geiger, Amanda Burns, Mariska van der Horst and Sue Shepherd (University of Kent); Charlotte Clark and Amanda Lahy (formerly of Queen Mary University of London); Joanne Crawford (Institute of Occupational Medicine); David Lain (formerly of the University of Brighton now the University of Newcastle); Wendy Loretto (University of Edinburgh); Christopher Phillipson (University of Manchester); Mark Robinson (formerly of Leeds Beckett University); David Wainwright and Andrew Weyman ( University of Bath).

# CONTENTS

<b>EXECUTIVE SUMMARY</b> .....	4
<b>INTRODUCTION</b> .....	6
<b>SECTION 1. POLICY CONTEXT</b> .....	7
FACTS AND FIGURES .....	9
<b>SECTION 2. EVIDENCE FOR NEW LATE CAREER TRANSITIONS</b> .....	12
PAPER 1: GENDER ROLES AND EMPLOYMENT PATHWAYS OF OLDER WOMEN AND MEN IN ENGLAND .....	13
PAPER 2: BRIDGES TO WORKING LATE? UN-RETIREMENT, PART-TIME WORK, SELF-EMPLOYMENT IN THE UNITED STATES AND ENGLAND .....	14
PAPER 3: PATHWAYS OF PAID WORK, CARE PROVISION AND VOLUNTEERING IN LATER CAREERS: ACTIVITY, SUBSTITUTIONS OR EXTENSION? .....	15
<b>SECTION 3. HOW DO LIFE COURSE FACTORS INFLUENCE LATE CAREER TRANSITIONS?</b> ...	16
PAPER 1: CHILDHOOD EXPERIENCE: THE LONG-TERM EFFECTS ON LABOUR FORCE PARTICIPATION .....	17
PAPER 2: PSYCHOLOGICAL HEALTH IN CHILDHOOD AND LABOUR MARKET OUTCOMES FOR OLDER PEOPLE .....	18
<b>SECTION 4. FROM THE COAL FACE: EMPLOYEE AND MANAGER VIEWS ABOUT WORKING LONGER</b> .....	20
POLICY CHANGE AND ITS EFFECTS ON EMPLOYING ORGANISATIONS .....	21
RETIREMENT TIMING .....	21
FLEXIBLE WORK AND GRADUAL RETIREMENT .....	22
AGEISM .....	23
IMPLICATIONS FOR POLICY .....	23
<b>SECTION 5. POLICY RECOMMENDATIONS</b> .....	26
<b>CONCLUSION</b> .....	29

# EXECUTIVE SUMMARY

## Overview

This report outlines the headline findings and implications from a major series of reports exploring the retirement transition. Undertaken by the “Uncertain Futures” consortium, the detailed and diverse programme of work is dedicated to enhancing our understanding of the various factors which influence the workforce outcomes of older adults.

## Policy background

As the UK ages, the size of the working age population (those aged 16 to 64) is shrinking compared to the “older population” (65+), which is putting increased pressure on public finances. This was the primary motivation behind the Coalition Government’s recommendation that the State Pension Age (SPA) rises in line with longevity, an issue that the Cridland Review explored in further detail. Cridland’s review recommended that SPA rise earlier than previously timetabled, to age 68 by 2037-2039 given anticipated life expectancy gains. But the review raises the question of fairness - what if individuals cannot work until they reach SPA? ILC-UK’s work has shown there are already around 1 million people who are involuntary pushed out of the workforce before reaching pensionable age – such a predicament that may be exacerbated by continual increases in SPA<sup>1</sup>.

## Headline findings

In response to the challenge of fairness, access to various forms of flexible work is often seen as the key means for older people to continue working. However, according to new analysis summarised in this report, access to flexible working opportunities may be exaggerated. For instance, detailed case studies of UK women working in low paid sectors suggest that many simply cannot afford to work part time or reduce their hours further. Analysis of ELSA/HRS data on retirement transitions in England and the USA, shows that relatively few work ‘late’ (i.e. after SPA as a result of moving into part-time work or self-employment). Overall then, while the concept of “bridge” employment has become fashionable in policy circles, in reality, few retirement transitions are characterised by it.

In addition to these key findings, psychological health through childhood and adulthood, as well as traumatic adversities faced in childhood, are found to have long-lasting effects that may result in early exit from employment. While such experiences are associated with becoming unemployed and permanently sick, the research also highlights the link with becoming a homemaker, a group overlooked in previous studies, who may be particularly vulnerable and in need of support if they are to integrate back into the labour force.

## Delving deeper: Employment practices at the “coal face”

This report also summarises case studies in five organisations involving interviews with HR and occupational health managers, line managers, and employees. These interviews demonstrated how organisations were responding to both policy changes, such as the abolition of the default retirement age, and the pressures of ageing workforces. Policy changes at the national level firmly place the onus on employers to recruit and retain older workers. However, the research found little evidence that organisations have begun to work through the implications of an ageing workforce and some of the policy changes, such as age discrimination legislation, seemed to be having unintended consequences.

## Employment practises at a glance:

- There were good examples of employee-friendly initiatives such as health and wellbeing activities and carer forums. These were not specifically targeted towards older workers, either because of a **fear that this would be discriminatory** or because their potential benefits for older workers had not been thought through.
- Employers were aware of age discrimination legislation and there was little evidence of overt discrimination; however, **the implications of the law were being interpreted very defensively** with some perverse consequences. In particular, some line managers appeared to believe that it was difficult to talk to people about their retirement plans for fear of being accused of ageism. This was

<sup>1</sup> Franklin et al (2014) The Missing Million: Illuminating the employment challenges of the over 50s, Report for ILC-UK, BITC and PRIME. [http://www.ilcuk.org.uk/images/uploads/publication-pdfs/The\\_missing\\_millions\\_web.pdf](http://www.ilcuk.org.uk/images/uploads/publication-pdfs/The_missing_millions_web.pdf)

unhelpful for both employer and employee.

- There was considerable employee **interest in the idea of phased retirement but few had investigated** whether this was possible in their organisation; for lower income earners it was not financially viable anyway.
- **Flexible working options were limited** for those outside administrative and office jobs, and even where HR wish to increase such opportunities, they may face resistance from managers who have to implement it.

### **How are individuals being affected by increases in SPA?**

The impact of raising SPA is having contrasting effects on different groups within the labour market. Some middle-income earners were being nudged into considering staying on beyond 65 if it was possible. Lower-income groups, especially those without significant occupational pensions, were anxious about their ability to stay in work longer (often because of health and work strains) although financially they needed to do so. This is particularly the case for women, many of whom were resentful of having to work well beyond their originally anticipated SPA.

### **Critical implications for policymakers and employers**

- If we wish to promote more varied pathways into retirement, for example gradual retirement or un-retirement, we first need to **recognise the implications of profound gender differences** in work experiences and to recognise the current limited availability of feasible flexible work options.
- Understanding the capacity of individuals to extend their working lives requires an **understanding of their entire life course**. The capacity of someone to carry on working may have been compromised well before the individual reaches the 'retirement zone'.

### **Sources for original research referenced in this report:**

Phillipson, C., Vickerstaff S. and Lain D. (2016) *Achieving Fuller working Lives: Labour Market and Policy Issues in the UK* *Australian Journal of Social Issues*, 51 (2) 187-203.

A. Fahy, C. Clark, D. Lain, M. Smuk, S. Stansfeld, S. Vickerstaff, M. van der Horst, June (2017) "Longitudinal associations between adversity, socioeconomic position, and engagement in education during childhood and labour force participation and exit in later adulthood" *Social Science and Medicine* Vol.183, pp.80-87

Clark, C., Smuk, M., Lain, D., Stansfeld, S., Carr, E., Head, J., and Vickerstaff, S. (2017) *The impact of childhood and adulthood psychological health on labour force participation and exit in later life*. *Psychological Medicine* 47 (9): 1597-1608.

