Labour Market Transitions

Gemma Tetlow
Institute for Fiscal Studies
Overall changes in employment

- Changes in employment rates
  - 2002/03: 70.6% of men and 69.3% of women aged 50-SPA were in paid work
  - 2004/05: 62.6% of men and 62.2% of women in paid work

- 14.3% of those in paid work stop working
- 8.0% of those not in paid work start working
Labour market exits

<table>
<thead>
<tr>
<th>Age Band</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>50-54</td>
<td>8.1%</td>
<td>7.1%</td>
</tr>
<tr>
<td>55-59</td>
<td>22.2%</td>
<td>14.3%</td>
</tr>
<tr>
<td>60-64</td>
<td>37.8%</td>
<td>32.7%</td>
</tr>
<tr>
<td>65+</td>
<td>44.8%</td>
<td>45.2%</td>
</tr>
</tbody>
</table>

Percentage for 2002–03 age band and sex.
Reported main activity of ‘exitors’

2002–03 age band and sex

Percentage

Retired
Looking after home/family
Unemployed
Permanently sick/disabled
Other non-retired

Men
50-54
55-59
60-64
65+

Women
50-54
55-59
60-64
65+

English Longitudinal Study of Ageing
Reported main activity of ‘exitors’

<table>
<thead>
<tr>
<th>2002-03 Age Band and Sex</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Retired</td>
</tr>
<tr>
<td>Men</td>
<td></td>
</tr>
<tr>
<td>50-54</td>
<td></td>
</tr>
<tr>
<td>55-59</td>
<td></td>
</tr>
<tr>
<td>60-64</td>
<td></td>
</tr>
<tr>
<td>65+</td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td></td>
</tr>
<tr>
<td>50-54</td>
<td></td>
</tr>
<tr>
<td>55-59</td>
<td></td>
</tr>
<tr>
<td>60-64</td>
<td></td>
</tr>
<tr>
<td>65+</td>
<td></td>
</tr>
</tbody>
</table>

**ELSA**

English Longitudinal Study of Ageing
Who works and who retires?

- Wealth
- Pension type
- Health
Who works and who retires?

- Wealth
  - Exits least common and entrances most common amongst middle wealth group
- Pension type
- Health
Labour market exits by wealth

Note: Those aged 50–54 in wave 1 only
Labour market entrances by wealth

Note: Those aged 50–54 in wave 1 only
Who works and who retires?

- **Wealth**

- **Pension type**
  - Full time workers with DB pensions are more likely to stop working than full time workers with DC pensions
  - Amongst full time workers who leave full time work, members of DC pensions twice as likely to work part time (rather than stop work altogether) as members of DB pensions

- **Health**
Who works and who retires?

- Wealth
- Pension type

- Health
  - Those in fair/poor health more likely to stop working and less likely to return to work
Labour market exits by health

Note: Those aged 50–SPA in wave 1 only
Labour market entrances by health

Note: Those aged 50–SPA in wave 1 only
Employment and work practices

- Work-related disabilities
  - Wealthier much less likely to report having work-related disability
  - Over half of those out of work before the SPA report having a work-related disability
Work-related disability by wealth

Note: Those aged 52–SPA in wave 2 only
Employment and work practices

- Work-related disabilities
  - Wealthier much less likely to report having work-related disability
  - Over half of those out of work before the SPA report having a work-related disability

- Few will benefit from new anti-age discrimination legislation
  - Only 7.5% of 52-59 year old employees face CRA <65
  - Of these, only 38.3% feel constrained by this
Summary

- **Wealth and retirement**
  - Middle wealth group have lowest chance of leaving work and highest chance of returning to work
- **Health and retirement**
  - Those in poor health much more likely to leave work and much less likely to return to work
- **Work-related disabilities**
  - Half of men and a third of women within 5 years of SPA already out of work
  - Of these, half report having a work-related disability
Labour Market Transitions

Gemma Tetlow
Institute for Fiscal Studies
Labour market entrances

<table>
<thead>
<tr>
<th>2002–03 age band and sex</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td></td>
</tr>
<tr>
<td>50-54</td>
<td>8.6%</td>
</tr>
<tr>
<td>55-59</td>
<td>11.3%</td>
</tr>
<tr>
<td>60-64</td>
<td>5.2%</td>
</tr>
<tr>
<td>65+</td>
<td>1.3%</td>
</tr>
<tr>
<td>Women</td>
<td></td>
</tr>
<tr>
<td>50-54</td>
<td>11.7%</td>
</tr>
<tr>
<td>55-59</td>
<td>6.2%</td>
</tr>
<tr>
<td>60-64</td>
<td>3.6%</td>
</tr>
<tr>
<td>65+</td>
<td>0.7%</td>
</tr>
</tbody>
</table>