

## 2. Employment, retirement and pensions

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The analysis in this chapter shows that:

- Employment between the ages of 55 and 69 has been increasing in recent years. Later cohorts have higher employment rates than their predecessors.
  - The increases have generally been largest for those with mid and high levels of education. A greater proportion of the increase seems to have come from increases in part-time working than from increases in full-time working.
- Working past the state pension age is significantly more prevalent in later cohorts, even after controlling for other observable characteristics.
  - Those with high levels of education, those who are in good health and those whose partner is working (if applicable) are significantly more likely to be in work after their state pension age.
- The proportion of individuals aged between 55 and 69 who are not in employment has decreased and the distribution of their self-reported activity has changed over time.
  - Among women, there has been a decline in the proportion reporting looking after their home or family and an increase in the proportion reporting being retired.
  - Among men, the decline in inactivity seems largely to reflect a decline in the proportion reporting themselves to be sick or disabled.
- There has been a decline in the prevalence of work disability among men between 2004–05 and 2008–09 and an increase in the propensity to work for men with a work disability.
  - Work disability is more prevalent among individuals with lower levels of education, those with lower wealth and older people.
  - The likelihood of being in paid work among those with a disability decreases with age and is lowest in the lowest wealth quintile.
- Later cohorts have higher expectations of being in work in future than their predecessors. The increases are larger for some groups than others – notably, they are larger for women in good health and among people aged 55 and over who are currently in work.
  - Not everyone who expects to be in work at a future age expects to be working full-time. If expectations in 2008–09 of future full-time working were borne out, this would result in an increase in full-time employment rates, particularly for women.

- Knowledge of the change to the female state pension age from 60 to 65 (which began in April 2010) remains low among those women who will be affected, although there is some evidence of improving knowledge between 2006–07 and 2008–09.

## 2.1 Introduction

With life expectancies increasing and the size of the pensioner population projected to grow rapidly over the next few decades,<sup>1</sup> government spending on older people is forecast to rise significantly.<sup>2</sup> One of the key margins on which individual behaviour could adjust to reduce this cost would be for individuals to work longer.

A huge variety of factors affect individuals' attitudes to working, whether or not they choose to work or are able to work at older ages and, if they are not working, what they are doing instead. If policymakers wish to increase workforce participation, the appropriate policy prescription could vary enormously for different groups of people depending on why they are not currently working. ELSA provides a rich source of information on various aspects of individuals' circumstances that could impact on their labour force participation decision – such as qualifications, previous employment, financial resources, health, disability, family circumstances and expectations of the future. Furthermore, ELSA allows us to follow people over time to look at when and how they change their employment patterns as they age and how employment patterns change between cohorts. This chapter provides some initial analysis of patterns of employment (and inactivity) across the first four waves of ELSA. It is important to note that the data collection period for wave 4 in 2008–09 coincided with a period of economic downturn, which will have affected the distributions of many of the measures collected. This is discussed further below. However, the analysis presented here is far from exhaustive and further evidence from, for example, the ELSA life-history interviews or the linked administrative data could be used to produce an even richer picture of later-life work outcomes.<sup>3</sup>

Section 2.2 describes the analytical methods used in this chapter. Section 2.3 presents evidence from ELSA on how cross-sectional employment rates amongst those aged 50 and over in 2008–09 compare with what was observed amongst those who were aged 50 and over in 2002–03, and whether any difference still exists once other individual characteristics have been controlled

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<sup>1</sup>See, for example, Office for National Statistics (2009).

<sup>2</sup>Department for Work and Pensions, *Pensioner Benefit Expenditure Projections*, <http://research.dwp.gov.uk/asd/asd4/LT3.xls>.

<sup>3</sup>ELSA respondents have been asked for permission to link to their National Insurance (NI) records and Department for Work and Pensions (DWP) benefit records. The link to NI records, for those who gave permission, has now been completed. These data contain a wealth of information on individual earnings and employment histories since 1975 and more limited information on employment between 1948 and 1974. Researchers wishing to make use of these data should apply to the ELSA Linked Data Access Committee for permission.

for.<sup>4</sup> Section 2.4 conducts a similar exercise for rates of labour market inactivity and, in particular, self-reported retirement. One form of non-work activity that is particularly prevalent among individuals in their fifties and sixties is reported disability. Therefore Section 2.5 examines the prevalence of work disability and the factors associated with it.

Section 2.6 looks at the transitions of older individuals out of the full-time labour market, and whether or not individuals ‘phase’ their withdrawal through a period of part-time work, while Section 2.7 presents evidence of individuals’ expectations of working, and of working full-time, in the future.

An important factor affecting many individuals’ decisions of whether or not to continue working is the state pension – crucially, at what age it can be claimed and how much it will be worth. This is one area where policy has been changed in a way that will affect the cohort of individuals who were aged over 50 in 2008–09. In particular, questions were included in the 2008–09 ELSA survey to examine knowledge of the change in the state pension age (SPA) for women, which is being increased from 60 to 65 between 2010 and 2020, and the rules surrounding deferral of state pension income, which were made more generous in 2005. Section 2.8 investigates how much women know about their own SPA, while Section 2.9 takes a first look at the data available in ELSA on the take-up of the option to defer claiming the state pension. Section 2.10 draws some conclusions.

The policy environment is constantly changing and some policies that were implemented by previous governments and in place at the time of the fieldwork in 2008–09 are under review by the new coalition government. All the evidence presented here should be interpreted in the context of the policies in place (and the ongoing debate about further policy reforms) at the time the survey was conducted.

## **2.2 Methods**

### **2.2.1 Sample**

The complete ELSA sample consists of people from three different cohorts: (a) the original ELSA sample that was drawn in 2002–03 and consisted of people then aged 50 or older; (b) the refreshment sample that was added to ELSA in 2006–07 and consisted of people then aged 50 to 53 years; and (c) a new sample that was added to ELSA in 2008–09 and comprised people aged 50 to 75 years. The analyses presented in this chapter use all core members from each of the sample cohorts<sup>5</sup> for whom the relevant information (for example, responses to particular questions within a given wave, or responses to the same sets of questions in successive waves) was available. The samples used in regression analysis are clearly stated in the notes to each table. Since there has been some attrition from the study, the numbers in the longitudinal

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<sup>4</sup>We present here figures for all types of employment, without separately presenting figures for rates of self-employment. Self-employment at older ages, and the part it may play in allowing a phased retirement, is undoubtedly an interesting topic, but it is one that we do not attempt to address here.

<sup>5</sup>‘Core members’ are defined in Chapter 10.

analysis are smaller than those in the cross-sectional samples. A weighting factor to correct for non-response is used in all the analysis.

## **2.2.2 Outcomes of interest and classificatory measures**

### ***Working and not working***

We define individuals as working if they reported, when interviewed, having been engaged in any paid employment or self-employment in the last month.

We define individuals as ‘inactive’ if they reported that they have not engaged in any form of employment or self-employment in the month prior to interview. In other words, we include both those individuals normally defined as economically inactive and those who are unemployed.

### ***Full-time and part-time work***

We define full-time work as working 35 hours or more per week, while part-time is defined as working less than 35 hours a week. This definition is used in order to be consistent with the questions asked in ELSA about expectations of future work patterns, which are analysed in Section 2.7. These questions ask respondents what the chances are that they will be working at all after a particular age and what the chances are that they will be working at least 35 hours a week at this point.

### ***Categories of inactivity***

Those individuals who reported not having done any paid work in the month prior to interview are further subdivided into groups based on the individual’s response to a question about their current activity. We look specifically at four groups: unemployed, retired, looking after home or family, and permanently sick or disabled. We also include in the ‘retired’ category those individuals who defined themselves as ‘semi-retired’. The small residual group is those who reported some other form of activity when asked – for example, being ‘employed’ or ‘self-employed’ (despite not having done any paid work in the past month) or some other self-defined category.

### ***Work disability***

In Section 2.5, we define as ‘work disabled’ (or as ‘having a work disability’) those individuals who responded in the affirmative when asked: ‘Do you have any health problem or disability that limits the kind or amount of paid work you could do, should you want to?’. This question was asked both of ELSA respondents who were working and of those who were not working in 2004–05, 2006–07 and 2008–09.

### ***Marital status***

Some of the analysis in this chapter exploits information about respondents’ current and previous marital status. In particular, individuals are divided into three groups: those who are currently single (i.e. not cohabiting) and have never been married (or in a civil partnership); those who are currently married, in a civil partnership or cohabiting; and those who are currently single (i.e. not cohabiting) but were previously married or in a civil partnership (that is, they are now separated, divorced or widowed, or their civil partnership has been

dissolved). These groups are referred to in the tables of regression results as ‘single, never married’, ‘couple’ and ‘previously married’, respectively.

### ***Education***

Education level is defined using the self-reported age of first leaving full-time education. Individuals are grouped into three categories: those who left at or before the compulsory school-leaving (CSL) age that applied in the UK to their cohort (referred to in this chapter as ‘low’ education), those leaving school after CSL age but before age 19 (referred to as ‘mid’ education) and those leaving at or after age 19 (referred to as ‘high’ education). Those who did not know or refused to report the age at which they left full-time education are classified as low education; those who reported still being in full-time education are excluded from all analysis in this chapter where education is used.

### ***Wealth***

The measure of wealth used throughout this chapter is benefit unit net non-pension wealth. This includes all wealth held by an individual (and, where applicable, their partner) in financial assets, property, other physical assets and the assets of any business they own. It is measured net of any outstanding secured or unsecured debts, including mortgages. This measure of wealth excludes wealth held in private pensions or implicit in state pension entitlements. The wealth quintiles for each wave used in this chapter are calculated by dividing respondents to ELSA into five groups, from the lowest wealth to the highest wealth – no attempt is made to equalise wealth for the number of individuals in the benefit unit when defining the quintiles. Further detail is provided in the ELSA Financial Derived Variables User Guide.<sup>6</sup>

### ***Housing tenure***

The housing tenure of the benefit unit (i.e. single person or couple, as applicable) is defined as ‘renter’ if the benefit unit rents its accommodation or lives rent-free in a property it does not own, ‘mortgage’ if the benefit unit has a mortgage outstanding on its main residence, and ‘own outright’ if the benefit unit lives in a property that it owns without a mortgage.

### ***Private pension status***

The private pension indicators used throughout this chapter show whether individuals have a private pension of any type – that is, one to which they currently contribute, one to which they do not contribute but from which they are not yet drawing an income, or one from which they are already receiving an income. We further distinguish between whether these pensions are defined benefit (DB) or defined contribution (DC). Due to the nature of the questions asked, for 2002–03 and 2004–05 we do not have full information about the split between DB and DC for some past pensions; where information was not available, these pensions have been classified as ‘other’.

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<sup>6</sup>Available at <http://www.ifs.org.uk/elsa/documentation.php>.

### ***Receipt of disability-related benefits***

Section 2.5 presents some analysis of the number of individuals receiving disability-related state benefits. A variety of disability-related benefits are available in the UK. In particular, respondents to ELSA were asked about receipt of Incapacity Benefit (IB),<sup>7</sup> Severe Disablement Allowance, Statutory Sick Pay, Attendance Allowance, Disability Living Allowance, Industrial Injuries Disablement Benefit and War Disablement Pension. Respondents are classified as receiving a disability-related benefit if they reported having received any of the aforementioned benefits in the last year. IB was only available to those aged under the SPA; the other benefits are open to everyone who meets certain health (and, in some cases, income) criteria.

### ***Health: long-standing illness***

The first measure of health used in this chapter is whether or not individuals reported having a long-standing illness or disability ('long-standing illness'), and whether or not individuals reported having a long-standing illness or disability that limited their activities in some way ('limiting long-standing illness').

### ***Health: self-reported general health***

The second measure of health used in this chapter is self-reported general health status. In 2002–03, 2004–05 and 2008–09, respondents were asked how their health was on a five-point scale: excellent, very good, good, fair or poor. In the analysis in Section 2.7, we split respondents into two broad groups: those who reported excellent, very good or good health, and those who reported fair or poor health.

### ***Region***

The regional indicators used throughout this chapter divide England into nine regions: North East, North West, Yorkshire and the Humber, East Midlands, West Midlands, East of England, London, South East, and South West.<sup>8</sup> The small number of households in the ELSA sample who live outside England (in either Scotland or Wales) are excluded from the analyses in this chapter where region is used.

## **2.2.3 Analysis**

This chapter presents three types of analysis: (a) comparing the cross-sectional distributions of outcomes of interest in some or all of the four waves of ELSA; (b) looking at changes in behaviour between two consecutive waves of the survey; and (c) looking at longer-term patterns of changes across up to four waves of the survey.

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<sup>7</sup>Incapacity Benefit was replaced by Employment Support Allowance (ESA) in October 2008, during the ELSA wave 4 fieldwork period.

<sup>8</sup>For a map of the nine English regions, see <http://www.statistics.gov.uk/hub/regional-statistics/england/index.html>.



### ***Cross-sectional analysis***

The majority of the analysis presented in this chapter compares the cross-sectional distributions of various outcomes of interest (such as current employment, expectations of future employment, having a health condition that limits one's ability to work, and knowledge of policy changes) in some or all of the survey years (2002–03, 2004–05, 2006–07 and 2008–09). Groups are defined in each wave based on their characteristics at the time of interview.

The aim of these cross-sectional comparisons is to explore whether there have been any time or cohort effects on the behaviour or expectations of middle-aged and older people in England. There are a number of reasons to expect that there would be such differences. For example, later cohorts of women have had (on average) greater labour market attachment during their lifetimes and so we might expect their employment at older ages to be different from that of earlier cohorts of women who had lower labour market attachment (i.e. a cohort effect). Also, the recession of 2008 and 2009 may have had an effect on employment rates across all age groups (i.e. a time effect). As with all analysis of this type, we cannot – without further assumptions – identify from the data whether differences between the employment patterns of individuals of a particular age at different points in time are due to cohort effects or to time effects.

We present both univariate and multivariate cross-sectional analysis. The multivariate analysis in Sections 2.3.2, 2.4.2, 2.5.2, 2.6.2, 2.6.3 and 2.8.2 estimates logistic regressions of dichotomous outcomes on various observed characteristics, using pooled cross-sections; the standard errors are estimated allowing for correlation at the individual level to account for the fact that many individuals are observed in more than one wave of data. The same reference group is chosen for each regression and is based on those characteristics that are most prevalent in the whole sample. The exceptions are: wealth quintile, where the middle quintile is used as the reference group; sex and age, where the reference group chosen depends on the analysis being conducted; and marital status, where 'single, never married' is used as the reference group as we want to highlight in our analysis the additional association of various outcomes with specific characteristics of a partner (such as having a partner who is working). The reference group is indicated in each of the relevant tables.

### ***Using the panel: changes in employment status between consecutive waves***

In parallel with this cross-sectional analysis, Section 2.6 presents analysis of changes in employment status between consecutive waves of data (i.e. 2002–03 to 2004–05, 2004–05 to 2006–07 and 2006–07 to 2008–09) and Section 2.8 presents evidence on how knowledge of changes to the female SPA changed between 2006–07 and 2008–09 for individual women who were interviewed in both waves. The aim in Section 2.6 is to examine the baseline characteristics associated with different patterns of subsequent withdrawal from paid work. Characteristics are defined on the basis of observed characteristics in the period before the transition – for example, age in 2006–07 if we are examining change in employment between 2006–07 and 2008–09.

***Using the panel: changes in reported work disablement over a six-year period***

Finally, Section 2.5.3 uses the subsample of people who were interviewed in each of waves 2 to 4, i.e. in 2004–05, 2006–07 and 2008–09. Individuals are classified into groups based on their responses in three consecutive waves of interview to a question about whether they had any health problem or disability that limited the kind or amount of work they could do. The aim is to examine how common it is to answer differently to this question in consecutive waves of the survey.

Throughout this chapter, F-tests and Wald tests have been used to assess the statistical significance of the observed differences. Where regression results are presented in the chapter, statistical significance at the 0.1%, 1% and 5% levels is indicated by ‡, † and \*, respectively. Differences referred to in the text are all significant at no less than the 5% level. All results are weighted for non-response. The weighting strategy is discussed in Chapter 10. The detailed data underlying the figures presented here, plus further descriptive statistics, are available in the appendix to this chapter.

## **2.3 Employment among older individuals**

Employment rates of men aged 50 and over fell significantly between the 1970s and the mid-1990s; since then, employment rates of older men have started to increase but they remain below the levels seen in the 1970s, despite the fact that life expectancies have increased, on average health has improved and jobs are now generally less physically demanding than they were in the 1970s.<sup>9</sup>

Section 2.3.1 describes the employment rates of individuals aged 50 and over in 2008–09, and compares these with the employment rates observed in 2002–03. We show that employment rates increased between 2002–03 and 2008–09 in ELSA, in common with the findings from other surveys (such as the Labour Force Survey). Employment differences by various individual characteristics are considered, and a distinction is made between employment in full-time and part-time work. Section 2.3.2 then goes on to consider the characteristics that are associated with individuals working beyond their SPA and whether there has been a statistically significant increase in the probability of working after SPA between 2002–03 and 2008–09 once we control for a number of other observed differences in characteristics.

### **2.3.1 Cohort differences in employment**

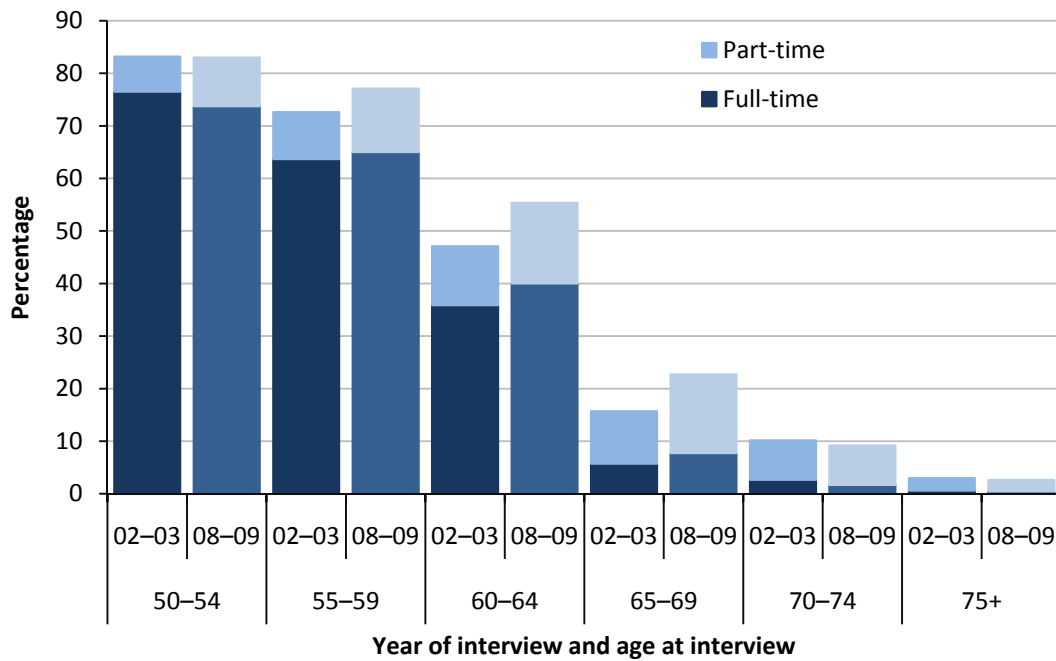
Comparing employment rates among individuals with a certain characteristic (such as age, education or region of residence) in 2002–03 with employment rates among individuals with the same characteristic in 2008–09 allows us to examine whether there are any differences in employment rates across cohorts

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<sup>9</sup>Employment rates since the 1970s come from the Labour Force Survey.

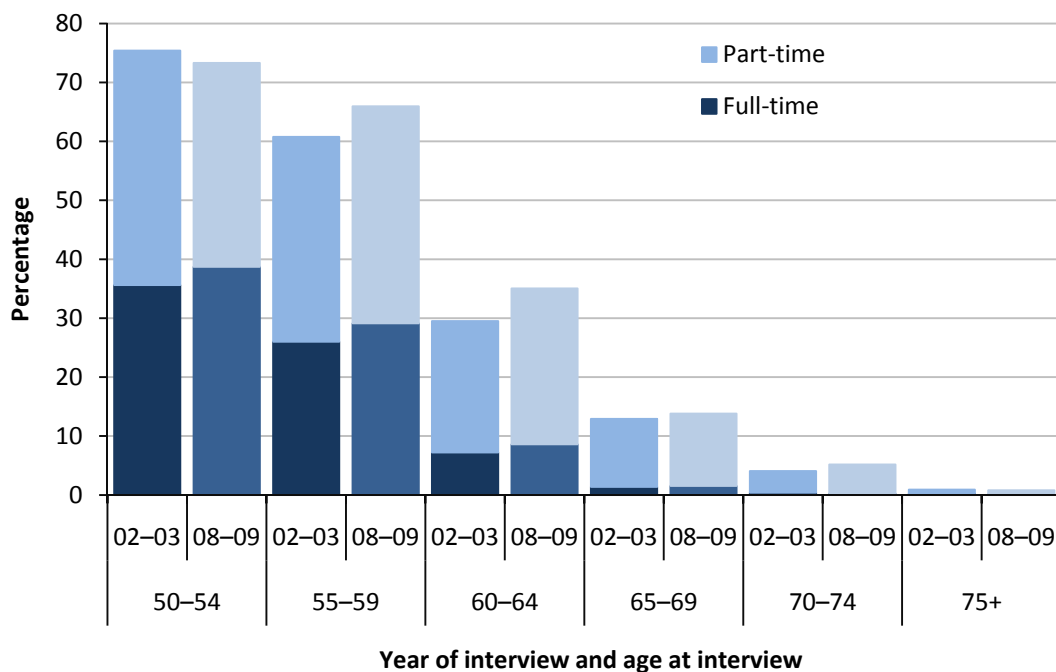


**Figure 2.1. Employment rates among men (full-time and part-time) by age, 2002–03 and 2008–09**



Notes: Excludes individuals who did not report their hours of work. Underlying statistics and sample sizes are shown in Table 2A.1.