Van der Horst, M., Vickerstaff, S., Lain, D., Clark C. and Baumberg Geiger B. (2017) *'Pathways of paid work, care provision, and volunteering in later careers: activity substitution or extension?'* *Work, Aging and Retirement*, 3, (4): 343–365.

Van der Horst, M., Lain, D., Vickerstaff, S., Clark, C., & Baumberg Geiger, B. (2017). Gender roles and employment pathways of older women and men in England. Sage <http://journals.sagepub.com/doi/full/10.1177/2158244017742690>"[journals.sagepub.com/doi/full/10.1177/2158244017742690](http://journals.sagepub.com/doi/full/10.1177/2158244017742690)

*A number of other papers are currently under review please check the project website for up to date information about publications: <https://www.kent.ac.uk/extendingworkinglives/>*

# INTRODUCTION

Increased longevity and population ageing are changing the way individuals move from work into retirement. Early retirement is no longer encouraged by government and employers, while improvements in life expectancy have created the opportunity – or financial necessity – to work longer.

The research undertaken by *Uncertain Futures: Managing Late Career Transitions and Extended Working Life*, aims to answer a series of relevant questions:

- **What evidence can be found for new “late career transitions” developing in England? How do these transitions compare with those found in the United States?**
- **How do life course factors influence these late career transitions?**
- **How is the idea of “extended working life” being constructed within the workplace?**
- **What is the impact of an ageing workforce on workplace practices, training, human resources and occupational health policies?**

The research consortium is composed of academics from across a wide range of institutions, including the Universities of: Kent, Bath, Brighton, Edinburgh, Leeds Beckett, Queen Mary and Manchester University and the Institute of Occupational Medicine. The research was conducted by experts in qualitative and quantitative disciplines at different stages of their careers helping to develop an interdisciplinary and intergenerational transfer of skills and ideas to produce comprehensive responses to the above questions.

## **About this report**

This report provides a concise, but comprehensive review of the issues, research and recommendations, stemming from the work of the Uncertain Futures consortium.

Drawing on the research conclusions from the consortium and the wider body of evidence on extending working lives, several policy recommendations are presented at the end of this report to help stimulate longer working lives. We would also encourage readers to explore the academic source material for more detail.

But first, we set the scene through a brief tour of the evolving world of public policy and reveal some key facts and figures about demographic change and the shifting nature of labour market outcomes for older people.

SECTION 1:

---

# POLICY CONTEXT

Population ageing has forced the issue of extending working lives onto the agenda of Government. With increased pressure on public finances and services, sustaining an ageing population is becoming ever-more difficult. Extending working lives is recognised as a partial solution to the problems posed by demographic change, and in recent years there has been a push by Government to enact policies which will help stimulate longer working lives in the UK.

Examples include new legislation to outlaw age discrimination (which was introduced in 2006) as well as abolishing the default retirement age and prohibiting employers from making retirement compulsory upon reaching the SPA<sup>2</sup>.

In addition, rules around State Pension deferral mean that those who postpone taking their State Pension can receive a larger payment in the future. Although a constant feature of the British pension system, reforms by the Coalition Government reduced the generosity of deferral, while the option to take the additional benefits as a lump sum was removed<sup>3</sup>. Older workers are also exempt from paying national insurance contributions, but there is little evidence that this acts as an incentive to work longer.

Reforms to the SPA are likely to have the biggest influence on working in later life. With almost 1.4 million people over the age of 65 reliant solely on the State Pension as a source of income and many more relying on the State Pension to supplement their other sources of income in later life, it is likely that these reforms will result in many having little choice but to continue working<sup>4</sup>. Research from the Institute for Fiscal Studies has shown that recent changes to female SPA (from 60-61) had the effect of boosting female employment rates by 7.3 percentage points for those women aged 60. It also had the unexpected effect of boosting the employment rates of male partners by 4.2 percentage points<sup>5</sup>.

### **State Pension Age: an ever-moving target**

In 2011, changes were introduced to equalise the SPA for men and women and raise it to 66 by the end of the decade. As of 2014, a timetable outlining the gradual increases to SPA was introduced into law, so that by the mid-2040s it will have risen to 68.

The Cridland Review recommended that increases in the SPA should be brought forward so that by 2039 the SPA is 68. It is also suggested that yearly increases in this age should not occur more than once in a ten-year period<sup>6</sup>. The Government has agreed with the review's recommendations on raising SPA, but such a rise is still subject to parliamentary approval.

### **What else might be done to smooth the transition between work and retirement?**

Other recommendations in the Cridland Review included: flexible means-tested access to pension income before SPA for those with poor health or caring responsibilities, and providing more opportunities for older workers to participate as trainers in their place of work, to help develop the skills of younger generations. Additionally, a mid-life MOT was proposed, to help encourage people to take "stock" of their choices relating to work, health and retirement, as well as the right to take leave when caring for loved ones.

At the time of writing, there has not been significant policy movement on the smoothing mechanisms Cridland identified. Moreover, the onus for supporting older workers lies at the feet of employers as much as government. For quite pragmatic reasons, employers will need to find ways of ensuring they do not lose valuable members of staff, particularly when the labour market is tightening (unemployment is low and employment is at record highs), growth in the working age population is slowing, and the future of migration policy is highly uncertain. It is not an exaggeration to say that the survival of some firms, and the productivity of the UK economy as a whole, will depend on the ability to retain the skills and knowledge of older workers. Policymakers and employers need to respond to the challenge before it is too late.

---

<sup>2</sup> The reference for that would be "DWP (2011) Managing without a fixed retirement age. <https://www.gov.uk/government/news/default-retirement-age-to-end-this-year>

<sup>3</sup> Thurley, D. (2017) "State Pension deferral" House of Commons Library, Briefing Paper, CBP-02868

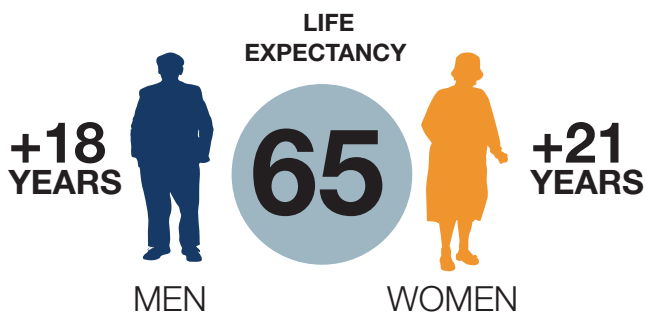
<sup>4</sup> ONS, "Pensioners Income Series" (2017)

<sup>5</sup> Cribb, Jonathan, Emmerson, Karl and Tetlow, Gemma (2014), Incentives, shocks or signals: labour supply effects of increasing the female state pension age in the UK. IFS Working Papers series. Available from: <http://www.ifs.org.uk/publications/6622>

<sup>6</sup> Cridland, J. (2017) "Independent Review of the State Pension Age: Smoothing the Transition"

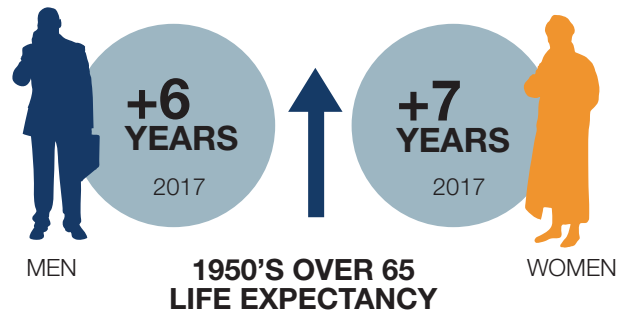


# FACTS AND FIGURES

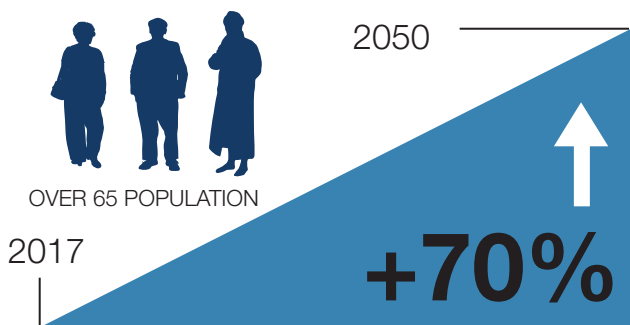


Recent data suggests the life expectancy for those aged 65 is just over 18 years for men and almost 21 years for women<sup>7</sup>.

