Factors affecting the labour market participation of older workers: qualitative research

Pat Irving, Jennifer Steels and Nicola Hall

A report of research carried out by ECOTEC Research and Consulting Limited on behalf of the Department for Work and Pensions
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# Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AVC</td>
<td>Additional Voluntary Contributions</td>
</tr>
<tr>
<td>CAB</td>
<td>Citizens Advice Bureaux</td>
</tr>
<tr>
<td>DH</td>
<td>Department of Health</td>
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<tr>
<td>DWP</td>
<td>Department for Work and Pensions</td>
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<tr>
<td>DiTV</td>
<td>Digital Interactive Television</td>
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<tr>
<td>GP</td>
<td>General practitioner</td>
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<tr>
<td>IB</td>
<td>Incapacity Benefit</td>
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<tr>
<td>JSA</td>
<td>Jobseeker’s Allowance</td>
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<tr>
<td>OPAS</td>
<td>Office of the Pensions Advisory Service</td>
</tr>
<tr>
<td>SDA</td>
<td>Severe Disablement Allowance</td>
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<tr>
<td>SPA</td>
<td>State pension age</td>
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<tr>
<td>IT</td>
<td>Information technology</td>
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<td>WFI</td>
<td>Work Focused Interview</td>
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Britain, like many western countries, faces the prospect of an increasingly ageing population. Tackling the structural, social and economic consequences of this demographic change and making long-term plans for managing it successfully represent significant challenges for current and future governments.

The Department for Work and Pensions (DWP) commissioned this qualitative study to expand knowledge and understanding about factors influencing participation in, and withdrawal from, the labour market, to explore the retirement process fully and to examine the barriers to continued labour market participation by older workers (aged 50-69). The research follows a major quantitative research study: *Factors affecting the labour market participation of older workers* (Humphrey et al) published in 2003.

### Research aims and objectives

The research aims were to:

- provide an understanding of the relationships between the different factors that affect people’s retirement decisions;
- explore the factors associated with people leaving the labour market prior to reaching state pension age (SPA);
- explore the barriers to continued labour market participation and identify what support people need to remain in work;
- identify what the Government could do to enable and encourage people to work for longer and to promote work opportunities for those not actively seeking work; and
- explore general attitudes towards work and training for people aged 50 to 69.
Research approach

A total of 71 interviews were conducted with members of the general public aged 50-69 in three fieldwork locations during summer 2004, followed by six focus groups with different groups of respondents in the same age range during November 2004. The respondents included people in or out of work below and above SPA.

Labour market participation

People in full-time work covered a wide range of occupations, while those in part-time work tended to be in administrative and secretarial occupations, personal and customer services and elementary occupations. Self-employment provided a diverse range of employment opportunities which allowed people to remain in the labour force.

Typically, people in full-time employment had a lengthy work history, often with the same employer. Employment histories among part-time workers and people in elementary occupations tended to be more fragmented, and these two groups moved jobs most frequently.

Those in work tended to have partners in work, have qualifications, and generally fewer health problems than those who were not working. That said, some respondents continued to work despite acute or chronic health conditions. Labour market participation generally declined with age.

When asked about their reasons for working, many respondents said they worked for financial reasons. Necessity was a key driver for some, while working provided choice and financial independence for others. Respondents gave other personal and practical reasons for working such as physical and mental stimulation, job satisfaction and routine.

The sample included a number of people in work with health problems. A primary factor in determining whether people with health conditions worked or returned to work was the severity, number and range of health problems they faced. The desire for financial independence, pride, self-esteem and a strong work ethic were key factors that kept people with health problems in work even when their conditions were severe.

Major career changes after 50 were uncommon. Respondents who changed career did so with minimal risk as financial security generally underpinned their decision. Respondents also carefully considered promotion opportunities. Where promotions were accepted, these tended to occur in their early fifties for respondents in managerial occupations, and in their late fifties for people moving into supervisory positions.
Respondents in careers where ongoing training was a prerequisite (e.g. nursing and policing), generally were positive about training and development. Other respondents were resistant to retraining and learning new skills later on in life. Some respondents’ own attitude was their biggest barrier to training.

Disengagement from the labour market

Involuntary (push) and voluntary (pull) factors explained labour market exit for individuals. Push factors included major ‘shocks’ such as a health condition or redundancy and provided the most influential reasons for exiting the labour market. In some cases, they were strong enough single factors to cause labour market exit. Push factors also included reduced job satisfaction, changes in own role or work itself, caring responsibilities, recession and industrial restructuring, and employers’ fixed retirement ages.

Financial security was the most important pull factor underpinning all others; those people who could afford to retire had the choice to work or retire as they saw fit. Financial security, however, never operated in isolation: it was always combined with other push and pull factors. Other pull factors included proximity to SPA, looking after the home and/or spending time with family and enjoying quality time and hobbies.

Push alone and push and pull together were the two common patterns that worked together to explain labour market exit.

Key patterns in how push and pull factors operated are identified below:

- health operated as a single push factor as well as with other push and pull factors (typically redundancy, a change in role or work itself, reduced job satisfaction, proximity to SPA, financial security or caring);
- redundancy operated as a single push factor; with other push factors (health or industrial restructuring); or with one or more pull factors (financial security, caring and a desire to enjoy quality time);
- caring was identified as a push factor or as a pull factor. People tended to stop work when the combination of work and caring became too much, or when their own health or that of the person they were caring for deteriorated. Caring typically combined with financial security, a desire to enjoy quality time and hobbies, and looking after the home/spending time with family;
- financial security was the most common pull factor. It normally operated alongside other pull factors such as a desire to enjoy quality time and hobbies and looking after the home or family and caring responsibilities. Financial security also combined with the strong push factors of redundancy and health and also provided people with the choice to leave the labour market if they were dissatisfied with their job or unhappy with changes in their role or work.
Retention and attitudes towards extending working lives

People’s need or desire to remain in work was based on the financial, personal and practical reasons which explained general labour market participation. Some respondents opted for self-employment to allow themselves to remain in work.

Some people’s health problems and caring responsibilities had been taken into account by their employer and they remained in work. Those with positive experiences showed how redeployment, opportunities to negotiate flexible working conditions, retraining or a move into self-employment helped to keep people in work.

Not all respondents had such positive experiences while trying to remain in work. Views among this group were negative, not only in terms of how their employer might or did respond to their changing circumstances, but also about their own contribution to the workplace. Some respondents felt that they were a burden and so did not think to ask for their needs to be accommodated.

A small group of respondents had continued or wanted to continue working beyond SPA. Some of this group felt that their employers had an important role in determining whether they continued to work in the future. Others who were self-employed felt that their employment status gave them the final decision or choice, on whether to work or not.

Re-entry

Older people found ways to re-enter the labour market after the age of 50 if they were in good health, were motivated to do so and had recent work experience. Irrespective of age, many respondents felt that work was available and that older workers were employable. Others, particularly those who had fixed employment or salary expectations felt that opportunities were limited and had failed to find work.

Two general reasons explained labour market re-entry:

• financial necessity caused by a change in circumstances; or
• choice to fulfil financial, physical and psychological needs.

Respondents who were most successful in re-entering the labour market tended to be educated or professionally trained and typically had a strong work history, good work ethic and were motivated. Generally, those with lower incomes re-entered through necessity, while those with higher incomes returned through choice.

The age at which re-entry occurred varied, depending on:

• when people exited the labour market; and
• when changes in circumstance or unplanned events occurred.
It was clear, however, those that had been unemployed for longer found it more difficult to re-enter the labour market.

Respondents' knowledge and understanding of the labour market was limited: some felt that they should give way to allow young people to take available jobs while others simply felt that they were too old to compete for jobs. A lack of knowledge about the mechanisms in place to assist people back into work in part accounted for respondents' limited labour market awareness.

The mechanisms used by older workers to re-enter the labour market were generally narrow. People in the sample had limited experience of Jobcentre Plus services, but of those who had such experience some were very disappointed with the support they had received. Respondents raised the following issues: poor availability of specialist and well-paid vacancies, and eligibility for New Deal 50 Plus being too restrictive.

Respondents on IB knew little about the types or sources of help and support available for people with a health condition or disability, and did not want to endanger their benefit status by taking work which they felt they might not sustain. Respondents were not aware of the permitted work rules or benefit protection (linking rules) that would allow them to try work without it affecting their entitlement to benefit.

### Pensions and retirement

Two groups of people emerged from the analysis in terms of their attitudes towards retirement income: ‘planners’ and ‘non-planners’.

Planners comprised four groups: active, inactive, retired and passive planners. Planners, passive planners generally excepted, tended to have spread their investment risk, building a mixed portfolio of savings and investments. Income level and funds available for investment determined the make-up of their savings portfolios, while windfall gains, from inheritance for example, sometimes completed their savings portfolios. However, passive planners had benefited from providence – they were prompted into taking occupational pension schemes that proved sound investments.

Non-planners, tended to display some quite different characteristics from the planners. They lived for the day, or could not afford to save, and postponed worrying about their retirement income to the future. Many in this group felt that they were too young to think about retirement. However, for some, a lack of savings, coupled with ill-health, caring responsibilities or other barriers to labour market participation, meant that they faced retirement with the state pension (and perhaps windfall gains) as their only source(s) of income.

While the concept of ‘planners’ and ‘non-planners’ helped to explain attitudes towards planning and saving towards retirement, other factors came into play in terms of whether individual or household plans came to fruition. For example, push factors such as ill-health or redundancy affected people’s retirement plans. Similarly,
unforeseen caring responsibilities and/or bereavement caused people to rethink their retirement decisions.

Planners were generally more aware than non-planners of how to access information and advice about their various pensions. Similarly, planners – in particular those with higher-level incomes – were more aware of Pension Credit than those who were eligible for it.

In terms of satisfaction with pension plans, planners were generally more satisfied with their retirement income than non-planners. However, some planners were disappointed with the performance of some occupational and personal pension plans (because of losses or risk taking that did not pay off). Others – both planners and non-planners – felt that they would have to live within their means, and that their lifestyle might have to change in retirement.

Respondents’ views: what should the Government do?

To help older workers to stay in work and extend their working lives, respondents made the following suggestions:

- the Government should support flexible working practices by targeting information at employers, employees and health professionals;
- steps should be taken to allow for earlier identification and provision of support for older workers at risk of exiting the labour market;
- the Government should also consider policies towards rewarding people for working longer, for example by removing tax on income earned from work after SPA; and
- the Government needs to make efforts to ensure that people understand that the extending working lives agenda is about choice.

Government support to help out-of-work older people to re-enter the labour market was perhaps the area where respondents had most difficulty in making policy suggestions. Many of the out-of-work sample considered that the barriers to re-entering the labour market were insurmountable, but were unaware of skills gaps and shortages, available support and the social and economic impacts of the ageing population.

Concerning pensions and retirement, respondents identified a key role for the Government in communicating pension information successfully, in providing a stable and reliable income for retired people, and in regulating the pension environment to protect end-users.
Conclusions and recommendations

Barriers to labour market participation/support to help people to remain in work

Respondents identified two types of barriers to labour market participation and re-entry:

- external barriers – economic restructuring, labour demand and discrimination; and

- personal barriers – which included health, family and caring responsibilities, skills and experience, a lack of awareness of opportunity coupled with ‘the benefits trap’ and personal attitudes.

Where respondents identified barriers some of these were real, whereas others were perceived, i.e. people’s views were based on how their employer or employers in general might or ought to behave, not on actual experiences.

What the Government might do to encourage people to work longer and promote work opportunities

Currently most respondents expected to retire at SPA and believed that they had earned the right to retire. Many people in this group had fixed views about working and retirement and were unlikely to be influenced by policies and initiatives to encourage them to work longer. Indeed this group frequently believed that extending working lives policy and initiatives did not concern choice but would result in SPA increasing to 70 or 75.

A key issue for Government is that respondents’ awareness of Government’s extending working lives policy is limited or incorrect. Respondents had little knowledge about Government’s work with employers, individuals and appropriate intermediaries to support people in work to remain in work, and to help people out of work back into employment.

Attitudes towards work and training

Attitudes towards work and training varied across the sample depending on respondents’ occupation, work history and work status. Respondents in professional and managerial jobs were more likely to have considered flexible working, those working in sectors with a tradition of training were most positive about training, whereas many in and out of work felt that they had little opportunity to change their work status.

For non-working respondents, work was a desire and a future goal for some and not an option for others. Those who believed that work was not an option had either been outside the labour market for a very long period, or had been ‘told’ by company doctors and/or general practitioners that they should give up work. In practice, this meant that the non-working group identified significant and in some
cases insurmountable barriers to work, sometimes reinforced by the professionals who should have been helping them if they were able and willing to work. There was clear evidence that there was a group of people in the 50-plus age group who said that they wanted to work but who were outside the labour market. This group perceived that there was no place for them in the labour market.

Recommendations

Recommendations for the Department for Work and Pensions

Working with employers: there is merit in exploring whether there is a business case for the Government to promote flexible working opportunities for older workers; and Government needs to work with employers to maximise the take-up of stakeholder and other occupational pension schemes.

Working with the public: An effective communications strategy is necessary and should underpin Government’s extending working lives and informed choice policies to ensure that the public have an accurate understanding of policy intent. As part of this communication, people need to be better informed about opportunities for work and the support mechanisms to help people to remain in or return to work.

Recommendations for Jobcentre Plus

There is a role for the Department as an active provider of general labour market information and advice on career change and training to older people on active and inactive benefits to help them identify and understand available job opportunities. A key challenge for the DWP and Jobcentre Plus is how to identify people aged 50 plus on inactive benefits who want to work and are capable of work and help them back into employment.

Recommendations for The Pension Service

The Pension Service needs to develop communications to raise awareness of its name, and its services, and communicate around relevant pensions policy areas to people below SPA. The Pension Service needs to find ways of communicating information to people who are outside the labour market. Indeed, one option is to provide pension information to individuals via Jobcentre Plus.

Further research

Two areas of further research are suggested:

- research with employers on the business case for encouraging flexible working for people aged 50 plus, measures to encourage employers to retain older workers; and
- research with individuals on attitudes towards retirement saving and on the concept of a government-managed pension scheme.
1 Introduction

1.1 Research rationale

Britain, like many western countries, faces the prospect of an increasingly ageing population. Tackling the structural, social and economic consequences of this demographic change and making long-term plans for managing it successfully represent significant challenges for current and future governments.

The Pensions Green Paper *Simplicity, security and choice: Working and saving for retirement (December 2002)* set out the variety of issues related to the fact that people in general are living longer and healthier lives and proposed a number of policies to support people in their fifties in seeking work and in creating the opportunity and choice for people to work and save longer. The Green Paper also established that to achieve these aims, pensions and employment policies needed to work together effectively to create flexibility and choice for older people to extend their working lives and provide for a secure retirement.

Current policies include initiatives as follows:

- to increase employment rates for the over fifties to improve individuals’ pre-and post-retirement incomes, and to maximise their contributions to the workforce;
- to tackle age discrimination in employment to ensure equality of opportunity for older workers and to improve business performance; and
- to remove barriers and increase incentives to working and saving for longer, to ensure more informed decision making about how and when to retire and promote the benefits of working longer.

This report considers respondents’ views on working and retirement within this policy context.

The Department for Work and Pensions (DWP) commissioned this study to expand knowledge and understanding about factors influencing participation in, and withdrawal from, the labour market, to examine the barriers to continued labour market participation of older workers (aged 50-69) and to explore fully the
retirement process. The research follows a major quantitative research study: *Factors affecting the labour market participation of older workers* (Humphrey *et al.*) published in 2003 and will feed into the development of government policies aimed at extending working lives and assisting people aged over 50 in remaining in or returning to the labour market. The quantitative research identified what factors encouraged labour market participation or influenced withdrawal from the labour market among this age group, as well as factors associated with decisions about retirement. In spring 2004, ECOTEC was commissioned to build on this research by examining how and why factors act both separately and in conjunction to affect labour market exit, retention and return and retirement decision making.

### 1.2 Research aims and objectives

The research aims were to:

- provide an understanding of the relationships between the different factors that affect people’s retirement decisions, such as household circumstances, finances and savings, community influences, health, and caring responsibilities;
- explore the factors associated with people leaving the labour market, both voluntarily and involuntarily, prior to reaching state pension age (SPA);
- explore the barriers to continued labour market participation and identify what support people need to remain in work;
- identify what the Government could do to enable and encourage people to work for longer and to promote work opportunities for those not actively seeking work; and
- explore general attitudes towards work and training for people aged 50 – 69.

Specifically, the research looked at:

- attitudes towards working later in life among working and non-working people aged 50-69;
- reasons for leaving the labour market;
- respondents’ desire to re-enter the labour market;
- barriers faced when re-entering the labour market;
- the support needed to sustain or re-enter the labour market after the age of 50;
- the work and pensions situations of a variety of individuals, and how different factors interplay to affect individual and household situations;
- responsibility for financial security;
- the drivers behind decision making in planning and saving for retirement; and
- the support and help that the Government could provide.
1.3 Research approach

ECOTEC conducted 71 in-depth interviews with members of the general public aged 50-69, followed by six focus groups with different groups of respondents in the same age range. The interviews and focus groups were spread evenly across three selected areas: Christchurch and East Dorset, Walsall and Newcastle. The interviews were designed to explore, in-depth, the core research objectives and issues outlined in Section 1.2. The programme of focus groups then followed up on new and under-explored avenues of enquiry from the interviews, and teased out the interplay between some of the key issues that arose in the interviews.

1.3.1 Selection of the sample

A brief summary of the sampling process for the in-depth interviews is given below. Respondents were selected to reflect a diverse range of socio-demographic characteristics, including the following:

- gender;
- age;
- working status (e.g. full-time, part-time, self-employed);
- non-working status (e.g. looking after home or family);
- health status;
- caring responsibilities;
- marital status, including people who were single, divorced or widowed;
- income level and source;
- type of occupation;
- receipt of Incapacity Benefit (IB);
- people of working age who were unemployed and claiming Jobseeker’s Allowance (JSA); and
- retired people.

The recruiters used a screening questionnaire (see Appendix C) to ensure that the sample included the agreed range of characteristics indicated above. In terms of employment, the sample for the in-depth interviews consisted of 30 working respondents and 41 non-working respondents.

The three fieldwork areas were selected according to the following criteria:

- Newcastle – urban, predominantly working class, with longstanding high unemployment, and likely to contain a large number of working-age residents claiming IB;
• Christchurch and East Dorset – rural, affluent, containing a working/non-working population, including people who have taken voluntary and early retirement; and

• Walsall – suburban, containing a mix of working and non-working population with low-to-medium income.

Appendix A provides a detailed methodological description, including tables setting out the demographic characteristics of the sample areas (Tables A1-A3) and an outline of the characteristics for the two main sample groups: working and non-working (Table A4).

1.3.2 Recruitment of interviewees

Respondents for the in-depth interviews and focus groups were recruited using three methods. Firstly, ECOTEC used Plus Four, a fieldwork recruitment agency, to recruit respondents door-to-door using a custom-designed screening questionnaire to identify those with the desired characteristics for the research. This allowed for a fluid approach to recruitment, as desired by the DWP, but did not rely on ‘snowball’ recruitment,¹ which might have caused a skew or bias in the sample. Secondly, the DWP supplied contact details for a random selection of IB claimants to Plus Four within the three areas. DWP wrote to all these IB claimants and offered them the opportunity to opt out of the research if they so wished, and then Plus Four used telephone recruitment to recruit the sample. Table 1.1 details the sample structure of the respondents recruited. Thirdly Jobseeker’s Allowance (JSA) customers were recruited at a New Deal 50 Plus recruitment fair in one of the fieldwork areas.

Table 1.1 Structure of sample of respondents

<table>
<thead>
<tr>
<th></th>
<th>Working</th>
<th>Non-working</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newcastle</td>
<td>10</td>
<td>14</td>
<td>24</td>
</tr>
<tr>
<td>Christchurch and East Dorset</td>
<td>11</td>
<td>12</td>
<td>23</td>
</tr>
<tr>
<td>Walsall</td>
<td>9</td>
<td>15</td>
<td>24</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>41</strong></td>
<td><strong>71</strong></td>
</tr>
</tbody>
</table>

Following successful completion of the in-depth interviews, a series of six focus groups was held, with a total of 52 respondents taking part. Table 1.2 lists the location and composition of the focus groups. Details of the selection of the groups and the content of discussions can be found in Appendix A and the topic guides are set out in Appendix B.

¹ Where respondents are asked to nominate eligible friends or family for recruitment.
Table 1.2  Location and composition of focus groups

<table>
<thead>
<tr>
<th>Location</th>
<th>Group type</th>
<th>No of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1 Newcastle</td>
<td>In work, with reasonable income¹</td>
<td>8</td>
</tr>
<tr>
<td>Group 2 Newcastle</td>
<td>Out of work, on IB</td>
<td>8</td>
</tr>
<tr>
<td>Group 3 Christchurch and East Dorset</td>
<td>Working, with limited income</td>
<td>9</td>
</tr>
<tr>
<td>Group 4 Christchurch and East Dorset</td>
<td>Retired, with reasonable income</td>
<td>8</td>
</tr>
<tr>
<td>Group 5 Walsall</td>
<td>In work, with disability/ill-health</td>
<td>11</td>
</tr>
<tr>
<td>Group 6 Walsall</td>
<td>Retired, with limited income</td>
<td>8</td>
</tr>
</tbody>
</table>

¹ Sample was based on four income groups, under £10,000; £10,000-£20,000; £20,000-£30,000; and above £30,000. Throughout the report the following terms are used:

- limited income (less than £10,000 per annum);
- low income (less than £20,000 plus);
- reasonable income (20,000 plus);
- high income (£30,000 plus).

1.3.3 Fieldwork

71 in-depth interviews were conducted during summer 2004 and the focus groups were held in November 2004. Copies of the topic guides for the in-depth interviews and focus group discussions are provided at Appendix B.

1.4 Characteristics of respondents

Table 1.3 sets out the detailed characteristics of the achieved sample of in-depth interviews, and is based on the data collected during interview. The working/non-working status of respondents in both the recruitment and interviews was self-reported and data collected in the interviews provided useful contextual information on the way in which they perceived work and training. The responses to the screening questionnaire did not always match information given in the interviews. There were three types of instance where this occurred:

- some people described themselves as retired, but were also working;
- some people were not currently working because of illness, but were still on a payroll; and
- others were on inactive benefits, but described themselves as retired.

Nevertheless, the screening achieved its objective of ensuring that the sample was diverse, as can be seen from Table 1.3. The numbers do not sum to 71 in all cases because some respondents fitted into several categories.
### Table 1.3  Characteristics of respondents

<table>
<thead>
<tr>
<th></th>
<th>In work</th>
<th>No.</th>
<th>Not in work</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Newcastle</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working age</td>
<td>7</td>
<td></td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>SPA and above</td>
<td>3</td>
<td></td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>5</td>
<td></td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>5</td>
<td></td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>0</td>
<td></td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Couple</td>
<td>10</td>
<td></td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Ill-health or disability</td>
<td>0</td>
<td></td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Caring responsibilities</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Christchurch and East Dorset</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working age</td>
<td>9</td>
<td></td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>SPA and above</td>
<td>2</td>
<td></td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>6</td>
<td></td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>5</td>
<td></td>
<td>6</td>
<td></td>
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<tr>
<td>Single</td>
<td>4</td>
<td></td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Couple</td>
<td>7</td>
<td></td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Ill-health or disability</td>
<td>0</td>
<td></td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Caring responsibilities</td>
<td>0</td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td><strong>Walsall</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working age</td>
<td>9</td>
<td></td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>SPA and above</td>
<td>0</td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>5</td>
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<td>8</td>
<td></td>
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<tr>
<td>Female</td>
<td>4</td>
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<td>7</td>
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<tr>
<td>Single</td>
<td>3</td>
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<td>8</td>
<td></td>
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<tr>
<td>Couple</td>
<td>6</td>
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<td>7</td>
<td></td>
</tr>
<tr>
<td>Ill-health or disability</td>
<td>9</td>
<td></td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Caring responsibilities</td>
<td>4</td>
<td></td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>

All the respondents, both workers and non-workers, had been employed at some point in their lives and were able to comment on work, training and retirement. Those respondents who were retired included people who had retired before SPA for a variety of reasons, those who had retired at SPA and those who had retired after SPA.

### 1.5 Use of ‘verbatim’ quotations

Throughout this report we have made use of verbatim quotations from the in-depth interviews and focus groups to illustrate key points. We have adopted the approach of labelling the quotations with an attribution consisting of gender, age and up to two further contextual variables which illustrate the point being made. Where information was not available, for example in focus-group discussions where respondents could not be individually identified, these quotes have been referenced using the group-type characteristics identified in Table 1.2.

In some instances during in-depth interviews, the respondent’s partner or a family member was present and contributed to the discussion. In these cases, quotes from individual interviews may contain verbatim comments from two people. We have also used a series of ‘box text’ examples to illustrate particular case studies at relevant points. Any names used in this report have been changed to protect respondents’ identities and ensure confidentiality.
1.6 Report structure

- Chapter 2 explores reasons for labour market participation, and examines the factors that influence people to remain in work;
- Chapter 3 looks at disengagement from the labour market, and explores the interplay between the contributory factors;
- Chapter 4 explores retention in the labour market, and explores respondents’ views on extending working lives;
- Chapter 5 examines the challenges and drivers to re-entry to the labour market;
- Chapter 6 looks at issues around retirement and pensions;
- Chapter 7 presents respondents’ suggestions for policy development for older people in work, those out of work, those at risk of exiting the labour market, and for people planning for retirement and pensions. It also addresses the requirements of a successful communications strategy; and
- Chapter 8 sets out conclusions and recommendations emerging from the research.
2 Labour market participation

This chapter looks at labour market participation and attitudes towards training. It examines employment patterns, stability of work history, and experiences of sustaining employment for those aged from 50 to beyond state pension age (SPA) by building on and extending the quantitative study by Humphrey et al (2003), which examined the characteristics of people in work, including those above SPA, and the take-up of work-related training and flexible working arrangements.

Current government social policy centres on the philosophy of promoting opportunity and independence for all\(^2\). This philosophy builds on the reforms made to the welfare state, based on the principle of ‘work for those who can, security for those who cannot’\(^3\). Encouraging people to work is seen by the Department for Work and Pensions as the main means of reducing the risk of prolonged social exclusion and poverty\(^4\) and there is an aspiration to increase the employment rate to 80 per cent. Encouraging more people over 50 to remain in employment, or to return to work, will be an important objective for achieving this goal. Therefore, understanding the reasons why and the level at which people choose to participate or not participate in the labour market is vital. It is also important to understand more about older workers’ experience of participating in the labour market, so that employers and the Government can offer appropriate opportunities at the right time to help people remain in or return to the labour market.

2.1 Characteristics of working older people

Humphrey et al (2003) identified that the following characteristics helped in understanding labour market participation among the over-50s age group:

- age – ‘the proportion in work declined with age’ (page 2);
- gender – ‘men were more likely to be working’ (as employees or in self-employment) (page 21);

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\(^2\) Five year strategy, Department for Work and Pensions, 2005.

\(^3\) New ambitions for our country: A new contract for welfare, Cm 3805 Department of Social Security. 1988.

\(^4\) Five year strategy, Department for Work and Pensions, 2005.
• level of qualification – ‘people with better qualifications were more likely to be in work’ (page 2);

• partners working – ‘partners of working respondents were far more likely to be working than those of non-working respondents in all gender and age categories’ (page 31); and

• quality of health – ‘those with no health problem were more likely to be in work than those with a health problem’ (page 134).

As would be expected, the level of labour market participation among our respondents declined with age.5

The tendency was for respondents in the qualitative research who were in work to have partners or spouses also in work. In some instances, respondents had encouraged their partner to return to work, or it was a financial necessity for both to work: ‘I don’t think I could survive without my wife working’ (working, Male, aged 50, Walsall). However, the main reason for this association was the negative impact of a partner not working, rather than the positive impact of a partner’s working status. Another influential factor on working or not working was partners’ retirement plans (see Section 6.3.1).

For those respondents with higher levels of educational qualifications there was a polarisation between those who continued in work through choice and those who were in a better position to take early or transitional retirement than those with lower-level qualifications. In contrast, some employees who were working beyond 60 had lower-level or no qualifications and could not afford to stop work. Later on, this chapter discusses how occupation and level of income influenced the way in which respondents perceived the role of work and gave them the capacity to make choices about working.

As expected, working respondents generally had fewer health problems than those not in work. Some, however, had similar health problems to those who were not working. The characteristics of those who continued to work despite a health condition are discussed in greater detail in Section 2.7.

2.2 Nature of current work

Those respondents and their partners in work comprised a mixture of people in full-time, part-time and self-employed work. They were from a wide variety of occupations, ranging from manual labour to managers/directors of small companies. There were no clear patterns by age as to the nature of occupation. However, there

5 This was evident from respondents’ experiences and also from their expectations. However, our sample was purposively selected to cover all ages of the 50-69 age group in work and was therefore not representative of the overall trend in the population.
was a general correspondence between type of occupation and full or part-time hours. Those in part-time work tended to be female, in administrative and secretarial occupations, personal services (e.g. hairdressing), sales, customer services or elementary jobs. Men and women in full-time work were from a wide spectrum of occupational type, including managerial and supervisory positions.

Those who were self-employed also defined their work in terms of full or part-time hours. Those in full-time self-employment tended to be in professional or skilled trades, whereas those in part-time self-employment were in more elementary jobs, for instance a part-time ‘handy-man’ or a self-employed cleaner.

Respondents’ definitions of self-employment varied. Their description of themselves as self-employed depended on whether they were in control of the work they did as well as the hours they worked, though in practice some were contracted to work or were employed by a family business. Others were technically self-employed, but considered themselves to be employees because for example they were paid by the company as a ‘director’. Again, this illustrated differences in how people classified themselves.

‘I’m employed by the company, it’s a limited company now, so officially I’m employed by the company.’

(Working, Male, aged 62, Newcastle)

Self-employed respondents came from a range of educational and occupational backgrounds. They were in a variety of self-employed professions, ranging from running their own business to doing part-time temporary work, which tended to be in elementary jobs such as deliveries or small DIY jobs. Some female respondents were self-employed childminders and enjoyed the flexibility this offered. They felt that though it did not provide a dependable income, it gave them independence and ‘pocket-money’. These women also anticipated working beyond SPA. Humphrey et al (2003) identified that ‘self-employed people left the labour market at a slower rate than employees’. Indeed, Humphrey et al also suggested that ‘self employment appears to offer more opportunity for a flexible retirement’. Our research also found that self-employment provided a means through which people remained in the labour force up to or beyond SPA (see Section 4.1.4).

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Elementary jobs covers occupations which require the knowledge and experience necessary to perform mostly routine tasks, involving the use of hand held tools, and in some cases, a degree of physical effort. Most occupations do not require formal education qualifications but will usually have a period of formal experience-related training. The Standard Occupational Classification has two categories of elementary occupations, those described as elementary trades, plant and storage related occupations and elementary administration and service occupations.
2.3 Work history

Typically, respondents who were in full-time employment had a lengthy work history, with minimal spells of unemployment. Many of them had served one employer for as long as 30 years. This was particularly the case for those in skilled manual jobs or with trade-specific skills in manufacturing sectors such as steel or shipyard work. It also applied to those in the public sector, such as the civil service. Part-time employees and those in elementary occupations had moved jobs most frequently during their working histories.

It was common for women to have experienced a broken employment history because of career breaks for child-rearing and family commitments. Women were also more likely to have left work because of caring responsibilities for partners or parents. Where men had broken employment histories this was linked to redundancy or a failed business venture.

Few people in the sample have experienced career changes. However, those who had changed occupation were able to switch careers because they were financially secure, which limited any risk. For example, one respondent retired from an electronic engineering consultancy aged 56 to become self-employed; at age 66 he was now working as an education support officer for the local authority, assisting young offenders:

‘I could financially afford not to be working now. I could have stopped probably 10 years ago…working in the community which I value and which I could not do when I was up there. But coming back here and also to do work, and picking up an early pension for a start was very important. This has allowed me to do that.’

(Working, Male, aged 66, Christchurch and East Dorset)

2.4 Labour market mobility

This section looks at the labour market mobility of those over 50, although, overall, movement was fairly stable. However, there are some interesting findings in relation to the needs and rationale for older workers to move (or not) within their current employment or within the labour market that have implications for the over 50 age group.

Three broad factors affected the mobility of those over 50:

- individual attitudes to change;
- employers’ attitudes; and
- the industry/sector they were employed in.
These factors are examined below as part of the discussion on labour market mobility, which covers:

- in-work mobility – changing roles without changing employer; and
- general mobility within the labour market.

### 2.4.1 In-work mobility

Respondents had experienced the following changes while in work:

- promotion and upward movement;
- horizontal movement between departments; and
- changes in job specification.

#### Upward movement

In highly exceptional circumstances, respondents had made large upward movements within their organisation after 50. Promotions into managerial roles were more likely to have taken place in their early fifties, though within manual and skilled-labour occupations some respondents had achieved promotions to supervisory roles when they were approaching 60.

Promotion was invariably associated with greater responsibility and pressure, and while some respondents relished the challenge (such as those promoted in their early 50s described in the previous paragraph), others cited this as a reason for not wanting promotion within an organisation. Underlying this was people’s fear of change or unwillingness to move, along with increasing pressures relating to activities and commitments outside work, such as hobbies and the family (particularly grandchildren). Those who were offered promotions and declined to take them felt that the benefits of promotion such as the financial benefits, increased self esteem and/or job satisfaction, did not outweigh the disadvantages:

‘I probably could have got a better job if I’d gone into another department in the City Council, but I just love doing the job that I’m doing with the people I do it with. I have lot of autonomy, management are supportive but to a large extent I have a free rein and enjoy it.’

(Working, Female, aged 53, Newcastle)

‘I had the opportunity of going higher into management, and was even offered a branch of my own…it meant uprooting and going down there and I felt that I did not want the responsibility of going higher. I was happy enough at the level where I was.’

(Female, aged 55, not in work, Newcastle)
Horizontal movement between departments

A number of respondents had experienced horizontal movement in the course of their careers, largely in response to organisational restructuring. There was little evidence that age was a factor in horizontal moves among the sample of working respondents.

However, there was some evidence that respondents had moved departments in an attempt to reduce the physical demands of their role. Some had achieved this by changing their job, for example from a physical one to a more supervisory or desk-based role (see Section 4.1.1).

In circumstances where a health condition affecting work had been identified, there appeared to be no bridge between the medical advice received, usually from a general practitioner (GP), and what happened in the workplace. There was some evidence of employers trying to accommodate individuals’ needs, as highlighted in Section 4.1. However, this area would benefit from greater partnership between employers and health services/occupational health professionals to discuss the limitations of any health condition and employers’ obligations and jointly agree the best route forward for an individual to accommodate changes in their circumstances to enable them to continue working.

Changes to job specification

Many respondents believed that the nature of their job had changed in terms of the number of additional tasks expected of them. Some felt strongly that their jobs had become more demanding, and that they were doing the job of more than one person. Further research into this observation would be useful to explore whether this pattern affects workers of all ages, or whether it is a reflection of how effectively older workers adapt to change.

Increased dissatisfaction with their job was reported by those who felt that their job specification had expanded. Some were averse to change, while others felt that employers were placing too much pressure on employees.

‘One person is doing six people’s jobs nowadays instead of just doing their job, they are doing several jobs so the pressure is on them, they are getting tired whereas if they were to employ more people there would be less stress, people would go on a lot longer I think.’

(Working with health problems, Female, aged 52, Walsall)

‘We used to say when we were on maintenance, jack of all trades, master of none, and that’s what they are trying to create now. The ideal employee now is between 30 and 35 with a mortgage and kids, but physically fit so he can go to work at six in the morning and work until six at night and do that so they can reduce the workforce and have everybody working two weeks in one. So they have a labour force of 50 doing the work of 100.’

(Retired, Male, limited income, Walsall)
2.4.2 Movement within the labour market

Movement within the labour market – i.e. from one job to another – showed different patterns among full-time and part-time employees. Few respondents who were working full-time changed jobs after turning 50. However, part-time employees changed jobs more frequently.

Most movement within the labour market was among respondents undertaking elementary part-time work. There was also evidence of older workers becoming mobile after redundancy or ‘early retirement’. For some respondents, redundancy or a retirement package had provided them with sufficient financial security to make part-time work or temporary work an option, sometimes even at a lower wage. One respondent reported moving into part-time casual work:

‘Then we got made redundant in 1986 and ever since then I have done little jobs like gardening, nothing full-time. Now I have got a little job up the golf club next door where I look after the locker room and the toilets and things like that.’

(Working part-time, Male, aged 69, Newcastle)

But in general, respondents did not plan to move jobs again before retirement. A number of factors influenced the decision not to move jobs, as follows:

- employment/pension trap;
- job satisfaction, familiarity and reluctance to change; and
- job security.

Employment/pension trap

A number of respondents stated that they would not leave their current employment for another position as it would be detrimental to their retirement package. This view was based partly on their perceptions and partly on their understanding of occupational pension rules and regulations.

‘The only way I can leave teaching before I’m 60 is if I die or if I get seriously ill, unless I change employment, but I can’t see any point when I’ve invested a lot into my pension being a teacher.’

(Working full-time, Female, aged 54, Christchurch and East Dorset)

Job satisfaction, familiarity and reluctance to change

Many respondents had not contemplated looking for alternative employment within the labour market as they were content with their current job. Job satisfaction

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7 Sufficient financial security was relative to the individual and depended on the standard and cost of living that a person was satisfied or willing to live with; see also Chapter 5
and the familiarity of their work was a reason why they would not move jobs. However, for some this was also linked to a reluctance to change their work conditions and to undertake training (as indicated in Section 2.4.1 and Section 2.6 respectively).

Some respondents felt that this familiarity or ‘comfort factor’ allowed them to achieve a better work-life balance, and that knowing how to do their job meant they were efficient within their working day. As with the reasons given for not wishing to be promoted discussed in Section 2.4.1, change was associated with increased stress and pressure on non-work commitments.

