Extending working life: changing the culture
Qualitative research into effective messages
Alan Hedges and Wendy Sykes in association with Carola Groom

A report of research carried out by Independent Social Research on behalf of the Department for Work and Pensions
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Summary

Introduction
This report presents findings of research commissioned by the Department for Work and Pensions (DWP) to help them develop messages with the potential to change the way people think about when and how they should retire from paid work, and to encourage them to stay in work up to and beyond State Pension age (SPA). The aim was to identify potentially productive types of message and modes of expression rather than to develop or test particular pieces of publicity material.

Qualitative research (mainly group discussions) was carried out with 166 members of the public – people in work, mainly aged between 40 and SPA and living in 12 different English areas. Fieldwork was carried out over 16 months starting in June 2006. It was spread across three rounds so we could progressively learn about the way people think, feel and behave; and then develop and try out message ideas in the form of stimulus materials. None of this stimulus was intended for use as real world publicity (for which it would be unsuitable).

Context for communications
Developing effective communications about extending working life depends on understanding how people currently think and feel about work and retirement, and what leads them to operate as they do. We found many influences working at different levels, as outlined below.

Two models: People typically had two conflicting retirement models in their minds:

- **A bright, fulfilling and probably active phase of life** offering new opportunities and the freedom and flexibility to make choices not possible while still at work. This represents, for many, the modern retirement standard. It’s what they aspire to – and feel entitled to expect.
• **A darker time of decline and possibly privation**, characterised by failing powers and limited resources – an intermission (possibly brief) between work and death. Many fear that in practice their own retirement may be narrowly constrained by finance and perhaps health. This would deny them Model A, and confine them to something like Model B.

**Pensions are central**: Retirement income is central to considering retirement and extending working life, and was often seen as the key that enables or constrains choices about when to stop work. But we typically found a poor grasp of their likely entitlements; misgivings about what they will get; limited understanding of how things work; uncertainty about how the system will operate in future; and a sense that the system is failing. A minority even thought the State Pension is being phased out.

**Negative mind-set**: Many respondents were contemplating retirement in a negative frame of mind – with much uncertainty and anxiety about this unknown territory. Few had much idea what their retirement income would be, but many were gloomy about the chances of it being enough to live on comfortably. People often felt ‘cheated’, having (as they saw it) been led in earlier years to expect a ‘leisure society’ with shorter working hours and earlier retirement. Blame for the prospect of having to delay retirement was often directed at the Government and the pensions industry. Many felt disappointed, angry and betrayed – and cynical about communications from Government on the subject.

**Little planning**: There was generally little evidence of organised planning for retirement: for its timing; for modifying work patterns during the run-up or aftermath; or for what happens once work finally stops. Many people don’t like to think too much about retirement with the implication of getting old and more dependent. They are uncertain and anxious about aspects of it, and some are in denial about their financial situation. In any case, retirement didn’t strike many people as something they need to plan – it just happens at a certain point and its timing and character seem mainly imposed by others (employers, Government, pension providers, etc).

**The term ‘retirement’**: The term ‘retirement’ was often unhelpful when discussing extending working life because it carries historical baggage. Although they know that people retire at different ages, respondents still tended to think of a set ‘retirement age’ (defined by some mixture of pension start dates, employer policies and tradition). Stopping work before ‘retirement age’ is usually seen as a bonus and – by extension – working beyond it is a penalty. The idea of a set retirement age further inhibits constructive thought about when to retire.

**Phased transition**: The idea of retirement as a process of phased transition from work (stepping down rather than jumping off) seemed a new thought to many, but the idea of gradual withdrawal from the labour market was often welcomed when presented as a flexible solution geared to individual requirements. But it was not always seen as a practicable option, because people suspect the necessary opportunities will be limited.
Risking quality retirement: The fact that people are living longer is trickling into public consciousness, but most respondents were reluctant to plan on the basis that they themselves would live for a long time after SPA – personal fatalism seemed more persuasive than longevity statistics. This is one of the main obstacles to the idea of staying in work, because it would eat into what seems a brief period of active life, thus threatening the desirable notion of an active and fulfilling ‘Model A’ retirement.

Attitudes to work: Attitudes to staying longer in work are affected by what people feel about their jobs. Some enjoy what they do, but many regard their work as a necessary evil. Even those who quite like their job often looked forward to stopping – partly because there may be other things they want to do, but usually because they find work increasingly stressful and demanding.

Lightening the load: Some of the stresses and aggravations of work in later life might be minimised by ‘lightening the load’ – shortening hours or easing into other types of employment. But this is not an established part of the employment culture, and respondents seemed hesitant (and often gloomy) about the opportunities for doing this, and had little impetus to explore the possibilities further. Even simple checklists of fairly obvious possibilities were often seized on as encouraging.

Making choices: Being able to choose how you spend your time is one of the most appealing features of retirement – something people look forward to, and a keen contrast with working life, when others (mainly employers) call the tune. Choosing to stay in work is more acceptable than being forced into it. Yet (aside from a minority who really enjoy working) any impetus towards working on usually seemed to be financially driven – people just felt they couldn’t afford to retire.

Positives of working: People often recognise dimly that there are benefits to working other than just earning money – social interaction, motivation and purpose, status and so on. But these seem much less salient than the drawbacks of working in the run-up to retirement – although they sometimes emerge once people are fully retired.

Working on won’t pay: Respondents often believed that working on just wouldn’t pay, because income would be small and largely taxed away. Most people still in work would actually be better off after 65, because cuts in tax and National Insurance (NI) let them take home a higher proportion of what they earn – but most made the opposite assumption, that it wouldn’t be worth staying in work because earnings would disappear in tax. Few realised that pensions could be deferred without losing out, and many were unaware that they could draw pensions and go on working at the same time.

Limited opportunities to work on: Even people open to the idea of working on were often uncertain whether they would have scope to do so: employers are still seen as averse to employing older people; there don’t seem to be many transitional jobs; and retraining or moving into different lines of work would be hard at that late stage. Many were also unsure about their physical or mental ability to carry on working, or felt they might be prevented by caring responsibilities.
Age discrimination: Employers were still widely believed to discriminate against older people. It was seen as hard for older people to get and keep jobs, and many employers were felt to undervalue experience and maturity and to over-emphasise wear-out and incapacity. Awareness of new age discrimination legislation was limited (although improving somewhat by the end of the project), and many were sceptical about how effective it would be. It was also often seen as a predictable move by a Government keen to get people to work longer.

Effects of ageing: Although people were often resentful that the merits of older workers seem undervalued, some were themselves anxious about retaining their capacity to work and compete as they got older. There were concerns about failing health, powers and stamina; ability to handle stress and competition; or being able to keep skills up to date. Manual workers were felt to be particularly vulnerable because of physical demands and wear and tear on their bodies. Some wondered if they could handle staying in work even if they wanted to.

Implications for developing communications

The foregoing has explored the way people think, feel and behave about retiring or staying in work. It sets out the culture which communications need to change, and provides the understanding necessary to develop suitable messages. Experimental message materials were developed in response to these findings, and to ideas that the Department was keen to try out. These are reviewed in the body of the report, but our main conclusions about effective approaches to messages and message delivery in relation to extending working life are summarised below:

• Difficult task: We have found ways in which people can be helped to see some advantages in it for themselves and can become more engaged and constructive (and less dismissive) in thinking about it. Our findings provide a useful basis for planning and executing an effective communications strategy – but we do not think there is a magic communications bullet which will simply convert antipathy and resistance about extending working life into enthusiastic support.

• Effecting culture change that encourages more people to consider extending their working lives will not be easy because it:
  – runs counter to growing public aspirations for longer and more active retirements;
  – is not a topic with which many people want to engage;
  – operates against a difficult background of public uncertainty, mistrust, denial and often anger; and
  – involves changing engrained perceptions and beliefs.

Extending working life is by no means a product many people are predisposed to want to buy into. So culture change will be a lengthy and difficult process that
will depend on:
– messages tuned to the way the public think and feel;
– considerable and effectively-deployed communications resources;
– creativity in finding ways to penetrate inertia and promote engagement with retirement planning; and
– real-world conditions that support any momentum communications generate.

• **Not just a few facts**: Culture change cannot be brought about just by conveying a few bits of factual information. There are gaps to plug and misunderstandings to sort out, but this will not by itself bring about the desired change, which needs to embrace a much wider set of feelings and perceptions about retirement.

• **‘Stepping down’**: The whole concept of ‘retirement’ should be developed to appear as a process which people can tailor to their own situation, rather than a sudden event which is largely imposed by others. The notion of ‘stepping down’ from work seems positive – it challenges the limiting image of ‘cliff-edge’ retirement, and opens up a range of positive options tying together ideas about work patterns and the pros and cons of working on. Flexibility and choice about retirement patterns are attractive ideas in themselves.

• **Choices and options**: Being able to make your own choices is a desirable ingredient of a fulfilling retirement, and people tend to become more engaged and positive when they discover that they have more viable options than they thought. Stretching and enriching people's limited picture of their retirement options should be a key publicity objective. These include: options for varying work patterns or tasks to fit changing needs or capacities; and for staging the retirement process (changing jobs, stepping down to part-time work, working on while claiming pensions, deferring pensions, etc).

• **A broader package**: The public is potentially interested in a wide range of issues and options relating to retirement and staying in work is not often the most interesting or attractive. People are more likely to consider messages about it if these are presented as part of a broader package of ideas about preparing for retirement, including ‘stepping down’, lightening the load, assessing and augmenting retirement income, exploring options, and so on.

• **Losing quality retirement**: A powerful objection to staying longer in work is that it seems to put at risk the common goal of a healthy, active and fulfilling retirement. Many fear they will die or lose the capacity for active leisure before they have a chance to benefit from extra income, or enjoy the kind of retirement they would like. This argues for taking the money as soon as you can and retiring as early as you can afford. Even working up to SPA is often seen to eat into ‘quality’ retirement time. These fears are based more on personal fatalism than on risk analysis – early death seems a more vivid possibility than long life. This is important to tackle – but creative approaches will be needed, because statistical arguments do not usually prevail.
• Limiting image of work extension: The idea of working on for just a couple of years or so past SPA sounds less threatening than the idea of staying in work indefinitely (a few more years, not a life sentence) – so focusing attention on limited increases in working life seems less threatening.

• Coherent stories: Messages are better received and absorbed if presented as part of a coherent story rather than as disconnected bits of factual information that people are left to piece together for themselves.

• Realistic messages: Realism is crucial if messages are to be credible and persuasive. Messages that are not visibly rooted in the world as members of the public recognise and understand it are likely to be ignored or rejected. Many people are troubled and confused about retirement (particularly retirement finance), and their assumptions and perspectives are unlike those of the Department. This profoundly affects the way in which they are likely to interpret messages about extending working life – and how they regard information from Government, the financial sector and employers at large.

• Enabling and empowering: Communications should be constructive, enabling and empowering: encouraging people to feel that they do have options, can get to grips with their situation and should plan and act purposefully; and giving them a clear sense of direction about what they can do to move on. But realism remains important – general ‘feel-good’ spin won’t help people see their way forward and may aggravate mistrust and resentment.

• Feelings and facts: The way people behave in relation to retirement is often more affected by the way they feel than by what they know – so feelings about their situation can be more potent than facts or rational arguments in inducing or inhibiting action. Anecdotes and examples are sometimes more persuasive and motivating than factual information.

• Facts to clarify: However, we did find some important factual matters that should be clarified – notably the beneficial impact of post-retirement-age tax advantages; the scope for drawing pensions while still earning; and how much someone might gain or lose financially by retiring at different ages. To achieve this people need specific, concrete illustrations of the likely outcomes of various options in terms that they can relate to their own circumstances. This would best be delivered face-to-face by an expert with a laptop who can provide personal illustrations, but more general print material can also be effective if examples are concrete enough.

• Uncertainty breeds inertia: Most respondents seemed anxious and uncertain about the post-retirement future, typically knowing neither what their income will be, nor what they’d need to fund an acceptable lifestyle. Uncertainty often breeds inertia. People need better information about their situation, and tools for working out their financial resources, needs and options as retirement approaches.
• **Benefits of work:** People need reminding that working can provide positive benefits for the individual to consider alongside the more obvious negatives – eg social contacts, a sense of purpose, and activity to fill the day. But this doesn’t ring true for everyone, and could just sound like Government special pleading.

• **Dialogue with employers:** Pre-retirement dialogue between employers and employees should become a normal part of the culture of work. Employees are often reluctant to talk about age and retirement options with their employers in case it makes their situation worse. Many don’t even feel there’s much to discuss, because they see retirement as a simple and externally-imposed event, and have an impoverished picture of the options available. Communications about the value of dialogue should embrace employers as well as employees.

• **Hard facts:** Getting across the hard facts about the pensions and retirement context would provide a useful backdrop, but they can seem depressing and intimidating – and can also be dismissed as Government self-justification. This might come better from partners than as up-front messages from DWP.

• **Delivery mechanisms:** It will be important to find effective delivery mechanisms for culture change publicity. Just producing another leaflet is not likely to do this difficult job. It seems to us that by far the most effective approach would be through face-to-face interaction, which facilitates personal illustrations, and enables people to take in and cope with information, and (very importantly) to ask questions. It will also be a creative challenge to find ways of getting people to pay attention to information they are not currently motivated to seek out, and which may seem difficult to take in. Channels like interactive IT systems, video or a dedicated telephone helpline might be explored for some kinds of message.

• **Considering sub-groups:** In principle it is a good idea to segment the market and target messages at different sub-groups, but our feeling, from what we have discovered, is that in practice it is probably better to focus limited publicity resources on the core segment, with messages that are largely common to the majority. This is because the similarities between groups were more apparent than the differences, and there is a significant central ‘story’ which speaks to a large proportion of the population, and probably includes most of those likely to be influenced. Moreover, there seems limited scope for targeting separate messages at different groups without committing massive resources. Given the scale of the problem it is probably better to do a good job on reaching the core target than to fragment effort.
Messages and the real world

Helping people feel better about their options can encourage and motivate, but it doesn’t change the outside world. If communications succeed in encouraging older people to explore and exercise their options, we have doubts about how supportively that world will receive and respond to their attempts. If they found that opportunities are limited and hard to access they would probably feel cheated and resentful, and not disposed to stay in work longer than they must. Tentative interest in extending working life needs to be supported and nurtured if it is to bear fruit; otherwise communications effort would be wasted – or even counterproductive. So it will be important to ensure that the necessary opportunities and resources are visibly in place and easily accessible; and conversely, that communications do not oversell what it is available in the real world. Effective culture change will depend on having good opportunities, coupled with better and more visible sources of support, information and advice, clearly targeted, branded and signposted for this audience and their needs.

Partnership in communications

Finally, we feel that partnership in communications will be valuable – not only because having a number of organisations putting out congruent messages will improve impact, spread the communications load, and maximise the value of resources; but also because some potential partners (notably in the voluntary sector) would probably not be affected by the trust issues that are likely to compromise the Government and finance sector as sources of certain kinds of message.

In summary

What is needed is to help build up a retirement culture which gives people more sense of positive options and more interest in planning how and when it will happen. Working longer may well be part of that process for many – but it should only be seen as part of a wider pattern which is still evolving. However, none of this can change the fact that many people are a long way from where they would like to be in relation to retirement finance, and many seem likely to experience profound disappointments and difficulties in relation to their retirement. Inadequate retirement finance will be one of the main engines of extension in working life, but that will be a source of public resentment rather than satisfaction. Helping people to understand their situation and minimise their problems should be a positive part of the communications strategy.
1 Introduction

1.1 Background

This report presents findings of research commissioned by the Department for Work and Pensions (DWP) in 2006 to explore ways of changing the culture that shapes individuals’ decisions about retiring or staying in work. The Department would like to foster a climate in which people become:

• less inclined to retire before State Pension age (SPA);
• more likely to give favourable consideration to working on after they reach SPA;
• more understanding of any regulatory changes the Government may need to bring in to cushion the effects of pension shortfalls, where these may lead to people working longer.

To some extent this is an attempt to reverse attitudes and views that have evolved since the first introduction of compulsory retirement by the civil service in the nineteenth century.1 Private and State Pension provision, extended during the twentieth century to guarantee some level of income for all people over a given age, has since contributed to building an association between reaching pensionable age and stopping work that has been described by Hirsch (2003) as one of the great certainties of life, particularly in the case of men2.

The need for a fresh approach to work and retirement derives from a number of current related trends – for example:

• people are living longer, and so will spend longer in retirement, which increases the outflow of funds from both State and private pension coffers;

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• the ratio of people no longer in paid work to those still working is growing – which further increases pressure on State Pension resources, since payments to pensioners in any given year are provided by the working population;

• pension funds are, therefore, increasingly inadequate to meet the future needs of the retired population – and this applies both to State and to private sector pensions.

The 2006 Pension Commission report\(^3\) concluded that bridging the widening pensions gap will depend (among other things) on people spending longer in work. In keeping with this conclusion the Government has been developing policies aimed at extending working life targeted both at employers and the general public.

Communications are necessarily a key part of the policy mix and this research was designed to contribute to Government communications targeted at the general public in order to help bring about the kind of culture change mentioned above.

1.2 The research

1.2.1 Scope of the research

This main purpose of this research was to help DWP develop messages about extending working life that would be effective in changing the way that people think about how and when they should retire, encouraging them to stay in work up to and beyond SPA.

We were asked to identify information and ideas that could form the basis for communications and publicity and, to a lesser extent, to explore how messages might be presented and delivered to maximise their impact and effectiveness.

The brief was related to communications and not to policy itself. We have, therefore, not explored policy issues – but some of the findings in this report nevertheless seem to us to have policy implications. For example, the report identifies a need to make people more aware of sources of help and information that are currently largely unknown; but it also appears that the available sources themselves need to be extended and better targeted to those approaching retirement.

Our objective was to find out what DWP should be telling people that might encourage them to stay in work longer, and the brief was broad, covering potentially productive:

• information;

• ideas and concepts;

• language;

\(^3\) Implementing an integrated package of pension reforms: the final report of the Pensions Commission, Pensions Commission, April 2006.
• approaches to message delivery;
• channels of delivery and communication.

The research feeds into an early stage in the process of designing communications. We were explicitly not trying to develop or test particular communication or publicity materials, but to identify potentially productive types of message and modes of expression.

1.2.2 Design and methods

General method: A flexible and open-ended approach was needed that would afford maximum scope to:

• thoroughly explore people’s underlying beliefs, thoughts, views and attitudes;
• generate understanding of the way these are affected by different kinds of information;
• obtain reactions to stimulus materials.

For these reasons qualitative research methods were adopted that enabled us to work interactively with participants, to look beneath the surface, and to deal with the nuances of language and thought that are crucial to understanding how communications work.

Feed-back model: We wanted to develop ideas and materials as interactively as possible with members of the public and therefore, took an iterative approach. Fieldwork was spread over three rounds, and the results from each round were fed into the design of the next, allowing us to build our analysis over time; progressively to unpack themes and issues; to discard or modify ideas that didn’t pay off; and to uncover and experiment with new approaches. Breaks between rounds gave opportunity to reflect on what people had told us, consider the implications and prepare materials for the next stage.

Collaborative approach: We worked in collaboration with the DWP team, debriefing them after each round of fieldwork, agreeing the implications and deciding on directions for the next round. DWP also provided data for the examples we wanted to show.

Stimulus materials: Simply discussing information and communications with people in an abstract way throws up useful material, but our experience shows that to explore these areas properly it is necessary to expose participants to experimental materials which exemplify different types of message and/or different ways of expressing them. We, therefore, created a range of stimulus materials which we varied and developed across the rounds. These were largely paper-based, although in the final round we also used narrative in audio form as a framing device for other materials.
Key examples or extracts from stimulus sheets are embedded in the main text of the report, but there was too large a volume of material to include everything. A complete set is contained in the appendices.

It is important to appreciate that these materials were in no sense intended for use as real-world publicity instruments, a role for which they would be quite unsuitable. For example, they tended to be more text-based and less graphically embellished than successful communications would need to be to thrive in a competitive media environment. In real life publicity must attract and sustain attention, whereas in research settings we had some freedom to direct people’s attention, read things out and generally motivate people to persevere with difficult ideas.

Our materials and what we have learned from discussions based around them, thus, provide a springboard for developing effective publicity instruments that will contribute to changing the culture in relation to working on – but achieving this will require a creative leap, not merely a process of translation. The final communications output (and indeed the media used) will probably need to be very different from our research materials.

Fieldwork and sample: The first and second rounds of fieldwork were based entirely on focus groups, eight in the first round and nine in the second. In the third and final round we conducted four focus groups and 12 individual interviews, using the latter in order to explore detailed individual responses to the final stimulus materials.

In all, 166 people took part in 33 fieldwork sessions spread across 12 areas in England during 2006 and 2007. Most respondents were aged between 40 and SPA (60 for women, 65 for men) and in paid employment, but we also included a small number of people over SPA who were still in work. They made up a single focus group in the first round of fieldwork and provided insight into the motivations of people voluntarily working on beyond SPA. The fieldwork structure is summarised round by round in Table 1.1.

Table 1.1 Fieldwork structure for each round

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<th>Round</th>
<th>Number of focus groups</th>
<th>Number of individual interviews</th>
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<td>4</td>
<td>October/December 2007</td>
</tr>
<tr>
<td>All</td>
<td>21</td>
<td>12</td>
<td>166</td>
<td>12</td>
<td></td>
</tr>
</tbody>
</table>

Round 2: Croydon, Colchester, Leeds, Bristol.
Round 3: Brighton, Leicester, Chipping Norton, Chingford.
Sample quotas for different rounds of the research varied according to the questions and ideas being most strongly pursued at each stage. Full details of the sample specifications and achieved samples at each round are given in the technical appendices. Table 1.2 summarises the numbers and key socio-demographic characteristics of the people we spoke to across the whole project.

### Table 1.2  Numbers and key socio-demographic characteristics of respondents across the whole project

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>R1</th>
<th>R2</th>
<th>R3</th>
<th>All</th>
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<tr>
<td><strong>Gender</strong></td>
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<tr>
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<tr>
<td>Men</td>
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<tr>
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<tr>
<td>40-49</td>
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<td>41</td>
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<tr>
<td>56-65</td>
<td>24</td>
<td>14</td>
<td>14</td>
<td>52</td>
</tr>
<tr>
<td>Over 65</td>
<td>6</td>
<td>6</td>
<td></td>
<td>6</td>
</tr>
<tr>
<td><strong>Employment status</strong></td>
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<tr>
<td>Full-time</td>
<td>44</td>
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<td>113</td>
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<tr>
<td>Part-time</td>
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<td>15</td>
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<td><strong>Gross household income</strong></td>
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<td>Over £35,000</td>
<td>13</td>
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<td><strong>Pension status</strong></td>
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<td>No private pension</td>
<td>11</td>
<td>15</td>
<td>20</td>
<td>46</td>
</tr>
<tr>
<td>Don’t know</td>
<td>5</td>
<td>5</td>
<td></td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>63</td>
<td>61</td>
<td>42</td>
<td>166</td>
</tr>
</tbody>
</table>

**Events during fieldwork:** Various events took place during the fieldwork period that should be borne in mind in interpreting the results. For example, the Pensions Commission reported shortly before the Round 1 fieldwork and the media began to carry stories about people needing to work longer. This raised some awareness of the issue that crystallised to a degree at later stages. However, information and understanding remained limited. Legislation to reduce age discrimination also came on-stream in October 2006 – just prior to the second round of fieldwork. Awareness of this was again initially very limited, although it seemed to have built up somewhat by the end of the project.

### 1.3  Note on reporting

#### 1.3.1  Reporting of the research process

As noted above, this project took place over an extended period and across three rounds. The broad research design was agreed with DWP at the outset, but many detailed decisions about the methodology – especially relating to the topics covered in each fieldwork round and the large array of stimulus developed to help tease out respondent views – were necessarily made as the project unfolded, so that we
could take account of ideas and hypotheses emerging from our discussions with respondents. To describe this process in detail, the reasoning and all the stimulus used, could get in the way of understanding the main messages from the research and for this reason we have concentrated mainly on the core findings – where we ended up rather than how we got there.

1.3.1 Reporting of findings

In reporting the findings of this research we have thus focused mainly on the key lessons we have learned from our analysis overall, rather than from each separate stage in the project. These are based on a complex web of evidence that evolved across the three rounds, key pieces of which are included in the account.

All our findings are rooted at one level or another in what people said to us at different stages in the project, but our analysis draws on the whole flow of the discussion as well as on what participants said in response to particular questions. We have taken into account people's demeanour and approach to the subject matter, and tried to relate the background structure of existing attitudes, knowledge, perceptions, values and behaviour to the foreground interest in information and communications. We often needed to interpret what was said (again on the basis of the discussion as a whole), rather than automatically taking statements at their face value. In our analysis we built up pictures or models of the content and structure of people’s beliefs, attitudes, aspirations and behaviour as these related to the central issues of the research, grounding our theories in the observations we made.

This document focuses on these pictures, models and interpretations, rather than simple reportage of what participants actually said. We often include verbatim quotations, but these are used more as vivid illustrations of the way people talk and think than for their value as evidence. Many important matters cannot be illustrated with verbatim material, because they derive more from overarching analysis than from specific statements made by individual participants.5

Our samples were carefully selected, but are neither large enough nor chosen by the sort of process that would justify us in making numerical estimates of the frequency with which particular ideas or actions occur in the population under study. Nonetheless, it is important to give readers some idea where certain views tended to predominate or were fairly uncommon, and we, therefore, sometimes use broad-brush expressions like ‘many’ or ‘few’. The strength of a view is often more important than its prevalence and where relevant we have also tried to provide some indication of this.

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5 Verbatim material is referenced using the following conventions: the round of fieldwork from which the extract derives is shown as R1, R2 or R3 as appropriate. The specific group or interview is shown as G1, G2, etc or I1, I2, etc. Individual focus group are identifiable as F1, F2, etc (for female group respondents) or M1, M2, etc (for male group respondents).
We are mindful of the need for care and caveats in relating our findings to the wider population under study, but it is only the belief that reasonable inferences can be made from sample to target population that justifies qualitative studies of this kind. We do not, therefore, imply in reporting that no such extrapolation is possible, but we have tried to make readers aware of any important limitations to what can reasonably be inferred.

The general picture painted applies to a surprising degree to people in different sub-groups of the population. There were of course some variations, but in the main we were struck more by similarities than differences. Attention is drawn to important exceptions in the main text, and findings for some key sub-groups are reviewed in Chapter 5 – but the report concentrates principally on the main story-line.

1.4 Subsequent events

Since the end of fieldwork the world has been gripped by a prolonged and major financial crisis, which was not even on the horizon at the time of the study. This is bound to affect the way people view pensions and retirement, not only because it will have increased the level of pensions shortfall, affected savings and investments, but also because it will probably have aggravated the already considerable sense of uncertainty. We can only speculate on how this will impact on the matters under study, but our guess is that the general drift of our findings will still apply – and in some cases will have been reinforced. The net effect of the crisis will very likely be that the already considerable number of people obliged to stay longer in work from financial necessity will increase.

1.5 The research team

The research was carried out by Wendy Sykes and Alan Hedges with the assistance of Carola Groom. Respondent recruitment was carried out by Plus Four Market Research under Colleen Norton and tape transcriptions were prepared by Frances Underwood Secretarial Services. Stimulus material was developed by the team with valuable input on the presentation and layout of key items from document designer Pat Kahn, and using financial data supplied by DWP.
1.6 Report structure

The remainder of this report is organised as follows:

• Chapter 2: General context for communications about extending working life.
• Chapter 3: Responses to message content relevant to extending working life – key lessons.
• Chapter 4: Variations between subgroups of the target population.
• Chapter 5: Delivering information and messages – authors’ discussion of sources and channels.
• Chapter 6: Approaches to communication about extending working life – key lessons.

1.7 Note on Appendices B to D

Appendices B to D contain fieldwork materials used in Rounds 1 to 3 respectively. Each section includes the topic guide and main stimulus used during that stage of the research. Stimulus coded 1A to 1F was used in Round 1, 2A onwards in Round 2 and so on. To save space, some stimulus has been reduced in size so that more than one sheet can be fitted onto a page.
2 General context for communications about extending working life

2.1 Introduction

The Department for Work and Pensions’ (DWP’s) aim is to develop communications that will help to change the culture in respect of staying in work longer. This chapter describes some key features of the current culture. This is a vital starting point, since it is only possible to make sense of communications issues from an understanding of the context in which they have to work: how people already think, feel and behave in relation to work and retirement; and what influences them to operate in the way they do. The findings presented in this chapter draw heavily on the first round of fieldwork we carried out, although themes were confirmed, developed and fleshed out as the project unfolded. They show clearly the complexity of the background context and the wide range of issues that need to be taken into account in designing a communication strategy to encourage people to stay on in work.

2.2 Expectations about retirement

Respondents had two different sets of hopes, fears and expectations about retirement – which typically co-existed in their minds. Figure 2.1 shows the two conflicting models of the lifecourse, flowing from left to right. The first model builds to a final period of personal fulfilment, freed from the constraints of building a family and earning a living; and the second to a final period of constraint and decline.
Model A represents the ideal which most aspired to: a personally fulfilling, contented and probably active period, offering new opportunities and the freedom and flexibility to make choices that were not possible while they were still at work. There was a widespread feeling among respondents that retirement ought to be active and fulfilling and offer rewards for long years of work, for ‘doing my bit’:

“You’ve had this life of working and now it’s time to give you, yourself something back, you know you’ve got to – it’s like a reward isn’t it, you work hard and this is what’s going to come along.’

(R1/G2/F)

Respondents felt it should be possible to retire while still fit and active, leaving plenty of time to make the most of their later years. They discussed it in terms that suggested that this has become the modern standard for retirement and many provided vivid stories of friends and family who had made it a reality.

But alongside this bright and positive model of retirement respondents also pictured a darker alternative (Model B): a period of restriction with not enough money to make the most of the remaining time and with only failing health and powers to look forward to. Retirement in these terms was often envisaged as a brief and limited interlude between work and death – sometimes derived from memories of their parents or grandparents but still an apparently powerful spectre in their own lives:
F: ‘Yeah and it’s sort of as though when you’ve retired you’re just waiting to die really.’
I: ‘So does that put you off thinking about retirement a bit?’
F: ‘Yeah I don’t like to think about it.’
I: ‘Have you ever thought about what your life might actually be like in retirement?’
F: ‘No I haven’t, like I say I just think that when you retire that’s it your life is over, but it’s not. You’ll still maybe have 30 years, you know you could still have a lot of time, but most people that I know that are retired are really, really old.’
I: ‘They’re really old in the sense of …?’
F: ‘They seem really old. It’s as though they gave up work because they had to because they were so old, it’s as though they couldn’t sort of have continued on with it, even though some people do don’t they, carry on?’

Many feared that in practice their personal options in retirement would be narrowly constrained by low income and/or ill-health. In group discussions, respondents often told stories about relatives and friends who had become ill or died within a few years, or even months, of retirement. Although most respondents were at least dimly aware of increasing longevity – they did not necessarily believe it would apply to them (see Section 2.7).

