

Experiences and expectations of people leaving paid work after 50

Increasing numbers of people are leaving employment before standard retirement ages, through a combination of factors such as choice, redundancy, health difficulties and increased care commitments. A new study by Helen Barnes, Jane Parry and Jane Lakey of the Policy Studies Institute examines the experiences of people in their fifties and sixties who have left paid work. The research looked at how people came to leave their jobs, how they had adjusted to life outside the labour market, and how they were spending their time in retirement. The study found that:

-  Most of those interviewed continued to make identifiable contributions to society after leaving paid work. Activities included voluntary work, learning activities, domestic work, caring for family members (including elderly relatives and grandchildren), helping out friends and neighbours, and leisure pursuits.
-  People's health, income and family circumstances were important in how they spent their time in retirement. Those who were better off found it easier to achieve a high level of participation.
-  The ways in which people came to leave work were important in how well they adjusted to retirement. Those who freely chose to retire tended to have higher levels of income and more options open to them.
-  Getting involved in activities outside the labour market had many benefits, including personal fulfilment, a sense of purpose, continued sociability and keeping physically and mentally alert.
-  The older people interviewed felt that society should recognise their lifelong economic contributions. They were happy to continue to contribute, but felt that they should have more choice at this stage of their life about how they spent their time.
-  In terms of policy implications, employment issues identified included the need for equality in retirement ages for men and women, and the abolition of compulsory retirement ages for those who want to continue working. The importance of a decent retirement income was also highlighted. The benefit system was seen as a key area for reform, including more proactive advice and information.

Background

Increasing numbers of people are leaving work before standard retirement ages. This is the result of a combination of factors, including choice, redundancy, health difficulties and increased care commitments.

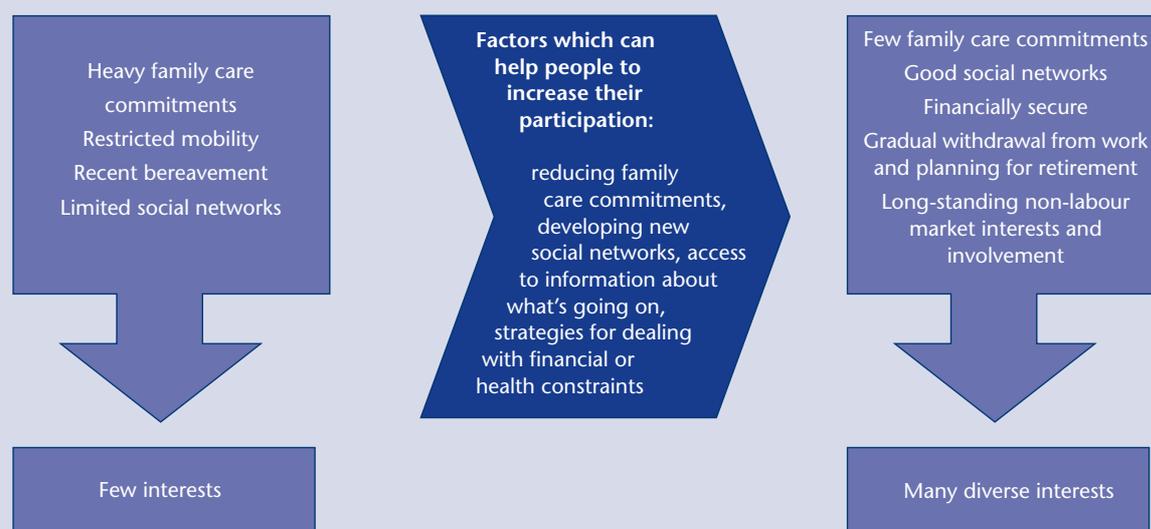
The study looked at the relationship between how people came to leave work and how they were or would like to be spending their time in retirement. It asked why people spent their time in such different ways, and what could be done to make it easier for people to achieve satisfying lifestyles in retirement. It also examined the factors that encouraged or discouraged people from taking part in different activities.

Older people and life outside the labour market

The study produced the following main findings:

- Far from retirement being a time of passive dependency, most of those interviewed were making a real contribution to society. They were taking part in a huge range of activities, including various forms of unpaid work, learning activities, domestic work and caring for family, helping out friends and neighbours, and leisure and educational pursuits.
- A number of factors affected how those interviewed spent their time outside the labour market. These factors included their resources, circumstances and social networks, and also their personal interests, skills, relative distance from paid work, and the area in which they lived. People's participation also changed over time, in response to the importance they attached to various pressures in their life, to unexpected events, and as they grew older. Those who were better off – in health and economic terms – found it easier to achieve a high level of participation.
- The ways in which people came to leave work were important in how they adjusted to retirement. Those who had freely chosen to retire tended to have higher levels of income and a good range of options available to them in retirement. Those who were having more problems in adjusting tended to have left involuntarily, whether because of redundancy, caring responsibilities or ill-health. These people were more likely to be experiencing financial problems, and had more constraints on their activities. They had also generally left work at younger ages than those who had chosen to leave, and so faced the prospect of a longer period of retirement.
- Participation in activities other than paid work had a number of benefits. Such participation provided personal fulfilment, a sense of purpose and continued sociability, and kept people physically and mentally alert. Older people wanted to develop a satisfying balance between doing things for others and pursuing activities for

Figure 1: **Factors influencing participation outside the labour market**



Source: *Forging a new future*

personal enjoyment. The need to make time for rest and recuperation was particularly important for those in poorer health.