**Figure 2.2. Employment rates among women (full-time and part-time) by age, 2002–03 and 2008–09**



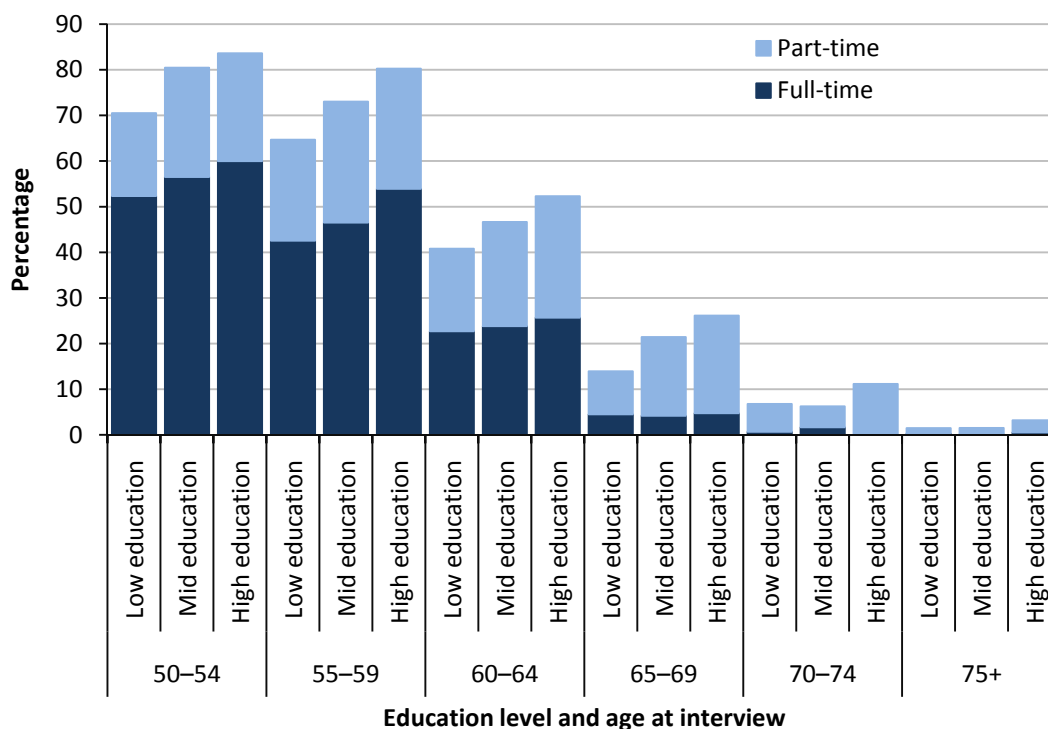
Notes: Excludes individuals who did not report their hours of work. Underlying statistics and sample sizes are shown in Table 2A.1.

born at different points in time. The 2002–03 and 2008–09 ELSA data suggest that there has been an increase in employment rates among older individuals in recent years. Figures 2.1 and 2.2 compare employment rates for men and women (respectively) in 2002–03 and 2008–09; the data underlying these figures are shown in Table 2A.1. While employment rates of individuals aged 50–54 and over 70 changed little over this six-year period, there was a statistically significant increase in employment rates among individuals aged between 55 and 69. The increase in employment was larger in most age groups for men than for women; the exception is for the 55–59 age group, for whom the increase in employment rates was slightly larger for women.

Rates of both full-time and part-time work increased for both men and women aged between 55 and 69 between 2002–03 and 2008–09. However, the percentage point increase in part-time working was generally larger than the percentage point increase in full-time working. For example, Figure 2.1 shows that, while the full-time employment rate for men aged 55–59 increased from 63.6% in 2002–03 to 65.0% in 2008–09 (i.e. an increase of 1.4 percentage points), the part-time employment rate increased by 3.1 percentage points.

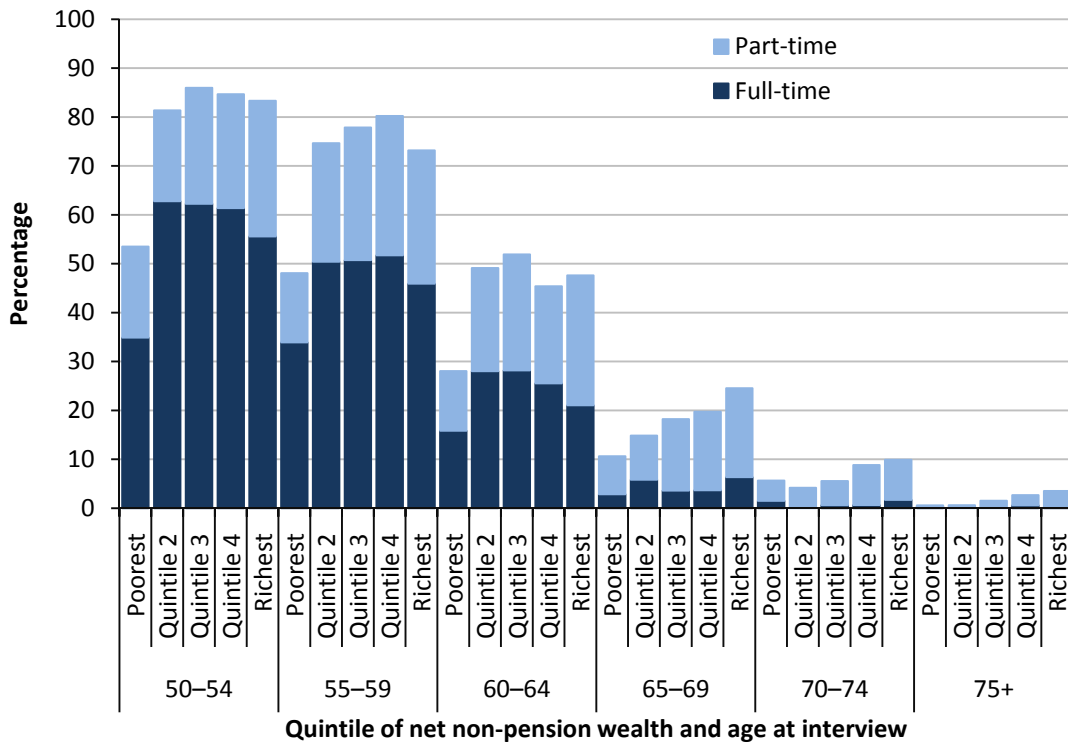
Table 2A.2 shows employment in full-time and part-time work in 2002–03 and 2008–09 by age and education. Figure 2.3 shows the full-time and part-time employment rates in 2008–09 of individuals with a particular level of education at each age. Within each of the two cohorts, employment rates are higher among individuals with higher levels of education.

**Figure 2.3. Employment rates (full-time and part-time) by education level and age, 2008–09**



Notes: Excludes individuals who did not report their hours of work or who reported still being in full-time education at the time of interview. Underlying statistics and sample sizes are shown in Table 2A.2.

**Figure 2.4. Employment rates (full-time and part-time): by wealth quintile and age, 2008–09**



Notes: Excludes individuals who did not report their hours of work or for whom it was not possible to calculate a comprehensive measure of wealth. Underlying statistics and sample sizes are shown in Table 2A.3.

Figure 2.4 shows that, among those aged under 65, employment was highest in the middle wealth quintile and the second highest quintile, and lowest in the poorest wealth quintile. However, employment rates above age 65 were highest for those with the highest levels of wealth. These patterns were also true in 2002–03 (Table 2A.3). Looking at the changes in employment rates between 2002–03 and 2008–09, on average, the employment rates of individuals aged between 55 and 69 in all wealth quintiles increased over this period.

The level of employment at older ages also varied by region, as shown in Table 2A.4. Employment rates among men and women aged 50 and over were much lower in the North East and North West, for example, than they were in the East of England and the South East.<sup>10</sup> Furthermore, the overall increases in employment between 2002–03 and 2008–09 – shown in Figures 2.1 and 2.2 – did not arise from equal increases in employment in all regions. For example, employment among individuals aged 55 to 69 living in Yorkshire and the Humber was much higher in 2008–09 than in 2002–03, whilst employment in London and the East of England was only slightly (and not statistically significantly) higher in 2008–09 than in 2002–03.

<sup>10</sup>The patterns of employment by region among this older group are similar to those among all working-age adults, with the exception that the employment rates seen among older people in the North East and South West are lower relative to the England-wide average than among all working-age adults (Office for National Statistics, 2010).

### **2.3.2 Who works beyond the SPA?**

We typically observe a large fall in employment rates between individuals aged just below the SPA and those aged just over the SPA – this was shown (cross-sectionally) for 2002–03 and 2008–09 in Figures 2.1 and 2.2. There are likely to be a number of social and financial factors underlying this pattern. The SPA has been 60 for women and 65 for men since the end of the Second World War. It is, therefore, likely to provide a strong signal to individuals that this is the age at which to retire. Furthermore, many employers have also tended to encourage (or force) individuals to retire at around these ages.<sup>11</sup> At the SPA, individuals also (provided they have adequate contribution records) become eligible to receive a state pension income; individuals who are credit-constrained may not be able to afford to retire before they become eligible for their state pension income, even if they would like to. Many employer-provided pension schemes also have normal retirement ages of 60 or 65, which provide incentives to retire at these ages. This combination of social and financial factors provides strong incentives for individuals to quit work at this point.

This subsection looks specifically at employment among those aged over the SPA and below 75 (that is, women aged 60 to 74 and men aged 65 to 74) and at the characteristics that are associated with being more or less likely to still be working at these ages. We focus on individuals aged under 75 since employment rates drop off rapidly after age 75 (as was seen in Figures 2.1 and 2.2). Subsection 2.4.2 below examines the factors associated with being ‘retired’ before the SPA.

Knowing what characteristics are important is useful for assessing which policies may be effective at encouraging individuals to remain in work at older ages. The previous government had a stated objective of increasing employment among individuals aged 50 to 69 (i.e. not just among those aged under the SPA) and the new coalition government has said that it will review bringing forward the increase in the state pension age to 66, which is currently scheduled to happen from April 2024.<sup>12</sup>

Pooling the four waves of ELSA data collected so far allows us to exploit a large sample of observations of individuals older than the SPA in order to examine the characteristics associated with whether or not they choose to work. Table 2.1 presents the results from a logistic regression of the characteristics associated with working for individuals aged between the SPA and 74 in each of the waves of the ELSA data.<sup>13</sup> Indicators are included for

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<sup>11</sup>Prior to 2006, employers were allowed to discriminate on the basis of age – allowing them to force older workers out of their jobs – but since the Employment Equality (Age) Regulations 2006, employers have only been able to set mandatory retirement ages at or above age 65 (unless they can objectively justify a lower age). The ability of employers to require individuals aged 65 or over to retire has been highly controversial and HM Government (2010) states that the government will ‘phase out the default retirement age’.

<sup>12</sup>See Public Service Agreement (PSA) 17 (<http://www.dwp.gov.uk/policy/ageing-society/evaluating-progress/public-service-agreement-17>) and HM Government (2010).

<sup>13</sup>Standard errors are clustered at the individual level.

**Table 2.1. Multivariate analysis of factors associated with working beyond the SPA**

	Odds ratio	p-value
Men 65–69	reference	
Men 70–74	0.564‡	<0.001
Women 60–64	2.529†	0.010
Women 65–69	0.929	0.839
Women 70–74	0.363†	0.006
Single, never married	reference	
Previously married man	1.240	0.491
Previously married woman	1.453	0.136
Man in couple: partner under SPA and working	2.554*	0.012
Man in couple: partner under SPA and not working	0.718	0.433
Man in couple: partner over SPA and working	3.837‡	<0.001
Man in couple: partner over SPA and not working	0.628	0.182
Woman in couple: partner under SPA and working	1.637	0.124
Woman in couple: partner under SPA and not working	0.488	0.032
Woman in couple: partner over SPA and working	2.441†	0.007
Woman in couple: partner over SPA and not working	0.438	0.011
Low education	reference	
Mid education	1.151	0.093
High education	1.430†	0.003
Own outright	reference	
Mortgage	1.870‡	<0.001
Renter	1.447	0.063
Poorest wealth quintile	0.638*	0.024
Wealth quintile 2	0.868	0.159
Wealth quintile 3	reference	
Wealth quintile 4	1.001	0.990
Richest wealth quintile	0.965	0.723
No private pension	reference	
Private DB pension	1.117	0.269
Private DC pension	1.637‡	<0.001
Private ‘other’ pension	1.062	0.617
No long-standing illness	reference	
Long-standing illness (not limiting)	0.788‡	0.001
Long-standing illness (limiting)	0.336‡	<0.001
Partner has no long-standing illness	reference	
Partner has non-limiting long-standing illness	1.172	0.073
Partner has limiting long-standing illness	1.242*	0.020
North East	0.526‡	0.001
North West	0.638†	0.001
Yorkshire and the Humber	0.757	0.053
East Midlands	0.968	0.823
West Midlands	0.802	0.129
East of England	1.018	0.889
London	0.970	0.827
South East	reference	
South West	0.843	0.201
Wave 1 (2002–03)	reference	
Wave 2 (2004–05)	1.009	0.870
Wave 3 (2006–07)	1.033	0.629
Wave 4 (2008–09)	1.189*	0.011

Notes: See next page.

Notes to Table 2.1: Sample size = 13,542. Sample is all individuals aged between SPA and 74. The dependent variable equals 1 if the individual was in work. Where the individual's sex is referred to in the table, this is the sex of the respondent (rather than that of their partner). Standard errors are clustered at the individual level. \* indicates that an odds ratio is statistically significantly different from 1 at the 5% level († and ‡ indicate significance at the 1% and 0.1% levels, respectively).

which wave of the ELSA data an individual was observed in. The other variables controlled for in this analysis are indicators of age and sex, education, wealth quintiles, housing tenure, broad health status, private pension membership, partner's work status and health status (where applicable), whether the individual had previously had a partner and region of residence. (More detail on the definitions of the regressors used is provided in Section 2.2.)

Table 2.1 reports the odds ratio for being in work beyond the SPA, where the odds (or probability) of being in work are expressed relative to the odds for the reference group – the reference group is indicated in the table. An odds ratio of 1 indicates that the predicted probability of being in work is the same for the two groups in question. Odds ratios that are statistically significantly different from 1 at the 5%, 1% and 0.1% significance levels are indicated in Table 2.1 by \*, † and ‡ respectively. As an example, taking the figures in the second row of Table 2.1 tells us that men aged 70 to 74 were only 56.4% (or just over half) as likely to be in paid work as men aged 65 to 69, other things being equal; this odds ratio is statistically significantly different from 1 at the 0.1% level. The p-values are shown in the final column.

Women aged 60–64 are more likely to be in paid work than men or women aged 65–74, other things being equal. This group of women are more than twice as likely to be in employment as men aged 65–69. There is no statistically significant difference in the probability of working between men and women aged 65–69, after controlling for other differences. The likelihood of employment decreases with age for each sex, as would be expected.<sup>14</sup>

Education is highly correlated with the probability of being in work: high-education individuals are around 40% more likely to be in work than low-education individuals. Housing tenure is also important; those who still had an outstanding mortgage on their home were nearly twice as likely still to be working as those who owned their homes outright.<sup>15</sup>

Health seems to be significantly associated with employment outcomes after the SPA. Individuals who reported having a long-standing illness were much less likely to be in work, particularly if they considered their illness to be limiting, while individuals whose partner reported having a limiting long-standing illness were actually 24% more likely to be in work.

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<sup>14</sup>This decline in employment rates by age is statistically significant for both men and women.

<sup>15</sup>The odds for renters are not statistically significantly different from either those for owner-occupiers or those for mortgagees, once other differences are controlled for.



For couples, family work status also seems to be very important. Men and women in couples whose partners worked were more likely than singles to be working.<sup>16</sup>

The odds ratio on the indicator for an individual being observed in 2008–09 shows that (even after controlling for all these other characteristics) employment after the SPA was nearly 20 per cent higher in 2008–09 than in 2002–03.<sup>17</sup> There was, conversely, no statistically significant increase in post-SPA employment rates observed in 2004–05 or 2006–07.

## **2.4 Inactivity and retirement at older ages**

As described in Section 2.3.1, employment among older individuals declines with age – particularly around the SPA – but there has been a general increase in employment rates at older ages between the first and fourth waves of ELSA. However, those older individuals who are not in employment may not necessarily consider themselves to be retired and can be out of work for a variety of reasons. This section therefore examines patterns of ‘inactivity’ at older ages in ELSA and how these have changed over time. As described in Section 2.2, we define inactivity here as covering all those who are not currently in paid work.

The ELSA questionnaire allows individuals to self-report their economic status. Section 2.4.1 considers the proportion of individuals aged over 50 who are out of work and reporting each status, and how this proportion has changed between 2002–03 and 2008–09. Differences in reported status by individual characteristics are also described. Section 2.4.2 goes on to consider the characteristics associated with an individual self-reporting being ‘retired’ while still aged less than the SPA.

### **2.4.1 Cohort differences in inactivity**

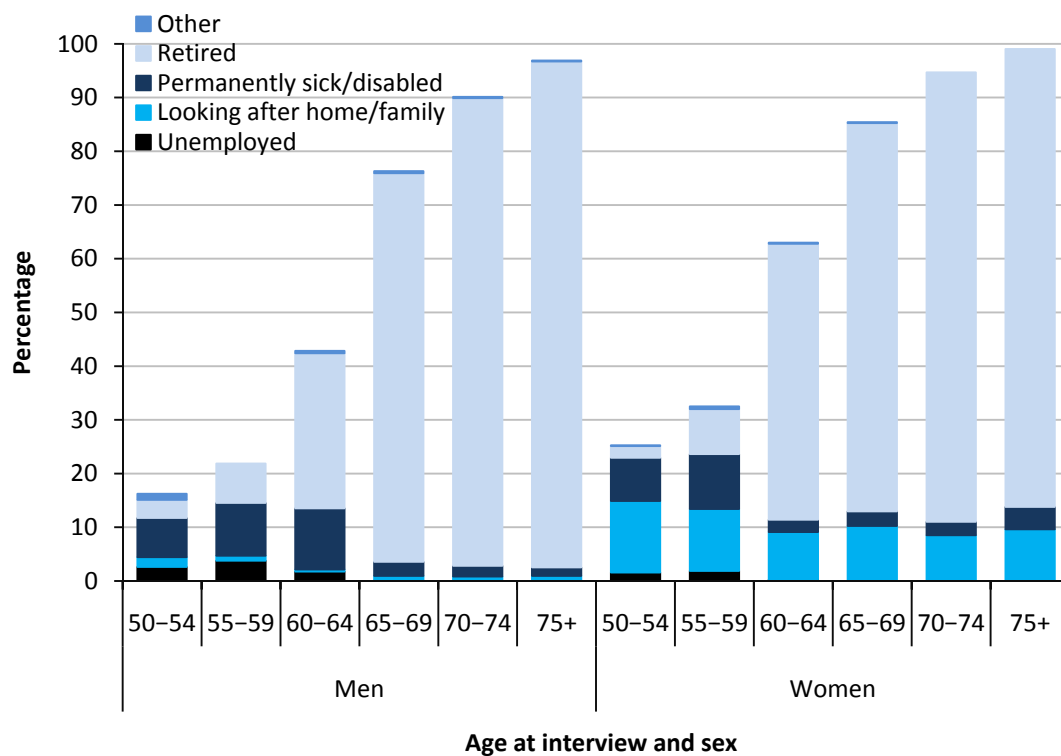
Figure 2.5 shows the percentage of individuals who were inactive and reporting each status in 2008–09. More detailed figures for 2002–03 and 2008–09 are shown in Table 2A.5. This subsection discusses each of the self-reported inactive states in turn – first describing the interesting age patterns that are evident in the cross-sections, and then describing the changes in the prevalence of particular states among each age group over time.

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<sup>16</sup>For men, there is no statistically significant difference (at the 5% level) between the odds ratio for men whose partner was under the SPA and those whose partner was over the SPA. For women, the odds ratio is statistically significantly higher (at the 5% level) for women whose partner was working and aged above the SPA than for those whose partner was working and aged below the SPA.

<sup>17</sup>Statistics from the Labour Force Survey (LFS) also suggest that (before controlling for other characteristics) there was a large increase in the employment rate of men and women aged above the SPA between 2002–03 and 2008–09. The LFS suggests that 11.7% of all individuals aged over the SPA were in employment in 2008–09, compared with just 8.6% in 2002–03. In contrast, the employment rate among those aged 16–SPA was virtually the same in 2008–09 as it was in 2002–03.

**Figure 2.5. Prevalence of inactive states by age and sex, 2008–09**



Note: Underlying statistics and sample sizes are shown in Table 2A.5.

At younger ages, the most prevalent self-reported status among inactive men is being permanently sick or disabled, while for women it was that they were looking after their home or family (closely followed by those reporting being permanently sick or disabled). Inability to work due to ill health is likely to be one of the major barriers to increasing employment rates at older ages. Section 2.5 therefore examines in more detail the prevalence of and changes in self-reported work disablement over time using evidence from ELSA between 2004–05 and 2008–09.

The proportion of individuals who self-reported themselves as unemployed was very small, particularly for women. This was true even in the 2008–09 data, which were collected during a recession. The proportion of individuals aged under 60 who reported themselves as unemployed was significantly higher in 2008–09 than in 2002–03 (2.5% compared with 1.8%),<sup>18</sup> but the difference is quantitatively small considering the timing of the 2008–09 survey and the recession in the UK economy at the time. The group with the highest prevalence of ‘unemployment’ in the 2008–09 data was men aged 55–59, among whom 3.8% reported being unemployed, but this still only accounted for about 17% of the men aged 55–59 who were out of work in 2008–09 (as Figure 2.5 shows).

<sup>18</sup>The significance of the difference was tested by regressing self-reported unemployment in 2002–03 and 2008–09 on a constant and an indicator for being interviewed in 2008–09. The coefficient on the dummy variable for being interviewed in 2008–09 was statistically significantly different from zero at the 5% level.

Around one-in-eight inactive individuals aged 50–54 reported themselves to be retired in 2008–09 (figures for men and women combined are shown in Table 2A.5), and just under one-in-three inactive individuals reported this in the 55–59 age group. The proportion of the inactive who reported being retired is substantially higher in the 60–64 age group for both men and women, despite only women having passed their SPA by this point. For men, there is a further increase in the proportion of inactive individuals who reported being retired in the 65–69 age group, and there is also an increase for women at this age despite all the women in the previous age group also having passed their SPA.

A significant proportion of individuals, particularly men, report being retired before their SPA. This can have potentially important implications for policymakers attempting to extend the length of working life and is particularly interesting in light of the forthcoming increases to both the male and female state pension ages. Retirement before the SPA is therefore discussed in more detail in Section 2.4.2.

The proportion of individuals reporting being sick or disabled drops off among older age groups as the proportion reporting themselves as retired rises. However, the proportion of individuals (mainly women) who reported that they were looking after their home or family did not fall substantially among older age groups, and 9.3% of women aged 60 and over reported themselves to be looking after their home or family rather than being retired.

The proportion of men aged between 50 and 69 who were inactive declined significantly between 2002–03 and 2008–09 (Table 2A.5).<sup>19</sup> Among those aged 55–64, there was a significant fall in the proportion of men reporting that they were sick or disabled. For men aged 65–69, there was no significant change in the proportion reporting being permanently sick but there was a significant decline in the proportion of men reporting themselves to be retired.

The proportion of women who were inactive between ages 55 and 69 fell between 2002–03 and 2008–09 (Table 2A.5), and the distribution of self-reported activity among these women also changed. There was a decline in the proportion of inactive women who reported that they were looking after their home or family, but an increase in the proportion who reported that they were retired or unemployed. It is possible that this reflects an increase in the proportion of women in later cohorts who had worked at some point in their lives; women who have worked at some point are perhaps more likely to consider themselves to be ‘retired’ (or ‘unemployed’) at older ages than women who had never worked.

Patterns of inactivity by wealth quintile in 2002–03 and 2008–09 are shown in Table 2A.6. Among those aged under the SPA, inactivity was generally lowest among the middle and second highest wealth quintiles and highest among the poorest individuals. Among those aged 65 and over, the pattern actually changes, with inactivity rates being lowest among those in the top wealth

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<sup>19</sup>The significance of the difference was tested by regressing employment in 2002–03 and 2008–09 on a constant and an indicator for being interviewed in 2008–09. The coefficient on the dummy variable for being interviewed in 2008–09 was statistically significantly different from zero at the 5% level.

quintile. The composition of self-reported activity among inactive individuals is also very different between the wealth quintiles. Looking after their home or family (which is commonly reported by women, but rarely by men – see Figure 2.5) is a commonly reported activity among inactive individuals in all wealth quintiles.<sup>20</sup> However, younger individuals in the poorest two quintiles who were out of work were more likely to report being sick or disabled than those in the other quintiles, whilst younger individuals in the top three wealth quintiles were more likely to report being retired than those in the bottom two.