<sup>7</sup> ONS, English Life Tables (2015)



Life expectancy for over 65s in England has risen by about 7 years for men and 6 years for women since the 1950s.



The population of over 65s has risen more rapidly than other demographic groups in the larger population. By 2050, the number of over 65s is expected to rise by almost 70%<sup>8</sup>.

<sup>8</sup> ONS, Population Projections (2015)

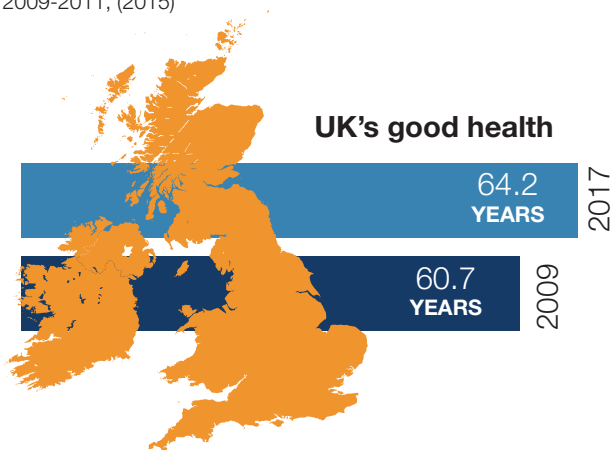
## HEALTHY LIFE EXPECTANCY

on average has also **RISEN**, although there are huge discrepancies across different regions.



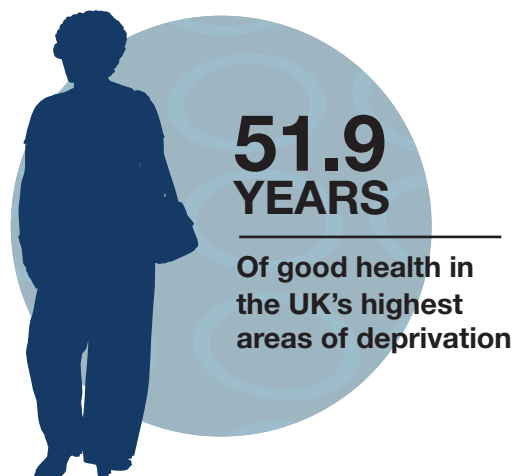
According to the most recent data, on average, an individual can expect 64.2 years in good health across the UK; up from 60.7 years in 2009.

<sup>9</sup> ONS, Health Expectancies in the United Kingdom, 2000-2002 to 2009-2011, (2015)



However, those born in areas of England with the highest levels of deprivation can only expect 51.9 years of good health<sup>10</sup>.

<sup>10</sup> ONS, changes to healthy life expectancy estimates (2016)



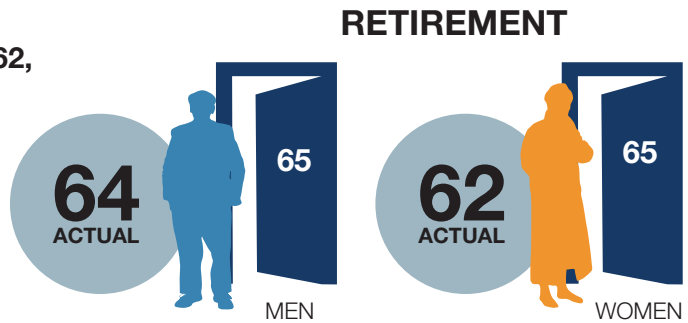
# FACTS AND FIGURES

**OLDER ADULTS** are more likely to **DROP OUT** of the labour force **BEFORE** the **STATE PENSION AGE**.



The effective age of labour market exit for men in the UK is 64, while for women it is 62, in both cases it falls below the typical SPA and the OECD average<sup>11</sup>

<sup>11</sup>OECD, Pensions at a glance (2015)

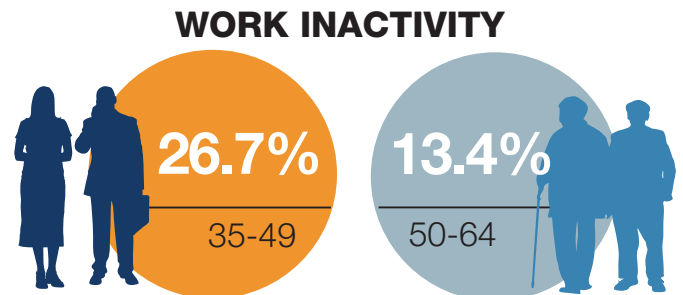


The inactivity rates (people not seeking employment) for over 65s is 89.5% as of early 2017.



Between the ages of 50-64, data suggests the inactivity rate is 26.7%, almost twice as high as among those between 35-49, with an inactivity rate of 13.4%<sup>12</sup>.

<sup>12</sup>ONS, Labour market statistics (2017)



**OLDER ADULTS** predominantly **WORK** in **HEALTH** and **SOCIAL WORK**, **EDUCATION**, **WHOLESALE** and **RETAIL**.



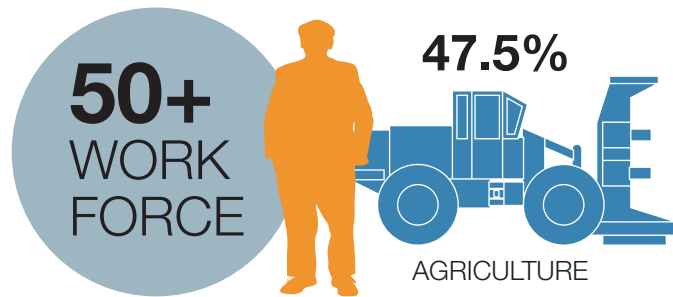
3.7 million people aged 50+ work in health and social work, education and wholesale and retail representing between 27% and 35% of their respective sectors<sup>13</sup>.

<sup>13</sup> Quarterly Labour Force Survey Household Dataset, October-December (2016)

# FACTS AND FIGURES

Agriculture is most reliant on older workers, with almost half of the workforce (47.5%) over the age of 50<sup>14</sup>.

<sup>14</sup> ONS, People in employment in each industry broken down by 5 year age bands, periods July to June 2006, 2011, 2015 and Jan to Dec 2016 (2017)

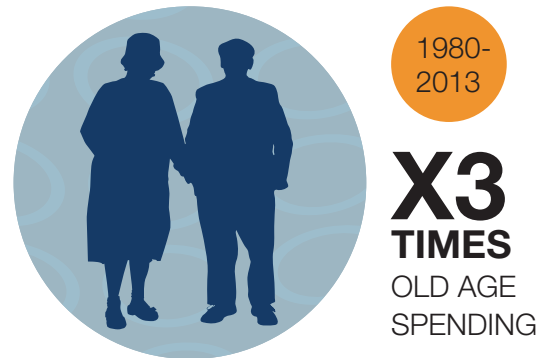


**OLD AGE SPENDING** is **INCREASING**, but the potential **TAX BASE** is **SHRINKING**.



Old age spending per head more than tripled between 1980 and 2013<sup>15</sup>.