**Job security**

Job security – or perceived job security – affected people’s decisions about moving within the labour market. Typically, those in work felt that they had job security that would be adversely affected if they changed jobs. However, there was a sense that the older they became the greater the risk of losing their job. Indeed, Section 4.1.2 shows that some respondents did not feel that they were able to challenge their employers. This was particularly the case for those respondents who were working with health problems:

> ‘It makes you feel under pressure the fact that if John can’t do his job there are six Joe Publics that will do it. If you don’t do it you feel as if you are under pressure.’

(Working with health problems, low income, Male, Walsall)

More generally, however, people held this view because they anticipated that their health would degenerate and that they would have to compete with younger workers who respondents felt were better able to learn new tasks or ways of working. This also linked to a set of factors around perceptions of employers’ attitudes towards retaining older workers (see Section 4.2).

For some respondents, there was the sense of hoping that their job was secure and would not change before they reached retirement. Some older workers did not want their jobs to be changed or challenged. This attitude was fuelled by the thought that if they were not in their current job they would find it difficult to get a new one and start again (see Chapter 5). Others were much more optimistic that their employers would ensure that they stayed employed:

> ‘We’ve been told there won’t be any lay-offs in the foreseeable future. They’ve said there won’t be any new work this year, but next year there will be stuff coming in. In any case, they’ve said that if there’s any shortage of work they’ll retrain us and put us somewhere else.’

(Working, Male, aged 59, Christchurch and East Dorset)
Self-employed workers who depended on their businesses for income had much more reason to be motivated:

‘...job security is dependent on how much time and effort you put into the business’

(male, 53, self-employed).

2.5 Attitudes towards work

This section focuses on attitudes towards work, largely from the point of view of those respondents who were currently in work, to gain an understanding of why older workers participated in the labour market beyond 50. The role and importance of work are explored, along with whether respondents were working out of financial necessity or choice and the perceived advantages and disadvantages of work. Understanding why people work could assist policy-makers and employers in understanding what would encourage older workers to continue to work.

Respondents worked for several reasons, and typically these reasons combined to explain why they participated in the labour market. Broadly, the reasons fell into two main categories:

- financial; and
- personal/practical.

These categories are identified in Table 2.1 and are discussed in turn below.

<table>
<thead>
<tr>
<th>Table 2.1 Reasons given by respondents for why they worked</th>
</tr>
</thead>
<tbody>
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<td><strong>Financial</strong></td>
</tr>
<tr>
<td>Financial necessity</td>
</tr>
<tr>
<td>Financial choice</td>
</tr>
<tr>
<td>for provision of money/financial security</td>
</tr>
<tr>
<td>independence and choice</td>
</tr>
<tr>
<td>to create retirement options</td>
</tr>
<tr>
<td><strong>Personal/practical</strong></td>
</tr>
<tr>
<td>Self – i.e. psychological</td>
</tr>
<tr>
<td>pride/self-esteem</td>
</tr>
<tr>
<td>stimulation (mental and physical)</td>
</tr>
<tr>
<td>job satisfaction</td>
</tr>
<tr>
<td>providing for family/duty/responsibility</td>
</tr>
<tr>
<td>beneficial for relationship/marriage</td>
</tr>
<tr>
<td>relationship and family</td>
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<tr>
<td>beneficial for relationship/marriage</td>
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<td>benefits of actual work activity</td>
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<td>social contact</td>
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<td>health promotion/to maintain good health</td>
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<td>filling time/providing a routine/motivation to do something each day</td>
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2.5.1 Financial reasons

Primarily, respondents stated that above all they worked for financial reasons and that their financial security determined their need to work. Underpinning people’s motivations to work was a strong view that you ‘work to live, not live to work’. Respondents said that they worked ultimately to pay for their home life, for example mortgage, holidays, leisure and family time.
However, two sub-reasons emerged in different groups of respondents as to why earning money was so important: financial necessity and financial independence.

Financial necessity was based on the need for money for basic requirements, for example to be able to live and pay for food and accommodation. Those in lower-income groups were most affected by this necessity. Many respondents on lower incomes stated that they would have to work up to SPA as they could not afford to stop work. With limited savings and limited means for saving, they would otherwise be reliant on state benefits and needed to work until an alternative income source was available (the state pension).

‘[Retirement is a] luxury for those who can afford it...I could not afford to retire...I do enjoy it but really for the money, but if I had money I would not do it.’

(Working, Male, aged 55, Newcastle)

‘Well both really, financial and social. I couldn’t afford to retire yet. I can’t afford to retire until I get the old age pension.’

(Working, Male, aged 60, Christchurch and East Dorset)

Respondents also said that they would have to work until they had met all their financial commitments, for example until their mortgage was paid off.

‘All I want to do is pay the mortgage. I can live on my pension and my work’s pension. I know I can live on that. It’s just once the house is paid off, which is why I’ve got to go on until I’m 65.’

(Working, Female, aged 55, Walsall)

Some respondents noted that because of pension shortfalls, it had become a financial necessity to work beyond SPA. One respondent who was working and receiving his pension said of others:

‘A lot of people go to work now over 65 because the money helps their pension because a lot of them don’t have a good pension. A lot of people have lost a lot of money over pensions. So I think that is why a lot of people just keep ticking. Well they are living instead of surviving.’

(Working in receipt of state pension, Male, Newcastle)

Beyond financial necessity, some respondents said that they worked to afford the ‘little extras’ or non-essentials. This provided them with greater choice, for example to be able to afford holidays or spend money for the family. The same respondent who made the comment above said that he personally worked through choice:

‘Oh it’s a choice. Well it’s nice to have the extra money. I can do a lot more with it, but I mean my pension is not great and I help my son a lot – he has just bought a flat so I can help him while I am working, but not if I was just on my pension.’

(Working in receipt of state pension, Male, Newcastle)
Women in particular said that working gave them some financial independence:

‘Of course then as you go along you tend to think that if I stop I wouldn’t have that money and my own independence, everything I want I would have to ask for. So no, that’s why I’ve done it really. It isn’t because it was a real necessity, it’s because I wanted to, to give us a better quality of life.’

(Working, Female, aged 53, Newcastle)

Some respondents thought that being in work presented people with more options. In particular, those who were not working felt that had they been in work they would have received more information about pension options, and would have been able to join occupational pension schemes and therefore save for their retirement.

2.5.2 Personal and practical reasons

In addition to financial reasons for remaining in work, respondents also gave a variety of personal and practical reasons. These largely split into:

- issues around ‘self’;
- relationship and familial benefits;
- social contact;
- health; and
- the routine of work.

**Issues around ‘self’**

Factors around self had psychological and physical benefits to the individual. They included self-esteem and pride, and mental and physical stimulation and activity which some respondents believed helped them defer ageing.

The role of work proved to be very important to respondents’ self-esteem and pride. It was apparent that high self-esteem was key in whether people felt they could retire and operated in two ways: either to encourage or discourage retirement. The feeling of worth and value in the workplace provided stability; in some cases, fear of stopping work and losing this feeling of worth and value was paramount in continued participation. Similarly, the desire to exit with dignity motivated some people to continue working until they reached a particular status and respect in their career. This was particularly the case for the ‘younger’ older workers (the 50-55 age group) in the sample.

The independence and satisfaction of ‘paying one’s way’ and ‘earning one’s keep’ were important contributors to self-esteem. This proved particularly important to respondents with a health problem (both working and not working). Those with health conditions who were working strongly associated work with their self-esteem and the desire to earn their keep. Those who were not working, particularly Incapacity Benefit (IB) claimants, felt strongly that they had lost the psychological
and physiological benefits of work, such as mental stimulation and self-esteem, and reported that they missed working. Humphrey et al (2003) reported that a higher proportion of IB claimants said they would like a job than did the ‘active’ but non-working group. This may reflect IB customers’ association of work with physiological well-being, or that the active group had made a conscious decision not to work for other reasons, particularly their perceived financial security.

Job satisfaction was an important benefit of working, and contributed to respondents’ self-esteem. Job satisfaction was a crucial factor for many, particularly those in caring or people-oriented jobs. In these kinds of jobs, people worked as a vocation (caring, for example), rather than purely for financial motivation:

‘I like being at home, but I enjoy my job as well…a lot of satisfaction and enjoyment seeing youngsters fulfilling their success and helping them through. Teaching them something and then letting them see it working. Also because I’m an NVQ [national vocational qualification] assessor, watching them flower, literally watching them blossom when they do it. Then seeing some of them go off and do their training, it’s very rewarding.’

(Working part-time, Female, aged 59, Christchurch and East Dorset)

‘I love doing what I’m doing. I love the people I work with; they’re very caring, understanding.’

(Working, Female, aged 53, Newcastle)

**Relationship and familial benefits**

Relationship and personal family issues were also addressed by work. As noted above (Section 2.1), Humphrey et al (2003) reported that those with working partners were more likely to be in work too. Discussions with respondents about their own and their partner’s attitudes towards work found that couples typically tended to share the same attitudes towards work: either both partners were positive or both were negative and that these shared views affected labour market activity. Respondents with partners felt that they had a responsibility to their partner to contribute to the joint household income. There was also some evidence of women wanting to work to feel independent of their partner.

Many respondents had families of their own or friends and parents who influenced their decisions to work. Among respondents who worked, work was seen as providing the opportunity to support family members financially or as role models. However, there were some cases where respondents who did not work encouraged their partner to leave the labour market.

**Social contact**

Work provided a social life and social contact for many working respondents, particularly those who were single, widowed or divorced. Those older workers may have been in the same workplace for a long period of time and built up close, even family-like friendships with colleagues. This was also a particular driver for workers
with health conditions: there was a risk that if they did not continue working, their social contact would be reduced on top of having to deal with poor health.

Respondents with limited income also cited social contact as an important aspect of work, whereas it was mentioned less often by those with reasonable incomes. This may reflect that those respondents who had reasonable incomes were more able to afford leisure and social activities outside work.

Respondents in social and caring occupations particularly placed a high level of importance on work in providing them with social contact and a sense of duty to others:

‘It’s also quite difficult to leave a community in which you work and where you have friends and making that decision is hard. It’s trivial things like that. That becomes quite important.’

(Working, Male, aged 66, Christchurch and East Dorset)

This was further illustrated by respondents who were retired or on IB who chose to work as volunteers, which showed that people still felt a need to contribute to society for personal and practical reasons. For the people with health conditions, voluntary work allowed them to make a contribution to society but was fitted around their health conditions.

Working respondents with health problems also placed great importance on job satisfaction. They felt that they were valued in the workplace for the skills and experience their long track record in work had given them. For some, this outweighed the difficulties they faced with their health:

‘I like to feel that I’m not a bad carer and I’m doing a good job and that is why I like to keep on doing it.’

(Working with health problems, low income, Female, Walsall)

### 2.5.3 Health

Older workers stated that work helped to maintain physical and mental stimulation and ultimately promoted good health, though there were no clear patterns determining this viewpoint. Recurrently this belief stemmed from witnessing family and friends who had degenerated when they stopped work. But equally, the influence of witnessing people ‘drop dead’ after they retired led some respondents to desire time to enjoy life while they were young enough and fit enough to do so:

‘No, I’d always work, I think it’s important to work. It keeps your mind and body active. I think doing part-time work you will live longer. Stopping dead is when you deteriorate and you die.’

(Not working, Female, aged 50, Christchurch and East Dorset)
‘I’d rather be doing something because I just don’t like sitting about. I’ve got to be active and doing something, whether I’m paid for that or not is another matter. Even if it’s £100 or a bit of something coming in, it wouldn’t bother me because I’d be active and doing something.’

(Not Working, Male, aged 50, Walsall)

‘Well I think when you’re working your mind is more alert.’

(Working, Female, aged 55-69, Newcastle)

Many people with health conditions stayed in work because they believed that sustaining employment was the best way to maintain mental health and ‘keep young’. Stopping work was often seen as a threat to their health and their enjoyment of an active life. Despite their health problems, they saw the physical and mental health values of remaining active.

‘I think I am going to work for as long as I possibly can because I am not the sort of person who would like to finish work to be honest with you. I have got to work because I get anxious, I suffer from anxiety, I have got to be on the go all the time.’

(Working, Male, aged 55, Newcastle)

One respondent, in particular was aware that staying in work had a negative impact on his health. This respondent was redeployed from a manual outdoor job to an office job and subsequently moved back to a manual job because of reduced job satisfaction (see Section 4.1.1).

Routine of work
For some, working was a way of life and they said they would never expect not to work. This can be categorised as working through habit, to keep occupied. Work provided a routine and a motivation to do something each day.

‘I don’t know what I’d do with myself if I didn’t work. It just frightens me to think what would happen. If I did leave this job, the first thing I’d do is go out and get another one, a part-time, anything, I don’t care what I do, I just couldn’t stay at home. I just know I couldn’t, I’ve always worked.’

(Working, Female, aged 53, Newcastle)

‘That’s my fear that I’ll get bored out of my mind, so I don’t want to think about retiring.’

(Working, Female, aged 55, Christchurch and East Dorset)

2.6 Attitudes towards training
Humphrey et al (2003) identified that there were variations in the level of encouragement that employers gave to different age groups to learn job related
skills. Our findings identified that some employers had encouraged employees to retrain and in some of these cases respondents responded positively.

Training related to learning new skills and updating skills for use in a current career, or retraining to re-enter the labour market in a new career. It included formal, informal, on-the-job and non-job-related training. Most respondents associated training with work, and the majority of those involved in training undertook it as part of their employment. Few undertook training as part of a hobby or leisure.

Respondents across all ages expressed a mix of feelings about training. The main findings are summarised below.

2.6.1 Positive attitudes towards training

The most positive respondents were those who were accustomed to receiving regular off the job training at work, for example public-sector workers such as police, nurses and council staff. One respondent, a police officer, reported recently receiving training on first aid, self-defence, drug awareness and crowd control, and was about to take a three-day course (equivalent to NVQ level 1) to help him get into the security industry.

The following examples illustrate how people in technical jobs, particularly in industries and sectors where keeping skills updated is essential (such as nursing), were positive about training:

‘I got plenty of training on British Railways yes, at divisional headquarters and once a year you got a couple of weeks in York briefing us on recent developments on signalling, points and what have you. It was quite a technical job that I had in the finish. Not a job that somebody could walk in off the street and do.’

(Not Working, Male, aged 60, Newcastle)

‘I have to keep my registration up, I have to do a certain amount of study days, and I’m also a handling trainer, so I have to update that every two years. You can’t sit on your laurels, as we were led to believe when we qualified. It was that you’d be a nurse for the rest of your days. You can’t now, you have to keep updating and keep yourself informed. We have to reregister every three years. Yes there’s no choice in the matter.’

(Working, Female, aged 55, Christchurch and East Dorset)

‘You see the [nursing] profession has changed a lot, you have got to…the government body has changed and you have got to be registered and you have got to have so much, at least five years’ experience in the hospital sector.’

(Not working, Female, aged 50, Walsall)

Many respondents cited on-the-job training as the approach recurrently encountered throughout their career. This was particularly the case for those in skilled manual
jobs. Others said that they received information technology (IT) training at work as new IT systems came online:

‘Well we’re training all the time. We’re in an area that puts everything incoming onto the computers, and there are a lot of different jobs within that area. They’re trying to integrate everybody into the different jobs so that everybody can do everything.’

(Working, Male, aged 55, Christchurch and East Dorset)

Several respondents identified that they needed to improve their computer skills, as reliance on computers had increased considerably since they first trained. Although respondents’ ability to use IT was not specifically researched, their general IT skills depended on how much they used IT within their occupations. Few respondents mentioned IT as part of their leisure activities, and it was more typical for them to report limited IT skills – particularly those respondents in their late fifties and sixties:

‘I think nowadays a lot of people are looking for people who are computer literate…I’m surrounded by computers. If I did want to go into another industry at my time of life, at 61, and if I wanted to move from security and wanted to go into ASDA, it would be “are you computer literate?” That’s the thing which comes over, and I’m not.’

(Working, Male, aged 61, Walsall)

‘I would have to do a computer course before I could go because a lot of things are on computer now. It does no harm to further yourself in knowledge.’

(IB, Female, aged 55, Newcastle)

‘I would really like a nice little office job. I’ve done computer courses, but if I wanted to go into an office now, I’d want to do another course. I did one ages ago, about three years now, and I quite enjoyed doing that one.’

(Not working, Female, aged 50, Christchurch and East Dorset)

However, some respondents were trying to learn IT skills so that they could use the internet and e-mail in their leisure time.

Many respondents, both in and out of work, said that they saw the value of training to ‘keep up with the times’. Rather than being satisfied with their existing skills, they said they would be willing to learn new skills so that they could adapt as the labour market changed:

‘I think if you’re over 50 things have changed so much that you get left behind anyway. Like the youngsters are growing up now with all the new gadgets and everything and I think people over 50 could probably do with training, just to keep up with the youngsters.’

(Not working, Female, aged 59, Walsall)
Respondents in careers with established access to training were the most positive, while those who were distanced from work were more ambivalent towards training. Conversely, some non-working respondents were open to the idea of retraining and said that they would welcome opportunities to learn new skills. This particularly applied to those who wanted to re-enter the labour market in a new field. For example, one respondent with caring responsibilities at home said that he would be interested in receiving formalised training as an entry route into a job in caring:

‘I’m very interested in mental health. As long as I could take a course I’d be brave enough to do anything like that. I’d love to go into something like that.’

(Not working, Male, aged 50, Walsall)

Access seemed to be a key issue. Those who could access training easily could see the benefits of it, while those who could not access training because they did not work or could not afford to train were less positive. Typically, university-educated respondents were more likely to pursue training later in life as a hobby or for a sense of achievement.

2.6.2 Negative attitudes to training

Some respondents felt that any investment in training older people would be a waste since they were closer to retirement than younger workers and would not have the chance to use their new skills (see also Section 4.1.3). Respondents therefore opted out of training, even if it was offered. Furthermore, many believed that retraining would mean that they would have to ‘start back at the bottom’ in a new career and take on lower wages and responsibilities:

‘It’s almost not worth training somebody up because they won’t be around for long.’

(Jobseeker’s Allowance (JSA), Male, aged 60, Walsall)

‘Although you’re better off developing skills that you already know [rather than retraining].’

(JSA, Male, aged 55, Walsall)

Some respondents adopted the ‘not for me’ view, suggesting that they were too old or not bright enough to learn new things. Self-deselection was evident, with training not regarded as an option. Some respondents deselected from ‘formal’ training on the grounds that they did not need it as they had on-the-job experience and were self-taught.

Respondents’ prevalent negative attitudes revolved around feelings that it was ‘too late to train’ or that they were too old to train. Feeling too old to train was related to suffering from a health condition, or the belief that as you got older the brain was less receptive to learning new skills and information. This applied to both working and non-working respondents:

‘Maybe at 50+ your brain can’t take them in as readily as it can at other times.’

(Working, Male, aged 55, Newcastle)
‘Too old to learn anything else to be honest.’
(IB, Female, Newcastle)

‘I haven’t trained for years. I think as you get older things don’t stop in your memory like they used to, I’m convinced they don’t. Perhaps that’s just me, but that’s how I feel anyway.’
(Not working, Female, aged 55, Walsall)

Some respondents were uninterested in training and could not see the benefit of further training, particularly if it did not directly affect their job. Familiarity with their own role at work and lack of desire to take on new roles or responsibilities later in life were important factors for respondents in work, along with a general disinterest in training and a preference for ‘on-the-job’ learning among respondents out of work:

‘I feel like I’m too old to do it [training] now…I can do my job and another thing is, I don’t want to do anything else and I know the job that I’ve got inside out. I feel it’s pointless me doing it at my age.’
(Working, Female, aged 55, Walsall)

‘I think I’m happy enough with what I know. I’m not bothered about going to night school or anything like that really.’
(Retired, Female, aged 63, Newcastle)

‘I don’t think you can be qualified just by going to college, you’ve got to be out on the job to be qualified.’
(Not working, Male, aged 65, Christchurch and East Dorset)

2.6.3 Barriers to training

Barriers to training existed across all groups and ages, particularly for those who had been out of employment for a period of time and those claiming benefit. The main barriers to training identified were:

• personal attitude (‘not for me’, lack of confidence and anxiety);
• lack of access; and
• cost of training.

Some respondents’ own attitudes were their biggest barrier. For some, there was an anxiety associated with training. Some had a fear of failing, or that they would not be able to keep up with learning new skills. This fear often put people off from accessing training:

‘I would feel a fool if I didn’t get it the first time.’
(Not working, Female, aged 55, Walsall)
Respondents who had been out of work for a while said that they might need to consider alternative careers to help them move back into work, but would find it hard to access training and lacked support to do it. They felt that it would be costly to retrain, and said that they could not see how employers would justify taking them on instead of other, more suitable applicants.

“I had me on and off days, so I just thought it best to retire…I think if I hadn’t had this [bowel cancer] I would still be at work until I was 65. If I had sort of had training in office work or something like that I more likely could have gone back, where you sit down all day but I had no training.’

(Not working, Female, aged 60, Walsall)

Particularly for lower-income groups, such as those receiving JSA, the cost of retraining was a key issue. For example, one respondent said that he needed some industry-specific training to update his skills, but could only obtain help from Jobcentre Plus for 40 to 50 per cent of the course fees.

There was little evidence that respondents who were not working had participated in any training programmes provided for them while they were out of work, either self-financed or through Jobcentre Plus.

2.7 Working with a health condition

Crucial to the formulation of government policy is understanding how people facing barriers to work, such as health conditions, manage to overcome these barriers and continue in or re-enter work. Knowing what helped respondents with health conditions to overcome this barrier could inform policies to support people in similar situations who remain outside the labour force.

A complex series of factors inter-related to determine how people with health problems continued to, or returned to, work. The starting point was the severity and number/range of health conditions, which determined whether work was an option at all. That said, some people who continued to work suffered from the following conditions, which included acute and chronic illnesses such as:

- heart attack, circulatory problems and angina;
- arthritis and muscular problems;
- asthma; and
- a variety of mental illnesses.

Health conditions also interplayed with the broad financial, personal and practical factors identified above in Table 2.1 and discussed in Section 2.5. However, the detailed rationale for labour market participation was sometimes subtly different between people with or without health conditions, where people with health conditions often placed greater emphasis on the personal and practical reasons for working than respondents without health conditions. In addition, a strong work
As with the sample in general, low-income respondents with health conditions worked out of financial necessity. While this was a key driver, it often combined strongly with other personal and practical reasons, such as job satisfaction (in particular being valued), self-esteem, social interaction, staying mentally active or ‘not letting it [their illness] beat me’.

Medium-to-high earners with health conditions remained in work too, though this was less common than for the low-income group. Like those on low incomes, the medium-to-high earners identified personal and practical reasons such as self-esteem, job satisfaction (common to both income groups) and the routine of being in work as contributory factors in their decisions to work.

A strong work ethic was important to those respondents who worked with a health condition. Indeed, some felt a ‘duty’ to work and did not see inactivity and claiming benefits as an alternative. Financial independence from state benefits was important as it allowed them to maintain their pride by ‘paying their own way’. They placed emphasis on being able to afford extras such as holidays, hobbies or Christmas presents and other treats without relying on state benefits:

‘It is my health that dictates [when I work] and not anything else, but I need that extra bit of money to give myself, you want to pay your way.’

(Working, ill-health, low income, Walsall)

Certainly there was a fear among this group that being ‘labelled’ as sick could affect their confidence about work and their self-esteem. Some respondents believed that remaining in work helped them to stay active.

Employer support for people with health conditions was an important factor in continued labour market participation. In some cases, precedents for flexible working arrangements were in place. This meant that general support to manage the health condition such as a less demanding role or a change in working hours could be negotiated and accommodated. The following two examples illustrate the types of changes that had been accommodated:

‘Well I was on the wards when I fell ill and I had a team, I worked in a team and when I became ill and reduced my hours they moved me from the ward, they said it wasn’t as easy for me and moved me into a clinic.’

(Working, ill-health, low-income, Female, Walsall)

‘I was off work for about six months because I had a heart attack so I was off work, but since I have gone back they have revise[d] the job [to being office-based] and reduce[d] the hours because everybody else said you can’t afford to do it.’

(Working, ill-health, Male, Walsall)
In some less common cases, generally associated with respondents on IB, it seems flexibility was requested but denied:

‘My own doctor put me on the sick, but I had to go and see the Post Office doctor and I said, “well I can just do a lighter job, or can I work inside,” and he said, “I’ll look into it”. He was very nice: “there’s nothing available, you’ve got to retire”. I mean he didn’t, it was only so many weeks he looked into it, but maybe he didn’t even do that.’

(Not working, Male, Newcastle)

Furthermore, some respondents shared what they believed was the employer’s viewpoint, adopting the attitude of ‘why would they offer flexibility to me when it is not in their financial best interests?’. It was difficult to unpick how far respondents actually believed that employers would not be flexible, and how far this was used as a ‘legitimate’ reason not to try to find work. In most cases, people had not even attempted to ask for flexibility:

‘And which employer is going to take you on, on your good day only sort of thing and not on your bad day?’

(Not working, Female, Newcastle)

Respondents who had continued working did not perceive medical certificates as a permanent barrier to work, and had returned to work when their certificate ran out. In some cases, when they could not continue in the same job they looked for alternative employment. This was a quite different perspective from many respondents on IB, where the effect of being signed off by a company doctor or GP was a psychological end to their career. Indeed, for some of this group it allowed them to ‘externalise’ the decision-making process about ending work: someone else had made the decision for them.

Further research into how strongly people with health problems associate work with self-esteem would increase understanding of why some people with health conditions work while others with similar health problems do not. It can be hypothesised that the higher the level of association, the greater the likelihood of working than for people who have low levels of association or have found other sources of self-esteem through hobbies and other interests.

2.8 Summary

This chapter has explored the types of participation in the labour market by older workers, including the nature of work undertaken and the rationale for movement within the labour market.

The characteristics of older workers were consistent with Humphrey et al (2003) insofar as labour market participation declined with age; partners of people in work tended to work too; people with high levels of qualifications tended to be in work; and people in work were less likely to have health problems than those who were
not working. That said, some respondents continued to work despite acute or chronic conditions.

The nature of work varied enormously. People in full-time work covered a wide spectrum of occupational types, while those in part-time work tended to be in administrative and secretarial occupations, personal and customer services and elementary occupations. Self-employment provided a diverse range of employment opportunities which offered a way for people to remain in the labour force.

Typically, people in full-time employment had lengthy work histories, with many having served the same employer for a long time. Employment histories among part-time workers and people in elementary occupations tended to be more fragmented, and these two groups moved jobs most frequently.

Turning to labour mobility, major career changes after 50 were rare. Where they occurred, those making a career change did so with minimal risk as financial security generally underpinned their decision. People were very aware of the disadvantages of moving jobs. Important factors which influenced their decisions to remain in their current job were financial security – particularly the desire to protect occupational pension rights – familiarity, job satisfaction and job security. Promotion opportunities were carefully considered too, with people weighing up the benefits and disadvantages of such decisions. Where promotions were accepted, these tended to occur when people were in their early fifties for those in managerial occupations, and in their late fifties for people moving into supervisory positions from manual and skilled-labour occupations.

In terms of the reasons for working, first and foremost many of those in the sample who were working did so for financial reasons. Necessity was a key driver, particularly for those in low-income occupations and those who had various debts. A second financial rationale for working was that it provided choice and financial independence.

Personal reasons for working such as self-esteem, physical and mental stimulation, job satisfaction and to provide for one’s family were also important factors in explaining why people worked. Respondents also identified that work provided social contact, a routine and a means through which they could maintain their health.

For people in careers where ongoing training was a prerequisite (for example in public-sector jobs such as nursing and policing), attitudes were generally more positive and accepting of the need for training.

In general, people were resistant to the idea of retraining and learning new skills later on in life, and unaware of the opportunities and help available to assist them in
retraining. Indeed some respondents’ own attitude was their biggest barrier to training. Furthermore, self-deselection and disassociation were in evidence:

- some respondents believed that training for them was a waste and that their employers should focus on training younger people; and
- others agreed that training was positive, but it was not for them.

A primary factor in determining whether people with health conditions worked was the severity, number and range of health problems they faced. Other financial, personal and practical factors influenced their decisions too. The desire for financial independence, pride, self-esteem and a strong work ethic were key factors that kept people with health problems, even severe health problems, in work. Indeed some respondents on IB said that they missed working, in particular the psychological and physiological benefits of work.
3 Disengagement from the labour market

Humphrey et al (2003) identified a series of factors that caused people to disengage from the labour market. Some of these factors pushed people towards labour market exit, while others pulled them towards leaving work. This chapter explains how push and pull factors operated in this research and explores the interaction between these factors which led to labour market exit.

3.1 Push and pull factors

The study highlighted a series of factors that caused people to leave work, both voluntarily and involuntarily. The factors can be categorised as:

- push factors – these tended to be negative, such as major shocks or unexpected events, and included factors that pushed people to leave the labour market before they would naturally have chosen to do so (e.g. a health condition, redundancy); and

- pull factors – these tended to be positive, though not exclusively, and included factors that pulled people to leave the labour market voluntarily (e.g. financial security or the desire for more ‘quality time’).

3.1.1 Push factors

Push factors were paramount in people’s decisions to leave the labour market. Most of the sample reported one or more push factors as being key in their exit from the labour market (see also Section 3.2). For many respondents, push factors alone contributed to their labour market exit.

Respondents highlighted the following push factors which had caused them to leave the labour market:

- health condition;
- redundancy;
• reduced job satisfaction;
• changes in own role or work itself;
• caring responsibilities;
• recession and industrial restructuring; and
• employers’ fixed retirement age.

By far the most frequently mentioned push factors were health condition and redundancy, the effects of which, both separately and in combination, tended to influence people’s work options. Fewer respondents identified the other push factors.

Each of the push factors is discussed in more detail below.

Health condition
Health was the key factor influencing people’s relationships with the labour market. Among our qualitative sample, ill-health was identified most frequently as the main reason for leaving the labour market. Indeed ill-health as a single push factor explained labour market exit for a group of respondents. This group comprised men and women who were married or single (including divorcees), across all age groups. The only common factor among the group was that they had no caring responsibilities themselves.

Respondents identified health conditions that had caused them to leave the labour market either temporarily (leading to an unstable relationship with work) or permanently. Broadly speaking, these respondents tended to have earned lower incomes and were currently reliant on benefits. For some, health problems resulted in a ‘revolving-door’ relationship with the labour market and the welfare system, whereby periods in work were interspersed with periods out of work. This is illustrated in the following example:

‘I worked up until September 1992 and then I took a job and had a year out because I had an operation and then I took a job as delivery driver for about eight months and then I went into work actually after that in IT, computer discs and what have you, but it was pretty gruelling and when I went back to my doctor it was him that said, “It’s time you thought about retiring”.’

(Not working, Male, aged 50, Newcastle)

Some of the respondents on Jobseeker’s Allowance (JSA) identified that health conditions played a role in their labour market exit. One respondent injured his hand at work, returned to work following the accident though his employer closed down so he was made redundant. A second respondent passed out at work while driving. He was initially placed on Incapacity Benefit (IB) and was subsequently moved onto JSA.
For other respondents, the bout of poor health was too serious or too prolonged and they had left the labour market permanently. This was particularly the case for people with long-term disabilities and chronic conditions:

‘I’m not working because I’m ill. I’m incapacitated and I’m never going to get back into work because I can’t physically because of my heart and eyes...[I’m] fully retired, with disabilities. I had a bleed on my way [to work] and I had to get back home quickly, because otherwise the blood would cover the eyes and I wouldn’t be able to see to drive the car.’

(Not working, ill-health, Male, aged 60, Christchurch and East Dorset)

Many of the IB sample said that they had felt ‘forced’ out of the labour market, and that being ‘labelled’ as on IB had excluded them permanently. There was a sense that professionals such as company doctors and GPs ‘knew best’, and of people feeling that being placed on IB meant that they were unable to work and should not attempt any return to employment in the future (see also Section 2.7 and 5.4).

Redundancy

The second key push factor forcing people to leave the labour market was redundancy. This was evident in manual and unskilled occupations, particularly among interviewees in Newcastle and Walsall. Redundancy as a single push factor tended to affect men with stable backgrounds both in terms of their work history and marital status. Of those who identified redundancy as a single push factor, some respondents returned to work. One respondent returned quickly into a management position while a second became self-employed.

In some cases, redundancy had resulted in long-term unemployment and dependency on benefits. Some respondents had entered their fifties out of work, despite long-term and steady employment histories:

‘Basically I was made redundant which I was rather annoyed about because I had been there 27 years and there were 16 of us who were the longer-serving staff and we all got finished because another company took over and they wanted rid of the long-term ones. It was dirty.’

(Not working, Male, aged 50, Newcastle)

Others had not worked for 20 years or more following redundancy early in their working lives:

‘I was made redundant at the pit in 1979. I went to [company name] and I was there for three and a half years and I was made redundant and I’ve never worked since.’

(Not working, Male, aged 53, Newcastle)

Redundancy later in life (typically within five years before state pension age (SPA) for men and women) pushed people who wanted to carry on working up to or beyond SPA out of the labour market, irrespective of the financial need to work. However, where redundancy acted as a single push factor, it did not always result in permanent labour market exit.
Reduced job satisfaction

Many respondents cited reduced job satisfaction as a reason for involuntary exit from the labour market. Respondents who identified reduced job satisfaction as a push factor were retired following stable work histories. Most were married too. Reasons for reduced job satisfaction and general dissatisfaction at work included physical stress, such as the work being too strenuous or physically demanding:

‘I’d had enough. It was quite tough going and I was on my feet all day and I was able to pack up so I did.’

(Not working, Female, aged 60, Christchurch and East Dorset)

‘The work stopped being nice and easy and less physical to being a physical job because the style of work changed that way...It was just a case of knowing when to pack in. Like a boxer knows when to retire: when he’s had enough and he doesn’t want to go for that extra fight.’

(Not working, Male, aged 68, Newcastle)

Several respondents reported reduced job satisfaction stemming from general emotional stress associated with work. This was caused by working to tight deadlines, working with ‘difficult’ people and/or situations, or difficult commuting journeys. This is illustrated by the following quote from a former local government official who sometimes worked late into the evening/early hours of the morning:

‘And then there would be other times when you had to work over and I wouldn’t come home until about 1 o’clock...And then you get all sorts of peculiar people coming into the town hall as well and I think all the pressure got a bit too much for me. Well I had to go to see a special doctor, to do with work. And it was them that said that it would be better if I thought about early retirement.’

(Not working, Female, aged 59, Walsall)

Others who were less financially secure, with less well-established pension plans, felt pushed out of the workforce because of stress. They faced financial difficulties as a result:

‘I was 59 and I was going to work until I was 60 but the housing association I worked for merged, and it became bigger and bigger and it wasn’t a place to go any more, and the stress of it, and then we had to move to [name of town] and I had to go on the motorway every day. I’d get to work and think, “that’s another day I’ve got here safe,” and that was how I was coping. My husband kept saying, “give it up,” but I said, “no, I’ll give it up when I’m ready,” and suddenly I decided I’d had enough and I left.’

(Retired, limited income, Female, Walsall)
Changes in own role or work itself

Some respondents cited changes at work – either in their own role or job specification (see also Section 2.4.1) or in the work itself – as a factor pushing them to leave the workforce. Examples included a change in physical office location resulting in longer commuting hours, or a change in work practices from single tasking to multi-tasking. Such changes could often be difficult to come to terms with for older workers who were familiar with their established routine. Changes in their contracts of employment, leave entitlements or working hours also acted to push people out of the labour market.

Advances in the use of IT systems often proved challenging for older workers, leaving them feeling ‘left out’ and ‘too old to learn’ and therefore pushing them to leave the labour market:

‘It was hard. The computer system changes came in on-line, I found it very difficult at 50 when you have got so many people that are so quick, and I felt out of my depth and I was like in charge of young people who were actually faster than I was doing something. I was happy retiring, it’s wonderful.’

(Not working, Female, aged 60, Newcastle)

Caring responsibilities

Across the sample, many (generally) female respondents cited caring responsibilities as a key push factor causing disengagement from the labour market. Among the age group covered by the study (50 to 69), respondents cared for dependents across four generations: their parents, spouses and partners, children and grandchildren. Caring responsibilities ranged from caring for ill or disabled parents and partners to baby-sitting grandchildren to allow other family members to work:

‘I just wasn’t working and I was [a] carer, not necessarily retired, but I really didn’t have an option and I couldn’t have gone out to work and left him. I could have got a job at the police in [name of city] if I’d wanted to, I could have got a transfer, but looking after Dad I really didn’t have an option apart from putting him in a home, but that wasn’t an option really.’

(Not working, Female, aged 60, Christchurch and East Dorset)

Recession and industrial restructuring

The study found clear evidence that economic changes in the labour market, notably the economic recession in the early 1990s, had caused people to leave the labour market involuntarily. This was particularly evident in manufacturing sectors (such as automotive and heavy industries), and in particular geographical areas (especially the North East).

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8 Caring was also mentioned as a pull factor by several respondents who had actively decided to leave the labour market to take on caring responsibilities (see Section 3.3.5).
Changes such as company restructuring and streamlining of the labour force had affected many respondents. The decline of heavy industry and the increasing use of technology to automate manual jobs in manufacturing had had an impact on lower-skilled employees. Respondents reported that they did not have the requisite skills and experience to work in ‘hi-tech modern companies’, and recognised the uncertain future of manufacturing. They said that they had subsequently struggled to find work that would pay enough to live on:

‘I found it very hard when I was unemployed to get a job that would pay me a decent wage.’

(Working, Male, aged 50, Walsall)

In the small-business and self-employed sector, respondents also reported being affected by the economic downturn in the early 1990s. Several said that they had lost their businesses during this period.

**Employers’ fixed retirement age**

In 2006, the Government will implement legislation to make employers’ fixed retirement ages below the age of 65 unlawful except in cases where they can be objectively justified. This policy follows concern that the existence of a fixed retirement age might force people to retire before they wish to do so. In Humphrey et al’s survey (2003), respondents perceived that employers tended to fix their retirement ages at 60 or 65, seemingly in line with SPA.