#### **2.4.2 Who ‘retires’ before the SPA?**

There are likely to be many reasons why people withdraw from paid work before reaching the SPA. If the government wants to see further increases in employment rates among older individuals, it will need to continue to address the various barriers that inhibit continued employment among older individuals or the incentives that encourage individuals to withdraw from the labour market in their fifties and early sixties. One of the groups who might perhaps be most responsive to policies that change the incentives to remain in paid work at older ages are those who are out of work and report themselves to be ‘retired’ as opposed to ‘permanently sick or disabled’ or ‘unemployed’ – these latter two categorisations suggest barriers to employment that go beyond merely financial (dis)incentives or individual preferences.

A significant proportion of people ‘retire’ before the SPA. Figure 2.5 and Table 2A.5 show that this is particularly true of men: 28.9% of the men in 2008–09 aged 60–64 reported themselves as retired, compared with 8.4% of women aged 55–59. Retirement before the SPA is also more common among higher-wealth individuals than among low-wealth individuals, as shown in Table 2A.6.

This subsection therefore examines the characteristics associated specifically with reporting oneself to be ‘retired’ while still aged below the SPA. Table 2.2 presents the results from a logistic regression of the characteristics associated with retirement before the SPA. The first pair of columns show the results for the whole sample of individuals aged under the SPA from the pooled waves of ELSA data; the second pair show them for the subsample of individuals who were inactive at the time of interview. The first of each pair of columns gives the odds ratios for the regression, where the odds of being retired before the SPA are expressed relative to the odds for the reference group – the reference group is indicated in the table. The p-values are given in the second of each pair of columns. Odds ratios that are statistically significantly different from 1 are indicated by \*, † and ‡, as before.

Holding other things constant, the odds of being retired before the SPA (as opposed to being in paid work or reporting some other form of inactivity) among those in the highest wealth quintile were 2.2 times those of individuals in the middle wealth quintile, while the odds for those in the poorest quintile were just half those of individuals in the middle quintile.

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<sup>20</sup>This reflects the fact that women are distributed across all wealth quintiles and a significant fraction of inactive women at all levels of wealth self-report themselves to be looking after their home or family.

**Table 2.2. Multivariate analysis of factors associated with retiring before the SPA**

	All individuals		Inactive individuals	
	Odds ratio	p-value	Odds ratio	p-value
Men 50–54	0.133‡	<0.001	0.180‡	<0.001
Men 55–59	0.276‡	<0.001	0.330‡	<0.001
Men 60–64	reference		reference	
Women 50–54	0.063‡	<0.001	0.053‡	<0.001
Women 55–59	0.226‡	<0.001	0.152‡	<0.001
Single, never married	reference		reference	
Previously married man	0.801	0.242	0.763	0.233
Previously married woman	0.711	0.177	1.489	0.222
Man in couple: partner under SPA and working	0.335‡	<0.001	0.743	0.391
Man in couple: partner under SPA and not working	0.970	0.910	0.981	0.955
Man in couple: partner over SPA and working	0.361‡	<0.001	1.072	0.868
Man in couple: partner over SPA and not working	0.974	0.922	0.927	0.838
Woman in couple: partner under SPA and working	0.307‡	<0.001	0.412*	0.031
Woman in couple: partner under SPA and not working	1.269	0.453	1.222	0.640
Woman in couple: partner over SPA and working	0.471	0.152	1.039	0.961
Woman in couple: partner over SPA and not working	1.721	0.132	1.863	0.190
Low education	reference		reference	
Mid education	1.220*	0.025	1.259*	0.037
High education	0.945	0.615	1.422*	0.017
Own outright	reference		reference	
Mortgage	0.437‡	<0.001	0.743*	0.010
Renter	0.797	0.272	1.207	0.488
Poorest wealth quintile	0.499†	0.001	0.173‡	<0.001
Wealth quintile 2	0.771*	0.025	0.455‡	<0.001
Wealth quintile 3	reference		reference	
Wealth quintile 4	1.367†	0.002	1.243	0.112
Richest wealth quintile	2.205‡	<0.001	1.678‡	<0.001
No private pension	reference		reference	
Private DB pension	1.879‡	<0.001	4.352‡	<0.001
Private DC pension	0.763*	0.020	1.776‡	<0.001
Private ‘other’ pension	1.318*	0.039	1.976‡	<0.001
No long-standing illness	reference		reference	
Long-standing illness (not limiting)	1.176*	0.053	1.023	0.854
Long-standing illness (limiting)	1.518‡	<0.001	0.325‡	<0.001
Partner has no long-standing illness	reference		reference	
Partner has non-limiting long-standing illness	1.071	0.473	0.963	0.774
Partner has limiting long-standing illness	0.835	0.066	0.872	0.288
North East	1.468*	0.028	1.296	0.230
North West	1.426†	0.009	1.513	0.016
Yorkshire and the Humber	1.395*	0.026	1.732†	0.005
East Midlands	1.239	0.148	1.691†	0.007

**Table 2.2 continued**

	All individuals		Inactive individuals	
	Odds ratio	p-value	Odds ratio	p-value
West Midlands	1.134	0.389	1.132	0.505
East of England	1.094	0.537	1.397	0.086
London	1.078	0.630	1.450	0.063
South East	reference		reference	
South West	1.312	0.057	1.552*	0.016
Wave 1 (2002–03)	reference		reference	
Wave 2 (2004–05)	0.991	0.898	1.025	0.815
Wave 3 (2006–07)	0.922	0.297	1.134	0.278
Wave 4 (2008–09)	0.817*	0.012	1.080	0.504

Notes: Sample size = 14,275 for the ‘all individuals’ regression; sample size = 4,365 for the ‘inactive individuals’ regression. The sample for the ‘all individuals’ regression is all individuals aged between 50 and the SPA at the time of interview. The sample for the ‘inactive individuals’ regression is all individuals aged between 50 and the SPA who were not working at the time of interview. The dependent variable takes the value 1 if the individual was not working and self-defined themselves as ‘retired’ or ‘semi-retired’. Standard errors are clustered at the individual level. \* indicates that an odds ratio is statistically significantly different from 1 at the 5% level († and ‡ indicate significance at the 1% and 0.1% levels, respectively).

Those with a defined benefit (DB) pension were nearly twice as likely to be retired before the SPA as those with no private pension, while those with a defined contribution (DC) pension were 24% less likely to be than individuals who have never had any private pension. This pattern is in keeping with what we know about the incentives provided by these different types of pension schemes, which depend on how any pension entitlements accrue. A typical DB pension scheme will provide an incentive to remain in paid work until the scheme’s normal retirement age (which is often 60 or 65) and a financial disincentive to remain in the scheme thereafter. State pensions (particularly under the rules prevailing for those who reached SPA before April 2010) provide an incentive to remain in work until the SPA, since up to that point individuals will usually accrue additional entitlement and will not be able to draw their pension income; there is less incentive to remain in work beyond that point, however. In contrast, individuals will continue to accrue additional wealth in DC pensions for as long as they choose not to annuitise the fund, meaning there are fewer incentives to retire at a specific age for holders of private DC pensions.

For those who were not in work, whether or not they had ever been a member of a private pension scheme was strongly associated with the likelihood of reporting being ‘retired’, as opposed to some other status. Those who had a private pension (whether DB, DC or ‘other’, though particularly those who had DB pensions) were more likely to report themselves to be ‘retired’ if they were not working before reaching SPA, than those who had never had a private pension.

Individuals with a mortgage still outstanding were less than half as likely to be retired before the SPA as those who own their homes outright. Since Table 2.1 showed that individuals with a mortgage were also more likely to be in work beyond the SPA than those who own their homes, it seems plausible to suggest that individuals with mortgages are likely to work until they have paid off their



mortgage and then retire once repayments have ceased. There is no statistically significant difference between the odds of being retired for those who own outright and for renters.

Individuals who had a long-standing illness were more likely to be retired before the SPA – those with a long-standing illness that limited their daily activity were over 50% more likely to be retired than individuals without any long-standing illness. However, in the subpopulation of individuals who were out of work, having a limiting long-standing illness was actually associated with far lower odds of reporting being retired. Instead, these individuals were more likely to report some other status, such as being permanently sick or disabled.

The regional indicators suggest that, even after controlling for a number of other characteristics, individuals in Northern England (the North East, North West, and Yorkshire and the Humber) were significantly more likely to report being retired than those in the South East.

Across the whole sample, individuals were about 18% less likely to retire before the SPA in 2008–09 than in 2002–03. However, there was no significant difference between the waves in the odds of reporting being retired for the subsample of individuals who were actually out of work, implying that the reduction in the odds of reporting retirement in 2008–09 compared with 2002–03 will have contributed to a reduction in overall inactivity below the SPA between the waves. (This reduction in overall inactivity, not controlling for differences in other characteristics, is shown in Table 2A.5. The multivariate analysis in Table 2.2 suggests that this conclusion still holds even after we control for changes in other characteristics – such as the prevalence of long-standing health conditions – over time.)

## **2.5 Work-limiting health conditions and working at older ages**

One of the major barriers to increasing participation in the labour force among older individuals is ill health. As Section 2.4 showed, even among those aged below the current SPA, a significant proportion of individuals who were not working reported that they were permanently sick or disabled. Increasing employment rates among those aged 50 and over will require addressing the barriers that currently prevent some individuals with health problems from working. This section looks specifically at the prevalence of health conditions that limit the kind or amount of work that older individuals are able to do. As described in Section 2.2, we examine the responses to the question asked of ELSA respondents about whether they have ‘any health problem or disability that limits the kind or amount of paid work [they] could do, should [they] want to’. This question was asked both of respondents to ELSA who were currently working and of those who were not in 2004–05, 2006–07 and 2008–09. This section focuses on individuals aged between 50 and 69. For ease of exposition, throughout this section we refer to those who gave a positive response to the question about whether they had ‘any health problem or disability that limits the kind or amount of paid work [they] could do, should [they] want to’ as being ‘work disabled’ or having a ‘work disability’.

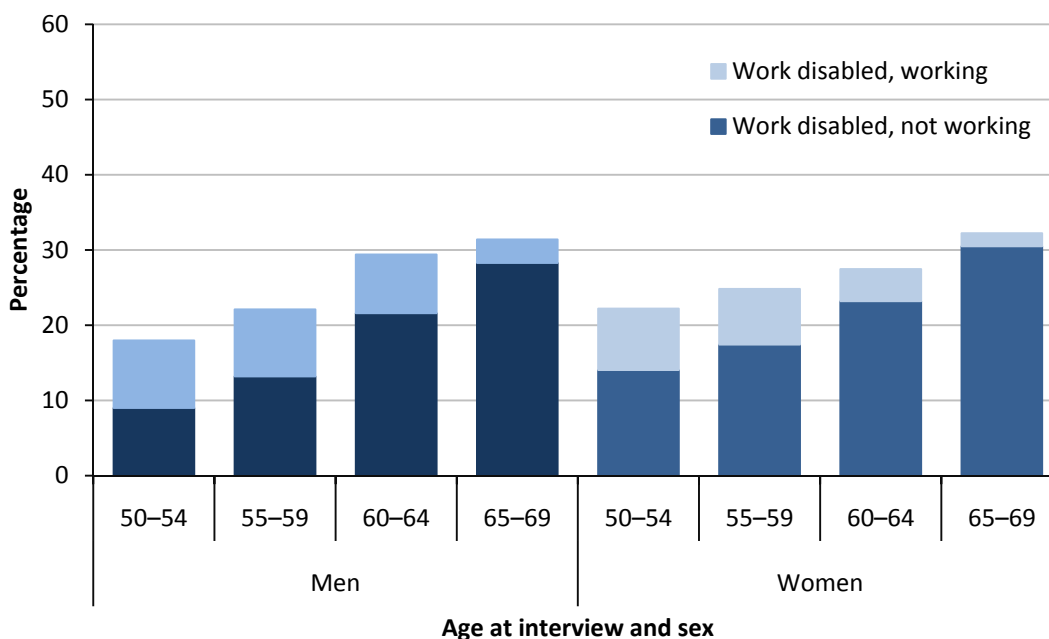
We look first at the prevalence of self-reported work disability and which characteristics, in isolation, are associated with being more likely to report having a work disability using the 2008–09 cross-section of data. (The broad patterns discussed below are also evident in 2004–05 and 2006–07.) Section 2.5.2 then presents some multivariate analysis of the characteristics associated with reporting having a work disability (and whether individuals were working or receiving disability-related benefits, given that they reported being work disabled) and examines whether reports of work disability increased or decreased significantly over time, using all three waves of data in which this question was asked. Finally, Section 2.5.3 examines how many people experienced the onset of work disability over time and how many people ceased to consider themselves to be work disabled. We find that, for some people at least, work disablement is temporary – even at older ages, some individuals who previously reported being work disabled subsequently reported themselves not to be.

### 2.5.1 Prevalence of work disability in 2008–09

Just over one-in-four (25.8% of) individuals aged between 50 and 69 reported being work disabled in 2008–09, with one-in-four of these work-disabled individuals being in paid work at that time (Table 2A.7). The difference in the prevalence of self-reported work disability between men and women is not statistically significant at the 5% level.

Figure 2.6 shows how the prevalence of work disability (and working or not working with a work disability) varied by age for men and women in 2008–09.

**Figure 2.6. Percentage of individuals working and not working with a work disability, by age and sex, 2008–09**



Notes: Sample is all those aged between 50 and 69 who responded to the relevant questions about work disability and work status. Underlying statistics and sample sizes are shown in Table 2A.7.

**Figure 2.7. Percentage of individuals working and not working with a work disability, by wealth quintile and sex, 2008–09**



Notes: Sample is all those aged between 50 and 69 who responded to the relevant questions about work disability and work status and for whom a measure of total wealth is available. Underlying statistics and sample sizes are shown in Table 2A.8.

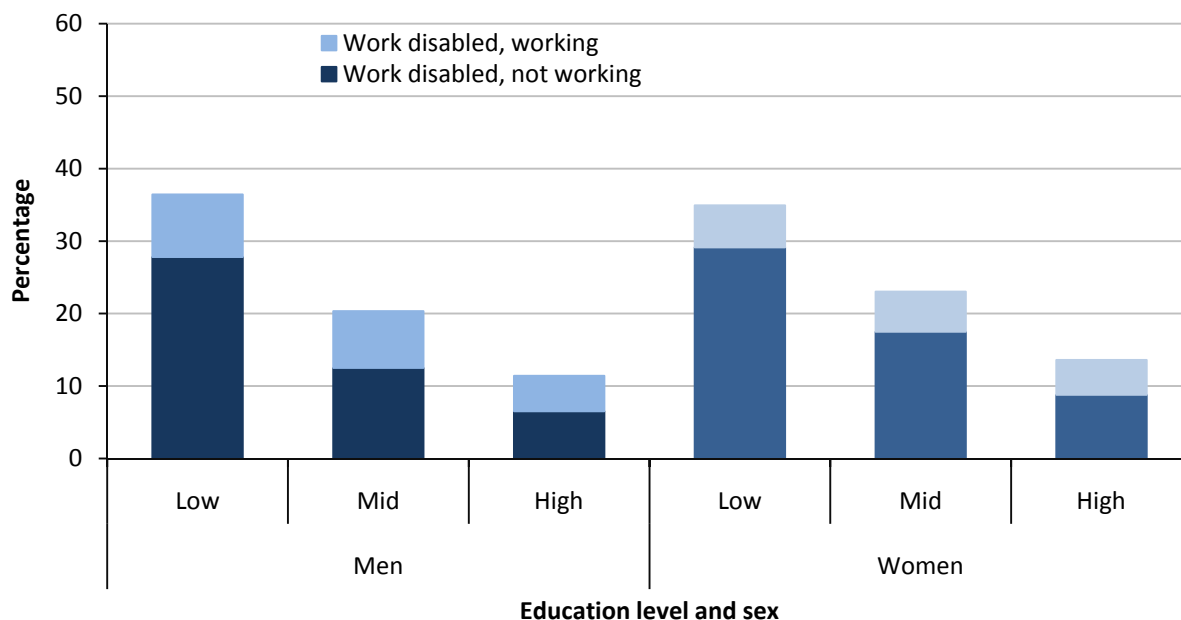
The prevalence of work disability was higher among older men and women, and the proportion of those who were work disabled who were in paid work was significantly lower at older ages. Among men aged 50 to 54, 18.0% reported being work disabled, with half of these individuals being in paid work. The percentage who reported a work disability rose to 31.4% among men aged 65 to 69 (i.e. up to five years past SPA), while only one-in-ten (10.0%) of these work-disabled individuals were in paid employment; this was much lower than the employment rate across all men aged 65–69 in 2008–09 (22.7%, as shown in Table 2A.1). A similar pattern was seen for women. A smaller fraction of work-disabled women than work-disabled men in each age group were actually in paid work; however, this was also true among non-work disabled women – the lower overall employment rates among women in these cohorts were presented in Section 2.3.1.

Work disability was substantially more common among those with low wealth than those with high wealth – just over half of men aged 50–69 in the lowest wealth quintile reported being work disabled in 2008–09, compared with just one-in-nine of those in the highest wealth quintile. This is shown in Figure 2.7 and is in keeping with the results discussed in Section 2.4.1 (and shown in Table 2A.6) that low-wealth individuals were much more likely to class themselves as being ‘permanently sick or disabled’ than higher-wealth individuals. However, the causation could run in either direction, or indeed there could be a third factor influencing both outcomes. First, low-wealth individuals may be more likely than higher-wealth individuals to experience

declines in health at older ages that make them unable to continue working; in other words, low-wealth individuals could be more likely to be out of work due to ill health at older ages *because* they have low levels of wealth. Second, current wealth reflects earnings and saving behaviour throughout the individual's life; therefore, if individuals who experienced poor health throughout their lives had lower earning potential and/or higher consumption needs during working life, they might well reach their fifties and sixties with a lower stock of wealth *as a result of* having been in poor health. Finally, lower-ability individuals may be more likely to be engaged in manual work; this could mean they had lower earning potential throughout their working lives (and thus end up with lower wealth) and also these types of jobs may be less easy to adapt to the needs of someone in poor health than the types of jobs that higher-ability individuals do; in other words, low wealth in older age and being out of work due to ill health could both be the results of a third causal factor. With this simple analysis alone, we cannot establish which of these causal mechanisms is at work.

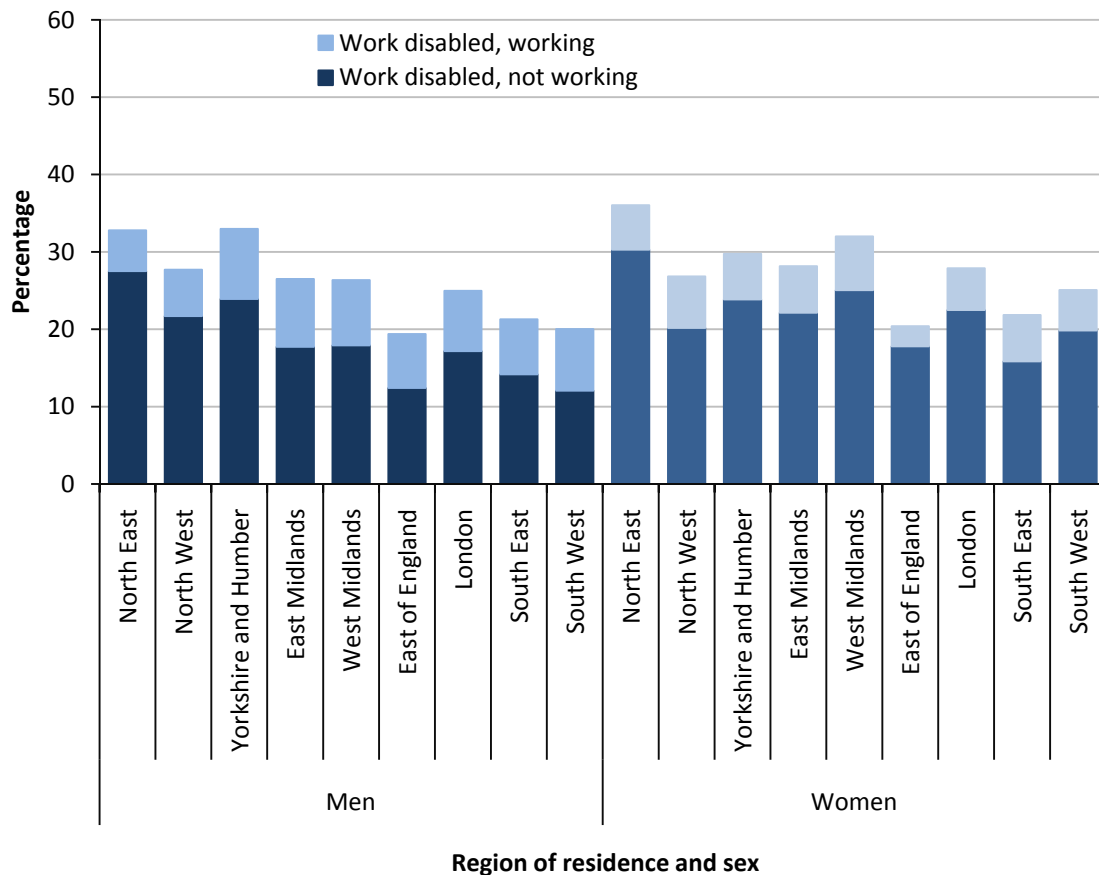
Figure 2.8 shows that work disability was also more prevalent among those with low levels of education than among those with mid or high education. Without controlling for other differences between individuals across regions, there were also regional variations in the prevalence of reported work disability. Figure 2.9 shows that reported work disability was most prevalent (among both men and women) in the North East, with the lowest proportion of people reporting themselves to be work disabled in the East of England.

**Figure 2.8. Percentage of individuals working and not working with a work disability, by level of education and sex, 2008–09**



Notes: Sample is all those aged between 50 and 69 who responded to the relevant questions about work disability and work status. Individuals who reported still being in full-time education at the time of interview are excluded. Underlying statistics and sample sizes are shown in Table 2A.10.

**Figure 2.9. Percentage of individuals working and not working with a work disability, by region and sex, 2008–09**



Notes: Sample is all those aged between 50 and 69 who responded to the relevant questions about work disability and work status. Underlying statistics and sample sizes are shown in Table 2A.9.

A variety of disability-related benefits are available in the UK and many, but by no means all, of those who reported being work disabled in ELSA also reported receiving some form of disability-related benefit (see Section 2.2 for details). Tables 2A.7 to 2A.10 suggest that, among those who reported being work disabled and not working, receipt of disability-related benefits was more prevalent among men, those aged under the SPA, lower-wealth individuals, those with lower education and people in the North East. Some of these patterns are to be expected given the eligibility rules for receipt of some of these disability-related benefits. In particular, people aged over the SPA could not claim IB (which may partly explain the lower prevalence of benefit receipt among work-disabled individuals aged over the SPA).<sup>21</sup> Furthermore, receipt of IB is means-tested against any private pension income that an individual has (which may partly explain why benefit receipt was less common among higher-wealth individuals).