In short, there were often tensions between respondents’ aspirations and their practical expectations. Many wanted more from retirement – and wanted it sooner rather than later – but worried that it wouldn’t actually work out for them. A lot of respondents were anxious about not having enough money from their pensions. Indeed it was apparent that many respondents would extend their working lives regardless, simply because of financial pressure – few could afford to retire early, and some would probably need to work past State Pension age (SPA) to make ends meet. These constraints were widely resented – but many saw no way round them:

‘I think [I would like to retire] at about 55. I think you’re at an age then when you can suddenly enjoy life…I’ve got a pension and I’ve got savings and that, and I can’t see it’s going to be worth anything. Am I going to be able to live on it? Will I have to keep on working? Why should I? I’ve given this country enough, so why shouldn’t I enjoy my last few years?’

(R1/G2/F)

2.3 Mood as retirement approaches

Most people’s mood on contemplating retirement on the whole seems negative, affecting the way they approach retirement planning, the kind of communications they need and the way they are likely to react to such communications.
Figure 2.2 illustrates the web of feelings that often surfaced in conversation with respondents.

**Figure 2.2 Context for extending working life messages**

As Figure 2.2 illustrates, people often feel **uncertain** or even anxious about retirement. It seems to be **unknown** territory, and the pension system on which their income usually depends seems extremely complex. Few respondents had any real grasp of how much money they will have, but many had **misgivings** about whether it would be enough to live comfortably on – let alone to fund the kind of active retirement that most would like to look forward to.

This tended – in turn – to generate feelings of **pessimism** and **disappointment**. We found a widespread sense among respondents of having been cheated, of the ‘goalposts’ having been moved. Some people talked about the leisure society they felt they had been led to expect, with the prospect of shorter working hours and earlier retirement:

> ‘What happened to all the free time we were gonna get? We were gonna have all this leisure time. Can you remember?...Yeah, 10/15 years ago people would be finishing work at 50, ‘cos we’d got that big a workforce and you’ll have such a good pension – and it’s going the other way. Why is it going the other way? Where’s the money gone?’

(R2/G3/M)

They contrasted this expectation with what they thought they had received instead – longer working hours, more stressful and demanding work – and now the prospect of having to stay in work longer than ever:
M1: ‘I think it’s a backward step, because up until 2005 it was “Bring the retirement age down”, and it certainly now is going up.’

M7: ‘When the women 60 came in, there was an argument that men was supposed to be going to 60 too6.’

M3: ‘What they’re doing is moving the goalposts. That’s what they’re doing – to suit themselves of course.’

People seemed puzzled how this came about in what seemed an affluent society. They often blamed the situation on mismanagement by Government and/or private pension companies.

In many cases we found feelings of anger and betrayal, which all too easily rose up to dominate conversation and swamp objective consideration of the subject. Respondents were often sceptical and cynical – which sometimes coloured the way they received communications, especially if originating from Government7.

Respondent ambivalence about the whole topic of retirement resulted mainly from tensions between the attractive prospect of freedom and leisure in later life, and their doubts about whether their income would stretch or their health hold up long enough to provide the kind of retirement they would like.

The net effect of the above feelings seemed often to be inertia in relation to planning for or making positive decisions about retirement – including when to stop work. Some respondents appeared agitated by the subject to the point of denial:

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6 This quotation refers to the equalisation of SPA for men and women. Some respondents said they recalled discussion about equalising SPA at 60 years of age, rather than at 65 as will now take place between 2010 and 2020.

7 The 2008 financial crisis will certainly have increased the pressure on retirement finance for many people, as final salary schemes continue to unravel and the size of private pension pots and annuity rates are eroded. What we don’t know is whether it will have changed people’s perceptions of who is to blame, or the way they feel about it. It’s possible that it will have made some feel more resigned about the need to work on.
F6: ‘I think I’m probably a bit of an ostrich, and I just stick my head in the ground and think, “Oh well, if I haven’t got any money then I’ll have to be looked after, and somebody else will have to pay for me”. My parents are of the frame of mind that they came into the world with nothing and they’re going out with nothing. And I think I’m quite scared because I know I don’t have the funds to support me in my old age – but at the same time I think, “Oh well, I’m not going to think about it now, I’ll worry about it when it happens” – which is a really stupid way to look at it, but I don’t know how else – what else to do.’

M2: ‘I think most people are like that.’

M7: ‘I think most people are ostrich with it. I think they are, they’re scared.’

(R1/G2)

There may be generational factors at work here. It is the baby boom generation which is now running up to retirement, and their perceptions have been shaped by the events of the last few decades – over which time pensions prospects have declined and talk of retiring in their 50s has given way to anxiety in some quarters about being able to retire at all. Conceivably, later generations will read the situation differently.

The above attitudes and uncertainties provide a sensitive and difficult context for communications, because people tend to interpret communications in the light of their own feelings and perspectives. Publicity needs to be aware of the way people feel, and to reflect the world as they see it.

2.4 What retirement means?

The word ‘retirement’ was used by respondents in different ways and contexts to refer to different states. The initial reaction tended to be that you’re ‘retired’ if you’ve stopped work in your later years and are drawing a State and/or private pension – and this is still in some terms what retirement means. But under the surface the situation is more complex, since most respondents also felt that the term could embrace voluntary and even some paid work provided it was consensual – chosen rather than forced:

‘I think for me the word ‘retirement’ means having a choice, and if you want to go back to work it’s having that choice. Whereas pre-retirement you’re having to work.’

(R1/G2/F)

Most respondents felt that the defining characteristic of retirement lies (or should lie) in taking control of their own life and choosing for themselves how to spend their time. Adult life has many responsibilities and imperatives and respondents often talked about wanting to step down from the ‘front line’ at some point. During the main years of earning a living and supporting a household, it is employers
who often dictate how their time is spent and many respondents were eagerly anticipating an end to this regime. Throughout our dialogue most responded very positively to the idea of having options and making choices:

I: ‘Does retirement necessarily mean not working?’
F1: ‘No.’
F7: ‘No it doesn’t mean being inactive.’
F1: ‘No. My husband had six months off and then he’s now a volunteer hospital car driver. They just get paid expenses.’
F3: ‘…I think it’s a choice of being able to work if you want to and not because you’ve got to. So you can choose whether you do something or not. And part-time, you can do a lot less hours and still do what you want to do, or nothing at all. So it’s down to the choice.’
F5: ‘And possibly do something that perhaps you wouldn’t have thought of doing in a previous life, as it were.’
F7: ‘It can be an opportunity can’t it?’
F5: ‘Yes. And thereby you can actually walk away from it. It might be something quite mundane that you might think you might enjoy, but it’s having the freedom to think, “Well that wasn’t quite what I thought it was so I think I’ll walk somewhere off in another direction”.’

(R1/G5)

Retirement for many respondents also simply meant the years beyond the perceived ‘retirement age’ – usually taken to be 65 for men and 60 to 65 for women. These ‘traditional’ ages were often not questioned, simply accepted as the norm. If asked, respondents were typically hazy about the significance of these dates or numbers, but many were nonetheless fixated by them. There appeared to be a residual and partly-buried assumption that retirement takes place at set ages (defined by some mixture of tradition, employer policies and pension start dates) – which further inhibits some people from thinking about when they will retire. It just happens when you reach the right age. Not many people believe this is literally and invariably true, but it still often colours their thinking.

This is an element of the culture that clearly needs to change. There are two obvious possibilities:
• to move the perceived norm a few years upwards – although it is not easy to change ingrained perceptions, and people may well resist the change;
• to break down the idea of a set retirement age altogether. This seems more likely to be productive because it accords with the appeal of individual personal choice, and with a widespread sense that everyone has different needs, desires and aspirations:
‘Why do we have to be programmed to say, “Right, at 65 it’s all going to stop?” Surely it’s about how you want to be and whether you carry on. Some people haven’t started work until their children have been brought up. If they’d never put a number on retirement you’d just carry on until you feel the need to – or it’s worth it. We wouldn’t be having this conversation.’

(R1/G3/F)

Respondents often recognised more variation in the age at which people have families and welcomed the idea of more space and flexibility around retirement, although a more traditional concept of fixed retirement ages still tended to predominate.

So the term ‘retirement’ was not always useful when discussing extending working life, partly because of the variety of interpretations placed on it, but also because it seemed to support the outdated and unhelpful concept of stopping work at a fixed age. It will be advisable in communications either to find an alternative term (which we did not manage to do ourselves) or to redefine it in a more flexible way.

2.5 Phased transition

Traditional images of the transition to retirement tended to persist, although respondents often acknowledged that it is changing. Thus, it was often talked about as a sudden change of state rather than a process to go through over a period – what might be referred to as the ‘cliff-edge’ model.

The idea of retirement as a phased transition (tapering off in steps rather than making a sudden clean break from work) was often appealing to respondents – although it seemed a fairly new thought to many. It was spontaneously mentioned by some respondents, but we often had to introduce the idea ourselves. Many people liked the prospect of easing into retirement, gradually withdrawing from the labour market and adapting their work to suit their changing circumstances, capabilities, needs and interests. This was seen as a flexible solution geared to individual requirements, rather than ‘living by numbers’.

Respondents usually had little to say about how far a phased transition would be possible for them personally, or what options they might have for giving effect to it. Some just hadn’t considered it at all, because it was not their normal expectation. Few had given much active thought to it; it wasn’t a clear or salient possibility in their minds at this stage. Respondents were usually, at best, able to generate only a limited repertoire of ideas about the forms a phased transition could take, or the different work-patterns that might help them with it. Some had little belief in its practical feasibility, because the opportunities were not clear in their minds, and might not be available in practice.
2.6 Planning for retirement

Many people do not engage in much (if any) organised planning for retirement. For example, if we asked respondents when they planned to retire they were often unable to give a considered answer. Sometimes people found it a difficult question. Often they offered only generalised replies – like ‘as soon as possible’ or ‘when I can afford it’.

Some respondents had thought more about retirement and had more developed plans about it, but in general we were more struck by the lack of planning for:

- the timing of retirement;
- changes in work patterns during the run-up to retirement, or in its aftermath;
- what happens once work finally stops.

To some extent retirement didn’t seem to strike many people as something that needed to be planned; they saw it simply as something that would happen to them at a given stage, its timing and character largely determined by others (employers, Government, pension providers, etc).

Respondents most likely to have planned retirement were those actively trying to retire early – now seemingly only a minority, because although many would like to do this they increasingly realise they won’t have the income to support it.

There was, however, evidence that couples sometimes coordinate their ideas about when to retire. In particular we talked to a number of women who had decided to retire when their partner did. In most cases this meant the women would work on but in one case it meant stopping sooner than would otherwise have been likely.

2.7 Longevity and retirement

Respondents often had a very limited idea of how long they personally might live on in retirement for. There was some broad awareness that people are living longer – perhaps more evident by the end of the project than at the start. When challenged to guess, an average figure some people came up with was 20 to 25 years, which is fairly realistic. But this was by no means universally recognised – and was not how most people pictured their own retirement. Even those aware of increasing longevity did not necessarily feel that they personally would live longer:

‘It’s an average. I don’t expect to live until I’m 90. Most of my family have popped off between – up to the age of 60, something like that. I would expect to live as old as my mum.’

(R1/G4/M3)

Participants were often acutely aware of not knowing their own personal future. They differentiated sharply between population statistics that say something about the ‘average’ person, and what might happen to them personally.
Dropping dead at some fairly early point in their retirement seemed a much more vivid possibility in most people’s minds than living to a ripe old age, even though this imagery perhaps owes more to psychology, folklore and anecdote than to statistics. Every group generated a rash of stories about people whose retirement had been cut short and respondents also often drew conclusions about their own life span from how long their parents or other relatives and friends had lived, especially if early death was involved. Even thinking about their own lifespan seems to some like tempting fate:

F3: ‘With my family’s track record every year is a bonus. I’ve been counting every year since…as a bonus, thinking I’ve got another year behind me. So I’m not too sure…I want to enjoy every year as it goes because I haven’t got an idea of how long I’m going to last.’

F7: ‘You never know, do you? You just don’t know.’

I: ‘And in your case has it affected your decisions about retiring?’

F3: ‘It has, definitely.’

F1: ‘I think if you’ve probably got early deaths in your family line that makes you look.’

F3: ‘It makes you look very closely at your own mortality.’

(R1/G5)

One outcome of this is that when people get round to thinking seriously about retirement the time left often seems short, and they become anxious about leaving it too late for the retirement good life.

Many respondents had a truncated idea of how much active life they themselves would have left at age 65. Seventy often seemed like a watershed, after which it was often assumed that people slow down or hibernate. For many respondents even another two to three years in work beyond 65 seemed like a large part of their remaining active life – and continuing longer could feel like a life sentence. Showing longevity statistics didn’t tend to modify these concerns – partly again because the statistics weren’t seen necessarily to have personal relevance, but also because living longer wasn’t seen to guarantee that they would feel fit, active and motivated during any extra years.

Some respondents were hazily aware of a connection between increasing longevity and the looming ‘pensions crisis’, but very few had worked out the implications of this – either at the macro level (the cost of providing pensions, the size of the pensions provided); or at the individual level as a basis for planning their own retirement. Few had interpreted it as a reason for extending their working lives – although there were clues that this message was beginning to sink in by the end of our fieldwork in the latter part of 2007 (see Section 3.2).
2.8 Attitudes to working

Attitudes to work varied widely between respondents according to a range of factors – among them personality, values and goals, but also the nature and circumstances of their work and the levels of job satisfaction enjoyed. At one extreme were people who saw work as a necessary evil, an interference with the important things in life; while the opposite extreme was occupied by respondents so committed to their work that they often did not distinguish between ‘work’ and ‘life’. Most of the population are ranged between these extremes – but in general respondents seemed clustered towards the first half of the scale.

There was a strong sense in most groups that the work ethos has changed in the last decade or so. The common perception was that:

• jobs across all sectors and at all levels have become more concentrated, dense and demanding;
• work culture has got tougher and more ruthless;
• employers have become less caring about the needs of their workforce, to whom they now show little loyalty.

In general, respondents tended to be cynical about employers who are felt to put an excessive focus on profits before the interests of their employees. Respondent views were illustrated with stories about the abolition of tea breaks, the erosion of lunch breaks, the pressure to put in extra time (often unpaid), cut-throat competition in the workplace, work worries taken home, and ever-present anxiety about job security:

F1: ‘Nobody’s got any time, nobody’s got any time. The bosses think that you could do more and more and more. For the amount of hours they expect you to do, more than what you originally – like when I first started work you had your job and you got up and done it. And I actually blame it on this time and motion study years ago, and it’s just gone and gone, and everybody’s expected to do more and more, and if we don’t do it it’s a case of, “Well, somebody else will do your job”.’

F6: ‘I work in education and it’s expected that you work most of your lunch hour to cover.’

M9: ‘Yeah, and you have to do extra hours if you take a lunch break or meal break, you have to do extra.’

(R1/G3)
‘Also it was friendlier then. When I was first going to work I was working at a paint factory and it was a small-knit company and it was great. I used to have the key and lock up at night, come back in the morning open up. And it was nothing tied, and it was no pressure on you to do anything. You did the job and you was paid well, I got paid well for what I did for it. And it was appreciated. No company appreciates you today. You come in the door, the more that you do the more they want. It doesn’t matter if you do 15 logging in over there, why can’t you do 18? If you did 18 the next day they’d say, “Well if you can do 18 you can do 20.” And that’s it, it follows through, they don’t care. As long as you make them money they’re not bothered.’

(R1/G4/M)

As a consequence, many respondents said that they find their work very stressful and that this seriously undermines job satisfaction. Even those who said they like the kind of work they do often found the stress hard to cope with, with the result that they wanted to stop as soon as they could:

‘I’m off with stress at the moment. And it just keeps piling on, the more you do the more they put on you. So you’ve got to draw the line somewhere and say, “That’s enough.” And because of the nature of the work that we do, whichever job you go into next, should you move, you’ll end up doing it – I’ve done it throughout my career. Every time I’ve moved it’s been frying pan into fire, because you’re always working. And there comes a time when your health starts to suffer and you think, “I can’t do this any more”.’

(R1/G5/F)

It seems likely (and was sometimes reported by respondents) that many people cope less well with stress in their later years. Pressures that could be shrugged off in someone’s 30s and 40s may become hard to handle in their late 50s or early 60s. In some cases ageing may, in itself, contribute to the stresses, where people have to struggle harder to keep on top of their job on account of deterioration (or even fear of deterioration) in their physical, sensory or mental capabilities.

2.9 Attitudes to working longer

As much of the foregoing suggests, the simple idea of working longer held little appeal for most respondents – and usually on the face of it seemed undesirable. Reactions to the idea that they should themselves stay longer in work tended to be negative – sometimes vehemently – and there was widespread opposition to the idea of being ‘forced’ to do so (which jars against the desire to be able to make their own choices at this stage in their lives).

There are possible benefits of staying in work other than purely financial ones, but these were not often mentioned, did not seem salient in most minds, and were generally outweighed by the more obvious negatives. They were sometimes observed in other people (and are often recognised when they are pointed out), but were rarely spontaneously applied to their own decision-making. Examples of the benefits of being in work mentioned in this way included:
A bigger income: This is probably the main positive factor. Some respondents said they probably won’t have enough income to retire on, and couldn’t meet their basic living costs. Our findings suggest there is a significant group of people who might work on because they feel they have no choice, but we found relatively few respondents in this position who would be enthusiastic about the idea.

For some there was a more positive appeal in the idea of earning some additional money to pay for extras in retirement. This particularly applied where people felt they could manage on their income but were concerned about having to cut back on pleasurable activities or treats. Part-time work was sometimes seen as a possible way of achieving this, but this was not an idea that occurred spontaneously to everyone (see Sections 2.11 and 2.12).

Other benefits of working: Non-financial benefits of working on recognised by some respondents included:

- **Intrinsic (job) satisfaction**: This was an important factor in people’s attitudes to staying in work. We identified three main categories of respondent:
  - those who don’t like their job and are keen to stop as soon as possible – before SPA if they could manage it;
  - those who enjoy their job but find it too stressful to contemplate working on (and might also want to stop early if possible);
  - those who liked their job, did not find it too stressful and might in principle be open to staying in work. Some participants said they actively enjoyed their job and wanted to go on doing it. Some people had a positive sense of vocation. Some felt that doing some work would enhance their retirement rather than detracting from it. A small number of women who had put their careers on hold until their children were older welcomed the chance of working on in order to fulfil their deferred work aspirations.

But even respondents who derived a lot of job satisfaction from their work in many cases weighed the prospect against other post-work satisfactions and sometimes said that they wanted to stop work so they could make more time for interests, hobbies or other activities – ‘before it’s too late’. Moreover, some people have family or caring responsibilities which they find difficult to combine with paid work. This again makes them want to stop work as soon as they can.

- **Extrinsic satisfactions**: A range of possible extrinsic satisfactions were mentioned by some respondents, including a group of people already working on out of choice. For example:
  - maintaining wider social contact, companionship and even friendship;
  - keeping lively and motivated – providing a ‘reason to get out of bed’;
  - having something to do to fill the time – which can be a concern to people who don’t have a lot of interests or hobbies;
having a structure and a framework to the days and weeks;

bolstering personal status and sense of self-worth;

keeping a sense of potency, being part of things, not a ‘has been’;

stopping marital partners from getting under each other’s feet – for people who have been used to spending most of their time at separate workplaces, suddenly being together for 24 hours a day can be challenging and stressful.

When they came up in discussion these were sometimes seen as significant benefits, but had hitherto often been overlooked or discounted by respondents. This appeared to be largely because the negatives of working are more readily visualised than the benefits – and also perhaps because the latter are not so apparent to people while they’re still working as they might become later. For example, the thought that they might miss the society of workmates may have more force for someone who has experienced loneliness in retirement than it might have done in prospect while they were still in work.

Working on past 55 was not seen in the same light as working on past 65, and working on for a year or two was not looked at in the same way as working on for a much longer (or even an indefinite) period. Attitudes to working on were quite context-sensitive in this respect – but unless the context was clearly spelt out people often seemed to have an exaggerated idea of what working on entailed, and this tended to arouse hostility to the idea.

In summary, many people would like to stop work as soon as practicable, usually because they find their work unpleasant, or because they want to get on with other things while still feeling fit and motivated enough for an active retirement. The benefits of staying in work tended to be less apparent than the disadvantages. Lack of income is the main factor which many people think is likely to keep them in work up to and beyond SPA, but often out of necessity – and that thought is unwelcome.

2.10 When to stop work?

As noted earlier, the most common response to questions about when people planned to retire was that it would happen as soon as they could afford it.

The ideal age for stopping work given by respondents varied, but most felt it was important to retire while still in the ‘prime of life’, physically and mentally; many people mentioned around 55 as a target age, some slightly less and some a few years more:

‘I think any time between 55 and 60 whilst you’re still fit and able to do all the things you want to do.’

(R1/G2/F)
'Well hopefully I can retire when I am 55. I’ve paid off my mortgage already and I’m putting the rest into my pension now…I love my job, but I enjoy my hobbies even more.’

(R1/G1/M)

In the 1980s and 1990s many people were able to opt for early retirement through voluntary redundancy arrangements at a time when firms wanted to shed labour and had healthy pension funds. This may have helped to fix the aspirational norm as retiring in your 50s, but the pensions arithmetic has now changed, and this option is no longer commonly available. However, although there was widespread recognition among respondents that retiring at 55 was currently likely to be achievable only by ‘high fliers’ or people in certain professions such as the police or fire service, perceptions of this as the ideal time to retire (and in some sense still a kind of norm) seem as yet to have changed little.

Pensions are often set up to start paying out at 65 (or 60) and many respondents regarded this as the de facto age for retirement; retiring earlier may not be affordable, and in any case employers are not often thought to keep people on beyond this point:

‘I’d like to have retired early, but my pension scheme starts at age 65 [and] that’s the key to it. No other finances to fall back on.’

(R1/G1/F)

Being in work after pension age was often associated with those:

• unable to live on their pension;

• committed to their line of work and in a position to continue for longer.

The circumstances people find themselves in as they approach retirement have changed over the years in many cases. The traditional expectation was probably that by the time people retired any children would be off their hands and any mortgage would have been paid off. But many people now have children later, and we interviewed some who will enter retirement supporting children at university and/or still paying off mortgages on their homes.

2.11 Options as retirement approaches

Individuals might deal with work stress as an obstacle to extending working life by switching or redefining jobs rather than by stopping work altogether – what we have called ‘lightening the load’. In principle people could (for example):

• compensate for the effects of ageing by taking up less demanding or stressful types of work;

• shorten their hours in various ways to reduce stress, or make time for other activities;

• look for new types of work if they feel stale or jaded;
• change occupation if they dislike their work;
• undertake training to enable them to switch to more rewarding or less demanding types of work.

But we found that possibilities like these rarely occurred to respondents, and – as we shall see – did not usually strike them as likely to be feasible when they were asked to consider them. In very few cases did respondents show any real impetus to explore their options – either by talking to their own employers, or by checking opportunities in the wider job market.

Indeed, views about people’s options (including working options) as they approach retirement seem impoverished – we found that even showing simple checklists of what seem fairly obvious possibilities were often seized on as throwing new light on their situation. Enriching and stretching these limited perceptions seems an important communications objective (see Sections 3.13 and 3.14).

2.12 Scope for extending working life

Even for respondents open to the idea of working on, the opportunities available to them did not usually appear very good. These were often seen to be limited in scope for various reasons, real or imagined – for example:

Hard to get or keep jobs – employers were generally regarded as unenthusiastic about employing older people, and often downright averse to doing so. The dominant belief was that employers prefer younger to older workers – that even if they recognise the merits of employing older people with more experience they would rather pay less for someone younger:

‘I would be quite happy if I thought there was employment there. That’s the big concern. Having worked in the same industry for the last 30 years I find that I’m getting less opportunities for work, but I know full well that I know a lot more than the (younger) people who are getting the opportunities.’

(R1/G1/M7)

Set retirement ages were widely regarded as the norm in most industries. Many people were unsure whether they could stay on in their own jobs past normal retirement age, even if they wanted to – and some were fairly convinced they could not. But few actually seem to have checked their options with employers.

Limited opportunities for phased transition – although some respondents became interested in the idea of a phased transition to retirement, a gradual stepping down from work, many hadn’t thought much about this possibility, hadn’t explored the different routes that might make this possible and weren’t very confident about their chances.

First there was a perceived shortage of ‘little jobs’ – part-time opportunities and job shares that would help bridge the gap to full retirement. Some respondents thought that the jobs that might be available would probably not be worthwhile;
would be low status or low pay. Almost everyone knew about a small number of major retail chains, household names such as Asda and B&Q that have active policies to employ older people, including beyond SPA. This is welcomed, but since no other types of job are similarly well known, it provides a rather limited ‘shelf-stacking’ image of post-SPA work prospects – attractive to some people but discouraging for others. However, there are some who welcome openings for simple and undemanding jobs of this kind.

Second, many respondents felt that it would be difficult for older people to change tracks, to move into a different line of work. Few participants had even considered retraining, a concept which somehow lacks credibility for older people – it is associated with early-stage preparation for work or perhaps mid-life career switches, but not usually with the approach to retirement. Discussion of retraining often raised questions and doubts about what is available, who offers it and how to find out about it. Respondents were also unsure who would pay for it, how it would be fitted in around work, whether it would be respected by prospective employers, whether it would ultimately lead to a worthwhile job – and whether the investment of time and money would pay off for someone nearing the end of their working life.

We found a few positive cases where people had retrained at a late stage (for example in IT skills), and found opportunities had opened up – but such examples have not registered much as exemplars in the pre-retirement culture.

Third, respondents were often hesitant to approach employers about reducing their hours or changing their responsibilities. Some thought this could be a difficult dialogue, especially where age discrimination might be an issue, and felt it could be interpreted as an admission of weakness or incapacity. Concerns like these tend to inhibit the exploration of possibilities with employers, who are not typically widely trusted in these matters. The scope for flexible working or load shedding was generally unclear – and often thought limited both in kinds or opportunity and availability. Dialogue with employers about issues like these doesn’t seem part of the culture.

Staying in work won’t pay – Many respondents felt that working on just wouldn’t pay, that their income would be small (particularly if they had changed jobs or gone part-time), and that much of it would be taxed away. Income tax levied on pensioners was a source of considerable resentment in most groups, and there was a widespread assumption that it would erase a lot of the financial benefits of working on. A few people pointed out that small amounts of money from working on might affect benefits claimed by those on lower incomes, leaving them worse off.

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\[ This seems to us an important issue, but it seems to some extent a ‘buried’ issue which is not commonly in the public eye. \]
Health or capability can deteriorate – Most respondents were very conscious of the fact that health or capacity to do a job can deteriorate with age, making it difficult or unpleasant to carry on working (see Section 2.14).

Caring responsibilities – Many people in their 50s and 60s, especially women, find themselves looking after elderly relatives in failing health. Our sample included a few people who already had caring responsibilities and others who thought they would have at some point in the next few years. All recognised the barrier to working on that this would present.

‘Lump of labour’ concerns – some respondents expressed concerns about the potential impact of extending working life on job opportunities for younger people:

“What about giving the younger generation a chance? Like I’ve got two kids, one 16 and one 14. Just say, for arguments sake, no disrespect to your trade – electrician or carpenter or whatever, that you think “I’ll stop on till I am 70”. Suppose my son thinks “I want to be an electrician or a carpenter”, if someone isn’t going to retire till a certain age it’s lessening his chances. Not just for my son, but everybody in general.”

(R3/G4/M2)

This was not widely raised except in areas where local job shortages are a longstanding issue – as was the case in some of our sample areas, for example, a traditional industrial region in the North of England and a small coastal town in the rural South-west.

On the whole, respondents felt that it would be good to have the choice to stay in work if they wanted; almost everyone we spoke to welcomed that possibility. However, they were very resistant to the idea of being made to work on, and thought it important that people should be free not to. As we have seen, few respondents had seriously assessed the scope for extending working life – mostly because they want a good ‘third age’ before it is too late and are keen to escape from the treadmill, but also because the scope for staying in work is hard to assess.

These perceptions of limited scope for working on are important. Given that most people don’t really want to stay in work the fact that it might be hard to do so is a double disincentive. Moreover work-pattern options that might make the experience less onerous or more rewarding for them seem disappointingly invisible. We can’t tell from our evidence alone whether these are image problems that could be changed by communications, or whether the public is right in thinking that there aren’t many opportunities available. Changing the culture to make people believe the scope is better than they thought could be counter-productive if that turned out not to be the case.
2.13 Age discrimination

There was widespread belief among respondents that employers generally discriminate against older people. These views were based partly on personal experience and observation, and were partly fed by the media. It was seen as difficult for older people to get jobs; in their 40s and 50s, let alone their late 60s:

‘Now people aren’t working if they’re over 40, they’re getting rid of them. And there’s no way they’re going to get a job after that. They’re on the scrap heap.’

(R1/G4/M)

‘To be honest it’s 40-odd now in business. In the city I’ve got friends, 40, 45, just thrown out – you’re too old. Banking, insurance. And I think that makes people feel worse, because they don’t feel a number.’

(R1/G2/M)

Employers were felt to have largely pejorative images of older people, to undervalue experience and maturity, and to over-emphasise wear-out and incapacity. They were regarded as generally reluctant to take on older workers, or to keep the ones they already have, and were seen to be all too ready to substitute mature, experienced workers on higher salaries with younger, less experienced but cheaper competitors. Some respondents remarked that their managers are young and don’t seem to value or respect their older workers. On top of this many feel that we live in a youth culture which doesn’t have regard for the virtues of age.

Respondents believed that many, if not most, employers have set retirement ages – traditionally seen as normal (and expected) practice. At the start of the project there was little awareness of the new age discrimination legislation that was coming into force, but when told about it reactions were often inclined to the cynical:

I: ‘Did you know that there is legislation coming at the end of this year?’

F5: ‘What against discrimination to older people?’

F5: ‘Well what a surprise, what a surprise.’

I: ‘Why do you say that?’

F5: ‘I just think it’s all a load of c*** They just want us to carry on working until we drop down dead, end of story...Suddenly there is discrimination after all these figures come out, what a surprise.’

I: ‘Because they want you to work longer?’

F5: ‘Of course they want us to work longer. They’re con men.’

(R1/G2)
On the one hand anti-discrimination legislation was seen as an obvious move by a Government keen for people to work longer and on the other there was little faith that it would make much practical difference. Respondents tended to be sceptical that employers would feel bound by it; that it would be enforceable; or that many people would be willing to challenge their employer. It was, therefore, rarely seen as providing an answer to limited work opportunities for older people, or to lack of options for working on:

M2: ‘There’s always ways round it.’

M8: ‘Of course there is, so it means nothing at all. If they want you out, they’re going to get you out.’

M4: ‘It’s impossible to enforce really, isn’t it?’

(R1/G4)

Over the course of the project awareness of age-discrimination legislation tended to grow a little, and it may send a useful signal to the general public in the medium-to-longer term – but it has not so far transformed the widespread feeling that the employment situation is likely to remain difficult for people around retirement age.

A minority of our respondents thought that it was getting easier for older people to stay in the workplace. For example, the willingness of Asda and B&Q to employ older people has been well-publicised – although some argued that opportunities like these are limited in scope and quality.

Some respondents thought employers in their own line of work were beginning to recognise the benefits of employing older, more experienced people with a steady work ethic, and that this would (and should) be a growing trend. And some believed that employers would be forced to look to older people as the demographic structure of the country continued to shift towards older age groups. However, it is doubtful that there is much belief that discrimination in mainstream work is declining.

2.14 Ageing and work

Some participants were scornful about what younger people can do at work, because they’re seen to lack experience, know-how, skills and responsible attitudes. As noted earlier, respondents tended to believe (often indignantly) that employers undervalue the experience and qualities of older people, and would still prefer younger to older workers.