In certain occupations, particularly public-sector professions such as the police force, respondents reported that early retirement was encouraged and enforced after a certain length of service or age. In these cases, workers retired from the labour force with financial security because of the immediate start of an occupational pension. While a few returned to the labour market fixed retirement ages supported by an occupational pension meant that people could leave the labour market permanently without needing to seek further employment, despite being below SPA, because they were financially secure. Some employers provided a bridging pension for staff during the gap between retirement and receipt of state pension at SPA.

Our research found limited evidence to suggest that employers’ fixed retirement ages were causing people to leave the labour market involuntarily. Indeed, the first of the quotes outlined below is from a man who retired then returned to work while the second quote is from a man in his late fifties, who believed that his employer expected people to retire at 62:

‘Well if you don’t need to [work any longer] there’s no point in doing it. Once you qualify for your [police] pension that’s it. It would have taken something quite exceptional for me not to leave after 30 years. It would have had to have been a wonderful job with huge pay rise, something like that. It had been my intention for a long time to leave after 30 years.’

(Working, Male, aged 50, Christchurch and East Dorset)
‘I’ve got a works pension and they contribute. I think I’m meant to retire at 62, then we get a bridging pension until we’re 65. It sort of comes out of what they’ve put aside. They won’t allow us to work after that, after 62, so they’ve got to do something to make it viable for you to retire at 62 until you’re pension age.’

(Working, Male, age 59, Christchurch and East Dorset)

### 3.1.2 Pull factors

Among the non-working respondents in our sample, a significant group comprised those who chose not to work, ie people who had voluntarily left the labour market. This included people who had retired early, before SPA. Pull factors contributed to labour market exit for many respondents in the sample, but few gave a single pull factor, or a combination of purely pull factors, as the reason for labour market exit. This suggests that pull factors generally work in combination with push factors to cause disengagement from the labour market. Several factors explained voluntary labour market exit as follows:

- financial security;
- proximity to state pension age;
- looking after the home and/or spending time with family, including caring responsibilities⁹; and
- enjoying quality time and hobbies.

Each of these pull factors is discussed in more detail below.

**Financial security**

Our research established that financial security was the most frequently identified pull factor influencing when people left the labour market. However, financial security never operated in isolation: it was always associated with other push and/or pull factors. Financial security provided choice and for many respondents underpinned other pull factors. For example, if respondents had a voluntary reason to leave the labour market early, such as to spend time with family or pursue hobbies, and could financially afford to do so, then they were able to exit the labour market before SPA.

Humphrey et al (2003) established that those who retired voluntarily in advance of SPA tended to be more financially secure, having earned above-average incomes; they also tended to stop working relatively early, at an average age of 50.7 years. Our research found that respondents who were financially able to move voluntarily out of the labour market tended to be planners and savers (see Section 6.1). This particularly applied to respondents in well-paid, full-time permanent work and those with qualifications – those who could afford to save and ensure financial security, thus enabling them to leave the labour force.

⁹ Caring operated as a push as well as a pull factor.
For many, financial security was linked to finishing repayment of a mortgage or other financial commitments, such as when children completed their university course or left home. Once these financial commitments ended, respondents felt able to leave the labour force without further financial worries:

‘I planned that I would pay the mortgage off. I planned that I would pay off the debt on the car and things like that.’

(Retired, Reasonable income, Male, Christchurch and East Dorset)

Financial security was also a pull factor for a minority of respondents who were less well off, one of whom had been made redundant, and was typically linked to health conditions. People who worked in lower-income occupations or were reliant on state benefits (particularly those on IB) said that they felt they could afford not to work if they lived within their means. Some used whatever savings they had accrued while others with no savings thought that their only source of future income was from state benefits which, in effect, was the ‘benefit trap’ where people believed that, financially, they would be no better off (or may even be worse off) by returning to work.10.

Proximity to state pension age

Proximity to SPA pulled people out of the labour market. People felt that it was natural to leave the labour market on reaching SPA, which was seen as the natural end of working life. Many respondents expressed the view that they had earned the right to retire at SPA, and indeed felt work-weary. Respondents explained work weariness as them losing their enthusiasm for work which was often linked to reduced job satisfaction and changes in work that altered their established routine. This was particularly important for men who had worked since their teens without a break. Respondents viewed retirement as a well-deserved rest and as an opportunity to enjoy quality time without the pressure of work. Furthermore, they saw it as a reward for a long, hard-working life:

‘I retired at 65. It wasn’t ill-health, just natural retirement.’

(Retired, limited income, Male, Walsall)

‘I worked quite long hours and it was becoming hard work and we all owe it to ourselves and spend at least some of our life when you haven’t got that pressure of going to work.’

(Not working, Female, aged 60, Christchurch and East Dorset)

Some respondents had a distinct plan, for example to retire at a certain age or by a certain date:

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10 Further information on barriers to labour market re-entry is provided in Section 5.4.
‘I really think if I work until I’m 60 which is another eight years I really feel as if I have done enough and I would like to think I have got enough support if I do. I’m not paying into a private pension, just government pension, but I have worked all my life…at this age you’ve had enough.’

(Working, health problems, Female, Walsall)

‘I stopped at Christmas 1999, [at] 64 and the reason why I stopped then was because I had promised myself about 40 years earlier that I wouldn’t work any more into the new millennium, into 2000. I’d done enough.’

(Not working, Male, aged 68, Newcastle)

Looking after the home and/or spending time with family

There were two quite different findings related to looking after the home and/or spending time with family which often involved caring responsibilities:

- women who left the labour market early in life to raise a family; and
- people leaving work later in life to spend time with their family.

Some female respondents had voluntarily left the labour market in their twenties and thirties to raise a family and never re-entered it. Though long-term absence from the labour market could have had a negative impact on women’s pension contributions, it was many women’s personal choice to remain at home to raise their family. That said, detachment from the labour market was a particular issue for female single parents.

For many people, a pull factor to leave work was the desire to spend more time with family and relatives, particularly grandchildren:

‘Both daughters know they can totally rely upon us and that we will help. So I think the family as well helps to make your retirement…To me this is retirement; I mean the family environment is just wonderful.’

(Not working, female, aged 60, Newcastle)

‘Life’s too short, too precious. I want to be spending time with my husband and family. I don’t want to be going out to work and getting hassle, and work can be a hassle.’

(Not working, Female, aged 63, Newcastle)

Enjoying quality time and hobbies

Many respondents said that they had left the labour market to enjoy a good quality of life while they were still young and healthy enough to do so. Others saw retirement as the opportunity to pursue hobbies and interests. For them, this was the chance to do things that they never had time to do previously. This was often a strong driver for retiring in advance of SPA, particularly when people felt that they
could financially afford to do so. However, it should be noted that these respondents tended to be those who were financially secure:

‘[Not working] certainly suits me because there is always something to do or something happening that keeps your mind active and keeps your body working, so I am happy.’

(Not working, Male, aged 55, Newcastle)

‘The decision to retire sometimes can depend on if you have got outside interests as well, if you have got a hobby or something to do. I’ve got American cars so most weekends I’m away somewhere at a showground so if I retired instead of having to come back on a Monday to go back to work I’m going to go somewhere else.’

(In work, health problem, low income, Male, Walsall)

3.2 Interaction between factors

Normally, the decision to exit the labour market was based on a combination of push and/or pull factors. The push and pull factors identified above worked in a variety of different ways to influence how people left the labour market and this tended to follow three broad patterns:

- push alone – where one or more push factors operated together independently of pull factors;
- a combination of push and pull factors; and
- pull alone – where one or more pull factors operated together independently of push factors.

Table 3.1 outlines the various patterns in the push and pull factors for respondents and how they act either singularly or in combination.

The table presents the push and pull factors in the order in which respondents identified them, so ‘Push 1’ is the first push factor identified, ‘Push 2’ the second and so on. The pull factors are presented in the same way.

For each push factor the table shows:

- whether it operated as a single factor;
- its relationship as a single push factor in combination with one or more pull factors; and
- how it linked to a combination of other push and pull factors.

Some of the patterns presented in Table 3.1 are based on individual cases and these are not highlighted. Those patterns which are emboldened were based on multiple cases.
### Table 3.1 Patterns in push and pull factors

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Disengagement from the labour market
Push alone and a combination of push and pull were the typical scenarios for labour market exit. For push alone, there were two different scenarios – where a single push factor explained labour market exit (health or redundancy), or where two or three push factors worked together, independently from pull factors, to explain labour market exit. A combination of push and pull factors was the most common pattern explaining labour market exit. For example, a health condition might push someone out of the labour market, while their financial security provided them with the security of knowing that they could afford to retire without earning. Financial security was a powerful pull factor in terms of providing choice, as it gave people the option to leave work if they chose to do so, indeed financial security could be interpreted as a barrier to labour market re-entry.

The relative strength of the push and pull factors was also influential in the decision to exit the labour market. Typically, push factors were stronger than pull factors. Redundancy and health conditions (in particular acute health conditions) were powerful push factors that tended to override all others. Where these two factors combined, an individual’s choice to work was normally removed. There were two notable exceptions to this:

- voluntary redundancy; and
- people choosing to remain in work despite health problems (see Sections 2.7 and 4.3.1).

Some respondents indicated that a single push or a single pull factor was responsible for their decision to leave work, as follows:

- single push factor – health condition, redundancy or caring responsibilities; or
- single pull factor – caring responsibilities or proximity to state pension age.

More people identified a single push factor accounting for their labour market exit than a single pull factor. Only a few respondents identified that they left the labour market as a result of pull factors. One left because they were near SPA, while others left to care for members of their families. In one case, two pull factors combined to explain labour market exit – caring and looking after the home/spending time with family.

### 3.3 The dynamics of push and pull

This section explores how push and pull factors operated in isolation, and how they interacted with other factors. Where factors are not identified (for example, recession and industrial restructuring, and employers’ fixed retirement ages), no discernable patterns of interaction were found in the data, though these factors interacted with other identified factors.
3.3.1 Health

Health as a push factor operated as follows:

- in isolation, where the health condition alone was responsible for labour market exit – where this occurred the only commonality among respondents was that they had no caring responsibilities themselves (see also Section 3.1.1);

- in conjunction with one or more push factors – redundancy, a change in role and/or reduced job satisfaction;

- with a single pull factor – respondents identified enjoying quality time, proximity to SPA, financial security or a caring responsibility. One respondent who identified his health condition and financial security as his reasons for leaving work said that he was signed off by his company doctor because of his high blood pressure and cholesterol problems. He also said that his company were concerned about the insurance risk of him being in work. A combination of an exit package and his own savings and investments allowed him to retire with financial security;

- with multiple pull factors – this was in a single case, where the respondent cited a caring responsibility, to enjoy quality time and financial security. This respondent said that she had a nervous breakdown five years ago as a result juggling caring responsibilities for her mother and working. She still sees a psychiatrist to help manage ongoing depression. She returned to work in a reduced capacity following the death of her mother, had problems at work (which resulted in her exit following an industrial tribunal); or

- with multiple push and pull factors – one respondent who had oesophageal cancer identified that in addition to his health condition increased pressure at work resulting from changes in his role, an exit package negotiated by his trade union and a desire to enjoy quality time (associated with the death of a friend) also influenced his decision to exit the labour market.

While health acted as a push factor for many to explain labour market exit, others remained in work with health conditions because of financial necessity (particularly those in low income occupations) as well as for personal and practical reasons (see Section 2.7).

The labour market histories of those affected by health and redundancy push factors operating together were very similar. They were all men and had all followed an apprenticeship route into the labour market, had had steady work histories and were in skilled trades and covered all three sample areas.

In only one case did health operate with two other push factors to explain labour market exit. The other push factors were reduced job satisfaction and caring responsibilities.
3.3.2 Redundancy

Redundancy operated both as a single push factor and in combination with:

- one other push factor – health (see Section 3.2.1 above) or industrial restructuring; or
- with one or more pull factors – a desire to enjoy quality time, caring and financial security.

For some people, redundancy provided the impetus to leave the labour market, and in some cases – voluntary redundancy with a good redundancy package, for example – was viewed positively. In one case, a respondent identified explicitly that redundancy was a pull factor.

‘[My husband] was a civil servant and he retired at 52, that’s nearly three years ago. He was offered a pension package and everything and he took it.’

(Working, Female, aged 65, Newcastle)

In one case, for example, one respondent currently on JSA injured his hand at work, returned to work following the accident but had an ongoing problem with his hand.

3.3.3 Reduced job satisfaction

Reduced job satisfaction tended to be linked to other push and pull factors. Typically, it was cited as one of between four and six reasons, normally where a combination of pushes and pulls explained labour market exit. Men generally identified reduced job satisfaction as a single push factor whereas women tended to cite it along with other push factors. In terms of links to other push factors, reduced job satisfaction for women was generally associated with two others:

- a change in their role or other changes in work; and/or
- health.

Looking at the associated pull factors for both men and women, three were commonly linked with reduced job satisfaction:

- financial security;
- a desire to enjoy quality time; and
- proximity to state pension age.

The combination of reduced job satisfaction and financial security provided a strong rationale for labour market exit. Most respondents who identified reduced job satisfaction as a push factor identified financial security as a pull factor. Financially secure respondents facing high stress levels and/or reduced job satisfaction had the choice of retiring before SPA, and some had opted to leave the workforce prematurely. One respondent who retired at 60 said if he had had the financial security earlier he would have retired earlier (at 58). However, exit was not always permanent; one such respondent who left the labour market re-entered it later.
because he found a job that was fun and enjoyable.

3.3.4 A change in role or work itself

Typically, a change in role or the work itself was linked to a second push factor, reduced job satisfaction. In two cases, however, respondents identified a change in their role or work itself independently from reduced job satisfaction. In both cases, this was linked to an expectation of retirement at SPA.

3.3.5 Caring

Caring was identified as a push or a pull factor by both men and women. However, men typically identified caring as a pull factor whereas women identified it as a push factor. Those men who had caring responsibilities tended to care for their partners or children; women’s caring responsibilities also included their parents or grandchildren. Prior to labour market exit, many respondents had tried to balance their caring responsibilities with full-time or part-time work. Those who had stopped work did so when the pressure became too much, or when other push and pull factors combined to enforce labour market exit – for example, when their own health or the health of the person they cared for worsened.

Caring acted as a single push factor for one respondent and as a single pull factor for two others.

Caring was linked to other push and pull factors, as follows:

- with a health condition;
- with two or three pull factors:
  - a desire to enjoy quality time, financial security; and
  - looking after the home/spending time with family (see Table 3.1).

3.3.6 Financial security

Financial security was the most common pull factor even though it was not always the first pull factor mentioned by respondents. Many respondents who identified financial security as an influence to leave the labour market were male and had worked steadily throughout their working lives across a range of occupations, including elementary occupations.

Financial security never operated in isolation and normally combined with other pull factors. It sometimes combined with push factors and was always combined with push factors when it operated as a single pull factor.

Financial security was often linked to the following push factors:

- health and/or caring responsibilities;
- reduced job satisfaction and/or changes in work; and
- redundancy.

Financial security was not exclusively linked to people in managerial, professional
and associate professional occupations. Respondents from skilled trades, secretarial and administrative and elementary occupations also identified financial security as one of their reasons for labour market exit.

3.3.7 **Enjoying quality time and hobbies**

Enjoying quality time and hobbies acted as a single pull factor as well as combining with other pull factors, particularly financial security. When it worked in combination with other factors it always combined with push factors, typically a health condition, reduced job satisfaction and/or changes in job role or work itself.

3.3.8 **Looking after the home/spending time with family**

Looking after the home/spending time with family was not a strong pull factor. On its own, it was insufficient to pull people out of the labour market, and it always combined with other pull factors. In one case, it was one of two pull factors that explained labour market exit; the other factor was caring responsibilities.

3.3.9 **Proximity to state pension age**

Typically, proximity to SPA combined with other push and pull factors, as follows:

- push factors – health, a change in role and reduced job satisfaction; and
- pull factors – financial security, a desire to enjoy quality time and an expectation of retiring at SPA.

There was one exception, where proximity to SPA was the only factor that explained labour market exit:

‘I retired from work through ill-health. I had cancer of the oesophagus so I took early retirement.’

(Not working, Male, aged 60, Newcastle)

Most of the people who identified proximity to SPA as a pull factor were men. Their rationale for retirement was based on a long and steady work history, which they felt entitled them to retire at, or near, SPA.

3.4 **Summary**

Involuntary (push) and voluntary (pull) factors explained labour market exit for individuals. Push factors included major ‘shocks’ such as a health condition or redundancy and provided the most influential reasons for exiting the labour market. In some cases, they were strong enough single factors to cause labour market exit. Push factors also included reduced job satisfaction, changes in own role or work itself, caring responsibilities, recession and industrial restructuring, and employers’ fixed retirement ages.
Financial security was the most important pull factor underpinning all others; those people who could afford to retire had the choice to work or retire as they saw fit. Financial security, however, never operated in isolation: it was always combined with other push and pull factors.

Key patterns in how push and pull factors operated are identified below.

- Health operated in three different ways:
  - as a single push factor;
  - with other push factors (typically redundancy, a change in role or work itself and/or reduced job satisfaction); or
  - with a single pull factor (proximity to SPA, financial security or caring).

- Redundancy operated in three key ways:
  - as a single push factor;
  - as one of two push factors (health or industrial restructuring) independent of pull factors; or
  - with one or more pull factors (financial security, caring and a desire to enjoy quality time).

- Reduced job satisfaction was typically linked to two push factors and three pull factors, as follows:
  - pushes – a change in role or other changes in work, and health condition; and
  - pulls – proximity to SPA, financial security and a desire to enjoy quality time and hobbies.

- Caring was identified as a push factor and as a pull factor. People tended to stop work when the combination of work and caring became too much, or when their own health or that of the person they were caring for deteriorated. Caring tended to link with three key pull factors – financial security, a desire to enjoy quality time and hobbies, and looking after the home/spending time with family.

- Financial security provided people with the choice to leave the labour market if they were dissatisfied with their job or unhappy with changes in their role or work.

- Proximity to SPA generally combined with other push and pull factors, as follows:
  - push – health, a change in role and reduced job satisfaction; and
  - pull – financial security, a desire to enjoy quality time, and an expectation of retiring at SPA.
4 Retention in the labour market and attitudes towards extending working life

Retention has become extremely important as the impending retirement of the post-war ‘baby boom’ generation and slow growth in the labour force poses potential problems for employers and the economy. The predicted loss of many experienced workers could create skill shortages, with adverse effects on productivity and economic growth. Indeed previous research indicates that people in work before state pension age (SPA) are more likely to continue working beyond it.

This Chapter focuses on respondents who have remained in the labour market and examines retention of staff and attitudes towards extending working life in terms of increasing employment rates for the over fifties and maximising the workforce. It builds on Chapter 2, which examined people’s reasons for working, and Chapter 3, which identified the various push and pull factors contributing to labour market exit. Following on from these findings, this chapter seeks to understand why and how people stayed in work and what barriers they faced in doing so. The final section of the chapter explores respondents’ views on working beyond SPA and the Government’s extending working life policies.

4.1 Why and how people stayed in work

Retention occurred when both workers’ and employers’ needs were met\(^\text{12}\). In some cases, respondents met their own need to remain in work by becoming self-employed.

\(^{12}\) Employers here refers to employers in general, not necessarily a respondent’s current employer.
People’s need or desire to remain in work was based on the same financial and personal/practical reasons identified in Table 2.1 and Section 2.5. However, other factors that came into play also affected people’s decisions on whether they stayed in work or left the labour market:

- the push and pull factors identified in Chapter 3; and
- whether employers considered or were able to accommodate individuals’ needs.

From a retention perspective, of the two broad reasons why people worked (financial, personal/practical), financial necessity was by far the most important reason for staying in work. Respondents’ explanations of why they needed to continue working tended to be linked to financial reasons, as follows:

- a desire to leave the labour market debt-free (see also Section 2.5.1);
- a change in financial status, for example as a result of divorce or bereavement, which meant that they had to carry on working; and
- to protect their pension income – some respondents felt that they were trapped in work, as they thought their pension income would be adversely affected if they left.

In the context of retention, job satisfaction and to remain fit and active were also identified as key reasons why people stayed in work.

Push factors were important in the context of retention, given that some people decided to remain in work despite the presence of a push factor or factors, whereas others opted to leave the labour market instead. For example:

- some people remained in work despite health problems for example:
  - one respondent worked following a heart attack;
  - another respondent worked as a butcher despite arthritis and rheumatism;
- some people left work because they could no longer balance work and caring responsibilities; and
- some people left work because their job satisfaction was reduced and/or they did not like changes in their role or work itself.

These latter two points are covered in Section 4.2 below on barriers to remaining in work. Addressing barriers to people remaining in work is a key issue if older people are to be encouraged to remain active in the labour market up to and beyond SPA.

Employers had an important role in the retention decision where individuals remained with the same employer. In some cases, respondents stated that employers had been positive in accommodating their needs. Other respondents reported mixed experiences where employers offered solutions that did not necessarily work or individuals’ needs were not accommodated. Where solutions did not work or were not available, people changed jobs, left the labour market (immediately or at a later date) or moved into self-employment.
The remainder of this section examines the factors contributing to retention. Many respondents successfully remained in work as a result of:

- redeployment;
- negotiating flexible working conditions;
- retraining; and/or
- moving into self-employment.

Each of these retention factors is discussed in more detail below.

### 4.1.1 Redeployment

Redeployment was used in two ways to aid retention:

- through choice – where people discussed redeployment options with their employer; and
- to help in managing a health condition through discussion with their employer.

In two of the cases where respondents were offered redeployment as an option, work weariness and the demands of a physical job were mentioned as reasons for seeking a change in role. Both of these respondents were women: one was a nurse who retrained as a trainer (see case study in Section 4.1.3); the other was a police officer who moved from shifts to an administrative job (after this initial redeployment, she then moved into a job share, as noted in Section 4.1.2).

In some cases, employers were able to retain staff with a progressive illness or following a serious illness by redeploying them to a different role. This applied particularly to people in physical or manual jobs who had skills that were transferable through redeployment to administrative or supervisory/managerial roles. Each of the respondents in the following three examples thought that their health condition might have forced them to leave work:

- a site manager who had a heart attack and was subsequently redeployed to a clerical role:
  
  ‘I had a heart attack so I was off work but since I have gone back they have got to revise the job.’

  (Working, health condition, Male, Walsall)

- a former miner who developed a condition called ‘vibration white finger’ and was redeployed in office based work:
  
  ‘My fingers are dodgy. Vibration white finger. So I decided [to leave], but I had a grammar school education so I fitted into the staff side alright.’

  (Working, Male, aged 65, Newcastle)
• a former factory shop-floor worker with deteriorating eyesight who was redeployed to a clerical position:

‘I just got to the stage where I thought, “I have got to give it up because I can’t see any more”. It was a struggle and clerical was much easier because it is not in small scale.’

(Not working, Female, aged 63, Newcastle)

In other similar cases where individuals were redeployed into clerical or office jobs, this change of role sometimes led to labour market exit or a return to their previous role, because of reduced job satisfaction. Where redeployment failed, respondents had not always been interested in or suited to the roles on offer. Some felt undervalued, whereas others failed to adjust, as in the following example:

‘I had basically, what is an office job, it was a quality control job but I just couldn’t adjust to it…after being outdoors all the time I just couldn’t adjust to it.’

(Retired, reasonable income, Male, Walsall)

Following redundancy from the employer who offered the quality control job, this respondent subsequently moved back into manual labour with another employer, despite arthritis, because it gave him greater job satisfaction.

Some respondents felt that they would have been better placed in a mentoring, training or advisory role, although there was limited evidence that such roles were available (although one such example is given in section 4.1.3). However, another respondent did not believe that such a role was workable with his employer at the time:

‘Theoretically they could have taken me on as a consultant or given me some sort of a role, but in a way I think that as it was a young company, and me being over 50, it was thought of as being different…with engineers about 35, they were all quite young. It seemed that you had to be young and vibrant to succeed.’

(Working, Male, 66, Newcastle)

4.1.2 Negotiating flexible working conditions

Negotiating flexible working conditions (such as altering working hours, different shift patterns or job sharing) was another way of retaining older workers in the labour market, though few respondents had pursued this option. A minority of respondents saw a reduction in working hours as a means of easing the transition towards retirement. Those who had done so included:

• people in managerial, professional or public-sector occupations;
• shift workers; and
• people returning to work following health problems.
Many respondents under SPA had not considered reducing their working hours, in some cases because they felt they could not afford to work part-time. One respondent for example said that they would only consider part-time work after they had retired.

Respondents in managerial, professional or public-sector occupations were more likely to work flexibly than those in manual or unskilled occupations. Indeed Humphrey et al (2003) found that people in professional occupations, administrative and secretarial occupations were most likely to have been offered flexible working whereas only around a quarter of people in skilled trades and plant and machine operatives were offered flexible working as an option. In certain occupations, generally professional or public sector occupations, precedents had already been set and employers were increasingly open to flexible working solutions. Respondents in professional occupations said that their skills were in demand and were confident about negotiating with their employer.

Following redeployment from a physical/shift job to an administrative position (as noted in Section 4.1.1), one respondent discussed and accepted the option to job share:

‘Because I’ve worked all my life and mainly full-time, and I decided that job share was fine because the children were growing up and I didn’t really need to work full-time.’

(Working, Female, aged 59, Walsall)

It was clear that those respondents with health conditions who worked for employers who were experienced in working around health conditions found greater success in negotiating flexible work conditions. Noticeably, those who specifically asked their employer for flexibility to cope with their health problem more often continued working.

Conversely, people in less well-paid, part-time, semi-skilled and unskilled occupations said that it was difficult to negotiate with their employer. In general, these respondents said that they were not aware of flexible working options. In these cases, very few precedents had been set where employers had offered flexibility towards retirement, and very few respondents had even discussed flexible working with their employer. These respondents often said that they felt they would be ‘breaking the mould’ by asking for flexible terms, and needed support and guidance in how to ask for flexibility. These respondents either remained in work, but had periods on statutory sick pay or left the labour market.

The desire to change hours was most common among respondents who worked shifts. One respondent who worked and also cared for her mother managed initially
by swapping shifts with colleagues rather than discussing her caring responsibilities with her employer:

‘At first I was just swapping shifts with people, then the branch controller came to see me and said that I would have to do my shift, I could not keep swapping. So I went to see the manager…and said there was no way that I could do the middle shift, I would have to leave if I was forced to do the middle shift. And she was absolutely fantastic.’

(Not working, Female, aged 55, Newcastle)

In this case, the problem with the respondent’s shifts escalated to such an extent that she said she would have had to leave work if her needs had not been accommodated. Although her needs were met, she acknowledged that she placed herself under unnecessary pressure before discussing shift options with her employer.

Respondents with health conditions who wanted to remain in work or extend their working lives had mixed success in obtaining flexible working conditions from their employers. Respondents did not mention the Disability Discrimination Act or the responsibility of employers to make reasonable adjustments. Some had successfully negotiated with their employer to change their working conditions, as illustrated by the following example:

‘I’m still working for the company I have worked for a considerable number of years, and I’m currently inducting a successor, someone who can do my job and I agreed to do that when I was 65. If they offered me [the] alternative, for instance [that] I could work from home which potentially I could do and provide me with the facilities and the equipment to do it then yes I could do it, it wouldn’t be a problem.’

(Working, health problem, low income, Male, Walsall)

4.1.3 Retraining

There was only one case where retraining had been used to help a respondent to remain in work. This was a 60-year-old female nurse, whose story is given in the following case study.

Case study: Eileen

Eileen, 60, was presented with the opportunity to become a trainer on an induction and foundation training programme for nurses. This came at a time when as a result of the physical strain of nursing she was considering two options: reducing her hours or leaving her job:

‘It was an opportunity for me because he gave me what I’ve always wanted to do, and also relieved for me the physical aspect of nursing. It gives me a bit, but it also took me away from a lot of it. It still allowed me to be involved and I still work, but I could cut down the time I was working and channel it.’
Case study: Eileen (continued)

Eileen was asked whether she would have sought the opportunity if it had not presented itself.

‘No, because I never realised a job like that could exist. It’s given me the best of both worlds, the nursing and training. I think it has extended my thoughts of working, because if I had to do 18 to 24 hours of nursing I would be thinking of restricting it, whereas now I can do 18 hours with a mix of nursing and training.’

(Working, Female, aged 60, Christchurch and East Dorset)

To a certain extent, the limited examples of retraining can be linked to the negative attitudes towards training identified by some respondents in the sample (see Section 2.6.2). They identified the following issues:

- the view that investment in training older workers was a waste;
- lack of interest in training because it would not affect their current role; and
- self-deselection, because they thought they were too old or not bright enough to learn new things.

However, as noted at the start of this chapter, staff retention is a key issue for the future. For retention to improve, it will be important to challenge these kinds of negative attitudes towards training.

4.1.4 Moving to self-employment

Some respondents had moved into self-employment to allow themselves to remain in the labour market up to and beyond SPA. In some cases, respondents consciously selected self-employment as it allowed them to choose whether they worked beyond SPA.

Those that chose self-employment typically had no health problems. Some had made a conscious choice to become self-employed, whereas others simply fell into self-employment, as illustrated in the following case study.
Case study: Graham

Graham trained as an electrician then joined the fire service. When he retired from the service at age 53 he set up as a self-employed electrician:

‘I was 24 when I joined the fire service. I am now 53 and I thought “great, I don’t have to do this stuff anymore”. I put the tools away for two weeks and then someone called me and I haven’t stopped now that I have retired. I came back off holiday and there were 35 phone calls waiting for me and 25 were electrical, all by word of mouth. It just seems to be mad. I made my mind up I will do two or three days, but it never works like that and I can work 10 days a week [sic].’

Graham said that he worked for the additional income, and to keep mentally and physically active.

(Working, Male, aged 53, Christchurch and East Dorset)

Generally respondents who had become self-employed were satisfied with their decision which appeared to provide people with options, as it:

- was a low-risk employment option for people with financial security who believed that they had skills to sell; and
- allowed self-management and the option to work flexibly, particularly for people who were unable to negotiate flexible working conditions with their employers.

Some respondents were very satisfied with their decision to become self-employed, stating that it had renewed their enthusiasm for work. One respondent who had previously worked in the same sector for 20 years said that now he was self-employed he was working harder than he had ever done in his life, and was very passionate about his business:

‘It’s just pride and just seeing all the stuff flying out the door, the phones ringing with orders and people wanting to see me...the opportunities are just terrific. You always go the extra mile when it is for yourself.’

(Working, Male, aged 63, Newcastle)

4.2 Barriers to remaining in work

Generally, respondents had low levels of information or awareness of their rights or employers’ responsibilities, the support available and other sources of assistance (such as Jobcentre Plus or the medical profession) that might help them to remain in work. Although few respondents had asked for support, many held negative views about how their employer might respond if they could no longer do their current job. Respondents’ views were that employers:

- were unreceptive and unresponsive;
- ultimately had the power to hire and fire; and
- lacked understanding about particular health conditions.
Respondents generally felt that they were not in a position to challenge their employer, and offered the following views and comments:

- they felt that they were a burden;
- they felt that they held younger colleagues back; and
- they did not always want to have to adapt and change to new working practices.

Some respondents perceived their employers as unreceptive and unresponsive to the increasing pressures in their daily working lives. Respondents with increasing health problems or caring responsibilities (see Section 3.1.1 on push factors) said that they had received little help or support from their employers, and some had left work as a result. However, when asked if they had approached their employer for support, many had not.

Respondents also suggested that there was a lack of flexibility in the information technology (IT) sector for older workers, and that there were few opportunities for part-time working in the manufacturing sector.

In general, respondents felt that employers were in a position of power, and that they as employees were not in a position to set terms and conditions to meet their needs. Indeed, some respondents believed that they were a burden to their employer, saying that they were not as productive as they used to be. This led them to believe that employers preferred younger, more active employees. One respondent said:

‘They need reliable/motivated labour force and there were plenty of thirty-something’s with the drive of paying their mortgage and looking after the family to meet that need.’

(Male, Walsall, working with ill-health)

Another respondent was an IT consultant who left his job when he was 56 as he believed that he was preventing his younger colleagues from getting promotions: ‘they [younger workers] were dynamic and competitive’ (male, 66, full-time). He felt that there was prejudice against older workers within the workplace.

Respondents with health conditions felt that employers did not always understand their condition and did not provide access to appropriate medical advice and support (for example, vocational rehabilitation for conditions such as ME):

‘They just kept ringing up and asking when I was coming back and [my husband] was saying that I can’t. They didn’t understand the illness [ME], which a lot of people don’t actually. Then in the end I just lost the job, she just said she didn’t need me anymore and I’d worked there for years doing the part-time thing.’

(Not working, Female, aged 55, Christchurch and East Dorset)

Again, as indicated above, for many of the respondents there was no culture of asking for support at work, irrespective of whether their employer would or could
accommodate such a request. Given the emphasis to improve the employment rate among the over fifties, it is important that individuals and employers are encouraged to negotiate means through which older workers can continue to make an effective contribution to the labour force. While the concept of transition to retirement is only recognised by a minority of respondents, it is a concept that should gain support in the future.

Respondents recurrently said that they did not like changes in their working conditions or the work environment, especially those who were not involved in the decision. This was an important push factor which had led to labour market exit for a number of respondents. For some, such changes involved a relocation which meant a more stressful journey to work, while others resented a change of boss or in management structures. Some respondents, particularly those in manufacturing, experienced changes in how they worked (for example, a switch from specialisation to multi-skilling). Many people recognised and admitted that as older workers they were less tolerant, less resilient and less willing to adapt:

‘People when they get to around 55 they don’t want to adapt, they want to stay as they are, where they know where they are, and they know the job inside out and that’s the job they want to do.’

(Retired, limited income, Male, Walsall)

4.3 Attitudes towards extending working life

Both the Simplicity, Security and Choice Green Paper (December 2002) and the Pensions Commission report (October 2004) identified that people are generally living longer and healthier lives. Because of this, policies have been introduced to create opportunities for individuals to work longer should they choose to do so. However, many respondents felt that the choice afforded through the extending working life policy agenda was actually an increase in SPA. This section outlines respondents’ views on increasing and working beyond SPA.

4.3.1 Increasing state pension age

Some respondents thought that the Government planned to increase SPA to 70 or 75, and felt strongly that SPA should not increase. This group interpreted the Government’s concept of ‘extending working life’ as a compulsory extension of working lives beyond the current SPA.

‘My husband says that they might as well dig your grave and kick you into it, if you’ve got to work until you’re 70, because there’s not many people these days that live over that age, and a lot of my friends have gone in their thirties and forties and that’s depressing, so when you think about it, you need that time together and you never know.’

(Working, Female, aged 53, Walsall)
‘I know the Government is talking about trying to make people work until they’re 70 and I think that’s quite ridiculous. You get to a certain age and there’s more people do want to retire before they’re 65, never mind 70. You don’t know how long you’re on this earth.’

(Not working, Male, aged 50, Newcastle)

However, some respondents felt that people should choose when they wanted to retire, which is consistent with current extending working life policy aims. The respondent who provided the second quote above went on to say:

‘It should be up to the individual, but I don’t think it should be law. I’m very against that, to say that you must work until you’re 70, no.’

(Not working, Male, aged 50, Newcastle)

### 4.3.2 Working beyond state pension age

In terms of views on whether they should work beyond SPA, respondents fell into one of two distinct categories:

- a minority had continued or wanted to continue working beyond SPA in a reduced or altered form;
- the majority had not considered working beyond SPA, and viewed it as a natural end to their working lives.

Respondents who had continued or wanted to continue working beyond SPA felt that their employer had an important role in determining whether they could work or not – i.e. whether their needs could be accommodated by their current employer. Alternatively, self-employment provided a means for them to continue working. The flexibility of hours and self-management were highlighted as key advantages of self-employment, which kept people motivated to remain in work.

Many of the group who had not considered working beyond SPA said that they had started work at an early age – as young as 15 in some cases. Both respondents who were in work and those who had already retired thought that about 50 years working was long enough. Many of this group were men and believed that they had earned the right to retire at SPA:

‘By the age of 65 I will have been working 50 years and I think that is enough for anybody, unless you haven’t got any other life other than work, which I have.’

(Working, self-employment, Male, 62, Christchurch and East Dorset)

Respondents who had not considered working beyond SPA identified a range of barriers to doing so (see also Section 7.1.3), as follows:

- they tended to have fixed views about what work was. They seemed to view it as full-time and permanent, and did not think that work could be part-time, flexible and fitted around other interests;
• they felt that working longer would mean that they had less time to enjoy retirement, and their quality of life would reduce;

• they felt that their continued labour market participation would prevent younger people from getting jobs.

Respondents’ views on working beyond SPA largely depended on a range of factors, as detailed below:

• age – some felt that working beyond SPA was a non-issue, particularly among ‘young’ non-planners (aged 50-55). This group had not thought about working beyond SPA and had no plans to consider it until some point in the future (at around 60 was mentioned). However, other respondents in their early sixties were facing the realisation that they might have to continue working if they wanted income other than a state pension;

• gender – as noted above, many male respondents had worked steadily since their teens and felt that they had made their contribution, so they deserved to retire. The planners among this group had occupational pensions to draw on, so had some financial security which gave them the choice to work or not. Others, such as those who had successfully moved into self-employment (including women), anticipated that they would continue to work beyond SPA. Women’s views on working beyond SPA were mixed. Some felt that they deserved the right to retire whereas others felt that the choice to work was dependent on family commitments, health and whether they were already in work;

• health – while people said that they worked to maintain physical and mental health (see Section 2.5), the potential health impact of working beyond SPA was a concern, particularly for those reporting the fixed views on work identified above;

• financial security – planners tended to have thought about whether they needed to work or not beyond SPA. Some had already thought about whether they would need to take on a part-time job beyond SPA to supplement their pension income;

• household status – where a relationship changed (because of divorce or bereavement for example), respondents had had to re-evaluate whether they needed to work or not beyond SPA.

4.4 Summary

People remained in work when both their needs and those of their employer were met. Some respondents opted for self-employment, so that they had control over when and how they worked. As in Chapter 2, respondents identified financial and personal/practical reasons for why they remained in work. Of these two broad reasons, financial necessity was the key driver keeping people in work.
The decision to remain in work also related to push factors (as identified in Chapter 3), in particular:

- health;
- caring responsibilities; and
- job satisfaction and change in respondents’ role at work or the work itself.

