CALLS Hub Impact Case Study

Emily Murray, Nicola Shelton, Jenny Head & Rachel Stuchbury, "Assessing the contributions of the workplace and employment history, the local area, and individual health and social factors from childhood and adulthood to extended working life" [ONS LS project 04010082]

Research Summary

The longer life expectancy of people in industrialised countries means governments are raising the ages at which citizens can apply for state pensions. Yet currently in the UK more than half of the population now stops working before reaching pensionable age. As the Government continues to raise the state pension age further, there is a need to understand why so many people leave the workforce early; and in turn find out how they might be retained. Murray et al (2016) used the ONS Longitudinal Study (ONS LS) to explore factors leading to work exit during the period 2001 and 2010. The main finding from this research was that local labour market conditions matter for whether older workers remain in the work force. This is true even after individual socioeconomic and health circumstances are taken into account.

Underpinning Research

In most developed countries pensionable age is rising due to longer life expectancy. In the UK, the state pension age is set to rise to 66 in 2020 and to 68 by 2039. Although overall more than half of the population in the UK stop working before reaching pensionable age, the pattern varies across the UK. In order to maximise 'worker retention' there is great interest in understanding which factors lead individuals to leave the workforce early. The present study forms part of a wider project—Research on Extended Working Lives (renEWL)—exploring this topic.

Murray et al used the ONS LS in order to address the question. The sample consisted of 98,756 individuals aged 40-69 years at the time of the 2001 Census and who were in employment. Outcomes for this group were then explored at the 2011 Census: whether

Key findings

People aged 40-69 and in employment in 2001 were less likely to still be in work at 2011 if they lived in an area of high unemployment. This was true regardless of whether their stated reason for being out of work at 2011 was that they were 'retired' or due to 'sickness or disability'.

People who rated their health as 'poor' were almost 6 times more likely to be out of work at 2011 than those in 'good' health.

Health and area unemployment independently predicted being out of work. Those in 'good' or 'fairly good' health were more likely to be out of work if living in an area with high unemployment, whereas those in 'poor' health were more likely to be out work regardless of local employment levels.

they were still in work, and if not whether they now identified as 'retired', 'long-term sick or disabled', or another reason; area unemployment levels; and self-rated health.

The results showed that regardless of the reason for being out of work, workers living in areas of high unemployment at 2001 were less likely to be in work at 2011 than people living in areas with lower unemployment. Health was also seen to be an important factor, with people in poor health at 2001 almost six times more likely to be unemployed ten years later than those in good health.

When the relationship between health and area unemployment was explored, it was found that the two factors were independently related to work exit. The results showed that level of self-rated health did not explain why people leave work

earlier in some areas than in other areas. People who reported having 'good' or 'fairly good' health at 2001 were more likely to be out of work ten years later if they lived in an area of higher unemployment, whereas, people who reported having 'poor' health were more likely to be out of work regardless of local levels of unemployment. This indicates a separate, independent influence of each of the two factors.

Impact

The research team were contacted by the author of the Department for Work and Pensions's State Pension age review, John Cridland CBE, and contributed their key findings in person. The team were then invited to submit to the national consultation. The final report acknowledges the renEWL PI, Prof Jenny Head, and there is evidence that the key project message was taken on board—the report recommends a lower means-tested benefit age for people forced to leave the workforce early due to ill health or caring responsibilities.

In April 2017 a one-day conference was hosted by the International Longevity Centre UK (ILC-UK), renEWL and the Uncertain Futures Consortium on 'Overcoming Inequalities: Addressing barriers to extending working lives'. This event aimed to discuss research findings including those of Murray et al and was targeted at policy makers, business leaders, civil society organisations and academics. John Cridland's presentation on the day showed that the consultation team had discussed varying state pension age by geography. The event generated a great deal of interest, and the team hope it will lead to further impact in the future. A policy report based on findings from the project should be available late Autumn 2017.

Further Information

ONS LS Project 04010082: "Assessing the contributions of the workplace and employment history, the local area, and individual health and social factors from childhood and adulthood to extended working life" Nicola Shelton, Emily Murray, Jenny Head and Rachel Stuchbury - University College London

Murray, Head, Shelton, Hagger-Johnson, Stansfeld, Zaninotto & Stafford (2016) "Local area unemployment, individual health and workforce exit: ONS Longitudinal Study" EJPH, 26(3), 463—469

State Pension age independent review: final report (2017), Dept for Work and Pensions

Impact event: Overcoming Inequalities: Addressing barriers to extending working lives, 5 April 2017

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CALLS Hub is an ESRC-funded project supporting and promoting the work of the three UK LSs

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More info on the ONS LS:
https://www.ucl.ac.uk/celsius

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