But there was also evidence of ambivalence among respondents themselves. Stout defence of the value of older employees often co-existed with concerns about declining capabilities. Some respondents were getting anxious about retaining their own capacity to work, to do a job properly and to compete in the workplace as they got older. Early signs of deterioration are sometimes detected in the 50s and early 60s, and can seem like harbingers of bigger problems to come.
Even if people live longer, they may still lose their powers or stamina. It was widely believed that stress and competition is harder to handle with age, and that the work environment is becoming increasingly stressful and competitive. Some respondents were worried about ‘burn out’ and felt there was a limit to how much longer they could go on.

Some people believed that it would be increasingly difficult to keep their skills up to date because of the fast changing pace of technology, especially in IT. And others thought that with age they might lose their ‘edge’, particularly in highly competitive work environments.

Physical strength and stamina decline with age, and jobs involving hard physical work have their own effect on the body. In most groups respondents thought it would be hard to keep on with manual work, especially manual workers themselves.

The above concerns were typical of every sector and were even beginning to be voiced by some people in their 40s and 50s. So even if people wanted to stay longer in work and were allowed to do so by employers, there are often doubts about how long they would be able to cope with jobs as age increases – particularly where stress, physical labour or mental sharpness are involved. And even if you can still do the job under those circumstances the effort and aggravation (or even pain) of doing so seems likely to increase.

### 2.15 Tax breaks

There was very limited and patchy awareness that older people get tax breaks: that National Insurance (NI) is not payable after SPA (60 for women, 65 for men) and that increased personal tax allowances apply for both men and women after 65. If participants were aware of tax breaks at all it was usually only vaguely at best; they had hardly any understanding of how they work and often discounted the effects. They typically:

- had no idea of what tax breaks would be worth;
- were unable to work this out for themselves; and
- assumed they were probably only of marginal value.

It was very uncommon for respondents to see tax breaks as ‘keeping more of what you earn’, and hence being better off from working after 65/SPA than before (although this will often be the effect).

As outlined earlier, there was some resentment about being taxed at all on post-retirement income. Respondents often talked about being taxed twice, once while working and again on income in retirement. They felt that after a life-time of working and paying tax they deserved a break. And since pensioners are seen to include some of the most hard-up people in society it was argued to be unfair to tax them.
Raising the subject of tax status after retirement tended to bring up these negative feelings, which, being vivid and emotive, tended to swallow up discussion of tax breaks – which were little known, and tended to be dismissed as (at best) of marginal benefit. It was only when respondents were shown specific examples of **how much better off** tax breaks would make a pensioner, that they began to sit up and take notice (see Section 3.7).

2.16 Pension deferral

At the start of this project, we found little awareness or understanding of the option to defer pension claims – State or private. Many people assumed (usually tacitly) that pensions would be paid automatically on reaching ‘retirement age’ – so the question ‘When should I start drawing my pension?’ was not often actively asked. By the end of the third round awareness and interest had increased somewhat, but the basic story outlined below still largely applied.

Most respondents had not really considered the possibility that they might not claim their pension as soon as they were eligible to do so – and some were even unaware this is a possibility. This is partly because of the idea of a set ‘pension age’, but in any case it was difficult for people to understand why anyone would choose to put off claiming even if they were allowed to. There was an instinctive assumption that they would ‘lose out’, because:

- they would obviously lose the payments they weren’t claiming, and few realised that there might be any compensating mechanisms to increase the benefits ultimately drawn;
- if they don’t take money when it’s offered they risk losing it if they die before claiming it:

  ‘In three years you could pop your clogs, at the end of the day where does that go then? It goes to probate if you ain’t got nothing set up or you haven’t got a person who can transfer your pension over. But it’s your money. No, it’s all a big con.’

  (R1/G4/M)

So the idea that there might be a practical payoff from deferral was new to many. But the emphasis in any case was usually on ‘How soon can I retire?’ rather than ‘Can I find a way of putting it off?’

The way State Pension deferral works is complex and hard to grasp. The materials we showed (see Round 1 materials in Appendix B) were usually taken in and found interesting – but it was a hard story to tell in sufficient detail\(^9\). It also tended to raise concerns about (for example) what happens if you die before you draw

\(^9\) It would have been better, with hindsight, to have taken inflation into account and looked at outcomes on a discounted cash flow basis. The DWP booklet on deferral at the time ran to around 80 pages.
it, and whether it’s transferable to your family in that case. Since people are often uncertain how long they'll live after retirement there is a temptation to pocket the money rather than leave it unclaimed and at risk. However, some people were surprised (and occasionally quite impressed) by the extra sums shown in our material for State Pension deferral.

When we showed illustrations (Appendix C Stimulus 2B) of how far the value of private pensions would stand to suffer by being drawn early (or gain from being deferred), most people were surprised by the magnitude of the effect – which tended to make early retirement financially less attractive than they’d thought. Personalised examples of what the effect on both State and private pensions would be in their own case would probably be more convincing still.

2.17 Pension expectations

We were briefed to carry out research on extending working life rather than pensions, but it is difficult to entirely disentangle the two. Pensions often appear as the key factor enabling or constraining choices about when people can afford to retire.

Typically, we found very limited knowledge or understanding among respondents about what they might get from the State Pension or from any private pensions. Of course there were exceptions to this rule, but they were in the minority. People were not only usually vague and uncertain about their entitlements, but also typically pessimistic – sometimes perhaps too pessimistic. There were plenty of cases where we suspect their pessimism was justified, although in other cases it may perhaps reflect their uncertainty more than their actual provision – but we have no direct evidence about this, since we know nothing about their actual entitlements other than what they told us (and they often seemed extremely vague).

The vagueness we encountered generally stemmed from:

- limited understanding about how things actually work;
- the real and perceived complexity of the pension system and the rules that govern it;
- a sense of a rapidly changing scene and moving goalposts;
- a belief that the pension system (State and private) is failing or has failed – fed by news reports, personal experiences and anecdotes from family and friends.

There was uncertainty about the value of their State Pension – what it is worth generally, and how much individuals can personally expect to receive. Many respondents did not understand the rules – for example, some doubted they would get a basic State Pension if they’d contracted out of the State Second Pension (S2P) (and the nature and value of S2P was, in itself, typically very opaque):
'I've been paying into a pension scheme since my 20s, so I do have that pot there, plus the pot of the property – but I’m not sure that it will sustain me. Also I’m concerned about the State Pension scheme. Maybe I’m a bit green about this, but if I contracted out does that mean I don’t get (a State Pension)?'

(R1/G1/F)

These uncertainties were multiplied by widespread doubts that the State Pension would continue at all – or at least at a worthwhile level. Some felt that whereas it was once a paid-for right, its future now depends on the whim of future Chancellors. A significant minority believed that the Government has already decided to stop paying it, and that younger people will not receive any State Pension when their time comes. We found only limited awareness that people can get State Pension forecasts, although this seemed to develop slightly over the life of the project.

There was also a lot of uncertainty among respondents about private pensions, even among private pension-holders approaching the threshold of retirement; how they work, what they are worth and what happens when the policy holder retires or dies. And, as already noted, a sense of disappointment and betrayal pervaded the whole topic of pensions.

Not knowing how much income to expect in retirement is very unsettling, and also tends to paralyse already weak impulses to plan ahead. Many people have fears and uncertainties, but little real grasp of what they will have coming in. Since the amount of pension is likely, in many cases, to be one of the main determinants of retirement dates this certainly inhibits clear thought or effective planning.

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10 As we have suggested, this uncertainty and disappointment is likely to have been underlined by the ensuing ‘credit crunch’, although we can’t be sure whether it has affected the way blame is allocated.
3 Responses to message content relevant to extending working life – key lessons

3.1 Introduction

Chapter 2 clearly demonstrates the breadth of scope for messages about extending working life. In this chapter we review how participants reacted to messages of different kinds that we tried out. In developing these we were informed mostly by our growing understanding of the context, but we also tried out some specific ideas that the Department for Work and Pensions (DWP) was keen to explore.

Some of the messages were shown in only one round of fieldwork; others were evolved and tried out over more than one. In general, however, this iterative process has not been described in detail except where we feel that it adds to understanding. Focus is, therefore, mainly on the flow of key findings from all three rounds.

Stimulus materials were generally printed on A4 sheets. Some were text-based word-processor documents printed in black and white, others had slightly more design input, and used simple graphic devices like bar charts, sometimes in colour. We sometimes left people to read the sheets themselves, and sometimes read all or parts of the content through with them. We discussed the materials with participants, and often interpreted them or tried alternative ways of explaining them orally. In the final round only we used an audio narrative as a framing device for showing other materials, which proved highly successful, and from which useful lessons can be learned (see Section 3.14).
It is important to underline once again that the materials we developed for research purposes in order to explore effective messages were not intended for use directly in the real world as publicity material (see Section 1.2).

3.2 ‘Hard’ messages and uncomfortable facts

One of the areas of greatest interest to DWP at the outset of the project was the potential impact of simple factual information making the case at a societal level for working on. We developed messages which aimed to clarify the need to work longer because of the underlying situation and the progressive pension shortfall. The idea was to confront people with a dispassionate account of some of the stark facts underlying the pension crisis, including increasing longevity, and a deteriorating worker: pensioner ratio.

Some of the basic demographic facts relating to working on were first floated in Round 1 of the fieldwork but a more organised presentation of relevant material was developed for Round 2, see Box 1:

**Box 1: Changes which affect retirement and pensions**

Over the next 40 years the age of retirement needs to go up a bit.

There’s been a lot of publicity about this. People will be encouraged not to retire early, and to stay longer in work where possible.

The Government plans to raise the age when you can start claiming your State Pension to 68 by 2050.

**Why is this happening?**

There are three main reasons:

- people are living longer so there are more pensioners and they claim their pensions for more years;
- many are also giving up paid work earlier, which again extends retirement;
- at the same time the birthrate has fallen, so there are fewer people in young working age groups.

All this is aggravated by the baby boom of the 1940s and 1950s – a lot more babies were born when the troops came back from the Second World War, and this ‘bulge’ is now at or near pension age, which again swells the number of pensioners and reduces the number of workers.

Back in 1950 men spent 70 per cent of their entire lives working on average, but by 2005 they were spending only 57 per cent of their lives in work. They now spend longer in education before they start work.
And they live longer after they stop working. In 1950 men lived on average for just over ten years after retirement, but by 2005 this was up to almost 21 years.

And people are retiring earlier. In 1950 men retired on average at 67, but this dropped to 64 by 2005.

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<th>Childhood and education</th>
<th>Work</th>
<th>Retirement</th>
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<tr>
<td><strong>1950</strong></td>
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<td><strong>2005</strong></td>
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The same trends affect women too. In 1950 a woman could expect to live 16 years in retirement on average, and by 2005 this went up to just over 26 years. It’s harder to make these comparisons for women, though, because in 1950 more women were full-time ‘housewives’ and didn’t have paid jobs at all. Women, like men, are retiring earlier now.

**Rising cost of pensions**

All these changes have had a big effect on the cost of providing pensions. If people live longer and retire earlier their pensions cost more to provide, because they have to be paid for more years.

On average a man now claims his pension for 20 years, as against 11 years in 1950. That’s nearly twice as long – so costs nearly twice as much.

A pension of £100 a week amounts to £57,200 over 11 years, but £104,000 if paid for 20 years.

So the system has to find a lot more money to pay the same weekly amount – whether it’s paid by the State or through private sector pensions.

This example assumes for simplicity that the pension stays the same year on year. In reality many pensions go up over time, but the principle is the same – the longer it lasts the more it costs.

**Fewer people to pay the cost**

This rising cost falls on fewer shoulders, since there are now more pensioners and fewer people in work to support them. State Pensions are paid by the taxes of those still in work.

- In 1950 there were over five people of working age for each pensioner.
- By 2005 this had gone down to around four.
- The forecast is that by 2050 it will fall to just over two people.
Changing pension policy

From 1974 State Pension growth was tied to average earnings, but in the 1980s the rules were changed and it was linked to inflation instead. Since then the State Pension has grown more slowly than it did when linked to earnings. The Government has just announced that the earnings link will be restored.

People were to be encouraged to put more into private pensions to give them a better income when they retired, but the public has been slow to do this, opening up a gap between what many people would like to retire on and what they can actually expect to get.

This has been aggravated in the past five years by:

- falls in the stock market after a long run of growth, which has reduced the value of some pension investments;
- a number of employers cutting back on ‘final salary’ pension schemes.

Options for the future

This is the situation we’re now in.

The 2006 Pensions Commission report put it like this:

‘Faced with the increasing proportion of the population aged over 65, society and individuals must choose between four options. Either:

i) pensioners will become poorer relative to the rest of society; or

ii) taxes/National Insurance (NI) contributions devoted to pensions must rise; or

iii) savings must rise; or

iv) average retirement ages must rise.

But the first option (poorer pensioners) appears unattractive; and there are significant barriers to solving the problem through any one of the other three options alone. Some mix of higher taxes/NI contributions, higher savings and later average retirement is required.’

The story presented to respondents in Round 2 was generally thought well told and clear. It was long and detailed, but few had difficulty in understanding what we were trying to convey – although we doubt that many would have tackled material like this ‘cold’ outside the research context.

Aspects of the story were becoming vaguely familiar by the time we tried out these sheets, in part because of the media coverage which followed publication of the 2006 Turner Commission report.\(^{11}\)

\(^{11}\) And were more so by the end of the project.
Participants were usually already vaguely aware that people are living longer and perhaps that the birth rate has been falling – but this knowledge was mostly fragmentary, patchy and half-digested; few people had an integrated or coherent picture, or had absorbed the implications, either for themselves or for the system.

Important gaps that the material appeared to fill included the following:

- that pensions are paid by next-generation taxpayers still in work, and not by pensioners’ own past contributions as many people assume;
- that the worker/pensioner ratio is declining fast, leaving workers to shoulder a progressively larger pensions burden – the extent to which this is happening was often something of a shock;
- that pensions cost much more if people live longer – which sounds obvious but was not something many respondents appeared to have thought about before;
- that working occupies a shrinking share of people’s total lifecourse – again, not entirely surprising when you point it out, but not often part of participants’ stock of organised knowledge.

The public not only needs to know the basic facts (which are sometimes at least vaguely familiar), but to understand how these link to outcomes and implications. These Round 2 sheets usually got the whole story across.

Some respondents found the material helpful because it explained why things were happening the way that they are, and made it clear why working longer really is inevitable:

I: ‘Do you think that this is a necessary story that has to be told?’
M3: ‘Yes. I didn’t realise it was gonna be the ratio of 2 to 5, I didn’t realise it was gonna get that desperate.’
F4: ‘No, no.’
M3: ‘It’s very good, it tells me exactly how it is – and you can’t argue with that.’
M6: ‘No, this is very good information.’
(R2/G6)

But these are raw issues, and some people’s responses were more negative – or even hostile; they described the material as ‘propaganda’ and felt it to be manipulative and self-serving – pushing the Government’s agenda. (This was particularly the case with the early Round 1 materials when the ‘hard messages’ were first floated12):

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12 See Appendix B Stimulus 1A for details.
‘I think also there’s also a very genuine cynicism of how the Government presents figures, how the Government makes its policies – and it doesn’t matter which Government I’m afraid, or which political party. And I think therefore we’re all now – for whatever reason we’re rather cynical about how figures are presented.’

(R1/G2/F)

Some respondents said that it put only the authorities’ case and overlooked the contribution to the current crisis caused by mismanagement and mistakes by Government and/or the finance industry:

‘They keep telling us, they tell us lots of things. They tell us they’ve got a shrinking workforce, they can’t afford to pay for our pensions, there’re not enough people working. To be honest with you I’m probably not the best person to ask because I’m very, very cynical when it comes to Government.’

(R1/G2/M7)

It seemed to some people to be lecturing and ‘nanny-ish’ and respondents sometimes felt unfairly ‘got at’:

F4: ‘Yeah, it’s like we’re over-living.’

F2: ‘But it’s almost like saying you shouldn’t, if you didn’t live so long you’d be alright. As you are you’ve gotta pay more money.’

M3: ‘Yeah, you’ve gotta pay for the benefit of living longer.’

F2: ‘Why don’t you do what your older generation did, pop off when you retired.’

(R2/G6)

In some groups respondents were driven to reject the evidence or try and pick holes in the figures:

I: ‘So are you saying that you don’t really believe those statistics?’

F6: ‘I don’t actually.’

M9: ‘I know people who – they retire and only I think from 11, three or two people survived and the rest die within three years or four years, and one dies after nine months and he worked 41 years. Forty-one years he worked, he was working two jobs, 41 years. How much he is paid for nine months is nothing.’

I: ‘This goes back to what you were saying earlier.’

F6: ‘There’s a lot of tragic things happening nowadays. Everyone you talk to, they’ve all got a problem – someone’s died or someone’s got an illness. And it’s the same for everyone I believe – and so how they’re all living longer I do not know.’

(R1/G3)
'And what I really feel, it’s got here, “Since there are now more pensioners and fewer people in work to support them, the State Pensions are paid by the taxes of those still in work.” I don’t believe that. I’ve paid for my pension since I was 15. I’ve worked since I was 15 and my tax and my insurance has paid for my pension. What I do begrudge is that I’m keeping everybody else that’s coming in from every other country and taking it. I really feel very, very strongly about this. What country could I go to and claim their pensions? So I just don’t feel that anybody that is in work when I’m getting my pension is keeping me – and I feel really strong about that.’

(R2/G6/F)

But most broadly accepted the story we told, because it makes sense and largely fits with what they had already heard – and in part believed.

Over the course of the project there were indications that the basic facts were gradually beginning to seep through into public consciousness, although the full implications still did not seem to be getting across.

The impact of the material was often lessened by the fact that it talks about broad, country-wide trends, not about ‘me’. ‘Good-of-the-country’ arguments were not universally appealing or motivating, and did little to counteract the sense among some respondents of having been let down personally. And as we have already reported, reading about average longevity did not seem to change many people’s assumptions about their own retired lifespan – they were more likely to think about how long their own relatives had lived (see Section 2.7):

‘I like to think 20 but realistically – I mean my father died at 70, had five years’ leisure, it’s not a long time.’

(R1/G3/M)

In the first round we showed statistical arguments for staying in work based on changes over time in the ‘percentage of life’ spent in work\(^{13}\), but respondents were not entirely convinced by this material. Some felt there should be a personal dividend from longevity, not just a requirement to spend longer in work. There was some acceptance that the information could legitimate being made to work longer, but it did not encourage people to want to do so.

\(^{13}\) Again, see Appendix B Stimulus 1A for details.
These hard messages could seem quite gloomy and depressing:

F8: ‘What if we’ve made funds available, we’ve been careful, we’ve saved up, we’ve invested some money if we’ve had some extra money? Who’s telling us we’re gonna be poorer? It’s like, “Oh, you’re gonna be poorer”.’

M1: ‘That’s the best advert I’ve ever read to say “keep working”, really. Don’t retire.’

I: ‘But is it a good advert?’

F8: ‘It gets my back up reading that, actually.’

M1: ‘I find it very depressing reading basically, and it’s just given me more impetus to never think about retiring really.’

(R2/G3)

There was little in these messages that was comfortable, and they did not modify people’s feelings about working on even if the fact seemed more inevitable. They did not provide positive motivation to change tack. Some found them alarming and became apprehensive – the problem sounds so large and intractable that the Government (or other providers) might have to scale down their payments – or might finally decide they couldn’t afford to pay pensions at all.

The four options for the future outlined by the Turner Commission (pensioners must become poorer, taxes and NI contributions must rise, savings must increase, average retirement age must go up) were accepted by many respondents in the light of what they had learned. But some people argued that effort should also be made to find money from other areas of Government spending, and to spend money better and more efficiently. Others returned to the charge that these problems result from mismanagement.

In Round 3, we did not focus directly on the ‘hard messages’ used in Round 2, but we found that respondents seemed more aware of the issues and more likely than in earlier rounds to raise them spontaneously in the context of working on. In one of the final stimulus sheets of Round 3 (‘Stepping down to retirement’ – Section 3.12) some of these facts were raised again, but this time they were set as details within a broader narrative context, and respondents seemed more willing to accept them without suspicion and antagonism. In summary, it is useful for people to be aware of this background story, but they may not want to hear it directly from Government and attempts to put it across need to be alive to the risk that it will be interpreted as propaganda and hence, to the need to treat it as part of a bigger and more positive story, rather than as an upfront message in its own right. The hard messages might come better from partner organisations than from DWP (see Section 5.7.2).
3.3 Options as retirement approaches

As noted earlier (Section 2.11) respondents usually had little to say about the scope and options for a phased transition from work to retirement. It was not something many seemed to have thought about; they were not usually able to generate an adequate repertoire of ideas about what forms it could take; and their belief in its practical feasibility was often limited.

For the second round of fieldwork we worked up materials designed to tease out further thoughts and feelings about phased transition of different kinds. First we showed participants a diagram with a simple range of options:

- stopping work;
- staying in the same job, with or without reducing hours or workloads;
- changing the job and/or employer; either retraining to do so or using existing skills.

Having discussed this we handed out nine slips of paper listing different ways of working that might be considered in retirement. These were:

1. Reduce hours – shorter days, or fewer days in a week.
2. Lighter work – physically less demanding.
3. Flexi-time – choose own working hours each day (probably with some core hours).
4. Less stressful work – less pressured duties or less responsibility.
5. Job sharing – a full-time job split between two workers who agree the time each works.
6. Compressed hours – work the same number of hours a week, but on fewer days (eg alternate Fridays off).
7. Homeworking, teleworking – do all or part of the job at home, communicating by phone and/or computer.
8. Working for yourself – deciding for yourself how much and what kind of work to do and when.
9. Zero hours contract – work only the hours needed.

Respondents were asked to rate each option twice on a single likelihood scale. First they were asked whether they would be able to do it with their current employer as retirement approached; and second, whether doing it would encourage them to work on.

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14 See Appendix C for copies of the stimulus materials.
The purpose of the exercise was to provide ‘pegs’ on which to hang discussion, and to stimulate consideration of a range of options. We were also interested in exploring the appeal and effectiveness of different ways of working in later life.

In general, the stimulus worked well. Respondents felt it had enriched their repertoire of ideas about options for working on and the results showed that without this kind of input people often don’t spontaneously consider more than a few options – sometimes just either stopping work or going on. Many participants began to have further ideas when they considered the alternatives presented to them:

F2: ‘Actually being told that you’ve got these options – it’s got to be better.’
M6: ‘Great, yeah.’
F4: ‘Yes.’
F2: ‘It doesn’t look as gloom and doom from now on in, does it?’
F4: ‘No, that’s very true.
F2: ‘I don’t mean that so dramatically, but retirement can seem like a daunting experience. Thinking about it, you think how you gonna manage money-wise? What’s gonna happen to you when you don’t go to work anymore? That sort of thing. But if you’ve got some options there, and you know about them, it is better.’
F4: ‘But then again it shows you other options if your employer isn’t interested – you know, like you could get something else, or you could do something else.’
I: ‘What about changing your job completely, maybe acquiring some new skills, doing some retraining?’
F5: ‘Oh I feel I’m too old for new skills, I couldn’t take it all on.’
F4: ‘You do, but I’d prefer that to not working at all.’
(R2/G6)

Responses varied but the following points can be noted:

- For many respondents, though not all, stopping work completely was the initial default choice. Some people cannot wait to lay their burden down; it seems the obvious thing to do – and this is what is usually meant by retirement.

- Carry on as normal tended to be the opposite default choice for respondents, but not many found it appealing. A minority who really enjoy their work wanted to follow this route, but most people saw it only as a regrettable necessity if you can’t afford to retire.

- Many responded positively to the notion of being able to work more flexibly as retirement approaches, perhaps with lighter duties or shorter hours. But most had not really engaged yet with this idea, or explored their real options.
• **Changing jobs** appealed to some people, but some felt they would be nervous of change, especially as they got older. Resolve and confidence is needed to launch on a new path when otherwise work might be coming to an end altogether. Changes that involve retraining seemed likely to be particularly fraught, and as already noted many respondents did not think much of this idea in the run-up to retirement (see also Section 2.10).

Participants were often uncertain how much scope they would have for options other than stopping work completely. Some thought that even carrying on as normal past 60 or 65 might not be an option with their current employer, and some were sure it would not be.

The results of the rating exercise provide a more detailed picture: For each of the nine ways of modifying work that were presented to respondents, they were asked to say both how far they would be able to do each as retirement approaches and how far each would attract them to stay in work somewhat longer. The response choices included: ‘Yes certainly’; ‘Yes probably’; ‘Possibly’; ‘Not very likely’; ‘Certainly not’; ‘Done it already’; and ‘It doesn’t apply to me’.

Figure 3.1 shows net ‘able to do’ scores and net ‘encourage to stay’ scores once we had subtracted (‘Not very likely’ and ‘Certainly not’) from (‘Yes certainly’ and ‘Yes probably’). Bars on the right side of the chart represent net ‘yes’ responses and bars on the left net ‘no’ responses. These are indicative scores only, based on a purposively selected sample of only 61 people, and must not be interpreted as valid statistics.

**Figure 3.1 Different ways of working that might be considered in retirement**
The following broad patterns are evident:

- in their current situation, respondents were most optimistic about the chances of reduced hours and flexi-time, in that order;
- they were quite pessimistic about the chances of all other options, especially less stressful work, zero hours and home working;
- respondents said that they would be most encouraged about working on if they could (in descending order): reduce their hours, do lighter work, work flexi-time, do less stressful work, job share;
- some respondents were mildly attracted to the idea of working for themselves but often said they lacked ideas about what to do or the confidence to get going;
- none of the other options held much interest;
- the propensity to work on if options were available generally outstrips the belief that they would be. The gap between ‘encourage’ and ‘available’ scores was largest for less stressful work, home working and lighter duties.

In summary, many people seemed to be reviewing the ideas we presented to them for the first time; few had seriously considered or explored the options. So there is a need to increase people’s repertoire of possibilities. Even simple (and obvious) check-lists like these tended to stimulate ideas and enhance respondents’ sense that there may be viable actions they can take. Messages that clarify and enrich perceived options or increase expectations about opportunities could be helpful in promoting working on. However, there were often uncertainties about whether the options we showed would in practice be available or viable – and the ideas that would most encourage respondents to consider extending working life tended to be those that they were most doubtful about being able to pursue. There is a need to build confidence – and to ensure that there are indeed viable options to pursue.

### 3.4 Training/retraining

As we have already suggested, training or retraining for extending working life did not occur to most respondents, although there were a few exceptions to this rule:

‘I did do some training and the reason I took that on is because come the retirement age it would be a job that could be done one day, two days, three days, and slowly filtered out. It was actually to do with property surveys. But that’s a different story. The Government changed their mind on it.’

(R2/G9/M)

We looked at training issues, particularly in Round 2, but found it hard to track down relevant and convincing material that was suitable for the target sample and attuned to the context of extending working life. We had hoped to find a range of
stimulating and illuminating examples that people might relate to, but the material found seemed a little thin. We were not able to develop explicit messages to expose to respondents, but we produced some materials to aid discussion where useful. This subject might have benefited from further exploration, but the picture that emerged is outlined below (see also Section 2.11).

The image people had of training tended to be located:

- early in working life; developing skills and setting up for a career or a profession such as teaching or nursing;
- in the 30s and 40s; making a career change while there is still time to benefit from it – sometimes including learning a whole new career and skill set, especially in IT.

In later age (50 plus) the idea of retraining appeared less salient in most people’s minds and generally less credible and viable. Who would be prepared to train someone with relatively few years of work left, and would it be worth it for that individual to invest time and effort? Who would pay for training that might be used for only a short period? How would training be fitted in around work? Would it open up new and relevant employment opportunities? And who would want to employ an older person with paper skills from retraining but little practical experience?

F3: ‘I’m not a cynical person but the ‘Retrain, new skills’…’

F2: ‘Some people do that. It’s very brave.’

F3: ‘But what would you retrain and do with these skills?’

M5: ‘When? You’re still working at this time I suppose, full-time – (where are you) gonna find the time to do a retrain?’

(R2/G9)

Some respondents had experience of adult learning either in or outside of work (eg night school). However, many had not, and this was in any case not often associated with occupational training at the pre-retirement phase.

Many respondents knew about local sources of vocational training (eg local colleges and course providers), but they were not generally aware of courses geared to pre-retirement or extending working life, or of sources of advice about what is available in this context. Some people had heard of Learndirect – the large supplier of e-learning – but there was no particular association with pre-retirement, and not many knew much more about it than the name.

As mentioned above, a small number of our respondents had retrained with later life (and even extending working life) in mind, often when preparing for a new career or developing an existing career. For example, some had moved into a path that might be easier to step down from gradually or with self-employment potential. A few others had moved sideways into less physically demanding fields like IT, sometimes even at a late stage. But these were mostly people in their 40s rather than approaching 60 or beyond.
Most respondents were more likely to want to redeploy existing skills than to start learning new things, especially if the payback seemed uncertain. Some thought that their general life skills would, or should, be useful but were not necessarily certain what they could do with them.

As already noted, there was some belief in the value of older people’s experience, maturity and wisdom, but also uncertainty about keeping skills up to date. It was harder for some older respondents, especially those at the upper end of the target sample age range, to connect with the idea of training or retraining for work. They tended not to associate it with their stage of life; this was not a mainstream idea and seemed more an abstract concept than a real possibility. The retirement phase was not often associated with new learning.

The idea of training or retraining tended to conjure up formal learning settings, possibly classroom-based, and some older people find this off-putting, especially if they have done little adult learning. Some appeared to regard it as an alien world and lacked confidence to tackle it. They were nervous about whether they’d be up to it, and if they’d be learning alongside young people who might ‘show them up’ or simply make them feel out of place:

‘I think you’d find yourself in somewhere like C********* College, which is quite close to me, in the company of a lot of adolescents that smoked and swore all the time. And I’d be a total fish out of water because I’ve got nothing in common with the people there.’

(R2/G9/M)

Not everyone had good memories of previous learning experiences. These images could easily put people off.

In summary, we found the notion of retraining largely foreign and unconsidered in the context of extending working life, and when they were asked to think about it respondents usually had little belief that:

• there would be lots of retraining opportunities for their particular situation;
• such opportunities can be easily found out about, accessed, paid for or coped with;
• it would expand their options enough to justify investing time and resources.

People would need more confidence in the prospect of success because time is precious at this stage; resources may be limited; and the payoff seems uncertain.

Some respondents felt they would need advice and help with:

• identifying what skills they personally have to offer, especially generally acquired (‘life’) skills and abilities;
• making the most of those skills and interpreting their potential value to employers;
• finding useful, affordable and accessible training opportunities;
• fitting training into existing working lives, and budgetary constraints;
• assessing subsequent employment prospects.

In principle it would be useful if more people thought about retraining in later life. Communications could raise awareness, but it seems doubtful if there would be much take-up unless there was more tailored provision than we have found available, and better marketed to the age-group. While it seems possible to raise interest in some minds we have not found messages that sound convincing in the current context.

3.5 Sorting out retirement money

As already noted (see, for example, Sections 2.6 and 2.17), respondents were typically unclear about what income they could expect to receive when they retired. Previous research carried out by us for DWP\textsuperscript{15} suggests that this is a robust finding that is both a symptom and a cause of the general air of uncertainty and confusion surrounding retirement plans and finances. Uncertainty about retirement income is one of the main sources of the mental ‘fog’ which inhibits people from making constructive plans about retirement. For most people, thinking about extending working life, and particularly whether it will be financially necessary, depends crucially on making a realistic assessment of their likely financial circumstances, but not many people have done this, or know how to go about it.