There was evidence that some people’s health problems and caring responsibilities had been taken into account by their employer, and as a result they remained in work. However, for some respondents, redeployment from a manual to a clerical job proved too great a challenge. One respondent, for example, returned to manual work despite his health condition.

Respondents reported quite different views on how employers had responded or might respond to changes in individuals’ circumstances that might lead to labour market exit. Those with positive experiences showed how redeployment, opportunities to negotiate flexible working conditions, retraining or a move into self-employment helped to keep people in work. With the right conditions, particularly financial security and marketable skills, self-employment provided people with a good option to stay in work, and for some it renewed their enthusiasm for work.

Not all respondents had such positive experiences while trying to remain in work. In some cases, people had left work without even asking for their needs to be accommodated. Views among this group were negative, not only in terms of how their employer might or did respond to their changing circumstances, but also about their own contribution to the workplace. For example, some respondents felt that they were a burden.

Evidence of retraining as a means of staff retention was limited. There was only one recorded case of a respondent retraining and remaining in work. For retention to grow, negative attitudes towards training (highlighted in this chapter and in Section 2.6.2) will need to be challenged.

A small group of respondents had continued or wanted to continue working beyond SPA. They were mindful of the role of their employer in allowing this to happen. The group who were working or wanted to work beyond SPA included people who were self-employed. This group felt that their employment status gave them the final decision or choice, on whether to work or not.

Age, gender, health, financial security, household status and whether people were planners or savers were factors that influenced respondents’ views on working beyond SPA. While many expressed the view that they did not want to work beyond SPA, others felt that they should be given the choice to continue working or not.
5 Labour market re-entry

As indicated in Chapter 3, the labour market exit of people aged over 50 is brought about by a combination of push and pull factors. Humphrey et al (2003) highlighted that the current Government is concerned with reversing this decline, and in the recent Green Paper *Simplicity, security and choice*\(^{13}\) has set out proposals to extend opportunities for older workers. However, the *Pathways to Work* Green Paper\(^{14}\) identified that nearly half of all Incapacity Benefit (IB) recipients are aged over 50, and as such are under no requirement to actively seek work or re-enter the labour market or access help to help them achieve their work related goals. *Pathways to Work* also indicated that some employers discriminate against recruiting, training and retaining older people. However, the introduction of age legislation in 2006 (currently under consultation) will outlaw age discrimination in the workplace. The legislation is expected to:

- make it illegal for an employer to set a default retirement age of less than 65, and create a right for employees to request working beyond 65; and
- allow employers to objectively justify earlier retirement ages only if they can show it is appropriate and necessary.

This chapter looks at the characteristics of respondents who re-entered the labour market, their key motivations to return to work, views on work availability and opportunities for people aged 50 and over. It also examines the barriers to re-entry faced by older workers including examples of age discrimination at various stages in the recruitment process that the new legislation, described above, should eliminate. The chapter draws on the experiences of people who left the labour market and then returned to work, as well as those who left and failed to re-enter. It also explores the different routes taken to re-enter work.

\(^{13}\) Department for Work and Pensions (2002) *Simplicity, security and choice: working and saving for retirement* (Cm 5677) DWP.

\(^{14}\) Department for Work and Pensions (2002) *Pathways to Work: helping people into employment* (Cm 5690) DWP.
5.1 Characteristics of respondents who re-entered the labour market

The characteristics of older workers who re-entered the labour market were varied. Typically, respondents with lower incomes re-entered through financial necessity, while those with higher incomes returned to maintain their lifestyles or to afford luxuries. There was no clear gender difference in terms of re-entry, other than in the case of divorce, where women, some of whom had been out of the labour market some time, found work.

Respondents who successfully re-entered the labour market typically had fewer barriers to overcome (see Section 5.4). In general, those who re-entered did not suffer with severe health conditions. Similarly, those who did re-enter did not raise caring responsibilities as an issue even though respondents who were not working and had current caring responsibilities identified it as a barrier to work. Typically, those people who re-entered the labour market did so within a year of leaving it. They were still close to the labour market and still had a good understanding and awareness of the skills and experience they possessed.

Those respondents who were most successful in re-entering the labour market tended to be educated or professionally trained and had previously been in professional and managerial roles. Typically, such individuals had a strong work history, good work ethic and were highly motivated.

5.2 Drivers to re-enter the labour market

The factors that motivated respondents to re-enter the labour market reflected the reasons they gave for why they worked (as outlined in Table 2.1, Section 2.5). Indeed the loss of the financial and personal/practical benefits of work explain why people returned to the labour market. People identified the following reasons for returning to work, as follows:

- financial – necessity or choice; and
- personal/practical – remaining mentally and physically active, relationships and family, job satisfaction, filling time and providing a routine.

Within these two reasons, described in more detail below, a range of factors contributed to respondents’ decisions to re-enter the labour market. Different factors were pertinent to different individual or household needs; there were no clear patterns in the data.

5.2.1 Financial reasons

People re-entered the labour market through either financial necessity or choice. In terms of necessity, people who left the labour market because of redundancy or ill-health re-entered the labour market or wanted to return to work so that they could have money to live off, pay off debts (such as a mortgage) or continue
contributing to their pensions. None of the respondents who left the labour market as a result of redundancy and ill-health operating together returned to work. Among respondents who were ‘planners’,15 some actively sought opportunities to return to work because redundancy or health conditions had prevented them from following through on their retirement financial planning. ‘Non-planners’16 returned to work because they could not afford to retire.

Others who chose to leave the labour market, following early retirement for example, returned to work because of a lack of disposable income17 to pay for everyday living expenses, maintenance and repairs, or because they wanted to maintain their lifestyle and afford luxuries. Those in this group were motivated to return to work if their lifestyle was threatened.

In the following example, John’s main reason for returning to work was financial necessity.

**Case study: John**

John sold his business and retired when he turned 60, ‘thinking we had enough to live on until I was 65, but it didn’t work out that way.’ On reflection, John thought he should have stayed in work beyond 60. He decided to return to work for two reasons:

1) disposable income – ‘pennies were running out and that was the main reason. I’ve worked all these years and although we’ve got plenty of assets, we’ve got no pennies’;

2) mental stimulation – ‘I’ve got to think and if you don’t think you get a bit lethargic and bored…I think I have to work, I was becoming bone idle.’

John returned to the labour market shortly after he retired. He decided to become a self-employed maintenance engineer:

‘I’m better off with what I’ve done now though. OK, we’re not earning the money, the salary I was earning was pretty good money, but so was the pressure. Now I haven’t got the pressure and haven’t got the salary.’

(Working, self-employed, Male, 62, Christchurch and East Dorset)

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15 ‘Planners’ were those who had typically organised or planned for their retirement (see Section 6.1).

16 ‘Non-planners’ were those who had not made plans or had not considered their future pension situation (see Section 6.1).

17 Increasingly, this situation is referred to as ‘asset rich, cash poor’.
5.2.2 Personal/practical reasons

Respondents identified the following reasons for returning to work as well:

- to remain mentally and physically active;
- relationship and family change;
- job satisfaction; and
- practical reasons.

People who returned to work for reasons other than financial often took part-time or casual jobs so that they did not have to suffer the physical or mental stress they associated with full-time work (see also Section 3.1.1, which covers physical and mental stress as a push factor contributing to labour market exit). These respondents were often retired, and they took jobs that fitted in with their retired lifestyle (see ‘Staying active’, below) and provided the practical benefits of routine and social contact.

Personal reasons for returning to work were, however, often linked to financial ones. A change in a relationship (such as divorce or bereavement) was a key driver for returning to work. For women in particular, this could occur after an extended period out of the labour market. Similarly, the case study of John above shows that work could provide necessary income as well as mental stimulation.

Staying active

Staying active was highlighted as a reason to re-enter the labour market, particularly by those who considered themselves ‘retired’ with no financial concerns. People who re-entered the labour market often took part-time work. One respondent was previously employed as a metal worker and was made redundant at 59; he took a job as a lollipop man a few years later to keep physically and mentally active. His wife had put pressure on him to return to work as she had noticed that his mental and physical health was starting to deteriorate.

Relationship and family

Relationship and family influenced re-entry in two quite different ways:

- where the female partner, typically, encouraged the male partner back into work (see ‘Staying active’ above); and

- where the relationship had changed, for example through divorce or bereavement, which as specified above, is linked to financial reasons for returning to work.

Respondents who worked appeared to have a positive effect on their partners who were not working. In a few cases, female partners who were working encouraged their male partners to return to work; in all such cases, the woman was younger than the man.
Divorce sometimes resulted in people returning to work, though among the sample of respondents divorce had generally occurred while people were in their forties. Women were more often affected by divorce than men. Some women had to return to work, even after a significant break in employment because of bringing up children, whereas men were typically already employed.

**Job satisfaction**

Some people said that they had re-entered the labour market to pursue an ambition or a ‘dream’ job they had always wanted to do. These were generally respondents who were financially secure. One, for example, said:

‘I have always thought it would be lovely to run your own business and do something for yourself, and to get the benefits... It appealed to me having done a lot of travelling and working under quite a lot of pressure, and a number of responsibilities, it appealed working here and doing our own little craft industry thing.’ [respondent was 56 when he left work as a computer engineer manager]

(Working, Male, 66, Christchurch and East Dorset)

**Practical reasons**

Linked to the personal reason of wanting to remain mentally and physically active, people returned to work because they missed the routine of work, felt that they needed more to do, and enjoyed the social contact that work provided. These practical reasons were often linked with the desire to stay active and, for some, financial reasons for returning to work.

### 5.3 Respondents’ views on the availability of work

This section examines respondents’ views about the availability of work and employability of people aged over 50. Section 5.4 then goes on to explore respondents’ views on barriers to work.

#### 5.3.1 Views on work availability for people aged over 50

Respondents’ views on the availability of work were mixed:

- some proved that, irrespective of age, older workers could and did find ways to re-enter the labour market after 50;
- others felt that work opportunities were limited and that they faced age discrimination and other personal barriers to work (detailed in Section 5.4).

Many respondents, both working and not working, felt that there were many opportunities for those over 50 looking for work. Some of those with this view were in managerial and professional occupations and had re-entered the labour market themselves. That said, those in work tended to be more positive about the opportunities available for the over fifties than those out of work. Some observed
that employers’ attitudes were generally beginning to change and that they were actively recruiting older workers:

‘At one time it was the other way round and there were plenty of vacancies for graduates and the over-50s couldn’t get a job, so people felt that once you were over 50 you were over the hill and weren’t good for anything. But I think it’s gone the other way round and a lot of people want mature people.’

(Working, Male, aged 53, Newcastle)

There was widespread awareness across the sample that companies such as Tesco and B&Q were ‘older-worker friendly’. A number of people referred to adverts on the TV and in newspapers showing that such companies were positive about older employees, and actively sought over-50s for their experience and reliability.

‘I think now they’re more inclined to take on over-50s. At one time they weren’t because firms just went for younger people. I know the likes of B&Q are quite prepared to target over-50s.’

(Working, self-employed, Female, aged 56, Newcastle)

Many respondents, typically those not currently seeking work, believed that there was a lot of work available, but it depended on what people were prepared to do.

‘I think if you go out you can get a job, but it’s what job you are prepared to do.’

(Not working, Male, aged 60, Newcastle)

Others, however, felt that there was limited availability of work for those aged over 50, and that this presented a barrier to them in either looking for or securing employment. Jobseeker’s Allowance (JSA) respondents in particular felt that opportunities for people aged 50 and over were limited. Some felt that employers were ‘short-sighted’ in only offering positions with limited responsibility and low pay. This was a source of frustration among those respondents who were skilled, experienced and felt themselves to be reliable (see below). One respondent noted that older workers who were not in managerial/professional jobs or unskilled elementary jobs – i.e. those in ‘middle-ranking’ jobs – would find it hardest to obtain work as they had high expectations and were not prepared to take a pay cut.

5.3.2 Views on employability of people aged over 50

Respondents’ views on the employability of people aged over 50 followed a similar pattern to views on work availability: some felt that over-50s were very employable, whereas others did not agree and identified a variety of barriers to explain why they felt that the over-50 age group was disadvantaged in the labour market (see Section 5.4).

Employed respondents were generally positive about the employability of older workers; they said that, in theory, re-entering the labour market should be

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18 Six Jobseeker’s Allowance customers participated in the research.
straightforward. Respondents said that older workers were reliable, experienced, skilled, loyal and hard-working. They felt that employers should recognise that older workers’ skills and experiences were valuable, particularly in the manufacturing and engineering sectors. Many respondents had experienced longstanding service with one employer and felt that that was why they were more loyal than younger workers:

‘I think the ethos is with a lot of firms they want younger ones, but I don’t think it is a good idea nowadays… don’t stick with it they butterfly from one job to job.’

(Working, self-employed, Female, aged 69, Newcastle)

Similarly, respondents attributed the ethos of ‘working hard’ to the way they were brought up. They referred to growing up with parents who were used to working hard in a factory or at manual labour:

‘Because of the generation we are, we’re used to having to work hard and that’s how we were brought up, that you go to work every day. If you wake up with a headache then you take a paracetamol, you don’t take a day off. The larger chains seem to recognise that I think.’

(Working, Female, aged 53, Newcastle)

Respondents actively looking for work felt that employers should also recognise that older workers were less likely to need time off to look after young children. Older workers could also undertake flexible part-time hours, as they did not necessarily need full-time work.

Generally, respondents who were out of work but had recent work experience believed that labour market re-entry would be straightforward for people like them. These respondents were confident that they would find work, and had up-to-date skills.

5.4 Barriers to labour market re-entry

This section examines barriers to re-entering the labour market. It examines the different types of barriers that people faced, and concludes with a case study showing the inter-relationship and effect of multiple barriers.

Barriers to re-entering the labour market for older workers can be classified as either external or personal. The types of barriers faced are outlined in Table 5.1. These barriers rarely operated in isolation – respondents tended to face multiple barriers. External barriers included competition in the labour market and labour demand, while personal barriers included health, family and caring responsibilities, level of skills and experience, and personal attitudes.
Table 5.1 Barriers to labour market re-entry

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5.4.1 External barriers

Three types of external barriers are discussed in turn below: economic restructuring, labour demand and age discrimination.

Economic restructuring

Economic restructuring left some respondents with a mismatch in skills, particularly those who previously worked in engineering and manufacturing jobs or had worked in a particular sector over a long period of time. In some cases, respondents had found a route back into work, for example through self-employment. Others, however, struggled with the idea of doing different sorts of work. Respondents who had failed to get back into work felt that they were unable to compete for jobs where they had no previous experience. Some also felt that they were too old to retrain to enter another occupation (see also Section 2.6).

Labour demand

While some respondents said that employers should employ older people because of their advantageous qualities (as outlined in section 5.3.2), others perceived that the comparative advantages of employing younger workers outweighed any benefits of employing older people. For instance, they said that, ‘younger workers would be less likely to go sick,’ and commented that younger people have longer working potential:

‘If you are going through CVs or job applications you look at a chap of 56, and you think “OK I will get about four years out of him.”’

(Male, aged 65, Christchurch and East Dorset)

Other respondents suggested that employers should recruit younger workers because they were more productive.
Many respondents stated that it should be a priority to offer jobs to younger people; this was partly based on the perception that many young people were out of work. Respondents felt that they might take jobs away from younger workers:

‘Well I don’t really know about that because it is such a long time since I have been out looking for a job or been in a job. I know that people like to go out to work, but there are so many young people not working that I think they should get the first bite of the apple. They should be offered the jobs first, then say 55 or 60 years old.’

(Female, 55, unemployed, carer for grandchildren and husband)

Age discrimination

Some in-work respondents felt that their employer did not discriminate on grounds of age. They stated that their employer would be pleased to keep them for as long as they wanted to stay. One respondent who worked for a county council noted that:

‘I can go on until I am 80; they do not have a policy at all about retirement’.

In contrast, other respondents, both in and out of work, cited age discrimination as a barrier to work. This view tended to be based on perception and assumption rather than actual experience. One respondent (a market trader) said, ‘I am 56, it goes against you to get a job’. However, this view was based on perception – he had always been in work, so had not personally experienced discrimination.

Among out-of-work respondents who were seeking employment, the experience of age discrimination varied. People reported discrimination at recruitment, either through vacancy advertisements or at interview. Some felt that some employers blatantly discriminated against older workers by placing age restrictions on jobs advertised. One reported seeing an advert ‘wanting someone up to 45’. Other respondents felt that they had experienced discrimination when they attended interviews. One was asked ‘how would you feel about working with 18 to 25 year olds?’ (Female, aged 54, Christchurch and East Dorset).

Respondents also thought that a few occupations were unsuitable for older workers and should be age-restricted. Examples cited were the fire service, the police service and heavy engineering:

‘I was actually a maintenance and diesel fitter and worked on heavy plant, so lying on my back and rolling around under vehicles and it just took its toll in the end. There’s not many that survive until they’re 50 in that kind of trade.’

(Male, aged 50-54, IB recipient, Newcastle)

Childcare was also identified as an unsuitable occupation, even though some respondents had childcare responsibilities themselves. One respondent wanted to return to work as a carer for children as he had experience of looking after his grandchildren and severely handicapped son. However, he perceived that it would be difficult for an ‘elderly’ (69) man to get into childcare work because of heightened concerns about child protection issues, and he might be discriminated against because of his age. This concern was not reported by female respondents.
5.4.2 Personal barriers

Respondents identified a wide range of personal barriers to work, described in more detail below. These barriers included:

- impact of a health condition;
- family and caring responsibilities;
- skills and experience;
- limited awareness of opportunities (see ‘Impact of a health condition’ and ‘Lack of confidence’ below);
- benefits trap (see ‘Impact of health conditions’ and ‘Income and job expectations’ below); and
- personal attitudes:
  - income and job expectations;
  - lack of confidence/fear of re-entry.

As with the push and pull factors associated with labour market exit, these barriers combined and interacted (see Section 3.2). For some respondents, this resulted in long periods of time out of work.

Impact of health conditions

The impact of health conditions was the barrier most associated with older people’s inability to work (see also Chapter 3). Respondents’ health barriers were varied: some suffered from long-term illness and were never going to be able to work again; others had been signed off work by their doctor and were claiming IB for the foreseeable future; and others had unpredictable health conditions which varied on a day-to-day basis.

It was rare, however, for the impact of health to be the sole factor preventing people from re-entering the labour market. Typically, a health condition was compounded by other barriers such as caring responsibilities, the ‘benefit trap’ (the perception or reality that they were better off on benefits), outdated skills and fear of re-entering the labour market. These other factors are examined below.

The impact and severity of health conditions affected not only physical or mental ability to undertake work, but also confidence and self-esteem, leading to low motivation to find work. Some respondents, particularly those on IB, felt that they would never work again and empathised with employers, saying that they would not want to employ someone whose illness could make them unreliable (see also Section 4.2). This point is illustrated in the following quotes from individuals of working age who were without work and claiming IB:

‘I don’t know because if someone gave me a job I could last a day, or maybe two days and then I’m going to be done in. I’m not capable of working.’

(IB recipient, Male, aged 53, Newcastle)
‘One day I’ll wake up and be full of enthusiasm and think I’ll go down the Jobcentre and find something, and then later on that day something might happen and I won’t go down. From day to day and hour to hour I suppose really, that’s one of the reasons why it’s a little bit tricky as to why I should even attempt it. The energy I feel today, tomorrow might be completely turned around and I might be back in thinking that I don’t want to do it any more.’

(IB recipient, Male, aged 51, Christchurch and East Dorset)

In some cases, respondents were fit for work, but for the impact of their health condition which meant that they could not return to an occupation they had worked in previously. These respondents generally had limited awareness of the opportunities available to them and struggled to identify suitable alternative work. Respondents were not aware of the permitted work rules or benefit protection (linking rules) which would allow them to try work without it affecting their benefit entitlements.

**Family and caring responsibilities**

Some respondents felt that they could not re-enter the labour market because of family and caring responsibilities. It was rare for people with current family commitments and caring responsibilities to overcome these barriers to work. However, some respondents reported that they would re-enter the labour market at some point in the future. One man was keen to return to work, but as sole carer of his son, who had Spina Bifida, was unable to do so. He said he would be able to return if supported accommodation were available for his son.

For some respondents, caring or looking after the family might not have been the original reason they left the labour market, but since then it had increasingly occupied more of their time. This had occurred either out of necessity or because of a change of circumstance, and they had chosen to give the family/caring responsibility greater priority in their lives:

‘Life’s too short, too precious. I want to be spending time with my husband and family…I just want to be here for my husband because he has bad days and good days and when he’s on a bad day I want to be here for him. That might be a bit selfish I suppose, but we’ve got six grandchildren and we’re here if we’re needed.’

(Female, aged 63, carer, Newcastle)

‘I’m too set in my ways now. I’ve got loads of things to do…I’ve got kids every day and I just get on with the kids.’

(IB recipient, Male, aged 53, carer, Newcastle)

**Skills and experience**

Respondents, including some on JSA, who had worked over a long period of time in one occupation or one sector frequently said that they were unable to compete for different types of jobs because they did not think their experience was transferable,
or they were too old to retrain to access another occupation (see also Section 2.6). The JSA group included men with no qualifications, as well as those who had completed academic, professional and vocational qualifications and some reported health problems which might have affected their ability to find work. The respondents on JSA generally wanted to return to the sector or job that they had left. Also, those who were out of work with or because of a health condition felt that they could only do what they were doing before they were ill.

Some of those who felt that retraining was inappropriate were men on JSA who had failed to find work and had fixed views about their income expectations. Another respondent on JSA wanted to retrain, but did not have the necessary resources to pay for the course he wanted to do (see also Section 5.5.3).

**Income and employment expectations**

Income expectations sometimes acted as a barrier to work, particularly among respondents on JSA who had experienced redundancy. Where this occurred, respondents’ income expectations tended to be commensurate with their previous salaries.

Those who were least optimistic about returning to work were not prepared to take ‘any’ job just to be in work. Some said that they would find it difficult to change their line of work. Some would find it demeaning to undertake elementary jobs, and others could not see the financial benefit of taking a job which only paid the minimum wage.

Those respondents who were well educated and higher earning ‘planners’ (see Section 6.1) were motivated to return to work for financial ‘extras’, but could afford to be selective about the type of work they would take. At the other end of the spectrum, those on benefits were sometimes also selective, as some believed that they would be worse off if they came off benefits. Awareness of, and access to, the offer of an in-work benefits calculation would be beneficial for anyone wishing to have one:

> ‘Getting a job that is going to be worth working for actually money wise. I would want to know if I am actually going to be better off than not. A lot of people have started working and have just not been better off at all, worse off.’

(Female, aged 55, carer, Newcastle)

**Lack of confidence/fear of re-entry**

Lack of confidence and awareness of available opportunities presented a considerable barrier to respondents actively seeking work, particularly those who had been out of the labour market for a long period and had not found work. In one case, a 50-year-old lone parent said that her low self-confidence affected her motivation to try new things:
‘I think my problem is because I’m not confident I don’t look for things. I think sometimes though that I ought to just give it a go, because when I was younger I just used to go for a job and go straight into it and try it.’

(Not working, Female, aged 50, Christchurch and EastDorset)

Respondents who had been out of the workforce for long periods had some concerns about re-entering it, for the following reasons:

- adapting to a new routine; and
- technological or organisational changes.

‘I see myself now as just being in a trap. I can’t afford to do one thing and too frightened to do the other.’

(IB recipient, Male, aged 51, Christchurch and EastDorset)

For some, this concern could go as far as feeling forced to go back into work if a decision on IB eligibility did not ‘go their way’.

‘[If] the decision went against me I would have to try and go back to work. At the moment if that situation is put in front of me I don’t know if I would be able to do it.’

(Not working, Female, aged 50, Walsall)

The following case study illustrates the circumstances that led to an extended period of unemployment for one individual, and the subsequent barriers he faced in re-entering work.

**Case study: Peter**

Peter left the labour market at 41, and now at 51, has not worked in ten years. A combination of events occurred as follows:

- in 1992-93, his business was affected by the recession and he was declared bankrupt;
- the impact of the bankruptcy caused a mental breakdown and chronic depression;
- as well as running a pet shop, Peter was working as a self-employed carpenter in the building industry. He suffered two slipped disks in his back and was diagnosed with arthritis and inflammation of the joints.

Over the past ten years, Peter has claimed Income Support, Incapacity Benefit and previously Invalidity Benefit. His physical and mental health problems have improved, but remain unpredictable:

‘From day to day and hour to hour I suppose really, that’s one of the reasons why it’s a little bit tricky as to why I should even attempt it [working].’
Case study: Peter (continued)

External barriers to work

Peter said that staff at the Jobcentre told him that while he was on IB he was not eligible for advice or training:

‘I went down to the Jobcentre to see what they would advise and they said they couldn’t give me any advice while I was still on Incapacity Benefit. To come off Incapacity Benefit and go onto Jobseeker’s Allowance would mean I’d lose another £38 a week and we’re struggling as it is, so I can’t find out from them about retraining because I’m still on Incapacity. I’d love to retrain on something that was less manual like plumbing, which I can do, but I haven’t got the qualifications, so it would be more or less a refresher course.’

Personal Advisers with whom Peter came into contact did not appear to have promoted welfare-to-work measures such as the permitted work rules or benefit protection (linking rules):

‘I think the main thing I would need to actually risk going back to work, would be the assurance that I could try it for a period of time. Not necessarily earn money, but with the assurance that if it didn’t work out, that I could go back to what it is now, the same conditions and everything like that. That would take the risk away so you could try it.’

Benefit risk

Friends advised Peter not to take the risk of leaving IB, saying that if he was unable to cope in work because of his health and had to return to IB, he would be subject to new regulations, monitoring and reduced benefit income. He therefore perceived that he would be worse off by coming off IB.

Peter identified a number of personal barriers to work:

- his ‘unpredictable health’;
- his lack of qualifications – he said that he would only be able to work somewhere like ‘Tesco’s’ and ‘then the money just wouldn’t be enough for us to survive on.’; and
- his skills were out of date and that he would need retraining.

Despite the above barriers, Peter felt that he would be better off working than claiming benefits and would like to return to work in the building trade. (IB recipient, Male, aged 51, Christchurch and East Dorset)

Extensive efforts are being made to reform the current system of IB (e.g. the Pathways to Work pilots that are currently being evaluated). Specially trained Incapacity Benefits Personal Advisers (IBPAs) in Pathways areas, and Specialist IBPAs in non-Pathways areas, are already a key part of existing policy for providing effective Work Focused Interviews (WFIs) for IB customers. However, none of the three research areas for this study were Pathways to Work pilot areas.
Peter’s case confirms the need for skilled IBPAs who are able to engage with clients and have the knowledge to inform IB customers about employment programmes, financial incentives, welfare-to-work measures and health interventions for which they might be eligible. In particular for IB customers aged over 50, the additional challenge is how to improve their access to information and for Personal Advisers to work with them to address assumptions and prejudices regarding people’s capabilities and employability.

5.5 Methods used to re-enter the labour market

Respondents used three different methods in their attempts to re-enter or remain attached to the labour market:

- job search;
- voluntary work; and
- external support.

Each of these methods is described in turn below. Building on these methods and the earlier section on barriers (Section 5.4), this section then concludes with some suggestions for the types of services that might encourage older people to re-enter the labour market.

5.5.1 Job search

JSA customers, some IB claimants and retired people reported looking for work, some more actively than others. The main methods they used included looking in newspapers, speaking to friends and looking in the Jobcentre. Some respondents found work following job search whereas others did not. Some of those who did not find work used self-employment as an alternative route back into the labour market.

One male respondent on JSA talked about a job fair he had attended. He said that this type of approach was very useful because he felt that employers were interested in him, spoke to him on a one-to-one basis and ‘did not talk down’ to him.

5.5.2 Voluntary work

A small group of respondents on IB and Carers Allowance had undertaken voluntary work to remain attached to the labour market. It also helped them to remain mentally and physically active. Typically, however, they did not undertake voluntary work with the intention of obtaining permanent work, given that they had other barriers such as unpredictable health. Examples of voluntary work included the following:
one respondent helped with elderly people at a nursing centre:

‘I have done voluntary work, but it isn’t work, it’s just voluntary. Just go and checking on old people because they get very lonely on their own and I am quite a talker so I did that for years.’

(Not working, Female, aged 55, Newcastle);

another respondent with ME took a voluntary job working with the Red Cross, to keep her mentally active. As the job was voluntary, she thought it did not matter as much if her health was unpredictable. However, she still felt guilty on the days she could not attend work, because she thought she was letting people down.

5.5.3 External support

In general, respondents had very limited awareness about the types of support available to help them in returning to work, and how to access such support. Despite this limited awareness, some respondents had used external support, such as Jobcentre Plus or their General Practitioner (GP), to help them to re-enter the labour market. These are discussed in turn below. Some respondents, however, were dissatisfied with the services they had received insofar as they had not been helped back into work.

Jobcentre Plus

As would be expected, respondents who were claiming benefits of different types were most likely to be aware of or to have used Jobcentre Plus services. People knew about Jobcentre Plus services and certainly those on JSA had used the services, but remained out of work. However, some of the JSA group had other barriers to work which kept them outside the labour market, such as high salary expectations, a belief that their skills were not transferable and for one respondent, a patchy employment record. None of the respondents on IB mentioned contact with an occupational health adviser via Jobcentre Plus.

Looking first at awareness, one respondent on Carers Allowance said:

‘The first place I’d probably go is to go and have a browse through the Jobcentre.’

(Male, aged 50, Carers Allowance, ill-health, Walsall)

Another respondent (a woman aged 55 who was out of work and caring for her husband and grandchildren), talked about a New Deal for Partners Work Focused Interview she had been invited to attend. Initially she thought the interview was ‘stupid’, but with hindsight felt that it helped her to understand the types of services available from Jobcentre Plus. Although she was not actively seeking work, she said that if she were to do so, she would call Jobcentre Plus for an in-work benefit calculation.
Two respondents on JSA were dissatisfied with the support they had received from Jobcentre Plus, for different reasons:

- one 55 year old respondent currently on JSA was unhappy with the limited support he had received during his first 18 months of unemployment. He had recently been asked to join New Deal 50 Plus which he thought he should have been offered when he was first made redundant:

  ‘I know what it’s like to be out of work and there’s no help at all for the first 18 months when you’re over 50. They’ve got this thing, 50 Plus, but it’s absolutely useless, it really is…Nothing for 18 months…Then after 18 months they call you in there and say because I haven’t got a job they’re going to put me on an Action for Work Plan, which is 13 weeks and you go to a place in [name of town] and that might be OK for the local labourer who really doesn’t want a job. But for someone like myself who’s after work, that’s no good, and I feel quite miffed about that because I didn’t need to be sent anywhere. What I needed was help in the week I was made redundant, not 18 months down the line.’

  (Not working, Male, aged 55, Walsall);

- the other had discussed design engineering training with a Jobcentre Plus Adviser. The Jobcentre Plus adviser agreed that they would offer a loan to cover 40-50 per cent of the cost of the training, but he would need to find the rest. As the respondent was unable to find the necessary funding, he did not start the course.

Both of the JSA examples outlined above, in part, blamed the lack of support from Jobcentre Plus as a contributory factor in them remaining out of work. In both cases respondents suggested that support at earlier stage or financial support for training would have helped.

5.5.4 General practitioners

As noted in previous chapters, GPs influenced how people with health conditions perceived their ability to work and the type of job they might do. Many respondents who were told by their GP that they were no longer able to work in their current occupation interpreted this as if they could not work in any occupation.

When talking to their GPs about work, none of the respondents said that they had discussed alternative occupations. One respondent suffered with colitis in the bones, which affected his spine. He was discouraged by his doctor’s advice about work:

19 People aged 50 and over and in receipt of one or more of the following benefits for six months or more can join New Deal 50 Plus: Income Support (IS); Jobseeker’s Allowance (JSA); Incapacity Benefit (IB); Severe Disablement Allowance (SDA); and Pension Credit.

‘When I went to my doctor it was him that said, “It’s time you thought about retiring”. It’s easier said than done…the first time I saw the doctor and he mentioned it I just took no notice.’

(IB recipient, Male, aged 50-54, Newcastle)

It would appear that much more could be made of the opportunity to advise patients of their fitness to work and employment options, through signposting to occupational guidance and counselling.

5.5.5 Improving awareness of, and access to, services to help older people re-enter the labour market

The findings on barriers to labour market re-entry (section 5.4) and the methods used by respondents to find work (as described above) suggest that many people are unaware of the help and advice Jobcentre Plus can offer to support a return to work and would benefit from professional support from Jobcentre Plus and careers specialists.

In terms of Jobcentre Plus services, it is important that people outside the labour market know about welfare to work measures such as in-work benefit calculations, permitted work, benefit protection and financial incentives to return to employment or remain in work after state pension age (SPA). Providing this type of information could help people to understand that they might be better off in work, or that they can try work without an effect on their benefits if their job is not sustainable.

In addition, people who are unaware of the skills they possess and how their experience can be transferred into other sectors would benefit from professional careers advice and guidance. Access to careers advice might help to promote the benefits of retraining as a route back into work.

5.6 Summary

This chapter has demonstrated that older workers found ways to re-enter the labour market after the age of 50 and in their mid-60s if health did not act as a barrier, were motivated to do so and had recent work experience. Irrespective of age, many respondents felt that work was available and that older workers were indeed employable. The research explored the drivers, barriers and mechanisms for re-entry to the labour market for older workers. Overall, those who re-entered the labour market did so out of financial necessity caused by a change in circumstances or an unplanned eventuality, or out of choice to fulfil financial, physical and psychological needs. These included the desire for ‘extras’, to stay active or to pursue a ‘dream’ job.

The characteristics of older workers who re-entered the labour market were varied. Those who were most successful in re-entering the labour market tended to be

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20 This respondent subsequently tried to change jobs, from mechanical fitter to computer technician, but eventually left work because of his health condition.
educated or professionally trained and typically have a strong work history, good work ethic and were motivated. Generally, those with lower incomes re-entered through necessity, while those with higher incomes returned through choice. Divorce in some cases influenced women’s decisions to return to work. Some women returned to work even after a significant break in employment.

The age at which re-entry occurred varied, depending on:

- when people exited the labour market; and
- when changes in circumstance or unplanned events occurred.

It was clear, however, that the longer a person was unemployed, the less likelihood there was of re-entry.

Barriers to employment were defined as ‘external’ or ‘personal’ factors. External barriers included competition in the labour market and level of demand, whereas personal factors included health, family and caring responsibilities, lack of experience and skills, and personal attitude. Our sample demonstrated that the barriers most experienced were ‘personal’.

Respondents’ views on the ease of re-entering the labour market were polarised. Some felt that opportunities were available, whereas others – particularly those who had fixed employment or salary expectations – found re-entry difficult and had failed to find work. General labour market awareness among the sample was a cause for concern which manifested itself in three different ways:

- some people felt that their skills were outdated, so employers would not want them;
- others felt that they should give way to allow young people to take available jobs; and
- others simply felt that they were too old to compete in the labour market.

In part, this limited awareness of the labour market resulted from a lack of knowledge about the mechanisms in place to assist people back into work.

The mechanisms used by older workers to re-enter the labour market were generally narrow. People in our sample had limited experience of Jobcentre Plus services, but of those who had such experience some were very disappointed with the support they had received. Respondents raised the following issues: poor availability of specialist and well-paid vacancies, and eligibility for New Deal 50 Plus being too restrictive.

Those respondents who were on IB knew little about the types or sources of help and support available for people with health conditions or disabilities, and did not want to endanger their benefit status. For instance, a move from IB to JSA as a route to accessing the labour market was perceived as a risk if work was not sustainable. Respondents were not aware of the permitted work rules or benefit protection (linking rules) that would allow them to try work without it affecting their entitlement to benefit.
6 Pensions and retirement

This chapter looks at the research findings on the dynamic process which is financial planning for a pension and retirement. The section starts by subdividing respondents into two groups: ‘planners’ and ‘non-planners’ and examines each group’s characteristics, behaviour and the pension and retirement issues they face. It then examines:

- how and why people developed their plans for retirement, and what sources of income were available to them in retirement;
- the factors affecting financial decision-making, and how satisfied people were with their pension situation; and
- responsibility for retirement decision-making and issues relating to quality of life in retirement.

6.1 Planners and non-planners

The sample divided into two broad groups: planners and non-planners. Planners included people who had consciously organised and planned for their retirement, while non-planners had not made plans or in some cases had not even considered their future pension situation. Each of these two groups is discussed in turn below.

6.1.1 Planners

The planners included four sub-groups based on whether they worked or not:

- retired planners;
- active planners;
- passive planners; and
- inactive planners.

Retired planners included people who had actively planned for their retirement. Some were satisfied with the decisions they had made and the performance of their plans, and some were dissatisfied (see Section 6.4 for more detail). Active planners included people who were actively saving through a variety of different sources such
as those outlined in Table 6.1. The active planners included men and women of different ages who were in work or self-employed. Passive planners were people who benefited from serendipity: they were offered an occupational pension (or pensions) and had done little more to supplement their retirement income. This group had not made active pension planning choices or decisions, but had savings for their retirement. Inactive planners were people who had plans, but these had been put on hold as a result of a life-changing event such as divorce, bereavement, redundancy or the onset of ill-health (see Section 6.3.1 for more detail). Most of the inactive planners were men on Jobseeker’s Allowance (JSA) or Incapacity Benefits (IB).

Planners generally had a clear idea of when they would retire and what their income sources would be during retirement, whether state pension, personal pension or occupational pension, or income from other sources such as investment in property or sale of a business. Female planners tended to be entrepreneurial or had had a steady work history in sectors with strong occupational pension schemes, local government for example. Two female planners (both retired), had used property as a means of funding retirement, one owned a series of rental properties whereas the other had recently sold a group of rental properties to the local authority and was living off the interest.

Inactive planners on the other hand, had an expectation of when they would retire and what their retirement income might have been had they continued to make their pension contributions. In all cases, respondents said that they were worried about the associated shortfall in their retirement income.

