The Changing Face of Retirement
Mortality and future health, care receipt, care provision, working status and disability benefit receipt among older people

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The headline

• Older women are changing
• In the future:
  – they are healthier
  – they are more likely to be in work, if they are healthy
  – they are more likely to have a surviving husband
  – they are less likely to receive care but more likely to provide it
  – they remain relatively unlikely to combine care provision with paid work
Data: English Longitudinal Study of Ageing

- Most comprehensive data on the population and characteristics we’re interested in
- Around 10,000 respondents per wave, in 7,000 households
- Longitudinal: surveys the same people in multiple years
- Allows us to estimate models on about 34,000 transitions
- Biennial survey, so we model two-year transitions
  - five waves of data from 2002-03 to 2010-11
  - projections to 2022-23
Using ELSA data to model

• Look at relationships between outcomes and characteristics over time
• Formalise these relationships in regression models
• Assume relationships continue to hold over time
• Simulate circumstances to 2022-23
  – start with people aged 52+ in 2010-11
  – look at outputs for people aged 65+ through to 2022-23
Example: mortality

- Predict chance of surviving to next simulation period
- Use relationship between deaths and other characteristics in ELSA
Example: mortality

- Probability of dying predicted from model
- Flip a weighted coin
- Repeat for everyone in model
The structure of RetSim (and the presentation)

2010-11 ELSA → Mortality → Deaths

Mortality → Health

Health → Care receipt

Care receipt → Care provision

Care provision → Paid work

Paid work → Disability benefits

Disability benefits → 2012-13 RetSim
Mortality

• Both men and women are living longer
Family type (85+)

Source: Figure 3.5
Family type (85+)

Source: Figure 3.5
Mortality

- Both men and women are living longer
- An increasing proportion of pensioners will live in couples in the future
- The chance of dying in a given period is lower for people in couples than for single people
Family type (85+)

Source: Figure 3.5
Family type (85+)

Proportion of individuals with each status

- ONS alone: single female
- ONS alone: couple
- ONS alone: single male
- Mortality module: single female
- Mortality module: couple
- Mortality module: single male

Year

Source: Figure 3.5
Mortality

- Both men and women are living longer
- An increasing proportion of pensioners will live in couples in the future
- The chance of dying in a given period is lower for people in couples than for single people
- Our model shows:
  - 25% of people aged 85+ lived in couples in 2010-11
  - 38% of people aged 85+ will live in couples in 2022-23
Measuring health

- Objective health index
- Counts reported health problems
  - mobility
  - eyesight and hearing
  - continence
  - mental health
- Groups people into five health categories
- Not equally sized groups
Health

- Health is poorer among older people
Trends in health (women)

Source: Figure 3.7
Trends in health (women)

Source: Figure 3.7
Health

- Health is poorer among older people
- The proportion of women in the best health increases by around 7% within each age group between 2010-11 and 2022-23
- The improving health of women influences a lot of our results
- Men report better health than women
Trends in health (women)

Source: Figure 3.7
Trends in health (men)

Source: Figure 3.6
Health

- Health is poorer among older people
- The proportion of women in the best health increases by around 7% within each age group between 2010-11 and 2022-23
- The improving health of women drives a lot of our results
- Men report better health than women
- Improvements in health for men are more modest
  - 5ppts for 75-84 year olds, 2ppts for 65-74 and 85+
Care receipt

- Can be informal (by a family member or friend) or formal (from a professional)
- Any help with day-to-day tasks
Care receipt in 2010

• Likelihood of receiving care increases with age:
  – 18% of men and 29% of women aged 65-74 get care in 2010
  – 49% of men and 65% of women aged 85+ get care in 2010

• Women receive more care than men at all ages

• Most care provided to people living at home is informal
  – only about a fifth of care received by people aged 65+ in 2010 was formal care
  – but more of the oldest (85+) women received formal care than informal care in 2010 (35% compared to 30%)
Care provision

• People are asked about ‘active provision’ of care
• We split care provision by intensity (whether fewer than or at least 35 hours per week)
• Caring for anyone counts: e.g. partner, parent, grandchild
Care provision in 2010

• Likelihood of providing care decreases with age:
  – about 20% of people aged 65+ provide care in 2010
  – 25% of 65-74 year old men and 16% of 85+ men
  – 19% of 65 to 74 year old women and 4% of 85+ women

• Most care is provided by people in couples:
  – 32% of men in couples and 3% of single men
  – 26% of women in couples and 6% of single women

• In couples, men report giving more care than women
• Among single people, women report giving more care than men
Care projections: 2010 to 2022