- Those interviewed felt that a number of factors were important in developing a fulfilling life in retirement. Financial security was seen as a key element necessary for peace of mind, and good health was also seen as very important. Variety, freedom of choice, being in control, maintaining good personal relationships, and having opportunities to be creative and feel worthwhile were other factors identified. Some people indicated that they would like to do a lot more in retirement, but did not know how to get involved in activities. It was noted that older people often lacked information about opportunities and entitlements. Many interviewees felt that the opportunity to withdraw from work more gradually would help them to adapt better to retirement.
- Older people felt that their lifelong economic contributions should be recognised by society, and that they should be treated with respect. A sense of the need for fairness came out strongly in the focus groups. Those interviewed were happy to continue to make economic contributions, but felt that they should have more choice at this stage in their life about how they spent their time.

Figure 1 shows some of the influences on interviewees' participation in activities outside the labour market.

Policy implications

The research with older people identified the following areas that have implications for policy.

Employment issues

Being able to stay at work was seen as something that can improve the health of older people. Professionals were regarded as having more opportunity to do this than people in manual and semi-skilled jobs, thus widening health and financial inequalities in later life. Policies which could help older people who want to stay in paid work include:

- equal rights to training, skills updating and promotion for all workers;
- the right to work part-time and/or flexible hours after a certain age, or in the case of disability or health problems;

- campaigns encouraging employers to value older workers;
- abolition of compulsory retirement ages;
- laws forbidding age discrimination.

Unmet needs for information and advice

A number of needs were identified in relation to information:

- Advice about social security benefits was felt to be essential, and something which should be provided in a much more proactive way.
- Interviewees argued that people should be encouraged to think about their future after paid work all through their life – and not only in relation to financial planning, but also in terms of how they would like to spend their time. It was seen as important that retirement advice should be provided independently and not by people's employers.
- Many of the factors causing the most problems in retirement (such as bereavement, ill-health and redundancy) could not be planned for, and people may need support and advice for an extended period.
- Many people would benefit from more information on the types of education and leisure activities and opportunities for community and voluntary participation available in their local areas.

Social space

The lack of social space for older people was an issue that arose in several of the focus groups. This issue encompassed both a physical lack of facilities and a general lack of respect shown in the public domain. Some of the people interviewed, particularly those living alone, were isolated or lonely. They wanted opportunities to meet other people of the same age group, but were unsure as to how they might go about this. Organised leisure was often seen as being geared to those who were much younger or for frail older people. In addition, many of the women interviewed were reluctant to go out alone after dark because they feared being a victim of crime.

Benefit system

The benefit system was identified as an important area for reform. People taking part in the focus groups felt strongly that everyone should have the right to retire on an income that would allow them to live comfortably, and that it was demeaning to have to claim income-tested benefits after a lifetime

in work. Those interviewed wanted a benefit system that was not only fair, but which was also seen to be fair. They were keen to see the end of different pension ages for men and women, and of compulsory retirement ages. At the same time, they did not want this to lead to compulsion to work until later ages than at present. They also stressed the need for people to be able to choose for themselves whether, and how much, to work once they reach a certain age (probably 60, but possibly earlier).

The importance of a decent income in retirement was highlighted throughout the research. Those who were fortunate enough to have a good standard of living stressed their awareness of the advantages this brought them, and acknowledged that those with lower incomes had fewer options available to them in retirement. Those on lower incomes highlighted the ways in which the provision of financial support via the benefit system could limit options by forcing people to choose between work and retirement. Policy options identified as being of potential benefit included:

- more encouragement to plan early for retirement, and not just in financial terms;
- increases in basic state pensions;
- pensions paid according to need, not age;
- more proactive advice on benefits;
- benefits geared to accommodate part-time and unpaid work.

It was recognised that people who are disabled or in poor health face real constraints on their activities as a result of their condition; however, they also face unnecessary barriers. It was argued that creating a right for people to work part-time if they develop a health problem might help some older people to stay in paid work. It was also argued that people who are unable to work because of disability or poor health could lose out as a result of failure to consider their needs in designing and marketing leisure and voluntary work opportunities. Such opportunities could be of particular benefit in reducing isolation and in providing some of the sense of purpose previously provided by paid employment.

In addition, people caring for a family member who is disabled or in poor health have specific needs. The main requirements identified were more support for carers, including better advice and information, and increased access to respite care and drop-in provision.

About the project

The research was based on 48 in-depth interviews with people in their fifties and sixties from four contrasting areas. These were a small town in the West of England, a suburban area of Glasgow, an inner-city area of London and a former coalmining village in South Wales. Most of those interviewed had left work. Some had left in the last year or so, but many had left between one and ten years ago, and some longer ago than that. A few were still working, but were planning to retire soon, or were working part-time in jobs they had taken on after retiring from their main employment. A few months after the original interviews, four discussion groups were held with the same people to look at the sorts of policy options that might improve quality of life for people leaving work before state pension age.

How to get further information

The full report, **Forging a new future: The experiences and expectations of people leaving paid work over 50** by Helen Barnes, Jane Parry and Jane Lakey, is published for the Foundation by The Policy Press as part of the Transitions after 50 series (ISBN 1 86134 447 3, price £11.95).