‘[We] never could keep the payments up on the pension because we only had one income coming in, two kids, big house, so we struggled a bit’

(Retired, Female, aged 60+, Newcastle)

Most planners, passive planners excepted, tended to have conducted research into what their entitlements and incomes from various sources would be, and then planned accordingly. Younger respondents who had plans in place said that they had saved or put money into a personal or occupational pension scheme early on in their working life. Those at the upper end of the age range of the sample with plans in place were already in the late stages of pension planning and were just ‘seeing out’ the last years of their plans. Some, for example, were working to maximise their occupational pension and/or complete their required years of service to get the full state pension. For example, one woman, a 54 year old teacher who worked with pupils with behavioural problems, felt that leaving her job would be detrimental to her occupational pension (see Section 2.4.2, subsection ‘employment/pension trap’).

Planners tended to include respondents working for companies with pension schemes (such as the Royal Mail, manufacturing companies, insurance companies) and those working in public-sector occupations (police, nurses, civil servants) who had taken up occupational pensions. These individuals were in a more structured
pension situation than others who had not had access to an occupational pension.

They also fell into two distinct sub-groups:

- active planners who had actively sought an occupational pension; and
- passive planners who accessed their occupational pension by ‘default’ (for example, it was part of their remuneration package).

In terms of planning when to retire, active planners who were expecting to retire early tended to have higher incomes than those expecting to have to work up to or beyond state pension age (SPA). Other active planners, particularly those in lower-income groups (household income below £20,000 per year) said that they planned to continue working beyond SPA, whether full-time or on flexible terms, for the additional income. This was part of their financial plan to afford retirement. Several said that they would take on a less stressful part-time job, such as a lollipop person or school caretaker, to remain active and earn ‘pocket money’ for ‘little extras’. Indeed, one retired respondent’s husband had already become a lollipop man as part of their retirement plan. Working in this way would supplement the retirement income they already knew they would receive (for example, their state benefit entitlement). Some planners said that they planned to retire and move abroad or to the country, and had financial plans in place to facilitate this.

It was important to understand why the ‘planners’ had begun their pension planning, to differentiate them from those who had not made plans. When asked about why they started their pension planning, respondents mentioned a number of reasons, comprising both independent and prompted decisions. Like non-planners (see Section 6.1.2), some planners said that these reasons acted as disincentives and deterred them from saving.

**Independent decision**

Many planners took an independent decision to start their pension planning process by speaking to a financial adviser or getting pension information from their occupational or personal pension provider. This particularly applied to financially literate respondents, and generally to those earning higher incomes. Some respondents had decided to take stock of their financial situation including their current and future income and their current spending and made plans accordingly. Typically, this applied to men and women in professional occupations and those with qualifications.

Active planners tended to keep up-to-date with their pension planning on a regular basis, while inactive and passive planners generally had some awareness of their anticipated pension income.

Planners who had had contact with financial advisers reported varying levels of success. Some were highly satisfied, particularly one respondent who had received a windfall gain which a financial adviser helped her reinvest. Other respondents felt that financial advisers tried to sell them inappropriate products.
Active planners also independently checked up on their state pension entitlement by requesting a forecast. This particularly applied to those who could not afford a personal pension, but wanted to plan around what their state entitlement would be. Some reported proactively enquiring about, and paying, top-up payments to achieve the full state entitlement. This was typically the case for people, particularly women, with incomplete work histories, such as those who had worked part-time or been out of work.

Some respondents said that their pension planning started as a result of their improving financial situation. They reported taking up personal pensions or savings schemes once they could afford to do so, or when they became (relatively) better off, for example after dependants had left home, or when a mortgage was paid off. Other life-changing events such as bereavement, divorce or redundancy forced people to re-assess their financial situation (see Section 6.3.1).

**Prompted decision**

People were also prompted to start pension planning, typically by their employer. Several respondents said that they started planning for retirement when someone came to the workplace to talk about their occupational pension scheme. Many of those who were offered occupational pension schemes had taken them up, contributing at least the minimum amount required and occasionally making additional payments to top up their entitlements. These passive planners saw the decision to take up occupational pensions as employer driven, with many not really knowing or understanding what they were signing up to:

‘I think it was the year I joined [19 years old] I had my uniform delivered to my parents’ house where I was living and about a couple of days later an insurance bloke turned up. They obviously got my number from the recruiting office and came straight round…I got the salesman arrive at the door and probably thought it was a good idea and so I did it.’

(Working, Male, aged 52, Christchurch and East Dorset)

With hindsight, one passive planner who had entered an occupational pension scheme without much consideration of the decision said that he should have paid in more money than he did.

**Savings disincentives**

Some planners said that they felt penalised by the Government for having saved. Those who had saved felt that non-savers received more in the way of benefits and entitlements from the state in retirement, and were rewarded for not having saved. This was a particular cause for concern and frustration for lower-income planners (active, inactive and retired) who had made the effort to save and now felt that they were worse off than non-planners. They believed that non-planners had secured higher state pension entitlements (such as Pension Credit and council tax discounts):
‘You have pension schemes and you [pay additional] voluntary contributions so you can pay more into your pension. But because somebody starts early, starts putting away and he comes to 65, he’s penalised. He can’t get more state pension. So in actual fact he’s saving the Government money by providing for his own pension. You get the state pension, but you get none of the extras. Because he’s deprived himself, instead of having his new car, [he’s been] saving for his pension. But the person who doesn’t put anything away for his pension, has holidays and everything, has no money, he gets everything, he’s entitled to it.’

(IB recipient, Male, Newcastle)

‘People who don’t ever go to work and then take retirement, they’re no worse off than me who has worked all my life. I’ll probably get a works pension, but it’s what I’ve paid in, so the people who haven’t worked are still getting the same as me and they’ve never done a day’s work and I think the Government ought to look at that. When I retire the people who are getting basic retirement pension they’re getting their rent paid, housing benefits, free prescriptions, free everything else. I’ve worked all my life and I’m going to get nothing because I’ve got a works pension.’

(Working, Female, aged 55, Walsall)

Planners with income from pension schemes also said that a disincentive to save came from taxing post-retirement income from pension schemes, earnings and savings. Of note here is that many respondents incorrectly believed that pension income is actually taxed twice – at source and on receipt. This demonstrates a misconception about taxation policy: people were not aware that pension contributions are removed from their gross salary, not from their net salary, and therefore are not taxed at source. This raises questions for the Department for Work and Pensions (DWP) communication strategy around pension taxation (see Chapter 7).

‘You’ve paid tax on your contribution, your earnings while you were getting that pension, and you are still taxed when you are picking your pension up, I think that’s diabolical. I was receiving a pension before I was 65, a private pension, and as soon as I received my old age pension at 65 they stopped me £50 a month tax and I think it’s diabolical. They’ve had tax off me since I was 15.’

(Retired, Male, aged 65, Walsall)

‘The thing is you get taxed on everything don’t you? You save for your old age and the Government are saying they’ve got no money, and yet you’ve got a private pension and they’re taxing you and that’s a disgrace because you earned it in the first place, you’ve already paid tax on it. So it puts you off saving for old age, if they’re just going to take it off us again. Why do it?’

(IB recipient, Female, Newcastle)
6.1.2 Non-planners

The second group in the sample were the non-planners. Fewer respondents were non-planners than planners. Two key patterns emerged among this group: the group tended to be female and most were not in paid employment, so had limited access to resources to take responsibility for pension planning. The following six factors related to people’s attitudes towards earnings, saving behaviour and ‘live-for-today’ outlook and combined to explain non-planners’ behaviour regarding financial security in their retirement:

- ought to have planned;
- could not afford to save or make provision;
- spenders not savers;
- savings or earnings disincentives;
- ‘too young to plan’ who, as they got older, turned into ‘too late to make a difference’; and
- pension scandals.

Each of these factors is discussed in turn below.

Ought to have planned

Some respondents felt that with hindsight they ought to have put plans in place, but had never ‘got around to it’. One respondent said that she was ashamed she had not got a pension in place. Among those who had worked all their lives, this feeling that they ought to have put plans in place was sometimes coupled with a view that the state should provide for them in their retirement. Respondents who said that they ought to have saved generally comprised single and divorced people, those on lower incomes, or those who were currently reliant on state benefits (such as IB or JSA). These respondents said that they would have to rely on state benefit entitlements because they had not made any additional provision:

‘I mean talking about it now, I think I should really be doing something for when the time comes. I don’t think the state pension will get you far will it?’

(Working, Male, aged 55-59, Newcastle)

Could not afford to save

Respondents in this group overwhelmingly said that they could not afford to save or make pension provision. Cost was a crucial factor in being able to afford to retire. People said that many personal pensions were too expensive for those on low incomes, or that their wages were only enough to cover household expenses with none to spare for saving. Of those who were not working and were reliant on benefits, many said that state benefits provided enough to subsist on but not to save. These respondents said that they were worried about their pension situation, but could not afford to do anything about it.
‘I don’t really think we could do anything like that [saving for a pension] because unfortunately we are not in a position to say, “right, at 55 we are going to retire and that’s it”.’

(Not working, Female, aged 50, Walsall)

Spenders not savers

Many non-planners said that they were spenders not savers, and that they always had other priorities for spending their money. These respondents said that they lived for the day and did not believe in planning for the future, as you could not be certain of what the future might hold. Those with existing debts such as credit card balances or high mortgage repayments also fell into this category.

This group saw pensions as a gamble. As they could not predict how long they would live after retirement, they were concerned that they might never live long enough to enjoy the money they had saved.

‘No, I tend to think life takes over. What’s the point of saving for a rainy day if you don’t get there.’

(Not working, Female, aged 50, Christchurch and East Dorset)

‘A lot of people never achieve it inasmuch that they can pay in all their lives and die the day before they’re 65.’

(Not working, Male, aged 60, Walsall)

Savings or earnings disincentives

Non-planners also stated that there were factors that deterred them from saving. For lower-income groups, the disincentive was that any savings they accrued would have a negative impact on their eligibility for receiving Pension Credit and other benefits.

‘We have no incentive to save because benefits will reduce in retirement if we save money now.’

(Not working, Male, Newcastle)

Too young to plan/too late to make a difference

Self-perception of age was crucial in explaining why plans had not been made. Many younger non-planners (generally among the 50 – 55 age group) said that they felt too young to worry about pensions. Others felt that their age had ‘crept up on them’ and they had left it too late to do anything constructive. These people were between two and five years from SPA.

‘Only just lately I’ve started thinking about it. I don’t think I like to think about getting older.’

(Not working, Female, aged 50, Christchurch and East Dorset)
Pension scandals
A few respondents said that they had been ‘put off’ investing in pensions by high-profile pension scandals (such as the Robert Maxwell affair), and perceived a lack of regulation of occupational pension funds. These factors had led to distrust of pension schemes, which had put them off investing their money in pensions altogether:

‘Maxwell he’s not the only one – that was the tip of the iceberg. There were bad investments by banks and the fat cats didn’t treat people’s money well, as long as they got their bit, and it really hasn’t altered. I think [pensions have] come across – you know when you read the papers or whatever, they’ve come across as not a good thing.’

(Not working, Female, aged 50, Christchurch and East Dorset)

6.2 Retirement income sources
A range of income sources were available to those respondents who had retired. The sources varied widely according to what plans respondents had made for retirement, along with their family and social situation. Although retirement income sources varied widely, they fell broadly into three categories:

- ‘entitlements’ – state pension (respondents believed that they were entitled to some form of state pension and some were aware that they would not receive the full state pension);
- planned – what people had saved or organised for themselves; and
- windfall – income from unexpected sources.

Respondents’ retirement income came from one or more of the categories identified above. Table 6.1 summarises the main income sources mentioned by respondents. Indeed, within a single category, respondents’ retirement income could come from a variety of different sources. This analysis is presented in section 6.2.1 below.

Table 6.1 Main income sources in retirement, as outlined by respondents

<table>
<thead>
<tr>
<th>Category of income source</th>
<th>Income source description</th>
<th>Details</th>
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<tbody>
<tr>
<td>Entitlement</td>
<td>Other state entitlements, for self and other household members</td>
<td>Widow’s Pension</td>
</tr>
<tr>
<td>Entitlement</td>
<td>Income related entitlement</td>
<td>Winter fuel payment</td>
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<tr>
<td>Entitlement</td>
<td></td>
<td>Disability Living Allowance</td>
</tr>
<tr>
<td>Planned</td>
<td>Occupational (company) pension schemes</td>
<td>Pension Credit</td>
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<tr>
<td>Planned</td>
<td>Personal pension schemes</td>
<td>Council Tax Benefit</td>
</tr>
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</table>
Table 6.1 Continued

<table>
<thead>
<tr>
<th>Category of income source Entitlement</th>
<th>Income source description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planned</td>
<td>Stakeholder pensions</td>
<td>TESSAs, PEPs and ISAs (Individual Savings Accounts)</td>
</tr>
<tr>
<td>Planned</td>
<td>Savings schemes</td>
<td>Premium Bonds</td>
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<tr>
<td></td>
<td></td>
<td>Other savings (e.g. high-linked interest accounts, index-savings)</td>
</tr>
<tr>
<td>Planned</td>
<td>Insurance policies</td>
<td>Maturation of life assurance</td>
</tr>
<tr>
<td>Planned</td>
<td>Property</td>
<td>Maturation of insurance policies</td>
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<td></td>
<td></td>
<td>Income from property rental or rent paid by dependants/other family members</td>
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<td>Income from sale of property (including downsizing)</td>
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<td>Income from endowment mortgages</td>
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<td>Income from remortgaging</td>
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<tr>
<td>Planned</td>
<td>Work and wages</td>
<td>Income from full, part-time or consultancy work after retirement from main occupation</td>
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<td>Income from sale of a business</td>
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<tr>
<td>Windfall/planned</td>
<td>Early retirement package offered by employers</td>
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<td>Windfall/planned (e.g. voluntary redundancy)</td>
<td>Redundancy package</td>
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<td>Windfall</td>
<td>Family and personal</td>
<td>Income from divorce settlement/arrangements</td>
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<td>Income from inheritance (from partner or other family member)</td>
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6.2.1 Pension planning

Table 6.1 illustrates the variety of retirement income sources that respondents who had not yet retired thought would be available to them in retirement. While Table 6.1 acknowledges windfall gain, this is not built into the analysis presented below as it is unpredictable. We analysed the combinations of the above sources of income for each respondent, and identified the following approaches to pension planning:

- **planned and entitlement – multi-pot pensions, savings and property** – some highly organised planners had a fourfold set of retirement incomes, for example a combination of a personal pension, state pension and occupational pensions from separate employers, plus income from assets such as savings and/or property (NB some of the respondents in the other groups also owned property but did not identify their property as a potential source of retirement income). This applied mainly to some of the most financially secure respondents. Should
their funds run short, several respondents reported that they would downsize their homes to fund their retirement;

- **planned and entitlement – multi-pot pensions and savings** – many respondents said that they would rely on a three-way mixture of occupational, state and personal pension incomes. People who could afford to pay into personal pensions tended to be among the better-off respondents. However, some respondents were relying on very small occupational and personal pensions, for example those who had been made redundant or had not worked for several years prior to retirement at SPA. In these cases, the state pension provided the main income in retirement. Others combined their state and occupational pensions with income from savings accounts, such as money saved in ISAs;

- **planned and entitlement – single occupational or personal pension plus state pension** – respondents who had worked continuously for one employer reported a two-way pension mixture of occupational and state pension incomes. Others without access to an occupational scheme were relying instead on a personal and a state pension (e.g. self-employed respondents);

- **entitlement – single pot** – many respondents planned to be reliant solely on the state pension. This group included respondents who had generally worked in occupations without access to an occupational pension, had not been able to afford to save for retirement, or had been reliant on state benefits or long-term unemployed. People in this group may not have made any plans to save (the non-planners), or may have tried to plan for retirement but did not have the additional money to save. This group believed that the Government should provide for them in return for having worked all their lives, albeit in a low-paid occupation. They planned to rely on this perceived obligation:

  ‘I have worked all my life as far as I’m concerned and I’ve paid into the system all of my life, so what I’m saying is, I think I’m entitled to what I’m getting or going to get.’

  (Not working, Female, aged 60, Walsall)

Some planners had had to withdraw from the labour market prematurely because of a health condition and were reliant on IB. They were highly aware of how their situation impacted on their pension income, but did not feel that they were in a position to augment it. Similarly, people who had been made redundant unexpectedly and were unable to keep up personal contributions to occupational or personal pension schemes were highly aware of their situation, but were unable to affect their reliance on the state pension.

### 6.2.2 Awareness of anticipated income in retirement

Respondents’ awareness of their anticipated income in retirement was variable, and was clearly linked to whether they were a planner or a non-planner and their anticipated sources of retirement income described above i.e. those who planned knew more about information sources than those who did not plan. They also
tended to request information about their state pension, while non-planners rarely requested such information. In addition, planners with personal pensions had received regular pension forecasts and often knew what their future entitlement would be.

Planners tended to have approached The Pension Service proactively to request a state pension forecast, or to have contacted their employer or personal pension provider to check the status of their pension. Others recalled being sent a pension forecast, either by the state (around four months prior to reaching SPA) or by a private provider, and were aware of their anticipated income.

Those with limited awareness of their anticipated retirement income, generally non-planners, were often waiting for a forecast to arrive and were unaware that they could request one, or did not know how to go about doing so. Others with limited awareness said that it was too soon to know about their pension, or their lack of awareness was because their pension had been frozen and they needed to chase it up:

‘I’m almost sure I had a pension frozen…which is something I’m going to have to look into. I’ve got an address somewhere, which I haven’t looked into yet. I don’t really know how to go about that and that’s something else I will have to look into.’

(Working, Female, aged 55, Walsall)

Active long-term financial planning was often a low priority, and only the most proactive planners did it. Others with occupational and personal pensions were broadly aware of their retirement income and understood that the performance of the stock market might have impacted negatively on their investments.

Awareness of The Pension Service was relatively low, particularly among respondents below SPA, those who had not had direct contact with The Pension Service, and those respondents in employment. Respondents who were approaching retirement or were already retired were more likely to have dealt with The Pension Service, though very few could name it correctly. In the absence of being able to identify The Pension Service, some respondents said that they would approach the Citizens Advice Bureau as a first port of call for pensions advice. There was a broad consensus that the state system is difficult to navigate, and many respondents could not identify any places to go to for advice.

Employers also played a role in providing pensions information. Several respondents reported receiving good pension advice from their employer earlier in their career, during their forties for example. Others reported attending seminars about retirement expectations when they were nearing retirement age. Where this occurred, some respondents thought that these types of events were too late to make a difference:
'At the time when you reached the age of 60 you were invited in groups of 20 to a retirement seminar at the sports and social club for a day and you had people telling you about retirement, Age Concern, financial adviser and it was about three speakers during the course of the day, just sort of giving you a brief outline of what to expect or what the future holds for you.'

(Not working, Male, aged 60, Christchurch and East Dorset)

Of those who had not received help from their employer, few felt that it was their employer’s responsibility to provide access to pension information.

A few respondents said that they had used a financial adviser for pension advice. There were clearly some issues around trusting financial advice, and opinion differed on whether it was a good idea to use a financial adviser:

- some respondents were wary of using a financial adviser because they feared that the advice would not be impartial, because of an underlying sales commitment;
- many said that they would rather be self-reliant when it came to personal finances. They preferred to use their own knowledge and research, such as reading newspapers and speaking to friends and family;
- others had used financial advisers for independent advice and felt that they had benefited from their services:

  ‘Regarding pensions and so on, who do you trust? The fellow who gave me financial advice several years ago gave me the wrong advice with regards to my mortgage, my endowment. I feel better using my own experience and judgement. If I need any advice then I’ll ask a friend or my brother for instance, who’s got more experience in that line than myself and who is more trustworthy than a financial adviser.’

(Working, Male, aged 50, Walsall)

‘My husband had an accident at work and he had a sum of money, compensation. We went to a financial adviser as to what to do with this money and he spoke very sensibly. He didn’t try and flog us anything, but he did say that for my protection how about putting some of it away, which is what we did.’

(Working, Female, aged 50, Christchurch and East Dorset)

Awareness of Pension Credit was highest among those with reasonable incomes, particularly respondents who were retired. This scheme was a source of some discontent, with many ‘better-off’ respondents, both in paid work and retired, seeing it as a reward for people who had not saved during their working lives (see also Section 6.1.1). Some retired respondents said that they had not applied for Pension Credit since they did not expect to be eligible for it because of their financial status. Others reported having tried and failed to qualify for the credit because their earnings had ‘just slipped’ over the eligible band:
‘It shouldn’t be arbitrary as to who gets it and who doesn’t get it, and in the case of people who have been thrifty and have saved a little nest egg which they want for whatever reason and it is their little nest egg and their intention to pass on to their grandchildren or whatever, they shouldn’t be penalised from getting the top-up pension because they’ve got a little bit of savings, that is wrong.’

(Retired, reasonable income, Male, Christchurch and East Dorset)

‘I tried. I put all the forms in 12 months ago, and I was just over the limit with what I earn and my pension. You send the forms in again, just in case your circumstances have changed…well if they’ve gone up there’s no point in putting forms back in at the moment.’

(Working, Male, aged 60, Walsall)

6.3 Retirement decision-making, financial security and pension planning

Chapter 3 established that financial security and level of income are key factors in determining when people are able to retire and leave the labour market. The following section explores the factors affecting how respondents planned for their retirement and how they made financial decisions relating to pensions, taking into account such issues as household status, caring responsibilities and health status. It goes on to explore respondents’ views of where responsibility lay for financial planning in retirement.

6.3.1 Factors affecting retirement decisions

Retirement decision-making and financial planning was a dynamic process which was influenced by a series of financial, personal, social and familial factors. Primarily the respondents’ decision-making and planning processes were driven by income and financial status. People’s earnings while at work and whether they were a planner or a non-planner, spender or a saver were the key factors affecting how much they saved for retirement. A third financial factor, desired retirement income, also influenced some people’s pension planning decisions and savings approaches. Respondents who talked about desired retirement income generally had the financial means to influence their retirement income.

The factors affecting retirement included:

- financial factors;
- household status;
- gender differences;
- life changing events;
Financial factors played a crucial role in determining when people chose to retire and their financial situation during retirement. While financial security did not act as a single pull factor, it was the key pull factor influencing when people left the labour market (see Section 3.1.2). Its importance in the retirement decision-making process is apparent, particularly among people who opted for early retirement. Indeed, some respondents particularly those in managerial positions, with high level qualifications and/or private pensions clearly believed that money, or financial security, bought choice and allowed them to choose not to work. However, people on lower incomes, in semi-skilled or unskilled occupations and those reliant on state and, in some cases, limited occupational pensions said that they could not afford to take early retirement.

Financial decisions influenced whether lower-income respondents should retire or remain in the labour market. Lower-income respondents commented on there being a point at which they believed it was not worth working to allow them to save. They weighed up the benefits of the extra income earned by working longer against the extra effort required. At this point, if the benefits of additional income were lower than the perceived effort required to earn and save, people re-evaluated whether to continue working. In making their decision, they also took into account health and other sources of household income. For example, one female respondent with a health condition wanted to continue working part-time (15 hours per week) as a shop cashier. Her husband, however, received Pension Credit which would have been reduced as a result of her income. She said that the net effect of her working was only an additional £10 per week:

‘I finished three weeks ago, not because I wanted to, because I’m 56. I worked three afternoons a week in a shop, 15 hours a week. When [my husband] was 60 he’s had to go on Pension Credit and we are allowed £160 a week for two of us to live on and with me working 15 hours our basic income was £170 a week, which meant I was doing 15 hours’ work for £10 and I was standing behind a till for 15 hours…I didn’t want to, I enjoyed my job, and I’d been there for 10 years.’

(Retired, limited income, Female, Walsall)
Household status

Household status played a vital role in pension planning and retirement decision-making. Single people relying on one income generally had to work or save for longer to be able to afford to retire, whereas couples had two people to shoulder the responsibility and make decisions. In some cases, couples benefited from sharing household costs across two salaries.

Dependants in the household also had an impact on financial security. For example, parents giving financial help to dependants to enter the housing market or get through university, and the return home of ‘adult children’ affected family finances. Conversely, family support also assisted people in making the transition to retirement, for example by providing additional household income.

Gender differences

Generally for the couples in our sample, pension planning was undertaken by men, as head of the household/main income earner. In extreme cases, financial planning was not even discussed between the two partners. Women’s earnings were often viewed as ‘additional income’ set aside for extras or treats, whereas men’s income was dedicated to core expenditure such as the mortgage, food and bills. This balance of power often meant that men took the responsibility for pension decision-making; women were involved in a consultative role at most, or merely in a passive and unconscious role. Many women in couples intended to retire at the same time as their partner, in some cases before their younger SPA, to enjoy quality time together.

Many of the non-planners who expressed concerns about their future pension income were women who were not in paid employment. These women were aware that their lack of financial planning and/or saving could result in limited income in retirement. The focus-group discussions established that women were more likely to express concern about their future financial security than men. This may have been symptomatic of additional concerns that women faced, including the effect of taking a break from the labour market to have children (with the resulting impact on pension contributions) and the vulnerability of women’s financial dependence on their partner.

However, a small group of women took an active role in retirement decision-making and pension planning and had active and well managed pension plans (see also Section 6.1.1). In addition, one 60 year old woman said that she realised at 40 that she would not get a full occupational pension so she started to make additional voluntary contributions (AVCs) to improve her state pension income.

Life-changing events

Life-changing events such as divorce, marriage or death of a partner had an affect on people’s pension planning because of the impact on their financial situation. Divorce and bereavement meant that respondents had to adapt to receiving a single income instead of two, or being forced to enter the labour market unexpectedly when existing pension plans altered. This was particularly problematic for women
who had been reliant on their husbands’ for retirement and pension planning and who had had little or no involvement in the decision-making process. Two female respondents said:

‘I thought we would be home and dry because my first husband was a policeman and it was a very good marriage until he went off the rails, and I thought the police pension would be, you know, keep us going, but life got a bit mucky after that, so I didn’t really think about it. Then my second husband was quite wealthy, but of course with the bankruptcy happening, so he had all sorts going on.’

(Not working, Female, aged 55, Christchurch and East Dorset)

‘I am happier being in control of the small amount [of money] that is mine than having a partner and wondering what the heck are they doing with it.’

(Working, Female, aged 59, Walsall)

**Condition of health**

Poor health or health conditions had an impact on pension planning, particularly for older respondents, where health conditions became more common. Humphrey et al (2003) showed that around a third (34 per cent) of respondents mentioned ‘considering my own health’ as a factor when planning pensions. Our research showed that chronic conditions such as heart, circulatory and angina problems led respondents to revisit their retirement decisions and pension plans. Respondents in manual jobs were very aware that they needed good health to be able to work; problems with backs, knees and arthritis forced people into early retirement and therefore had an adverse impact on their ability to contribute to pensions and/or saving for retirement.

Quality of health presented the largest threat to pension plans for those with low incomes, since many of them did not have the means to cope with the shortfall. Also, being unable to work meant that people lacked the opportunity to save. Some people with health conditions continued to work, particularly lower-income respondents. Those on low incomes said that they could not afford to retire until the state pension provided an alternative income source, but would try to ‘cope’ with their health condition until that point.

‘I’ve got at least two discs in the back gone, and most of my joints are worn out, they used to put it down as inflammation of my joints. It’s still early to say because [I was only signed off] a couple of months ago, but I think I might eventually risk it and go back to work.’

(Not working, IB recipient, Male, aged 51, Christchurch and East Dorset)
Work status
Changes in the workplace, such as the offer of early retirement or voluntary or unexpected redundancy, and the conditions associated with such changes (whether favourable or not) had an impact on people’s pension planning. Financial security was identified as a key driver in the decision to work or retire. In some situations, people felt too young or financially unable to retire and sought alternative work, whereas others received a beneficial financial package that supplemented their pension plans. This was either because the package was ‘too good to refuse’ or because they felt that they were close enough to SPA to retire early.

6.3.2 Responsibility for financial security
A key issue concerning financial security is the question of whose responsibility it is to plan for financial security in retirement. Respondents had clear views on the desired balance between state, individual and employers’ responsibility for financial security in retirement.

Government’s responsibility
The majority of respondents saw a clear role for the Government in pensions and retirement, identifying a three-pronged function in:

- providing retirement income;
- regulating the pensions sector; and
- providing impartial pension advice.

Respondents expressed a strong belief in the state’s responsibility to provide people with a state pension. Many stated that they had ‘paid their stamp’ and now wished to reap the benefit. People strongly believed that if you worked all your life, the state would provide for you in retirement:

‘Because this is something which was instilled in you from when you were a youngster…you pay your taxes and that pension scheme was there for you. That was part of your taxes.’

(Not working, Male, aged 55, Walsall)

‘National Insurance was to provide health, education and pensions. When Beveridge set that up way back in 1947 the intention was they were the elements it would cover. Now that has never been changed as far as I know, we are all still paying National Insurance.’

(Low income, health condition, Male, aged 65, Walsall)

This belief was particularly strong among people on lower incomes, those reliant on state benefits, those without formal qualifications, those without personal pensions and people in manual or unskilled occupations. These groups were not financially able to retire early and therefore saw SPA as the natural time to retire, since they
would be eligible for state pension. Going beyond Humphrey et al’s quantitative research (2003), our study found that even those who could afford to retire early were still wedded to the idea of the state’s responsibility and that they had earned some form of entitlement. However, those who were better off (£20,000 and above) were more likely to retire early, or as soon as they could afford to. They tended to see the state pension as supplementary income, but also as an entitlement in addition to their own private provision (see also Section 7.4.2).

Respondents saw a role for the Government in safeguarding pension savings through regulation of the private pensions sector, particularly those who had personal or occupational pensions. Many respondents in the sample had been affected by fluctuations in pension-fund values, and felt that the Government had some responsibility to reward those who made the effort to save (for further examination of this issue, see Section 7.4).

Respondents also saw a clear role for the Government in providing impartial private pension advice and many said that they would trust the Government above any other source of advice (for further detail, see Section 7.4.1).

Individual responsibility

A few respondents disagreed with the majority view that the Government should be responsible for providing a state pension, stating that responsibility for retirement income beyond a state pension lies with the individual. They said that if you could afford to save, over and above the costs of living, then you should put aside what you could. But only a minority of respondents felt that it was solely the individual’s responsibility to provide for retirement. Those holding this belief tended to be working people with high incomes, who had the financial capacity to provide for their own retirement. This group saw the Government’s responsibilities as moving from providing to promoting, with its role changing to that of a promoter of pension advice rather than being the sole income provider.

Many respondents, however, saw a ‘joint responsibility’ between the individual and the state. They did not believe that people should be totally self-reliant in having to contribute to their private pensions, but that the state should provide a basic pension income and individuals should save too. This joint approach was common among people who had been able to make some form of additional pension provision, through an occupational or personal pension:

‘Some people think it is entirely the Government’s responsibility that when they are retired the Government will have to find everything, but you [the individual] have got to spare some thought along the way.’

(Retired, limited income, Male, aged 66, Walsall)
Employers’ responsibility

Very few respondents stated that it was the employer’s responsibility to provide for retirement. The view was that employers could provide occupational pension schemes, but it was up to individuals to take up these options and research them to find something that suited their own personal and family situation:

‘It’s up to the individual because each individual has to cater for their own retirement and it’s not something that can be forced upon you. Yes they can have company pension schemes put in place, but it’s still not something that is forced upon you. You still have to seek the advice that is relevant to you and your family.’

(Working, Male, aged 53, Newcastle)

6.4 Satisfaction with pension plans

This section examines how satisfied people were with the retirement decisions they had taken, and the reasons for their satisfaction or dissatisfaction (Sections 6.4.1 and 6.4.2). An important aspect of meeting expectations was people’s ability to maintain or improve on their pre-retirement quality of life during retirement. The recent Pensions Commission report\(^{21}\) highlighted the concern that poverty in retirement may become a reality for many pensioners, as levels of savings are not keeping up with rises in the cost of living. The last part of this section explores quality of life in retirement (Section 6.4.3).

6.4.1 Satisfied

Humphrey et al. (2003) suggested that those retiring early on a voluntary basis were by far the most satisfied with their post-retirement situation, while those who were forced to retire early were the least satisfied. Furthermore, those retiring early voluntarily tended to have a higher retirement income than other groups. Our investigation demonstrated that planners tended to be more satisfied than non-planners. This seemed to be linked to financial security associated with the execution of savings plans. Those who said that they were satisfied with the retirement decisions they had made tended to be:

- the planners – those who had made provision for pensions and were aware of what their financial status would be in retirement;
- those whose plans had succeeded – for example, people whose personal pensions or savings had performed well, or who were members of a profitable occupational scheme;
- those who felt that they had started planning early enough, or ‘at the right time’; and

those who had found retirement to be a rewarding experience, or had taken up new pursuits and interests:

‘I have questioned it many times: how did I ever go out to work? I am a lot busier now than I was then.’

(Retired, reasonable income, Male, Christchurch and East Dorset)

‘I think people have changed over the years. If you look at people who have maybe retired in the sixties they were very much more isolated, they didn’t have the amount of activities that you can have now.’

(Retired, reasonable income, Male, Christchurch and East Dorset)

6.4.2 Dissatisfied

Respondents identified a variety of reasons why they were dissatisfied with their retirement plans:

- they had left it too late to save, either because of financial instability or simply because they had not organised their pension (the non-planners);
- they could not afford to save;
- external factors had interfered and had a negative impact on their ability to save for retirement (for example, loss of a business, bankruptcy or redundancy);
- the pension plans they had in place had not performed as expected.

The above reasons for dissatisfaction fell into two discrete groups: those controlled by individuals themselves (the first two reasons), and external factors such as market downturn or business decisions that did not deliver as expected (the third and fourth reasons).

Dissatisfaction was very apparent for planners whose retirement income was affected by poor performance of pension funds, index-linked savings accounts and endowment mortgages. In these cases, as with business decisions that did not deliver, their plans had fallen through and their expectations for retirement had not been met. Examples included:

- personal pension schemes that had lost value:

  ‘The Black [Wednesday] killed one of them. It was after 12 years and only still worth as much as what I paid in.’

  (Not working, Male, aged 53, Walsall)

- lapsed contributions to pension schemes (because of a health condition, redundancy, bankruptcy or changing employment status):

  ‘I did enquire about starting my pension up again when I became self-employed, but it was going to cost me a lot of money each week to give me a decent pension.’

  (Working, Male, aged 50, Walsall)
• frozen pensions that were of little value on retirement:

‘My little private pension that we took out in the shop, I cashed that in years ago, we weren’t doing it for long, it was only about two or three years. It was only about £200 or £300 anyway. We needed the money more than anything.’

(IB recipient, IS recipient, Male, aged 51, Christchurch and East Dorset)

• a poor return on financial investments such as stocks and shares, index-linked savings accounts and premium bonds, and losses on endowment mortgages. Many respondents did not appear to value the fact that they had saved capital, even if the return on it was poor. Others had even lost some of the original capital investment they had made:

‘I actually invested in the building society over five years – £6,000 – and when it came back it was something like £81, something like that. Over the last year everything’s dropped drastically. I will be worse off after five years than I was the first year. It’s the same with a 10-year saving I took out. I only put £40 a month in, and in the end I only made two hundred and something pounds. I’d actually put £4,800 into it, something like that and I only got just over £5,000 back, so it was only just over £200 and that was 10 years.’

(Working, Female, aged 53, Christchurch and East Dorset)

• failed business decisions:

‘I’ve pretty well been self-employed most of my life. I assumed quite wrongly that I would do well enough in life and have a nice, big property to sell to go abroad or whatever, so I was never heavily into pensions. I thought that if you had a good enough business, we had big unisex salons, and if we’d made enough money from that and the property, in the long-term that would have been our pension fund, but in the event it didn’t happen, you stupid boy! No way am I satisfied, but it’s too late now to start paying into pension plans.’

(Working, Male, aged 60, Christchurch and East Dorset)

As shown in Section 6.3.2, respondents had suggestions that outlined a role for the Government in regulating the private pensions sector, which may or may not have prevented some of the problems identified above. However, equally important would be how to encourage a sense of personal responsibility at a sufficiently early age, when planning could make a difference.

6.4.3 Quality of life in retirement

A key area of this study was whether respondents expected to maintain or improve their quality of life in retirement, or whether they expected their quality of life to decline. Generally, those who were satisfied with their pension plans expected to have a similar or better quality of life in retirement. Those who were dissatisfied with their pension plans were more likely to expect their quality of life to diminish in the future.
Those who had saved for retirement (the planners) said that they would have enough to keep up their standard of living in retirement and would not expect to have to reduce their living standards at any point. People in this group were more likely to be satisfied with their pension plans.

‘By the time I do come to draw on it there will be a sufficient fund there to keep us in the manner to which we’re accustomed.’

(Working, Male, aged 55, Newcastle)

Respondents most at risk of a declining quality of life in retirement were those with limited retirement incomes – i.e. those with limited pension provision (the non-planners) and/or minimal savings. Those in this group were more likely to be dissatisfied with their pension plans. They understood that their savings would diminish and eventually run out, and as such were handling their expenditure carefully. Many stated that they expected to have to ‘tighten their belts’ in retirement, as they were unable to predict the future. Some said, for example, that they wanted to keep a ‘reserve’ in case of any unexpected extra costs such as those associated with a health condition or rising inflation:

‘There is no way I can ever have more money than I have now, so I know that in 20 years time my standard of living will not be as good unless I win the Lottery. My money in the bank is going down not up, so there will eventually be a time when I am a pauper.’

(Retired, limited income, Male, Walsall)

‘Well we just made sure we could pay our bills. We had to tighten our belts of course, but you expect to tighten your belt when you retire, but we haven’t had to really pull them in yet, but perhaps in the future we will have to, I don’t know. It all depends how much everything goes up.’

(Not working, Male, aged 56, Christchurch and East Dorset)

However, many respondents with lower retirement incomes said that they were not prepared to modify their lifestyle to reduce the risk of future poverty. Some of this group were retired and had paid into personal and occupational pensions that had failed to deliver to their expectations, others were respondents in work with health problems. They said they would keep going until their money ran out, then rely on the state to provide for them. Many respondents stated that they could not predict how long their lifespan would be, how health conditions might affect them and therefore they wanted to enjoy what money they had while they were still young and healthy enough to do so. They would worry about poverty if and when it became an issue:

‘I expect to keep going on holiday until the cash runs out. When it runs out it won’t matter whether I’m fit or not.’