<sup>15</sup> OECD – Social Expenditure, aggregate data



According to the Office of Budget Responsibility, the **AVERAGE AGE** at which your **TAX** contributions **PEAK** is **45**.

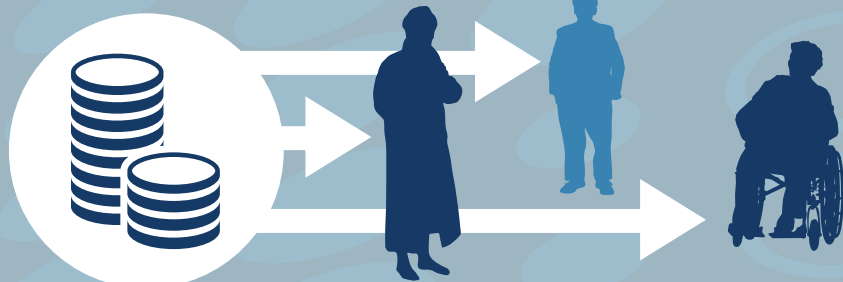


**AFTER 68** your tax contributions fall below how much you receive in services and benefits, rising with age<sup>16</sup>.

<sup>16</sup> OBR Fiscal Sustainability Report (2017)



An **AGEING POPULATION** is likely to put **INCREASING PRESSURE** on **PUBLIC FINANCES**.



SECTION 2:

---

# EVIDENCE FOR NEW LATE CAREER TRANSITIONS

## Headlines

- *Analysis of ELSA/HRS data suggests that access to flexible working opportunities for older workers may be exaggerated.*
- *There is little evidence of so-called “bridge” employment becoming the norm. It is still the case that the majority of working men continue to work full-time until retirement. Similarly, in the UK it is typical for women to work part-time and then retire fully.*

## Background

Policy changes, including age discrimination legislation, the abolition of a default retirement age and the right to request flexible working options are all trumpeted as increasing individual choice over when and how to retire. It is widely assumed that pathways into retirement will become increasingly diverse and differentiated. Access to various forms of flexible work is hypothesised as beneficial for older workers in providing a key means for them to continue working or retire gradually.

In two articles summarised below, the research team explored the extent to which we can identify the move away from traditional retirement pathways, most notably the cliff-edge of retirement – whereby people are in work one day and completely out of work the next.

### **PAPER 1: GENDER ROLES AND EMPLOYMENT PATHWAYS OF OLDER WOMEN AND MEN IN ENGLAND**

- *The research finds little evidence of individuals downsizing from full-time to part-time work.*
- *Typically, either women did not work at all or they worked part-time before retirement.*
- *The aim of extending working lives is complicated when considering women’s traditional gendered working patterns and this needs to be taken into consideration in any attempt to change the SPA.*

## Aims of the research

In order to encourage extended working lives, mandatory retirement ages were abolished in 2011, and the SPA of men and women are being equalised. Yet male and female labour market outcomes are likely to be quite different over the lifetime. In this context, the summarised study explores the employment pathways of older working age adults, identifying whether there are gender differences, and whether people really do move from full-time to part-time work before they retire.

## Key findings

Despite contemporary debates about work and retirement, the paper found little evidence of individuals downsizing from full-time to part-time work. Typically, either women did not work at all or they worked part-time before retirement (with some remaining in part-time work and some retiring/exiting from this activity). Consistent with a ‘modified male breadwinner’ logic in which the male partner works full-time and the female partner part-time, marriage was positively related to the likelihood of women belonging to ‘female employment pathway clusters’, which mostly consist of part-time work or not being employed. Men were mostly working full-time regardless of marital status. Attempts to extend working lives among older women are therefore likely to be complicated by the influence of traditional gender roles on employment.

## Implications for policy

The employment pathways of men and women differ from one another, which has important implications for extending working lives policy. Given that women are likely to leave the labour force earlier than men, raising the SPA may lead to an increase in the amount of time women spend out of work before reaching the relative financial security of SPA. As the authors argue, “if we are to encourage older women to work longer, we need to support them in having fulfilling careers on equal terms to men long before they reach older age”. Moreover, it seems that neither men nor women in large numbers enter part-time “bridge employment” to support an extended period in the labour force. Ultimately, in order to facilitate more of this type of transition people “need jobs worthy of downsizing in”.

## **PAPER 2: BRIDGES TO WORKING LATE? UN-RETIREMENT, PART-TIME WORK, SELF-EMPLOYMENT IN THE UNITED STATES AND ENGLAND**

- Previous research defines bridge employment as encompassing many different types of labour market events in older age that mark the transition from career employment to ‘full’ retirement; this includes moves into part-time work, self-employment and ‘un-retirement’ (returning to work after retirement). The impression given by previous research is arguably that such ‘bridge employment transitions’ lead to individuals working ‘late’ (i.e. after SPA), although this is not empirically tested.
- Evidence from this paper shows that individuals are not commonly utilising bridge employment as a means to extend working lives beyond SPA in England or in the US.

### **Aims of the research**

Bridge employment is considered ‘the norm’ in the US, and is viewed positively as enabling individuals to ‘gradually’ retire by working in a different capacity prior to full exit. It is also increasingly assumed that ‘bridge employment’ pathways to retirement are emerging in the UK. In this context, this paper compared the real-life employment experiences of older adults in England and the US. For the purposes of the research, ‘bridge employment’ was defined as: “(1) ‘un-retirement’ (returning to work after retirement), and moves into (2) part-time work and/or (3) self-employment” as a pathway to “late employment” after SPA.

### **Data and methods**

This paper analysed two comparable surveys, the US Health and Retirement Study (HRS) and the ELSA. The analysis follows people interviewed biannually for 10 years, between 2002 to 2012. They were observed between five years below and above SPA, taking into account the State Pension Ages of men and women in the UK and the US. The selection process was based on respondents having a full labour-force status information available for each of the six waves. There were 905 respondents in the US (5,430 observations) and 451 in England (2,706 observations). Sequence analysis followed by cluster analysis was used to identify pathway types, while multi-nomial logistic regression was used to examine gender differences in being in different ‘bridge employment’ pathways.

### **Key findings**

The researchers found “although a significant minority of individuals moved into part-time work at least once, and some un-retired and/or moved into self-employment...such transitions rarely result in structured pathways to late employment” after SPA.

### **Implications for policy**

Bridge employment has been overstated by politicians and policy makers as a silver bullet in the battle to extend working lives. It allows policymakers to paint an “overly-optimistic picture of the situation facing older workers in a context where SPAs are rising rapidly and support from the welfare state is being undermined”.

## **PAPER 3: PATHWAYS OF PAID WORK, CARE PROVISION AND VOLUNTEERING IN LATER CAREERS: ACTIVITY, SUBSTITUTIONS OR EXTENSION?**

- *Being in full-time employment or unemployed does not enhance the likelihood of participation in volunteering or other activities.*
- *There is a complementarity between part-time work and volunteering.*

### **Aims of the research**

*This paper explores the relationship between these later life activities. Researchers in the study have explored how these different activities interact with one another.*

Specifically, they attempted to explain whether the uptake of a certain activity had substitution or extension effects:

- Substitution – the idea that people will take on new activities (such as volunteering) to replace the loss of other activities (such as paid work)
- Extension – the idea that people who participate in one activity are more likely to become active in another activity

By looking at the interdependence of such activities (how actively performing one might impact the ability to perform another) rather than simply the relationship between them, the researchers provide an original take on the issue of extending working life, and question whether later life participation (or lack of participation) in one activity would increase activity levels in other areas.

### Data and methods

The researchers used data from the ELSA to track a cohort of older people and their activities over time. The researchers were interested in three separate 10-year pathways:

**Paid work** – Those in paid employment or self-employment were divided into categories of part-time and full-time, with part-time making the distinction between those who work less than 15 hours a week, and those who work between 16-34 hours a week.