<sup>21</sup> Among men aged under the SPA who reported being work disabled and receiving some disability-related benefit, just 63.6% were receiving some other disability-related benefit as well as (or instead of) IB.

## **2.5.2 Multivariate analysis of factors associated with reported work disability**

The previous subsection examined how individual characteristics related to reported work disability in 2008–09. However, some of these characteristics (such as education level and wealth) may be highly correlated with one another. Therefore, this section presents multivariate analysis to examine which factors remain important once we control for other characteristics. We look at three outcomes of interest. First, among all those aged 50–69, we examine what factors are associated with reporting having a work disability. Second, among the subsample of individuals who reported being work disabled, we examine which characteristics were associated with being in paid work. Finally, again among the subsample of individuals who reported being work disabled, we examine what factors were associated with receiving a disability-related benefit.

The analysis presented in this section uses data from all three waves in which questions about work disability were asked (2004–05, 2006–07 and 2008–09), which also allows us to examine whether the proportion of individuals reporting work disability increased or decreased over time, controlling for various other differences in characteristics observed in each wave. The analysis is conducted separately for men and women. As in Tables 2.1 and 2.2 earlier, the results reported in Tables 2.3 to 2.5 are odds ratios from a logistic regression. The odds ratios (shown in the first and third columns of each table) show the odds (or probability) of the dependent variable taking the value 1 in each regression expressed relative to the odds for the reference group – the reference group is shown in the table. The second and last columns show the p-values. Odds ratios that are statistically significantly different from 1 are indicated.

### ***Factors associated with reporting having a work disability***

Table 2.3 shows that reported work disability was more prevalent among older people (though there is no statistically significant difference between the odds for those aged 60–64 and for those aged 65–69). Men aged 50–54 were only half as likely to report being work disabled as men aged 60–64. Reported work disability was also less common among more highly educated men and women than less educated men and women.

As was suggested by Table 2A.6, reported work disability was much more prevalent among the low-wealth groups. Men in the poorest fifth of the population were three times as likely as men in the middle wealth quintile to report being work disabled, while women in the poorest quintile were twice as likely as women in the middle wealth quintile to report being work disabled. There were also significant differences in the prevalence of work disability among individuals with different private pension arrangements. However, after controlling for other characteristics, there were almost no significant differences in the prevalence of work disability across individuals in different regions.



**Table 2.3. Multivariate analysis of factors associated with reporting being work disabled**

	Men		Women	
	Odds ratio	p-value	Odds ratio	p-value
Aged 50–54	0.511‡	<0.001	0.687‡	<0.001
Aged 55–59	0.787†	0.003	0.956	0.536
Aged 60–64	reference		reference	
Aged 65–69	1.133	0.139	1.118	0.138
Low education	reference		reference	
Mid education	0.659‡	<0.001	0.810†	0.005
High education	0.496‡	<0.001	0.688†	0.001
Single, never married	reference		reference	
Previously married	1.179	0.325	1.013	0.940
Couple	0.979	0.885	0.765	0.107
No private pension	reference		reference	
Private DB pension	0.550‡	<0.001	0.582‡	<0.001
Private DC pension	0.575‡	<0.001	0.521‡	<0.001
Private ‘other’ pension	0.913	0.566	0.792	0.053
Poorest	3.091‡	<0.001	2.105‡	<0.001
Wealth quintile 2	1.547‡	<0.001	1.278†	0.007
Wealth quintile 3	reference		reference	
Wealth quintile 4	0.945	0.566	0.828*	0.040
Richest	0.634‡	<0.001	0.655‡	<0.001
North East	1.244	0.189	1.181	0.279
North West	1.093	0.525	1.069	0.607
Yorkshire and the Humber	1.203	0.176	1.201	0.156
East Midlands	0.951	0.739	1.128	0.381
West Midlands	1.003	0.986	1.228	0.121
East of England	0.799	0.129	0.706†	0.009
London	0.903	0.518	1.019	0.887
South East	reference		reference	
South West	1.165	0.294	1.097	0.491
Wave 2 (2004–05)	reference		reference	
Wave 3 (2006–07)	0.961	0.449	0.981	0.692
Wave 4 (2008–09)	0.862*	0.013	0.981	0.707

Notes: Sample size = 7,493 for men and 8,916 for women. Sample is all individuals aged 50–69 at the time of interview. The dependent variable takes the value 1 if the individual reported that they had a health condition that limited the kind or amount of work they were able to do, if they wanted to. Standard errors are clustered at the individual level. \* indicates that an odds ratio is statistically significantly different from 1 at the 5% level († and ‡ indicate significance at the 1% and 0.1% levels, respectively).

Interestingly, there is some evidence of a fall in reported work disability over time among men. Men in 2008–09 were (after controlling for other differences) only about 86% as likely to report a work disability as male respondents were in 2004–05.

***Factors associated with working among those who reported having a work disability***

Table 2.4 shows that among those who reported having a work disability, younger people and men who had partners at the time of interview were more likely to be working. Men in the middle quintile of the wealth distribution were significantly more likely than those at the bottom or top of the wealth distribution to be working with a work disability – the odds of working for

men with a work disability in the bottom wealth quintile were only 0.265 times those of men with a work disability in the middle wealth quintile. For women, the reverse is true: work-disabled women in the richest two-fifths of the wealth distribution were significantly more likely to be in work than work-disabled women in the middle quintile of the wealth distribution.

Even after controlling for differences in wealth, work-disabled men and women in the North East were significantly less likely than those in the South East to be working. For men, though not for women, there is evidence of an increasing prevalence of working with a work disability over time: the odds of working among work-disabled men in 2008–09 were one-and-a-half times those for work-disabled men in 2004–05.

**Table 2.4. Multivariate analysis of factors associated with working, conditional on having reported being work disabled**

	Men		Women	
	Odds ratio	p-value	Odds ratio	p-value
Aged 50–54	3.884‡	<0.001	5.202‡	<0.001
Aged 55–59	2.288‡	<0.001	3.151‡	<0.001
Aged 60–64	reference		reference	
Aged 65–69	0.234‡	<0.001	0.401‡	<0.001
Low education	reference		reference	
Mid education	1.317	0.102	0.858	0.311
High education	1.112	0.651	1.241	0.372
Single, never married	reference		reference	
Previously married	1.256	0.479	0.850	0.604
Couple	1.995*	0.019	1.201	0.535
No private pension	reference		reference	
Private DB pension	1.434	0.130	2.809‡	<0.001
Private DC pension	2.561‡	<0.001	3.165‡	<0.001
Private ‘other’ pension	1.204	0.574	1.685	0.054
Poorest	0.265‡	<0.001	0.794	0.316
Wealth quintile 2	0.632*	0.026	1.527*	0.034
Wealth quintile 3	reference		reference	
Wealth quintile 4	0.646*	0.052	1.521*	0.036
Richest	0.624*	0.002	1.653*	0.021
North East	0.381*	0.011	0.424†	0.005
North West	0.739	0.271	0.872	0.582
Yorkshire and the Humber	0.922	0.753	0.639	0.104
East Midlands	0.794	0.407	0.982	0.945
West Midlands	0.873	0.610	0.804	0.413
East of England	1.065	0.821	1.005	0.986
London	1.009	0.978	0.656	0.139
South East	reference		reference	
South West	1.006	0.983	0.909	0.730
Wave 2 (2004–05)	reference		reference	
Wave 3 (2006–07)	1.266	0.052	0.879	0.264
Wave 4 (2008–09)	1.523†	0.002	0.881	0.327

Notes: Sample size = 1,976 for men and 2,409 for women. Sample is all individuals aged 50–69 who reported that they had a health condition that limited the kind or amount of work they were able to do, if they wanted to. The dependent variable takes the value 1 if the individual was working. Standard errors are clustered at the individual level. \* indicates that an odds ratio is statistically significantly different from 1 at the 5% level († and ‡ indicate significance at the 1% and 0.1% levels, respectively).

**Factors associated with receiving disability-related benefits among those who reported having a work disability**

Many of the patterns of disability-related benefit receipt that were discussed above (Tables 2A.7 to 2A.10) are also found in the multivariate analysis presented in Table 2.5. Work-disabled individuals aged over the SPA (60 for women, 65 for men) were significantly less likely to report receiving disability-related benefits than those aged under the SPA. The wave indicators suggest there was no statistically significant change in the prevalence of disability-related benefit receipt over time among those who were work disabled.

**Table 2.5. Multivariate analysis of factors associated with receiving a disability-related benefit, conditional on having reported being work disabled**

	Men		Women	
	Odds ratio	p-value	Odds ratio	p-value
Aged 50–54	0.715	0.068	1.745†	0.001
Aged 55–59	0.834	0.187	2.055‡	<0.001
Aged 60–64	reference		reference	
Aged 65–69	0.392‡	<0.001	0.939	0.642
Low education	reference		reference	
Mid education	0.626†	0.002	1.021	0.877
High education	0.369‡	<0.001	0.571*	0.023
Single, never married	reference		reference	
Previously married	0.984	0.948	1.046	0.873
Couple	0.855	0.503	0.749	0.290
No private pension	reference		reference	
Private DB pension	0.626†	0.008	1.003	0.987
Private DC pension	0.613†	0.003	0.677*	0.014
Private ‘other’ pension	0.906	0.672	1.448	0.086
Poorest	1.760†	0.002	1.714†	0.001
Wealth quintile 2	1.331	0.094	1.205	0.245
Wealth quintile 3	reference		reference	
Wealth quintile 4	0.821	0.284	0.721	0.075
Richest	0.604*	0.028	0.487‡	<0.001
North East	2.585‡	<0.001	1.415	0.195
North West	1.386	0.176	1.431	0.127
Yorkshire and the Humber	1.041	0.864	1.230	0.387
East Midlands	1.798*	0.027	0.995	0.985
West Midlands	1.400	0.205	1.324	0.242
East of England	1.045	0.870	0.995	0.990
London	1.316	0.343	0.803	0.409
South East	reference		reference	
South West	1.063	0.816	0.975	0.922
Wave 2 (2004–05)	reference		reference	
Wave 3 (2006–07)	0.965	0.720	0.916	0.318
Wave 4 (2008–09)	0.943	0.587	1.033	0.724

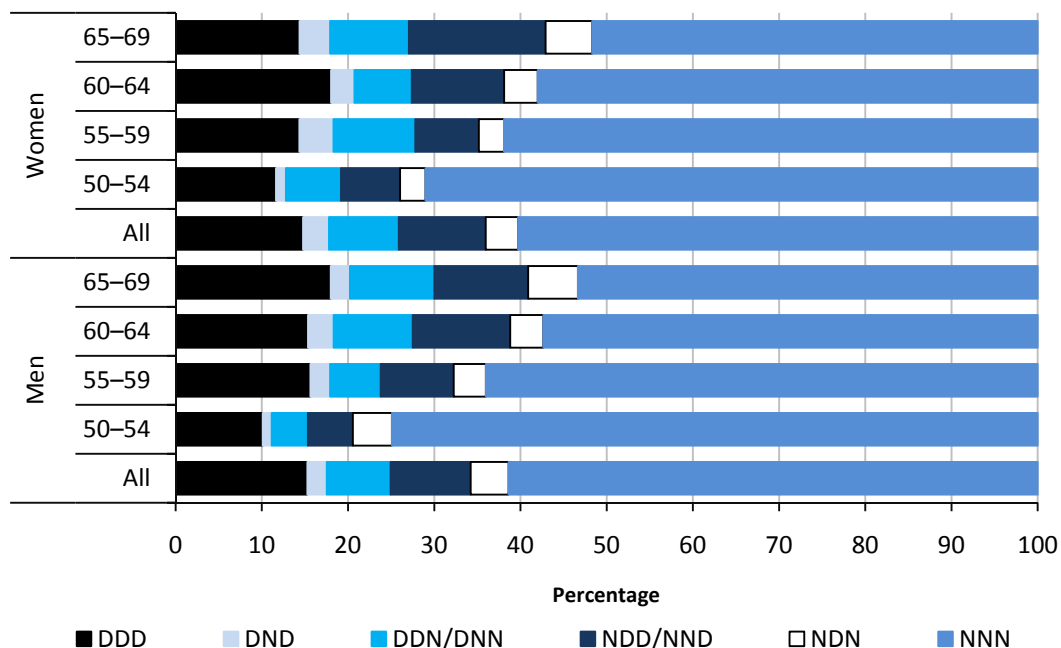
Notes: Sample size = 1,976 for men and 2,409 for women. Sample is all individuals aged 50–69 who reported that they had a health condition that limited the kind or amount of work they were able to do, if they wanted to. The dependent variable takes the value 1 if the individual was receiving a disability-related benefit (see Section 2.2 for details). Standard errors are clustered at the individual level. \* indicates that an odds ratio is statistically significantly different from 1 at the 5% level († and ‡ indicate significance at the 1% and 0.1% levels, respectively).

Those with higher levels of education were less likely to report receiving disability-related benefits than those with lower levels of education. Men with private DB or DC pensions (and women with DC pensions) were also less likely to be receiving disability-related benefits than those with no private pension.<sup>22</sup> Furthermore, men and women in the poorest fifth of the population were significantly more likely than men and women in the richest three-fifths to receive such benefits. Men (women) in the richest wealth quintile were only about 60% (50%) as likely to receive disability-related benefits as those in the middle wealth quintile. Even after controlling for other factors, work-disabled men in the North East and East Midlands are found to be significantly more likely to be receiving disability-related benefits than men in the South East.

### 2.5.3 Changes in individuals' reported work disability

Even among older individuals, work disability seems to be a far from permanent state of affairs. Figure 2.10 categorises the patterns of work disability reported by individuals who were observed in 2004–05, 2006–07 and 2008–09. (The underlying data and some additional statistics are provided in Table 2A.11.)

**Figure 2.10. Transitions into and out of work disability between 2004–05 and 2008–09, by age in 2004–05 and sex**



Notes: Sample is those aged 50 to 69 in 2004–05 who also responded to the survey in 2006–07 and 2008–09. Underlying statistics and sample sizes are shown in Table 2A.11. The three-letter initialisms designate the pattern of reported work disability in each of the survey years 2004–05, 2006–07 and 2008–09 respectively. ‘D’ denotes reporting being work disabled while ‘N’ denotes reporting not being work disabled.

<sup>22</sup>Though Incapacity Benefit is means-tested against private pension income, individuals could choose not to draw their private pension in order to qualify for IB. Therefore, it is not entirely obvious that disability benefit receipt ought to be lower among those who are members of a private pension.

The left-most block in Figure 2.10 shows the percentage of individuals who reported being work disabled in all three waves (labelled ‘DDD’) – this accounts for between 10% and 18% of individuals in each age group. The next two blocks show those individuals who were work disabled in 2004–05 but who either reported not being work disabled in 2006–07 and then were again in 2008–09 (‘DND’) or who reported not being work disabled in 2008–09 (‘DDN and DNN’). Of all those aged 50–69 who reported being work disabled in 2004–05, 41.1% did not report a work disability in either 2006–07 or 2008–09 or in both. Even for those who were initially aged 65–69, a not insignificant fraction of the initially work disabled reported not being so in one or both of the subsequent waves.

The three right-hand blocks comprise those who did not report being work disabled in 2004–05. The right-most block shows the percentage of individuals who never reported being work disabled (‘NNN’) – between 50% and 75% of individuals in each age group. The second block from the right shows the percentage of individuals who were not work disabled in 2004–05 or 2008–09 but were in 2006–07 (‘NDN’). The third block from the right shows the percentage of individuals who were not work disabled in 2004–05, but were in 2006–07 and 2008–09, ‘NDD’ (or who were not in 2004–05 and 2006–07 but were in 2008–09, ‘NND’). Of all those who were not work disabled in 2004–05, 18.5% reported being work disabled in either 2006–07 or 2008–09 or in both – this was most prevalent (as we might expect) among older groups.

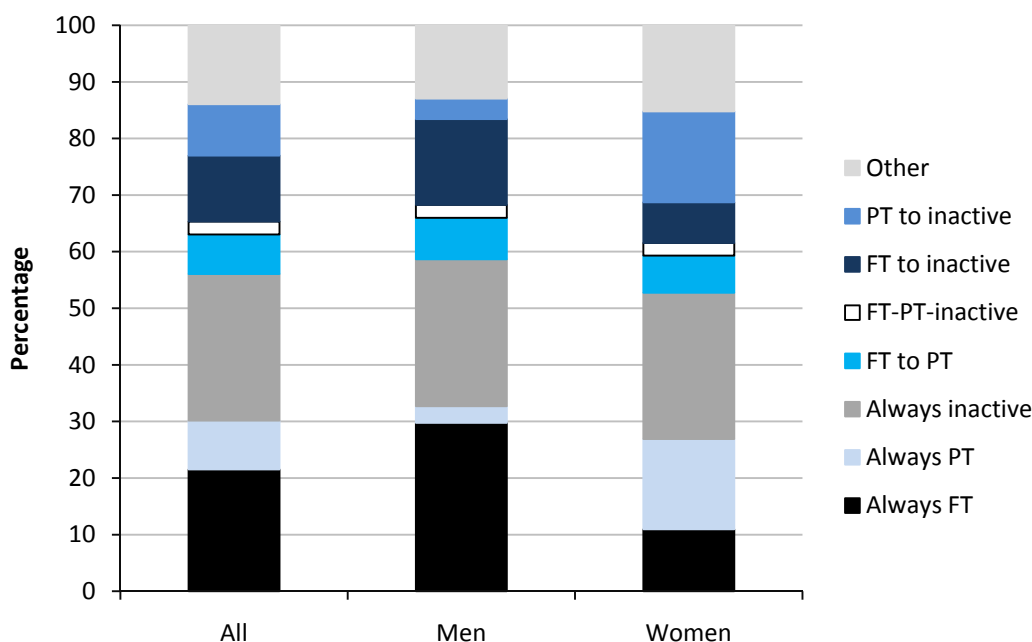
## **2.6 Labour market transitions**

Existing literature suggests that financial incentives, family status and health, amongst other things, are all important factors affecting individuals’ decisions about when to stop working. See, for example, Disney, Meghir and Whitehouse (1994), Disney, Emmerson and Wakefield (2006) and Banks and Tetlow (2008). Furthermore, these factors have also been found to be related to whether individuals cease work entirely or reduce their hours first.

### **2.6.1 Overview of available transitions**

With four waves of ELSA data, we have observations on individuals’ work status over a six-year period, and we have observed different patterns of movement into and out of work. Figure 2.11 describes the percentage of individuals who exhibited various different types of labour market transitions between the waves, for those who were observed in all four waves of the ELSA data and who were aged under the SPA in 2002–03. Three-in-ten (30.1%) of these individuals did not change their work status (either they worked full-time in all of the four waves or they worked part-time in all of the four waves – the ‘always FT’ and ‘always PT’ groups in Figure 2.11 respectively), and just over a quarter (25.9%) were not in work in any of the four waves (the ‘always inactive’ group). One-in-nine (11.6% of) individuals left full-time work to become inactive at some point between 2002–03 and 2008–09 (the ‘FT to inactive’ group), whilst 9.3% of individuals appeared to be phasing towards retirement, since they were observed either moving from full-time to part-time work (the ‘FT to PT’ group), or even from full-time

**Figure 2.11. Percentage of individuals with various types of labour market movements across the first four waves of ELSA by sex**



Notes: Underlying statistics and sample sizes are shown in Table 2A.12. ‘FT’ denotes being in full-time work while ‘PT’ denotes being in part-time work. ‘Other’ includes all individuals whose work pattern does not match one of the listed options, or who did not know their hours of work in one or more waves. Weighted using longitudinal weights.

work to part-time work to inactivity (the ‘FT-PT-inactive’ group) between 2002–03 and 2008–09.

Given four waves of ELSA data, we have three possible points at which individuals could have made a transition from one work status to another. By pooling the observed transitions at these points, we have sufficient data to start to look at the characteristics associated with individuals’ transitions.

### 2.6.2 Leaving full-time work

Banks and Tetlow (2008) considered factors associated with leaving full-time work between 2002–03 and 2006–07. They found that, after controlling for other characteristics, women and older individuals were more likely to leave full-time work (either for part-time work or inactivity), as were men with private pensions and individuals who experienced the onset of a major health condition. Individuals whose partner was also working in 2002–03 were significantly less likely to leave full-time work between 2002–03 and 2006–07 than individuals whose partner had not been in work in 2002–03.

This section updates that analysis, taking advantage of all four waves of ELSA, and pooling observations across the three potential transition points (2002–03 to 2004–05, 2004–05 to 2006–07 and 2006–07 to 2008–09) for individuals observed in all four waves. The results of multivariate analysis are presented in Table 2.6. An individual is taken to have left full-time work at a transition point (i.e. the dependent variable in the regression shown in Table



**Table 2.6. Multivariate analysis of characteristics associated with leaving full-time work**

	Baseline controls only		Including changes in characteristics across the transition point	
	Odds ratio	p-value	Odds ratio	p-value
Men 50–54	reference		reference	
Men 55–59	2.489‡	<0.001	2.319‡	<0.001
Men 60–64	4.358‡	<0.001	3.717‡	<0.001
Men 65–69	15.487‡	<0.001	12.416‡	<0.001
Women 50–54	2.954‡	<0.001	2.762‡	<0.001
Women 55–59	2.484‡	<0.001	2.307‡	<0.001
Women 60–64	11.775‡	<0.001	10.549‡	<0.001
Reach the SPA	6.666‡	<0.001	6.931‡	<0.001
Single, never married	reference		reference	
Previously married	0.823	0.434	0.795	0.369
Couple	1.906	0.114	0.973	0.917
Partner not working	reference		-	-
Partner working	0.628†	0.001	-	-
Low education	reference		reference	
Mid education	0.895	0.355	0.897	0.373
High education	0.982	0.901	0.985	0.919
Poorest	0.705	0.128	0.624*	0.040
Wealth quintile 2	0.890	0.451	0.830	0.244
Wealth quintile 3	reference		reference	
Wealth quintile 4	1.031	0.831	1.001	0.996
Richest	1.251	0.137	1.269	0.127
No private pension	reference		reference	
Private DB pension	1.984†	0.002	2.022†	0.002
Private DC pension	1.351	0.179	1.391	0.142
Private ‘other’ pension	1.425	0.228	1.473	0.187
No limiting long-standing illness	reference		-	-
Limiting long-standing illness	1.815‡	<0.001	-	-
Partner has no limiting long-standing illness	reference		-	-
Partner has a limiting long-standing illness	0.888	0.384	-	-
No limiting long-standing (LS) illness either before or after	-	-	reference	
Still have a limiting LS illness	-	-	2.992‡	<0.001
Now have a limiting LS illness	-	-	1.927‡	<0.001
No longer have a limiting LS illness	-	-	0.970	0.894
Partner still not working	-	-	reference	
Partner still in work	-	-	0.558‡	<0.001
Partner now in work	-	-	1.220	0.575
Partner left work	-	-	1.636*	0.011
Partner had no limiting LS illness either before or after	-	-	reference	
Partner still has a limiting LS illness	-	-	1.030	0.847
Partner now has a limiting LS illness	-	-	1.029	0.885
Partner no longer has a limiting LS illness	-	-	0.697	0.178
Transition 2002–03 to 2004–05	reference		reference	
Transition 2004–05 to 2006–07	0.653†	0.002	0.658†	0.002
Transition 2006–07 to 2008–09	0.982	0.897	0.961	0.774

Notes to Table 2.6: Sample size = 2,876. Sample is all individuals who: were interviewed in all of the first four waves of ELSA; were aged between 50 and the SPA and were working full-time in 2002–03; and followed one of these patterns of employment over the four waves – ‘always FT’, ‘FT to PT’, ‘FT to inactive’ or ‘FT-PT-inactive’ (see Figure 2.11). The dependent variable takes the value 1 if the individual was observed to be in full-time work before the transition point but not after. Standard errors are clustered at the individual level. \* indicates that an odds ratio is statistically significantly different from 1 at the 5% level († and ‡ indicate significance at the 1% and 0.1% levels, respectively). The variable ‘reach the SPA’ takes the value 1 if the individual was aged less than the SPA before the transition point but not after.