(Retired, limited income, Male, Walsall)
Across the sample, respondents spontaneously said that in a worst-case scenario they would sell their property and downsize their home if required. When prompted, others agreed that this was a viable, though unpopular, option.

‘If tomorrow we were both ill and needed the money we’d just downsize or sell and rent. We could actually lay our hands on £400,000 to £500,000… Yes, we could lay our hands on the money and it will last us all our lives. This house isn’t pound notes, but it’s better than pound notes, so we’ve got assets.’

(Working, Male, aged 55, Christchurch and East Dorset)

‘The house is nearly paid for and it’s worth so much more than we paid for it, if the worst came to the worst we could sell it and we’d get all this money and buy something smaller.’

(Working, Female, Newcastle)

6.5 Summary

This chapter has identified and described two distinct groups of people in terms of their attitudes towards retirement income: ‘planners’ and ‘non-planners’.

Planners tended to have spread their investment risk, building a mixed portfolio of savings and investments. Income level and funds available for investment determined the make-up of their savings portfolios, which included property, occupational pension(s) and other personal pension(s) as well as any state pension entitlement. Windfall gains, from inheritance for example, sometimes completed their savings portfolios. Many among this group made independent, unprompted decisions about their investments, taking advice as appropriate from external sources. However, others within this group had benefited from providence – they were prompted into taking occupational pension schemes that proved sound investments.

While the concept of ‘planners’ and ‘non-planners’ helped to explain attitudes towards planning and saving towards retirement, other factors came into play in terms of whether individual or household plans came to fruition. For example, involuntary labour market exit and ‘shocks’ such as ill-health or redundancy affected people’s retirement plans. Similarly, unforeseen caring responsibilities and/or the death of a partner jeopardised plans. Despite their best efforts, some planners faced retirement with less income than they originally expected.

Non-planners, on the other hand, tended to display some quite different characteristics. They lived for the day, or could not afford to save, and postponed worrying about their retirement income to the future. Many in this group felt that they were too young to think about retirement. Unfortunately for some, however, their lack of savings, coupled with ill-health, caring responsibilities or other barriers to labour market participation, meant that they faced retirement with the state pension (and perhaps windfall gains) as their only source(s) of income.
In addition to these two distinct groups, others had consciously chosen not to save for retirement. Those in this group had assessed their options and decided not to save, either because of the risks of saving for retirement (uncertainty caused by well-known pension scandals), or the risk that they might not live long enough to enjoy their savings. Disincentives to save, such as taxation of retirement income and impact on benefit entitlements, discouraged many from saving. Others decided that the retirement income generated was not worth the required effort to work and save. This point of minimal return was linked to eligibility for Pension Credit.

Planners were generally more aware than non-planners of how to access information and advice about their various pensions. Similarly, planners – in particular those with higher-level incomes – were more aware of Pension Credit than those who were eligible for it.

In terms of satisfaction with pension plans, planners were generally more satisfied with their retirement income than non-planners. However, some planners were disappointed with the performance of some occupational and personal pension plans (because of losses or risk). Others – both planners and non-planners – felt that they would have to live within their means, and that their lifestyle might have to change in retirement.
7 Respondents’ views: what should the Government do?

This chapter looks at respondents’ suggestions about what the Government should do in relation to the labour market participation of older workers and retirement planning. In terms of labour market participation, the chapter identifies suggestions to maximise participation among older people who can and want to work and minimise exit among those who want to remain in work.

The chapter starts by examining the policy suggestions that respondents made with relation to supporting older workers:

- in the labour market (the in-work sample);
- at risk of exiting the labour market particularly as a result of the push factors identified in Chapter 3);
- trying to re-enter the labour market (taken from the out-of-work sample); and
- supporting older workers over pensions and retirement issues, which is linked to the Government’s Informed Choice agenda.

The second part of this chapter looks at respondents’ suggestions for future government communications on pensions and retirement issues and the labour market participation of older workers.

7.1 Supporting older workers in the labour market

Respondents’ suggestions about how the Government should support older people who were currently working (the in-work sample) covered the following areas:

- supporting flexible working practices;
- rewarding working longer; and
- promoting the extending working life agenda.
Each of these is explored in turn below.

### 7.1.1 Supporting flexible working practices

Working respondents often said that they wanted to continue working up to or beyond state pension age (SPA), in an altered or reduced form, but felt that many employers did not offer redeployment or part-time or flexible working options (see Section 4.1). Many respondents felt that the best way to encourage older workers to remain in work was for employers to provide more flexible work options to meet individual needs (such as changing working hours or job roles). Respondents also felt that there should be a role for the Government to promote flexible working practices, and to support businesses to deliver flexible working practices which might encourage older workers to stay in the labour market.

To encourage flexible working practices, the Government would need to support:

- employers;
- employees; and
- medical professionals.

These three target groups are discussed below.

**Employers**

Respondents identified a need for the Government to provide employers with advice and support around flexible working. They made the following suggestions about how the Government could assist employers:

- provide guidance on how and when to offer flexible working practices, and what types of flexibility to offer (such as flexible hours and roles);
- provide guidance on the effective management of flexible working, including issues around making flexible working economically viable;
- provide guidance on legal requirements;
- help employers to successfully communicate flexible working options to employees;
- ‘sell’ the concept of flexible working to employers, and make them aware of what government advice and guidance is available; and
- issue specific advice and guidance around how to help people with health problems to remain in the workforce through:
  - supporting and managing their health conditions;
  - flexible work practices; and
  - other reasonable adjustments.
**Employees**

The research also suggested a need for government advice and support for employees around flexible working. Certain employers have a good track record of flexible working opportunities and respondents who had negotiated flexible working conditions included those in managerial, professional and public sector occupations and shift workers. However, many respondents said that it was difficult to know what they could ask for and how to negotiate with employers if a precedent had not been set (see Section 4.1.2).

Respondents felt that employees needed support and guidance in raising the subject of flexible working with their employer. They suggested that the Government should provide information directly to employees on their rights and options within the workplace, to empower older workers to negotiate and discuss with their employer the issues that affected them. In addition, they suggested that this advice should come through trade unions, General Practitioners (GPs), Jobcentre Plus, or Citizens Advice Bureaux (CAB) and should be co-ordinated by central government.

**Medical professionals**

The research also implicitly suggested a need for government advice and support for medical professionals around fitness for work and issues such as flexible working. Respondents suggested that the Government should consider ways of providing information to company doctors, occupational health and other health service professionals on how best to advise and support older people who wish to continue working and encourage employers to accommodate employees with health conditions. This could build on co-working between the Department for Work and Pensions (DWP) and the Department of Health (DH), and would clearly fit in with the DH’s public health agenda on work and health, outlined in the recent White Paper on public health.

**7.1.2 Rewarding working longer**

Respondents suggested that by rewarding those who chose to work longer, the Government might be successful in encouraging extended working lives. Respondents made a series of suggestions which would help to reward those who chose to work longer, as follows:

- *remove tax on income earned from working after SPA* – across the board, respondents said that if their income from earnings after SPA were not taxed, this would encourage them to participate in the labour market as they would see a greater financial reward for their effort;

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22 The term used by the respondent making this suggestion was ‘Incapacity Benefit (IB) administration office’.

• **cap National Insurance (NI) contributions post-SPA** – some respondents believed that capping NI contributions would encourage people to continue working after SPA since they would be able to realise a greater return from working later in life;24

• **prohibit employers from setting default retirement ages** – forthcoming legislation will bar employers from setting default retirement ages of less than age 65 for workers, except in particular justifiable circumstances. Respondents said that employers’ age caps should not be allowed. They did not believe that employers should be able to fix the age at which people should stop working. Many people on IB and people with health conditions more broadly said that they wanted to continue working, despite their age or proximity to SPA. However, they often did not have the support required from employers or the Government to achieve this.

The Government is already implementing some of the strategies outlined above, as explained in its pensions Green Paper *Simplicity, security and choice*.25 However, during the research it was clear that people were not aware of many of the proposals. The Government needs to communicate its proposals more accessibly to the general public (see Section 7.4).

### 7.1.3 Promoting the extending working life agenda

Respondents did not explicitly suggest that the Government should promote its extending working life agenda. Our research revealed that many people had low awareness of this agenda and its aims, and that the message of extending working life was not yet getting through. Many of those in our sample who would be the ‘target audience’ for extending working life had not considered the concept, or did not know whom to approach to get information about it.

Furthermore, our sample appeared to misunderstand and mistrust the concept. They interpreted it instead as a compulsory extension of SPA (for example, to age 70) rather than as a means of encouraging labour market activity among the over-50s (see also Section 4.3). But in fact, most respondents argued that they wanted choice around when to retire, which is central to the extending working life agenda. Both working and non-working respondents said that those who wanted to work longer should be able to, and should be allowed to do so, but that working longer should not be enforced:

‘I think if a person wants to work and enjoys working, they should be able to work for as long as they want. Good luck, why not. They are getting fulfilment, it may not be just because they need to money, it may be because they just enjoy it and get out.’

(Not working, Male, aged 60, Newcastle)

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24 Respondents were unaware that employees over SPA are not required to pay NI contributions

However, very few respondents expected the state to support them in work if they chose to continue to work.

Looking at the barriers to working identified in Section 4.3.1, respondents gave different reasons as to why they did not support the idea of extending working life. As indicated below, communication is the challenge for the Government in countering these perceptions:

- perceptions of ‘what constitutes work’ appeared to be entrenched. Respondents had very fixed ideas about the nature of work. Specifically, they viewed it as ‘full-time’ and ‘fixed or permanent’, and rarely considered that work could be part-time or flexible and could fit around other interests and commitments. The DWP may wish to consider how best to overcome this perception among the public, perhaps by emphasising the availability of non-physical or part-time work to suit varying health needs;

- respondents argued that extending the working lives of older people reduced opportunities for younger people to access jobs. This view, although not factually correct, was a reason given (or perhaps a justification) for not working longer. The DWP may wish to consider how best to overcome this perception among the public, perhaps by emphasising that there are skills gaps in the labour market that older workers might fill:

  ‘I just find it incredible that they would actively encourage people to work longer, I think that is just unbelievable. Because there are so many young people coming from university with really good brains, and they’re the ones that should be working now, and they’re the ones that really need to fill the jobs.’

  (Working, Male, aged 60, Christchurch and East Dorset)

  ‘I’m against all this going up to 75, because I think once you’re 62 or 65 or whatever, I think you’ve worked long enough. There’s not going to be jobs for the youngsters if they keep people like me on. It wouldn’ t be fair to them, and there’s going to be a lot of youngsters coming along, and there’s little enough work as it is…The thing is, when you’ve worked until you’re 65, you want time to be able to do the things you want to do, rather than doing things that are necessary for wages.’

  (Working, Male, aged 55, Christchurch and East Dorset)

- it was also clear that older respondents had relatively low awareness of the demographic structure of the UK and skills gaps in some local labour markets, and the economic and social impacts that the ageing population will have in coming years. The Government may need to disseminate local and regional communications messages around job availability so that people are made aware of potential opportunities and support they can access to help them return to work.
7.2 Supporting older workers at risk of exiting the labour market

Respondents made two suggestions as to how government policy could better support older workers who were at risk of labour market exit:

- reconsideration of sick pay entitlements; and
- earlier identification and provision of support.

Respondents suggested that the Government should make sick pay entitlements available to people on short-term or temporary contracts as such an approach would make these work opportunities more attractive to older people. While this is potentially an attractive proposition for individuals it is unlikely that employers would welcome this type of development.

Respondents also felt that earlier identification and provision of support for older workers at risk of exiting the labour market would be useful. Respondents said that they would have liked better or more advice and signposting towards what help was available to help them to remain in work. Some said that they would have liked advice and support concerning their legal rights.

7.3 Supporting older workers trying to re-enter the labour market

Respondents made very few explicit suggestions as to how the Government should support older workers who were trying to re-enter the labour market. Indeed, many of the out-of-work sample considered that the barriers they faced – such as health conditions, economic climate or employers’ attitudes – were insurmountable, and could not suggest measures to help.

However, respondents indicated that the Government could address the following suggestions:

- Personal Advisers at Jobcentre Plus need to emphasise the advantages of IB protection schemes;
- Personal Advisers and other government staff in contact with IB claimants and out-of-work people need to be more proactive in encouraging those on IB to consider training and other work-related activity;
- information about eligibility of people with a health condition or disability for employment programmes, financial incentives, welfare-to-work provision, in work support and other interventions should be made more accessible to the public; and
- ‘better off’ calculations should be offered more widely.
One respondent, who believed that he had to be unemployed for 18 months before he was eligible for New Deal 50 Plus, felt very strongly that the Government should not place a restriction of 18 months’ unemployment to be eligible for such support. As with misunderstandings about pension taxation (see Chapter 6), this demonstrated a misconception about New Deal 50 Plus, since people were clearly not fully aware of the eligibility criteria. Again, this raises questions for the DWP’s communications strategy around, and Jobcentre Plus’s advertising of, New Deal 50 Plus (see Section 7.5).

Respondents also suggested that employers should be encouraged to offer alternative work arrangements, such as job share and part-time working, to support those with mental and physical health problems.

7.4 Supporting older workers over pension and retirement issues

As discussed in Chapter 6, respondents identified three roles for the Government in relation to pensions and retirement, each with important policy implications:

- providing impartial pension advice;
- providing an income in retirement; and
- regulating the pensions sector.

This section explores respondents’ views on each of these areas in detail.

7.4.1 Providing impartial pension advice

There was a strong sense that respondents would trust the Government to give them impartial information, rather than private insurance and pension companies. A key message was that respondents wanted the Government to provide information that would help them to make financial decisions about their pensions. Respondents said that they did not trust employers or personal pension providers to supply impartial pension advice, and would rather rely on the Government for information and advice. This was because of previous bad experiences or shortfalls on personal investments. Private providers in particular were viewed negatively as giving biased information and working under a sales-driven agenda:

‘At the end of the day, with anybody, how do you know that any financial advice they give you is secure advice and not geared to what makes most money for them?’

(Working with limited income, Male, Christchurch and East Dorset)

26 Individuals need to have been claiming benefits (IS, JSA, IB, SDA or Pension Credit) for six months or more before they are eligible to join New Deal 50 Plus.
'It’s no good going to a bank to see a financial adviser because whatever company they are linked with he will push you in that direction, he won’t be impartial.'

(Retired, limited income, Male, aged 66, Walsall)

Respondents saw a variety of pensions issues as important, but their overall desire was for the Government, as a trusted supplier of information on the labour market participation of older workers, to unravel the pensions sector and make it understandable in lay terms. For example, people wanted to know how much pension they would receive if they worked to certain ages. This would then allow them to calculate how long they had to work to receive a particular sum of money in retirement, thus allowing them to begin their financial planning earlier in life. Overall, they felt that pensions advice should focus on providing relevant, timely and useful information.

7.4.2 Providing an income in retirement

Respondents generally expected the state to provide them with an income after SPA. Although they recognised that the state’s role in providing an income would be uncertain for future generations, they still believed that the state should continue to provide an income for everyone above SPA. Irrespective of income level, respondents felt that the state should provide for all people, rather than focusing on those who could least afford to save.

There was some support for a ‘compulsory saving scheme’ – to which all working adults would contribute. There was also some support for a state-run mandatory pension scheme (similar in operation to personal pension schemes from private suppliers), but with a guaranteed income at the end.27 Respondents envisaged the scheme running as a long-term savings account, whereby users would know what income could be expected after 40 or so years depending on how much they paid in. The rationale for this approach included the following:

- respondents did not wish to navigate the risks of market-influenced pension schemes themselves;
- a state-operated scheme would be regulated and administered fairly; and
- a state-operated scheme would also overcome the problems associated with transferring pensions when changing jobs.

27 Awareness of stakeholder pensions was limited among the sample.
Respondents also suggested the following policy measures which they believed would encourage people to save for retirement:

- **no tax on income from occupational or personal pensions** – respondents with income from private and employers’ pension schemes (particularly those who were retired with reasonable income) said that they felt it was unfair to be taxed on pension income, though many were unaware that their pension contributions from their salary were not taxed at source (as indicated in Section 6.1.1). They felt that they were being penalised for saving during their working lives, and argued that removing tax on pension incomes would encourage more people to save;

- **change Individual Savings Account (ISA) tax-free saving limits for older workers** – those who could afford to save said that increasing the tax-free savings limits on high-interest savings accounts would encourage more people to save later in their working lives.

### 7.4.3 Regulating the pensions sector

Respondents said that the third focus for government policy should be in regulating the pensions sector, with the aim of protecting the end user – the public. A key message was that the Government ought to help people to manage the risk associated with saving for retirement. This demonstrated people’s need for support in managing risk and in financial decision making. Respondents felt that the Government should be responsible for the following activities:

- protecting pensions funds from business failures and collapses – respondents saw the Government’s role as avoiding a repeat of the well-documented ‘Maxwell’ affair;

  > ‘I think it should be run by the Government and not by private companies, that way there might be less to go wrong and then people aren’t going to be able to line their own pockets with your money.’

  (Working, Male, aged 58, Christchurch and East Dorset)

- regulation to enforce employers to make pension advice and a pension scheme available. Not all respondents were aware that employers are required to offer the mechanisms for staff to access a stakeholder pension, but are not required to contribute to this pension. Some respondents went so far as to suggest that employers should be forced to contribute to people’s pension schemes; and

- regulation to make employers’ and private pension schemes portable, and advice and support in tracking pensions:

  > ‘I think really they ought to start saying to employers that you’ve got to have a pension scheme and that it’s got to be transferable, so that if they leave, they can take it with them. I think the employers have got to start organising the pensions. It’s no good asking people, because people won’t.’

  (Working, Female, aged 59, Christchurch and East Dorset)
7.5 Communications

An effective communications strategy should underpin government policies, including those intended to extend people’s working lives. Communication issues were discussed with all respondents. Key aspects and messages around communicating successfully were as follows:

- awareness – respondents’ awareness of The Pension Service was low;
- timing of pension communication – respondents wanted regular communication (i.e. being ‘seen’ to communicate) and communication at an earlier stage in people’s working lives;
- clarity – communicate clearly and simply;
- delivery – use a mix of methods for delivering services;
- tailored and personalised – communications should meet individuals’ often complex needs; and
- accessibility – communications should be accessible for all.

These points are discussed in turn below.

7.5.1 Awareness

Awareness of The Pension Service was low across the sample (see Section 6.2.2). Many people were unaware which government department handles pensions until The Pension Service got in touch with them (prior to reaching SPA). Many people – particularly non-planners and non-savers – waited to be contacted rather than proactively getting in touch themselves. However, planners knew that they could request forecasts and indeed some checked them and planned to check them on a regular basis as they approached retirement. When told of The Pension Service, one respondent replied:

‘Pension Service, what are they?’

(Working, Male, aged 60, Walsall).

Furthermore, there was also limited awareness of other information sources. Many respondents said that they would rely on the CAB if they needed information:

‘I’ve been there and had advice off them myself and they are very good, the CAB. If you’ve got any problems with regards to government issues the CAB people are the best to go and see, and I think it’s imperative that every area should have a CAB office.’

(Working, Male, aged 60, Walsall).

It was also rare for respondents to feel that there were resources to tap into for impartial advice. This particularly applied to people in manual and unskilled occupations, and those not in work who did not know whom to contact and could not afford to pay for personal financial advice:
‘I think whatever is going ought to be advertised more anyway because all I know is Saga and that’s it. That’s where my thoughts with over 50 stops I don’t know any other schemes. Perhaps I haven’t looked, but I couldn’t tell you anything else or where to go for anything. I wouldn’t have a clue.’

(Working, Female, aged 55, Walsall).

7.5.2 Timing of pension communication

Overwhelmingly, respondents felt that to raise people’s awareness of pensions planning in general, and of The Pension Service in particular, the Government should communicate more frequently and regularly than it currently does. They felt that this would raise awareness of The Pension Service, and of what help and advice it offers, and could encourage more people to take action.

Respondents also suggested that information should be communicated to people at a much earlier stage of their working life. They mentioned that they would have liked guidance from the Government on when to start planning for retirement, and believed that pension communications should start much earlier in working lives – perhaps targeting people in their twenties, thirties and forties. This would introduce the idea of saving for retirement earlier, and thus give people more time to consider their options and put plans in place. Many in the sample felt that they had started too late, and guidance from the Government on this issue might have been helpful:

‘I have a drink with a guy on a Sunday lunchtime and he’s 42, a driver, and he says his uncle nags him about having a pension. He asked me what he ought to do, and I said, “you should be starting to save now; the next 20 years will fly by. In 23 years you will be applying for your bus pass. So get it sorted now”.’

(Retired, limited income, Male, aged 66, Walsall)

‘I should have started many, many years ago when I was young, not when you are about to retire. Like my children should be informed now.’

(Working, health conditions, Female, aged 50-65, Walsall)

Respondents perceived that current communications around pensions centre on receiving a pension forecast and qualifying for the state pension, and that communications from the Government are not received until a few months before reaching SPA. Respondents believed that this was too late to make a difference.

7.5.3 Clarity

When communicating policy information, clarity is paramount to its being read and understood. The general consensus among respondents was that much information on pensions is complicated, difficult to understand and unpredictable:

‘It’s usually too complicated for the average person to understand, and nobody can really know what their needs will be at 60 or 65.’

(Working, self-employed, Male, aged 62, Christchurch and East Dorset)
For example, respondents reported difficulties in interpreting their annual pension statements from pension providers. Very few said that they fully understood the information they received. This made financial decision-making very difficult for those with a layperson’s understanding of the issues, as illustrated by the following exchange at one of the focus groups:

Man: ‘Is anybody ever in a situation that they have got a private pension and every year you get a statement you can’t understand it? I mean I’ve been like that for years.’

Woman: ‘You look at it and it is gobbledygook.’

Man: ‘And you can never get anybody down to explain it.’

(Respondents, in work, health problems, Walsall)

7.5.4 Delivery

In general, respondents were most accustomed to interacting with government services in a face-to-face environment. This was particularly true for respondents who:

- had experience of Jobcentre Plus or its predecessors;
- had traditionally collected their pension or other benefits from the Post Office; and/or
- were accustomed to paper-based communications (letters and faxes).

The modernising government agenda promotes movement towards electronic delivery of government goods and services (such as electronic benefit payments and online completion of applications forms). However, the 50-69 age group has had difficulties in engaging with this technology, as documented in e-government literature and research. Nevertheless, respondents across this age group recognised that younger generations will more readily accept and use new forms of service delivery, such as the internet and digital interactive television (DiTV). They suggested that new delivery methods such as digital television and the internet should be used to target younger age groups, combined with TV, press and radio to appeal across all age groups:

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'Most young people are probably much more sensible than we were. I think they’re better educated and informed. With the advent of the computer and the web sites, there’s no excuse for ignorance any more. There really is no excuse, it’s all there at their fingertips.'

(Working, self-employed, Male, aged 62, Christchurch and East Dorset)

7.5.5 Tailored and personalised

Respondents recognised that communicating to younger people about planning for the future in terms of work or financial provision was very challenging. They acknowledged that they themselves had not been interested in thinking about their pension or retirement options until they were 40 or older.

The key issue from the research is that although it was possible to classify patterns across and within sub-groups of respondents, each individual or household’s retirement plan and the outcome (or reality) of retirement were qualitatively different. This presents a challenge for policy-makers.

A tailored communication strategy will therefore be vital to cover such disparate groups. The following differentials existed among respondents, and would need to be taken into account in a communication strategy:

- reasonable income groups – these respondents expressed some resistance to advice; they often said that they wished to have freedom of choice, and often had the requisite education levels that allowed them to understand pensions information and make informed decisions;
- IB recipients – tended to distance themselves from other benefit claimants; they needed specialised support tailoring work options to their individual health conditions;
- self-employed people – these respondents faced complex pensions issues, lacked the support of an employer and required personalised and business-focused support;
- part-time workers – often had shortfalls in their pensions plans and needed advice and support in resolving this problem;
- shift workers – faced particular issues relating to taxation and pensions earnings on overtime and ‘after hours’ payments on late or early shifts. For example, working an additional shift might push them into the next tax bracket, effectively making them worse off despite working more hours;
- small companies – people working for small companies without established pension schemes required additional information such as alternatives to occupational pensions;
- women – faced issues relating to broken work histories (for example, leaving the labour force to have children), and the linkage of their pension to their partner’s and household finances;
• low-income groups – often lacked access to pension information which could help them to make informed decisions, and often could not afford to save (though some did save).

Of particular note is that our research found that women often had complex pension queries arising from broken work records (because of time out of the labour market while caring for home and family). Many women in our sample often assumed that they would not be entitled to anything because they had not paid enough NI (i.e. not enough payments to reach the level for a full state pension). They either did not express any intention to find out what they were entitled to, or did not know how to do so. The Office of the Pensions Advisory Service (OPAS) has recognised the complexities that women feel they encounter when handling NI issues. As a result, it has launched a dedicated helpline and advisory service specifically for women.29

‘I was informed many years ago that I hadn’t got enough but I could pay so much to bring my stamp up-to-date, but in those days it was about £300 but it might as well have been £1,000 for what I was earning at the time so I couldn’t do it, but I still didn’t know anything, there was no information.’

(Working, health problem, Female, Walsall)

7.5.6 Accessibility

Accessibility of pension information was variable across the sample of respondents. Certain groups such as those with degrees and more highly educated respondents, along with those in professional and managerial occupations, were more likely to know how and where to access financial information. They were also more able to understand it. People working in companies with reputable pension schemes, or in the public sector (e.g. nursing, the police) were also more likely to have access to pension information, mainly through their employer.

Other groups, however, faced greater difficulties in accessing pension and financial information. Self-employed people faced particular challenges. They polarised as either having good access to expert financial advice, or none at all. Typically, those who were running small companies had at some point independently sought expert financial advice, and had used this opportunity to explore investment and pension options. Self-employed people more likely not to seek financial advice included sole traders, painters and decorators, child carers and market stall-holders. As above, educational background and financial acumen were also significant factors in whether self-employed people sought independent financial advice.

Employees generally accessed financial advice through their employers. However, there were instances where part-time staff and those on shift work could not attend pre-arranged sessions (with a pensions adviser, for example) because they were not at work or because of their shift patterns. In addition, respondents commented that

29 Article on BBC News Online, Thursday 4 November, 2004 ‘Women’s pension queries answered’ available at: www.news.bbc.co.uk/1/hi/business
not all companies offered pensions advice:

‘In private nursing you don’t get a lot of information. Most of the places I’ve worked at have only been small homes, and they can’t cope with it. Where I work now we have got a pension adviser that comes in.’

(Working part-time, Female, aged 59, Christchurch and East Dorset)

Respondents suggested that being out of work distanced them from access to pension information. Those who were long-term unemployed were least likely to access information about pensions and finances. Some felt that the Government could usefully provide this type of information:

‘I suppose if I had worked all the time then I would be more up-to-date on it, but with not working you tend to lose touch with a lot of things. I mean I do know that you get a state pension, but I have not got a clue how much state pension.’

(Not working, carer, Female, aged 55, Christchurch and East Dorset)

7.6 Summary

This chapter has set out respondents’ views about what the Government’s roles and responsibilities should be in relation to the labour market participation and retirement planning of older workers. It has also presented policy suggestions for supporting older workers who are in work, in danger of exiting the labour market, or trying to re-enter the labour market.

To help in-work older people to stay in work and extend their working lives, respondents suggested that the Government should support flexible working practices by targeting information at employers, employees and health professionals. The Government should also address policies towards rewarding people for working longer, for example by removing tax on income earned from work after SPA. Respondents also suggested that the Government needs to make efforts to ensure that people understand that the extending working life agenda is about choice.

Our research found that messages about extending working life by helping people to remain in work, consider work options or take steps for a return to work were not getting through to target audiences. Getting this message across should clearly be a priority for the future. Joint responsibility must be taken by employers, employees, health professionals and the Government to establish policies that succeed in targeting the right groups and providing effective help and support.

To support older workers in danger of exiting the labour market, respondents felt that the Government should consider providing sick-pay entitlements for people on short-term and temporary contracts. The research findings suggested that a period of sickness often forced older workers out of the labour market and increased their (potentially long-term) reliance on benefits. Earlier identification and provision of
support for older workers at risk of exiting the labour market would also be useful, perhaps including advice on legal rights and entitlements.

Government support to help out-of-work older people to re-enter the labour market was perhaps the area where respondents had most difficulty in making policy suggestions. Many of the out-of-work sample considered that the barriers to re-entering the labour market were insurmountable, but were unaware of skills gaps and shortages and the social and economic impacts of the ageing population. Indeed it is imperative that these messages are communicated to ensure that people are informed of the possible opportunities and how they might contribute.

Views on government support in relation to pensions and retirement were more clear cut. Respondents identified a key role for the Government in communicating pension information successfully, in providing a stable and reliable income for retired people, and in regulating the pension environment to protect end-users.

An effective communications strategy will underpin key government policies, including those intended to extend people’s working lives.

The key strands of the communication strategy should be as follows:

- communications to raise awareness of The Pension Service, Extending Working Life and Informed Choice policy areas;
- communication at an earlier stage in working life – target financial advice to people while they are aged around 30 to 40;
- regular communications, including profile-raising (being ‘seen’ to communicate);
- clear, simple use of language and explanation of terminology;
- government communications to capitalise on being a more trusted source of information than private providers;
- use of mixed modes for delivery, including telephone, internet and DiTV;
- tailored and personalised communications, so that messages meet individuals’ complex needs; and
- accessible information and guidance for all.

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30 The DWP’s job retention and rehabilitation pilot is currently exploring the effects of health and workplace interventions in helping people return to work.
8 Conclusions and recommendations

This chapter outlines the conclusions that can be drawn from the study based on the research findings and the key findings from each of the preceding chapters. Sections 8.1 – 8.4 below reflect the research aims specified in Section 1.2.

Security, Simplicity and Choice: Working and Saving for Retirement (December 2002), the Pensions Green Paper acknowledged that people in general are living longer and healthier lives and proposed a number of policies to support older people in looking for work and create opportunity and choice for people to work and save longer. Known as extending working life, a variety of pensions and employment policies are currently being pursued to support people access, participate and remain, through choice, in the labour market. These include: changes in legislation and policy; campaigns to combat age discrimination; and assistance, and financial support, for older workers. A successful communications strategy will need to underpin all government policy in this field to inform understanding of older workers’ rights, choices and options.

After detailing the conclusions from the research, this chapter outlines our policy recommendations.

8.1 The relationship between different factors affecting retirement decisions

Evidence of people’s ownership and active management of retirement decision-making – by respondents described as ‘planners’ – combined with a savings habit, were key factors in respondents’ retirement planning and financial security. However, two further factors influenced whether people’s plans came to fruition:

- performance of the financial markets – whether pension or savings investment delivered anticipated returns; and
- continued labour market participation – most people assumed continued labour market participation and plans typically failed when push factors resulted in involuntary labour market exit, in particular health and redundancy.
Respondents generally had no back up plan if the financial markets failed to deliver or they left the labour market involuntarily.

Astute investment in terms of assets and other savings, combined with favourable market conditions – and in some cases providence (the offer of an occupational pension early in people’s careers, for example) – proved key to retirement security. Many planners calculated the right time to retire in terms of maximising their state pension entitlements and other retirement provisions. Those who retired early voluntarily, or expected to retire early, were people on higher incomes whose retirement income comprised mixed investment portfolios.

Not all planning and investment decisions, however, were successful. In the case of some respondents who had invested in businesses or had actively saved, their investments had fallen short of expectations. Where individuals had focused their investments in one or two vehicles that had failed or performed poorly, they faced retirement with little to show from their investments and a shortfall in their retirement income relative to expectations. In terms of what Government might do, respondents wanted active regulation of the pensions sector to protect their investments, improve the offer of occupational pensions (to minimise providence associated with occupational pensions) and improve pension portability.

Dissatisfaction was very apparent for planners whose retirement income was affected by poor performance of pension funds, index-linked savings accounts and endowment mortgages. In these cases, as with business decisions by people who were self-employed that did not deliver, their plans had fallen through and their expectations for retirement had not been met.

Other respondents, in contrast, were ‘non-planners’. Non-planners’ attitudes towards earnings and savings, and their live-for-today attitude, explained their behaviour regarding retirement planning and decision-making. Non-planners spent their earnings, lived for the day and said that they could not afford or were too young to save for their retirement. Some consciously decided not to save, saying that high-profile pensions scandals and the availability of Pension Credit acted as disincentives to saving.

Unforeseen events such as divorce, bereavement, ill-health or disability, the onset of caring responsibilities and/or redundancy also had an impact on people’s retirement decisions and planning. Certainly for planners who were investing in their retirement, the occurrence of these factors resulting in labour market exit and loss of income meant that they were unable to continue investing in their retirement. Health conditions and caring responsibilities also affected whether people could implement their non-financial retirement plans, such as a move abroad or to the country.

Non-planners generally faced retirement, irrespective of unforeseen events, with their state pension entitlement as their main source of income. For some, this income was supplemented by windfall gains.
In its five-year strategy, the Department for Work and Pensions (DWP) recognises that ‘having a strong work history is the best way to ensure security in retirement’.31 Our research found that a strong work history is certainly important in terms of providing resources for investment, but is only one element of several that help in contributing to security in retirement. Security in retirement was enhanced by good health (which in effect allowed people to participate in the labour market) and by individuals taking responsibility for saving and planning for their retirement.

8.2 Factors associated with leaving the labour market before state pension age

Exit from the labour market was generally associated with four strong factors: redundancy, ill-health or disability, financial security and caring responsibilities. Redundancy and ill-health or disabilities were ‘push’ factors, which caused involuntary labour market exit for some respondents before they would have naturally chosen to leave. Financial security, on the other hand, was a key ‘pull’ factor insofar as it allowed people to leave the labour market voluntarily at or before state pension age (SPA). Caring responsibilities differed from other push and pull factors in that some respondents described this as a push factor, whereas others referred to it as a pull factor. In some cases, redundancy or a health condition alone caused labour market exit, though these factors generally combined with:

- other push factors – for example, reduced job satisfaction, changes in own role or work itself, caring responsibilities, recession and industrial restructuring, and employers’ fixed retirement ages; and/or
- other pull factors – for example, a desire to enjoy life, spend more time with family and friends, and the opportunity to enjoy quality time and hobbies.

Amongst respondents, the pull factor of financial security, however, never operated in isolation. It was always combined with other push and pull factors, commonly redundancy, health conditions, caring responsibilities and/or reduced job satisfaction.

Redundancy, health conditions and, in some cases, caring responsibilities were unforeseen events that often led to labour market exit. This exit, as specified above, often impacted adversely on individuals’ pension planning. However, people with financial security also left the labour market because they were ‘work weary’ – their job satisfaction was limited, they no longer enjoyed work, or they were unhappy with changes that had been made to their role or work itself.

8.3 Barriers to continued labour market participation and support to help people to remain in work

Respondents identified two types of barriers to labour market participation and re-entry:

- external barriers – economic restructuring, labour demand and discrimination; and
- personal barriers – which included ill-health, family and caring responsibilities, skills and experience, a lack of awareness of opportunity coupled with ‘the benefits trap’ and personal attitudes.

Where respondents identified external and/or personal barriers to work some of these barriers were real, whereas others were perceived, i.e. people’s views were based on how their employer or employers in general might or ought to behave, not on actual experiences.

Labour market exit was not always permanent. People could and did find ways of returning to work, through either necessity or choice, if they were motivated to do so. This was particularly evident in the decision on whether or not to work among respondents with health conditions. Some continued to work whereas others permanently excluded themselves from the labour market, with their decision often endorsed by a medical practitioner. Those who continued to work generally did so for financial reasons, or because they had a strong work ethic (deriving self-esteem from their work), or because of a desire to remain physically or mentally active.

People seeking to re-enter the labour market identified industrial restructuring, labour demand and age discrimination as external barriers to work. As with respondents who were in work, many of this group believed that employers preferred younger workers, even though many respondents identified older workers as being reliable, experienced, skilled, loyal and hard-working.

External barriers also combined with personal barriers. For example, respondents who identified industrial restructuring as a barrier to work often said that they had skills and experience, but these were not relevant to the current labour market. Other personal barriers to work included health conditions, family and caring responsibilities, low confidence and fear of re-entering the labour market, and income and employment expectations. In terms of income expectations, some people wanted a salary commensurate with their previous earnings, even if they could not re-enter the labour market in the same occupation. Also, some people felt that there was no point looking for work because they would be better off on benefits.

Respondents reported limited awareness of, and little contact with, external services (such as Jobcentre Plus) that might help them to find work.
Two groups of respondents identified barriers to labour market participation. These were people in work who wanted to change their working conditions, and people outside the labour market who wanted to work. Some of the in-work group held negative views about how their employers might respond to such requests for changed working conditions. However, few had entered into a dialogue about their role and contribution to the workplace.

Discussions around barriers to continued labour market participation identified two broad reasons why they felt they ought not to work:

- some respondents thought that they would be better replaced by a younger worker, so did not bother to ask for their needs to be accommodated; and
- some respondents felt that there was no real benefit in their being retrained for another job because they were too old.

There was also evidence of unwillingness to adapt to a changing world of work.

Although asking for a change in working conditions was not commonplace outside managerial and professional occupations, there were some instances of people being redeployed, negotiating flexible working arrangements or moving into self-employment as an alternative. Only one case of retraining to remain in work was evident in the sample. This person, a former nurse, was used to receiving training and worked in a sector where training was valued. For others, however – particularly those outside the labour market – negative attitudes towards training acted as a barrier to labour market participation (see below).

### 8.4 What the Government might do to encourage people to work longer and promote work opportunities

Currently most respondents expected to retire at SPA and believed that they had earned the right to retire. Many people in this group had fixed views about working and retirement and were unlikely to be influenced by policies and initiatives to encourage them to work longer. Indeed this group frequently believed that extending working life policy and initiatives did not concern choice, but would result in SPA increasing to 70 or 75.

However, a minority of respondents were in work or expected to continue working beyond SPA.