To address this we developed some stimulus material in two parts (‘what you will get’ and ‘what you will need’) to show respondents in Round 3. Each piece of stimulus took participants through a series of steps that would help them to build up a picture of their likely financial status at retirement. Responses to the material are outlined in Box 2.


Box 2: Sorting out your retirement money: What you’ll get

1. You should be able to put together a fair idea of what sort of pension income you’ll have when you retire. When you’ve done this you’ll know where you stand – until then you may not have much clue.

2. No-one can tell you exactly how much you’ll get, because that depends on a lot of things that haven’t happened yet – like how long you work, how much more you put into pensions, and how investments perform. But you should be able to get a rough ball-park idea of what you might have coming in.

3. You can find out what you are likely to get from your State Pension by getting in touch with The Pension Service.

4. You should also get regular statements each year from any private pensions you’ve taken out – whether they’re part of an employer’s scheme, or a personal pension you’ve taken out yourself. These statements should tell you how much your pension is likely to be. If you don’t understand what they tell you, ask your pension provider to explain them, or take advice.

5. Make sure you include any bits of pension you may have left over from earlier schemes – these may still give you some income, and you need to know how much.

6. Make a list of all the pensions you expect to get and add up the amounts, so you know what they’re likely to bring you in. You can contact the Pensions Tracing Service who may be able to help you with this.

7. Then think what else is likely to bring in money once you stop work:
   - **Savings**, for example – including any ISAs you may have. If you have money in a good interest-paying account you might get income of between two per cent and six per cent from it, depending on interest rates at the time – could be somewhat more or less. That’s money you could draw off without reducing the amount of savings. If you start spending the lump sum you’ve saved then the income will go down.

At these interest rates this is what you could draw without touching the lump sum:
- £10,000 saved would give you £200 to £600 a year in interest;
- £50,000 saved would give you £1,000 to £3,000 a year;
- £100,000 saved would give you £2,000 to £6,000 a year;
- £500,000 saved would give you £10,000 to £30,000 a year.
• **Property** can bring in an income in various ways:
  - the rent of any property you let out (after any expenses) is obviously income for you;
  - if you’re relying on your home to provide your pension, remember you still need somewhere to live when you retire! Suppose you sold your home for £200,000 and bought another for £100,000, you’d have £100,000 left over to put in a savings account. That might bring in something like £2,000 to £6,000 interest a year;
  - in a typical Equity Release scheme a company advances you money on condition that your house is sold when you die, and they take part or all of the proceeds.

• **Stockmarket investments** might give a bigger return on your money, but they’re more risky – you might get more, but you could also lose part of your savings if the market falls.

8. You should be able to list all your sources of income, with at least a rough idea of how much each one might bring in. That’ll tell you roughly what you’re likely to have to live on once you retire.

9. Remember that **the cost of living usually goes up** from year to year. To allow for this pension forecasts are usually given in ‘today’s prices’. This gives you an idea of what your pension will buy by the time you collect it. By then you’ll get more pounds, but they’ll only buy you roughly what the ‘today’s prices’ amount would buy you now. Of course the cost of living goes on rising after you retire, so if you don’t arrange for your income to grow in line with inflation it’ll be worth less and less as time goes on. Remember also that you could well live more than 20 years after you retire.

The information we showed (see Box 2) was generally thought to be clear and helpful, but a few respondents found it a lot to take in. People thought it might be ‘a day’s work’ to conduct this kind of exercise for themselves and some were doubtful about being able to do it at all.

Some of the material was familiar to participants, but it was felt to offer a useful prompt and a comprehensive checklist. Few people seemed to have gone through a comparable process for themselves, although there were exceptions:

> ‘I’ve been fortunate enough to have some time off recently, so I’ve done some tidying up, thrown a lot of paper away and done some financial projections with a view to the future. I’m not going to work until I am old, and at some point I’m going to let go and go off to China and India and all those places I’ve not had the chance to fit in yet.’

(R3/G1/F)
Information provided about drawing income from savings or property was new to many and a lot of respondents found the figures surprising; in particular the relatively small amount of income generated by what seem to be very large capital sums:

‘Can you imagine that if you’ve got £500,000 in the bank – £500,000, that’s half a million – and it gets you £10,000 a year. A year!’

(R3/G2/M)

It was also somewhat depressing, particularly for respondents who have neither houses nor significant savings, and who can’t aspire to amassing such vast-seeming amounts:

F1: ‘This is really depressing.’
F3: ‘It really is.’
F4: ‘You’ve got to have money to do it all in the first place.’

(R3/G3)

However, it was also probably a useful corrective to illusions for some; simply having a house or a few ISAs won’t in itself plug the income gap.

Some respondents thought the sheet was aimed at people with more resources than they have themselves, because the figures quoted seem large compared with their own resources. This highlights the importance of trying to communicate with individuals on a financial level that reflects their own circumstances as far as possible:

‘It seems easy to understand, but you’re talking about 10,000 quid. Any of you lot seen 10,000 quid? ‘Cos I haven’t. Not in one lump sum. It seems to be directed towards people who only own property, and they’ve got money. Yeah, if you’ve put £5,000 in an ISA or something like that, which is tax-free – but you’re tying up your money for five years. I can’t even afford to tie up £100 for a month.’

(R3/G4/M)

There were also comments about some of the detail – for example, that property prices mentioned on the sheet seemed low for areas like London:

‘It is unrealistic so far as I am concerned, because you can’t get anything for £100,000.’

(R3/G3/F)

Respondents were generally positive about the potential usefulness of this sheet, but many were apprehensive that working out their retirement income would be difficult; would yield a depressing result; and would occur too late in the day for them to do much about it. Although some went away feeling it was a process they ought to go through, we are doubtful that in practice many would have carried it through to a successful conclusion. This is the kind of thing that taxes
skills and confidence – many would probably need expert help, but don’t know where to find it.

3.5.2 What you will need

Few respondents had tried systematically to work out what they will need to live on in retirement, although there were one or two exceptions. People who had tried sometimes found it hard because of, for example:

- the large number of different kinds of costs;
- problems predicting the rate of inflation; most realise costs will go up, but don’t know by how much;
- difficulty visualising their retirement lifestyle:

  ‘It does depend on what sort of lifestyle you’re going to have when you retire. I’m hoping to achieve what my mother and father-in-law have achieved. They go for all sorts of holidays and have a rare old time. I don’t want to be sitting at home watching Jeremy Kyle all morning and twitching the net curtains all afternoon. That isn’t what I want to do, so it makes it difficult to do the kinds of calculation that you are talking about here. It’s going to depend so much on what lifestyle you want.’

  (R3/G2/F)

A common aspiration among respondents was to try and maintain their current lifestyle in retirement; but some suspect that more leisure is likely to need more funding:

  ‘Well actually I would have thought that you need more money than you have now, because then you’re spending more time at home, so therefore your bills will be higher, and you need money for going out.’

  (R3/G2/F)

Some were pragmatic about their retirement lifestyle – they said they would just have to cut back if their funds wouldn’t stretch to sustain a pre-retirement lifestyle. Rather than be driven by ‘need’ they would be guided by what they could afford, cutting their coat according to the cloth. However, most find the thought of hardship or continual scrimping disturbing.
Box 3: Sorting out your retirement money: What you’ll need

It helps to know how much money you’re likely to have coming in when you retire, but to complete the picture it’s good to have some idea what you’ll need to live on. That’s not always easy to work out.

The simplest approach is to think what proportion of your pre-retirement income you can live on in the way you want. A traditional rule of thumb was that a ‘good’ pension would give you two-thirds of what you’d just been earning. In other words, someone who had been earning £300 a week would aim for a pension of £200.

But whether that’s too little or too much to aim for depends on what your situation is and how you want to live:

- For example, someone who’s paid off their mortgage, owns their own house and has no major debts or loans to pay off can live more cheaply than someone with a big mortgage or a lot of debt payments.
- And someone who’s content to live simply without buying or spending a lot obviously won’t need as much money as someone who expects to take luxury holidays, go out a lot and buy fashionable clothes.

You might want to make yourself a simple budget:

- work out roughly how much you spend at present on things like (for example):
  - housing, rent, mortgage;
  - motoring and travel;
  - food;
  - leisure and entertainment;
  - clothes and personal items;
  - gas, electricity, phone;
  - running the house and garden;
  - and so on.
- then think how each of them is likely to change after you’ve retired. That way you can work out a ‘retirement budget’. Then see how this compares with your expected retirement income.

Bear in mind that you’ll need to replace durable items from time to time. These days consumer goods aren’t built to last, and technology and fashions change quickly.

You could always try the Financial Services Authority (FSA) website to see what help they can offer for comparing products and working out budgets. (See the Information Sheet for details)
The information sheet on this subject (see Box 3) was generally thought clear, and people often said they found it useful to see different elements written down:

‘It does seem useful because they’re the sorts of things you work out all the time anyway because that is what you spend your money on. Even if you don’t know how much you have coming in, you could still work out what all that would cost.’

(R3/I4/F)

Some thought the checklist was just ‘common sense’ or ‘obvious’, but (as we have noted) very few had actually attempted the task before. A range of possible reasons emerged:

• don’t like the idea of ‘costing out the future’;
• hard to do (‘another day’s work’);
• don’t want to face facts;
• lack of time – or hard to make time unless forced by events or circumstances (for example, one respondent had been motivated to go through the process when sorting out her divorce settlement).

Some respondents felt it was getting a ‘bit late’ – these calculations should have been done years ago. However, in general, this sheet was regarded as a useful prompt and some felt they might even go away and do a reckoning. A few may have actually done so following the session, but although this is a potentially useful task, it is not one for which much appetite can be expected.

3.6 How retiring at different ages affects pensions

Few people that we talked to seemed to have active or certain plans to retire in their 50s, mainly because it was seen as financially unrealistic unless unusually well provided for. However, as noted in Section 2.10, it remained a vague aspiration for many. Respondents often thought that retiring in your 50s had been set to become the norm until the pensions crisis got in the way – and many, therefore, felt cheated. They often felt wistful (sometimes even angry) that they couldn’t afford to stop work with the prospect of a long and active retirement still ahead of them.

We developed an information sheet to illustrate how the amount of pension income paid out of a private scheme is likely to vary with the age at which it is drawn (Box 4 shows the finally-evolved version of this sheet). Seven simplified calculations were performed for a fictional male earning £25,000 per year and paying eight per cent of his earnings into a pension scheme every year of his working life until retirement aged 55, 58, 60, 63, 65, 68 and 70.
Box 4: How retiring at different ages affects pensions

In the 1980s some people were able to stop work in their mid-50s and start claiming their pensions. This was because many companies wanted to reduce their workforce, and their pension funds had a lot of spare cash at the time.

Otherwise stopping work in your 50s has never been an option for many people because:

- You don’t get the State Pension till you’re 65 (60 for women, but that’s changing)*.
- So you’d need a good private pension to retire on.

But the later you claim a private pension the more you get paid when you draw it, because:

- your pension pot builds up – you pay in longer, and the invested money goes on growing;
- the same sized pot pays a smaller pension at 55 than it would at 65.

Imagine a man earning £25,000 a year who’s been putting eight per cent of his earnings into his pension scheme every year of his working life.

This chart shows the amount of pension he’d be likely to get if he starts drawing the pension at different ages. The actual level of pension would vary from person to person, but the way the amount grows is likely to follow this kind of pattern.

<table>
<thead>
<tr>
<th>Age</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>55</td>
<td>£4,100</td>
</tr>
<tr>
<td>58</td>
<td>£5,200</td>
</tr>
<tr>
<td>60</td>
<td>£6,100</td>
</tr>
<tr>
<td>63</td>
<td>£7,800</td>
</tr>
<tr>
<td>65</td>
<td>£9,100</td>
</tr>
<tr>
<td>68</td>
<td>£11,700</td>
</tr>
<tr>
<td>70</td>
<td>£13,800</td>
</tr>
</tbody>
</table>

- If he retires at 55 he gets less than half the pension he could expect at 65.
- On the other hand, what if he worked on for three years till he’s 68? At 68, he’d get £2,600 a year more than he would get at 65 – that’s almost 30 per cent more.

* Between 2010 and 2020, the State Pension age (SPA) for women is being gradually raised to equal that of men. By 2020, it will be 65 for everyone.
The main message of this sheet – that the earlier you retire, the less pension you get – was generally clear to respondents. Some respondents were surprised by the exponential increase in the amount paid out at successive retirement ages:

‘It is surprising actually how much more you get if you want to work longer. It isn’t worth retiring at 55 I think. Even at 65 it is far more beneficial isn’t it to go on longer?’

(R3/G1/F)

The figures drove home the high cost of retiring early, which was more dramatic than often realised. This had two effects:

• It underlined the economic arguments against retiring in their 50s. The first of these messages was already trickling through during the life of the project – there was quite a lot of talk about retiring in the 50s at Round 1, but by later rounds many already saw this as beyond reach. However, this was a useful reinforcement and made clear that the economic advantages of retiring later are progressive and escalating – which was not already clear to many.

• It also showed that working on just a few extra years could yield quite a bit more income – a useful message suggesting a financial upside to working longer. Taken alone this didn’t often convert people to enthusiasm about the idea, but it sometimes was seen to sugar the pill a little.

The main strength of the sheet in communications terms is that it gives specific amounts. Respondents seemed to understand that these were only illustrations, but were very pleased to see actual sums of money that they could anchor their thoughts around. This increased both their understanding of what they were told and their engagement with the information.

The difficult question the sheet raised for respondents was whether it would be worth staying in work longer – hanging on for more money but risking getting it too late to enjoy it or finding it all disappears in tax:

‘But then do we want to work to that age? I mean some people get to 65 and they think, “That’s enough!”. Enough is enough.’

(R3/G2/F)

Some participants were quick to point out that the examples on the sheet did not factor in inflation – higher amounts drawn later would be worth less. Neither did they take account of money they might never get if they worked on but lived only a few years past their eventual retirement age. These are fair points, and account should be taken of them if this issue is developed in publicity or communications. There also proved to be both advantages and disadvantages in using 70 as the upper cut-off age point for the illustrations. Including it makes the exponential growth in pensions even more striking, but the very thought of still working at 70 sounded unappealing and was an instant turn-off for some respondents.
People who had no private pension arrangements saw little of personal relevance in the figures.

To summarise, this was widely regarded as an interesting sheet. The information was new to some and made graphic for others what they already knew more vaguely in principle. It made some contribution towards demolishing lingering notions of retiring early, and helped to get across the financial benefits of staying in work for a couple of extra years – but typically had less impact than the material discussed in the next section (Section 3.7), which covers some of the same ground more convincingly, and deals with fears that extra earnings will only be taxed away.

Deferral of State as opposed to private pensions is considered further in Section 3.14.

3.7 What you get from staying in work

As discussed earlier (see, for example, Section 2.15), many participants assumed that any income earned post-retirement would attract penal taxation; that earnings after SPA would be ‘all whacked in tax’. This was a worrying thought, and an important disincentive to considering working on – undermining as it does the economic benefits of extending working life:

‘You’ll probably be taxed with your State Pension and your private pension, and by the time they tax you that, is it worth all the payments anyway?’

(R3/G3/F)

This was often an intuitive assumption based on little evidence. Few respondents gave the impression of understanding how post-retirement income is taxed and not many had any awareness that there are tax and NI concessions for older people. Indeed, some respondents felt so much bitterness about pensions being taxed at all that the scale of the problem appeared to have been blown up out of all proportion.

Stimulus material on this topic was worked up over the course of the project. The final version consisted of a brief introductory sheet, plus six worked examples for people with different socio-demographic characteristics. Each group saw only one example, chosen to resemble their own characteristics as far as practicable. The six examples covered three different income levels split by gender. The cover sheet and one example is shown in Box 5 (see Appendix D Round 3 materials for full versions of the sheets).
Box 5: What you get from staying in work

Sometimes people wonder if it’s worth working past State Pension age. Will you be any better off? Won’t the earnings just get taxed away?

But once you reach State Pension age you don’t pay National Insurance, and your tax allowance goes up.

That means if you carry on working you keep more of your income.

This gives you various choices when you reach 65. For example, you can:

1. stop work and draw your pensions;
2. carry on working and don’t draw your pensions, take them later;
3. carry on working and draw your pensions as well;
4. carry on working but shorten your hours – with or without drawing your pensions.

Let’s see how it works by looking at a few examples.

But remember, these are only general examples.

You should check your own personal position before you make any decisions, because everyone’s situation and pensions are different.

Talk to:

• The Pension Service about your State Pension
• your pension provider about any private pensions.

Continued
### What you get from staying in work: Example A

Roger is aged 64 and earns £15,000 a year.

<table>
<thead>
<tr>
<th>Option</th>
<th>Money After Tax and NI</th>
<th>Options</th>
<th>Money After Tax and NI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. He could stop working and claim his pensions at 65</td>
<td>£230 a week</td>
<td></td>
<td>£170 a week</td>
</tr>
<tr>
<td></td>
<td>Then he'd be able to draw</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>85 a week State Pension</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ £52 a week from the State Second Pension (S2P)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ £21 a week pension from his employer</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ £12 a week Council Tax Benefit and Pension Credit</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>He needn't pay NI after 65, and wouldn't pay tax on this amount – so that leaves him with the whole £170 a week.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. He could carry on working at 65 but not draw his pensions</td>
<td>£260 a week</td>
<td></td>
<td>£170 a week</td>
</tr>
<tr>
<td></td>
<td>That's £30 more than when he was 64 – because he pays less tax and no NI.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. He could carry on working at 65 and draw his pensions</td>
<td>£385 a week</td>
<td></td>
<td>£170 a week</td>
</tr>
<tr>
<td></td>
<td>Suppose he decided to work on but cut back his hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. He could knock off four hours a week</td>
<td>£230 a week</td>
<td></td>
<td>£170 a week</td>
</tr>
<tr>
<td></td>
<td>After tax and NI this is no loss of earnings at all – and that's without drawing any pension.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. He could drop back to working three days a week</td>
<td>£176 a week</td>
<td></td>
<td>£170 a week</td>
</tr>
<tr>
<td></td>
<td>His income goes down by 23%, but his hours drop by 40%.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Again that's without drawing any pension.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. He could drop to three days a week but draw his pensions as well</td>
<td>£295 a week</td>
<td></td>
<td>£170 a week</td>
</tr>
<tr>
<td></td>
<td>That's for a three day week.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Remember that if he doesn’t draw his pensions for a few years he’d expect to get a bigger pension when he does – and he’d get that extra for the rest of his life.
What you get from staying in work: Example B

Tony is aged 64 and earns £24,500 a year.

He takes home £355 a week after tax and National Insurance (NI).

He has no income other than the pensions, earnings and benefits shown.

Let’s look at some options at age 65.

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
<th>Income (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>He could stop working and claim his pensions at 65</td>
<td>£200 a week</td>
</tr>
<tr>
<td></td>
<td>Then he’d be able to draw</td>
<td></td>
</tr>
<tr>
<td></td>
<td>£85 a week State Pension</td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ £88 a week from the State Second Pension (S2P)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>+ £37 a week pension from his employer</td>
<td></td>
</tr>
<tr>
<td></td>
<td>That adds up to £210. After tax he takes home £200 a week.</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>He could carry on working at 65 but not draw his pensions</td>
<td>£405 a week</td>
</tr>
<tr>
<td></td>
<td>That’s £50 more than when he was 64 – because he pays less tax and no NI.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>He could carry on working at 65 and draw his pensions</td>
<td>£570 a week</td>
</tr>
</tbody>
</table>

Suppose he decided to work on but cut back his hours

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
<th>Income (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>He could knock off four hours a week</td>
<td>£355 a week</td>
</tr>
<tr>
<td></td>
<td>After tax and NI this is no loss of earnings at all – and that’s without drawing any pension.</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>He could drop back to working three days a week</td>
<td>£256 a week</td>
</tr>
<tr>
<td></td>
<td>His income goes down by 27%, but his hours drop by 40%.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Again that’s without drawing any pension.</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>He could drop to three days a week, but draw his pensions as well</td>
<td>£421 a week</td>
</tr>
<tr>
<td></td>
<td>That’s for a three day week.</td>
<td></td>
</tr>
</tbody>
</table>

Remember that if he doesn’t draw his pensions for a few years he’d expect to get a bigger pension when he does – and he’d get that extra for the rest of his life.

Continued
What you get from staying in work: Example C

Dick is aged 64 and earns £40,000 a year.

He takes home £560 a week after tax and National Insurance (NI).

Dick has no income other than the pensions, earnings and benefits shown.

Let’s look at some options at age 65.

1. He could stop working and claim his pensions at 65
   £260 a week
   Then he’d be able to draw
   £85 a week State Pension
   + £142 a week from the State Second Pension (S2P)
   + £58 a week pension from his employer
   That adds up to £285. After tax he takes home £260 a week.

2. He could carry on working at 65 but not draw his pensions
   £635 a week
   That’s £75 more than when he was 64 – because he pays less tax and no NI.

3. He could carry on working at 65 and draw his pensions
   £815 a week
   Suppose he decided to work on but cut back his hours

4. He could knock off four hours a week
   £560 a week
   After tax and NI this is no loss of earnings at all – and that’s without drawing any pension.

5. He could drop back to working three days a week
   £396 a week
   His income goes down by 29%, but his hours drop by 40%. Again that’s without drawing any pension.

6. He could drop to three days a week, but draw his pensions as well
   £620 a week
   That’s for a three day week.

Remember that if he doesn’t draw his pensions for a few years he’d expect to get a bigger pension when he does – and he’d get that extra for the rest of his life.

Continued
What you get from staying in work: Example D

Karin is aged 59 and earns £15,000 a year.
She takes home £230 a week after tax and National Insurance (NI).
Karin gets Council Tax Benefit, but not Housing Benefit.
She has no income other than the pensions, earnings and benefits shown.
She took eight years off work to look after her children.

1 She could stop working and claim her pensions at 60 £150 a week
Then she'd be able to draw
  £85 a week State Pension
  + £50 a week from the State Second Pension (S2P)
  + £10 a week pension from her employer
  + £10 a week Council Tax Benefit

  She needn't pay NI after 60 and pays only a small amount of income tax – so that leaves her with £150 a week.

2 She could carry on working at 60 but not draw her pensions £250 a week
That's £20 more than when she was 59, because she pays less tax and no NI.

3 She could carry on working at 60 and draw her pensions £365 a week

Suppose she decided to work on but cut back her hours

4 She could knock off four hours a week £220 a week
  After tax and NI that's only £10 less than when she was 59 – and that's without drawing any pension.

5 She could drop back to working three days a week £165 a week
  Her income goes down by 28%, but her hours drop by 40%.
  Again that's without drawing any pension.

6 She could drop to three days a week, but draw her pensions as well £275 a week
  That's for a three day week.

Remember that if she doesn't draw her pensions for a few years she'd expect to get a bigger pension when she does – and she'd get that extra for the rest of her life.

Continued
What you get from staying in work: Example E

Andrea is aged 59 and earns £19,300 a year.

She takes home £285 a week after tax and National Insurance (NI).

Andrea gets Council Tax Benefit, but not Housing Benefit. She has no income other than the pensions, earnings and benefits shown.

She took eight years off work to look after her children.

1. **She could stop working and claim her pensions at 60**
   - Then she’d be able to draw £85 a week State Pension
   - + £63 a week from the State Second Pension (S2P)
   - + £15 a week pension from her employer
   - + £7 a week Council Tax Benefit
   
   That adds up to £170. She wouldn’t pay any NI, so that leaves her with £160 a week.

2. **She could carry on working at 60 but not draw her pensions**
   - That’s £30 more than when she was 59, because she pays less tax and no NI.

3. **She could carry on working at 60 and draw her pensions**

Suppose she decided to work on but cut back her hours

4. **She could knock off four hours a week**
   - After tax and NI this is no loss of earnings at all – and that’s without drawing any pension.

5. **She could drop back to working three days a week**
   - Her income goes down by 28%, but her hours drop by 40%. Again that’s without drawing any pension.

6. **She could drop to three days a week, but draw her pensions as well**
   - That’s for a three day week.

Remember that if she doesn’t draw her pensions for a few years she’d expect to get a bigger pension when she does – and she’d get that extra for the rest of her life.

Continued
What you get from staying in work: Example F

Mary is aged 59 and earns £40,000 a year.

<table>
<thead>
<tr>
<th>Description</th>
<th>Weekly Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Takes home £560 a week after tax and National Insurance (NI).</td>
<td>£560 a week</td>
</tr>
<tr>
<td>Mary has no income other than the pensions and earnings shown.</td>
<td></td>
</tr>
<tr>
<td>She took eight years off work to look after her children.</td>
<td></td>
</tr>
<tr>
<td>1 She could stop working and claim her pensions at 60</td>
<td>£220 a week</td>
</tr>
<tr>
<td>Then she’d be able to draw</td>
<td></td>
</tr>
<tr>
<td>£85 a week State Pension</td>
<td></td>
</tr>
<tr>
<td>+ £130 a week from the State Second Pension (S2P)</td>
<td></td>
</tr>
<tr>
<td>+ £30 a week pension from her employer</td>
<td></td>
</tr>
<tr>
<td>That adds up to £245.</td>
<td></td>
</tr>
<tr>
<td>After tax that leaves her with £220 a week.</td>
<td></td>
</tr>
<tr>
<td>2 She could carry on working at 60 but not draw her pensions</td>
<td>£625 a week</td>
</tr>
<tr>
<td>That’s £65 more than when she was 59,</td>
<td></td>
</tr>
<tr>
<td>because she pays less tax and no NI.</td>
<td></td>
</tr>
<tr>
<td>3 She could carry on working at 60 and draw her pensions</td>
<td>£770 a week</td>
</tr>
<tr>
<td>Suppose she decided to work on but cut back her hours</td>
<td></td>
</tr>
<tr>
<td>4 She could knock off four hours a week</td>
<td>£560 a week</td>
</tr>
<tr>
<td>After tax and NI this is no loss of earnings at all –</td>
<td></td>
</tr>
<tr>
<td>and that’s without drawing any pension.</td>
<td></td>
</tr>
<tr>
<td>5 She could drop back to working three days a week</td>
<td>£390 a week</td>
</tr>
<tr>
<td>Her income goes down by 30%, but her hours drop by 40%.</td>
<td></td>
</tr>
<tr>
<td>Again that’s without drawing any pension.</td>
<td></td>
</tr>
<tr>
<td>6 She could drop to three days a week, but draw her pensions as well</td>
<td>£580 a week</td>
</tr>
<tr>
<td>That’s for a three day week.</td>
<td></td>
</tr>
</tbody>
</table>

Remember that if she doesn’t draw her pensions for a few years she’d expect to get a bigger pension when she does – and she’d get that extra for the rest of her life.
This stimulus material made a big impact on respondents – generally more than anything else we showed. The strong and positive response it evoked appeared to have several roots:

1 This was the first time respondents had seen such specific figures, which show very clearly what could happen if the various options were chosen. On the whole, people are more used to being given general rules or statements of principle, which give them little or no idea about likely outcomes. Respondents related easily to these specific figures and were able to weigh their effects in relation to the options illustrated. In real-world publicity they would need a more friendly and engaging presentation, but from a content point of view we are convinced that this kind of specific outcome-based information is what people need and will respond best to. Many commented on how much they liked the figures – and were often puzzled that they had never seen anything like this from the Government.

2 The sheet introduced many respondents to useful facts that they didn’t know or were unclear or uncertain about – for example, that:

• tax and NI actually go down for older people, enough to boost income significantly;
• pensions (State and private) can be deferred without financial loss, and indeed generally with financial gain;
• people are entitled to claim State and other pensions even if they carry on working and earning – and the earnings are not knocked off your pension, nor is the extra income clawed back in tax.

3 Respondents found the strong emphasis on positive options in these sheets appealing and encouraging:

F2: ‘It gives you all your different options doesn’t it.’
F5: ‘The first few pages makes you not want to think, makes you just want to curl up in a ball somewhere and not even think about it. With this one you would actually read it and work out (what you might do).’

(R3/G3)

• some people feel ‘stuck’ and disempowered when it comes to retirement and were pleased to know that there are positive choices they can make;
• participants did not seem to feel that they were just being ‘sold’ the idea of staying in work;
• a lot of the options given on the sheet were previously unknown or had just not been considered:

‘It’s the options that you have that you don’t know you have.’

(R3/G3/F)
4 The sheets appeared to make the idea of working on seem ‘quite attractive’ to some respondents, but within a range of possibilities for balancing income against free time. Some found it comforting to know that income could be boosted considerably by working on and drawing pensions for a while.

Participants were reassured and often surprised that tax and NI changes not only do not wipe out extra income but could even work in their favour. So if they work on exactly as before they will keep more of what they earn – not at all what most expected. Some still grumbled about paying any post-retirement tax – but the news overall encouraged people to see staying in work as at least financially worthwhile.

The possibility of working on with reduced hours attracted some; they could enjoy increased leisure by dropping down to three days a week, while actually boosting their income if they drew their pensions at the same time.

A few respondents would have been interested in worked examples for both partners in couple households.

In summary, these sheets seemed to offer a lot of potential for communications about extending working life. Most respondents felt that the information was clear and easy to understand. It was felt to be attractively specific; actual bottom-line figures that people could get their minds around. Importantly, respondents found it very interesting; with a lot of relevant new facts and ideas that seemed to open up genuine, realisable possibilities, as well as generally stimulate thinking about the future:

‘It does make you think – when you look at what would happen if you just had your pension, and you haven’t really got a lot. And it makes you think if you work you could cut your hours down. It’s important for people to realise that the pension is important, so giving these examples at any age would be relevant. And you may think “Oh well, I can work so many hours”, but also, “What if something happens and I can’t work those hours?” I think that while it shows the positives it also shows the negatives of when you get older.’

(R3/G1/F)

‘It is very informative isn’t it? Can we take this with us? It gives you the information you want.’

(R3/G4/M)

3.8 Talking to your employer

As already discussed (see, for example, Section 2.13) views about whether work would be available past 60 or 65 varied between respondents. Some thought they could stay on with their existing employer, but many were doubtful:
‘I think that it’s 65 at our place. I think that’s the limit. I think it is. I am not 100 per cent on that.’
(R3/G2/M)

Few had actually broached the subject with employers, and there was a good bit of uncertainty about doing so. They hadn’t thought of it; it isn’t part of the normal working culture; they couldn’t see any options to consult about; some didn’t trust their employer; and they were hesitant about implying that age might be limiting their capacity to do the job.

The chances of getting a new job anywhere near retirement age were often thought to be slim; finding work, even in your 40s and 50s, is typically seen as difficult:

‘After 50 it’s not that easy. The Government may be saying that they’re encouraging 50 plus people to get a job, like there’s no discrimination against age, etcetera. But there is, believe me.’
(R3/G4/M)

There was some discussion of ageism and some hazy awareness of recent age discrimination legislation that grew over the life of the project:

‘They can’t make you retire now. I don’t think that they can. It’s to do with the ageism thing now they have brought in.’
(R3/G4/F)

Scepticism about its likely effectiveness was evident, but blended more as time went on with at least a partial sense that things may be drifting in the right general direction.

We explored this issue at various stages, and in Round 3 we tried some material designed to help people think constructively about working on, either with their current or a different employer (see Box 6).