2.6 takes the value 1) if they were in full-time work before the transition point (for example, in 2002–03 in the case of transitions between 2002–03 and 2004–05) but not in full-time work after the transition point *and* if after the transition point they were either permanently part-time, permanently inactive, or part-time and later become inactive (i.e. they belong to one of the ‘FT to PT’, ‘FT to inactive’ or ‘FT-PT-inactive’ groups in Figure 2.11). Conversely, an individual is taken not to have left full-time work (i.e. the dependent variable in the regression shown in Table 2.6 takes the value 0) if they were in full-time work both before and after the transition point *and* they belong to one of the following groups from Figure 2.11: ‘always FT’, ‘FT to PT’, ‘FT-PT-inactive’ or ‘FT to inactive’. Individuals who exhibited some other pattern of transitions across the four waves (i.e. the 57.6% of individuals who were working part-time or not working initially or who moved out of and then back into full-time work) are excluded from the analysis presented in Table 2.6.

Table 2.6 presents the results from a multivariate analysis (logistic regression) of the characteristics associated with leaving full-time work. Two alternative specifications are shown – the left hand set of columns includes only those characteristics measured in the survey wave before the transition point, while the right-hand set of columns in addition includes indicator variables for other changes in characteristics that were observed to have happened between the waves in question. These changes are likely to be jointly determined with changes in work status. For example, the finding that those who developed a long-standing limiting health condition were more likely to leave full-time work (odds ratio of 1.927 in the third column) could reflect individuals leaving work due to a deterioration in their health, but equally it could be that individuals who left work were more likely to see a deterioration in their health – in other words, it is unknown in which direction the causation runs.

The only ‘transition’ indicator that is included in the first regression is whether or not an individual reached the SPA between the two waves of the survey, since this is clearly not affected by the decision of whether or not to leave work. This indicator is therefore included in both specifications shown in Table 2.6. The reference person for each specification is indicated in the table.

As was found by Banks and Tetlow (2008), women were more likely than men to move out of full-time work, and older individuals were far more likely to move out of work than younger individuals, even after controlling for whether or not they passed their SPA.

While wealth itself does not seem to have been highly correlated with individuals’ movements out of full-time work, individuals with defined benefit

private pensions were nearly twice as likely to leave full-time work as those without a private pension.

Health seems to be important. Those who had a long-standing limiting illness before the transition point were more likely to leave work than those who were in good health. When we take into account the changes in characteristics between waves, those who had a long-standing health condition both before and after the transition point were the most likely to leave full-time work, followed by those who reported a limiting long-standing health condition after the transition point but not before. Interestingly, the odds for someone who reported a limiting long-standing health condition before the transition point but not after were not statistically significantly different from 1 (and, indeed, the point estimate for the odds is also almost exactly 1, at 0.970). In other words, these people were no more or less likely to leave full-time work than someone who did not report a limiting long-standing illness either before or after the transition point.

Family status also seems to have had an important role – individuals with a partner who was in work in the year before the transition point were 37.2% less likely to leave full-time work. Taking into account the transitions in a partner's characteristics between waves, if the partner was in work both before and after the transition point then the individual was 44.2% less likely to leave full-time work than an individual whose partner was not in work in either case. By contrast, if an individual's partner left work at the transition point then the individual was 63.6% more likely to leave full-time work.

### **2.6.3 Phasing-out of full-time work**

The last government was keen to encourage continued attachment to the labour market at older ages, and changes to legislation over the last few years attempted to make it easier for older workers to withdraw more gradually from paid work – notably, since October 2006, individuals have been able to continue to work for an employer whilst being paid an occupational pension by that employer. The government document *Building a Society for All Ages* (HM Government, 2009) explained that 'Continuing some form of work can give people the opportunity to use their skills and experience, maintain social networks, boost their retirement income, maintain a strong sense of purpose and stay healthy'. The new coalition government has also suggested that it is keen to encourage more employment at older ages by phasing out the default retirement age and making it possible for all employees to request flexible working arrangements (HM Government, 2010).

As described in Figure 2.11, while some individuals move out of full-time work and straight into inactivity, around 10% move from full-time to part-time work. Table 2.7 presents the results from a multivariate analysis (logistic regression) of the characteristics associated with movements out of full-time work straight into inactivity, as opposed to a more phased withdrawal from the labour market (in other words, moving out of full-time work and being in the group 'FT to inactive' as opposed to 'FT to PT' or 'FT-PT-inactive'). The specifications are the same as used for Table 2.6. The sample used is all those moving out of full-time work at the transition point in question and the

**Table 2.7. Multivariate analysis of characteristics associated with leaving full-time work for inactivity rather than phasing retirement**

	Baseline controls only		Including changes in characteristics across the transition point	
	Odds ratio	p-value	Odds ratio	p-value
Men 50–54	reference		reference	
Men 55–59	0.583	0.195	0.672	0.359
Men 60–64	0.946	0.901	0.899	0.816
Men 65–69	0.245	0.048	0.168*	0.016
Women 50–54	0.151‡	<0.001	0.155‡	<0.001
Women 55–59	0.487	0.107	0.522	0.164
Women 60–64	0.623	0.393	0.696	0.532
Reach the SPA	1.234	0.394	1.281	0.338
Single, never married	reference		reference	
Previously married	0.666	0.338	0.654	0.323
Couple	4.088*	0.035	1.647	0.251
Partner not working	reference		-	-
Partner working	0.536†	0.007	-	-
Low education	reference		reference	
Mid education	0.694	0.092	0.745	0.186
High education	0.546*	0.015	0.519*	0.011
Poorest	2.614*	0.038	1.728	0.217
Wealth quintile 2	1.486	0.165	1.270	0.442
Wealth quintile 3	reference		reference	
Wealth quintile 4	1.142	0.612	1.031	0.910
Richest	1.177	0.548	1.095	0.752
No private pension	reference		reference	
Private DB pension	2.406*	0.011	2.807†	0.004
Private DC pension	1.573	0.186	1.662	0.149
Private ‘other’ pension	1.872	0.209	2.418	0.105
No limiting long-standing illness	reference		-	-
Limiting long-standing illness	1.680*	0.017	-	-
Partner has no limiting long-standing illness	reference		-	-
Partner has a limiting long-standing illness	0.568*	0.023	-	-
No limiting long-standing (LS) illness either before or after	-	-	reference	
Still have a limiting LS illness	-	-	2.635‡	<0.001
Now have a limiting LS illness	-	-	3.050‡	<0.001
No longer have a limiting LS illness	-	-	0.806	0.614
Partner still not working	-	-	reference	
Partner still in work	-	-	0.268‡	<0.001
Partner now in work	-	-	0.166*	0.014
Partner left work	-	-	1.237	0.507
Partner had no limiting LS illness either before or after	-	-	reference	
Partner still has a limiting LS illness	-	-	0.412†	0.004
Partner now has a limiting LS illness	-	-	1.003	0.993
Partner no longer has a limiting LS illness	-	-	1.103	0.841
Transition 2002–03 to 2004–05	reference		reference	
Transition 2004–05 to 2006–07	0.733	0.182	0.794	0.355
Transition 2006–07 to 2008–09	0.764	0.241	0.749	0.221

Notes to Table 2.7: Sample size = 602. Sample is all individuals who: were interviewed in all of the first four waves of ELSA; were aged between 50 and the SPA and working full-time in 2002–03; followed one of these patterns of employment over the four waves – ‘FT to PT’, ‘FT to inactive’ or ‘FT-PT-inactive’; and actually left full-time employment at the transition point in question. The dependent variable takes the value 1 if the individual moved straight into inactivity (from full-time work) at the transition point, and 0 if the individual moved instead into part-time work at the transition point. Standard errors are clustered at the individual level. \* indicates that an odds ratio is statistically significantly different from 1 at the 5% level († and ‡ indicate significance at the 1% and 0.1% levels, respectively). The variable ‘reach the SPA’ takes the value 1 if the individual was aged less than the SPA before the transition point but not after.

dependent variable takes the value 1 if the individual moves from full-time work to inactivity at the transition point and 0 if the individual moves from full-time to part-time work at the transition point. Odds ratios are expressed relative to the odds for the reference group, which is indicated in the table.

Individuals with high levels of education were less likely to withdraw from the labour market entirely than individuals with low levels of education. Health was also important – those who were working full-time but in less good health initially were more likely to leave work entirely than to move to part-time work.

As with the decision of whether or not to leave full-time work at all, pension status was significantly correlated with whether individuals chose to leave the labour market entirely or whether to phase into part-time work. The odds of someone with a DB private pension leaving the labour market entirely were over twice the odds of someone without a private pension doing so.

Family status again seems to have played an important role. Individuals whose partners were not in work and did not have any limiting long-standing illnesses were four times more likely to leave work entirely than singles. However, individuals whose partner was working and had a limiting long-standing illness before the transition point were no more likely than singles to quit work entirely at the transition point.<sup>23</sup>

## **2.7 Expectations of future employment**

One of the strengths of ELSA is that it allows us to examine not only employment rates and how these differ by individual characteristics, but also individuals’ expectations about their future employment. All respondents to the ELSA survey aged under the SPA were asked about their expectations of working after a certain age a few years in the future. In addition, in 2006–07 and 2008–09, respondents who reported some chance of being in work in future were asked the chances that they would be working full-time at that point. This section explores expectations of future working and how these have changed over time.

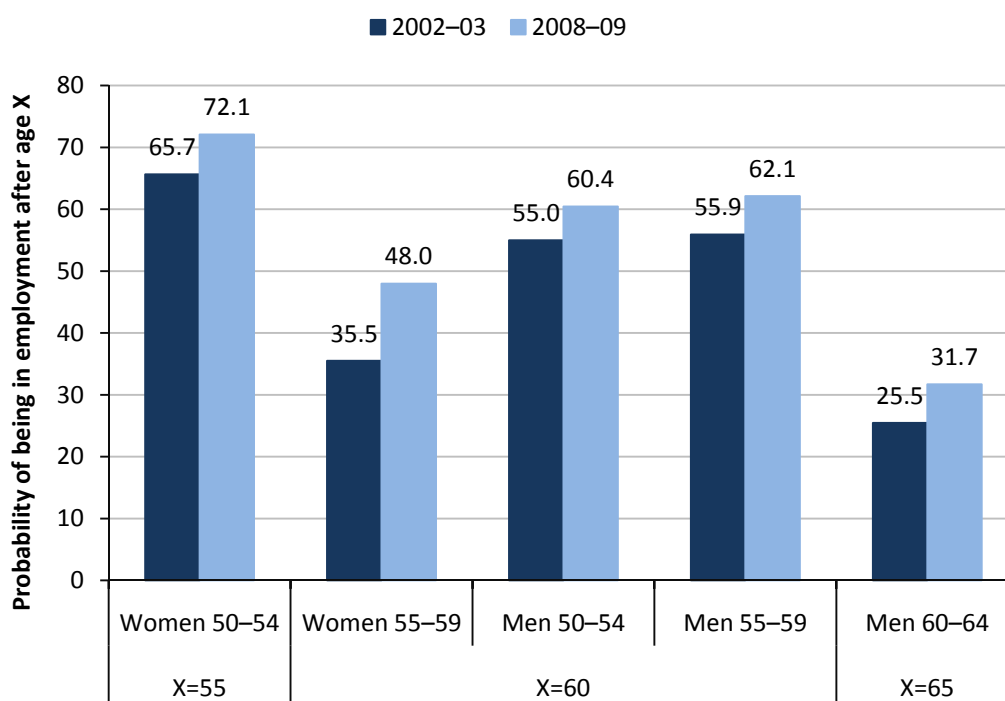
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<sup>23</sup>Joint significance of the ‘couple’, ‘partner working’ and ‘partner has a limiting long-standing illness’ tested using a  $\chi^2$  test.

### 2.7.1 Changes in expectations since 2002–03

Figure 2.12 shows that individuals in 2008–09 reported higher expectations of being in work after a particular age than individuals of the same age in 2002–03. For instance, among the women aged 55–59 in 2008–09 the average reported chance of being in employment after age 60 was 48.0%, while among the women aged 55–59 in 2002–03 the average reported chance was only 35.5%. This reinforces the increases in reported expectations of working in future that were found between 2002–03 and 2006–07, documented in Banks and Tetlow (2008).

**Figure 2.12. Expectations of being in employment after age X, by age and sex, 2002–03 and 2008–09**



Notes: Underlying statistics and sample sizes are shown in Table 2A.13. Excludes those who did not know their probability of being in employment.

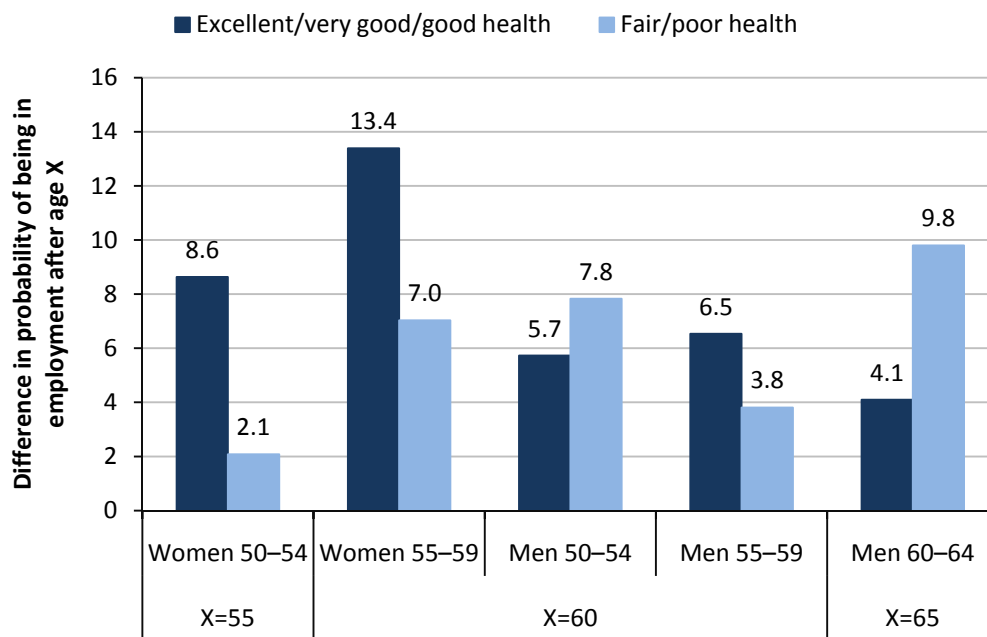
Banks and Casanova (2003) showed, using data from ELSA collected in 2002–03, that expectations of future employment were higher for individuals who were currently in work than for those who were inactive, and higher for individuals who self-reported being in excellent, very good or good health than for those who self-reported being in fair or poor health. Tables 2A.13 and 2A.14 compare the mean expectations of future work in 2002–03 and 2008–09 by health status and work status respectively.

Figure 2.13 shows how much higher average self-reported expectations of future work were in 2008–09 than in 2002–03. This is shown separately for different groups defined by age and self-reported health at the time of interview. On average, the reported chances of being in work in future were higher for individuals of a given age and level of self-reported health in 2008–09 than among individuals of the same age and health status in 2002–03. The difference in average reported chances between 2002–03 and 2008–09 within

each age group was higher for women who self-reported being in excellent, very good or good health than for women who self-reported being in fair or poor health, for all age groups. This was also true of men aged 55–59, but among men aged 50–54 and men aged 60–64 the difference between 2002–03 and 2008–09 in average reported chances of being in work in future was higher for those self-reporting being in fair or poor health than for those self-reporting being in excellent, very good or good health. Overall, the difference in expectations of working between the cohort aged 50–64 in 2008–09 who were in excellent, very good or good health and those aged 50–64 in 2002–03 who were in excellent, very good or good health is not significantly different from the difference in expectations between those aged 50–64 in 2008–09 who were in fair or poor health and those aged 50–64 in 2002–03 who were in poor or fair health. So the gap between the average expectations of those in good health and those in poorer health has not changed significantly over the period, though the level of average expectations has increased for both.

Figure 2.14 shows that, on average, expectations were higher in 2008–09 than in 2002–03 by significantly more if we look just across those who were currently in work than if we look just across those who were not in work. This

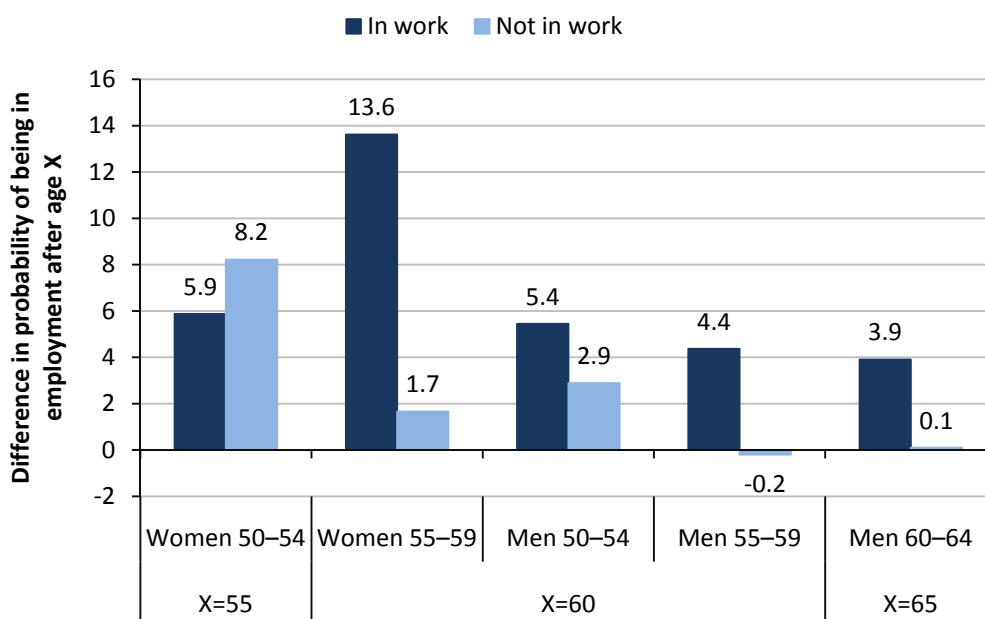
**Figure 2.13. Difference between average reported expectations of being in employment after age X in 2002–03 and average reported expectations of being in employment after age X in 2008–09, by age and self-reported health status at time of interview**



Notes: To aid interpretation of this figure – the number ‘8.6’ for women aged 50–54 in excellent, very good or good health indicates that the mean self-reported expectation of being in employment after age 55 among women aged 50–54 reporting being in excellent, very good or good health in 2008–09 was 8.6 percentage points higher than the mean self-reported expectation of being in employment after age 55 among women aged 50–54 reporting being in excellent, very good or good health in 2002–03. Other numbers in this figure can be interpreted in a similar way. Underlying statistics and sample sizes are shown in Table 2A.13. Excludes those who did not know their probability of being in employment or who did not respond to the self-rated health question.



**Figure 2.14. Difference between average reported expectations of being in employment after age X in 2002–03 and average reported expectations of being in employment after age X in 2008–09, by age and work status at time of interview**



Notes: Underlying statistics and sample sizes are shown in Table 2A.14. Excludes those who did not know their probability of being in employment. On interpretation, see note to Figure 2.13.

is true in almost all age groups; the exception in this case was women aged 50–54, for whom the average expectations in 2008–09 were higher relative to those reported in 2002–03 by more for those who were currently out of work (8.2 percentage point difference) than for those in work (5.9 percentage point difference).

The ELSA data contain a vast array of information on other characteristics that may be expected to be associated with expectation of employment at future ages. Perhaps one of the most important is private pension membership, as in some cases private pensions enable individuals to stop working before their SPA (as was discussed in Section 2.4.2). Table 2A.15 shows how future expectations of work varied in 2008–09 by private pension status – specifically, whether an individual had ever been a member of a defined benefit private pension scheme, had ever been a member of some other private pension scheme or had never been a member of a private pension scheme.<sup>24</sup> Women aged 55–59 and men aged 60–64 who were members of private DB pension schemes on average had significantly lower expectations of working after the SPA than members of other types of private pension schemes. However, women aged 55–59 who had never been a member of a private

<sup>24</sup>Unfortunately, we cannot show exactly equivalent figures for 2002–03, as in the first wave of ELSA respondents were not asked whether their employer pension was DB or DC in nature if they were not currently contributing to the pension when interviewed.

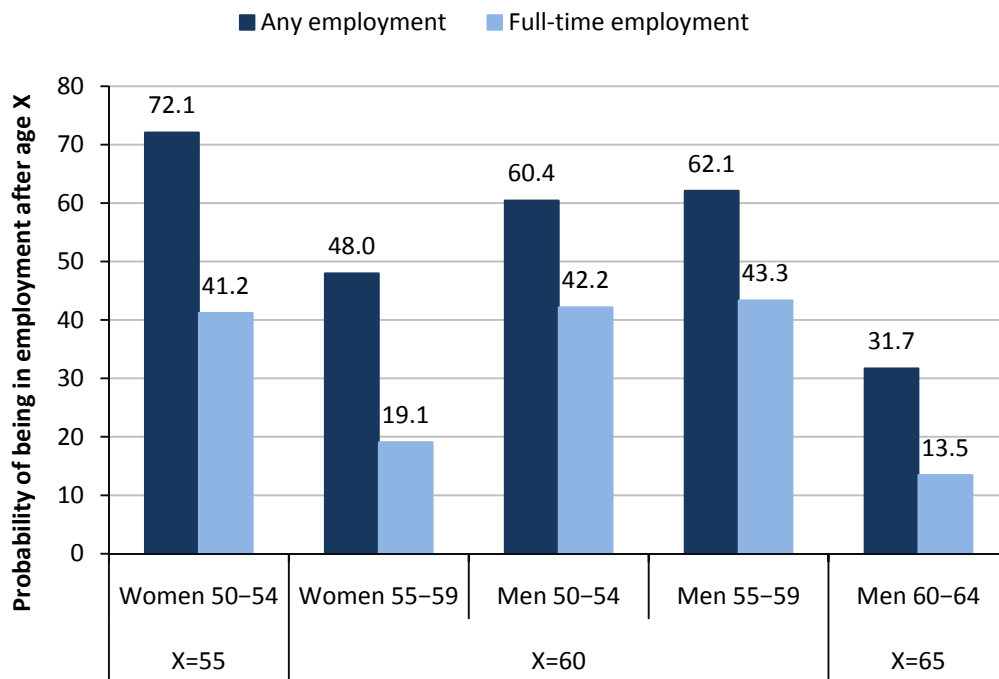
pension scheme had lower average expectations than women who were private pension scheme members.<sup>25</sup> In each of the age/sex groups shown in Table 2A.15, those with a non-DB private pension had significantly higher average expectations of being in employment in the future than those without a private pension. With the exception of women aged 50–54, those with only a non-DB private pension also had significantly higher expectations of being in paid work in future than those with DB schemes.