A key issue for Government is that respondents’ awareness of what extending working life policy concerns and what Government is doing is limited or incorrect. Respondents had little knowledge about Government’s work with employers, individuals and appropriate intermediaries to support people in work to remain in work, and to help people out of work back into employment. Therefore some of the suggestions they made, encouraging flexible working for example, mirrored existing practice.
For the Government to help people to return to work, the following problems identified by the research would need to be addressed:

- people need to understand that extending working life policy and the associated initiatives provide choice, not an increase in SPA;
- respondents had limited awareness of their skills and experience and how these might transfer into other jobs;
- people’s general labour market awareness in terms of opportunities available was limited;
- respondents who were outside the labour market tended to have a poor attitude towards training because they did not believe that it would help them;
- people’s awareness of services and support available from Jobcentre Plus was limited;
- the small numbers of Jobseeker’s Allowance (JSA) respondents were dissatisfied with services from Jobcentre Plus. One reported not being offered a place on New Deal 50 Plus for 18 months after joining JSA, another who wanted training could not find the resources to contribute to his share of the training costs, while others felt that Jobcentre Plus did not provide access to specialist and well-paid vacancies.

A lack of awareness of available support and a misunderstanding of benefit regulations meant that some respondents on Incapacity Benefit (IB) who said that they wanted to work, thought they were ineligible to get support from Jobcentre Plus unless they moved onto JSA. People in this group were not aware of welfare to work measures such as permitted work rules or benefit protection (linking rules) that would allow them to try work without it affecting their entitlement to benefit. Assuming that these people are able to work and can find appropriate employment, this group might provide an untapped future labour source.

In terms of working beyond SPA, respondents suggested that there should be incentives to remain in the labour market. Examples given included removing tax on income earned above state pension age and the removal of default retirement ages below 65 (which it is proposed will be removed through the age legislation expected in 2006).

### 8.5 Attitudes towards work and training

Attitudes towards work and training varied across the sample depending on respondents’ occupation, work history and work status. Respondents in professional and managerial jobs were more likely to have considered flexible working, those working in sectors with a tradition of training were most positive about training, whereas many in and out of work felt that they had little opportunity to change their work status.
People worked for financial, personal and practical reasons. First and foremost, many respondents who were working did so for financial reasons. For some in-work respondents, work was a chore — it was a necessity to pay the bills or to guarantee their state pension or occupational pension entitlements. Necessity was a key driver, particularly for those in low-income occupations and those who had various debts. For others, working provided choice, financial independence and savings for retirement. This latter group included people in good health, who had a variety of savings and investments and typically higher income levels.

Personal reasons for working included gains in terms of psychological and physical benefits as well as to provide for, or in some cases contribute to, household income. Work also gave practical benefits: social contact, a routine and a means through which people maintained their health.

People with health conditions who worked identified the same broad financial, personal and practical reasons for working. Financial independence, pride, self-esteem and a strong work ethic were key factors that kept people with health conditions in work. However, the severity, number and range of their health problems determined whether they were able to work at all.

Regarding labour mobility, few people made career changes after 50. Where moves occurred, those making a career change did so with minimal risk because financial security generally underpinned their decisions. People were very concerned about the disadvantages of moving jobs. Important factors influencing people's decisions to remain in their current job were: financial security — particularly the desire to protect occupational pension rights — familiarity, job satisfaction and job security. Promotion opportunities were carefully considered too, with people weighing up the benefits and disadvantages. Where promotions were accepted, these tended to occur in the sample when people were in their early fifties for those in managerial occupations, and in their late fifties for people moving into supervisory positions from manual and skilled-labour occupations.

For non-working respondents, work was a desire and a future goal for some and not an option for others. Those who believed that the possibility of working again was not an option had either been outside the labour market for a very long period or had been told by company doctors and/or general practitioners (GPs) that they should give up work. In practice, this meant that the non-working group comprised people in the 50- plus age group who said that they wanted to work but were outside the labour market. Unfortunately, this group perceived that there was no place for them in the labour market. For many respondents, training people of their age was a waste of money, or that training itself was positive, but not for them.

Conclusions and recommendations
8.6 Recommendations

The following recommendations are suggested.

8.6.1 Recommendations for the Department for Work and Pensions

Our recommendations to the Government centre on three aspects: working with employers, working with the public (both concerning the extending working life policy agenda), and working with financial institutions (concerning the Informed Choice policy agenda). The Government must continue to work closely with these three groups to support policy and strategy around the labour market participation of older workers.

Working with employers

The findings summarised in Section 8.3 suggest that there is merit in exploring whether there is a business case for the Government to promote flexible working opportunities for older workers. If such a case exists, the Government could offer the following support measures to employers and, as appropriate, their employees:

- the business case for flexible working;
- guidance on how and when to offer flexible working practices, and what types of flexibility to offer (such as flexible hours and flexible roles);
- guidance on effectively managing flexible working, including how to make flexible working economically viable;
- guidance for employers on legal requirements;
- support to employers to communicate flexible working options to employees;
- signposting to advice and guidance; and
- specific advice and guidance for employers on how to help people with health problems to remain in the workforce through flexible work practices and other reasonable adjustments.

The Government also needs to work with employers to maximise the take-up of stakeholder and other occupational pension schemes. There would be merit in exploring what would encourage employers to contribute to stakeholder pension schemes.

Working with the public

An effective communications strategy should underpin Government’s extending working life and Informed Choice policies to ensure that the public have an accurate understanding of policy intent.
First and foremost it is imperative that individuals understand the policy that affects them and the rules and regulations that govern their benefit entitlement:

- that extending working lives is voluntary not compulsory;
- that work can be flexible and part-time;
- that individuals aged 50 plus are not too old to learn new skills;
- that individuals on IB can try work and return to benefit if work proves unsuitable; and
- that older people are not pushing younger people out of the labour market.

The Government’s role in working with the public should focus on awareness-raising, both in terms of opportunities for work and the support mechanisms to help people to remain in, or return to work, (see section above on working with employers concerning flexible working) and in communicating key messages concerning people’s pensions and retirement income, including options about working longer. Clearly, there is a role for the Government to convince people that they ought to take some responsibility for their retirement income. As part of this process, there would be merit in considering savings incentives and removing disincentives to pension saving.

Suggestions made by respondents were as follows:

- removing tax on pension incomes and on income from paid work beyond SPA, which might also encourage individuals to work beyond SPA (thus supporting the extending working life agenda);
- cap National Insurance (NI) post-SPA (respondents making this suggestion were unaware that employees do not pay NI post-SPA); and
- increasing ISA tax-free saving limits for older workers.

Looking first at opportunities for work, the Government will need to build on the expected age discrimination legislation to ensure that discrimination against older workers is eradicated. The Government needs to ensure that case-study examples of employers who welcome older workers (such as B&Q), to combat some people’s perceptions of a lack of opportunity for older people are made available to people aged 50 plus who want to work. Assuming that there is a business case for flexible working, the Government needs to provide information to older workers about their rights within the workplace to negotiate flexible working terms with their employers. This advice should be communicated through a range of different stakeholders such as GPs, Jobcentre Plus, Citizens Advice Bureaux and voluntary interest groups, such as Age Concern.
Working with financial institutions

There is a clear role for the Government in regulating the pensions sector, in particular:

- addressing how best to protect individuals’ investments in personal and occupational pension schemes; and
- providing a legislative framework that facilitates portability and security in personal pension schemes, also to protect individuals.

8.6.2 Recommendations for Jobcentre Plus

There is a role for the Department in providing general labour market information. Such information needs to outline:

- sectors and occupations facing skill shortages, plus details of support for appropriate training for those aged 50 and over to meet these needs;
- work opportunities for people aged 50 plus – such information should also challenge the preconception (for some) that work is full-time and permanent; and
- available support for those considering self-employment.

It is imperative to make labour market information available to people outside the labour market who want to work, irrespective of benefit status. A key challenge for Jobcentre Plus is how to identify people on inactive benefits who want to work, and how to work with them to help them back into employment. However, there is a group for whom work is not an option, as evidenced in the Pathways to work Green Paper. Those in this group need to be sensitively handled, to ensure that they are not placed under undue pressure.

There would be merit in Jobcentre Plus:

- increasing awareness of, and access to, occupational health and vocational rehabilitation services, to improve employees’ ability to undertake alternative work;
- increasing awareness among Jobcentre Plus staff, and individuals, of the flexibility offered in Jobseekers’ Agreements and of support that can be provided to help people to overcome barriers to work;
- briefing Personal Advisers at Jobcentre Plus to emphasise the advantages of welfare to work measures such as permitted work, benefit protection (linking rules) and ensure that these schemes are communicated to IB customers;
- encouraging Personal Advisers and other government staff in contact with IB claimants and out-of-work people to be more proactive in encouraging those on IB to consider training and other work-related activity;
• making information on eligibility (through incapacity) for employment programmes, financial incentives, welfare-to-work provision and other interventions more accessible to the public; and

• ensuring access to in-work benefit calculations, particularly for IB customers and carers.

In terms of enhancing the support available to older workers, there would be merit in the Department considering:

• partnership working with the Department for Education and Skills (DfES) as a means of delivering an integrated service offering advice, guidance and access to personal development opportunities for older workers, similar to that of Connexions/Young People’s Partnerships (in Wales). A key feature of such a service could be to provide profile assessments of individuals’ skills and opportunities;

• methods to engage with customers and address confidence and motivation barriers, so that work becomes a possibility again; and

• finding ways to communicate and engage with older working-age customers so that they can make informed decisions on work-related options and be encouraged to take steps for a return to work.

The Department’s communication strategy will be vital in underpinning all these recommendations. Communication topics should focus on:

• work – providing information about Jobcentre Plus services, employment programmes and training to help people to enter work, and other provisions to help people to extend their working lives; and

• pensions – helping people with financial planning, providing financial advice to make informed pension decisions, and helping people to extend their working lives.

Specific communication effort should focus on:

• developing better communications and marketing of training opportunities to support people so that they can remain in work and/or return to work (e.g. the training aspects of New Deal 50 Plus, employment programmes, work-based learning for adults and local Learning and Skills Council provision); and

• developing clearer communications around the extending working life agenda, to combat widespread misunderstanding of the concept as a compulsory extension of SPA (e.g. to age 70) rather than a means of encouraging labour market activity in people aged 50 plus.

In developing future communications, the Department should:

• communicate on a regular basis, including communications to raise the profile – be ‘seen’ to communicate;
• employ clear and simple language and avoid or explain all jargon and terminology;
• capitalise on public trust in their communications;
• employ mixed modes for delivery including telephone, internet, and Digital interactive television (DiTV);
• foster tailored and personalised communications – messages should meet individuals’ complex needs; and
• make information and guidance accessible for all – including ensuring Disability Discrimination Act compliance and addressing minority ethnic language needs.

8.6.3  Recommendations for The Pension Service

The Pension Service needs to find ways of communicating information to people who are outside the labour market. Indeed, one option is to provide pension information to individuals via Jobcentre Plus.

Like in work benefit calculations, the proposed DWP web based retirement planner is a welcome development to provide people with the opportunity to look at their accumulated and projected pension rights. The effectiveness of this tool, of course, will need to be monitored.

The Pension Service needs to develop communications to raise awareness of its name, and its services, and communicate around relevant pensions policy areas to people below SPA as outlined above (see Section 8.2.2).

8.7  Further research

The research highlighted a number of different issues that require further research as follows:

• there is a need to understand employers’ views of older workers and the working relationship between employers and older workers. Indeed, such research needs to explore:
  – whether employers understand the business case for Government to actively encourage flexible working for people aged 50 plus: its commercial viability and employers’ and individuals’ views on the benefits and barriers to flexibility;
  – what measures would encourage employers to retain older workers, and indeed for those who have helped encourage workers to remain in work why they adopted this approach and what steps they have taken to allow this to happen;
  – what measures would encourage individuals to remain in work to and beyond SPA; and
  – the role for Government and other organisations (Jobcentre Plus, Trade Unions) in facilitating flexible working;
• research with individuals (across all working age groups) on their attitudes towards retirement saving and on the concept of a government-managed pension scheme would be beneficial. The research would need to explore:
  – what would encourage people to save and indeed save at an earlier age;
  – what discourages people to save; and
  – their views on the various options e.g. NI, Pay As You Earn (PAYE), compulsory savings.
Appendix A
Methodological Annex

Research processes: Sampling, fieldwork organisation and research tools

This section provides a more detailed account of the research process including details of sample selection, recruitment and research tools used.

In-depth interview sample details

The programme of in-depth interviews was targeted in three fieldwork areas; Newcastle, Christchurch and East Dorset and Walsall. The fieldwork areas were selected according to the following criteria:

- **Newcastle**: Urban, predominantly working class, with long standing high unemployment, likely to contain a large number of working age residents claiming IB.

- **Christchurch and East Dorset**: Rural, affluent, containing a working/non-working population, including people who have taken voluntary retirement.

- **Walsall**: Suburban, containing a mix of working/non-working population with low to medium income.

Tables A.1-A.3 below set out the demographic characteristics of the sample areas. This data was used to help select the fieldwork areas, for example by highlighting higher levels of IB claimants in Newcastle.
Table A.1  Demographic characteristics

<table>
<thead>
<tr>
<th></th>
<th>Population</th>
<th>Pop 50+</th>
<th>IB (Aug 2000)</th>
<th>IB %</th>
<th>IB 50+</th>
<th>% IB over 50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newcastle</td>
<td>259536</td>
<td>80121</td>
<td>17030</td>
<td>7%</td>
<td>7910</td>
<td>10%</td>
</tr>
<tr>
<td>Christchurch</td>
<td>44865</td>
<td>22466</td>
<td>1105</td>
<td>2%</td>
<td>625</td>
<td>3%</td>
</tr>
<tr>
<td>East Dorset</td>
<td>83786</td>
<td>40198</td>
<td>1435</td>
<td>2%</td>
<td>885</td>
<td>2%</td>
</tr>
<tr>
<td>Walsall</td>
<td>253499</td>
<td>86546</td>
<td>11435</td>
<td>5%</td>
<td>6190</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: Census of Population 2001, ONS; Benefit Scan 2000, DWP

Table A.2  Production industries and occupation

<table>
<thead>
<tr>
<th></th>
<th>No. production industries</th>
<th>per cent in production</th>
<th>No. low level occupation</th>
<th>per cent lower level occupation</th>
<th>Av. Wk earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newcastle</td>
<td>18565</td>
<td>18%</td>
<td>49939</td>
<td>19%</td>
<td>391.79</td>
</tr>
<tr>
<td>Christchurch</td>
<td>3986</td>
<td>22%</td>
<td>6191</td>
<td>14%</td>
<td>537.42</td>
</tr>
<tr>
<td>East Dorset</td>
<td>9271</td>
<td>25%</td>
<td>10219</td>
<td>12%</td>
<td>599.12</td>
</tr>
<tr>
<td>Walsall</td>
<td>36774</td>
<td>35%</td>
<td>59696</td>
<td>24%</td>
<td>404.95</td>
</tr>
</tbody>
</table>


Table A.3  Employment and housing tenure

<table>
<thead>
<tr>
<th></th>
<th>Employment/unemployment</th>
<th>Housing tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employment Rate (50+)</td>
<td>Total unemployed 50+</td>
</tr>
<tr>
<td>Newcastle</td>
<td>36.1</td>
<td>241</td>
</tr>
<tr>
<td>Christchurch</td>
<td>N/A</td>
<td>78</td>
</tr>
<tr>
<td>East Dorset</td>
<td>31.5</td>
<td>107</td>
</tr>
<tr>
<td>Walsall</td>
<td>40.2</td>
<td>963</td>
</tr>
</tbody>
</table>

Source: Local Area Labour market Survey 2002, ONS; Census of Population 2001, ONS

A set of recruitment criteria for respondents was established and agreed with the Department for Work and Pensions in advance of recruitment. Respondents were purposively selected to reflect a wide and diverse range of socio-demographic characteristics, including work and pensions situations:

- people in work aged 50-69;
- people aged 50-69 who were economically inactive, such as people with health conditions (particularly those on IB) and those looking after home or family or with caring responsibilities;
- retired people aged 50-69.
The sample was also designed to ensure adequate representation of the following socio-demographic factors:

- gender;
- age;
- marital status, including people who were single, divorced or widowed;
- income level and source;
- occupational type;
- caring responsibilities;
- receipt of Incapacity Benefit.

The sample was selected using a screening questionnaire to reflect the agreed range of characteristics outlined above. Specifically, the in-depth interview sample included 30 working respondents and 41 non-working respondents.

Participants in the depth interviews were given a £25 thank you for participating in the study.

Table A.4 below sets out the detailed characteristics for the target sample for the in-depth interviews.

**Table A.4  Target Characteristics for Sample**

<table>
<thead>
<tr>
<th>Sample in work achieved n=30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aged 50-69 in work:</td>
</tr>
<tr>
<td>- Working age:</td>
</tr>
<tr>
<td>- Gender</td>
</tr>
<tr>
<td>- Household structure</td>
</tr>
<tr>
<td>- Household characteristics</td>
</tr>
<tr>
<td>- Health problems / disability (self or other household member)</td>
</tr>
<tr>
<td>- Caring for family member</td>
</tr>
<tr>
<td>- Income level</td>
</tr>
<tr>
<td>- Income source</td>
</tr>
<tr>
<td>- Full time or part time worker</td>
</tr>
<tr>
<td>- Employee or self-employed</td>
</tr>
<tr>
<td>- Occupation</td>
</tr>
</tbody>
</table>

Continued
### Table A.4  Continued

#### Sample in work achieved n=30

- State Pension age and above
  - Gender
  - Household structure
  - Household characteristics
    - Health problems/disability (self or other household member)
    - Caring for family member
  - Income level
  - Income source
  - Full time or part time worker
  - Employee or self-employed
  - Occupation

#### Sample not in work achieved n=41

Aged 50-69 not in work:

- Working age – economically inactive:
  - Gender
  - Household structure (single/couple)
  - Income (level and source)
  - Previous occupation
  - Characteristics of inactivity (we assume that survey participants will display one or more of the following characteristics)
    - Health problems/disability (self)
    - Caring for family member (formal / informal)
    - Looking after home/family
    - Labour market barrier (i.e. on JSA hence actively seeking work)
    - Retired – voluntarily / involuntarily

- State Pension age and above:
  - Gender
  - Previous occupation
  - Household structure (single / couple)
  - Household characteristics
    - Health problems/disability (self or other household member)
    - Caring for family member
    - Income level
Focus groups sample detail

The focus groups followed on from the depth interviews. The focus groups were designed to include a working and a non-working group in each of the three areas. The groups included people claiming Incapacity Benefit as well as people with reasonable and limited incomes and a group that were in work with ill-health or disabilities.

In particular, we chose an ‘In work with limited income’ for Christchurch and East Dorset to capture the labour market diversity in a typically affluent area e.g. to explore the possible impact of deprived coastal areas. Similarly in Newcastle we wished to capture those that were of reasonable income in a more deprived area. The Incapacity Benefit group was held in Newcastle as it was the area with the highest number of IB claimants.

The composition of the ‘In-work with Disability/ health problems’ group was recruited by asking people during screening to select from a list of three named health conditions or the option of ‘other health condition’. A free-finding method of street interception was used to recruit this group. The three broad categories were cardiovascular, skeletal/muscular and mental health. A well-balanced representation from all three categories was achieved for the focus group.

In each group there was a representative mix of gender, age and single people and people in couples. Each group was selected according to similar attributes so that the groups had commonality. This is known to aid and facilitate discussion. However at the same time, each group covered a range of characteristics such as age, gender and household circumstances. The groups were sensitively handled to ensure that participants would not feel uncomfortable, for instance separating those that were on IB from those with a health condition but working.

Focus group participants were given a £30 thank you for participating in the study.

Fieldwork Practice

Recruitment

Plus Four, an independent fieldwork recruitment agency, was subcontracted to recruit respondents for both in-depth interviews and focus groups. Plus Four’s preferred method of sampling for this study was door-to-door using a custom-designed screening questionnaire to identify respondents with the desired characteristics for the research. This was supplemented by ‘free-finding’ recruitment using street intercepts.

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32 Limited income under £10,000, Reasonable income over £20,000.
33 No conclusions were drawn about this issue.
Secondly, the DWP supplied contact details for a random selection of IB claimants within the three areas. DWP wrote to all the IB claimants and offered them the opportunity to opt out of the research, then Plus Four used telephone recruitment to recruit the sample.

A small sample was initially recruited to take part in a pilot phase. This phase was used to test the research and recruitment tools.

ECOTEC worked closely with Plus 4 throughout the recruitment process ensuring that we had a diverse sample, this was done by using the screening questionnaire. Recruitment was monitored by setting out a sample framework that needed to be completed by Plus 4. Quotas by age and gender were set as targets. Specifically, the focus group for those in work with ill health there was a quota recruitment target to get a balance between cardiovascular, musculo-skeletal and mental health problems. Monitoring sheets were sent to DWP to ensure that the sample fitted the requirements of the study.

**In depth interviews**

The in-depth interviews were conducted by an experienced team of researchers. All interviews were conducted face to face in the respondents’ homes. Interviews were tape-recorded and transcribed to be used in data analysis. In a few cases researcher notes were used if the tape recording quality had been poor.

The in depth interviews covered the following areas:

- factual information;
- extent of participant’s labour market activity;
- health problems and disabilities;
- caring responsibilities;
- JSA customers and others who are looking for work;
- views on employment training, support and work after state pension age;
- future plans for retirement (only for non-retired);
- retired participants.

In total the fieldwork achieved 71 interviews. Table A.5 sets out the structure of the achieved interviews by fieldwork area.
Table A.5  Structure of achieved interviews by fieldwork area

<table>
<thead>
<tr>
<th>Fieldwork Area</th>
<th>No. Working</th>
<th>No. Non-working</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newcastle</td>
<td>10</td>
<td>14</td>
<td>24</td>
</tr>
<tr>
<td>Christchurch and East Dorset</td>
<td>11</td>
<td>12</td>
<td>23</td>
</tr>
<tr>
<td>Walsall</td>
<td>9</td>
<td>15</td>
<td>24</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>30</strong></td>
<td><strong>41</strong></td>
<td><strong>71</strong></td>
</tr>
</tbody>
</table>

The following table sets out the detailed characteristics of the achieved sample of in-depth interviews, based on the data collected during interview. It must be emphasised that the working/non-working status of individuals was self-reported. The numbers do not sum to 71 in all cases, because some respondents fitted into several categories.

Table A.6  Characteristics of achieved in-depth interview sample

<table>
<thead>
<tr>
<th>Fieldwork Area</th>
<th>In work</th>
<th>Not in work</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Newcastle</td>
<td>Working age: 7</td>
<td>Working age: 7</td>
<td>SPA and above: 3</td>
</tr>
<tr>
<td>Walsall</td>
<td>Working age: 9</td>
<td>Working age: 13</td>
<td>SPA and above: 0</td>
</tr>
</tbody>
</table>

Focus groups

The purpose of the focus groups was to further explore and validate findings from the in-depth interviews. The focus groups were also designed to cover topics that the in-depths had not covered, in particular ‘What can the government do?’ A debrief with the researchers and the DWP allowed us to discuss key themes and identify areas that needed further exploration.
Focus Groups were conducted by two ECOTEC researchers; one facilitated the focus group the other took notes and ensured that the groups were properly recorded.

Each focus group lasted approximately two hours, not including time for introductions, refreshments and to pay incentives and expenses at the end of the session.

Focus groups were held in local hotels, three out of six were observed by DWP staff to offer them an insight into how fieldwork was progressing and the gain an understanding of the issues that people were raising.

The three main areas for further exploration were differences between:

- varying income levels; limited and reasonable income;
- impact of health (IB claimants and those with health problems who continued working);
- working and retired people.

The focus group discussion centred on the following five subject areas, agreed in advance with the DWP:

- role of work;
- disengaging with the labour market;
- re-entering/ continuing/ sustaining work;
- financial Security - Household financial decision making;
- what people thought the government could do, including communication issues and policies to support extending working lives.

Table A.7 lists the location and composition of the focus groups.

Table A.7 Composition and location of focus groups

<table>
<thead>
<tr>
<th>Location</th>
<th>Group type</th>
<th>No of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group 1 Newcastle</td>
<td>In work, with reasonable income&lt;sup&gt;1&lt;/sup&gt;</td>
<td>8</td>
</tr>
<tr>
<td>Group 2 Newcastle</td>
<td>Out of work, on IB</td>
<td>8</td>
</tr>
<tr>
<td>Group 3 Christchurch and East Dorset</td>
<td>Working, with limited income</td>
<td>9</td>
</tr>
<tr>
<td>Group 4 Christchurch and East Dorset</td>
<td>Retired, with reasonable income</td>
<td>8</td>
</tr>
<tr>
<td>Group 5 Walsall</td>
<td>In work, with disability/ill-health</td>
<td>11</td>
</tr>
<tr>
<td>Group 6 Walsall</td>
<td>Retired, with limited income</td>
<td>8</td>
</tr>
</tbody>
</table>

<sup>1</sup> The definitions for ‘income’ were as follows: Limited income under £10,000, Reasonable income over £20,000.
Appendix B
Topic guides

The following research tools were used during the research:

- the screening questionnaires;
- the topic guides for the in-depth interviews; and
- the structured guide for the focus group

The tools were all designed and developed by ECOTEC in conjunction with DWP. For the in-depth interviews two topic guides were developed covering all the issues affecting the following groups: working, economically inactive (health and care reasons) and retirement (voluntary and involuntary). For the economically inactive group one topic guide was used although if the interviewee was a carer, rather than someone with health problems, the interview focused on questions to do with family and caring responsibilities.

**Topic Guide: In-depth interviews with non-working participants**

**Aims:**

- Explore the different factors and circumstances (economic, social and personal) associated with people aged 50 plus who leave the labour market before reaching State Pension Age.
- Identify barriers to re-entering/continuing in the labour market and any associated support needs.
- Explore general attitudes towards work.
- Explore participants plans/hopes/aspirations for their retirement and any concrete provision currently in place.
- Explore the basis for participants’ views and attitudes concerning work and retirement decisions.
**Researcher background information**

The briefing note provides an overview of the different pensions available in the UK.

You have also been provided with a short list of useful contact details should the participant require them. Should you have any other queries whilst in the field please phone xxxx on xxxxxxxxx.

This guide covers all interviewees who do not work. It is long, and requires interviewers to think carefully about which sections are applicable, based on information from the screen. The topic guide covers the following parts:

1. Factual information
2. Extent of participant’s labour market activity
3. Health problems and disabilities
4. Caring responsibilities
5. JSA customers and others who are looking for work
6. Views on employment training, support and work after state pension age
7. Future plans for retirement (only for non-retired)
8. Retired participants

It is absolutely imperative that interviewers work out which sections they need to cover before the interview (of course – we recognise that some things might be different) as a good working knowledge of the guide will ensure focused interviews – and there is much information to collect.

**Starting the interview**

Please take 5 - 10 minutes to settle participants and to explain the following:

About the study: ECOTEC is carrying out this study for DWP but we are an independent organisation not attached to The Department.

Issues of confidentiality and anonymity: reassure them that they will remain anonymous and that the information they give us will be put together with information obtained from other participants. Participants will not be identified in any quotes included in the report at the end of the study.

Permission to tape record interview: this is to make sure we capture what is said accurately and that we don’t take up more of their time than is necessary by making notes.

What we want to talk to them about: views and attitudes towards work and retirement, home and caring responsibilities, health, income and savings.

Interview length – up to one hour.
The gift for participation: We will be pleased to give you £25 at the end of the interview. This gift will not affect any State benefits they may be receiving, either now or in the future.

PART I: FACTUAL INFORMATION

By way of introduction please run through the following factual information about the participant (and their partner/wider household – if appropriate). (Interviewer note: some of following information has been asked as part of the screen – so please check accuracy of the information).

If the status of the Participant has changed since recruitment, e.g. from non-working to working, please base the interview on their status at the time of recruitment.

- Marital/Partner Status
- Gender And Age
- Current Status
  - In receipt of State benefits – IB, JSA, statutory sick pay (anything else?)
  - Retired/semi-retired (check what semi retired means to interviewee. If it includes any paid work this topic guide is not appropriate)
  - Carer
  - Householder/looking after family
  - If partner in work (employed/self employed, part time/full time, occupation)
- Dependents and caring responsibilities
- Anyone in the household working
- Last job (respondent, and partner if not currently in work)
  - Occupation(s)/hours worked
  - Full-time/part-time
  - Employed/self-employed
  - Temporary/permanent
  - Time served
  - Why no longer working
- Education, skills and any recent training

Income (under £10,000, £10,000 -£20,000, £20,000 -£30,000, over £30,000+)
check self, partner and household
PART II: EXTENT OF PARTICIPANT’S LABOUR MARKET ACTIVITY.

Self classification of labour market situation

- Perceptions of self – do they consider themselves as (explore why they say what they say NB you should already have an idea from part i of what they consider themselves to be, this section is to explore why they classify themselves as they do. Specific questions about disability, health, injury caring and JSA receipt are included later in the guide.):
  - Without work
  - Between jobs
  - Retired
  - A carer
  - Semi-retired (if in any paid work this topic guide is not appropriate)
  - Sickness
  - Disability
  - Injury
  - Householder/looking after family

Previous work (NB later sections cover specific issues about ill health, injury disability and caring)

Check with respondents about:

- Work history for number of jobs they have had, whether f/t, p/t, self-employed or casual, and any breaks in employment – need to know about continuity or otherwise of employment – and when last worked.

- Do respondents consider that throughout their life they have mainly been in steady jobs, self-employment, part-time jobs, casual or short term work, unemployed, or in and out of work several times.

- Check same work history for partner, if applicable.

PART III: HEALTH PROBLEMS AND DISABILITIES

To ask participants claiming incapacity benefit, and those participants who identified health problems/disabilities when screened.

Nature of health problems/disabilities.
Ask participants:

- To describe the nature and history of their health problem(s)/disability(ies):
  - Check what the problem/injury/illness/disability is:
    - Is it physical and/or mental?
    - Has problem/injury/illness/disability changed over time?
    - What problem/injury/illness/disability means for day to day living (i.e. What can they/can’t they do)?
  - Duration of injury/illness(es)/disability(ies)
  - Whether the injury/illness/disability permanent or curable in time
  - Explore origin of the problem(s):
    - Work related injury
    - Illness
    - Medical problem
  - Did they stop work because of health problem(s)/disability(ies)?
  - Any work related disciplinary action regarding disabilities that have got worse, e.g. MS

- With hindsight, is there anything that could have been done to help them remain in work:
  - Check what
  - Support from whom

**Impact on ability to work/desire to work**

- What it is about the illness(es) or disability(ies) that affects the types of work they can do.

- What advice they received about work:
  - From their GP
  - Other health professionals
  - Partner
  - Family, friends
  - Employer (any associated actions – e.g. Working conditions and duties)

- The consequences their illness(es)/disability(ies) have had on their ability and/or desire to enter or sustain work
  - Any sense of obligation to return to work
  - Do they feel able to work
- If retired, any desire to return to work? (nb this question is included here because if the respondent is retired and doesn’t wish to return to work some of the following questions will not be relevant)
- Would they like to go back to their previous job
- Would they consider taking a different job more suitable to their circumstances
- What barriers would they face in returning to work
- Do they choose not to work

• If return to work (either now or in the future) is an option:
  - How likely do you think it is that you will return to work?
  - What support would be needed from employer, health professionals, family
  - Would they need training to update their work skills
    - What would be helpful
    - How best delivered
  - What would be their key reasons for returning to work
    - Financial
    - Pride
    - Sense of fulfilment
    - Health

• Have they tried to find a job
  - What happened – describe experiences
  - Any training needs specific to disability/illness/injury identified – what and why
  - Any discriminatory practices – what and why
  - Any back to work support
    - Nature of support
    - How/where they accessed it
  - How does previous job search affect current attitudes towards seeking work and work options (check for discrimination – perceived or actual - of any type)
  - If none, with hindsight, would back to work support or a knowledge of the support available be helpful. If so, what?

PART IV: CARING RESPONSIBILITIES

Interviewer note: this section is for interviewees who identified caring responsibilities at the start of the interview.
Scope and history of caring responsibilities

Ask participants to describe the scope and history of their caring responsibilities

- Who they care for – partner/child(ren)/grandchildren/parents/in laws/neighbours/friends NB participants may be caring for more than one person:
  - Age they started caring
- Nature of care provided – what is involved
- Are you paid for your caring role?
- How long they have been in the caring role
- Anyone else shares the caring role - social services, health authority, family and friends (check division of labour/responsibilities)

Caring and work options/choices

- Have they ever combined work with care in the past:
  - If so, what support available to them – other family members, employers attitudes and flexible work conditions, other
  - Explore why they are no longer working
  - What worked and what didn’t work about combining work with caring role
    - Positive and negative effects for interviewee
    - Positive and negative effects for person receiving care
    - Anything that could have been done to help combine work and care
    - Whether they want to work in the future
    - Explore their knowledge of what support is available for carers
- Would they like to work/return to work and what would be the perceived benefits
- How would a job fit in with their other responsibilities
- What would be the benefits of working

PART V: JSA CUSTOMERS AND OTHERS WHO ARE LOOKING FOR WORK

Ask participants about

Any barriers faced in sustaining previous jobs:

- What help and support would resolve these?
- What help and support have they received in the past, e.g. Training:
  - How they came to be without work
- Duration/frequency of unemployment (current spell)
PART VI: VIEWS ON EMPLOYMENT, TRAINING, SUPPORT AND WORK

Interest in and awareness of work opportunities (NB for some people these questions will be repetitive and if so can be left out.)

Ask for participant’s views on employment:

Explore general attitudes to extending working lives, gradual and full retirement, including

- Availability of work for 50 plus group
- About their employment expectations both now and in the future:
  - What would help fulfil their expectations
  - About why they work
- Views on longer working lives:
  - Personal views - what it means to them
- Whether they want to return to work and if not why not:
  - Type of job – occupation/sector
  - Full time/part time
  - Temporary/permanent
  - Self employed
  - Paid/voluntary
  - Income level
- If they are looking for a job, what type (and what help to find work – note questions about Jobcentre Plus are outlined below in section on knowledge about support available to find work)
- What conditions are required to make work an option or encourage people to work (note state benefit disincentives could be an issue):
  - Check training needs – what and why
  - The benefits of different working patterns – different hours, home working or different duties
- Explore views on barriers to finding (and sustaining) work

Alternative employment opportunities and training

- Explore:
  - New work options – would they be interested in doing something different – what and why
  - Views on retraining
• Views on training in general:
  – Updating existing skills
  – Learning new skills
  – Retraining from scratch

Knowledge about the support available to find work
• Explore knowledge of services/benefits available to help and support transition to work and/or to extend working life and ways of finding out about these
• ND 50 plus
• ND for the disabled
• Carers allowance
• Awareness of back to work support - tax credits etc
• Any support from Jobcentre Plus have they received and from whom:
  – Work related advice and support
  – Training/retraining opportunities
  – What support might they expect from family, partner and friends

PART VII: FUTURE PLANS FOR RETIREMENT (ONLY FOR NON-RETIRED)
• Is retirement something they have planned for or thought about? (nb people may have planned unconsciously and if this is identified they should be asked the ‘plans in place’ question.:
  – If no plans
    – Reasons why not
    – Any reference to past self-employment and related issues to planning
    – Any plans to address this now or in the future
    – Even if haven’t planned have they thought about the issue?
    – If planning is a future activity – who will be involved (probe for partner involvement if appropriate and external sources)
    – Views on expected retirement income and associated lifestyle implications, at both household level and individual (check in relation to current lifestyle)
If plans in place
  - What are they
  - Why did they start planning
    - Look for triggers
    - Check whether decision was conscious
    - Whether planning was active or passive
    - Associated with job change and/or occupational pension
    - Associated with partners plans/job status/income
  - What information did they use to inform the planning process
  - When did they start planning for retirement
  - Who are they planning for (self and/or partner/household)
  - Timeframe for retirement plan e.g. 10, 20, 30 years
  - Knowledge of expected retirement income and associated lifestyle implications (check in relation to current lifestyle) (nb financial questions follow this section)
  - Satisfaction with retirement plans - anything needed to increase satisfaction
    - what and from whom
  - Did retirement planning change behaviour in any way (start saving, reduce debt)

- Expectations of family support in retirement – financial/in kind – from whom
- Explore relative importance of the following factors in retirement plans/decisions/thoughts about when to retire? Check what and why:
  - Partner age/work status
  - Health and disability (self and partner)
  - Caring responsibilities
  - Leisure time/activities outside work
  - Financial situation individual/household
  - Receipt of a pension from an employer
  - Age (absolute and relative to SPA), eg did a person have an expectation that they would retire at a certain age?
  - Was a person’s ‘right’ to retire an influence
FINANCIAL PROVISION FOR/IN RETIREMENT

Interviewer note: refer back to income when discussing financial provision (self, partner and household, as appropriate). If relationship breakdown mentioned, explore - what this means in practice, in what way and how it affects financial arrangements:

- What, if any, financial provision do participants/households have for retirement? (note – when using the following prompts look to see if participants have an understanding of the income they and their household will be receiving in retirement. This can be as detailed as the participant is able to explain. For example, one person may have knowledge about expected weekly income whereas another may only know an approximate annual figure, or have no idea at all. The prompts should not be used as a list of questions but as a prompt to capture anything people don’t discuss.):
  - Pensions
  - State (check importance of state – is it participant’s only expected source of retirement income?)
  - Serps
  - Stakeholder
  - Occupational – own/partners (is it defined contribution or defined benefit?
  - Private
  - Private income
  - Pension credit
  - Savings
  - Assets
  - Other (probe what)
  - Have they taken steps to find out more about any of these, eg requesting a pension forecast?
  - Have they found out about possible benefit entitlements?