• Improvements in life expectancy mean:
  – Some less healthy men will live longer and need care from their wives
  – Some less healthy women will live longer and need care from their husbands
  – More people in couples in later life means a shift from formal to informal care for the oldest women

<table>
<thead>
<tr>
<th>Providing care: age 85+</th>
<th>2010</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>16%</td>
<td>21%</td>
</tr>
<tr>
<td>Women</td>
<td>4%</td>
<td>7%</td>
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</tbody>
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<table>
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<tr>
<th>Receiving care: women 85+</th>
<th>2010</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informal</td>
<td>30%</td>
<td>31%</td>
</tr>
<tr>
<td>Formal</td>
<td>35%</td>
<td>32%</td>
</tr>
<tr>
<td>Any</td>
<td>65%</td>
<td>63%</td>
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</table>
Care projections: 2010 to 2022

- Improvements in female health mean:
  - More women will be well enough to provide care
  - Fewer women will need care, especially at younger ages

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<tr>
<td>85+</td>
<td>65%</td>
<td>63%</td>
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Modelling paid work and retirement

- People can work part-time, full-time, or not at all
  - People can move from no work to some work until they are 69
  - People can move between full- and part-time work, and stay in work, until they are 79
  - Everyone must be retired by age 80
- Factors that have a significant effect on being in full time work:
  - Being in poor health
  - Receiving informal care
  - Providing high-intensity care
  - Being below state pension age, or having a partner below SPA
  - Having an outstanding mortgage
  - Contributing to a private pension
Trends in working status

• Among 65 to 69 year old men:
  – over 33% were in work in 1970
  – this fell to a low of 11% in 1987
  – it recovered to 22% in 2010

• Among 60 to 64 year old women
  – employment rates have risen substantially in the recent past
  – 17% were in work in 1985
  – this rose to 31% by 2010

• Female SPA rises from 60 in 2010 to 65 by 2018
• Male and female SPA both rise to 66 by 2020
People in paid work: ELSA data

Source: Figure 3.10
People in paid work: ELSA data

Proportion in any work

Year

Male 60-64
Male 65-69
Male 70-79
Female 60-64
Female 65-69
Female 70-79

Source: Figure 3.10
People in paid work: projections

Source: Figure 3.10
People in paid work: projections

Source: Figure 3.10
Results from the labour supply model

- The proportion of women in work increases dramatically
  - 16% of women aged 65 to 69 are in paid work in 2010
  - we project that this will rise to 37% in 2020
- Women in their 60s are as likely to be in work as men in the early 2020s
- This is because of improving health, and in response to the rising state pension age
- This has big impacts on family incomes and on poverty rates
Results from the labour supply model

- The rise in female employment:
  - is split between full-time and part-time work
  - is concentrated among the healthiest women
Women in paid work by health status

Source: Figure 3.19

Proportion working

Best health
Good health
OK health
Poor health
Worst health

Year
Women in paid work by health status

Proportion working

Year


Best health  Good health  OK health

Poor health  Worst health

Source: Figure 3.19
Results from the labour supply model

- The rise in female employment:
  - is split between full-time and part-time work
  - is concentrated among the healthiest women
  - doesn’t mean more women are juggling work and care provision
Work and care provision among women 65+

Year, sex and couple status

Source: Figure 3.17
Work and care provision among women 65+

Source: Figure 3.17
Disability living allowance (and PIP)

- For people with mobility problems or care needs
- No new claims from age 65
- Being replaced by personal independence payments for under 65s
- Model reform as partly in place in 2016 and fully in 2018
Disability living allowance (and PIP)

- Women are more likely to receive DLA than men

Source: Figures 3.14 & 3.15
Disability living allowance (and PIP)

- Women are more likely to receive DLA than men
- Older people are less likely to receive DLA than younger people
- DLA receipt falls:
  - health improves
  - more people in work
  - effects of the reform to PIP

Source: Figures 3.14 & 3.15
Attendance allowance

- For new claimants aged 65+ with care needs
- Can’t claim alongside DLA
- No plans for reform
Attendance allowance

- Again, more women than men claim
Attendance allowance

- Again, more women than men claim.
- Almost 60% of 85+ women and over 40% of 85+ men claim in 2010.
- About 50% of 85+ people of both sexes claim in 2022.
- Claimant rates for women fall as health improves.

Source: Figure 3.16
Key findings

• Rising SPA and improving health for women means more older people in work in the future

• Women in particular will be healthier in future:
  – Better able to work or provide care
  – Less likely to need to receive care or disability benefits

• Longer life expectancy means people living in couples for longer:
  – Better outcomes in lots of ways
  – Implications for care provision and receipt