**Volunteering** – Respondents were asked whether they ever participated in formal or informal volunteering, which the researchers categorised as never, sometimes and often (twice a month or more)

**Care** – Respondents simply answered whether they looked after anyone in the week prior to the interview. Very few provided care, so there was no need to make further distinction in the hours provided.

### Key findings

The researchers found little evidence to support either the substitution or extension theory. The data suggested that it was very unlikely for an individual to be active across all activities, suggesting there are limits on how much an individual is able or willing to take on.

However, the researchers found another result; complementarity between part-time working and volunteering. Evidence was not found that those in full-time work would be more likely to take up volunteering alongside work (as extension theory would suggest), or those mostly not in employment would take up volunteering (as substitution theory would suggest), but part-time workers were better placed, both in terms of time and networks, to take up volunteering. The researchers suggest that further study is required to help us better understand the complementary nature between part-time work and volunteering.

### Implications for policy

Flexibility is just one example of a factor that helps determine why people follow the paths they do when they reach old age. Financial trade-offs, prior commitments, emotional bonds and personal preferences are potentially more important in influencing pathways than whether they are participating (or not) in another activity.

This raises the call for more research on the complementary relationship between different activities, and the possibility for future research to include more on other socioeconomic variables, such as education, income and marital status that may influence people's activities in and out of the labour market in later life.

SECTION 3:

---

# HOW DO LIFE COURSE FACTORS INFLUENCE LATE CAREER TRANSITIONS?



## Headline findings

- *Those who face adversities during childhood – such as abuse, neglect, illness, parental absence or divorce – face diminished employment prospects in later life, primarily due to permanent sickness.*
- *Reports of poor psychological health in childhood increase the chances of early exit from the labour force.*

## Background

Understanding the capacity of individuals to extend their working lives requires an understanding of their entire life course. The research highlights the extent to which childhood adversity and mental ill-health influences the labour market status of people in their fifties. The capacity of someone to carry on working may have been compromised well before the individual reaches the ‘retirement zone’. The research also highlights the importance of looking at the life course through a gendered lens. Women and men’s paid work experiences still typically differ substantially and this is important for the aspirations and opportunities that people have in later life.

The first paper looked at the relationship between adversity in childhood and labour market outcomes amongst older adults while the second explored the long-run effects of poor mental health in children on labour market outcomes

## **PAPER 1: CHILDHOOD EXPERIENCE: THE LONG-TERM EFFECTS ON LABOUR FORCE PARTICIPATION**

### Summary

- *Those who face adversities during childhood – such as abuse, neglect, illness, parental absence or divorce – face diminished employment prospects in later life, primarily due to permanent sickness.*
- *Males in care were particularly at risk of having to rely on part-time rather than full-time work.*

### Aims of the research

Childhood events and socioeconomic background play a crucial role in personal development. Those who encounter trauma or material deprivation in childhood, and how this affects labour market outcomes in later life, was the focus of this research.

### Data and methods

The National Child Development Study is used, with a survey sample of over 9,000.

Childhood adversities were reported at different ages during childhood, while other factors were extracted from interviews throughout the life course.

To determine labour market status at 55, participants were asked whether they were employed, unemployed, in part-time work, permanently sick or a homemaker.

The study was based on data from the National Child Development Study.

#### **Measuring social class and childhood adversities**

Socioeconomic position was recorded using an occupation-based allocation of social class. Using reports of parental occupation, the researchers established a cumulative figure that represented the socioeconomic background of the individual through childhood.

Adversities are traumatic experiences or chronic stressors beyond a child’s control such as abuse, neglect or loss of a parent, and they have been found to impact labour market participation in early adulthood<sup>17</sup>.

Reports of childhood adversities, reported by the individual, parent (usually the mother), medical examiner or teacher at different ages, included:

- Illness – mental or physical illness in the home
- Neglected appearance – if the child appeared “scruffy or underfed”
- Abuse – physical and/or sexual reported in retrospect at 45

<sup>17</sup> Anda, R.F., Felitti, V.J., Bremner, J.D., Walker, J.D., Whitfield, C., Perry, B.D., et al. (2006). The enduring effects of abuse and related advers experiences in childhood. *European archives of psychiatry and clinical neuroscience*, 256, 174-186.

- Paternal/maternal absence – any report of not living with a parent at a given stage
- Parental divorce – by the age of 16
- In care – at any point during childhood

### **Key findings**

The study found that adversity in childhood was significantly associated with poor labour market outcomes in later life, with long-term illness being a particularly prevalent reason for early exit. Previous research had firmly established the link between physical and mental health and early exit from the labour force<sup>18</sup>, but this paper goes one step further, suggesting that specific events and circumstances during childhood impact working life.

Adversity in childhood is associated with reduced labour force participation at 55, even when considering other factors such as gender, mental health, education and socioeconomic position during adulthood.

Those who faced adversities or consistent socioeconomic disadvantage were found to be three times more likely to be permanently sick at age 55 than those who did not experience adversities. It is suggested that physical/sexual abuse and neglect were more likely to directly impact the capability of an individual to work, while other adversities, such as divorce or parental absence, could potentially be explained by the consequences these experiences likely have on adulthood in general.

The associations with other labour market outcomes besides permanent sickness were not so strong. Abuse was associated with unemployment, but when the researchers considered other factors, this connection was weaker, suggesting adulthood factors played a significant role.

Another interesting finding was that males in care during childhood were particularly at risk of being in part-time work compared to full-time employment. The researchers note that while part-time work may be desirable for older workers who may be losing their capacity for work, it is only a viable option to those who can access such flexible work contracts and who work in the sectors and positions where they are available.

### **Implications for policy**

This study affirms that experiences of adversity during childhood can diminish employment opportunities in later life, especially because of permanent sickness. With specific at-risk groups identified, targeted interventions could be used, but such interventions may be required throughout the life course, even as far back as childhood, to help promote longer working lives.

Not only should more be done to ensure that children do not endure such adversities, employers should also be aware that employees “who experienced adversity and socioeconomic disadvantage during childhood” are more likely to exit the labour force early. This suggests the importance of offering additional sources of assistance to help ensure that those at risk receive the help and support they need.

## **PAPER 2: PSYCHOLOGICAL HEALTH IN CHILDHOOD AND LABOUR MARKET OUTCOMES FOR OLDER PEOPLE**

### **Summary**

- *Reports of poor psychological health in childhood increase the chances of early exit from the labour force.*
- *The more times depression is reported in adulthood, the more likely that person will be unemployed, permanently sick or a homemaker at the age of 55.*
- *Other forms of social disadvantage in childhood are also correlated with poorer labour market outcomes in later life.*

### **Aims of the research**

Most people would agree that good health is a basic requirement for finding employment. In fact, evidence suggests that health is a “key predictor for employment”, meaning that the health of an individual can be used to determine whether they leave employment earlier<sup>19</sup>. For policy makers looking

<sup>18</sup>Mykletun, A., Overland, S., Dahl, A.A., Krokstad, S., Bjerkeset, O., Glozier, N., et al. (2006). A Population-Based Cohort Study of the Effect of Common Mental Disorders on Disability Pension Awards. *American Journal of Psychiatry*, 163, 1412-1418.

<sup>19</sup>Van Rijn RM, Robroek SJW, Brouwer S, Burdorf A (2014). Influence of poor health on exit from paid employment: a systematic review.

to extend working lives, understanding health barriers to employment is an important first step.

Mental health is increasingly being recognised as an important aspect of overall health that affects working life and even acts as a major constraint on employment<sup>20</sup>. In this context, psychological health is the focus of the research paper.

### Data and methods

To determine the impact of psychological health on later life work, data were collected from the National Child Development Study (see previous summary for details on this).