### 2.7.2 Expectations of future full-time working

In 2008–09, ELSA respondents who reported a non-zero expectation of working in the future were asked with what probability they expected this work to be full-time. Figure 2.15 shows that the average reported chances of working full-time among men were around two-thirds the level of the average reported chances of working at all. However, this ratio was much lower among women.

As shown in Table 2A.16, expectations of being in full-time work (among those individuals who expected some chance of being in some form of work in future) were substantially higher for individuals who were currently in full-

**Figure 2.15. Expectations of being in any employment and in full-time employment after age X, by age and sex, 2008–09**



Notes: Underlying statistics and sample sizes are shown in Tables 2A.14 and 2A.16. Figures for ‘any employment’ exclude those who did not know their probability of being in employment, while figures for ‘full-time employment’ exclude those who did not know either their probability of being in employment or their probability of being in full-time employment.

<sup>25</sup>We cannot reject that the average expectations for men aged 60–64 who had a DB scheme were the same as for men with no private pension.

time work than for individuals who were working part-time, and significantly higher for those working part-time than for those who were not currently in work.

If 48.0% of women were to work past age 60 (the mean reported expectation for women aged 55–59 in 2008–09, as shown in Figure 2.15), this would represent an increase in employment compared with the 38.4% of women aged 61 in 2008–09 who were actually in work. Similarly, if 19.1% of women were to work full-time past age 60 (the mean reported expectation of full-time employment for women aged 55–59 in 2008–09, as shown in Figure 2.15), this would represent an increase on the 10.3% of women aged 61 in 2008–09 who were in full-time work.

By contrast, 63.8% of men aged 61 were in work in 2008–09, and so if the expectations of men aged 50–59 of working after age 60 were to prove correct (average reported chance of working is 61.5% for this group as a whole), this would result in a slight decrease in employment. However, if 43.3% of men aged 55–59 were to be in full-time work after age 60 (the average reported chance of working full-time for this group as a whole), this would represent a slight increase on the 41.1% of men aged 61 in 2008–09 who were in full-time work. Similarly, if the expectations of men aged 60–64 of working, and of working full-time, past the age of 65 (shown in Figure 2.15) proved to be correct, this would result in higher levels of employment and full-time employment than among those currently aged 66 in 2008–09.

It is unknown whether those who expect to work past a certain age in the future will in fact do so, or whether those who do not expect to work in future will actually work or not. Therefore it is not clear that the higher expectations of working in future amongst individuals in the 2008–09 ELSA sample will translate into higher employment rates at older ages in future. However, Banks and Tetlow (2008) investigated the correlation between expectations and outcomes by comparing individuals' expectations of future working in 2002–03 with their observed employment outcomes in 2006–07. This analysis suggested that there was, in fact, strong correlation between expectations of working and subsequent outcomes.

## **2.8 Knowledge of changes to the SPA**

One reason women of a given age in 2008–09 may expect to work for longer than women of the same age in 2002–03 is that the later cohorts will be affected by the increases to the female SPA, which was legislated in 1995 and began to be phased in in 2010. The age at which a woman can start drawing her state pension is increasing from 60 (for women born before 6 April 1950) to 65 (for those born after 5 April 1955). The extent to which this increase is reflected in work expectations will depend not just on how individuals' work decisions depend on the social norms associated with the SPA and the financial constraints imposed by not receiving the state pension income as soon, but also crucially on whether the women in question are aware of the changes to their SPA.

Further changes to the SPA were legislated in Pensions Act 2007. This legislated for an increase in the SPA for both men and women from 65 to

(ultimately) 68, which was to be phased in between 2024 and 2046. Members of the ELSA sample in 2008–09 are actually too old to have been affected by these reforms, though some may have incorrectly thought that they were affected. The coalition government (which came to power in May 2010) is now reviewing the possibility of bringing forward these further increases in SPA for men and women, with a review due to report in Autumn 2010. Depending on the conclusions of the review, some ELSA sample members may be affected by the reforms. We hope to extend questions about knowledge of SPA to both men and women who might be affected by these further reforms in future waves of ELSA.

### **2.8.1 Level of knowledge**

Questions included for the first time in 2006–07 aimed to identify the extent to which women were aware that the female SPA was changing, and specifically whether they knew their own SPA. Banks and Tetlow (2008) found that the level of knowledge was relatively low among those women affected by the SPA changes, and therefore some women may be expecting to receive a state pension earlier than they actually will be able to, and thus may be underestimating how long they will need to continue working. With the questions repeated in 2008–09, we can now investigate whether knowledge has increased. We can do this both on average across all women aged under the SPA and for the specific group of women asked this question in both 2006–07 and 2008–09, who are now two years closer to retirement than when they were originally asked.

Figure 2.16 shows the percentage of individuals reporting various state pension ages, split by what their actual SPA is, in 2006–07 and 2008–09. Among those whose SPA is 60, knowledge was high in both 2006–07 and 2008–09 (78.9% and 80.8% correct, respectively). Knowledge among women affected by the state pension reforms is much lower, with only 34.1% of women whose SPA is 65 being aware of this in 2006–07, although 43.4% of the women in 2008–09 whose SPA is 65 were aware of this – this is a statistically significant increase. Women with a SPA between 60 and 65 could be expected to have much less accurate knowledge of their own SPA simply because of the complexity of the pension reform – during the phasing-in period, the reform phases the *date* at which an individual can retire rather than the *age*, and so women born between 6 April 1950 and 6 April 1955 have SPAs that may differ to the day depending on their date of birth. Only 16.7% of women in 2006–07 with a SPA between 60 and 65 knew their SPA to within three months, although 34.6% knew that it was somewhere between 60 and 65. In 2008–09, knowledge was higher – these figures are 23.6% and 48.1% respectively.

Table 2.8 examines changes in knowledge between 2006–07 and 2008–09 among those who were asked these questions twice.<sup>26</sup> Respondents are

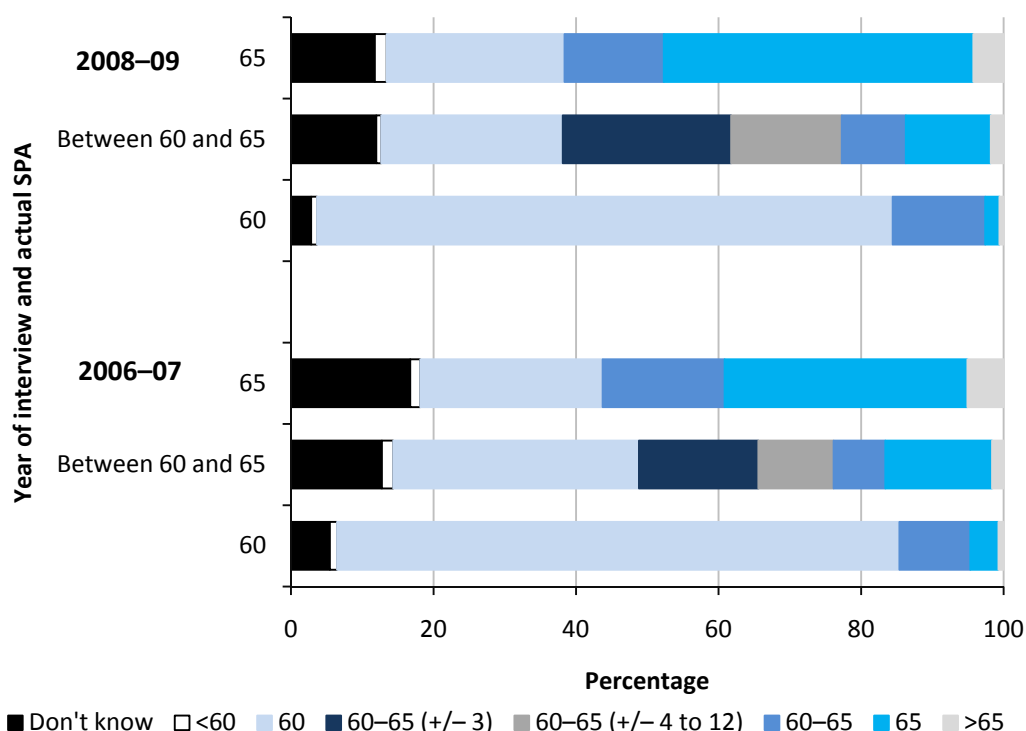
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<sup>26</sup>Of course, it is possible that there may be a familiarisation effect of the survey – that is, women may have taken steps to become better informed as a direct result of having been asked these questions in the ELSA interview. This is potentially a concern and would need to be borne in mind when generalising the results from the ELSA sample to the population as a whole. However, the evidence we have so far of changes in knowledge between 2006–07 and 2008–09 (discussed here) does not show strong evidence of this sort of ‘learning’.

categorised into four groups based on whether they gave the right (R) or wrong (W) answer when asked for their SPA in each year. What is clear is that there is a fairly large amount of uncertainty around individuals' own SPA, particularly among those whose SPA is somewhere between 60 and 65. Though the fraction of individuals who changed from giving a wrong answer in 2006–07 to giving the right answer in 2008–09 was greater than the fraction that moved in the other direction, the latter category was not insignificant in size. The movements are, however, suggestive of generally increasing knowledge among women of their own SPA.

Consider women whose SPA is somewhere between 60 and 65, and take the second definition of 'right' (labelled [2] in Table 2.8) as giving an answer within 12 months of the true SPA. We can see that 71.7% of these women (=15.3+56.3; figures do not sum due to rounding) gave the wrong answer in 2006–07. Of those who had given the wrong answer, 21.4% (=15.3/71.7) then gave the 'right' answer in 2008–09. However, of those who had originally given the 'right' answer (23.7+4.6=28.3%), 16.3% (=4.6/28.3) then gave the wrong answer in 2008–09.

Figure 2.16. Knowledge of own SPA by actual SPA, 2006–07 and 2008–09



Notes: Underlying statistics and sample sizes are shown in Table 2A.17. For those whose SPA is actually exactly 60 or 65, the '60-65' group includes all those who reported something between 60 years and 1 month and 64 years and 11 months; for those whose SPA is actually somewhere between 60 and 65, the '60-65' group includes only those who reported something between 60 years and 1 month and 64 years and 11 months who do not fall into one of the following two categories: '60-65 (+/- 3)' means the respondent reported a SPA somewhere between 60 years and 1 month and 64 years and 11 months that was within three months of their true SPA. '60-65 (+/- 4 to 12)' means the respondent reported a SPA somewhere between 60 years and 1 month and 64 years and 11 months that was more than three but less than 12 months from their true SPA.

**Table 2.8. Change in accuracy of reported SPA between 2006–07 and 2008–09, by actual SPA**

	<b>RR</b>	<b>RW</b>	<b>WR</b>	<b>WW</b>	<i>Unweighted N</i>
SPA = 60	65.7	10.3	16.7	7.3	199
SPA between 60 & 65 [1]	13.9	4.7	11.6	69.8	572
SPA between 60 & 65 [2]	23.7	4.6	15.3	56.3	572
SPA = 65	27.4	8.2	19.3	45.1	170

Notes: ‘RR’ indicates that the respondent gave the right answer in both years, ‘RW’ denotes a right answer in 2006–07 and a wrong answer in 2008–09 etc. Sample is those women who responded to the question about SPA in both 2006–07 and 2008–09.

[1] Defines ‘right’ as reporting an answer within three months of true SPA.

[2] Defines ‘right’ as reporting an answer within 12 months of true SPA.

A key advantage of the longitudinal data provided by ELSA is that we will be able to follow these women in future years and see whether or not their knowledge improves as they approach their SPA. We will also have data on the outcomes of these women – for instance, their subsequent work patterns and (perceptions of) financial adequacy – and will be able to compare the outcomes of those who had good knowledge of their SPA with the outcomes of those who had less good knowledge.

### **2.8.2 Characteristics associated with knowledge of own SPA**

Given the differences in knowledge among women of their state pension age, an interesting question is which types of women are more aware of their SPA than others and whether knowledge has changed significantly over time. Table 2.9 shows the results of a multivariate analysis of the characteristics associated with women knowing their own SPA, using a pooled sample of data from 2006–07 and 2008–09. A woman is counted as knowing her SPA if she is correct in thinking that it is 60 or 65 or, if her actual SPA is between 60 and 65, she reports her SPA correctly to within 12 months. The odds ratios in Table 2.9 are estimated from a logistic regression, where the odds are expressed relative to the odds for the reference group; the reference group is indicated in the table.

All else being equal, women were significantly more likely to know their own SPA if they had a private pension for which they know the type (either defined benefit or defined contribution) than if they had never been a member of a private pension. Women were also significantly more likely to know their own SPA if they were currently working than if they were inactive but did not classify themselves as retired (as was found in a univariate context in Banks and Tetlow (2008)). However, there is virtually no significant relationship between wealth or housing tenure and knowledge.

The bottom part of the table examines whether there is a significant difference in knowledge between women with different SPAs and also whether there is an increase in knowledge as women get closer to their SPA. The SPA applying to particular individuals is determined by their exact date of birth. The regression further distinguishes between the cohorts based on their age at interview and the year in which they were interviewed. In line with findings in Section 2.8.1, those whose SPA is greater than 60 were significantly less likely to report correctly, even after controlling for various other characteristics. It is



perhaps more interesting, however, to compare the odds ratios between different groups of women (as classified by age at interview and date of interview) who have similar SPAs (that is, either somewhere between 60 and 65, or exactly 65). For example, comparing those aged 51–52 in 2006–07 with those aged 53–54 in 2006–07, we find that the level of knowledge was significantly lower among the younger group (odds ratio of 0.050) than among

**Table 2.9. Multivariate analysis of factors associated with correct knowledge of own SPA**

	Odds ratio	p-value
Single, never married	reference	
Previously married	1.185	0.393
Couple	0.982	0.842
Low education	reference	
Mid education	1.021	0.853
High education	1.022	0.880
Own outright	reference	
Mortgage	0.893	0.279
Renter	0.653	0.060
Working	reference	
Retired	1.108	0.582
Other inactive	0.647‡	<0.001
Poorest wealth quintile	0.685	0.109
Wealth quintile 2	0.790	0.095
Wealth quintile 3	reference	
Wealth quintile 4	0.863	0.308
Richest wealth quintile	0.823	0.183
No private pension	reference	
Private DB	1.891‡	<0.001
Private DC	1.564‡	<0.001
Other private pension	0.917	0.713
No long-standing illness	reference	
Long-standing illness	1.154	0.137
<b>SPA=60</b>		
Aged 55–57, interviewed in 2006–07	reference	
Aged 58–59, interviewed in 2006–07	1.261	0.273
Aged 58–59, interviewed in 2008–09	1.391	0.137
<b>SPA between 60 and 65</b>		
Aged 51–52, interviewed in 2006–07	0.050‡	<0.001
Aged 53–54, interviewed in 2006–07	0.119‡	<0.001
Aged 55–57, interviewed in 2006–07	0.176‡	<0.001
Aged 53–54, interviewed in 2008–09	0.083‡	<0.001
Aged 55–57, interviewed in 2008–09	0.236‡	<0.001
Aged 58–59, interviewed in 2008–09	0.223‡	<0.001
<b>SPA=65</b>		
Aged 50–51, interviewed in 2006–07	0.165‡	<0.001
Aged 50–52, interviewed in 2008–09	0.198‡	<0.001
Aged 53–55, interviewed in 2008–09	0.249‡	<0.001

Notes: Sample size = 2,998. Sample is all women aged under SPA when interviewed in either 2006–07 or 2008–09 who did not have a proxy interview. The dependent variable equals 1 if the individual reported the correct SPA (in the case of women whose SPA is between 60 and 65, this is taken to be reporting an age within 12 months of their true SPA). Standard errors are clustered at the individual level. \* indicates that an odds ratio is statistically significantly different from 1 at the 5% level († and ‡ indicate significance at the 1% and 0.1% levels, respectively).



the older group (odds ratio of 0.119). However, we do not find a significant difference between the level of knowledge among those aged 53–54 in 2008–09 (odds ratio of 0.083) and the level of knowledge among those aged 53–54 in 2006–07.

Knowledge of the SPA was also significantly higher among women aged 50–51 in 2006–07 (whose SPA is exactly 65; odds ratio of 0.165) than among women aged 51–52 in 2006–07 (whose SPA is somewhere between 60 and 65; odds ratio of 0.050). This is suggestive of the fact that knowledge is higher when the answer is easier to understand.

## **2.9 Deferral of state pension receipt**

Upon reaching the SPA, individuals can choose to claim their state pension entitlement, or they can ‘defer’ their entitlement (not start to claim immediately) and receive an increased entitlement when they do start to claim. Since April 2005, individuals who deferred their entitlement have been able to receive a 1% increase in their subsequent weekly state pension for every five weeks that they have deferred, while those deferring for at least one year have (since April 2006) been given the option of a lump-sum payment of the amount deferred plus interest (paid, approximately, at the Bank of England base rate plus 2 percentage points).<sup>27</sup>

Paying a more generous state pension to those who have deferred receipt might be seen as appropriate for two reasons. First, it might be seen as fair to do so. Second, it might help to encourage individuals to remain in work for longer. Emmerson and Wakefield (2003) suggest that this may be the case for some liquidity-constrained individuals and that, additionally, if people see deferral as a signal that later retirement is an accepted option for older people, the social norm of the SPA being the age at which to retire may change.

The generosity of the deferral arrangements, and any net cost to the Exchequer, are likely to depend on what type of individuals benefit from the arrangements. However, to date there is relatively little evidence on the characteristics of individuals who have deferred receipt of their state pension. Coleman et al. (2008) look at this issue, but their data were collected for their study and were specifically designed to include a relatively large number of individuals from certain types of deferral categories, rather than being representative of the population as a whole. To remedy this lack of representative data, a number of questions on deferral were included in the 2008–09 ELSA questionnaire and asked of individuals aged between the SPA and 75.

Individuals aged between the SPA and 75 who were receiving a state pension were asked whether they had started receiving it at the SPA or whether they had deferred. Those who had deferred were then asked how long they had deferred for, and whether they chose to receive the increment or the lump sum

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<sup>27</sup>Prior to April 2005, deferral was possible but less generous: the increase was 1% for every seven weeks deferred, there was no lump-sum option and there was a five-year limit on how long an individual could defer for.

when they did start to draw their state pension. Around 2% of individuals aged between the SPA and 75 were receiving a state pension income when interviewed but had deferred receipt in the past.<sup>28</sup> Sample sizes are too small for any robust analysis but, illustratively, nearly three-in-five individuals reported that they had chosen to receive the weekly increment, just over a quarter reported they received a lump sum and the remainder did not know.

Those aged between the SPA and 75 but not receiving the state pension were asked whether this was because they were not entitled to one or because they had deferred. Those answering that they had deferred were then asked whether they intended to receive a higher weekly state pension or a lump-sum payment, and how long they expected to defer for. Of those between the SPA and 75 not receiving the state pension, 2.6% answered that they were entitled to a state pension but had chosen to defer claiming it, with the split between those intending to take the weekly increment, those intending to take a lump sum and those who had not yet decided being around one-third each.

While the sample sizes at this stage are too small to do any real subgroup analysis of people who do actually defer, it is interesting to note that women were more likely to be deferring their state pension or to have deferred claiming it in the past than men and, of those who had deferred, women seem to have been slightly more likely to claim the weekly increment than men. As future waves of ELSA add to these data, more detailed analysis of the characteristics associated with these decisions will be an interesting area for future research.

## **2.10 Conclusions**

Understanding the nature of employment and withdrawal from the labour market at older ages is an important issue. The increasingly aged population in England will potentially put greater financial pressure on public and private resources to provide for older individuals. Increasing the employment of older people will be one important way of alleviating these pressures. Furthermore, the increasingly aged workforce means that a greater proportion of potential employees will be older in coming years than has previously been the case; this perhaps makes issues around the barriers to working posed by work disability even more salient.

The longitudinal data supplied by ELSA provide an invaluable resource for examining changes in work patterns over time – covering both broad economic outcomes and more specific policy-related questions (such as knowledge of changes to the female SPA) and how these relate to numerous other characteristics. This chapter has provided some very preliminary analysis of the patterns of economic activity observed over the first four waves of ELSA (from 2002–03 to 2008–09), including changes in individual behaviour over time and changes in behaviour across cohorts.

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<sup>28</sup>The 2008–09 wave of ELSA contains a sample of 4,039 individuals aged between the SPA and 75, and so 1.9% (rounded to 2% in the main text) of this is a subsample of 77 individuals, while 2.6% (the proportion currently deferring at the time of the interview) is a subsample of 103 individuals.

Understanding the causes of the timing and means of exiting from work would require the data to be interpreted within a structural model of individual behaviour – this is beyond the scope of this chapter but could certainly be pursued in future work. The additional data available on many of the ELSA respondents from the life-history interviews and the linked administrative data should also provide further useful insights into lifetime patterns of employment and their relationship to later-life outcomes.

## References

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## Appendix 2A

### Tables on employment, retirement and pensions

Table 2A.1. Percentage in full-time and part-time paid work, by age and sex, 2002–03 and 2008–09

	% in paid work		% full-time		% part-time		<i>Unweighted N</i>	
	2002–03	2008–09	2002–03	2008–09	2002–03	2008–09	2002–03	2008–09
<b>Men</b>	<b>42.3</b>	<b>44.2</b>	<b>34.7</b>	<b>33.9</b>	<b>7.6</b>	<b>10.3</b>	<b>5,126</b>	<b>4,290</b>
50–54	83.2	83.0	76.5	73.7	6.8	9.3	883	457
55–59	72.6	77.1	63.6	65.0	9.0	12.1	1,003	782
60–64	47.1	55.4	35.8	40.0	11.3	15.4	790	875
65–69	15.7	22.7	5.7	7.7	10.0	15.0	796	692
70–74	10.2	9.2	2.6	1.6	7.6	7.6	672	661
75+	3.0	2.7	0.6	0.4	2.4	2.2	982	823
<b>Women</b>	<b>30.4</b>	<b>31.6</b>	<b>12.1</b>	<b>12.7</b>	<b>18.3</b>	<b>18.9</b>	<b>6,166</b>	<b>5,291</b>
50–54	75.4	73.3	35.6	38.7	39.8	34.6	1,068	532
55–59	60.8	66.0	26.0	29.1	34.8	36.8	1,156	988
60–64	29.5	35.0	7.2	8.6	22.3	26.5	869	1,067
65–69	12.9	13.8	1.4	1.5	11.6	12.3	906	786
70–74	4.1	5.2	0.4	0.2	3.7	4.9	795	780
75+	0.9	0.8	0.2	0.1	0.7	0.7	1,372	1,138
<b>All</b>	<b>35.9</b>	<b>37.5</b>	<b>22.5</b>	<b>22.6</b>	<b>13.4</b>	<b>14.9</b>	<b>11,292</b>	<b>9,581</b>
50–54	79.3	78.1	55.9	56.1	23.4	22.0	1,951	989
55–59	66.6	71.5	44.6	46.8	22.1	24.6	2,159	1,770
60–64	38.1	44.9	21.2	23.8	16.9	21.1	1,659	1,942
65–69	14.3	18.1	3.4	4.5	10.8	13.6	1,702	1,478
70–74	6.9	7.1	1.4	0.9	5.4	6.2	1,467	1,441
75+	1.7	1.6	0.3	0.2	1.4	1.3	2,354	1,961

Notes: Excludes those individuals who did not know their hours of work. Weighted, using cross-sectional weights.