**Box 6: Talking to your employer as retirement approaches**

It’s worth talking to your employer as retirement approaches.

There are some signs that employer attitudes to employing older people are beginning to change:

- A lot of employers are beginning to realise that older workers have a lot to offer – things like experience, maturity, motivation, reliability and loyalty.
- And there are new laws to curb age discrimination – employers are no longer allowed to hire or fire people just on the basis of age.
The new rules don’t give you the right to go on working past 65, but you do have the right to ask your employer to let you work on, and they’re now obliged to consider your request.

If your employer wants you to retire automatically at 65 they must give you six months’ notice.

If you want to go on working for the same employer it’s worth thinking how you can demonstrate that your experience and skills are valuable. Show that you’re flexible, and take the initiative in suggesting how your job could develop in ways that benefit both you and your employer.

The stimulus contained messages:

• encouraging people to talk to their employer;
• informing or reminding them about the new age discrimination legislation;
• suggesting strategies that might encourage employers to look favourably on extending individual terms of employment.

Respondents found this sheet sensible and mildly informative, but it didn’t usually excite them or move them on very far. It clarified legislative rights, but not in depth and without particularly addressing any scepticism about the new legislation. Although some people felt that they should talk to their employer, many more clearly did not feel the time was yet ripe; it was too early and/or their own thoughts were as yet too undeveloped. Some people were reluctant to start conversations prematurely in case it prejudiced their jobs.

In summary, these messages were not out of place or wasted, but their contribution to extending working life seems likely to be relatively low key and contextual. It seems important that employees and employers should have more dialogue to discuss and evolve options for phasing retirement in mutually satisfactory ways, but (for understandable reasons) most of our participants were a long way from feeling confident about doing this, or having a clear focus on what they should be talking about. The information we provided was mildly helpful, but by itself did not usually make respondents feel sufficiently empowered to make the first move. Information can put the idea in their minds and give them some thoughts about the kind of things they need to talk about – but we suspect it will also take initiatives from the employers’ side to get a dialogue going.

3.9 Local employer case studies

Material containing examples (from Age Positive) of local employers actively seeking to employ or retain older workers typically made a more positive impact on respondent perceptions of employers. Box 7 shows a selection of these examples, which are given in full in the Appendix D, Round 3 materials.
Box 7: Local employer case studies

Asda Stores – Birmingham (an Age Positive champion)

Asda tries to recruit employees that reflect the local population and actively encourages the recruitment of older workers. It is now the biggest employer of people over 50 and offers a range of flexible working options to suit people who do not want to work full-time anymore. Asda offers unpaid leave to carers and grandparents and will keep people’s jobs open for them if they want a few months off during the coldest months (‘Benidorm Leave’). The ‘Seasonal Squad’ at Asda consists of people who work only during the busiest weeks of the year (eg Christmas) without having to leave and rejoin the company between sessions. Asda says that it has the benefit of a pool of employees who stay with them and flexibility in how they are deployed. They believe that an older workforce offers maturity, commitment and knowledge that customers value.

South Downs NHS Health Trust (an Age Positive champion)

South Downs NHS Health Trust offers people who want to carry on working after 65 the right to do so for as long as they like. They employ people aged up to 74 and have introduced a range of new options – including flexible hours – to help people who want to work on after 65. The numbers of people choosing to work on has increased dramatically since the new arrangements were brought in.

Although there was usually time only to look at one or possibly two case studies in any detail, they helped create the impression that some organisations are surprisingly positive and creative in the way that they go about employing older people. They gave some respondents ideas about the different kinds of opportunity that might be available and suggested there may perhaps be more options than they suspected. Some were sceptical about how real or typical the cases were, but the overall impression was usually at least mildly positive, and some people were interested to see that the range of work and employer types was much wider than the familiar Asda/B&Q examples.

Participants were glad that the virtues of older employees are well recognised in these examples, because some object to feeling belittled or undervalued on age grounds and felt that the examples offered some validation of status. Some also found the examples interesting, even amusing (eg ‘Benidorm leave’ in the Asda case). More extensive and localised lists might help people with job searches as well as helping to set new norms and expectations.

No one in our sample had heard of Age Positive, or knew about its website; but everyone was pleased to find someone collecting examples of employers with positive attitudes to older age groups. Some suggested that examples like
these should be more widely publicised, and targeted at the public as well as employers:

‘I think that there are schemes here that are for people like me and Steph here that can’t do jobs beyond a certain age. I’m not saying my boss will sack me but there will come a time when I’ll walk into that job and think, “I’m too old to be here doing this” [hairdressing]. And so to think that I could possibly then find a job – might not be earning as much, might not be the same environment, but different for a change – that I could do these things. I think that is really nice. There should be more.’

(R3/G3/F)

In summary, this sheet demonstrated a potentially important role for an accessible and extensive source of similar examples that could help to inform expectations, build confidence that there is a viable job market for older people, and provide leads to potential employers.

3.10 Suitable work patterns

Respondents often talked about ways in which ageing can make jobs harder or less appealing (see Section 2.14), but there was evident bipolarity in people’s feelings. On the one hand many feared the possible effects of age on their working life; but on the other some didn’t believe (or want to believe) that getting older would make them unfit to work on, either in their current job or a different one.

In Round 3 respondents were exposed to a sheet that was designed to take a positive and constructive approach to the effects of ageing on work (see Box 8).

**Box 8: Suitable work patterns**

If you find your work is getting too hard or losing its appeal as you get older you might think of making a change:

- cutting back your hours:
  - shorter working week;
  - going part-time;
  - job sharing;
  - seasonal work;
- lighter duties:
  - less stressful work;
  - less physically hard work;
- a different type of activity, a different sort of job.

Continued
You might start by talking to your own employer about the scope for change within the same firm. Or you could look around for a more suitable job with another organisation.

Or you might think about going self-employed and working for yourself, if you have skills or interests that might earn you a living. Some people turn something they like doing as a hobby into a money-earner as they approach retirement.

Sometimes people feel they haven’t got much to offer a new employer, but it’s worth asking yourself:

• What did I get out of work that was good?
• What didn’t I like about work?
• What do I enjoy doing?
• What am I really good at?
• What skills have I picked up in a lifetime of work and experience – not just professional skills but personal ones as well?

It may also be worth thinking about taking some training:

• to freshen up your skills; or
• to give you new skills that will help you find the kind of work you would like at that stage in your life.

Even in their 50s people could start looking ahead, and perhaps planning to move at some stage to a different type or pattern of work:

• to make life comfortable as retirement draws near;
• to give them more choice about when and how they retire.

There are now organisations and websites that have greater experience in finding jobs and providing training for people in their later years. Ask at your local library or council offices for details of what’s available in your area – or if you can use the Internet try searching there.

This sheet acknowledged the possible impacts of ageing while emphasising the options that might be available to people experiencing them and thinking about making a change.

Although little in the sheet was startling or new, the content was brought together in a practical and down-to-earth way that many respondents found appealing and upbeat, with an encouraging emphasis on options not problems. It suggested that there are a lot of different choices and approaches, some of which sounded new and practical, and some people said they felt encouraged to consider following up (see also Section 3.12).
Awareness of resources or websites aimed at people in our target sample was very low. We were unable to find many ourselves, and knowledge of those that do exist seems minimal. Existing sources need to be better publicised – but we also feel that more sources need to be developed, better signposted and more visibly targeted at people approaching or working through retirement. At present someone who wanted to get a perspective on their work and finances in the run up to retirement would need to hunt for places where they could get focused help, advice or information – and would probably find little to justify their pains.

3.11 Benefits of working case studies

As discussed earlier (see Section 2.8), many people tend to see work to one degree or another as a necessary evil – something you do mainly to earn money. The non-financial benefits of working did not usually stand out in respondents’ minds but once pointed out they tended to prompt a fair degree of recognition. Most respondents could dredge up anecdotal examples of the potential downside to giving up work – like missing colleagues and friends, and no longer having a structure to the day. But without such promptings the desire to stop work tends to loom larger than the non-financial compensations of staying in work.

One of our focus groups in Round 1 comprised people still in work after SPA from choice. We constructed six case studies largely based on these respondents, whose individual circumstances and reasons for working on we showed to, and discussed with, respondents in Round 3. A selection of these case studies is shown in Box 9 (the remainder are contained in Appendix D, Round 3 materials).

**Box 9: Benefits of working case studies**

Henry is 67 and works full-time as a building site manager. ‘The extra money is alright. I’m in a fortunate position now. I have no mortgage to pay, all I have is utility bills. It’s got to the stage where I am very fortunate financially. I did try and retire, but I went back. I think I was getting under the wife’s feet. I picked up the evening paper and there was a job there and I rang them up and said “you are looking for a site manager” and they said “come in” and they started me straight away. I don’t have to work. I wouldn’t go hungry or be cold. It is my choice to work. I have friends who have retired and I have watched them deteriorate. I am definitely more alert than my non-working friends are.’

Continued
Rose is just under 65. She works in a bar for 21 hours a week and has no real plans to retire, although she has given up evening work. ‘I wouldn’t meet as many people if I was retired, you know what I mean? You meet a lot more people. I fear not being motivated of a morning. Not having something to get up for if I was at home on my own. I enjoy work and I am not ready to retire and I fear being at home sort of vegetating. If I have got days off and I haven’t got family coming round and I am not going out I can waste a complete day. Whereas if I am working I am so organised. Work puts some structure in your life. People who work usually know the date and what day of the week it is.’

Sidney was 77 when his second career began as a customer adviser at B&Q garden centre in Wimbledon. He is still in the job 14 years later and says: ‘Working with younger people of all ages gives youngsters the chance to learn a little from an old timer like myself…and they keep me young at heart’.

As with the employer case studies, there was usually time only to consider a few, but the examples were often enjoyed and found interesting. Participants liked the story format, and some got new ideas from them. Again, these are positive examples that suggest scope and options; they show what is possible and help to reinforce and validate latent feelings about the up-side of work.

In summary, we believe it is worth trying to deliver messages about the positive benefits of working, since these are valid and potentially encouraging points that are otherwise likely to go by default. However, it is important to be aware that messages like these can seem like propaganda designed to soften people up for being compelled to work longer – particularly if it is seen to come from the Government. They would need to be sensitively communicated, with proper recognition of the cons as well as the pros of work, preferably as part of a broader message – and ideally coming from a sympathetic and trusted source.

3.12 Stepping down to retirement

The idea that the norm is a ‘cliff edge’ change from working life to retirement remains prevalent. Most respondents hadn’t previously thought much about making a phased transition, but they were often well disposed to the idea when we introduced it. However, that is not a concept most people naturally bring to thinking about their own retirement. It is not seen as the normal and expected path – and indeed does not always appear easy to achieve, or even to be a viable model for them personally. Respondents were aware that some people do wind gradually down to retirement, but that is not the prevailing image.

In a piece of stimulus discussed with respondents in the final round of fieldwork, we brought together a number of messages that we thought on the basis of earlier evidence would connect with respondent mindsets to help shift the perspective on this issue (see Box 10).
Box 10: Stepping down to retirement

The old idea of ‘retiring’ as something that happens suddenly overnight isn’t really in tune with the times we now live in.

It seems silly to say you have to retire just because you’ve reached a set age. People have different needs, different circumstances, different hopes and fears:

• Some people hate their jobs and can’t wait to stop work; others enjoy what they do and want to go on as long as they can.

• Some have good pensions or other money to live on and can afford to stop work when they like, but many people would feel the pinch if they stopped earning completely.

• Some are fit, active and energetic as they approach retirement, others start to feel their age, or develop health problems or disabilities.

• Traditionally when people retired they’d usually paid off the mortgage and the kids were off their hands – but now some retire with children still in education, or with mortgages or other debts to pay off.

• Our expectations about retirement have changed. It used to be a quiet (and sometimes brief) period of respite between stopping work and eventual death. Now many people expect a long, active and fulfilling retirement.

People are also living much longer than they used to do. A man can expect to live over 20 years on average after retirement – his 1950 counterpart could expect less than 11 more years. Women can now expect 25 more years, compared to 16 in 1950.

Because we’re living longer it costs more money to pay for our pensions. As the Government has been telling us, we have to get used to the idea of working a few years longer to make all the pension sums add up. The alternative is that either we have to pay more into the pensions system while we’re working, or we get ever smaller pensions when we stop.

With all this going on it seems sensible to take a more flexible approach to retirement, so we can tune it to match our own particular goals and circumstances.

So we should think of retirement not as a sudden, complete and automatic cut-off but as a process of stepping down from working life. Some people might decide to do this in one step, but others might find it better to take several steps, perhaps spread over a number of years.

Continued
The advantage of looking at it like this is that it gives you scope for keeping a foot in the world of work as long as you want or need to, without being locked into a pattern of full-time working that no longer meshes with your age or interests.

You might choose to go on doing some work for a number of reasons:
- You want to keep a bit of money coming in to supplement your pensions.
- It keeps you active, motivated, and connected with other people.

Work can be a drudge, but it can also be stimulating and rewarding. If you do decide to carry on doing some work, aim for something that enhances your retirement and make it more satisfying.

There’s a widening range of options now. You don’t just have to say ‘I’m 65, that’s it!’ You have choices, and more flexibility than many earlier generations.
- On the one hand you probably want more free time and more leisure.
- But on the other hand you may want to balance that with some of the satisfactions that the right kind of work can provide.
- And all that has to be balanced with what you can afford.

The thing is to find the balance that best suits you. That may not be easy for everyone – but it’s likely to work out better if you recognise what’s coming, and plan ahead as far as you can.

The main messages of this sheet can be summarised as follows:
- retiring overnight is no longer ‘in tune’ with the times;
- it is illogical to say you have to retire just because you have reached a certain age since people have different needs, circumstances, hopes and fears;
- people are living much longer than they used to, and can expect to live for 20 to 25 years after SPA;
- we have to get used to the idea of working longer because we are living longer and the pension sums don’t add up any more;
- it, therefore, seems sensible to take a flexible approach to retirement; stepping down in stages to match your own goals and circumstances;
- this gives scope for keeping a foot in the world of work as long as people want or need without being locked into a pattern of full-time working that no longer meshes with their age or interests;
- there is a widening range of options for older people; more choice and flexibility than enjoyed by earlier generations;
- the important thing is to find the balance that suits you personally.
Response to this sheet was generally very favourable; again, because it presents positive choices while recognising that these are often constrained by money or other factors. It presents a complete story in terms with which people can identify, and without haranguing or selling a particular solution. It recognises the difficulties as well as the opportunities, and advocates looking for balanced solutions that suit the individual’s aspirations and resources. Finally, it presents working on as part of a broader narrative and not as a detached (and somewhat unpalatable) objective in its own right.

On the whole it made sense to respondents that they should think of retirement as flexible rather than fixed, and as a process rather than an event – this seems self-evidently sensible when set out like this, but it is in some ways a new (and mildly hopeful) perspective. And people warmed to the idea that it can and should be tuned to fit individual goals and resources.

In summary, this sheet suggests a range of ways of approaching retirement planning, ties together some earlier threads – and when it was shown (near the end of the session) it tended to leave people feeling more upbeat than when they had arrived.

We feel that this provides the bones of a storyline which has culture-change value in its own right and can be used to tie together other, more detailed messages.

### 3.13 Laterlife ideas about finding work past SPA

A final sheet showed to respondents in Round 3 contained a stream of ideas about finding part-time work that we extracted from the Laterlife website (www.laterlife.com) – a website for people over 50 with a deliberately positive and optimistic ‘take’ on different aspects of life (see Box 11). We just reproduced these as a stream, as they emerged from the website, without trying to weave them into a coherent piece.

#### Box 11: How to find part-time paid work after retirement age (excerpts from Laterlife website)

**Work for yourself**

Go it alone, using skills and experience from a lifetime at work to set yourself up.

Turn something you like doing or a hobby into paid work. Advertise in your local paper or in the local shop and set yourself up as the local odd job man someone who can make curtains and alter clothes for people, a craftsman who can make stained glass windows for people’s houses or whatever. Or you can restore your furniture or make your wood pieces and then advertise in the appropriate papers and magazines.

Continued
People who like wheeling and dealing make money by buying and selling things on eBay. Car boot sales offer another outlet for people's entrepreneurial skills.

Another outlet is taking up a franchise. This will involve some capital outlay and can be very demanding. However, it can also be very rewarding.

**Work for someone else**

Start with your existing or former employer. Ask them if they would be willing to let you go part-time, maybe through a job share. Alternatively, have a look at www.jobsharepartners.com, where you might find someone who would like to share a job with you. There are also links on the site to organisations that have job share policies and who welcome job sharing.

Speak to the employment agencies in your area. The larger ones usually have someone dedicated to part-time jobs and/or temporary vacancies and they are usually very helpful. Since the Age Discrimination legislation came into force at the start of October 2006, the agencies have to be very careful to treat people of all ages exactly the same so you have the same chance of gaining employment (whichever route you take) as anyone else.

Use your own network. More retired people get back into work through people they know than through any other single method.

Go to your local Jobcentre Plus and look there.

Look in the local papers.

Approach organisations that you know employ older workers. Some firms have done so for some time and now that there is Age Discrimination legislation in place, all companies will have to treat everyone equally.


Contact employers advertising full-time positions and ask them if they would consider part-time instead.

If you have senior management experience, one route may be that of non-executive director. There are some websites that will be of help to you if you do consider this route. Try www.nedexchange.co.uk and www.executivesonline.co.uk/executive_recruitment and click on Non Executive Director Recruitment, where you can register as a candidate. Alternatively, joining a business start-up may be the ideal thing for you. If you contact your local Chamber of Commerce or Business Link, they may be able to help you with this.

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Continued
Consider working from home doing something such as tele-sales. There are many organisations that employ tele-sales people both in offices and at home. By typing ‘tele sales’ into Google, you will be able to access them. Try www.applegate.co.uk/recruitment and type in ‘tele sales recruitment’ in the search bar.

At the opposite end of the scale, many people like to get out and about. So a courier job may appeal, where you drive and deliver things around the country. Look at www.redgoldfish.co.uk/courier-jobs.html. You might also contact some of the airlines to ask about couriering packets around the globe!

You might want to write yourself an Action Plan and then follow it. Think about:

- organisations to cold contact;
- papers and magazines to buy;
- your network;
- local employment agencies to register Internet sites to look at;
- other local avenues to explore.

The Laterlife stimulus was presented to respondents as an extra item – a kind of afterthought – and it generated some interesting responses: The sheer number and range of ideas bubbling up off the page seemed impressive to many participants, suggesting burgeoning possibilities and options that chimed with earlier themes that had been discussed. The sheet appealed to those who wanted choices rather than prescriptions, and was seen as a source of ideas that made people feel more optimistic:

‘I didn’t know there were all these websites. I’ll go on them when I get home. It had made me feel positive – ebullient – although we’ve also been talking about facing getting old alone.’

(R3/11/F)

A number of respondents picked up threads they thought they could follow up, but the feel-good effect did not seem to depend on this. The sheet includes references to sources and websites that respondents were not aware of (including Laterlife itself) and people often seemed encouraged to discover evidence of activity and ways of finding out about it that they hadn’t known about. It also asks questions that made them think and suggests starting points for action.

In summary, there was evident thirst for this kind of cornucopia of practical ideas and check lists, as well as for the sense of realistic optimism with which it was delivered.
Again, we doubt this would translate directly into a self-standing piece of publicity, but ways should be sought of incorporating this kind of rich practicality in the overall message strategy.

‘It’s really encouraging to see all these things written down. And they say that you can still go on and maybe have a bash at those things. It’s brilliant!’

(R3/G1/F)

3.14 Delivering information and messages: narrative approach

By Round 3 we had developed the idea of a ‘framing device’ for the stimulus material we were showing to respondents. This took the form of an audio-recorded first-person narrative that was played to respondents, and into which pieces of printed stimulus were slotted in a meaningful sequence. It linked what might otherwise have been a random collection of facts into a tightly-structured story that made clear the implications of the various information sheets. Earlier rounds had given us a sense of the structure of people’s perceptions on which we based the narrative.

We prepared four versions, each using a different character:

1. Heather, a female care assistant in her mid-50s, on £13,000 per annum.
2. Peter, a male carpenter in the building trade, coming up to 60, earning £18,000 a year.
3. Elizabeth, a female teacher in her mid-50s, on £30,000 a year.
4. Gareth, a male building surveyor, coming up to 60, on £35,000 per annum.

Respondents each heard only one version of the narrative. As far as possible we chose a character that suited the socio-demographic make-up of the group or interview. The narratives were essentially the same, apart from personal details and some minor fine-tuning of the language to fit each persona. The characters and speech were fictional, but the text was modelled closely on the sort of things participants had told us in earlier rounds. The 12 main segments to each character’s recorded narrative are listed below with the points at which printed stimulus was shown also indicated. (The printed stimulus and the way people reacted to it has already been described earlier in this chapter.)

Narrative segments:

1. Reflections on uncertainties approaching retirement.
2. Thoughts about when to retire, but uncertainties about what happens when.
3. a) Uncertainties about how much they will have to live on (show ‘sorting out money: what you’ll get’).
   b) Uncertainties about what they’ll need to live on (show ‘sorting out money: what you’ll need’).
4 Attractions of retiring before it is too late.
5 Gloomy feeling that the Government wants them to work for ever.
6 Talked with friends about early retirement plans (show ‘how retiring at different ages affects pensions’).
7 So working longer sounds attractive – but will it all go in tax? (show ‘what you get from staying in work’ – whichever example is closest to respondent group).
8 Surprise about the notion of deferring pensions.
9 Doubts about the availability of employment past 65 (show ‘talking to your employer’ and ‘local employer case studies’).
10 Effects of ageing – current job can get harder or less appealing (show ‘suitable work patterns’).
11 Maybe working not just a necessary evil – social and motivational benefits (show ‘benefits of working case studies’).
12 Father’s retirement was sudden and total, but maybe that makes less sense nowadays (show ‘stepping down to retirement’, ‘Laterlife ideas about finding part-time work’).  

All 12 sections of narrative for one of our characters are given in Box 12, the rest can be seen in Appendix D Round 3 materials. Various details of all four narratives could be improved on but they don’t materially affect the conclusions set out below.

**Box 12: Narrative text – male building surveyor, higher income**

[NB: headings are for guidance only, do not read out or mention to participants.]

1. **Approaching retirement**

My name’s Gareth, and I work full-time as a building surveyor. I’m coming up to 60 now, so I’m expecting to retire in a few years, and I’m just starting to think about it. It’s hard to imagine, really – what it’ll be like, what I’ll have to live on, what I’ll do with myself. Maybe I ought to give it a bit of thought – find out more about it, talk to a few people.

I think I’ll have a chat with some of the people at work – and some of my retired friends – see what they think about it. Maybe I’ll get advice from somewhere, or read it up a bit.

Continued

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16 ‘Where to go for information and advice’ (See, for example, Appendix D Round 3 materials) was given out at the end but not usually discussed.
2. When to retire

I’ve been thinking I can’t wait to retire. Seems obvious really. All these years I’ve worked, now I think I’ve done my bit. I want some time to myself, do what I want to do for a change, instead of dancing to other people’s tune all the time. I’d like to choose for myself how I spend my time.

Thing is, I don’t know whether I’ll be able to retire. Or what sort of lifestyle I’ll have when I do.

3. What I’ll have to live on

So I guess one of the first things I have to think about is what I’ll have to live on. Actually that’s not so easy, because I don’t have much clue how much I’ll have coming in when I stop work. I don’t suppose I’ll get much from my State Pension. I’ve got a few bits and pieces of private pension – I used to be in a pension scheme for a while in my last job, and I put a bit of money into a personal pension a few years ago. But what all that amounts to I have no idea. Not much I expect. I’ve got a bit of savings, but not enough to live on. I own the house – that must be worth quite a bit by now – so maybe I could downsize and live off that.

At the moment I’m earning £35,000 a year, which is just under £700 a week. Obviously my pensions aren’t going to give me the same as that? So there’s bound to be a bit of a drop. Well, I suppose quite a big drop.

Perhaps I can live more cheaply after I’ve retired, so I shouldn’t need quite as much money then. But on the other hand I want to enjoy my free time – and it costs money to get out, go on holiday and so on.

So that’s a bit of a poser, really. I don’t know how much I’ll have coming in, and I don’t really know what I can live on. It’s all a bit uncertain. I don’t feel too happy about it – but I don’t have anything firm to go on.

Show ‘Sorting out your retirement money: what you’ll get’

The other thing is how much I’ll need to have coming in when I retire. To be honest I don’t find it easy to get my mind round that.

Sometimes I think I won’t need so much money. I hope I’ll have paid off my mortgage, my home’s furnished, I won’t have to pay fares to work – and I’m told my tax will go down.

But sometimes I think differently – well, with all that leisure time you’re going to want money to spend on trips, meals out, holidays and so on.

Show ‘Sorting out your retirement money: what you’ll need’ (if time)
4. Before it’s too late

I keep thinking that if I really want to enjoy my retirement I ought to stop work sooner rather than later. I mean you just don’t know how long you’re going to live – or how long your health will last. You want some time when you’re fit enough to get about and do things. The time comes when you can’t do it any more – or you don’t have the energy, or you just can’t be bothered.

5. They want you to go on working

You get the feeling the Government want you to go on working and not retire at 65 anyway. Well, you saw a lot of stories on the television about it a while back – in the papers too. I hear that they are putting up the age when you can draw your State Pension. It almost seems like I’ll have to work for ever, not retire at all. Bit of a gloomy prospect really.

6. Stopping early

I was talking to people at work about when they thought they’d retire. Several of them said they wanted to stop work early – maybe even in their 50s. That sounds nice – but how would they manage? What would happen to their pensions then? What would they have to live on? They don’t tell you this sort of thing – but it could make a difference.

Show ‘How retiring at different ages affects pensions’

Well, that makes it pretty clear that I shan’t be able to retire early. In fact it makes the idea of working on another couple of years past 65 sound quite attractive – at least in money terms.

7. Working on: is it worth it?

But we were talking about this at work the other day. Some of them were saying they didn’t reckon you’d gain anything by working on after you get to retirement age. Alison was saying that if you draw your pensions, and then do a bit of work on top of that for a few years you’d have a nice sum coming in. But the others were saying you’d be wasting your time, because they’d only take it off you again in tax, so you wouldn’t be any better off. Who’s right? I suppose I need to find out more about this.

Show ‘What you get from staying in work’. Choose example by gender and income

Continued
8. Deferring pensions
Well, I’ve learned something there, because I didn’t know you could delay taking your pensions. It seems a bit odd. I’d’ve thought I’d lose the money if I didn’t collect it – or I might die before I collected anything, and lose the lot. But they were saying pensions usually get bigger if you take them later. I was told that if you put off drawing the State Pension you get a choice of a bigger pension or a cash lump sum when you do finally take it.

I asked what happens if you die before you draw it, but it seems I can pass most of it on to my wife, somehow. I need to find out how this works with my own pension scheme.

9. Could I carry on working after I got to 65 even if I wanted to?
It’s all very well saying you could work on after 65, but I’m not sure I’d have the chance even if I wanted to. Where I work everyone seems to leave at 65. I think there’s rules. I don’t think my employer wants a lot of old people clogging up the place – he just pensions them off! And then no-one wants to take you on once you’re in your 60s.

Show ‘Talking to your employer’ with any case history or other materials.

10. Changing jobs
Sometimes the work you’ve been doing doesn’t suit you so well as you get older. I know I get tired more easily now than I used to. And when you’re getting on in years you don’t want the stress any more.

Some of the guys on the building sites do very physical jobs. I was talking to a bloke called Derek the other day, and he says he finds it hard to keep going with it now he’s turned 60.

And what about Barbara in accounts? She says she finds it a struggle now – she has to keep up with all the changes, and new skills, and computerised this and that.

And I suppose even if you enjoy your job you can eventually get a bit fed up with doing the same thing all the time. I’m beginning to feel a bit that way myself – and some of those I work with never liked the job in the first place, so they just want to stop as soon as they can.

I don’t see any answer to this, but I’ll ask around and give it some thought.

Show ‘Suitable work patterns’, with any case history or other materials.

Continued
11. Benefits of working

Somehow you come to think about working as something you only do because you’re paid to – like a kind of ‘necessary evil’. But from what I’ve heard my friends and colleagues saying maybe that’s not the whole story. Sometimes you hear of people who find being retired isn’t all they thought it would be.

My sister’s friend says that now she and her husband are both home all the time they just get on each other’s nerves, much worse than when they were both working.

Also you can miss the people you worked with. It’s all right if you’ve got a lot of friends and a busy social life, but at least when you went out to work you met people and you had someone to talk to.

You also hear of people who just go to seed when they stop working – as if they don’t have a reason to get out of bed in the morning if they don’t have to get up and go to work. You need to keep active, I suppose, keep your brain ticking over – use it or lose it, as they say. A life of leisure is fine if you know how to handle it and can keep yourself motivated. I wouldn’t want to vegetate.

And then of course if you’re still bringing in money you can afford to do more of the things you want to do. Leisure’s lovely – but it costs.

Use verbatim/case history material to support this

12. Sudden or gradual

When my father retired it seemed as though one day he was working, next day he’d finished. It was just sudden, bang, like that! I suppose that’s how I’ve been thinking about retiring, too.

But now I’m wondering if maybe that doesn’t make so much sense these days.

Show ‘Stepping down to retirement’, with any case history or other materials.

[END]
2 To acknowledge, represent and then address the public’s concerns and fears:
   a the narrative expresses many of the problems and anxieties that people told us about in earlier rounds;
   b while the written stimulus provides new evidence and ideas that help to:
      i deal with their concerns;
      ii move the debate forward.

In general, the narrative seemed to serve well both the main purposes for which it was put together.

People were often able to identify with the issues faced by the characters and their dilemmas and deliberations were felt by many to bring the subject matter to life:

   ‘It’s more like real life. I mean you’d think that was a real story listening to her say it. You’d think that that was her, and that’s what she’s going through, and then you can relate to it a bit more. You can definitely relate to some of the problems and the things that she’s thinking about. You can think, “Yeah you’d have to think about that”.’

(R3/I7/F)

The early parts of the narrative concentrated on rehearsing the kinds of concern and uncertainty from which many people are starting. This might seem negative, but it often worked well. People usually empathised with what was being said, and were then more willing to listen to the later positive messages, and more easily able to relate them to the (largely shared) problems set out at the beginning.

From all our evidence it seems extremely important to acknowledge the way people feel already. Relentlessly upbeat messages that come across as unrealistic or not credible seem likely to be rejected and/or resisted – and might seem like propaganda (‘they would say that’…). Participants often began sessions with a mass of anxieties or resentments about pensions that made them defensive and sceptical about considering new information and ideas, especially from ‘official sources’. But they seemed likely to be more receptive and less defensive if their own attitudes and perspectives were recognised and acknowledged upfront at the outset – their concerns were less likely to get in the way of taking in new messages, and there was less feeling of just being ‘sold to’.

The narrative approach seemed to work well on these levels. Participants in Round 3 tended to engage more constructively with materials than they had in previous rounds of fieldwork. In most sessions they spent less time ‘sounding off’ about their predicaments, there was more of a feeling of moving on, and usually a more upbeat and positive mood at the end.