The paper examines several specific symptoms of psychological health problems. In childhood, based on the teachers' reports and the Bristol Social Adjustment Guide and Rutter Scales, there are two common symptom sets:

- Internalising symptoms – depression, worry and withdrawal.
- Externalising symptoms – disobedience, aggressiveness and bullying.

In adulthood, the **Malaise Inventory test** was used to count the number of times psychological distress was reported during adulthood. An additional insight explored whether distress at different life stages would have consequences.

### Key findings

The researchers discovered that reporting a psychological health issue in adulthood increased the risk of being unemployed, permanently sick or a homemaker at the age of 55. Moreover, the risk increased the more times that psychological distress was experienced throughout adulthood.

Previous evidence has established a link between adulthood psychological health problems and unemployment and permanent sickness<sup>21,22</sup>. Few studies have examined life course factors that predict becoming a homemaker, however findings in this report suggest that poorer mental health “at any stage” during adulthood could be used as a predictor of whether someone is a homemaker/other (homemaker/other, self-defined as either looking after home/family or something else) rather than employed, unemployed or permanently sick. Potentially, this means homemakers (the largest group within the homemaker/other category) might require greater support for previously unrecognised psychological health issues, and that this group should also be included with the other groups typically determined as “out of work”.

Men who consistently reported psychological symptoms in either younger or later life were more likely to be in part-time employment at age 55. This raises the consideration that perhaps flexible working conditions could be a means to encourage those with psychological health issues into the labour force in later life.

### Implications for policy

It is evident from this research that there is a relationship between poor childhood mental health and a significant reduction in the likelihood of working in older age. Mental health interventions, not just in adulthood but even in schools, are recognised as areas where more could be done to help encourage working in later life. In addition to this, the research helps identify that homemakers, with more “limited connections” to the labour market, could benefit from the provision and promotion of mental health services, due to the association between psychological distress earlier in the life course and being a homemaker in later life.

---

Occupational and Environmental Medicine 71, 295–301

<sup>20</sup> Black CM (2008). Working for a Healthier Tomorrow: Dame Carol Black's Review of the Health of Britain's Working Age Population. The Stationery Office: London.

<sup>21</sup> Overland S, Glozier N, Henderson M, Maeland JG, Hotopf M, Mykletun A (2008). Health status before, during and after disability pension award: the Hordaland Health Study (HUSK). Occupational and Environmental Medicine 65, 769–773.

<sup>22</sup> Kaspersen SL, Pape K, Ose SO, Gunnell D, Bjorngaard JH (2016). Unemployment and initiation of psychotropic medication: a case-crossover study of 2 348 552 Norwegian employees. Occupational and Environmental Medicine 73, 719–726

SECTION 4:

# **FROM THE COAL FACE: EMPLOYEE AND MANAGER VIEWS ABOUT WORKING LONGER**

**This chapter explores the attitudes and feelings towards extending the working life expressed by real people working across a range of roles and industries, through a series of in-depth interviews.**

**The aim of the in-depth interviews was to look at how employers are responding to the changed policy landscape around extending working lives and the factors that influence working in later life (i.e. beyond the SPA) in different sectors: hospitality, mineral extraction, local government, manufacturing and engineering and transport. HR managers, occupational health professionals, line managers, trade unionists and individual workers took part in the research.**

*Number of participants by case study organisation*

Case study	Master code	Line Managers	Human Resource & Occ. Health	Employees aged 50+	Employees aged under 50	Total
Local Government	LG	9	5	37	0	51
Manufacturing	MF	5	13	26	3	47
Extractive Industry	EX	6	5	10	5	26
Hospitality	HP	5	3	22	0	30
Transport	TS	6	6	19	0	31
<b>Total</b>		<b>31</b>	<b>32</b>	<b>114</b>	<b>8</b>	<b>185</b>

### **Headline summary of findings**

The case study organisations, whilst recognising that they had ageing workforces, had developed a narrow range of policy responses. There were limited opportunities for either managers or employees to initiate conversations about retirement. Many factors influenced when an older worker retired, including the nature of the industry and the type of pension they expected to receive. For example, within the mineral extraction, transport and manufacturing sectors, individuals took early retirement due to the generous pension scheme that was offered. In contrast, the lower wages and lack of pension savings in the hospitality sector meant that most wanted to continue working with the aim to reach the SPA and then retire. Workers in this sector were also less likely to continue working after SPA because the nature of their role only delivered limited financial benefit rather than any intrinsic value. Additionally, for all older workers across the sectors, health and the idea of worse health in later years after retirement, were defining factors in deciding to retire at or around SPA. Opportunities to retire gradually were limited either by organisational policy or personal circumstances. Finally, a number of participants in the research across the sectors believed that by continuing to work beyond 65 they were taking jobs away from younger workers.

### ***Policy change and its effects on employing organisations***

The government's policy changes around extending working lives, including age discrimination legislation, the abolition of the default retirement age, rising SPAs, and the extension of the right to request flexible work to all employees, firmly place the onus on employers to extend working lives by recruiting and retaining older workers. This research found little evidence that organisations have begun to work through the implications of their ageing workforces. Although there were good examples of employee-friendly initiatives such as health and wellbeing activities and carer forums, these were not specifically targeted towards older workers either because of a fear that this would be discriminatory or because their potential benefits for older workers had not been thought through. To some extent, organisations have retreated from the management of retirement, fearing that even talking about retirement will lay them open to a charge of discrimination. One consequence of this is that organisations may simply wait for employees to resign rather than initiate planned conversations or organise preparation for retirement. This creates uncertainty on both sides: line managers cannot plan for succession because they do not know when people will go; employees receive limited support in making retirement decisions.

***A human resources manager in Local Government said: “we used to sort of institute discussions between the line manager and the individual sort of six to 12 months before they turned 65 to say, “What are your intentions?” As soon as that default retirement age was taken away we just left it to run its course”. (Local Government employee)***

***“I know they’re not allowed to come and discuss retirement and everything with me, or what my plans are, but no one’s even come and said now you’re 65, what do you want to do or is there something we can do for you?” (Manufacturing employee).***

One respondent in Mineral Extraction noted how the organisation made the mistake of allowing many people to go on early retirement in order to save costs. This was done without plans in place to replace their skills through retraining new staff, thereby leaving them with a large loss of expertise. Due to the low turnover of staff, and the difficulties in recruitment, skills and expertise were being lost. This loss was also exacerbated by wider regional problems and the need to look internationally for specific skills that do not exist in the UK labour force. Encouraging longer working lives was not viewed as a mechanism for dealing with the skills shortage.

### **Retirement Timing**

Whilst there was general agreement that it was good that people now cannot be forced to retire simply because of their age, the ability to choose when to retire differed significantly for groups of workers across the different organisations.

***“But I’m all in favour of not stipulating that, “You’re 60, you’re too old to work,” it’s a nonsense. “I was alright yesterday at 59, why aren’t I okay today at 60?” you know. Yes, I think the concept is praiseworthy, to keep people working as long as they are able and willing, but I do worry about the next generation coming up having trouble finding a job”. (Hospitality employee)***

Retiring early or later was defined by most as being a few years before or after the age of 65. Therefore, those who did end up working past their SPA only extended their working lives by a few years. Additionally, attitudes towards pensions were one of rights; workers felt that they had worked hard enough at an early stage of their lives (sometimes from the age of 15) and therefore they were entitled to retire at 65.

Overall, the research showed affordability was a major factor in determining when workers thought they would be able to retire. In transport, mineral extraction and manufacturing many of the men worked with the company for many years and had a good work-based pension to retire with. Therefore, retirement in advance of SPA was still an attractive option for many.

In transport, early retirement was shown to be the norm around 61 and 59 for drivers, since it had a competitive occupational pension and a final salary scheme open to new starters. Older workers could choose when to take out their pension pot and had the option to re-join through auto-enrolment and build a second pension pot if they wished. Most workers retired before or when they reached SPA.