- Of the above, which will provide main income

- Knowledge of anticipated weekly/monthly/yearly income from these sources (see note above):
  - If known
    - How did they find out
  - If not known - have they thought about finding out (do they know who to ask)

- Have they found out about what other financial support the government provides (pension credit, housing benefit, council tax benefit)
• Do they have any other plans for funding their retirement (e.g. Selling their house and moving to a smaller one, equity release, selling a business)

• How important are current finances, savings and debt (including mortgage) in the retirement decision

• Based on the discussion how do they feel about the following:
  – Monies available to support their retirement
  – Knowledge and understanding of their retirement income sources
  – Where to find further information about retirement income

Views on retirement planning
• With hindsight:
  – Did you start planning (and saving) for retirement early enough
  – What factors should other people consider when planning their retirement
  – What needs to be taken into account
  – How the reality of their current situation matches their expectations:
    – Satisfaction with retirement plan in practice
    – Relationship between actual and expected income
    – Any lifestyle changes
    – Anything needed to increase satisfaction
    – Any consideration given to returning to work (only ask if worked previously)
    – Any consideration of working for the first time

• What existing services do they know about that assist them in planning for retirement e.g. The pensions service, and ways of finding out about services that can help.

• What types of services would people approaching retirement age like to receive?

What would you have done differently/what help would you want?

PART VIII: RETIRED PARTICIPANTS (ONLY FOR RETIRED INTERVIEWEES)

Being retired
• What does being retired mean to them and their situation and in what ways
• What activities are they involved in now they are retired
• How do they spend their time (probe, voluntary work)
The retirement process

- When did they retire:
  - Did they retire before or after state pension age
  - Deferring state pension on expected retirement age (did they know they could do this?)

- Why did they retire:
  - Was it a conscious decision – can they explain why
  - Reasons why retired (when they did) – explore interaction of factors with the timeframe for decision
    - Voluntary/involuntary
    - Social
    - Family – check role of partner (e.g. Matching retirement timing)
    - Redundancy
    - Cultural/community
    - Health, disability, sickness, injury (check – chronic or otherwise)
    - Caring responsibilities (any change in caring responsibilities)
    - ‘expected’ (reached state pension age)
    - Economic reasons

- Whether availability of more flexible/gradual working practices would have made a difference to their retirement decision/actions:
  - Check why/why not

Financial provision

- What steps have they taken to ensure they have enough to live on.

- What financial provision do participants/households have for retirement?
  - Pensions
    - State (check importance of state – is it participant’s only expected source of retirement income?)
    - Serps
    - Stakeholder
    - Occupational – own/partners
  - Private
  - Private income
  - Savings
– Assets
– Other (probe what)
– Of the above, which provides the main income source
– Knowledge of weekly income from identified sources
– Whether retirement income met expectations
  – Were they prepared for retirement, if not why not, and did their retirement income come as a shock to them

Other support and assistance
• Awareness of any other support for pensioners that the government provides
• Knowledge about entitlement to other state benefits

Views on retirement planning
• With hindsight:
  – Did you start planning (and saving) for retirement early enough
  – What factors should other people consider when planning their retirement
  – What needs to be taken into account
  – How the reality of their current situation matches their expectations
    – Satisfaction with retirement plan in practice
    – Relationship between actual and expected income
    – Any lifestyle changes
    – Anything needed to increase satisfaction
    – Any consideration given to returning to work (only ask if worked previously)
  – Any consideration of working for the first time

What would you have done differently/what help would you want?

Closure
Thank participant and give them the incentive. Allow time to talk about how interesting their story was and time for them to adjust to the fact that the interview has ended. Please do not rush this process.

Interviewer’s impressions
When you have left please take a couple of minutes to record (at the end of the tape) your overall impression of the participant’s current situation and anything interesting and relevant you may have picked up on that wasn’t formally discussed.
Topic Guide: In-depth interviews with working participants

Aims:
- Explore the different factors and circumstances (economic, social and personal) that enable people aged 50 plus to work
- Identify supportive factors and any barriers to the sustainability of employment
- Explore participants’ plans/hopes/aspirations for their retirement and any concrete provision currently in place
- Explore the basis for participants’ views and attitudes concerning work and retirement decisions

Researcher background information
The briefing note provides an overview of the different pensions available in the UK.

You have also been provided with a short list of useful contact details should the participant require them. Should you have any other queries whilst in the field please phone xxxxx on (xxxxxxxx)

Starting the interview
Please take 5-10 minutes to settle participants and to explain the following:
- About the study: ECOTEC is carrying out this study for DWP but we are an independent organisation not attached to the department
- Issues of confidentiality and anonymity: reassure them that they will remain anonymous and that the information they give us will be put together with information obtained from other interviews. Participants will not be identified in any quotes included in the report at the end of the study.
- Permission to tape record interview: this is to make sure we capture what is said accurately and that we don’t take up more of their time than is necessary by making notes
- What we want to talk to them about: work, health and caring and retirement plans, including income and savings
- Interview length – up to one hour
- The gift for participation: we will be pleased to give you £25 at the end of the interview. This gift will not affect any state benefits they may be receiving, either now or in the future.
PART I: FACTUAL INFORMATION

By way of introduction please confirm the following information about the participant (and their partner/wider household – if appropriate) collected during the screen. *(interviewer note: some of this information has been asked as part of the screen – so please confirm rather than ask)* if the status of the participant has changed since recruitment, e.g. From working to non-working, please base the interview on their status at the time of recruitment.

- Marital/partner status
- Gender and age
- Dependants and caring responsibilities
- Anyone in the household working
- Respondent and partner’s current job (if partner has no current job ask about their last job):
  - Occupation(s)/hours worked
  - Full-time/part-time
  - Employed/self-employed
  - Temporary/permanent
  - Time served
- Identify any health problems affecting their work
- Education, skills and any recent training
- Income (under £10,000, £10,000 – £20,000, £20,000 – £30,000, over £30,000+)
  - check self, partner and household

PART II: EMPLOYMENT

Current and previous work (NB. later sections cover specific issues about ill health, injury disability and caring).

Check with respondents about:

- Work history for number of jobs they have had, whether f/t, p/t, self-employed or casual, and any breaks in employment – need to know about continuity or otherwise of employment
- Do respondents consider that throughout their life they have mainly been in steady jobs, self-employment, part-time jobs, casual or short term work, unemployed, or in and out of work several times.
- Check same work history for partner, if applicable

Check who is the main earner in terms of the highest salary/wages
**Labour market mobility**

If participant has changed jobs in the last twelve months:

- Explore why changed jobs and/or relocated e.g. Financial, better job security, ill health and so on
- Anyone else involved in making the decision to change jobs/relocate – explore:
  - Household/partner
  - External – employer, Jobcentre Plus, any other organisation
  - How other parties helped or hindered
- Any plans to change jobs and/or relocate:
  - What
  - Why
  - Pros and cons of job change (at this point in time)

Ask participants about:

- Access to training at work – what, why and at whose request
- Access to external training – what, why and at whose request
- Barriers to training – what, why and who says (self or employer)

**Work - opportunities for the over 50s**

Explore participant’s views (and why their views are as they are):

- Opportunity and availability of work for 50 plus group (age issues/labour market issues)
- Job security, and what this means for them
- About their employment expectations both now and in the future:
  - What would help fulfil their expectations
- About why they work:
  - Whether work is a choice or a necessity – social and/or financial reasons
- Views on longer working lives:
  - Personal views - what it means to them
- What existing services do they know about that assist them in planning for retirement e.g. The pensions service, and ways of finding out about services that can help
- What types of services would people approaching retirement age like to receive?
PART III: HEALTH, DISABILITY AND CARING RESPONSIBILITIES – POTENTIAL BARRIERS TO WORK?

Health and disability

If health problems or disabilities mentioned (self or partner). Ask participants:

- To describe the nature and history of the health problem(s)/disability(ies):
  - Check what the problem/injury/illness/disability is
  - Is it physical and/or mental
  - Explore origin of the problem(s)
  - Work related injury
  - Illness
  - Medical problem
  - Identify primary problem/injury/illness/disability
  - Has problem/injury/illness/disability changed over time
  - What problem/injury/illness/disability means for day to day living (i.e. What can they/can’t they do)
  - Duration of injury/illness(es)/disability(ies)
  - Whether the injury/illness/disability permanent or curable in time

- Is there anything about the illness(es) or disability(ies) that affects the type of work they can do:
  - Changes in what work they do (what and why)
  - Changes in employment terms and conditions
  - If changes made – at whose request – self or employer (how does this make them feel)
  - Any work related disciplinary action been taken against respondent with degenerative health/disability, e.g. MS

- What advice they received about work:
  - From their GP
  - Other health professionals
  - Partner
  - Family, friends
  - Employer (current or previous) - any associated actions – e.g. Working conditions and duties
• If changed jobs, anything more previous employer could have done to help them remain in their previous job (check what):
  – The consequences this has had on their ability to enter and sustain work
  – Check next steps to find work (probe for support from health professionals, Jobcentre Plus, other support services, partner, family and friends)
  – Describe job search experience
  – Any barriers to finding work
  – Any discriminatory practices
  – Any training needs specific to disability/illness/injury identified and/or received (note – further questions outlined in section on labour market mobility)
  – Support from whom
  – Any back to work support – what and from whom
  – If none, with hindsight, would back to work support be helpful. If so, what?

Caring responsibilities
• If caring responsibilities mentioned explore:
  – Nature of caring responsibilities – who they care for (eg partner, parent, children, grandchildren, family friend) nb participants may be caring for more than one person
  – Age they started caring
  – Combining work and care – conscious or unconscious decision?
  – Who involved in the decision to combine care and work – e.g. Household, wider family group, social services, employer and so on
  – Whether full time carer’s role was considered – why was this option discounted
  – Any change in employment terms and conditions since started caring (what, why, at whose request – self/employer)
  – Any change in what work they do (what and why – whose choice – self or employer)
  – Any worries or concerns about combining work with care – check for positive and/or negative effects on participant or person being cared for
  – Did they receive any help, advice information on dealing with caring responsibilities from external sources
  – Knowledge about state benefits that might support the work/caring combination
  – Knowledge about where they would go for advice and help on work and caring
  – Whether they anticipate altering the work/care balance in the future
PART IV: FINANCIAL PROVISION FOR RETIREMENT AND PLANS TO STOP WORKING

Financial provision

- What, if any, financial provision do participants/households have for retirement? (note – when using the following prompts look to see if participants have an understanding of the income they and their household will be receiving in retirement. This can be as detailed as the participant is able to explain. For example, one person may have knowledge about expected weekly income whereas another may only know an approximate annual figure, or have no idea at all.)
  - Pensions
  - State (check importance of state – is it participant’s only expected source of retirement income?)
  - Serps
  - Stakeholder
  - Occupational – own/partners (is it defined contribution or defined benefit?)
  - Private
  - Private income
  - Pension credit
  - Savings
  - Assets
  - Inheritance
  - Other

prompt using the following:

- Have they taken steps to find out more about any of these, eg requesting a pension forecast?
- Have they found out about possible benefit entitlements?
- Have they found out about what other financial support the government provides (pension credit, housing benefit, council tax benefit)

- Following discussion above, explore main source of income in retirement
- How important are current finances, savings and debt (including mortgage) in the retirement decision
- Has thinking about retirement changed behaviour in any way (start saving, reduce debt) and if yes when
- Expectations of family support in retirement – financial/in kind – from whom
- Do they have any other plans for funding their retirement (e.g. Selling their house and moving to a smaller one, equity release, selling a business)
• How important are current finances, savings and debt (including mortgage) in the retirement decision
• Based on the discussion how do they feel about the following:
  – Monies available to support their retirement
  – Knowledge and understanding of their retirement income sources
  – Where to find further information about retirement income

Plans to stop working

Please note: check for – relationship breakdown and retirement – what does this mean, how does it affect plans and in what way and how does it affect financial arrangements.

• Explore plans/thoughts about scaling back or stopping working (self and partner as appropriate)
• Is retirement something that they have planned for or thought about? (nb people may have planned unconsciously and if this is identified they should be asked the ‘plans in place’ questions):
  – If no plans:
    – Reasons why not
    – Any plans to address this now or in the future
    – Even if haven’t planned have they thought about the issue?
    – If planning is a future activity – who will be involved
• If plans in place:
  – What are they
  – Why did they start planning
    – Look for triggers
    – Check whether decision was conscious
    – Whether planning was active or passive
    – Whether associated with job change and/or occupational pension
    – Associated with partners’ plans, job status or income
  – When did they start planning for retirement
  – What information used to inform the planning process
  – Timeframe for plan (e.g. 10, 20, 30 years)
  – Who are they planning for (self and/or partner/ household)
– Knowledge/views of expected retirement income and associated lifestyle implications (check in relation to current lifestyle)
– Satisfaction with retirement plans - anything needed to increase satisfaction – what and from whom

• Explore importance of the following in participant’s retirement plans/decisions/thoughts about when to retire? Check what and why:
  – Partner age/work status
  – Health or disability (self or partner)
  – Caring responsibilities – present and future
  – Leisure time/activities outside work
  – Financial situation – individual/household
  – Receipt of a pension from an employer
  – Age (absolute and relative to SPA), e.g. did a person have an expectation that they would retire at a certain age?
  – Was a person’s ‘right’ to retire an influence

Transition into retirement
– Is this something they recognise – are they doing it
– Check role of partner in decision to stop work (as appropriate)
– Is retirement transition conscious

• What is transition process:
  – Complete retirement – why is this e.g. View retirement as a reward for working, worked many years
  – ‘semi-retirement’ - working part-time prior to retirement
    – What/why – check for temporary jobs and accessibility of these relative to work history
    – Plan to stay with current employer – what about employers views
    – Rationale/expectations associated with semi-retirement
    – Flexible working – e.g. Working shorter/different hours
    – Nature of work - paid/voluntary work
    – Income expectations (future work linked to semi-retirement and future retirement income)
    – Check perceived importance of money/financial security in semi-retirement, and anticipated sources, e.g. participant and partner if appropriate

• How current job fits relative to future work and retirement
• Views on help, advice and guidance from employers relating to work/retirement
• Views on help, advice and guidance from government and other agencies relating to work/retirement

Hindsight – is there anything you have done differently/what help would you want?

Based on your experiences:
• Do you think that you have started planning (and saving) for retirement early enough
• What information do people need to help them make decisions about when to retire?

Closure
Thank participant and give them the incentive. Allow time to talk about how interesting their story was and time for them to adjust to the fact that the interview has ended. Please do not rush this process.

Interviewer’s impressions
When you have left please take a couple of minutes to record (at the end of the tape) your overall impression of the participant’s current situation and anything interesting and relevant you may have picked up on that wasn’t formally discussed.
Topic guide: Focus groups

INTRODUCTION
Please take 5-10 minutes to settle participants and to explain the following:

- **About the study:** ECOTEC is carrying out this study for DWP but we are an independent organisation not attached to The Department (see aims below).

- **Confidentiality and anonymity:** assure them that they will remain anonymous and that the information they give us will be put together with information obtained from other participants. Participants will not be identified in any quotes included in the report at the end of the study.

- **Permission to record the session:** this is to make sure we capture what is said accurately and that we don’t take up more of their time than is necessary by making notes.

- **What we want to talk to them about:** Current pension issues, extending working lives, continuing working, financial security and what the government might do.

- **Length of Focus Group** – up to two hours.

- **The gift for participation:** We will be pleased to give you £30 at the end of the interview. This gift will not affect any State benefits they may be receiving, either now or in the future.

<table>
<thead>
<tr>
<th>Aims:</th>
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<tbody>
<tr>
<td>To explore how people feel about participating in the labour market beyond 50</td>
</tr>
<tr>
<td>To explore attitudes and capabilities of continuing/sustaining position in the labour market and any associated support needs</td>
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<tr>
<td>To explore how people decide about leaving the labour Market (voluntary and involuntary reasons)</td>
</tr>
<tr>
<td>To identify what barriers people face to re-entering the labour market and what would help them to overcome them.</td>
</tr>
<tr>
<td>To explore the drivers behind saving and planning for retirement</td>
</tr>
<tr>
<td>To identify what the government might do?</td>
</tr>
</tbody>
</table>
Explain ground rules as follows:

- **Participants:**
  - Not to talk over each other
  - Allow everyone a chance to speak
  - Confidentiality within the group – no repercussions
  - Feel free to say what you feel – (within reason – no swearing please)
  - There are no wrong or right answers
  - Interested in a range of views and opinions
  - The purpose is to generate discussion among participants – not a Q+A

- **Moderator and observer:**
  - Moderator role:
    - to move the conversation between participants forward
    - prompt the discussion as appropriate
  - That you may have to interrupt people to ensure everyone gets a chance to talk – so participants should not be offended
  - Explain that the observer is there just to get a feel for what is being discussed not individual views so for the participants not to be put off, check that’s ok with everyone.

**WARM UP (5-10 MINS)**

- Ask participants to write their first names on the name card provided
- Ask participants to say their name, age and something about themselves – either what they’re currently doing or a particular interest

**A – CURRENT PENSIONS ISSUES (15-20 MINS)**

Have you seen anything in the press about pensions or retirement? What are your views about the press coverage on the Pensions Commission report?

**Awareness of the Pensions Commission report**

(Have you heard about the Pensions Commission Report, what have you understood)

Options presented (attractiveness and barriers to solving problems):

- Pensioner poverty (relative to the rest of society)
- Taxes/National Insurance contributions rise (Mandatory savings)
- Savings rise
- Average retirement age rises
Has the Pensions Commission report or other things that people were aware of impacted on:

- how people think about work and/or retirement plans

  e.g.
  - Has it raised concerns OR provided reassurances
  - Have you consciously/ unconsciously ignored it/the whole issue – Why?
  - Has it changed expectations
  - Have they acted upon /do they plan to act upon the findings
    - Stay in work longer
    - Checked pension provision
    - Plans in place, started to plan

*Whose responsibility is it to provide financial security for retirement?*

*Prompt (if necessary):*

- *Self*
- *State*
- *Other*

**B – EXTENDING WORKING LIVES (30 MINS)**

*The role of work*

Facilitate a discussion about what work means to participants:

- Researcher note: Consider the following reasons people might give:

  **Advantages:** (financial, quality of life, independence, self-esteem, social interaction, mental stimulation)

  **Disadvantages:** (Bad health, stress, travelling to work, lack of freedom)

If the Group decides that in general role of work is important
**Working groups**

What motivates you to work?

How important is work to you?

What are the advantages and disadvantages of working?

**In work with disability/health problems**

What motivates you to work?

Any changes in work associated with your health problem/disability?

Any help or support to find/remain in work?

Was there an option NOT to work?

Is sufficient being done by employers to support your health problems/disability?

**Retired groups**

What importance do you place on work in ‘staying active’? (See Advantages and disadvantages prompt as appropriate)

Now how do you ‘stay active’ – (Check for impact on self esteem)

What motivated you to retire?

**Not in work with disability/health problems**

Is work an option? Do you currently look for work?

What help are you getting to find work?

If no help or given up looking – how does this make them feel?
Disengaging with the labour market

Working groups

When do you think you’ll stop work

Explore – motivations with those that don’t want to stop work (How realistic is this in practice)

What factors influence your retirement decision

- Right to retire
- Caring responsibilities
- Desire to enjoy life
- Health
- Employer influence
- Change in nature of job
- Financial considerations

Why do they think that and who informs this decision (Govt, friends, papers)

(Witnessed colleagues working longer lives – impact this has on their decision to stop)

In work with disability/health problems

When do you think you’ll stop work

Explore – motivations with those that don’t want to stop work (How realistic is this in practice)

What factors influence your retirement decision

- Right to retire
- Caring responsibilities
- Desire to enjoy life
- Health
- Employer influence
- Change in nature of job
- Financial considerations

What role does your health condition play in your decision to stop work?

Why do they think that and who informs this decision e.g. Govt, friends, papers, GPs
Retired groups

*Why did you stop work?*

*E.g.*

- Redundancy
- Retirement
- Skills obsolete
- Caring responsibilities
- Poor health
- Desire to enjoy life while still young enough

*What do they base their assertions on?*

*Can we talk about the process of retirement?*

*Any evidence of:*

- Change in hours
- Transition jobs- change in role/change of job

*Leaving work – how did it happen, was it a unconscious or conscious decision?*

---

Not in work with disability/health problems

*What role did your health condition play in your decision in thinking about work?*

*Any other factors influenced your decision to stop working?*

*E.g.*

- Feelings or actual inability to cope in work (poor qualifications/skills/ insufficient work experience
- Redundancy
- Caring responsibilities
- Working partners
- Financial considerations

*Focus on the impact the above has on (ATTITUDES CONFIDENCE MOTIVATION)*

*Note to researchers: Think about why people make different decisions to leave work when others with similar circumstances don’t? Look between different focus groups.*

Re-entering/continuing/sustaining work
Working groups

What would encourage you to remain in work?

Prompt if required:

- Job flexibility (Is this an option?)
- Transitional jobs
- Downshifting
- Training
- Employer intervention
- Other support needs
- Financial considerations

Discuss barriers to remaining in work, including employer receptiveness to change

Discuss views on working beyond State Pension Age – opportunities and constraints

In work with disability/health problems

What would encourage you to remain in work?

Prompt if required:

- Job flexibility (Is this an option?)
- Transitional jobs
- Downshifting
- Training
- Employer intervention
- Health related support (company/external)
- Financial considerations

How can the Government better support people in work with health problems/disabilities?

Discuss barriers to remaining in work, including employer receptiveness to change

It there anything that employers should be doing to help?

Discuss views on working beyond State Pension Age – opportunities and constraints
## Retired groups

Since retiring have you considered going back to work?

What would encourage you to return to work?

### Prompt if required:
- Social interaction
- Mental stimulation
- Quality of life
- Financial considerations

What barriers exist to make this difficult or impossible?

- Return to work?
- Remain in work?

Discuss views on working beyond State Pension Age – opportunities and constraints

## Not in work with disability/ health problems

Do you have any plans to return to the labour market?

How does that you make feel - (Check for confidence)

(Is there any view that people put recovery from any illness above work, e.g. would work if didn’t have illness, or aim to recover first)

Are you aware of any support available to help you back into work? Check for reference to Jobcentre Plus/ Pathways to work

Other than health condition/ disability – any other barriers to returning to work e.g.

- Benefit trap
- Low confidence
- Poor skills

What help / support is needed to help you address the barriers identified?

Awareness of support currently available?

Have they heard about Benefit protection? New Deal 50 Plus?

Discuss views on working beyond State Pension Age – opportunities and constraints

(Researchers ensure to capture views on the possibilities of doing different jobs or the desire to return to the same job or line of work – challenge assumptions)
C – FINANCIAL SECURITY (30 MINS)

Financial security and choice
What importance do you place on financial security in your plans to retire?
(If they don’t have plans in place – why not?)
Do you feel finances drive retirement, or retirement drives finances?
Perception of financial security or lifestyle modification (living within your means)
(Check - responsibility of individual/ Government to provide standard of living)

Household financial decision-making
How have the needs of your household or wider family affected:
• Your retirement decisions
• Views on financial security in retirement?
E.g. partner working, supporting children through university, tuition fees, impact of divorce

D – WHAT CAN THE GOVERNMENT DO? (20 MINS)

Communication

Researcher to ask the Retired groups
In hindsight would you like to have received information from the Government or employer about planning for retirement and extending working lives?
In hindsight what format would have been effective?
When is it appropriate to send this type of information? (E.g. at a particular age or following a particular event)
Currently is there any further information about retirement and extending working lives that you’d like to receive?

Would you like to receive information from the Government or employer about planning for retirement and extending working lives?
What format would be effective?
When is it appropriate to send this type of information? (E.g. at a particular age or following a particular event)

Extending working lives – (if not already covered in Re-entering/continuing/sustaining work section)
What support/action from the Government or employer would be useful to help you extend your working life?

- incentives
- tax breaks
- benefit protection
- training
- State support in transition to work (IS, Working tax credit)
- Future income savings (National Insurance increases)

What advice would you give to a 30-35 year old about planning for their retirement?

(Lessons learnt, save earlier, pension schemes that have worked, where best to put your money)

*If there were two things that you could change about your current or future pension provision. What would they be?*

(People’s ‘wish list’ What recommendations would you like to make to the government?)

**WIND DOWN (5 mins)**

**THANK PARTICIPANTS FOR THEIR TIME AND FOR SHARING THEIR VIEWS**

**INCENTIVES**
Appendix C
Recruitment tools
Screening questionnaire: In-depth Interviews

Plus Four are recruiting people to help with a project funded by The Department of Work and Pensions.

The Department has asked a company called ECOTEC Research and Consulting to talk with a number people who are aged 50 and over about their current/past experiences of working and planning for retirement.

We would be grateful if you could spare a few minutes to answer some questions to see if you would be eligible and indeed interested in participating in this project.

Should you participate in this study, we would like to reassure you that your name will not be mentioned in any report, you will remain anonymous.

If you are eligible to participate we would like to thank you for your time by giving you a gift of £25. This gift will not affect your entitlements to any State benefits either now or in the future.

1. **Age of respondent:**
   - Under 50 ❏
   - 50-54 ❏
   - 55-59 ❏
   - 60-64 ❏
   - 65-69 ❏
   - 70+ ❏

2. **Gender (respondent determined)**

3. **Work Status**

   *Which of these statements best describe your current situation? (tick all appropriate boxes)*
   - Employed ❏
   - Self-employed ❏
   - Unemployed and available for work ❏
   - Retired ❏
   - Long-term sick or disabled ❏
   - Looking after the home or family ❏
   - Doing voluntary work ❏
   - Caring for a child or a sick or disabled adult ❏
   - Waiting to take up a paid job ❏
   - On a government training or employment scheme ❏
   - In full-time education ❏
• Other activity .................................................................................................

If currently in paid work – occupation ............................................................

Do they work:

• full-time    ❑
• part-time    ❑

Ask respondents not currently in work whether they want to work again in future

• Yes    ❑
• No    ❑

4. Marital Status/ Household Composition

Are they:
• Single    ❑
• Married    ❑
• Widowed    ❑
• Divorced    ❑
• Separated    ❑
• Dependent children    ❑
• Other - please specify: .................................................................

.................................................................
5. Annual income

Respondents do not have to disclose this information if they feel uncomfortable with the question.

**Respondent:**

<table>
<thead>
<tr>
<th>Income band</th>
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<tbody>
<tr>
<td>Under £10,000</td>
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<tr>
<td>£10,000 to £20,000</td>
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<td></td>
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<tr>
<td>Over £30,000</td>
<td></td>
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</tbody>
</table>

**Partner:**

<table>
<thead>
<tr>
<th>Income band</th>
<th></th>
</tr>
</thead>
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<td></td>
</tr>
<tr>
<td>Over £30,000</td>
<td></td>
</tr>
</tbody>
</table>

6. Income source

Which of the following best describes your source of income: (Tick all appropriate boxes)

**Self**

- Paid work
- Pension
- Incapacity benefit
- Income Support
- Disability Living Allowance
- Jobseekers Allowance
- Carers Allowance
- W Statutory Sick Pay
- Other – please specify: .............................................

**Partner**

- Paid work
- Pension
- Incapacity benefit
- Income Support
- Disability Living Allowance
- Jobseekers Allowance
- Carers Allowance
- W Statutory Sick Pay
- Other – please specify: .............................................

7. Retirement plans

Do you have financial retirement plans in place?

<table>
<thead>
<tr>
<th>Plan</th>
<th>Self</th>
<th>Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>State pension provision</td>
<td></td>
<td></td>
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<tr>
<td>Occupational provision</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private provision</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Incentive**

Should the respondent be eligible and willing to participate in the research, inform them that they will receive a financial gift of:

- £25 for in-depth interviews
- £30 for focus groups
Contact details

Name: .................................................................

Address: ............................................................

.................................................................

Telephone number: ...........................................

Should the respondent be eligible and agree to participate in the study, explain that this will be confirmed by letter.

Agree to participate ☐
Decline the invitation ☐

Thank respondent for their co-operation
Screening questionnaire: Focus Groups

Plus Four are recruiting people to help with a project funded by The Department of Work and Pensions.

The Department has asked a company called ECOTEC Research and Consulting to talk with a number people who are aged 50 and over about their current/past experiences of working and planning for retirement.

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1. **Age of respondent:**

- 50-54
- 55-59
- 60-64
- 65-69

2. **Gender (respondent determined)**

3. **Work Status**

*Which of these statements best describe your current situation? (tick all appropriate boxes)*

- Employed
- Self-employed
- Unemployed and available for work
- Retired
- Long-term sick or disabled
- Looking after the home or family
- Doing voluntary work
- Caring for a child or a sick or disabled adult
- Waiting to take up a paid job
- On a government training or employment scheme
- In full-time education
- Other activity

---

If currently in paid work – occupation

---

Do they work:

- full-time
- part-time
Ask respondents IN Work and those NOT in work whether they have any disabilities or health problems. (Confirm whether illness has a medical term – please specify)

<table>
<thead>
<tr>
<th>Cardiovascular Problems</th>
<th>Musculo-skeletal Problems</th>
<th>Mental health Problems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stroke</td>
<td>Arthritis</td>
<td>Anxiety</td>
</tr>
<tr>
<td>Coronary heart disease</td>
<td>Rheumatism</td>
<td>Depression</td>
</tr>
<tr>
<td>Diabetes</td>
<td>Joint immobility – (Stiffness/ knees)</td>
<td>Stress</td>
</tr>
<tr>
<td>Thrombosis</td>
<td>Backache</td>
<td>Other</td>
</tr>
<tr>
<td>Heart attack</td>
<td>Osteoporosis (Brittle bones)</td>
<td>Please Specify</td>
</tr>
<tr>
<td>Other</td>
<td>Chronic Muscle pain</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hernia</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Broken bones</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Please Specify</td>
<td>Please Specify</td>
<td></td>
</tr>
</tbody>
</table>

Ask respondents not currently in work whether they want to work again in future

- Yes  ❑
- No ❑

4. Marital Status/ Household Composition

Are they:
- Single ❑
- Married ❑
- Widowed ❑
- Divorced ❑
- Separated ❑
- Dependent children ❑
- Other - please specify: .................................................................
  .........................................................................................
  .........................................................................................
  .........................................................................................
5. Annual income

Respondent:  

Income band:
- Under £10,000
- £10,000 to £20,000
- £21,000 to £30,000
- Over £30,000

Partner:  

Income band:
- Under £10,000
- £10,000 to £20,000
- £21,000 to £30,000
- Over £30,000

6. Income source

Which of the following best describes your source of income: (Tick all appropriate boxes)

- Paid work
- Pension
- Incapacity benefit
- Income Support
- Disability Living Allowance
- Jobseekers Allowance
- Carers Allowance
- Statutory Sick Pay
- Other – please specify: ……………………………………

7. Retirement plans

Do you have financial retirement plans in place?  

State pension provision  
Occupational provision  
Private provision

Incentive

Should the respondent be eligible and willing to participate in the research, inform them that they will receive a financial gift of:

- £30 for focus groups

(Groups will consist of 8 people, emphasise that it is an informal discussion)
Contact details

Name: ..............................................................................

Address: ..............................................................................

..............................................................................

..............................................................................

Telephone number: ......................................................

Should the respondent be eligible and agree to participate in the study, explain that this will be confirmed by letter.

Agree to participate  ❑
Decline the invitation  ❑

Thank respondent for their co-operation
Opt out letter

<Address line one>
<Address line two>
<Address line three>
<Address line four>

<Date>

Dear <insert name>

‘Factors affecting labour market participation’ research study

I am writing to ask for your help. The Department for Work and Pensions has asked ECOTEC Research and Consulting and the Plus Four Recruitment Agency, both independent organisations, to carry out research to explore people’s current and past experiences of working and planning for retirement.

Your name has been randomly selected from benefit records held by the Department for Work and Pensions and we very much hope that you will be able to help with this research. Everything you tell ECOTEC or Plus Four will, of course, be in complete confidence. No information that could identify you will be passed on to the Department or anyone else.

The interview will take approximately one hour, and we would like to thank you for your time by giving you a gift of £25 at the end of the interview. Your participation in this research and this financial gift will not affect your dealings with the Department or any claim to any benefit, either now or in the future.

I do hope that you will feel able to take part in this important research. However, if you do not want to take part you can, within the next 14 days:

- telephone ECOTEC on xxx xxx xxx Mon – Fri 9am-5pm;

or

- write to ECOTEC to tell them that you do not want to take part (please include your name, postcode and reference number which is ) 

Please write to xxxx xxxx, ECOTEC Research and Consulting Limited, Priestley House, 28 – 34 Albert Street, Birmingham, B4 7UD.

Your details will then be taken off the list of people that will be contacted.

Should you have any queries or require additional information do not hesitate to contact me on xxxx xxx xxxxx.

Yours sincerely

XXXX XXXX
Research Officer
Opt out return form

Name:______________________________________________________

Address:____________________________________________________

_________________________________________________________________

Postcode:______________________________________________________

‘Factors affecting labour market participation’ research study

I do not want to take part in the research ☐

Please return this form as soon as possible in the stamped addressed envelope provided.
Appendix D
Data analysis

The analysis for the research was based on the verbatim transcriptions of the interviews. The first stage of the analysis was to undertake a thorough manual content analysis of the completed transcriptions by the researchers responsible for those interviews. A grid method was used to guide the manual content analysis, the design of which followed the interview structure. The purpose of this preliminary exercise was to pick out relevant information on the key findings, with supporting evidence, from the verbatim transcriptions, and to put this into a framework from which it was then possible to identify key themes emerging from the first stage of the analysis.

Each transcription was coded to aid analysis. The code was designed so that it could quickly be seen what demographics the respondent had without revisiting the whole framework or transcript.

Example

Code = D-9-M-55-OUT-R-BOTH

D=Dorset

Unique number – sequence of interview undertaken

M =Male OUT=not working R=retired BOTH = both state and private /occ provision

Following the completion of the interviews and the first stage of analysis (completion of initial gridding exercise) a debrief meeting was held to discuss the interviews and to identify the emerging themes. The debriefing meeting was used as a forum in which to devise the topic guide for the focus groups. DWP attended the debrief to help develop the next stages of fieldwork and analysis.
Following the debrief meeting and the identification of key themes and emerging findings, the second stage of the analysis was undertaken. The key themes for secondary analysis included:

- Attitudes to work and training
- Barriers to labour market participation
- Involuntary and voluntary reasons for leaving the labour market
- Pensions and savings – Planners and non planners

The analysis of the information from the focus groups followed the same process as the analysis of the interviews. Using a grid structured to follow the same format as the focus group topic guide the transcripts from the focus group was scrutinised to pick out all relevant information and supporting evidence (including quotes). A debrief meeting followed the completion of the focus groups analysis to discuss the emerging findings and key themes.

As part of the secondary analysis three additional exercises were carried out focusing on the following:

- health and income (See Figure D.1);
- characteristics of in-work and out of work (variables – partners, age, gender, savings, pension plans);
- characteristics of those disengaged from the labour market (variables current work status, level of education, work history, household composition, dependents, caring responsibilities, reasons for leaving work.

Figure D.1 outlines the relationship between respondents’ attitudes towards health and income. The ‘y’ axis represents health while the ‘x’ axis depicts income. The relationship between health and income influenced both people’s work and pension situation and their attitudes towards work and pensions.
Figure D.1 Relationship between respondents’ attitudes towards health and income

<table>
<thead>
<tr>
<th>Low income</th>
<th>High income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can’t afford to save</td>
<td>Can afford to take early retirement</td>
</tr>
<tr>
<td>Sense of loss now signed off on IB</td>
<td>More aware of options for managing ill-health</td>
</tr>
<tr>
<td>‘They’ should help me/state’s responsibility</td>
<td>Can afford to</td>
</tr>
<tr>
<td>Can’t access flexible working</td>
<td>Flexible working</td>
</tr>
<tr>
<td>Unaware of alternatives/ uneducated about life choices</td>
<td></td>
</tr>
<tr>
<td>Externalising: my future has been decided by experts/can’t negotiate a new deal at work</td>
<td></td>
</tr>
<tr>
<td>Worthlessness/demoralised and detached from job market</td>
<td></td>
</tr>
<tr>
<td>No choices</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Good health</th>
<th>Poor health</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unprepared for illness, pension plans would be affected</td>
<td>Poor health</td>
</tr>
<tr>
<td>Work for social life (divorcees, widowed, or single people)</td>
<td></td>
</tr>
<tr>
<td>The state should provide for me, I’ve earned it</td>
<td></td>
</tr>
<tr>
<td>Tired of working</td>
<td></td>
</tr>
<tr>
<td>Try to save what I can afford to</td>
<td></td>
</tr>
<tr>
<td>Rewarding/job satisfaction</td>
<td></td>
</tr>
<tr>
<td>Fear of ageing</td>
<td></td>
</tr>
<tr>
<td>Unemployed because I saved</td>
<td></td>
</tr>
<tr>
<td>Pensions have lost money/value</td>
<td></td>
</tr>
<tr>
<td>Lucrative savings and pensions plans</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PLANNERS</th>
<th>NON-PLANNERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain good health through work</td>
<td></td>
</tr>
<tr>
<td>Mental and physical stimulation</td>
<td></td>
</tr>
<tr>
<td>Work until paid mortgage off</td>
<td></td>
</tr>
<tr>
<td>Fear of death and no time to enjoy retirement</td>
<td></td>
</tr>
<tr>
<td>Individuals are responsible for financial security</td>
<td></td>
</tr>
<tr>
<td>Penalised because I saved</td>
<td></td>
</tr>
<tr>
<td>My pension plans have contingency for my ill-health/private medical cover</td>
<td></td>
</tr>
<tr>
<td>Can’t access flexible working</td>
<td></td>
</tr>
<tr>
<td>Employers want healthier/younger people</td>
<td></td>
</tr>
<tr>
<td>Can’t plan because of ill health</td>
<td></td>
</tr>
<tr>
<td>Externalising: my future has been decided by experts/can’t negotiate a new deal at work</td>
<td></td>
</tr>
<tr>
<td>Employers want healthier/younger people</td>
<td></td>
</tr>
<tr>
<td>Can’t plan because of ill health</td>
<td></td>
</tr>
<tr>
<td>Will have to work to SPA, can’t afford to retire/keep taking the tablets</td>
<td></td>
</tr>
<tr>
<td>Can’t plan because of ill health</td>
<td></td>
</tr>
<tr>
<td>Externalising: my future has been decided by experts/can’t negotiate a new deal at work</td>
<td></td>
</tr>
</tbody>
</table>
References


Coleman et al, 2002 ‘*Electronic Government at the Department of work and Pensions*’ Research Report No 176, DWP.