Some said that they felt more hopeful about their prospects and situation; that they had some impetus to go away and work things out more, felt more positive and less gloomy and had had their eyes opened. The sense of having options can make people feel empowered to take action.
4 Variations between sub-groups of the target population

4.1 Introduction

The findings outlined in this report have relevance across the target population. In general, the evidence suggests that there are more similarities between people in terms of how they feel and think about issues pertinent to extending working life than there are differences. Nonetheless, some variations between groups of respondents, for example, in outlook or receptiveness to key ideas, are worth highlighting. This chapter describes some of the more important differences that we identified and some of the reasons for them.

4.2 Women

Men and women’s lives can, and often do, differ in ways that have a direct bearing on their attitudes towards extending working life. For women, issues affecting family and children are often of paramount concern and underpin the work and career choices that they make. Many of our female respondents reported patchwork job histories: short periods of work interspersed with breaks to have or bring up children; plentiful job changes and spells doing part-time work and even job shares to accommodate family responsibilities.

A number of women in our sample were concerned about the amount of pension they would receive after breaks from work to bring up children, and felt that this would leave them little choice but to work on when they reached pensionable age. (There also still seemed to be widespread confusion about National Insurance (NI) credits paid to women in receipt of Child Benefit):
F6: ‘Don’t you get credits then for when you’re off with your children?’

F2: ‘No.’

F6: ‘I thought that.’

F2: ‘No, they’ve told me I’ll get next to nothing. I’m really angry about that.’

(R2/G1)

Our evidence suggests that many respondents with chequered work experience had a more flexible outlook when it came to thinking about work options in later life. First, they were more accustomed than their male counterparts to looking holistically at their lives; they often seemed to draw less distinct boundaries between work and non-work and therefore, between working life and life after work:

‘I have a four-year old daughter, and having had her a bit later on (in life), by the time she finishes school I’m going to be nearly retired anyway. And I’ve always been a kind of stay-at-home mum. It’s only in the last year that I’ve worked part-time, so I find it quite hard to think about as any different from now in a sense.’

(R3/G1/F)

Second, they had past experiences of different kinds of work and work arrangements to draw on and – perhaps as a result – seemed less likely to have rigid ideas about the kinds of work they were prepared to consider, including in later life.

Some women said that their decision about when to stop work would be linked to their husband’s. In most cases this would be in order to enjoy retirement together, although there were some exceptions:

F4: ‘I think I’d like to have some time at home before my husband retires, to do what I wanna do. I’d like some time before he gets under my feet. I wanna go out and do what I wanna do without him looking at his watch and saying, “What time you coming back? When are we having tea?”.’

F2: ‘I never forget my mother-in-law, he retired before she did, and when she retired it drove her mad. She said, “Oh I just can’t stand him round me”, she said, “we’ve both always worked full-time” and she said, “he just drives me mad”. And I thought “Ooh!”.’

F4: ‘Yeah I think I’d like the sort of four or five years before he [stops work], so I can get my life sorted. Or get my interests going – and then he can do what he wants to do.’

(R2/G2)

Some younger women respondents (40-49) were emerging from years of childcare. Some saw the chance for ‘second-wind’ careers, an opportunity for greater personal fulfilment at work after a phase of part-time provisional jobs fitted around family needs.
'I live with my husband and my two children who are 18 and 15. I'm a primary school learning mentor. I've been there about ten years now and now I'm just thinking maybe I want to move on. I need to look for a career instead of a part-time job.'

(R2/G1/F)

'I feel as though I'm embarking on a second career now finally.'

(R2/G1/F)

A few participants said that they welcomed working on as an opportunity to play out a ‘proper’ career in full.

On the other hand, for some women, the increase in State Pension age (SPA) in line with men – although rarely perceived as ‘unfair’ – was already regarded as an enforced extension of working life. This could make it more difficult to ‘sell’ the idea of working on over and above age 65.

4.3 People on low incomes

Many of our low-income respondents expected to carry on working to SPA and beyond, or were at least resigned to the idea. Not surprisingly they were less likely than other groups to have made any kind of alternative provision for retirement, and usually had little idea of how much they could expect from the State Pension.

But although they often seemed resigned to working on, they were also often resentful (and even angry) since in many cases they had started work at 15 or 16 and felt that they had more than done their bit. They did not respond at all well to the ‘hard’ messages we tried out with them (see Section 3.2).

On the other hand, these participants often were pleasantly surprised by the stimulus we presented in Round 3 (‘What you get from staying in work’) that showed them different options for working and claiming pensions. Many had not realised how much they might receive from their State Pension and felt the sums compared well with what they were currently earning. The option to claim a pension and carry on working was not something they had necessarily considered, and some were surprised and pleased to see the possible effect on income of not paying NI contributions and paying less tax.

Some low-income respondents, initially depressed by their prospects and negative about the idea of working on, started to feel more positive and optimistic after seeing this material and took a more lively and engaged interest in subsequent discussion about options for extending working life. This was particularly marked among women on low incomes who we talked to in Round 3.
A number of respondents on low incomes voiced concerns about the possible impact that working on would have on benefits and entitlements. Would they be any better off if they worked? The answer was often unclear to them – so they tended to make pessimistic assumptions about it.

‘The problem from my point of view that you’re going to be hit with is – say you’re 65, you’re on a State Pension, and then you say “Right, I’m going to get a part-time job”. So you go and get a part-time job with 30 hours a week. Then you’re bombarded, because you work 30 hours a week and you have to pay so much council tax, so much towards your rent. At the end of that 30 hours, I’m basically getting nothing out of it.’

(R3/G4/M)

4.4 Men in lower-paid manual occupations

This group of respondents stood out in a number of ways. They were less likely than some other groups to be considering voluntary retirement before the age of 65, mainly because it was not financially feasible. They were also more acutely aware than other participants of the physical toll of their work – some thought that they would not be able to carry on in their line of work past SPA, and might even be forced out before then:

‘By the time you get to 65 your body is shot anyway. Your knees are going, your back, your shoulders. You have been out in all weather…If you don’t turn up in the building trade, you don’t get paid.’

(R3/G4/M)

This was a gloomy prospect for many, because they did not feel that there were many realistic alternative options for them once they could no longer do their current job.

While some men in non-manual occupations were able to envisage ways in which they might be able to build on or use their skills and experience in new ways in later life, this was less likely to be the case with men in lower paid manual occupations, unless they had a marketable trade such as carpentry or plumbing that they felt they could exploit on a freelance basis. This group seemed also less likely to believe in their own ability to change paths, to retrain or take up a new line of (non-manual) work. In many cases there appeared to be a fundamental lack of confidence outside worn and familiar work areas and specifically in relation to ‘desk’ or ‘office’ work perceived to need skills that respondents in this group felt they lacked or would never acquire.

These respondents often were the most negative in terms of their attitudes towards extending working life. They were more likely to draw a clear line between working and stopping work, more likely to be looking forward to a traditional ‘cliff edge’ retirement when they had ‘done their bit’, more likely to be resentful about the prospect of having to work for financial reasons or because of changes to SPA,
and less likely to believe in, or be receptive to, the idea of stepping down in any of the ways we discussed with them.

4.5 Different income levels

In communications terms it was apparent that people tended to respond best to financial messages quoting figures they could identify with personally – for example, if they saw amounts of (for example) income, pensions or savings that were broadly in the same region as their own. Conversely, if messages seemed to be aimed at someone much richer or poorer than themselves, they were more prone to lose interest (or even switch off altogether). Sometimes participants with limited resources felt excluded (and even quite irritated) by messages that talked about having capital from houses or extensive savings. Similarly, illustrations involving private pension income were felt to exclude those who do not have any. It may, therefore, be better to segment certain messages by income band or circumstances as far as practicable, using illustrations relevant to the target’s personal situation. This is clearly only possible to a limited extent when using mass media channels, but in that case it may be possible to signpost people clearly to the information most relevant to themselves. At all events it will help to be sensitive to the issue.

There are some other differences between income levels in the stories that may need to be told. For example, those who will have little or no income beyond the State Pension will not, in the normal way of things, be able to retire early, so that exhortations not to do so would not only be unnecessary for them, but could also rub raw nerves – since many are unhappy or even resentful about the place they find themselves in. On the other hand the minority who can expect a level of income that might support early retirement need to be shown that they are likely to pay a considerable price for that in terms of reduced pension, since our evidence suggests that the likely losses are higher than many would expect (see Section 3.6).

4.6 Education and financial literacy

It was noticeable that some respondents were able to take in information from the research materials more easily than others. Some had quite a struggle; other people coped readily with most of the things we showed. Variations seemed to be related to education levels and financial literacy, and sometimes to occupational experience with money and figures. (There is in turn likely to be some degree of correlation between income levels and facility with reading, so that people with

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17 In all cases respondents were supported by the researchers, so where people had more difficulty we were able to take them through the materials, check understanding, and sometimes explain matters further. This kind of support would not, of course, normally be available with printed material that reaches the public in the real world.
limited means often also have less effective tools for dealing with information about their situation and about the system.)

While there were differences of this kind, however, few respondents appeared to have much expertise, and even generally literate and numerate people appreciated information put across clearly and concisely without jargon or technical language. On balance, the evidence from this research suggests it is unwise to assume that many people are familiar with even the basic concepts and terms of retirement finance, pensions and employment, and ruthless simplicity is needed in putting across the necessary facts and stories.
5 Delivering information and messages: authors’ discussion of sources and channels

5.1 Constraints on research exploration

We were asked to explore potential sources and channels for delivering information and advice about extending working life, but the scope of our findings was severely constrained by two main factors.

1 Most participants had only very sketchy ideas about where they get (or like to get) information. As we shall see, few people use information gathering routinely or systematically as a starting point for planning and decision-making – certainly in relation to broad topics like extending working life, which is an amorphous issue that people typically have little motivation to explore.

2 We had a very full agenda of core research issues to get through, so this secondary topic was often squeezed for time\(^\text{18}\).

Nonetheless, we have combined what we learned from this project with the experience built up across earlier studies, including recent relevant research carried out for the Department for Work and Pensions (DWP).\(^\text{19}\) This has generated a picture of the way in which people typically acquire and use information that provides a potentially useful context for thinking about the way culture-change messages should be delivered.

\(^{\text{18}}\) We produced some simple stimulus material (see Appendix C Round 2 materials) that provided a framework for brief discussions of this subject.

One of the difficulties of researching this topic results from the wide range of different types of information with a potential bearing on the subject – for example: pension forecasts and other information or advice about expected retirement income or likely outgoings; the financial implications of working on; the employment rights of older workers under 65; training opportunities for older people; employment opportunities for older workers; ways of making a gradual transition out of work, and so on. Moreover, the public do not usually have a clear focus on issues like these, and haven’t flagged them mentally as things they need to find out about.

5.2 How people acquire information and build images

We need to distinguish between active and passive absorption of information. Active information is sought out; people reach out to learn about specific issues, motivated by need or curiosity. Passive information is casually encountered in the huge masses of material that stream past individuals in their environment, via (for example):

- the media;
- friends, relations and social contacts;
- direct experience of events, people or things;
- the Internet;
- advertising and publicity of various kinds.

Passively received information can nevertheless be absorbed, particularly where similar signals are received repeatedly from the same or different sources, and can have a big effect on shaping the prevailing culture. In the case of extending working life it may be more important than actively acquired information. This is because most people’s lack of engagement with (or interest in) the subject means that comparatively few actively search out information.

5.3 Types of information

We can further consider ‘information’ under two broad headings:

- **Cognitive information** (specific facts or pieces of knowledge that support rational decision making).

- **Affective information** – broader images and feelings about how things are and how they work that can shape the way people perceive and experience them, and behave in relation to them. These feelings and images also influence how they receive, interpret and react to cognitive information.

Decision-making can be affected by both these types of information – and it was clear from our discussions that feelings can sometimes be more decisive than facts or arguments. Both seem important to changing the culture in favour of
extending working life – there are certainly facts (for example, about the effects of reaching retirement age on taxation) that people need to know, and which can be motivating; but we have also shown that people's feelings (like uncertainty, lack of confidence, fatalism, anger) can have a big influence on the way they frame their approach to the topic and what they do (or don’t do) about it.

And it is not only explicit message content that influences people. For example, the way older people are portrayed (even in programmes, editorial matter or advertisements which have nothing to do with extending working life) could condition people’s assumptions about roles and lifestyles in relation to retirement, or the way they feel about these.

5.4 Salience of the issue

The salience of an issue (the extent to which it stands out in people's minds as something they ought to think or take action about) is also extremely important. This is particularly the case with extending working life – the only salient feature of which for many people is the growing (and unwelcome) realisation that Government policy and/or financial pressure may oblige them to stay in work longer. But the idea that it is something they can usefully plan for, and about which they have options, is still far from salient in most minds.

5.5 Trust and related matters

The way people receive and respond to messages and information often depends on what they think and feel about the source. Whether they take notice of a piece of information, whether they believe it and how they interpret it, can depend on the way they perceive the source – notably whether they trust or distrust it. They are more likely to reject, disregard or reinterpret messages from sources that they don’t trust or that they feel have a particular axe to grind.

Respondents' evident sense of having been misled and let down over pensions by both the Government and the pensions industry is a thread which runs through many of our findings. Government is often seen to have its own agenda, to be prepared to ‘spin’ stories in order to make its own case or justify its actions; and many feel the private sector just wants to sell them things. Many respondents said also that they don’t put much trust in the media – but they nevertheless depend on the media for a good deal of their information.

However, trust is a complex issue and people often make distinctions between different types of information for a given source. For example, respondents said they would usually trust DWP to tell them how much their State Pension is worth, but not necessarily to give a reliable and unbiased account of its own policies or performance. Although respondents were generally sceptical about the media, some mentioned particular programmes, publications or journalists they do trust – for example, a few respondents mentioned titles like Money Box or Which?, but others might work for different individuals.
We have consistently found that people are wary and cynical where they feel that organisations are trying to justify their own actions, cover up mistakes, or persuade people to do things that are seen as really just in their own interest – for example (as we have pointed out) cynics will be apt to say that if the Government trumpets the positive virtues of staying in work it’s only because it has a vested interest in keeping them employed.

However, this is not to imply that all the huge mass of information reaching an individual from their environment is subject to rigorous filtering or evaluation against the perceived trustworthiness of the source – that would be completely impracticable. Messages – positive and negative, true or false – can sometimes drift across uninspected even from ‘untrusted’ sources, and repetition can sometimes lodge ideas in people’s heads over time.

### 5.6 Information relating to working on

There was little evidence in the focus groups of much active search for information relating specifically to working on, although there were occasional exceptions. Very few respondents had made attempts to explore it in the round, although a minority had tried to find out about particular topics (such as likely pension income).

In general, relevant information held by respondents seemed to have been acquired piecemeal and incidentally rather than systematically sought out to answer questions or solve problems, and rarely appeared to have been integrated into a coherent system of knowledge or ideas. The ‘information’ they’d picked up was at best incomplete, and sometimes actively misleading.

One respondent noted that sources of information, even if available, are not useful if people are not ready and willing to ask the right questions or are not receptive to the answers:

F2: ‘We haven’t asked the question of ourselves yet [about when and how to stop work]. We’ve chosen not to ask that question haven’t we?’

F3: ‘We’ve chosen deliberately not to think about it.’

F2: ‘And bury our heads in the sand.’

(R2/G9)

### 5.7 Sources and channels

We can distinguish, up to a point, between ‘sources’ and ‘channels’ of information. A source is a person or organisation which originates the information, and a channel is the conduit or mechanism by which it reaches the public. So television, newsprint or the Internet are channels by which information from various sources reaches people. However, this distinction is often blurred – for example, a newspaper acts both as a channel and as a source. For example, newspapers considered
generically are channels through which information reaches the public, but they are not passive conduits – they select, interpret and even originate much of the material they report. So the Daily Mail or the Financial Times are sources as well as channels. The original sources of mediated information are not always obvious – and there may be long chains of sources, which are not necessarily apparent to the end user. The same applies to the Internet – generically it is a channel, but individual websites can be considered as sources in which people may repose more or less trust. The distinction between channels and sources is important, but tended to be hard to apply consistently in discussion.

5.7.1 Channels for information

Below we summarise our understanding of people’s relationships with different types of information channel, again supplementing findings from this research with similar coverage from other recent studies (see footnote 19).

Reading and hearing: many people read reluctantly and are put off by large amounts of text. On the whole they prefer to be told things face-to-face or via broadcast media.

Leaflets and literature: expectations of official literature tend to be low. Information disseminated in this way is widely regarded as hard to take in, too wordy, not specific enough, and too generalised to help individuals understand how they will be affected personally; it just doesn’t seem to tell you what you want to know. Leaflets also tend to involve more reading than many people are skilled or motivated enough to cope with happily. So there is a temptation to put official literature aside (or even bin it), and there is often low awareness of what is available – including publications that might relate to extending working life. However, leaflets and literature can be useful for reference purposes and can help those willing to engage with it to get to grips with a topic. It, therefore, seems important to have literature, but realistically most people are not likely to know about it or want to read it20. Brevity, simplicity and clear structure are important.

Face-to-face meeting is most people’s favourite way of getting information, especially on difficult or important issues – but few face-to-face sources were seen to be available on topics relevant to extending working life. People do not know of places they can go for help, advice or information specific to work, life or finances for those nearing or passing into retirement. As we shall see, for example:

- the image of traditional sources for finding jobs or training does not suggest they would be much help about extending working life, and few would think of visiting them in this context;
- few would think of visiting charities like Age Concern for this purpose, although they might well have something to offer.

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20 An example is the DWP booklet on pension deferral, a topic about which many people were almost wholly ignorant. Hardly anyone seemed aware that the booklet existed – and the version current at the time ran to over 80 pages.
In practice, people often depend, to a large extent, on information gleaned from relations, friends, acquaintances or colleagues – the most ubiquitous and accessible way of finding things out face-to-face.

The telephone can be useful, but seems second best to face-to-face meetings for many because it is often harder to take things in over the phone than in person – a problem which tends to worsen with advancing age because of growing problems with hearing or cognition. Again, people cannot usually think who they might phone about matters relating to staying on in work. However, the phone is an interactive medium, doesn’t involve reading and doesn’t require them to travel. A dedicated (and well-publicised) helpline dealing with pre-retirement and matters to do with extending working life could be useful.

The Internet is used increasingly by many respondents for getting information and for some it is a highly valued and well-used medium, and an obvious starting point for queries and searches:

‘I guess I’d turn to the Internet to have a search and a look to see what’s available there.’
(R1/G1/F)

F2: ‘My first port of call without a shadow of doubt would be the Internet.’
M1: ‘Yeah, me too.’
(R2/G9)

Even non-users, including those with limited or no personal access to it often saw the Internet as an important information channel. Sometimes their families or friends look things up for them.

However, although the Internet has obvious potential it also has important limitations as a tool for delivering messages about extending working life:

1 Although some people in the target group are experienced and confident web-users, others either don’t have access; don’t feel comfortable using it; or have limited skills for finding what they need. As some respondents said, they’d rather start by talking to someone, in person or on the phone:

‘I’d rather phone someone, speak to someone. I suppose I’m a bit old fashioned because I like to ask and get answers, not tick a box and see what pops up. And I’m not a great truster on the Internet anyway.’
(R2/G2/F)

Even confident Internet users were usually able to name partners, friends and relatives who they said would be unlikely or unable to use the medium:

‘My older sister is 52 and my next sister is 50 and they have absolutely no clue. They wouldn’t even know what to do to start with.’
(R2/G9/F)
'You say that [go on the Internet], and that’s fine. But my mother who’s 65 can’t even do her PIN number on her cashpoint, so she couldn’t.'

(R2/G8/F)

2 Even some experienced users have limited skills and confidence when it comes to searching for vaguely-defined information. Although search engines are increasingly effective at translating fairly vague search terms for those who are skilled and confident in their use, many people only venture to use the Internet to find things out if they have some initial idea of what they are looking for and where they might find it. And the Internet can be unpredictable; sometimes people find what they need or want fairly quickly, but sometimes they end up confused, or go round in frustrating circles:

‘You go on the Internet and you type in the words that you’re asking the question about and all of a sudden 16,000 come up.’

(R2/G9/M)

‘Sometimes you just go round in circles and you never find what you want.’

(R2/G9/F)

We have very little evidence about how far most people would actually succeed in finding useful information relevant to extending working life if they tried to do so, and it would be useful to explore this further. Research is needed to assess how far people are, in practice, able to use search engines to assemble information on such a wide-ranging and amorphous topic.

3 The Internet tends to be a medium that people use to track down answers to fairly specific questions – but (at least at present) few people have formulated questions they want to ask about retirement planning.

4 The web is better for actively ‘sought out’ information than for passive transfer – although some people do come across a wider spectrum of information incidentally while ‘browsing’ or ‘surfing’. But although some people do surf the Internet in a more exploratory fashion, this doesn’t seem to be the sort of issue many would come across in this way.

Apart from these general limitations the issues of retirement planning and extending working life pose a particular problem to Internet users, who might find it difficult to track down helpful material about a subject that is hard to pinpoint, and tends to be spread about across a wide range of different types of site, which are not clearly targeted at (or identified with) the issues under discussion.

A potentially attractive feature of the web is that it can be interactive. There was strong interest among respondents in information sources that can provide customised advice and suggestions in response to queries, for example, about likely retirement income, or potential job opportunities for people with certain skills or life experience:
'Where you can put in all your requirements and stuff. I’d look at [sites] like that, that suggest things to you.'

(R2/G9/F)

However, the potential benefits of this interaction are again unlikely to be fully realised by people who are not confident or at least reasonably skilled at using the web.

Even seasoned Internet users often had little clue about specific websites they could turn to in the context of extending working life. Those dedicated sites that do exist (e.g., Laterlife and employment sites like Wrinklies.com) were almost entirely unknown to our respondents. The information they contain in any case deals only with limited aspects of the issue. Specific types of site are considered further in Section 5.7.2.

We, therefore, feel that although the Internet has considerable potential and should be developed as a channel for extending working life information, the general and particular limitations spelt out above mean that Internet facilities need to be fully complemented by alternative channels, and cannot be seen as a self-sufficient solution.

Moreover its value will continue to be severely limited unless relevant content is not only developed but made more accessible. It seems advisable to make sure that there is more usable and helpful information about extending working life available on the Internet, and to provide some kind of portal which will assemble the relevant information, or route people to the operative parts of useful sites – whether operated by Government or by other organisations or agencies.

Letter, email: personally-addressed material has more impact than general mailshots, especially if the content is also personalised with information that has relevance to the individual. Most people have a strong aversion to junk mail and do not read everything they are sent – but evidence from some of our previous work indicates that many people tend to look at ‘official’ and personally-addressed letters.

Media: there is a vast mass of media information of which individuals receive and take in only a tiny fraction. Cumulatively the media can be powerful and often very influential, especially for casual and passive transfer of information – people often pick up things they weren’t particularly looking for. This makes media output very important in helping to shape and change the culture. Specific messages can be swamped by the huge volume of material emanating from the media.

Advertising and publicity is sometimes informative or influential – for example, awareness of LearnDirect among our respondents was often ascribed to television advertising. People are sometimes wary about the fact that advertising has its own agenda – usually to sell or persuade. But even advertisements which have nothing

to do with extending working life advertising could condition perceptions through the way they portray older people.

### 5.7.2 Sources of information

The stimulus we produced for our discussions with respondents about possible sources of information relevant to extending working life can be found in Appendix C, 2P Information sources. The results of these discussions can be summarised as follows:

#### a) Government

Government has an image of being prone to ‘spin’ things to project its own point of view – which makes it a suspect source for some kinds of information about extending working life or retirement generally, since many respondents see Government as at least partly to blame for the pension crisis. Government departments or agencies discussed briefly with respondents included:

DWP is by and large trusted for technical information about pensions, but often suspected of having its own agenda in relation to retirement – along the lines of ‘they cocked it up, and now they want us to work longer so they don’t have to pay us pensions’.

Some respondents mentioned the DWP website as an obvious starting point – for example, because they were already familiar with it or had received information from the Department about pensions or some other matter relevant to retirement:

> ‘I’d go straight to the DWP because they send out these things about “You might have a shortfall on your pension if you missed two years’ work in 1970” or something. They quite often send things through, “You’ll earn this much and this much, but you need to pay in to make up for those extra years”. That’s how I found out about a lot of this. It was just extra information they didn’t have to tell me, but it was quite interesting…It was helpful, yeah. I mean I probably would turn to them again. Why not? That’s where it comes from.’

(R1/G9/F)

DWP was usually regarded by most respondents as a reliable and trusted source of information about specific matters of fact:

> ‘Because they would have to get it right wouldn’t they? They couldn’t possibly put something on there that was wrong, ‘cos someone would sue them.’

(R2/G9/F)

However, there was evidence that some people are more sceptical about Government departments, including DWP, when putting across information relating to their own performance or policies:
‘They’re going to put the current golden slant on to what they’re saying.’
(R2/G9/M)

Some respondents who had used the DWP website seemed to have found it useful:

‘It is quite a good website actually.’
(R2/G9/F)

Nonetheless, there was often scepticism about the likely usefulness of Government websites. And a few respondents reported difficulties in the past with other Government sites that had blighted their enthusiasm for this type of source:

‘I’ve just got a real morbid fear of Government websites, ‘cos I deal with the HMRC, Revenue and Customs, every day – and it’s the world’s worst website.’
(R2/G9/M)

The Pension Service is still very little known – certainly there was little name recognition among respondents, and it was rarely mentioned as a resource for information about retirement planning. Those who had heard of it sometimes regarded it as a potential source, but the name was not familiar to many.

Jobcentre Plus was not widely seen as likely to have much to offer to people about to retire – and not always even regarded as a good source of jobs. Few respondents saw it as being of particular relevance to them in the context of working on.

Some respondents had heard of Directgov but again, it was rarely mentioned, and does not seem to be widely known, understood or used by the public. This site was only familiar to a minority of respondents, although some had found it useful in the past and thought it would be a potentially useful source of information.

Local authority websites were not generally thought of as obvious reference points for extending working life information, although they were mentioned by some.

Other departments and Government agencies were rarely mentioned in the context of working on, or much explored by us.

b) Financial organisations

Banks and building societies were not often seen as a relevant source of information for extending working life – and not always trusted as advisors even on related financial matters, because many people suspect they are driven by commercial self-interest.

‘They’re in the business to make money out of you, so you just keep going round in circles.’
(R2/G9/M)
Independent Financial Advisers (IFAs) were seen by some respondents as the best source for private pension advice (mainly by those on higher incomes and/or with previous experience of using this kind of service), but not many seemed to have consulted them even about financial matters, and they are not usually seen to have much to offer in the more general context of extending working life or retirement – except perhaps in matters specifically to do with private pensions. The cost of consulting them and suspicions about possible lack of independence were among the concerns expressed about IFAs.

Other financial agencies were hardly mentioned, and we didn’t have time to explore them.

c) Friends and family

Informal personal contacts were often very prominent and influential both as active and passive sources. Friends and family, work colleagues or casual acquaintances were often mentioned as an obvious and important source of information and ideas. Such informal contacts seem the most widely-used source, mainly because they are available, accessible and user-friendly, but also because they may give out ideas spontaneously in conversation even if not directly consulted. They are often seen as trustworthy – and people can form their own views about who they trust and who they don’t. But the main drawback of such informal personal contacts is that the information they provide may be limited or unreliable – some people may have well-informed friends and relations, but in other cases ‘the blind may be leading the blind’. However, respondents generally acknowledged their importance as a sounding board in the decision-making process.

d) Media

As mentioned earlier (Section 5.7), broadcast, print and other media are channels along which information flows, but they are also a collection of sources in their own right, because they originate, select and comment on information, as opposed to just acting as passive conduits. Generically ‘the media’ is not much trusted, but people’s perceptions of different publications, programmes and commentators often vary – some are seen as more informative, more reliable or more trustworthy than others. Television is clearly the dominant general media source, but some publications or radio programmes (like Radio 4’s Money Box) are mentioned by small minorities as having particular value in relation to (for example) pension information. In these cases the level of trust can be fairly high. Websites associated with trusted media such as Money Box and You and Yours on BBC Radio 4 were occasionally mentioned as possible first ports of call:

‘There are lots and lots of things on there where they give you advice.’

(R2/G9/M)

As we have noted, many people pick up impressions almost at random from their media exposure, as well as sometimes looking to specific media sources for particular purposes.
e) Advice agencies and support groups

Respondents tended to see advice agencies and support groups as essentially trustworthy but again, few perceived them to be potentially useful sources of advice or information on retirement planning or extending working life.

This seems a pity, because such organisations may well have useful information and advice on aspects of the problem. They could be important players in culture change, and we feel DWP should regard them as potential partners in that enterprise. Communications from advice agencies would stand less risk of being misinterpreted or dismissed as propaganda, as they might if emanating from the Government. Such organisations would of course have their own communications agenda, but there should be a common interest in helping people to grapple with the changing face of retirement, to optimise their working life and to make the best of what may often be constrained financial resources.

However, the public would need to be persuaded that these were bodies they could usefully approach to help them with retirement planning, and the agencies might well need to build their capacity to play this kind of role – a service which would be valuable for the public, but which is not at present generally available. There seems to be good case for State funding to support its development.

Below we consider some of the different kinds of agency:

Citizen’s Advice Bureaux (CABs) were generally trusted and respected as honest brokers, but not seen as an obvious source for help with retirement planning, work or pensions. Some people might consult Citizen’s Advice if they had (say) a dispute with their employer about age discrimination or pension entitlement, but few would think of going there to find out about their employment options as retirement approaches, or about their likely retirement income. Moreover CABs were perceived by some respondents to be under increasing pressure and, therefore, more difficult to access and use – some respondents spoke of long waiting times, and having to make appointments. It seems to us that CAB has potential as a resource for helping people with retirement planning, but realising this potential would involve developing its image (and presumably also its skills and resources).

Age Concern, Help the Aged: Few respondents said they would have considered consulting organisations like these about retirement planning (‘I wouldn’t even have thought about it’). The prevailing image is usually of day centres and charity shops, rather than of organisations geared to the needs of active citizens. Some respondents were aware of their campaigning role, but few see them as sources of information for retirement planning, or know much about their services in this connection.

Organisations like these tend to be well regarded and seen as trustworthy, but there is an important barrier to exploring what they might have to offer in the extending working life context, since they are mainly thought of as useful supports
for people who are ‘really old’, and probably ‘needy’ in some way through disability, ill-health, incapacity or poverty. Able-bodied people still in work in their late 50s or early 60s don’t usually think of themselves as ‘aged’ or needing that kind of support, and are very reluctant to associate themselves with such an image.

‘It means you’re old. I just think they make cups of tea for old people. I’m 61 and I ain’t b****** old.’

(R2/G9/M)

‘We’re not old enough are we?’

(R2/G2/F)

Disability groups were again not often seen by respondents as generally useful sources of advice about retirement or extending working life. They could, of course, be useful for clients with disabilities, but this potential would need more focused assessment than this project can provide. Even those with relevant health problems are sometimes reluctant to approach such groups – for example, because they don’t want to identify themselves with disability.

Welfare rights and Law Centres were hardly mentioned by respondents, and not much explored by us.

f) Health professionals

Health professionals were not generally seen as having a particularly relevant role to play in terms of retirement planning or information and advice about extending working life, and were hardly mentioned in this context. However, their advice might be sought about fitness to carry on working, or for issues related specifically to health or disability.

‘I wouldn’t even dream of talking to my doctor about my pensions, or a nurse or anyone like that.’