**Table 2A.2. Percentage in full-time and part-time paid work, by age and education, 2002–03 and 2008–09**

	% in paid work		% full-time		% part-time		<i>Unweighted N</i>	
	2002–03	2008–09	2002–03	2008–09	2002–03	2008–09	2002–03	2008–09
<b>50–54</b>	<b>79.3</b>	<b>78.0</b>	<b>55.9</b>	<b>55.9</b>	<b>23.4</b>	<b>22.1</b>	<b>1,916</b>	<b>972</b>
Low	74.7	70.5	49.4	52.3	25.4	18.2	818	284
Mid	80.8	80.4	58.2	56.5	22.5	24.0	723	466
High	86.6	83.6	65.6	60.0	21.0	23.6	375	222
<b>55–59</b>	<b>66.7</b>	<b>71.7</b>	<b>44.5</b>	<b>46.8</b>	<b>22.1</b>	<b>24.9</b>	<b>2,097</b>	<b>1,736</b>
Low	62.9	64.7	40.0	42.5	23.0	22.1	1,026	591
Mid	67.2	73.0	44.7	46.5	22.4	26.5	771	690
High	78.4	80.2	59.9	53.9	18.5	26.3	300	455
<b>60–64</b>	<b>38.2</b>	<b>44.7</b>	<b>21.2</b>	<b>23.6</b>	<b>17.0</b>	<b>21.1</b>	<b>1,615</b>	<b>1,912</b>
Low	35.7	40.8	21.8	22.7	13.9	18.1	907	841
Mid	38.7	46.6	19.0	23.8	19.6	22.8	488	754
High	47.3	52.3	23.0	25.7	24.3	26.6	220	317
<b>65–69</b>	<b>14.2</b>	<b>17.9</b>	<b>3.5</b>	<b>4.4</b>	<b>10.7</b>	<b>13.5</b>	<b>1,667</b>	<b>1,457</b>
Low	11.9	13.9	3.3	4.5	8.6	9.4	1,001	741
Mid	17.2	21.4	3.7	4.2	13.5	17.3	496	494
High	19.1	26.1	3.9	4.7	15.2	21.4	170	222
<b>70–74</b>	<b>6.7</b>	<b>7.1</b>	<b>1.4</b>	<b>0.9</b>	<b>5.3</b>	<b>6.2</b>	<b>1,431</b>	<b>1,416</b>
Low	5.9	6.8	1.1	0.7	4.8	6.1	881	775
Mid	6.8	6.2	1.4	1.7	5.4	4.6	443	461
High	14.3	11.2	4.7	0.0	9.6	11.2	107	180
<b>75+</b>	<b>1.7</b>	<b>1.6</b>	<b>0.4</b>	<b>0.2</b>	<b>1.4</b>	<b>1.4</b>	<b>2,300</b>	<b>1,913</b>
Low	1.1	1.5	0.2	0.3	0.9	1.2	1,416	1,089
Mid	2.3	1.5	0.4	0.1	1.9	1.4	747	660
High	5.6	3.2	1.3	0.5	4.3	2.7	137	164
<b>All</b>	<b>35.9</b>	<b>37.5</b>	<b>22.5</b>	<b>22.6</b>	<b>13.4</b>	<b>15.0</b>	<b>11,026</b>	<b>9,406</b>
Low	29.5	27.4	17.8	16.3	11.7	11.0	6,049	4,321
Mid	39.4	43.1	24.8	25.8	14.6	17.3	3,668	3,525
High	56.2	56.5	38.5	34.8	17.7	21.7	1,309	1,560

Notes: Excludes those individuals who did not know their hours of work and individuals who reported still being in full-time education. Weighted, using cross-sectional weights.

**Table 2A.3. Percentage in full-time and part-time paid work, by age and wealth quintile, 2002–03 and 2008–09**

	% in paid work		% full-time		% part-time		<i>Unweighted N</i>	
	2002–03	2008–09	2002–03	2008–09	2002–03	2008–09	2002–03	2008–09
<b>50–54</b>	<b>79.4</b>	<b>77.9</b>	<b>55.9</b>	<b>55.7</b>	<b>23.5</b>	<b>22.2</b>	<b>1,903</b>	<b>952</b>
Poorest	48.8	53.5	30.8	34.9	18.0	18.6	299	180
2	81.3	81.4	58.9	62.8	22.4	18.6	398	228
3	89.7	86.0	64.5	62.2	25.2	23.7	401	184
4	87.6	84.7	63.6	61.4	24.0	23.3	428	180
Richest	80.8	83.3	54.3	55.6	26.5	27.8	377	180
<b>55–59</b>	<b>66.3</b>	<b>71.5</b>	<b>44.6</b>	<b>46.9</b>	<b>21.7</b>	<b>24.6</b>	<b>2,107</b>	<b>1,726</b>
Poorest	42.2	48.1	27.1	33.9	15.1	14.2	309	275
2	66.9	74.6	47.1	50.4	19.8	24.3	401	353
3	75.1	77.9	49.8	50.7	25.3	27.1	404	313
4	73.7	80.2	50.8	51.7	22.9	28.5	456	357
Richest	67.1	73.2	43.7	45.9	23.4	27.3	537	428
<b>60–64</b>	<b>38.0</b>	<b>44.6</b>	<b>20.9</b>	<b>23.6</b>	<b>17.0</b>	<b>21.0</b>	<b>1,632</b>	<b>1,883</b>
Poorest	21.9	28.0	14.4	15.8	7.5	12.2	247	301
2	36.7	49.1	23.7	28.0	12.9	21.1	290	306
3	41.9	51.9	23.6	28.2	18.3	23.7	342	372
4	42.0	45.4	20.3	25.5	21.7	19.9	339	423
Richest	42.2	47.6	21.3	21.0	20.8	26.6	414	481
<b>65–69</b>	<b>14.0</b>	<b>18.0</b>	<b>3.4</b>	<b>4.5</b>	<b>10.6</b>	<b>13.5</b>	<b>1,681</b>	<b>1,452</b>
Poorest	7.6	10.6	3.6	2.8	4.0	7.8	278	216
2	9.4	14.9	2.1	5.8	7.4	9.0	338	264
3	16.5	18.2	4.7	3.6	11.8	14.6	344	318
4	15.8	19.7	2.1	3.7	13.6	16.1	355	312
Richest	19.3	24.5	4.4	6.3	14.9	18.2	366	342
<b>70–74</b>	<b>6.8</b>	<b>6.9</b>	<b>1.2</b>	<b>0.9</b>	<b>5.5</b>	<b>6.0</b>	<b>1,444</b>	<b>1,420</b>
Poorest	5.6	5.7	0.3	1.5	5.3	4.2	309	256
2	4.5	4.2	1.5	0.0	3.0	4.2	321	255
3	7.6	5.6	0.4	0.6	7.1	5.0	285	295
4	5.5	8.8	1.4	0.6	4.1	8.2	291	302
Richest	12.0	9.9	2.7	1.7	9.2	8.2	238	312
<b>75+</b>	<b>1.6</b>	<b>1.5</b>	<b>0.3</b>	<b>0.2</b>	<b>1.3</b>	<b>1.3</b>	<b>2,327</b>	<b>1,934</b>
Poorest	0.2	0.6	0.0	0.3	0.2	0.3	710	470
2	0.9	0.6	0.4	0.0	0.5	0.6	478	428
3	1.7	1.5	0.3	0.0	1.4	1.5	441	399
4	2.3	2.7	0.3	0.6	2.0	2.1	350	373
Richest	5.1	3.5	1.0	0.3	4.0	3.2	348	264
<b>All</b>	<b>35.7</b>	<b>37.2</b>	<b>22.4</b>	<b>22.4</b>	<b>13.3</b>	<b>14.8</b>	<b>11,094</b>	<b>9,367</b>
Poorest	17.2	22.0	10.3	13.7	6.8	8.3	2,152	1,698
2	34.4	39.1	23.4	25.9	11.0	13.1	2,226	1,834
3	41.0	39.5	26.0	23.7	15.1	15.8	2,217	1,881
4	43.2	41.2	27.4	24.5	15.8	16.6	2,219	1,947
Richest	42.5	44.4	24.8	24.3	17.7	20.2	2,280	2,007

Notes: Excludes those individuals who did not know their hours of work and individuals for whom benefit-unit-level wealth could not be calculated, due to non-response of one member of the benefit unit. Weighted, using cross-sectional weights.

**Table 2A.4. Percentage in full-time and part-time paid work, by age and region, 2002–03 and 2008–09**

	% in paid work		% full-time		% part-time		<i>Unweighted N</i>	
	2002–03	2008–09	2002–03	2008–09	2002–03	2008–09	2002–03	2008–09
<b>50–54</b>	<b>79.3</b>	<b>78.1</b>	<b>55.9</b>	<b>56.1</b>	<b>23.4</b>	<b>22.0</b>	<b>1,951</b>	<b>989</b>
North East	70.3	78.6	45.6	59.9	24.7	18.7	124	55
North West	77.0	78.5	58.1	52.8	18.8	25.7	264	128
Yorkshire & Humber	76.3	70.5	51.4	49.6	25.0	20.9	230	112
East Midlands	79.0	75.2	56.5	51.1	22.5	24.1	215	104
West Midlands	77.1	74.5	53.3	46.7	23.8	27.9	201	105
East of England	85.5	85.3	58.6	63.5	26.9	21.8	233	129
London	77.0	66.8	54.3	51.8	22.7	15.0	180	94
South East	82.9	83.9	61.1	59.8	21.7	24.1	296	168
South West	82.8	85.7	56.4	68.1	26.4	17.6	208	94
<b>55–59</b>	<b>66.6</b>	<b>71.4</b>	<b>44.6</b>	<b>46.8</b>	<b>22.1</b>	<b>24.7</b>	<b>2,159</b>	<b>1,769</b>
North East	59.4	63.4	37.3	39.0	22.0	24.4	136	106
North West	63.1	72.2	42.9	44.6	20.2	27.6	288	224
Yorkshire & Humber	56.8	67.4	35.0	42.4	21.8	25.0	227	199
East Midlands	69.5	75.0	45.3	50.5	24.1	24.5	213	194
West Midlands	67.2	72.2	42.6	48.8	24.6	23.4	234	193
East of England	72.3	68.9	53.8	48.2	18.6	20.7	224	222
London	67.3	69.4	48.1	53.2	19.2	16.2	229	168
South East	71.2	79.7	47.5	51.4	23.8	28.2	373	272
South West	67.7	67.7	44.0	37.4	23.7	30.2	235	191
<b>60–64</b>	<b>38.1</b>	<b>44.9</b>	<b>21.2</b>	<b>23.9</b>	<b>16.9</b>	<b>21.0</b>	<b>1,659</b>	<b>1,941</b>
North East	17.8	39.1	8.8	23.8	9.0	15.3	107	120
North West	27.3	40.8	14.3	22.1	13.0	18.7	227	227
Yorkshire & Humber	33.7	41.7	20.6	19.8	13.1	22.0	186	201
East Midlands	39.1	46.7	23.8	25.6	15.3	21.1	165	219
West Midlands	35.0	43.8	18.0	20.7	17.1	23.1	169	203
East of England	47.3	49.5	22.5	28.2	24.7	21.3	200	246
London	47.1	46.1	27.9	25.6	19.1	20.5	173	177
South East	48.1	46.1	27.1	25.2	21.0	20.9	269	341
South West	35.0	46.2	21.0	22.2	14.0	24.0	163	207
<b>65–69</b>	<b>14.3</b>	<b>18.1</b>	<b>3.4</b>	<b>4.5</b>	<b>10.8</b>	<b>13.6</b>	<b>1,702</b>	<b>1,478</b>
North East	7.9	8.3	1.6	1.0	6.4	7.3	128	81
North West	10.4	15.1	3.2	6.3	7.2	8.8	216	187
Yorkshire & Humber	10.1	19.5	3.1	3.6	7.0	15.9	185	173
East Midlands	17.0	11.7	3.8	3.2	13.2	8.5	159	149
West Midlands	10.6	19.1	1.6	5.8	9.0	13.3	195	149
East of England	19.9	18.6	4.8	3.9	15.1	14.7	207	197
London	18.6	22.4	5.8	7.3	12.8	15.1	145	128
South East	19.6	20.6	4.4	4.0	15.2	16.6	267	244
South West	11.2	20.1	2.1	3.3	9.2	16.8	200	170
<b>70–74</b>	<b>6.9</b>	<b>7.1</b>	<b>1.4</b>	<b>0.9</b>	<b>5.4</b>	<b>6.2</b>	<b>1,467</b>	<b>1,441</b>
North East	1.9	2.4	0.0	1.4	1.9	1.0	117	100
North West	4.4	3.4	2.0	0.0	2.4	3.4	201	160
Yorkshire & Humber	6.5	4.9	1.8	0.7	4.7	4.1	167	149
East Midlands	9.2	7.4	1.4	0.6	7.8	6.8	140	138
West Midlands	5.1	5.6	2.3	0.6	2.8	4.9	167	165
East of England	5.9	11.5	0.6	0.0	5.3	11.5	164	186
London	5.5	6.5	0.0	0.0	5.5	6.5	126	117
South East	10.2	10.3	0.8	3.6	9.3	6.7	220	247
South West	11.1	7.2	3.0	0.0	8.1	7.2	165	179



**Table 2A.4 continued**

	% in paid work		% full-time		% part-time		<i>Unweighted N</i>	
	2002-03	2008-09	2002-03	2008-09	2002-03	2008-09	2002-03	2008-09
<b>75+</b>	<b>1.7</b>	<b>1.6</b>	<b>0.3</b>	<b>0.2</b>	<b>1.4</b>	<b>1.3</b>	<b>2,354</b>	<b>1,960</b>
North East	0.7	0.6	0.0	0.0	0.7	0.6	132	138
North West	1.9	1.2	0.6	0.4	1.3	0.9	307	242
Yorkshire & Humber	0.4	2.1	0.0	0.9	0.4	1.3	238	209
East Midlands	1.4	3.9	0.0	0.5	1.4	3.4	203	188
West Midlands	1.8	1.0	0.7	0.5	1.2	0.6	259	236
East of England	2.5	1.1	0.7	0.0	1.8	1.1	262	217
London	2.2	0.9	0.8	0.0	1.4	0.9	243	164
South East	1.0	1.9	0.0	0.0	1.0	1.9	395	320
South West	2.7	1.5	0.3	0.0	2.4	1.5	315	246
<b>All</b>	<b>35.9</b>	<b>37.5</b>	<b>22.5</b>	<b>22.6</b>	<b>13.4</b>	<b>14.9</b>	<b>11,292</b>	<b>9,578</b>
North East	27.5	32.2	16.4	20.8	11.1	11.4	744	600
North West	32.9	35.7	22.1	21.4	10.8	14.4	1,503	1,168
Yorkshire & Humber	33.1	35.7	20.5	20.4	12.6	15.3	1,233	1,043
East Midlands	39.7	38.8	25.0	23.4	14.7	15.3	1,095	992
West Midlands	33.7	36.1	20.6	21.2	13.1	14.9	1,225	1,051
East of England	40.3	40.7	24.8	25.5	15.5	15.2	1,290	1,197
London	37.5	37.3	24.3	24.9	13.3	12.4	1,096	848
South East	39.8	41.0	24.9	24.5	15.0	16.5	1,820	1,592
South West	34.5	35.9	21.0	19.8	13.4	16.0	1,286	1,087

Notes: Excludes those individuals who did not know their hours of work and individuals living outside England. Weighted, using cross-sectional weights.

**Table 2A.5. Percentage engaged in various non-work activities, by age and sex, 2002–03 and 2008–09**

	% not working		<i>Categories of non-work activity:</i>						% retired		<i>Unweighted N</i>	
	2002–03	2008–09	% unemployed		% looking after home or family		% permanently sick or disabled		2002–03	2008–09	2002–03	2008–09
			2002–03	2008–09	2002–03	2008–09	2002–03	2008–09				
<b>Men</b>	<b>57.0</b>	<b>54.3</b>	<b>1.6</b>	<b>1.6</b>	<b>1.0</b>	<b>0.9</b>	<b>7.1</b>	<b>6.3</b>	<b>46.8</b>	<b>45.0</b>	<b>5,186</b>	<b>4,398</b>
50–54	16.5	16.2	2.2	2.6	1.3	1.8	8.1	7.3	4.3	3.4	896	477
55–59	26.9	21.9	3.2	3.8	0.8	1.0	12.1	9.8	9.8	7.3	1,020	819
60–64	51.7	42.9	3.3	1.8	1.1	0.4	16.1	11.4	30.5	28.9	808	909
65–69	83.5	76.3	0.1	0.1	0.6	0.9	2.2	2.6	80.2	72.3	803	701
70–74	89.3	90.1	0.0	0.0	1.0	0.8	1.2	2.0	86.9	87.1	676	666
75+	96.9	96.9	0.0	0.0	0.9	0.9	0.9	1.6	95.1	94.2	983	826
<b>Women</b>	<b>69.2</b>	<b>66.8</b>	<b>0.3</b>	<b>0.7</b>	<b>15.4</b>	<b>10.3</b>	<b>5.8</b>	<b>5.3</b>	<b>47.0</b>	<b>50.3</b>	<b>6,205</b>	<b>5,407</b>
50–54	24.2	25.3	1.2	1.6	12.6	13.3	7.5	8.0	2.5	2.2	1,085	562
55–59	38.9	32.5	0.5	1.9	16.4	11.5	10.9	10.2	10.1	8.4	1,165	1,033
60–64	69.6	63.0	0.0	0.3	14.5	8.8	3.5	2.3	51.2	51.4	880	1,098
65–69	87.0	85.4	0.0	0.0	13.5	10.2	2.6	2.7	70.2	72.3	907	793
70–74	95.9	94.7	0.0	0.0	17.3	8.5	3.4	2.5	74.9	83.7	795	781
75+	99.0	99.0	0.0	0.1	17.3	9.6	5.3	4.2	75.4	85.2	1,373	1,140
<b>All</b>	<b>63.5</b>	<b>60.9</b>	<b>0.9</b>	<b>1.1</b>	<b>8.7</b>	<b>5.9</b>	<b>6.4</b>	<b>5.8</b>	<b>46.9</b>	<b>47.8</b>	<b>11,391</b>	<b>9,805</b>
50–54	20.4	20.8	1.7	2.1	7.0	7.6	7.8	7.7	3.4	2.8	1,981	1,039
55–59	33.0	27.3	1.9	2.8	8.7	6.3	11.5	10.0	9.9	7.9	2,185	1,852
60–64	60.8	53.2	1.6	1.0	7.9	4.7	9.7	6.7	41.0	40.4	1,688	2,007
65–69	85.3	81.0	0.1	0.0	7.4	5.7	2.4	2.7	74.9	72.3	1,710	1,494
70–74	92.9	92.6	0.0	0.0	9.9	4.9	2.4	2.3	80.4	85.3	1,471	1,447
75+	98.2	98.2	0.0	0.0	11.0	6.0	3.6	3.1	83.0	88.9	2,356	1,966

Notes: Types of non-work activity ('unemployed', 'looking after home or family', 'permanently sick or disabled' and 'retired') do not sum across the row to '% not working' due to the exclusion from the table of the 'other' category. Weighted, using cross-sectional weights.

**Table 2A.6. Percentage engaged in various non-work activities, by age and wealth quintile, 2002–03 and 2008–09**

	% not working		<i>Categories of non-work activity:</i>						% retired		<i>Unweighted N</i>	
	2002–03	2008–09	% unemployed		% looking after home or family		% permanently sick or disabled		2002–03	2008–09	2002–03	2008–09
			2002–03	2008–09	2002–03	2008–09	2002–03	2008–09	2002–03	2008–09		
<b>50–54</b>	<b>20.3</b>	<b>21.0</b>	<b>1.7</b>	<b>2.1</b>	<b>6.8</b>	<b>7.6</b>	<b>7.9</b>	<b>7.8</b>	<b>3.4</b>	<b>2.9</b>	<b>1,931</b>	<b>1,001</b>
Poorest	49.8	45.4	6.3	4.9	12.5	11.1	28.0	27.2	1.5	2.1	308	184
2	18.5	17.8	1.0	2.6	5.0	6.9	10.6	5.7	2.0	2.0	402	238
3	10.1	13.1	0.2	1.1	4.5	5.6	2.8	3.4	2.4	3.0	407	195
4	12.3	14.7	0.8	0.9	5.0	7.6	2.0	2.9	4.3	2.3	431	188
Richest	18.9	15.4	1.4	0.9	8.9	7.3	1.0	0.4	6.6	5.2	383	196
<b>55–59</b>	<b>33.3</b>	<b>27.2</b>	<b>1.9</b>	<b>2.7</b>	<b>8.7</b>	<b>6.3</b>	<b>11.7</b>	<b>10.1</b>	<b>10.1</b>	<b>7.8</b>	<b>2,133</b>	<b>1,808</b>
Poorest	56.2	49.5	6.6	5.7	10.0	8.0	34.4	31.6	4.0	3.7	317	288
2	32.8	24.5	1.4	4.4	10.2	3.5	13.9	12.5	6.6	3.6	404	365
3	24.4	21.3	0.8	1.7	6.2	7.1	8.7	6.3	8.0	6.1	412	326
4	26.1	18.7	1.3	1.7	6.7	6.3	6.9	2.7	10.8	8.1	459	378
Richest	32.7	25.4	1.0	0.8	10.3	7.1	2.5	2.0	17.5	15.4	541	451
<b>60–64</b>	<b>60.9</b>	<b>53.4</b>	<b>1.6</b>	<b>1.0</b>	<b>7.9</b>	<b>4.8</b>	<b>9.8</b>	<b>6.8</b>	<b>41.0</b>	<b>40.4</b>	<b>1,661</b>	<b>1,947</b>
Poorest	76.1	70.6	2.7	1.8	7.2	4.3	25.6	19.6	40.2	44.7	253	306
2	62.3	48.3	1.5	0.6	7.9	2.5	14.3	9.6	37.6	35.3	295	320
3	57.5	46.0	2.2	1.3	7.0	6.8	8.6	4.1	39.6	33.5	346	390
4	56.7	52.5	0.9	0.8	10.1	4.6	4.7	2.6	40.0	44.5	347	439
Richest	57.0	50.9	1.2	0.4	7.5	5.4	2.1	1.5	46.0	43.0	420	492
<b>65–69</b>	<b>85.5</b>	<b>81.1</b>	<b>0.1</b>	<b>0.0</b>	<b>7.4</b>	<b>5.7</b>	<b>2.4</b>	<b>2.7</b>	<b>75.2</b>	<b>72.3</b>	<b>1,689</b>	<b>1,468</b>
Poorest	91.7	88.9	0.3	0.0	8.5	4.7	6.3	4.3	76.6	78.6	280	217
2	90.0	84.2	0.0	0.0	7.5	4.4	2.8	5.7	79.2	74.2	340	266
3	83.5	81.0	0.0	0.2	7.7	6.3	1.8	3.1	74.0	71.5	344	321
4	83.7	79.0	0.0	0.0	4.2	7.2	0.5	0.3	78.2	71.3	357	317
Richest	80.2	74.5	0.0	0.0	9.1	5.7	1.2	0.9	68.4	67.9	368	347

Table 2A.6 continued

	% not working		Categories of non-work activity:						Unweighted N			
	2002-03	2008-09	% unemployed		% looking after home		% permanently sick or disabled		% retired			
			2002-03	2008-09	2002-03	2008-09	2002-03	2008-09	2002-03	2008-09		
70-74	93.0	92.7	0.0	0.0	9.9	5.0	2.4	2.3	80.6	85.4	1,448	1,426
Poorest	94.4	94.3	0.0	0.0	11.1	5.0	5.2	4.0	77.8	85.3	309	256
2	95.2	95.2	0.0	0.0	8.1	6.7	1.3	2.6	85.5	85.8	322	257
3	92.4	94.1	0.0	0.0	8.3	4.4	2.5	2.9	81.6	86.9	285	296
4	94.5	90.6	0.0	0.0	10.3	4.4	1.3	1.2	83.0	85.0	291	304
Richest	86.9	89.7	0.0	0.0	12.1	4.5	1.3	0.9	73.2	84.0	241	313
<b>75+</b>	<b>98.3</b>	<b>98.2</b>	<b>0.0</b>	<b>0.0</b>	<b>10.9</b>	<b>6.1</b>	<b>3.6</b>	<b>3.2</b>	<b>83.1</b>	<b>88.9</b>	<b>2,329</b>	<b>1,939</b>
Poorest	99.8	98.8	0.0	0.0	7.6	3.8	5.0	5.6	86.7	89.4	710	472
2	99.1	99.4	0.0	0.0	12.0	6.1	4.0	3.9	82.3	89.3	478	428
3	98.1	98.5	0.0	0.2	10.7	6.6	1.8	1.8	84.5	89.8	442	399
4	97.7	97.3	0.0	0.0	14.3	8.0	2.8	1.9	80.0	87.2	350	373
Richest	94.6	95.5	0.0	0.0	13.6	7.4	2.8	0.3	77.9	87.8	349	267
<b>All</b>	<b>63.8</b>	<b>61.2</b>	<b>0.9</b>	<b>1.1</b>	<b>8.7</b>	<b>5.9</b>	<b>6.5</b>	<b>5.8</b>	<b>47.1</b>	<b>48.1</b>	<b>11,191</b>	<b>9,589</b>
Poorest	81.9	76.7	2.2	2.0	9.2	5.8	15.0	15.2	54.9	53.4	2,177	1,723
2	65.1	59.4	0.6	1.5	8.6	5.0	7.8	7.1	47.6	45.6	2,241	1,874
3	58.5	59.0	0.5	0.8	7.4	6.3	4.3	3.7	45.8	48.1	2,236	1,927
4	56.4	57.2	0.6	0.6	8.2	6.4	3.2	2.0	43.9	48.0	2,235	1,999
Richest	56.9	53.7	0.7	0.4	10.0	6.3	1.9	1.2	43.5	45.4	2,302	2,066

Notes: Individuals for whom benefit-unit-level wealth could not be calculated, due to non-response of one member of the benefit unit, are excluded. Types of non-work activity ('unemployed', 'looking after home or family', 'permanently sick or disabled' and 'retired') do not sum across the row to '% not working' due to the exclusion from the table of the 'other' category. Weighted, using cross-sectional weights.