By contrast, in Hospitality, due to the low paid nature of the sector and subsequently lower expected pensions, many older workers were simply working to reach the SPA and retire.

***“Financially I’m probably going to have to go to 67, because I’m not going to be financially secure enough”. (Hospitality employee)***

The older workers in Hospitality mostly wanted to retire early but could not do so because of the lack of affordability.

***“If I’d still been married, I would have been quite happy to retire at 60”. (Hospitality employee)***

For many women, the need and ability to work longer was shaped by their gendered working histories and gendered family circumstances. For example, married women chose to retire when their husbands retired, while those who were close to retiring were unhappy that the SPA for women was being increased. Other aspects of gendered working conditions which disadvantaged women included divorced women who were left in a worse financial position; under the Married Women’s Tax they would have paid less National Insurance contributions, and therefore they were forced to continue working to make up their State Pension. Additionally, women were more likely to have had more gaps in their employment histories, and lower wages. This meant they were not in the best of financial positions which therefore shaped their decisions about continuing to work.



***“I haven’t got any knees anymore [laughs]”. (Hospitality employee)***

Another important factor in shaping early retirement was health. In Hospitality, there was a high level of health concerns directly related with the job such as musculoskeletal or other long-term health issues such as “arthritis, diabetes and general aches and pains”. Many older workers were therefore working in order to reach SPA and then “rest” as they had been “working a long time”. Moreover, as they got older the manual work became harder for them, and therefore working beyond SPA was a decision they would take not out of choice but for financial concerns. In fact, in some cases those who suffered poorer health before SPA hid their health concerns from their employer because they felt it would impact their ability to keep their job (which they could not afford to lose). As one participant stated “...I have to come in every day. I’m in agony today, my foot is killing me today. I have to come in every day and put a brave face on it so that they don’t know.” Amongst many of those who considered themselves fit and well, the fear of ill health later in life encouraged people to retire earlier in order to enjoy retirement.

***“You want some enjoyment don’t you after your working life?” (Hospitality employee)***

Partly, this was due to the perception that although good health might be more likely at an older age, it could not be guaranteed. This was particularly so for workers in physically demanding roles which not only demanded a higher degree of physical performance, but also contributed to physical wear and tear at an earlier age:

***“I don’t think that you can carry on at the same level you may have been doing ten years earlier. I don’t think that’s at all possible. Even now, if I think about the things I was doing ten years ago, I’d be struggling to do all that now, and if you add another ten years on to that then yes, it’s not possible to do the same level of job. You can’t. It’s not physically possible”. (Manufacturing employee)***

***Flexible work and gradual retirement***

***“He asked if he could do a four-day week and they said, “No, if you want to work here you’ve got to do a five-day week” (Extractive industry employee)***

It is commonly asserted that flexible work opportunities will be attractive to older workers, giving them the opportunities to manage health or caring issues and the possibility to choose gradual or phased retirement. In the case study organisations, there was considerable employee interest in the idea of phased retirement but few had investigated whether it was possible and for lower income earners it was not financially viable anyway. Flexible working options were limited for those outside administrative and office jobs, and even where HR might wish to increase such opportunities, they might face resistance from line managers who have to make the arrangements work in practice.

***As one worker stated “So all these options such as flexible retirement, other working, and our actual process of interfacing with the employee when they get towards this age, it’s too loose at the moment, it’s a chat.”***

In Transport and Mineral Extraction, traditionally male industries, there was the feeling that work was full-time and it was office and administrative workers (and by implication women) who worked part-time.

In contrast to other sectors, the local government case study illustrated formal policies of internal redeployment and restructuring. These had developed as a consequence of cuts in government funding which had contributed to a 40% drop in the workforce (achieved through successive voluntary severance (VS)/early retirement (VER) schemes) over the period 2010-2016 (equivalent to 4000 full-time equivalent posts). Radical change was made to the type of services offered and the way these were delivered, necessitating significant organizational restructuring and job redesign. Applications for VER was open to those 55 and over but the process – given tight deadlines in the successive rounds - created anxiety for workers who had to decide their retirement plans without being given extended notice. As one participant stated, “you had three weeks to consider if you were going to be put in to leave.” Some, who otherwise would have chosen to continue working, applied because they felt insecure about their role in the organisation. Although various policies of flexibility, such as redeployment of older workers, special leave for those with caring responsibilities, and phased retirement, were offered they were not widely known or understood.

***“I couldn’t do the job if we weren’t able to swap shifts and things”. (Transport employee)***

In all of the organisations, flexibility was not offered as a matter of policy as part of a move to encourage extended working lives. None of the organisations were monitoring requests for consideration of flexible working patterns by age. In Transport for example, part-time roles were not offered in driver roles, although there were a few ticketing roles where it was available. Job share trials have been offered after some pressure; however, some participants saw that there was an element of elitism within this practice in that more senior older workers would usually get better deals through informal agreements. There were examples of work groups themselves organising flexibility with drivers swapping shifts to suit other needs such as child care or just out of preference for either working “earlies” or “lates”.

Gendered work patterns during working life feed through into individuals’ aspirations and opportunities for extending working lives. Women are often working part time already and therefore the idea of phased retirement, though potentially available through a further reduction in hours, is less meaningful or financially feasible.

## **Ageism**

Age discrimination legislation was widely known about and applauded; relatively few examples of direct discrimination were recounted. In transport, there was recruitment of older people who had been in different organisations and therefore training was offered to these workers, equally to younger people. Furthermore, within the working culture there was a positive view of older workers and good intergenerational relations. For example, younger people respected the knowledge of older workers and were happy to exchange tasks that older workers would find difficult due to age. Although positive management practices were occurring, such as employing older workers, this was not followed by increasing flexibility within the roles.

Whilst there was little sense of overt discrimination based on age; there were examples of ‘lookism’ where older women felt visibly under scrutiny because of their age and many employees had internalised ageism and felt themselves “too old” for training or advancement.

In line with the sense of insecurity created by the restructuring process in Local Government some workers felt that they were discriminated against based on age, that there was an implied preference for younger workers (since plans to continue to reduce the workforce and offer voluntary early retirement meant that older people formed a decreasing section of staff), and that they were not given equal access to training.

***“I think you do get the same opportunities because, yes, you do. Anyway, with the manager that I’ve got she’s always asking us if we want to do this training or go on that course. I think so anyway. But I think I’ve reached an age now where I’m not--, I’ve, you know, I can do my job. I mean it’s nice to freshen, you know, freshen ideas and go on courses but a lot of them I just think are not for me anymore, no. If I wanted to climb the tree, maybe, you know, go onto the next step as assistant manager or manager, yes. But no, I don’t”. (Hospitality employee)***

There was a strongly expressed view from many employees across all of the organisations that staying on as an older worker might effectively be job blocking for younger generations. The importance of this is that in the face of redundancies or restructuring, older workers may feel that it is their duty to step down and make way for younger people.

***“I think everybody should retire at like 60 or 65 because how about these poor youngsters that can’t get the jobs? And I would rather see my children have a job than me, you know, ‘cause they’re just starting out, they need the jobs”. (Hospitality employee)***

***“...but there is an imbalance because older people staying at work longer are taking up jobs that younger people could or should be doing and want to do and need to do”. (Transport employee)***

***“I think they should have put the men down to 60 and give the opportunity of younger people having a job, instead of keeping the older people”. (Local Government employee)***

## **Implications for policy**

Whilst the experiences and opportunities for employees in the organisations differed from sector to sector, especially with regard to their pension positions, there were many similarities in how organisations were responding to ageing workforces and how people felt about extending their



working lives. All the organisations had retreated to an extent from managing retirement. A fear of age discrimination claims was not helping them to manage succession, workforce planning or skills issues. It was also not helping older employees to think about and weigh up their retirement options. Flexible working opportunities, though much talked about in policy circles as a potential benefit for older workers, were not widely offered and for some were simply not feasible because of the need to carry on earning as much as possible.