(R2/G9/F)

g) Occupational sources

Employers were sometimes seen to have potential value as a source of information about aspects of extending working life, but this was not commonly the case, and seems to vary between organisations, both in terms of their attitudes and available resources. Employers can sometimes be an important source for certain kinds of information – for example, questions about occupational pensions. Human Resources (HR) staff were occasionally mentioned as useful sources, sometimes of more broadly-based information – but not all employers have HR departments, and even where they do, employees don’t necessarily have trusting or interactive relationships with them. Some employers provide pre-retirement planning, but this was hardly mentioned by respondents.
It was apparent that employers are often not trusted – they tend to be seen as promoting their own interests rather than those of their employees, many of whom are nervous about broaching retirement issues with them in later life for fear of precipitating doubts about their value or capacity as employees, and perhaps jeopardising their continued employment.

**Trade unions**: Trade union membership was by no means universal among those we interviewed. Although some respondents thought unions could be useful for information and support in the case of disputes about pensions or unfair dismissal, there was little sign that they were often seen as a general resource for retirement planning or for matters to do with working on.

**Employment and training organisations** were not usually seen as a general resource for retirement planning. Most people would have some notion of where they could look to find jobs (eg local or national press, employment agencies or, to a limited extent, Jobcentre Plus) or training (eg local press, local authorities, local colleges or sites like Learndirect). However, as already noted, few people see themselves as in job-search or training mode by the time they come to contemplating retirement.

### 5.8 Reactions to research information

Respondents often welcomed the information that they picked up from our stimulus material and from discussing it in the focus groups. It was widely felt that bringing together information in this way is new; has not been done before; and is needed (see, for example, Appendix D Round 3 materials). They also liked the fact that it was personally delivered and that they had a chance to question and discuss it in more depth. Many asked if they could take the stimulus sheets away with them to read at leisure or show to others – and almost all did so (often with apparent eagerness).

Most thought that the information we provided was unusually comprehensible (compared to what they felt they were used to seeing from Government), and that it cast some new light on approaches to retirement. Some said they intended to look further into their own circumstances and opportunities having had their interest piqued or – more often – their anxiety raised.

Respondents were given a sheet to take away at the end of their session with details of different sources of information and advice relevant to retirement and later stages of life, and these were also welcomed by nearly everyone.

However, most admitted that they would not have sought out material on this subject in real life – or probably even read it if it had been handed to them or dropped through the letterbox. It will be a creative challenge to find engaging ways of delivering information of this kind in the cold light of the real world.
6 Communicating about extending working life: reflections on the findings

6.1 Introduction
This chapter summarises our thoughts and conclusions on how communication about extending working life needs to be approached, and what seems likely to work best. It is based mainly on the evidence from this research, but also draws on other recent research we have carried out for the Department for Work and Pensions (DWP).

6.2 Extending working life – a difficult context for communications
Effective communications always depend crucially on thorough contextual understanding of the topic area and the mindset of the target audience. Communicators need to appreciate what people think, feel and believe, what they know and are aware of, what they understand (and misunderstand), what their aspirations are – and how all this relates to the way they behave. To be credible and persuasive it is important that communications are (and are seen to be) grounded in the realities and perspectives of those at whom they are aimed. This is particularly important here because of the high level of public uncertainty, disappointment, mistrust and hostility currently surrounding matters to do with retirement, work and pensions. These profoundly affect the way in which people are likely to interpret messages about extending working life, and how they regard information from Government, the financial sector and employers at large.

Our research has showed how difficult and sensitive the context is for developing a communication strategy about extending working life. We encountered a great deal of:

- negative thinking and cynicism about policy and financial services relating to retirement and work;
- unwillingness to confront difficult and unpalatable issues;
- uncertainty and confusion about where they stand, and what to do for the best;
- uncertainty about their own needs and aspirations;
- inertia – (and even states of denial) about looking ahead and making plans.

Respondents’ views sometimes lacked coherence, were often emotive and occasionally irrational. They often had little awareness, knowledge or understanding of how and why things work, which inhibits them from taking **active** decisions about working longer. Many seemed to feel demotivated and disempowered.

The way they read the world in relation to retirement often seemed very different from the perspectives of DWP. Some respondents were disposed to be sceptical about information from official sources. Some were cynical even about the purpose and objectives of our research, suspecting that the Government has already decided to force a longer working life on the public whatever people said, and that our study might just be a cosmetic exercise.

As our understanding developed over the course of the project, the messages we showed respondents were increasingly tuned to their thoughts, values, concerns and feelings, and were consequently much better received – and more likely to stimulate interest, and at least some latent stirrings of belief in having personal options and being able to take useful and positive action about them.

However, extending working life was by no means a product many people were predisposed to buy into. It seemed an intrinsically unattractive idea, except to the small number of respondents who really enjoy their work and want to go on doing it. We have found ways in which people could be helped to see some advantages in it for themselves and to become more engaged and constructive (and less dismissive) in thinking about it. We believe our findings provide a useful basis for planning and executing an effective communications strategy – but we have not discovered a simple magic communications bullet that will, of itself, effect culture change and simply convert antipathy and resistance about extending working life into enthusiastic support. We did not expect to do so and the context proved too complex, too emotionally charged and too fraught with real problems to make this conceivable.

Our respondents did not generally have an agenda for getting information about extending their working lives, so that any information the Department puts out on this subject will not find an audience eagerly waiting to collect and digest it. On
the contrary, it is something most people don’t really want to think about. There are various reasons for this:

- As we have suggested, working on past retirement age is not an attractive idea in itself. People are slowly beginning to realise that it may be forced on them – perhaps through Government policy, but more simply in most cases, from economic necessity.

- Because people generally have impoverished notions of their options in relation to the timing and nature of ‘retirement’ they don’t see staying in work as a topic they can usefully find out about – it’s something they may be obliged to do by force of circumstances, but not something they can (or want to) investigate or plan for. It just appears as one of those things that may (regrettably) happen to them.

- When we asked participants what they wanted to know about staying on in work (or about retirement planning in general), they seldom had much idea. Indeed, it became clear that they were often not at all sure what there is to know.

- The model that suggests people tackle problems in their lives by collecting and analysing evidence as a basis for developing informed strategies does not describe the approach that most of our participants have been taking to retirement (or we suspect to many issues). On the whole, people tended to be sceptical about the practical value of what they might find out. So there is very little ready-made impetus to search for information.

- Staying in work is not generally an interesting or attractive subject to many in its own right, so few people would want to take steps to find out about it unless there seemed to be a practical payoff to justify the effort.

It is important to build up a culture in which retirement is seen as a flexible process over which individuals have some control, and not just a sudden and externally-imposed change of state. People need more sense that they can make choices; that they have positive options about when and how they retire. They also need better tools and facilities for planning and achieving the transition in a satisfactory way. Our impression is that this would encourage people to take more interest in retirement planning, and to become more engaged with it. Decisions about working longer are part of that process – but should only be seen (and represented) as part of a wider pattern which is still evolving.

But none of this can change the fact that many people are likely to find themselves a long way from where they would like to be in relation to retirement finance, and many will probably experience profound disappointments and difficulties in relation to their retirement. Helping them to understand their situation and minimise their problems should be a positive part of the strategy. As we have suggested, uncertainty often paralyses positive planning for the process and timing of retirement.

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23 This was true at the time of our research, and seems likely to have been exacerbated by the subsequent economic crisis.
6.3 How and where people get information

The notion that many people diligently search out information to inform their planning and decision-making seems misleading. In the main they just pick up information and ideas more-or-less passively as they go through life, supplementing this occasionally with actively sought-out information about issues that seem particularly important or interesting. There is little evidence that many people are actively seeking information about retirement planning or extending working life, or that they have even formulated questions about it.

Passively-acquired information can come from many sources and through many channels, but a lot of it comes from media exposure and from informal personal contacts. Decision-making is influenced not only by factual information but also by feelings and images. The salience of an issue is also important to the way people collect and use information about it – and extending working life is not typically salient in people’s minds except as something negative which Government policy and/or financial pressures may impose on them.

The way people feel about a source (and particularly how far they trust it) affects the extent to which information from that source is absorbed, and the way it is interpreted. Government information is trusted on some levels, but in this context is often suspected of spin and self-justification.

On the whole people prefer getting information face-to-face. They tend to value the possibility of interaction, and often feel they need help in understanding and applying the information supplied. Reading is for many the least-favoured means of getting informed. Personalised information has more appeal than generic facts that may be hard to apply to their own case.

The Internet is a valuable conduit for some people (with potential for interaction and semi-personalised information), but others have little or no access to it, or lack the skills and confidence to search out anything but the most obvious information. There seems to be limited material relating to retirement planning on the Internet, and what exists is little known and quite hard to find – particularly since most people are not sure what questions they ought to be asking. A dedicated portal would help with access, but more and better content on this topic is also needed.

There are few visible sources of face-to-face information or help on retirement planning, relevant Government agencies are little known or not seen as helpful in this context. Few people are disposed to turn to financial organisations or talk to their employers. Advice agencies (notably Citizens Advice Bureau (CAB) and the age-related charities) could be useful resources for retirement planning, but are rarely seen in this light because they do not currently have suitable images – and might also need to develop their services if people did consult them.

People were generally pleased to have the information we prepared as research stimulus, and thought that some of it was more useful than anything they’d seen before. But they also often confessed that wouldn’t have sought it out (or perhaps persevered with it) if they had encountered it cold in the real world.
6.4 Implications for messages about extending working life

By the end of fieldwork we had learned a number of important lessons about effective approaches to extending working life messages and message delivery. These have already been described piecemeal in earlier sections of the report but we have drawn them together here. Our main conclusions are as follows:

- **A major task**: Effecting culture change in respect of persuading more people to consider extending their working lives will be a large and difficult task:
  - it runs against the current of public aspirations for longer and more active retirements;
  - it is not a topic with which many people want to engage; they tend to blank it out or actively resist it;
  - it operates against a difficult background, because the prevailing public mood comprises uncertainty, suspicion, mistrust, cynicism, denial and often, anger and hostility;
  - moreover, it will involve changing a wide spectrum of engrained perceptions, attitudes and beliefs.

A lengthy and difficult process of culture change is therefore in prospect. This means that bringing about a useful degree of change is likely to depend on:

  - messages which are clearly focused, and tuned to the way the public think and feel;
  - considerable and effectively-deployed communications resources;
  - creativity in presenting information and ideas in ways which will penetrate inertia and help people to engage more positively with retirement planning;
  - real-world change to support any momentum that communications can generate.

- **Not just factual information**: The necessary culture change cannot be effected simply by conveying factual information to plug gaps in people's knowledge or to correct misunderstandings. There are gaps and misunderstandings, and some of them are important and potentially useful to sort out – such as the widespread assumption that penal levels of taxation would make it pointless to work on after retirement (see Section 3.7). But this kind of ‘corrective’ will not by itself bring about the desired cultural and behaviour change, because this is bound up with a much wider set of feelings and perceptions about retirement and retirement income.
• **Presenting retirement as a ‘stepping down’ process**: There is a need to develop and refresh the concept of ‘retirement’, positioning it as a process which people can tailor to their own circumstances and aspirations, rather than a sudden event which is largely imposed by others. The notion of ‘stepping down’ seems positive – it helps to replace the old picture of ‘cliff-edge’ retirement, and again suggests a range of positive options that tie together ideas explored earlier about work patterns and the pros and cons of working on. The message of our narrative struck positive chords by acknowledging that people have different circumstances, needs and goals and that one size does not fit all.

The idea of stepping down challenges the notion of an automatic and complete retirement, but without threatening that work must go on and on relentlessly. Flexibility about the timing and manner of retirement is welcome in itself, provided that it remains a matter of choice and not coercion, and that the necessary opportunities are available and accessible.

• **Enriching perceived options**: Responses to our stimulus suggest that people’s interest often rises when they discover that they have more options than they thought. They often start by feeling constrained, in a hard place. They don’t tend to think that they have many choices, and seeing different ways forward is often encouraging. Stretching and enriching people’s perception of their options as retirement approaches should be a key objective of publicity. These currently appear as extremely limited in most minds. This includes:

  - options for varying work patterns (to lighten loads, free up time, fit the type of work better to ageing minds and bodies and/or rekindle interest in their job);
  - options for staging the retirement process (changing jobs, stepping down to part-time work, working on while claiming pensions, deferring pensions, etc).

Being able to make your own choices is in itself an important, positive and desirable ingredient of a fulfilling retirement, and the feeling that they have viable options tends to increase engagement and make people feel more positive. Again, however, it is important to recognise that many people’s options will, nevertheless, be limited in the real world, and if they are oversold, people will either not believe what they are told, or become disillusioned when they find the realities are more constrained. Nevertheless, most people do have a wider range of options than they think, albeit often seriously constrained by their circumstances.
• **Broadening the focus**: The public is potentially interested in a wide range of issues and options relating to retirement. Simply staying in work is only one and not often the most immediately interesting or attractive. People are likely to resist just being lectured about working longer, but are more likely to consider it if the focus is broadened so that messages are presented as part of a broader package of ideas about preparing for retirement (as in Round 3), including ‘stepping down’, lightening the employment load, assessing and augmenting retirement income, exploring options and so on.

• **Dealing with anxieties about losing ‘quality retirement’**: One of the most powerful objections to staying longer in work in many minds is that it seems to threaten or compromise the desirable goal of a healthy, active and fulfilling retirement – a feeling which often predisposes them against the idea. Many fear they will die or get ill (or at least lose the capacity for active enjoyment) before they have a chance to benefit from extra pensions or earnings, or have time to enjoy the kind of retirement they would like. This can undermine arguments about augmenting income (only valid if you survive to collect the money), and tends to engender a ‘live for the day’ mentality which argues for taking the money as soon as you can and retiring as early as you can afford. Even working up to State Pension age (SPA) is already often seen to eat into ‘quality’ retirement, and working past that point appears to narrow an already small window of opportunity.

Such perceptions are not based on dispassionate risk analysis but on personal pessimism about their own future, with early death seeming a more vivid possibility than unusually long life. We do not feel we have yet found a convincing way of counteracting these fears, because arguments deriving from general statements about risk or statistical probability tend to founder on the rocks of personal fatalism – like the inverse of winning the lottery. It is an important challenge to find creative ways of dealing with this in communications – and there is no easy answer in sight.

• **Limiting the concept of ‘working longer’**: The idea of staying in work indefinitely tends to be off-putting, but the idea of working on for just a couple of years or so past SPA sounds less threatening – so it is better to focus attention on limited increases rather than global notions of ‘working longer’. Some participants said they could think more favourably about working on for a short while. They felt they could see more possibilities in the light of the messages we had delivered, some ‘pros’ to set alongside the obvious ‘cons’. The debate as we conveyed it to them was clearly about just a few more years, not a life sentence. This is important, and as a result there was often less blanket resistance to the idea of working on.
• **Presenting coherent stories**: Messages are better received and absorbed if they are presented as part of a coherent story rather than as disconnected bits of factual information that people are left to piece together for themselves. For example, the narrative we developed for Round 3 of the research (see Section 3.14) made better sense of the information and helped to create a more positive and engaged mood.

• **Importance of realism**: Messages are also better received if they are visibly rooted in the ‘real world’; that is, the world as members of the public recognise and understand it, whose assumptions and perspectives differ in many respects from those of the Department, and in which many people are troubled, uncertain and confused about the whole subject of retirement. Messages that do not recognise the way things appear to the public are likely to be ignored or rejected.

• **Constructive messages**: Messages should be constructive and enabling as far as possible. People need to be encouraged to see that they do have options, to get to grips with their needs and resources, and to plan and act purposefully. But realism remains important – just trying to impart a general ‘feel-good’ spin to communications would not help individuals to see their way forward, and unrealistically upbeat messages would either be rejected or would aggravate mistrust and resentment. Problems must be acknowledged, but people need to be helped to see around and beyond them, so they can move on.

• **Helping people feel empowered**: A key objective of messages is not just to inform but to leave people feeling positive and empowered, with a clear sense of direction about what they can do to move their personal affairs on. As noted, the message material we had developed by Round 3 seemed to work quite well in this respect. Many people felt encouraged by what they had heard. It did not necessarily dispose of their worries, (which are often real enough), but it made them feel less bleak than they expected, and suggested various things that they might do to get a handle on their situation or to cushion or palliate its effects.

• **Feelings as well as information**: The way people behave in relation to retirement is often more affected by the way they feel than by what they know. So feelings about their situation are often more potent than facts or rational arguments in inducing or inhibiting action. Anecdotes and examples can be more persuasive and motivating than factual information – unless the latter really does throw new light on things – as it does, for example, in ‘What you get from staying in work’ (see Section 3.7).
• **Providing information**: We’ve suggested that there is a limit to what can be achieved simply by providing information, but we nevertheless found a number of factual matters that should be clarified. We were able to inform people about a lot of useful things that were not well known or understood – for example:
  - the beneficial impact of post-retirement-age tax advantages;
  - scope for drawing pensions while still earning;
  - how much someone might gain or lose financially by retiring at different ages;
  - options for deferring pensions;
  - various sources of information relevant to retirement planning.

The first three of these in particular were often found to be really interesting when clear and specific examples were given, and sometimes seemed quite powerful in creating a sense of possibilities. The last two also contributed to a sense of enriched options, but did not usually have quite the same directness of appeal.

• **Specific illustrations of financial outcomes**: Messages about financial matters draw a much more affirmative response if they give very specific, concrete illustrations of the likely outcomes of various options in terms people can relate to their own personal circumstances. The sheet ‘What you get from staying in work’ (see Section 3.7) is a good example of this, and usually had a very positive effect. This is information people felt they had never seen before, and it casts new and encouraging light on the financial value of working on after retirement. We feel that information like this is best delivered face-to-face by an expert counsellor with a laptop who can provide personal illustrations, but we have shown that more generalised print material can also be effective if the examples are concrete enough. Creative ways of getting people to engage with material like this in a real-world context still need to be found, and the possibilities of using video, interactive IT and the Internet should be considered alongside print material.

• **Clarifying retirement finance**: Most respondents seemed anxious and uncertain about the post-retirement future – typically they didn’t have much idea what their income will be, nor did they have a clear idea what they’ll need to fund an acceptable retirement lifestyle. As we have suggested, these uncertainties tend to generate inertia – the problem seems insoluble, because the pensions system seems hopelessly complex and unpredictable (and latterly also unreliable) – so they’ll just have to wait and see what happens (the antithesis of positive planning). People need better information about their situation, and better access to tools for working out their financial resources and needs as retirement approaches, and assessing options for improving their finances by working on.
• **Positive benefits of working:** It would be good to remind people that working can provide positive benefits for the individual (apart from just earning money), and that they should consider these along side the more obvious negatives. The positives include social contacts, motivation and a sense of purpose, activity to fill the day, and so on (see Section 3.11). However, this needs to be done sensitively – it doesn’t ring true for everyone, and coming from a Government that is seen to want people to stay in work longer, it could just sound like special pleading.

• **Promoting employer dialogue:** There is a need to promote dialogue between employers and employees early in the run-up to retirement, so they could jointly explore options that would facilitate people staying in work on terms that are relevant to their needs, capabilities and aspirations at that stage in their lives. At the moment there seems marked and widespread reluctance among employees to talk about their age and retirement options with their employers, for fear that this might only make their situation worse, and result in closing rather than opening doors. We have no evidence about what employers themselves think, although more flexible patterns of working might presumably be seen to cause them problems in some situations.

• Whatever the case, pre-retirement dialogue should be a normal part of the culture of work, but this simply doesn’t seem to be the case at present. Many people don’t even see that there’s anything much to discuss, because they tend to have an impoverished picture of the options available, and think of retirement as a simple and externally-imposed event.

• **Hard facts:** Getting across the hard facts about the situation in relation to pensions and retirement (and the reasons why the situation is as it is) would certainly provide a useful backdrop, but this kind of message can seem depressing and intimidating – and can also be dismissed as just another example of Government trying to get itself off the hook. Ways should be sought of making sure people do know the score (for example, by encouraging partners who would not be suspected of having an axe to grind to get the basic picture across) – but there are limits to its value as up-front message material for the Department.

• **Not just another leaflet:** It will be important to find relevant delivery mechanisms for culture change publicity. Few people are actively looking for information about working longer, and indeed the idea generally seems unattractive to most. Just producing another leaflet is not likely to do the job. Awareness and take-up of official literature seems poor, and not many people are prepared to grapple with extensive reading about complicated matters. Efficient and carefully focused literature might well have a role, but only as part of a wider package of communications.
It seems to us that by far the most effective way of communicating is face-to-face. A skilled professional with a laptop could help people work out what they have and what they need in terms of post-retirement income, and could give them personal illustrations of the tax effects of working post-SPA; the results of deferring their pensions; or the scope for working while drawing pensions. Face-to-face interaction enables people to take in and cope with information, and (very importantly) to ask questions.

As we have said, it will be a creative challenge to find ways of getting people to pay attention to information they are not currently motivated to seek out, and some of which will seem difficult to take in. Print media will need to be carefully crafted and laid out, but other media might usefully be explored – like interactive IT systems, video or the like. A dedicated telephone helpline could also be effective.

- **Considering sub-groups:** In principle it is a good idea to segment the market and target messages at different sub-groups. There are many possible sub-groups within the population who could be addressed, and aspects of the message might ideally be varied from group to group. However, our feeling in the light of what we have discovered is that in practice it is probably better to focus limited publicity resources on the core segment, with messages that are largely common to the majority. This is because:
  - we found the similarities between groups were more apparent than the differences. There is a significant central ‘story’ which speaks to a large proportion of the population, and probably includes most of those likely to be influenced;
  - there seems limited scope for parallel campaigns targeted at different groups without committing massive resources. Given the scale of the problem it is probably better to do a good job on reaching the core target than to fragment effort.

There are of course many minorities to whom particular messages could be addressed – for example, people with good pension provision who can afford to retire early need to be made more aware of the cost of doing so in terms of reduced pension. But this seems a relatively small group – and probably dwindling because of the growing pensions shortfall (no doubt exacerbated by the effects of the current financial crisis).

### 6.5 Messages in the real world

This research was about communications not policy, but messages don’t operate in a vacuum. The way people think and feel is vitally important, and communications may well be able to influence that in positive ways. Helping people to feel better about their options can be encouraging and motivating, but changing what’s in people’s minds doesn’t in itself change the outside world. The seeds planted by good communications will not thrive if people find that the actions they are
encouraged to take do not have any effect, and the options they have been taught to set store by are not readily accessible in practice.

At its crudest level there would be little point in persuading someone to want to continue in work after 65 if they can’t find an employer who will let them do so – it wouldn’t be productive from the point of view of keeping them in work, and would probably leave them feeling disillusioned, cheated and resentful. Good opportunities need to be in place for them, and they need good sources of information and advice to help them find out how they stand, explore their options and find suitable employment. We have not studied the provision of either jobs or information for this target group, but our own searches for material we could use do not lead us to believe that everything necessary is in place, so that all that remains is to communicate this to the public in an encouraging way. DWP should not be exhorting people to follow paths they will in practice find disappointing and frustrating. That would change the culture in negative rather than positive ways – and would not have a beneficial effect on extending working life.

There must be questions about how that world will receive and respond to older people’s attempts to explore and exercise their options if DWP communications succeed in encouraging them to do so:

- financial realities may still constrain some people’s choices severely;
- many employers may be less positive and flexible about employing older people than in the examples that we provided, and age discrimination may persist in some quarters in spite of legislative action;
- apparently interesting sources of information (including current websites) may not actually deliver much that is concrete or useful;
- clarifying and sorting out their financial position will remain difficult.

Tentative or latent interest in extending working life needs to be supported and nurtured if it is to bear fruit. And even a successful campaign to encourage people to explore their options and consider staying longer in work will not be fruitful in modifying behaviour if people find in practice that the opportunities and resources they have been told about just aren’t there, or are hard to access, or don’t work for them.

So it is important to ensure that:

- the necessary opportunities and resources are visibly in place and easily accessible; and
- conversely that communications do not imply that these are readily available if this is not actually the case.

This may have implications not only for communications but for other aspects of policy. Successful culture change may demand changes to the way things work in the real world – there is a limit to what information and messages can achieve if the system itself is not in step with what’s said.
There are few visible resources of help, support, information and advice. We sense that better sources will be needed to facilitate effective culture change; clearly targeted, branded and signposted for this audience and the issues that they face.

Face-to-face communication can be powerful and motivating. People want help and guidance to get them started, but many read only reluctantly and don’t understand difficult issues or systems that are intrinsically complex. Interaction with people who have experience and expertise is therefore valued. Laptop-based illustrative models could be invaluable in helping people sort out their situation and options, including ‘what if’ calculations about pensions and earnings options. Jobcentre Plus, CABs and age-related charities are not currently seen as promising for this purpose and target group. Suitable resources need to be developed and promoted.

Websites may be very useful for some, but would have, at best, very limited value for many. Most people do not know the sources that do exist – and it is also still an open question how helpful they would find them in practice. Relevant web resources need to be developed, both in content and accessibility.

6.6 Partnership in communications

Finally, it strikes us that partnership in communications will be valuable. There are two main reasons for this:

- if a number of agencies and organisations put out congruent messages it will improve impact, spread the communications load and maximise the value of resources;

- some potential partners (notably in the voluntary sector) would not be affected by the trust issues that are likely to compromise the Government and the finance sector as sources of some kinds of message (see Section 5.7.2).

At least a common core of relevant messages should ideally be delivered by central and local Government, the pensions industry, advice agencies and voluntary organisations. These various bodies will of course (and quite rightly) have their own views about the messages they want to put across about extending working life and retirement, but it would help if there was at least agreement about a shared core of ideas, a degree of consistency in message, and some collective momentum in getting these across. It seems to us that there should be some important common ground about helping those approaching retirement to get to grips with its changing and puzzling circumstances; to sort out their retirement income; to learn how to make the best of limited finances; to know where to go for help, advice and information; to see retirement as a process not an event; and to understand their options for optimising work patterns and deciding when and how to stop work.
Potential voluntary sector partners might include a range of agencies, most obviously Citizens Advice and organisations like Help the Aged and Age Concern. These would probably be seen as trustworthy and objective, but at present they are not often thought of as a resource for help or information about the transition from work to retirement. Realising their potential requires image change, but also perhaps a degree of tooling up to meet the ensuing demand – which may need to be resourced.
## Appendix A
### Index of focus groups

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<th>R1 Groups</th>
<th>Composition</th>
<th>Area</th>
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<tr>
<td>G1</td>
<td>Men 40-54 and women 40-49; A/B/C1; Top two income quintiles; educated to degree level or above; private pension holders; aim to retire before SPA</td>
<td>Witney</td>
</tr>
<tr>
<td>G2</td>
<td>Men 55-64 and women 50-59; A/B/C1; Top two income quintiles; educated to degree level or above; private pension holders; aim to retire at SPA</td>
<td>Witney</td>
</tr>
<tr>
<td>G3</td>
<td>Men 55-64 and women 50-59; C2/D/E; Lowest two income quintiles; educated to GCSE/O level or below; few private pension holders; aim to retire at SPA</td>
<td>Hillingdon, London</td>
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<tr>
<td>G4</td>
<td>Men 40-64; Mixed socio-economic group (SEG), income, educational and pension holding; aim to retire before or at SPA</td>
<td>Hillingdon, London</td>
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<tr>
<td>G5</td>
<td>Women 40-59; Mixed SEG, income, educational attainment and pension holding; aim to retire before or at SPA</td>
<td>Weymouth</td>
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<td>G6</td>
<td>Men 55-64 and women 50-59; Mixed SEG, income, educational attainment and pension holding; likely to retire after SPA</td>
<td>Weymouth</td>
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<tr>
<td>G7</td>
<td>Men 40-64 and women 40-59; Mixed SEG, income, educational attainment and pension holding; undecided about when to retire</td>
<td>Tyneside</td>
</tr>
<tr>
<td>G8</td>
<td>Men 65-69 and women 60-69; Mixed SEG, income, educational attainment and pension holding; already working beyond SPA</td>
<td>Tyneside</td>
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</tbody>
</table>

1 Respondents in all rounds were in employment – mainly full-time and described their health as fair, good or very good. Excluded from the sample were people who were self-employed or who were very definite either that they would be retiring before SPA (and had made financial provision to do so) or that they would be carrying on doing paid work of some kind after SPA.
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<th>R2 Groups</th>
<th>Composition</th>
<th>Area</th>
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<tbody>
<tr>
<td>G1</td>
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<td>Leeds</td>
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<tr>
<td>G2</td>
<td>Women 50-60; Mixed SEG, income, educational attainment and pension holding</td>
<td>Colchester</td>
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<tr>
<td>G3</td>
<td>Mixed gender lower income; Mixed SEG, income, educational attainment and pension holding</td>
<td>Leeds</td>
</tr>
<tr>
<td>G4</td>
<td>Mixed gender 40-49; Mixed SEG, income, educational attainment and pension holding</td>
<td>Colchester</td>
</tr>
<tr>
<td>G5</td>
<td>Mixed gender 50-55; Mixed SEG, income, educational attainment and pension holding</td>
<td>Croydon</td>
</tr>
<tr>
<td>G6</td>
<td>Mixed gender 56-65; Mixed SEG, income, educational attainment and pension holding</td>
<td>Croydon</td>
</tr>
<tr>
<td>G7</td>
<td>Mixed gender A/B/C1; Mixed age (40-60 for women &amp; 40-65 for men), income, educational attainment and pension holding</td>
<td>Bristol</td>
</tr>
<tr>
<td>G8</td>
<td>Mixed gender C2/D/E; Mixed age (40-60 for women &amp; 40-65 for men), income, educational attainment and pension holding</td>
<td>Bristol</td>
</tr>
<tr>
<td>G9</td>
<td>Mixed gender A/B/C1 (booster); Mixed age(40-60 for women &amp; 40-65 for men), income, educational attainment and pension holding</td>
<td>Banbury</td>
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<tr>
<th>R3 Groups 2</th>
<th>Composition</th>
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<tbody>
<tr>
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<td>Chipping Norton</td>
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<tr>
<td>G2</td>
<td>Women SEG C2/D/E; Mixed age (40-60), income, educational attainment, pension holding</td>
<td>Chingford</td>
</tr>
<tr>
<td>G3</td>
<td>Men SEG A/B/C1; Mixed age (40-65), income, educational attainment, pension holding</td>
<td>Brighton and Hove</td>
</tr>
<tr>
<td>G4</td>
<td>Men SEG C2/D/E; Mixed age (40-65), income, educational attainment, pension holding</td>
<td>Leicester</td>
</tr>
</tbody>
</table>

2 Twelve individual interviews were carried out in Round 3 spread across all four sample areas and in an area of North London (sample ‘top-up’). Half were with men and half women; half were in SEGs A/B/C1 and half in C2/D/E.
Appendix B
Round 1: Topic guide and stimulus materials

WORK AND RETIREMENT ROUND 1:
Topic guide

About the topic guide

This is the topic guide for the first round of focus groups to be conducted on this project. It provides a template or ground plan of the topics and issues to be covered in the groups, but it is not intended to be rigidly prescriptive. Respondents will have more to say about some topics than others and may raise matters that we have not anticipated. They may also prefer to discuss issues in a different order to the one laid out in the guide. It is unlikely that all topics will be covered in every session.

The researchers will use the guide as a navigation tool and aide memoir. Questions and prompts that appear on the guide will not necessarily be used verbatim. Some sections on the guide overlap – this is intentional. The guide will be adapted as appropriate to cover different groups of the population. For this round expectation about when they will retire is a key defining variable for different groups.