**Table 2A.7. Prevalence of work disability, working and disability-related benefit receipt, by age and sex, 2008–09**

% of sample	Work disabled				Not work disabled				Unweighted N	
	Not working		Working		Not working		Working			
	Received benefits	No benefits	Received benefits	No benefits	Received benefits	No benefits	Received benefits	No benefits		
<b>Men</b>										
50–54	10.6	7.0	1.3	6.2	1.0	18.1	0.9	55.0	2,817	
55–59	6.3	2.7	2.3	6.7	0.0	6.6	0.8	74.6	458	
60–64	10.6	2.6	0.8	8.1	0.7	8.1	1.3	67.9	798	
65–69	14.2	7.4	1.9	5.9	1.8	19.2	0.6	49.0	885	
	9.8	18.4	0.2	2.9	1.8	46.1	0.4	20.3	676	
<b>Women</b>										
50–54	9.4	11.5	0.5	5.1	0.8	27.9	0.5	44.3	3,426	
55–59	7.8	6.2	1.0	7.1	0.6	10.3	1.4	65.5	552	
60–64	11.4	6.0	0.6	6.8	0.4	14.7	0.4	59.7	1,019	
65–69	7.2	16.0	0.3	4.0	1.1	38.3	0.3	32.8	1,080	
	10.6	19.9	0.1	1.7	1.2	53.8	0.3	12.5	775	
<b>All</b>										
50–54	10.0	9.3	0.9	5.6	0.9	23.1	0.7	49.5	6,243	
55–59	7.1	4.5	1.6	6.9	0.3	8.5	1.1	69.9	1,010	
60–64	11.0	4.3	0.7	7.4	0.5	11.5	0.8	63.7	1,817	
65–69	10.6	11.9	1.1	4.9	1.4	29.0	0.5	40.7	1,965	
	10.2	19.2	0.2	2.3	1.5	50.1	0.4	16.2	1,451	

Notes: Sample is all core members aged between 50 and 69 who responded to the relevant questions about work disability, work status and benefit receipt. Weighted, using cross-sectional weights.

**Table 2A.8. Prevalence of work disability, working and disability-related benefit receipt, by wealth quintile and sex, 2008–09**

% of sample	Work disabled				Not work disabled				Unweighted N
	Not working		Working		Not working		Working		
	Received benefits	No benefits	Received benefits	No benefits	Received benefits	No benefits	Received benefits	No benefits	
<b>Men</b>									
Poorest	10.8	6.7	1.3	6.1	1.1	18.0	0.9	55.0	2,750
2	32.1	11.8	1.4	6.2	2.5	12.1	0.3	33.6	427
3	11.4	7.6	1.6	8.6	1.1	14.4	1.7	53.5	511
4	7.6	4.1	2.6	6.4	0.5	16.9	1.5	60.4	531
Richest	5.3	6.9	0.4	5.8	0.7	19.5	0.4	61.1	613
	1.9	4.1	0.6	4.1	0.9	25.4	0.6	62.4	668
<b>Women</b>									
Poorest	9.7	11.6	0.5	5.1	0.8	27.9	0.6	43.8	3,327
2	24.0	18.6	0.6	5.1	1.5	20.0	0.7	29.5	539
3	12.2	10.7	1.4	7.2	1.4	19.0	0.8	47.2	648
4	8.0	11.7	0.4	4.7	0.2	29.4	0.3	45.4	672
Richest	4.7	10.2	0.1	3.5	0.5	31.6	0.9	48.4	682
	2.2	8.1	0.1	4.8	0.6	37.6	0.1	46.4	786
<b>All</b>									
Poorest	10.3	9.2	0.9	5.6	0.9	23.1	0.7	49.3	6,077
2	27.9	15.3	1.0	5.6	2.0	16.1	0.5	31.5	966
3	11.8	9.2	1.5	7.9	1.3	16.8	1.2	50.3	1,159
4	7.8	8.1	1.5	5.5	0.3	23.4	0.9	52.6	1,203
Richest	5.0	8.6	0.3	4.6	0.6	25.5	0.6	54.8	1,295
	2.1	6.1	0.4	4.5	0.7	31.6	0.3	54.3	1,454

Notes: Sample is all core members aged between 50 and 69 who responded to the relevant questions about work disability, work status and benefit receipt and for whom a measure of non-pension wealth was available. Individuals for whom benefit-unit-level wealth could not be calculated, due to non-response of one member of the benefit unit, are excluded. Weighted, using cross-sectional weights.

**Table 2A.9. Prevalence of work disability, working and disability-related benefit receipt, by region and sex, 2008–09**

% of sample	Not working		Work disabled		Not working		Not work disabled		Working		Unweighted N
	Received benefits	No benefits	Received benefits	No benefits	Received benefits	No benefits	Received benefits	No benefits	Received benefits	No benefits	
<b>Men</b>	<b>10.6</b>	<b>7.0</b>	<b>1.3</b>	<b>6.2</b>	<b>1.0</b>	<b>18.1</b>	<b>0.9</b>	<b>54.9</b>	<b>2,815</b>		
North East	22.8	4.7	0.6	4.7	1.6	15.1	4.3	46.2	157		
North West	13.8	7.9	1.0	5.0	1.4	16.6	0.7	53.6	359		
Yorkshire & Humber	14.7	9.3	0.9	8.2	0.2	17.2	1.3	48.3	311		
East Midlands	11.9	5.9	1.8	7.0	0.8	15.7	0.0	57.0	307		
West Midlands	11.9	6.0	1.3	7.1	0.8	17.0	1.1	54.7	304		
East of England	7.3	5.1	1.1	5.9	0.7	19.7	0.0	60.2	360		
London	8.9	8.2	1.6	6.2	2.0	18.2	0.6	54.3	257		
South East	6.9	7.3	1.1	6.0	0.4	20.4	0.5	57.5	455		
South West	5.5	6.6	2.2	5.8	2.0	20.1	1.4	56.5	305		
<b>Women</b>	<b>9.4</b>	<b>11.5</b>	<b>0.5</b>	<b>5.1</b>	<b>0.8</b>	<b>27.9</b>	<b>0.5</b>	<b>44.3</b>	<b>3,426</b>		
North East	15.8	14.5	0.0	5.8	0.0	21.6	0.5	41.8	200		
North West	10.8	9.4	1.5	5.2	1.2	28.2	0.9	42.8	411		
Yorkshire & Humber	12.7	11.1	0.7	5.2	0.8	27.5	0.0	42.0	376		
East Midlands	10.1	12.0	0.2	5.8	2.3	27.2	1.2	41.2	368		
West Midlands	11.8	13.3	0.6	6.3	0.7	25.3	0.5	41.5	348		
East of England	7.9	9.9	0.2	2.4	0.7	32.1	0.4	46.3	442		
London	8.5	14.0	0.4	5.0	0.7	28.4	0.4	42.6	320		
South East	5.8	10.0	0.6	5.4	0.3	26.7	0.3	50.9	585		
South West	7.7	12.2	0.0	5.2	0.4	30.5	0.9	43.1	376		
<b>All</b>	<b>10.0</b>	<b>9.3</b>	<b>0.9</b>	<b>5.6</b>	<b>0.9</b>	<b>23.1</b>	<b>0.7</b>	<b>49.5</b>	<b>6,241</b>		
North East	19.2	9.8	0.3	5.2	0.8	18.5	2.3	43.9	357		
North West	12.3	8.7	1.3	5.1	1.3	22.4	0.8	48.2	770		
Yorkshire & Humber	13.7	10.2	0.8	6.7	0.5	22.4	0.7	45.1	687		
East Midlands	11.0	9.0	1.0	6.4	1.6	21.6	0.6	48.9	675		
West Midlands	11.8	9.6	1.0	6.7	0.7	21.1	0.8	48.1	652		
East of England	7.6	7.6	0.6	4.1	0.7	26.1	0.2	53.1	802		
London	8.7	11.2	1.0	5.6	1.3	23.4	0.5	48.3	577		
South East	6.3	8.8	0.8	5.7	0.3	23.7	0.4	54.0	1,040		
South West	6.6	9.5	1.0	5.5	1.2	25.5	1.1	49.6	681		

Notes: Sample is all core members aged between 50 and 69 who responded to the relevant questions about work disability, work status and benefit receipt. Those living outside England are excluded. Weighted, using cross-sectional weights.



**Table 2A.10. Prevalence of work disability, working and disability-related benefit receipt, by education level and sex, 2008–09**

% of sample	Work disabled				Not work disabled				Unweighted N
	Not working		Working		Not working		Working		
	Received benefits	No benefits	Received benefits	No benefits	Received benefits	No benefits	Received benefits	No benefits	
<b>Men</b>									
Low	10.6	7.0	1.2	6.3	1.0	18.2	0.9	54.8	2,768
Mid	17.8	10.0	1.3	7.3	1.4	15.9	0.8	45.5	1,106
High	7.3	5.2	1.4	6.4	0.7	20.5	0.9	57.6	1,023
	2.1	4.4	0.6	4.3	0.7	18.9	0.9	68.0	639
<b>Women</b>									
Low	9.4	11.5	0.5	5.0	0.8	28.0	0.6	44.3	3,368
Mid	13.5	15.6	0.6	5.2	1.3	30.5	0.8	32.4	1,338
High	8.1	9.4	0.4	5.1	0.5	25.6	0.4	50.4	1,420
	2.0	6.8	0.6	4.2	0.2	27.6	0.3	58.3	610
<b>All</b>									
Low	10.0	9.3	0.9	5.7	0.9	23.2	0.7	49.4	6,136
Mid	15.6	12.9	1.0	6.2	1.3	23.4	0.8	38.8	2,444
High	7.8	7.5	0.9	5.7	0.6	23.3	0.6	53.7	2,443
	2.1	5.5	0.6	4.3	0.5	22.8	0.7	63.7	1,249

Notes: Sample is all core members aged between 50 and 69 who responded to the relevant questions about work disability, work status and benefit receipt. Individuals who reported still being in full-time education are excluded. Weighted, using cross-sectional weights.

**Table 2A.11. Transitions in reported work disability between 2004–05, 2006–07 and 2008–09, by age in 2004–05 and sex**

%	DDD	DND	DDN/DNN	NDD/NND	NDN	NNN	N
<b>Men</b>	<b>15.3</b>	<b>2.3</b>	<b>7.4</b>	<b>9.3</b>	<b>4.4</b>	<b>61.4</b>	<b>1,820</b>
50–54	10.1	1.0	4.2	5.2	4.5	74.9	287
55–59	15.6	2.3	5.9	8.5	3.7	64.0	614
60–64	15.4	3.0	9.2	11.3	3.8	57.4	469
65–69	18.0	2.2	9.8	10.9	5.8	53.3	450
<b>Women</b>	<b>14.8</b>	<b>3.0</b>	<b>8.1</b>	<b>10.1</b>	<b>3.7</b>	<b>60.3</b>	<b>2,321</b>
50–54	11.6	1.1	6.4	6.8	3.0	71.0	438
55–59	14.4	4.0	9.5	7.4	2.9	61.9	759
60–64	18.0	2.7	6.6	10.7	3.9	58.0	588
65–69	14.4	3.5	9.1	15.9	5.4	51.7	536
<b>All</b>	<b>15.0</b>	<b>2.7</b>	<b>7.8</b>	<b>9.7</b>	<b>4.0</b>	<b>60.8</b>	<b>4,141</b>
50–54	11.0	1.1	5.5	6.2	3.6	72.6	725
55–59	14.9	3.2	7.9	7.9	3.3	62.9	1,373
60–64	16.8	2.8	7.8	11.0	3.9	57.7	1,057
65–69	16.0	2.9	9.4	13.6	5.6	52.4	986

Notes: The three-letter initialisms denote the pattern of reported work disability in each of the survey years 2004–05, 2006–07 and 2008–09 respectively. ‘D’ denotes reporting being work disabled while ‘N’ denotes reporting not being work disabled. Excludes those who did not respond to the questions about health limiting the ability to work. Unweighted.

**Table 2A.12. Labour market movements across the first four waves of ELSA, by sex**

	Men	Women	All
Always full-time	29.8	11.0	21.5
Always part-time	2.9	16.0	8.6
Always inactive	26.0	25.8	25.9
Full-time to part-time	7.3	6.6	7.0
Full-time – part-time – inactive	2.3	2.2	2.3
Full-time to inactive	15.1	7.2	11.6
Part-time to inactive	3.6	16.1	9.1
Other	12.9	15.2	13.9
N	1,563	1,357	2,920

Notes: Includes only individuals who were aged under the SPA in 2002–03. ‘Other’ includes all individuals whose work pattern does not match one of the listed options, or who did not know their hours of work in one or more waves. Weighted using longitudinal weights.

**Table 2A.13. Expectations of being in work after age X, by self-reported health status, 2002–03 and 2008–09**

	Mean % chance		Difference	Unweighted N	
	2002–03	2008–09		2002–03	2008–09
<i>X</i> = 55					
<b>Women 50–54</b>	<b>65.7</b>	<b>72.1</b>	<b>6.4</b>	<b>1,075</b>	<b>545</b>
Excellent/very good/good	71.3	79.9	8.6	869	432
Fair/poor	40.6	42.6	2.1	206	113
<i>X</i> = 60					
<b>Men 50–54</b>	<b>55.0</b>	<b>60.4</b>	<b>5.5</b>	<b>875</b>	<b>453</b>
Excellent/very good/good	59.5	65.2	5.7	717	360
Fair/poor	34.2	42.0	7.8	158	93
<b>Women 55–59</b>	<b>35.5</b>	<b>48.0</b>	<b>12.5</b>	<b>1,134</b>	<b>1,011</b>
Excellent/very good/good	39.5	52.9	13.4	861	802
Fair/poor	22.6	29.7	7.0	273	209
<b>Men 55–59</b>	<b>55.9</b>	<b>62.1</b>	<b>6.2</b>	<b>985</b>	<b>797</b>
Excellent/very good/good	61.7	68.2	6.5	757	629
Fair/poor	36.7	40.5	3.8	228	168
<i>X</i> = 65					
<b>Men 60–64</b>	<b>25.5</b>	<b>31.7</b>	<b>6.2</b>	<b>780</b>	<b>879</b>
Excellent/very good/good	32.0	36.1	4.1	557	676
Fair/poor	9.0	18.8	9.8	223	203

Notes: Excludes those who did not know their probability of being in employment or who did not answer the question about self-rated health. Weighted, using cross-sectional weights.

**Table 2A.14. Expectations of being in work after age X, by work status, 2002–03 and 2008–09**

	Mean % chance		Difference	Unweighted N	
	2002–03	2008–09		2002–03	2008–09
<i>X</i> = 55					
<b>Women 50–54</b>	<b>65.7</b>	<b>72.1</b>	<b>6.4</b>	<b>1,075</b>	<b>545</b>
Working	82.1	87.9	5.9	809	417
Not working	13.7	22.0	8.2	266	128
<i>X</i> = 60					
<b>Men 50–54</b>	<b>55.0</b>	<b>60.4</b>	<b>5.5</b>	<b>875</b>	<b>453</b>
Working	62.5	68.0	5.4	734	381
Not working	16.0	18.9	2.9	141	72
<b>Women 55–59</b>	<b>35.5</b>	<b>48.0</b>	<b>12.5</b>	<b>1,135</b>	<b>1,011</b>
Working	52.4	66.0	13.6	695	692
Not working	8.5	10.1	1.7	440	319
<b>Men 55–59</b>	<b>55.9</b>	<b>62.1</b>	<b>6.2</b>	<b>986</b>	<b>797</b>
Working	71.4	75.7	4.4	722	627
Not working	13.9	13.7	-0.2	264	170
<i>X</i> = 65					
<b>Men 60–64</b>	<b>25.5</b>	<b>31.7</b>	<b>6.2</b>	<b>780</b>	<b>879</b>
Working	47.1	51.0	3.9	377	518
Not working	5.2	5.3	0.1	403	361

Notes: Excludes those who did not know their probability of being in employment. Weighted, using cross-sectional weights.

**Table 2A.15. Expectations of being in work after age X, by private pension status, 2008–09**

	Mean % chance of being in paid work after age X	Unweighted N
<i>X</i> = 55		
<b>Women 50–54</b>	<b>72.1</b>	<b>545</b>
Defined benefit	80.9	197
Other private pension	79.6	179
No private pension	54.7	169
<i>X</i> = 60		
<b>Men 50–54</b>	<b>60.4</b>	<b>453</b>
Defined benefit	57.4	174
Other private pension	65.1	220
No private pension	52.4	59
<b>Women 55–59</b>	<b>48.0</b>	<b>1,011</b>
Defined benefit	48.3	382
Other private pension	57.5	339
No private pension	37.4	290
<b>Men 55–59</b>	<b>62.1</b>	<b>797</b>
Defined benefit	58.4	315
Other private pension	70.1	373
No private pension	45.0	109
<i>X</i> = 65		
<b>Men 60–64</b>	<b>31.7</b>	<b>879</b>
Defined benefit	22.8	346
Other private pension	39.3	426
No private pension	29.6	107

Notes: Excludes those who did not know their probability of being in employment. Weighted, using cross-sectional weights.

**Table 2A.16. Expectations of being in full-time work after age X, by current work status, 2008–09**

	<i>Of all respondents...</i>		<i>Of those who expect some chance of working after age X...</i>	
	<b>% chance</b>	<i>Unweighted N</i>	<b>% chance</b>	<i>Unweighted N</i>
<i>X = 55</i>				
<b>Women 50–54</b>	<b>41.2</b>	<b>521</b>	<b>49.1</b>	<b>437</b>
Working full-time	78.6	204	79.1	203
Working part-time	22.7	189	23.3	184
Not working	8.1	128	19.8	50
<i>X = 60</i>				
<b>Men 50–54</b>	<b>42.2</b>	<b>441</b>	<b>49.4</b>	<b>374</b>
Working full-time	51.3	325	55.0	302
Working part-time	25.6	44	29.5	38
Not working	9.4	72	20.0	34
<b>Women 55–59</b>	<b>19.1</b>	<b>977</b>	<b>28.2</b>	<b>668</b>
Working full-time	49.8	294	54.9	267
Working part-time	9.8	364	11.3	318
Not working	2.4	319	9.2	83
<b>Men 55–59</b>	<b>43.3</b>	<b>772</b>	<b>52.4</b>	<b>639</b>
Working full-time	60.4	507	62.4	489
Working part-time	20.8	95	23.0	85
Not working	6.3	170	16.7	65
<i>X = 65</i>				
<b>Men 60–64</b>	<b>13.5</b>	<b>853</b>	<b>24.6</b>	<b>479</b>
Working full-time	28.8	349	34.3	295
Working part-time	8.4	143	10.8	112
Not working	1.1	361	5.5	72

Notes: Excludes those who did not know either their probability of being in employment or their probability of being in full-time employment. Weighted, using cross-sectional weights.

**Table 2A.17. Distribution of reported SPA, by actual SPA, 2006–07 and 2008–09**

<i>Survey year:</i> <i>Actual SPA:</i>	<b>2006–07</b>			<b>2008–09</b>		
	<b>60</b>	<b>Between 60 &amp; 65</b>	<b>65</b>	<b>60</b>	<b>Between 60 &amp; 65</b>	<b>65</b>
<i>Reported SPA</i>						
Don't know	5.4	12.8	16.7	2.8	12.0	11.8
<60	1.0	1.6	1.4	0.8	0.7	1.7
60	78.9	34.5	25.6	80.8	25.5	24.9
>60 but <65: incorrect	10.0	7.3	17.1	13.0	9.0	13.9
>60 but <65: correct to ±3 months	n/a	16.7	n/a	n/a	23.6	n/a
>60 but <65: correct to ±4 to 12 months	n/a	10.6	n/a	n/a	15.5	n/a
65	4.0	15.0	34.1	2.0	11.9	43.4
>65	0.7	1.6	5.1	0.6	1.8	4.2
<i>Unweighted N</i>	<i>669</i>	<i>729</i>	<i>212</i>	<i>281</i>	<i>983</i>	<i>295</i>

Notes: Excludes proxy respondents. Weighted, using cross-sectional weights.