There was not much appetite for extending working lives, many still saw 65 as the pivotal moment: hopefully you would be able to go earlier, if not you might have to work to 65 or to your new SPA. The impact of raising SPAs is having contrasting effects on different groups within the labour market. Some middle-income earners were being nudged into considering staying on in their organisation beyond 65 if it was possible: they were open to persuasion. Lower-income groups, especially those without significant occupational pensions, were anxious about their ability to stay in work longer (often because of health and work strain) although financially they needed to do so. This is particularly the case for women, many of whom are resentful of having to work well beyond their originally anticipated SPA.

SECTION 5:

---

# **POLICY RECOMMENDATIONS**

Based on the conclusions of the researchers from their empirical studies and drawing from the wider body of literature and evidence regarding extending working lives, this section provides clear policy recommendations for both government and employees, designed to encourage extension of working life through enhancing the work experience of older adults, improving their skills, and ensuring that help is provided to the most vulnerable members of society at risk of unemployment and illness in later life.

### For employers:

- The research flagged up evidence of continued weak practice with regard to older workers. A cultural change is needed in the following areas:
  - Employers must discuss **retirement plans** with their employees well in advance of SPA. There were numerous examples given where employers had not discussed their employees' future plans in this regard and what they could do to support their changing needs.
  - There is a need for **better training and support for line management**: that is for those directly managing older workers and getting requests for flexible work.
  - Redeployment of older employees should be handled with care, and **appropriate training should be given to older workers** to help smooth their transition into a new role.
  - **Opportunities to work flexibly need to be better communicated** and greater creativity is needed when thinking about shift patterns and part-time work. Just because a job has traditionally been full-time does not automatically mean that it has to continue to be restricted to this pattern. Central to this is the introduction of new models of flexible working that allow for a phased or tapered transition to retirement, coupled with an active process of engagement between employers and employees around retirement planning.
  - **Work should be about more than just money.** If individuals only work for the money, then reaching SPA will continue to act as a cliff edge. Enjoyment and self-fulfilment need to be prioritised as much more important aspects of working than is currently the case.
  - While the introduction and support of **Mid-Life Career Reviews** is a good move, more regular engagement regarding life and career is needed including perhaps a **“pre-retirement check-up”** which would occur closer to SPA.
  - Employers and occupational health professionals need to be aware of the challenges facing those who have experienced **episodes of psychological distress or abuse** (including in childhood). They are more likely to leave the workforce early and require due care and support from the employer.

### How can we incentivise cultural change amongst employers?

- Employers need to be made aware of the **costs to business of staff turnover** – especially in those industries that are particularly reliant on older workers. The mineral extraction sector, for instance, has one of the oldest workforces yet the research revealed weak practices in relation to supporting the needs of older workers. Some industries will need to adapt now to their demographic realities or die. In this context, **a national awareness campaign** to prompt reactions amongst at-risk companies is needed.
- We must be better at **spotting and commending good employment practices**. This might, for instance, mean the Sunday Times 100 Best Company Guide explicitly including metrics around older workers practices or developing a certification system whereby companies meeting certain standards would be recognised as “older employment champions”.

### For government:

- Government should explore options for **flexible withdrawal of state pension**. The research revealed that some people simply cannot afford to take phased retirement and therefore are working long hours despite requiring greater flexibility due to ill health or caring responsibilities. They may therefore benefit from having partial access to their state pension earlier.
- Women and men's' work histories and experiences have often been different and therefore their aspirations and choices around extending working life are likely to vary also. **A de-gendered or gender blind approach to policy is therefore likely to miss women's needs.**

- The Conservative Party Manifesto pledged to support carers by offering them 12 months' unpaid leave. We need to go further and move towards a form of **Statutory Carers Leave** as was set out by the Cridland Review. In the short term, this means providing at least 5 days paid leave to deal with care emergencies – this measure should be brought in immediately.
- As previously proposed by ILC-UK and BITC, there is a need to implement **a cross-government national skills strategy for older workers**, including apprenticeships, IT skills training and adult learning support as well as the expansion of the Mid-Life Career Review.
- For those who are out of work in older age, the job centre is not necessarily the first point of call to getting back to work. Innovative approaches to increasing the employment of out of work older people in East Asian countries has involved the creation of **“Human resource or jobs banks”** specifically for older people and **community hubs** where older people can exchange experiences and undertake free skills training. The UK government would do well to explore these approaches in more detail<sup>23</sup>.
- It is pleasing the Government have taken on improving mental health services as a key policy goal. Ministers and policymakers should be aware that **early intervention is important in supporting healthy lives** over the long run, including better labour market outcomes for the individuals affected.

---

<sup>23</sup>[https://lkyspp.nus.edu.sg/wp-content/uploads/2013/06/Faizal\\_Misconceptions-about-Older-Workers.pdf](https://lkyspp.nus.edu.sg/wp-content/uploads/2013/06/Faizal_Misconceptions-about-Older-Workers.pdf)

# CONCLUSION

Demographic change has compelled us to change attitudes to work in later life. Extending working lives is now actively encouraged. The Uncertain Futures research consortium has produced new evidence to shed light on the various factors which influence labour force activity in later life.

A critical finding, highlighted in this report, is that access to flexible working opportunities for those approaching retirement has been exaggerated. Many simply cannot afford to work part time, while new evidence on retirement transitions in England and the USA, shows that relatively few work 'late' that is beyond SPA, as a result of moving into part-time work or self-employment. While the concept of "bridge" employment has become fashionable in policy circles, it is often used in a loose way and it is important to be clear what we are talking about.

It is also apparent from the Consortium's research that more needs to be done to support individuals throughout the life course. The research has shown that poor psychological health and adverse events, even as far back as childhood, can have a profound impact on the ability of older adults to extend their working life. Furthermore, it is apparent from the research that the level of flexible working conditions offered in the workplace is paramount to longer working lives.

Poor psychological health throughout the life course is recognised as being a major indicator regarding the likelihood of early labour market withdrawal. Importantly, the researchers identify that those who report mental health problems are more likely to be homemakers rather than employed, a previously overlooked link, and one that makes us aware that this group may be particularly vulnerable to mental health problems and require support.

Adversity in childhood and traumatic events are also an indicator of whether individuals will withdraw from the labour force early, again highlighting the need to provide support to this group to help stimulate longer working lives.

It was also found that activities in later life – caring, employment or volunteering – do not serve as substitutes for one another, or encourage uptake of activities simultaneously. Instead researchers found there was a complementary relationship between part-time work and volunteering.

In addition to the quantitative research, a series of qualitative case studies were conducted with employers, human resource teams, and employees across transport, mineral extraction, hospitality, manufacturing and engineering and local government sectors.

Issues such as financial insecurity, weak management practices and health fears guided the decisions individuals tried to make regarding their future in the labour force. From this evidence, money is not the sole solution to the issue of extending working life.

Our policy recommendations draw from this body of evidence produced by the Uncertain Futures research consortium. Ensuring that employers are doing more to engage, train and provide opportunities for their older workers will be essential to extending working life. Also, it is vital that organisations understand how to talk to their employees about retirement.

In addition, targeted government interventions will be required to promote good physical and mental health throughout the life course, and they should recognise those who are particularly vulnerable to early withdrawal from the labour market and may need additional support.

Thanks to the new evidence outlined in this policy report, what must be done to help stimulate longer working lives is made clearer.



**ILC-UK**

11 Tufton Street

London

SW1P 3QB

Tel : +44 (0) 20 7340 0440

**[www.ilcuk.org.uk](http://www.ilcuk.org.uk)**

Published in November 2017 © ILC-UK 2017

Registered Charity Number: 1080496.