In this first round the sessions will be quite wide ranging. They will focus on developing our understanding of how people think about work and retirement (SECT. I), but will also start to explore responses to information, ideas and policies (messages) that may help to change expectations about early retirement and the culture in respect of extending working life (SECT. II). Generally, the ‘stimulus’ listed in boxed sections relates to a separate prepared handout. In one or two cases, the stimulus will just be given verbally. SECTION III will briefly examine channels for information and messages about extending working life.
Template introduction for respondents

The research

“The focus of today’s session is work and retirement. The sorts of things we want to explore with you include:

- How you think about work and retirement, what they mean to you and the thoughts and feelings you have about
- How you separate work and retirement in your own mind and the point at which you feel one merges into the other
- The options and choices you feel are open to you in regard to both.

The research is being carried out for the Department for Work and Pensions and will be used to help make decisions about information that DWP provides about work and retirement.”

Confidentiality

“Before we begin, I would just like to remind you that the session will last 90 minutes and will be tape-recorded to make sure that we don’t lose any information. Anything you say today will be kept completely confidential. Your views will be included in the research findings but not your identity. At no stage in the analysis and reporting will it be possible to link your name with anything you say.”
SECTION I (40 MINUTES)

- In this section explore general views, attitudes, and expectations about work and retirement, probing for understanding of the factors affecting people's decisions about when to retire and attitudes to extending working life.

Personal introductions
- First name, where live, family
- Current occupation and brief training and employment history (previous occupations)

Retirement expectations
- Have they thought about when they would like/expect to retire
- When do they think they might retire

When do they expect to retire
- When do they expect to stop work/retire altogether
- How old do they think they will be
- Why do they expect to retire then

When would they like to retire
- When would they like to stop work altogether
- What age
- Why would they like to retire then
- If different from expectation, what are the reasons

Partner's plans
- How far are their own plans about when to retire affected by their partner's plans
- How far do they have joint retirement plans with their partner

Retirement – general (brief)
- How do they define retirement, what does the term ‘retirement’ mean to them, what is retirement
- Does it necessarily mean not working
- What picture do they have of their retirement, if any
- How do they see their lives as retired people
- How do they think they will spend their time
- What, if anything, do they imagine/think will get most from being retired
  Probe fully
- What, if anything, do they imagine/think will be the main drawbacks to being retired
Probe fully
• Is retirement something they are looking forward to
• Dreading
• Have mixed feelings about
• Or neutral
• How if at all have their feelings change over time
• From what to what
• Why
• Do they see retirement as a ‘new start’ or a ‘winding down’

‘Normal’ age to retire
• Is there ‘normal’ age when people retire
• What is it
• How far are their own expectations about when they will retire influenced by the idea of a ‘normal’ age
• What, if anything, is it ‘normal’ retirement age linked/related to/determined by

Probe fully, for example:
• Age when State Pension is payable
• Age when employers no longer want you
• Age when private pensions ‘pay out’
• Age when people decide they want to do something else with their lives

Length of retirement
• How long do they see/imagine retirement lasting
• How many years
• Length of time compared with time spent
• In education
• In work or not working because of doing bringing up children
• Do they view retirement as a ‘tail end’ of life (time-wise), or a substantial proportion of time
• What other different ways do they have of describing length of retirement
• What about the ‘quality’ of the remaining time

Work – general (brief)
• How do they define work, what does the term ‘work’ mean to them, what is work
• Are some ways of earning a living more or less like work than others

Probe fully for which and why
• What do they get from work apart from money, do they like work
• What would they miss from not going to work

Probe fully, for example:
• Social interactions
• Mental stimulation
• Sense of participation
• What, if anything, do they feel are the drawbacks of work, what does it get in the way of
Probe fully, for example:
• Limits opportunities to do other things
• Routine
• Stress
• Physical wear and tear, fatigue, tiredness

Work versus retirement
• What do they see as the main difference between work and retirement
• How does the life of a retired person differ from the life of someone in work
• How do they think their own life in retirement will compare with their life in work
• Can they picture it
  Why/not
• What do they think will be the main differences
• Will retirement be ‘better’ than work
  • Or ‘worse’
  • Or just different
    • In what ways, if any
      • Why
• How much are the differences they anticipate to do with
  • Working versus not working
  • Being at a different stage of life/age
  • Economic factors
• How, if at all, have their feelings change over time
  • From what to what
  • Why

Current retirement plans and prospects

Plans for retirement
• How much do they currently think about retirement/stopping work (when did they start)
• How far would they say they are actively ‘planning’ for retirement (when did they start):
  Probe fully, for example:
  • What they will do when they are retired
  • Where they will live
  • How they will pay for it (financial plans)
  • Even if not actively planning, what views/assumptions/pictures do they have

Current retirement prospects
• How happy are they with their current retirement prospects
  • Financial prospects
  • Other (probe)
• What, if anything, are they most pleased about/looking forward to
• What problems, if any, do they anticipate/worry about most

Moving between work and retirement
• Have they thought about the shift/move from work and retirement
• How do they picture it
  Probe fully, for example:
  • Do they see it as a transition
  • Or as more of a ‘cliff edge’
• Do they see the move between work and retirement as something over which they have control
• Is it something they do or is it something that is done to them
• What, if anything, is the ideal way to move between work and retirement
• What options, if any, do they feel are open to them to pursue the ideal – can they give examples of people they know who have done it in an ideal way
• What are the main barriers

Options for moving between work and retirement
• What options do they know about/think about/can imagine for moving between work and retirement
  Probe fully, for example:
  • Do what they are doing part-time
  • Stay with same employer but change jobs (full or part-time)
  • Change employer for same job part-time or different job full or part-time
  • Self-employment (same or different occupation)
• What do they think the trend is towards
• How far do they think these would be options for them personally
  • Why/why not
  • Have they thought about doing any of these things
• What would they like to keep from work and what would they like to lose

Choice and retirement
• How far do they feel they have a choice about when they retire and how

Retiring early
• Choice to retire earlier – to have a shorter working life if they want to
• Do they know anyone who has retired early, what sort of person
• What are the ‘myths’ about people who retire early
• What/who limits the choice to retire early

Extending working life
• Choice to retire later – to extend working life/work for longer if they want to
• What/who limits the choice to extend working life
• Do they know anyone who has extended their working life
• What are the ‘myths’ about people who work longer, who does it
• What sort of people tend to have a longer working life than average, spend
more years in work
Probe fully, for example:
• Type of job/employer/industry
• Type of personality
• Personal circumstances
• Do they know anybody who has
  If yes, how, why and how successfully
• How would they feel personally about extending their own working life
• Working for longer than they currently expect to
• What would they see as the key disadvantages, if any
• What would they see as the key advantages, if any
Probe fully, for example:
• Financial
• Social
• Other dimensions
• What sorts of things would make them more likely to consider extending their working life, what would make it attractive
Probe fully
• Do they like the idea of having the opportunity to earn money once they have retired

Extending working life – what have they heard
• Have they heard anything about people in the future working longer/retiring later than at present
• What have they heard
• Where (media, friends, colleagues etc)
• What do they make of it
• Why do they think it is being discussed, what is behind it
  Probe fully, explore narratives
• What do they think is going to happen in the future if anything
• Do they think people will generally work longer than they do now
• How much longer
• Will it be voluntary or compulsory
• Who will be affected – everyone or some types of people more than others
  • Who and why
• Do they think it is a good or bad thing?
  • Why?

Non-financial benefits/disadvantages of working versus retirement
• Are there any non-financial benefits to working longer/spending less time in retirement
  Probe fully, for example:
  • Social interaction
  • Mental stimulation/sense of purpose/not vegetating/keeping active
  • Other
• How might the type of work affect these
• Are there any non-financial disadvantages to working longer/spending less time in retirement
  Probe fully, for example:
  • Physical demands/tiredness/health
  • Stress
  • How might the type of work affect these

Effect of age/time on attitudes to work
• As they get older how have their attitudes to work changed
• What aspects of work seem more/less important or more/less attractive
• What about their attitudes to leisure, how (if at all) have these changed (how do they expect it to change)
SECTION II (40 MINUTES)

In this section explore reactions to information, ideas and policies (messages). Examine:

- What people know
- How they react to information
- The likely impact of messages on propensity to extending working life

Increasing longevity

- What, if anything, have they heard about trends in how long people are living for
- What do they think about what they have heard
  Probe fully, for example
  - Do they believe the statistics that people in general are living longer
  - Do they think they are getting extra healthy years or just extra years of poor health
- Do they think that they personally will live longer, or not
  Probe reasons fully
- To what extent, if at all, do their beliefs about how long they are likely to live affect their thoughts and plans about how long to go on working
- Have they taken their own possible lifespan into account when making financial and other plans for older age
- How far do they believe that increasing lifespan also means increasing healthy lifespan
  - In general
  - For them personally

Stimulus:

At what age do people retire?
How long can people expect to live after they retire?
How much of their lives do people spend in retirement?
Retirement as a proportion of adult life (‘fairness’)
Living longer means more money needed to pay pensions
Who pays for State Pensions?

State Pension age

- How far are they aware that there is a State Pension age (SPA) and what it means
- Do they know what current SPA is
  - For men
  - For women
• What do they know about changes to equalise SPA for both sexes
• Who will be affected
• Will they personally be affected
• What would they think about SPA being raised beyond 65
  • For men
  • For women
    • One or two years
    • More than this, eg 3-4 years, 5-6 years
    • Reasons for their views
• Are they aware of the Turner Commission’s recommendations that SPA be raised to 67 or to 69 by 2050
• What do they think about this

Working beyond SPA

• Do they know it is possible to work beyond SPA (whatever age it is set at – ie no state retirement age)
  Probe reasons for their answer
• How do they personally feel about the idea of working beyond SPA
• What, if anything, do they feel might be the advantages
  Probe fully, for example:
  • Social
  • Psychological
  • Economic
  • Health
• What if anything do they feel might be the disadvantages or drawbacks
  Probe fully, for example:
  • Social
  • Psychological
  • Economic
  • Health
• How do women in particular feel about working beyond SPA, given changes already occurring in SPA for women

Working and collecting a pension

• How far do they think it is possible to take their pension(s) and carry on working
  • State Pension
  • Occupational (A-day rule)
• Do they know that if they carry on working after SPA, NI is not payable
• Do they know that if they carry on working after 65 that their personal tax allowance increases?
• How, if at all, does this affect their views about working after claiming their pension
Pension deferral

- Do they know whether or not they have to take their State Pension when they reach SPA
- Do they know if they can put back the age when they start claiming their State Pension
- If they have heard about State Pension deferral what have they heard
- How do they understand the process to work
- What do they see as the advantages and disadvantages
- Have they considered it personally, why (not)
- How, if at all, does information about State Pension deferral (see below) affect their views about extending working life

Stimulus:
- Deferring pensions
- How deferring works
- Lump sum option
- Extra pension option
- DP Scenarios
- Effects on benefits
- Effects on tax

Barriers to extending working life

General

- What do they think most people would see as the main barriers/disincentives to extending their working life
- What do they personally see as the main barriers or disincentives

Job/employer related

- How far do they think that people’s opportunities to extend their working lives is affected by:
  - Employers attitudes to older workers
  - Physical and psychological strains and stresses of work
- How long do they think they could go on working in their current job if they wanted to
- What age do they think they would have to stop
  - Because of their employer
  - Because of the kind of work they do
  - Other reasons
- After this time would they be able to carry on with the same employer doing something different if they wanted to, or not
  - Why
And after this time, do they think they could get another job with an employer if they wanted to
• What sort of employer
• Doing what

**Stimulus**

*Work dilemmas stimulus*

‘Lump of labour’ fallacy (verbal stimulus from moderator ‘Crib Sheet’)
*Age Discrimination legislation*

**Caring responsibilities**

• To what extent do they think that people's opportunities to extend their working lives are constrained by having to look after dependants – children, other family members
• To what extent do they think that their own opportunity to extend their working life is likely to be constrained by caring responsibilities
• What sort of help, if any, would they welcome or accept in order to be able to work for longer

**Own health**

• To what extent do they think that people's health prevents them from extending their working lives
• And to what extent do they feel that health impediments are likely to interfere with their own chances to work for longer
• To what extent do they think that extending working life can improve health
• How/why
• Would they consider extending working life for this reason

**Check**

• What for them personally would be the single main barrier to extending working life
• What would be the main thing that would influence them to work longer
SECTION III (10 MINUTES)

Information and influence

• What are the main sources of influence that affect them personally when it comes to decisions about work and retirement
• How are their views and opinions formed
  • Rational model
  • Cultural/normative model
  • Organic, incremental
• Who do they:
  • Talk to
  • Listen to
  • Learn from
  • Trust
• Where/who would they actively turn to for information about:
  • Work
  • Retirement
  • Why

CONCLUDING REMARKS AND COMMENTS.
THANK RESPONDENTS AND END.
HAND OUT SHEET ON WHERE TO GO FOR INFORMATION AND ADVICE.

ASK IF RESPONDENTS WOULD BE HAPPY TO BE RE-CONTACTED TO TAKE PART IN A FURTHER SESSION. TAKE NAMES AS APPROPRIATE.
### Index of stimuli used in Round 1

| Stimulus 1A: ‘Hard messages’ | 1. At what age do people retire?  
|                              | 2. How long can people expect to live after they retire?  
| A set of 6 handouts          | 3. How much of their lives do people spend in retirement?  
|                              | 4. Retirement as a proportion of adult life (‘fairness’)  
|                              | 5. Living longer means more money needed to pay pensions  
|                              | 6. Who pays for State Pensions?  
| Stimulus 1B: Deferring pensions | 1. Deferring pensions  
| A set of 11 handouts         | 2. How deferring works  
|                              | 3. Lump sum option  
|                              | 4. Extra pension option  
|                              | 5. Scenario – defer for one year  
|                              | 6. Scenario – defer for three years  
|                              | 7. Scenario – defer for five years  
|                              | 8. Effects on benefits  
|                              | 9. Effects on tax  
|                              | 10. What if someone dies  
|                              | 11. Deferring private pensions  
| Stimulus 1C:                 | Some work dilemmas of older people  
| One sheet outlining 7 situations |  
| Stimulus 1D:                 | Lump of Labour Fallacy  
| ‘Crib sheet’ for moderator use | NI and Income Tax in retirement  
|                              | Changes to SPA for Women  
|                              | ‘A’ day  
|                              | Key proposals of the Report of the Pensions (Turner) Commission  
|                              | Four options Turner looked at  
| Stimulus 1E: Age discrimination | Age discrimination legislation  
| One sheet                    |  
| Stimulus 1F: Contacts sheet given to respondents at the end of each Round | Where to go for information and advice  
|  

STIMULUS 1A

At what age do people retire?

- Average retirement age for men retired:
  - In 1950 men retire at just over 67 on average (67.2)
  - By 1980 this dropped to just under 65 (64.6)
  - By 2005 this dropped again to 64 (64.0)

- Average retirement age for women:
  - In 1950 women retired at just under 64 on average (63.9)
  - By 1980 this dropped to 62 (62.0)
  - By 2005 this dropped again to just under 62 (61.9)

- So both sexes were retiring earlier in 2005 than in 1950:
  - Men three years earlier
  - Women two years earlier

- The state pension age didn’t change during this time:
  - It stayed at 65 for men and 60 for women

How long can people expect to live after they retire?

- Men:
  - In 1950 a man could expect to live 10 or 11 years after retirement, on average (10.8 years)
  - By 1980 this went up to 14 or 15 years (14.3 years)
  - By 2005 this went up again to over 20 years (20.4 years)

- Women:
  - In 1950 a woman could expect to live 16 years after retirement, on average (16.2 years)
  - By 1980 this went up to nearly 21 years (20.6 years)
  - By 2005 this went up again to 25 years (25.1 years)

- So both sexes had much longer retirement in 2005 than in 1950:
  - At least nine years longer in both cases
  - Partly because they’re retiring earlier
  - but mainly because they’re living longer

- These trends are expected to continue:
  - Projections for 2050 suggested that:
    - A man retiring at 65 could expect to live nearly 24 years after retirement (23.6 years)
    - A woman retiring at 65 could expect to live nearly 26 more years (25.9 years)
How much of their lives do people spend in retirement?

- People are living a lot longer and retiring a bit earlier, on average:
  - That means they spend a larger share of their lives in retirement

- Let's look at men first
  - In 1950 a man spent less than a fifth of his adult life in retirement on average (18% of adult life)
  - By 1980 this had gone up to nearly a quarter (23.5%)
  - By 2005 it was rising towards a third (30.8%)
  - By 2050 it's forecast to go up again to a third for someone retiring at 65 (33.4%)

- Its similar for women:
  - In 1950 a woman spent over a quarter of her adult life in retirement (28.8%)
  - By 1980 this had gone up to nearly a third (31.9%)
  - By 2005 it had gone up again to over a third (36.4%)
  - By 2050 it will stay at just over a third for someone retiring at 65 (35.5%)
    - It doesn’t rise because women’s pension age will have gone up:
      - So they’ll retire later

Living longer means more money to pay pensions

- Because people are spending more time in retirement they need more money to support them

- Imagine someone getting £100 pension a week:
  - And suppose this stays the same through the rest of their life, just to keep it simple
  - Their pension pays them £5,200 a year: (£100 x 52 weeks)
    - So if they live for 10 years they will have been paid £52,000 in total (£5,200 x 10 years)
    - And if they live for 20 years they will have been paid £104,000 in total: (£5,200 x 10 years)
      - They live twice as long so they end up getting twice as much:
        - Even though they’re getting the same weekly pensions

- In 2005 people can expect to live about twice as long after retirement as their 1950 counterparts:
  - So the pension system has to find about twice as much money to support them
Retirement as a proportion of adult life

- A man retiring at 65 in 1950 would spend one fifth of his adult life in retirement, on average
  - ‘Adult’ means aged 18+

- For later generations to spend the same one fifth of their adult life in retirement:
  - By 1980 they would retire at around 66
  - By 2005 they would retire at around 71 (71.1)
  - By 2050 they would retire at around 74 (according to forecasts) (74.5)

- The picture is more complicated for women, because their retirement age has changed

Who pays for state pensions?

- The state pension is paid by people still in work:
  - Each generation pays the pensions of previous generations that have retired:
    - This comes out of the tax and National Insurance they pay
  - So people in work at any one time are paying the pensions of those who have retired

- The problem is that:
  - The number of retired people is growing
  - But the number of workers to support them has been going down

- The figures show that
  - In 1950 there were over 5 people of working age for each pensioner (18.6% dependency ratio)
  - By 1980 this had gone down to around 4 (26.8%)
  - By 2005 it stayed above 4 (27%)
  - The forecast is that by 2050 it will fall to just over two people (46.6%)

- There are three reasons for this:
  - The birthrate has fallen so there are fewer people in young working age groups
  - Older people are living longer, so their numbers are growing
  - People are also retiring earlier, which magnifies these trends

- So there are fewer workers to provide the money to support growing numbers of people in retirement
STIMULUS 1B

Deferring pensions

- Supposing you decided to go on working for a year or two when you reach state pension age

- You’d have two choices:
  - You can start to draw the State pension even though you’re still earning from your job
  - Or you can decide to put off claiming the pension:
    - That’s called ‘deferring’ the state pension

- If you defer it you’ll have two choices when you do finally decide to draw it – you can either have:
  - Extra pension:
    - This is paid for life on top of your normal state pension, or
  - A one-off lump sum payment:
    - After which you get your normal state pension

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Note: these pages provide a fair general description of the way this works. But different people might be differently affected. You should ask The Pension Service for advice about your own situation if you wanted to follow this up.

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How deferring works

- You can keep your options open:
  - You don’t have to decide to defer your pension until the time comes to claim it:
  - You don’t have to choose between extra pension and a lump sum until you’re ready to start drawing it
  - You don’t have to decide in advance how long you want to defer for
  - And you can change your mind about deferring

- You can even decide to stop drawing your pension for a time once you’ve actually started getting it

- You can defer your pension for as long or short a time as you like
  - But:
    - To get extra pension you must defer your claim for at least five weeks
    - To get a lump sum payment you must defer for at least a year

- If you go on working while you defer your pension your earnings will provide extra income
Lump sum option

- Let's look at the lump sum option first:
  - When you finally start drawing your pension you get:
    - Your normal state pension for the rest of your life
    - Plus a one-off lump sum
  - The lump sum would be:
    - All the money you hadn't been paid while you put off claiming
    - Plus interest:
      - At least 2% above the Bank of England base rate:
        - In March 2006 the base rate was 4.5%
        - So base rate plus 2% would be 6.5% interest

Extra pension option

- Now let's look at the Extra Pension option:
  - When you finally start drawing your pension you get an extra weekly amount added to your State pension:
    - But this time you don't get a lump sum
  - For every full year you defer the pension you get just over 10% added to your pension (10.4%)
  - So after deferring for a year a £100 pension would become £110.40 (£100 + 10.4%)

Some Examples

- Let's look at some examples to make it clearer how deferring works
- We’ve based the figures on a notional pension of £100 a week:
  - That’s just to make it simple
- Also they don’t allow for the fact that pensions usually go up from year to allow for inflation:
  - We’ve left that out to make the figures comparable
  - You would get the benefit of an pension increase in the normal way:
    - Both while you were waiting to claim, and once you were claiming
    - So you wouldn’t lose out on any increases because you’d decide to put off drawing your pension
Suppose Jane defers her £100 a week state pension for one year

- If she chooses the lump sum option at the end of the year:
  - She doesn’t get the £5,200 in pension she hasn’t claimed
  - She does get:
    - A lump sum of £5,370:
      - The £5,200 she didn’t get in the first year, plus £170 interest:
        - £100 a week pension from then on
        - So she gets £170 more than if she’d drawn the pension during the year:
        - And after that everything goes on just as if she hadn’t deferred.

- If she opts for extra pension instead of a lump sum:
  - Again she doesn’t get the £5,200 in pension she hasn’t claimed
  - She does get an extra £10.40 a week on top of her £100 pension:
    - That means she draws £110.40 a week instead of £100
    - That’s an extra £541 a year:
      - £5,741 a year instead of £5,200
    - She gets that extra pension for the rest of her life
  - The total amount of extra pension she’d have had altogether at different stages would be:
    - An extra £2,704 by the end of her 5th year of claim
    - An extra £5,408 by the end of her 10th year
    - An extra £8,112 by the end of her 15th year

- Either way she’ll also get earnings from her job while she defers her pension

If Jane defers for three years

- If she chooses the lump sum option at the end of the three years:
  - She doesn’t get the £15,600 in pension she hasn’t claimed
  - She does get:
    - A lump sum of £17,180:
      - The £15,600 she didn’t get in the three years, plus £1,580 interest:
        - £100 a week pension from then on
        - So she gets £1,580 more than if she’d drawn the pension during the year:
        - And after that everything goes on just as if she hadn’t deferred.

- If she opts for extra pension instead of a lump sum:
  - Again she doesn’t get the £15,600 in pension she hasn’t claimed
  - She does get an extra £31.20 a week:
    - That means she draws £131.20 a week instead of £100
    - That’s an extra £1,622 a year:
      - £6,822 a year instead of £5,200
    - She gets that extra pension for the rest of her life
  - The total amount of extra pension she’d have had altogether at different stages would be:
    - An extra £8,112 by the end of her 5th year of claim
    - An extra £16,244 by the end of her 10th year
    - An extra £24,336 by the end of her 15th year

- Either way she’ll also get earnings from her job while she defers her pension
If Jane defers for five years

- If she chooses the lump sum option at the end of five years:
  - She doesn’t get the £26,000 in pension she hasn’t claimed  
    - £100 x 260 weeks
  - She does get:
    - A lump sum of £30,580:
      - The £26,000 she didn’t get in the five years, plus £4,580 interest: 6.5% of £100 a week
      - £100 a week pension from then on
      - So she gets £4,580 more than if she’d drawn the pension during the year: £30,580 - £26,000
      - And after that everything goes on just as if she hadn’t deferred.

- If she opts for extra pension instead of a lump sum:
  - Again she doesn’t get the £26,000 in pension she hasn’t claimed  
    - £100 x 260 weeks
  - She does get an extra £52.00 a week:
    - That means she draws £152.00 a week instead of £100
    - That’s an extra £2,704 a year:
      - £7,904 a year instead of £5,200
  - She gets that extra pension for the rest of her life
  - The total amount of extra pension she’d have had altogether at different stages would be:
    - An extra £13,520 by the end of her 5th year of claim
    - An extra £27,040 by the end of her 10th year
    - An extra £40,560 by the end of her 15th year

- Either way she’ll also get earnings from her job while she defers her pension

How deferring pension relates to other entitlements

- Effects on other entitlements
  - **Extra pension**
    - Getting extra might affect Pension Credit entitlement:
      - It could increase or reduce it
    - And it may sometimes limit entitlement to Housing Benefit or Council Tax Benefit
  - **Lump sum**
    - Lump sum payments won’t affect Pension Credit, Housing Benefit or Council Tax Benefit at all

- You can’t build up extra pension or a lump sum for any days when you’re getting other benefits like:
  - Carer’s Allowance
  - Incapacity Benefit
  - Another category of State Pension (apart from Shared Additional Pension)
  - Severe Disablement Allowance
  - Unemployability Supplement
  - Widow’s Pension
  - Widowed Mother’s Allowance

- Entitlement to these benefits is not affected while deferring:
  - But once extra pension is claimed it is taken into account in working out entitlements
Appendices – Round 1: Topic guide and stimulus materials

How deferring affects tax

- Normal state pension payments are liable for tax like any other income:
  - So are Extra Pension and lump sum payments
- But you only pay tax if your total income is larger than your personal allowance
- Personal allowances are now as follows:
  - £5035 a year if you’re under 65
  - £7280 if you’re 65-74
  - £7420 if you’re 75 or over
- Unless your income is larger than this you don’t pay any tax at all
- Taking a lump sum won’t push you into a higher tax band:
  - It’s only taxed at the highest rate you would have paid if you hadn’t had the lump sum

What happens if someone dies after deferring their state pension?

- If they’ve already taken a lump sum before they die they can leave it as part of their estate
- If they’re married or in a civil partnership then the extra pension or lump sum is usually passed on to their partner:
  - Even if it hasn’t been claimed before they die
- Otherwise there is limited opportunity to leave it to someone else:
  - If you aren’t married your pension entitlement shops when you die
Deferring private pensions

- Private pensions include:
  - Personal pensions you have bought yourself
  - Pensions you get from your employer

- Your options may depend on the terms of your particular scheme

- But may well have a choice to:
  - Draw your pension even though you go on working
  - Defer taking your private pension(s):
    - You may get more when you do take it
      - But that might depend on the way that scheme works

- You should be able to get advice from your pension provider, or employer
STIMULUS 1C – Some work dilemmas of older people
(Hand out)

The Situations

1. Alan who is approaching 65 has not managed to save as much as he would have liked for his retirement. He thinks it will be difficult to make up the extra saving in the time he has left before he reaches 65.

2. Having worked in her firm’s accounts department for 35 years, Julie, at 59, wants to cut down the amount of work she does so she can spend more time with her elderly mother but she is not ready to stop work altogether.

3. Peter is 60 and has a job that carries a lot of responsibility and stress and a very long working day. He doesn’t feel he can go on much longer in his current job.

4. At 61 Margaret wants to carry on with her job as health visitor but work less. However she recognises that the post requires full-time manning.

5. At 60 Mary retires from her job as a sales supervisor in a local department store. She wants to boost her modest pension income and she knows she will miss the social contact she enjoyed at work.

6. Pearl is 65 and worked as a management accountant until she retired 5 years ago. She enjoys aspects of her retirement such as spending time with her grandchildren and having time for hobbies but she misses the mental challenges of work and the money. She does not really want to re-enter the world of management accountancy.

7. Paul has spent forty years working as a joiner for larger firms in the building industry. At 56 he is starting to feel the strain of a lifetime of physical labour and can’t see himself being able to carry on as he is for much longer.
Lump of Labour Fallacy

One of the best-known fallacies in economics is the notion that there is a fixed amount of work to be done – a lump of labour – which can be shared out in different ways to create fewer or more jobs. For instance, suppose that everybody worked 10% fewer hours firms would need to hire more workers and unemployment would shrink. In 1891, an economist, D.F. Schloss, described such thinking as the lump of labour fallacy because, in reality, the amount of work to be done is not fixed. There is never a fixed number of jobs in the country: all the time old jobs are disappearing and new jobs are being created.

The idea of a lump of labour is widely discounted by economists both in the UK and elsewhere.

In fact, countries where people stop working earlier often also have high levels of youth unemployment.

NI and Income Tax in retirement

After they reach SPA (at present 65 for men 60 for women) people don’t have to pay National Insurance even if they go on working.

And after 65 (men and women) their personal tax allowance goes up:

1. £5,035 a year if you’re under 65
2. £7,280 if you’re 65-74
3. £7,420 if you’re 75 or over

That means that someone who goes on working after 65 keeps more of the money they earn.

Changes to SPA for Women

From 6 April 2020 SPA for women will be 65, the same as for men. Women’s SPA will change gradually from 2010. Women born on or before 5 April 1950 will not be affected and can still claim their State Pension at 60. Women born on or after 6 April 1955 will have their State Pension at 65.

To qualify for a full State Pension women (like men) will have to have 44 years of full NI contributions instead of the 39 that is the current requirement.

‘A’ day

All existing pension rules governing private pensions changed on 6 April 2006 – A-day. The most radical overhaul of the British pension system for 50 years, A-day replaced 8 sets of pension taxation rules with just one.
Key proposals of the Report of the Pensions (Turner) Commission

1. **National Pensions Savings Scheme (NPSS)** – a compulsory pension scheme will probably be established (separate from the State Pension scheme) to which employees, employers and Government would contribute 8% of salary up to a certain limit. Employees would be free to opt out but all employers (except probably those with fewer than 5 employees) would be compelled to contribute unless previous arrangements were more generous. (Medium sized firms would probably pay half that of the largest firms.)

2. **Future increases in the State Pension will probably be linked to earnings not prices.** This would restore the situation that existed before 1980. (If the link had not been broken then the full basic State Pension would now be £110 a week or £6,100 a year rather than £84.25 a week, £4,381 a year.)

3. **State Pension age will probably increase from 65 to 68 by 2050, changes being introduced gradually from 2030.**

**Four options Turner looked at**

To solve the pensions issues in the UK:

1. Pensioners will have to get poorer compared to the rest of society
2. A greater share of our taxes will have to be spent on pensions
3. People will have to save more for their retirement
4. People will have to work longer

[3 then 2 were the most popular in his consultations, followed by 4. Little support for 1]
Age discrimination legislation

- From October 2006 it will be against the law to discriminate against people at work or in vocational training because of their age.

- Employers won’t be allowed to enforce compulsory retirement ages below age 65:
  - Unless they have specific and justifiable reasons for using a lower retirement age.

- People will have the right to ask to be kept on after any retirement age operated by their employer:
  - And their employer will formally have to consider the request.
Stimulus 1F – Where to go for information and advice

**General**

Citizens Advice Bureau
Offers advice on a wide range of subjects from housing and health, to debt and consumer issues.
Phone 020 7833 2181
Website www.adviceguide.org.uk

Pensioners’ guide
A free guide for people aged 60 and over. It contains valuable information on a wide range of topics.
Phone 0845 6 065 065 (textphone 0845 6 064 064)
Website www.thepensionservice.gov.uk/leaflets

Directgov
Public services information all in one place.
Website www.directgov.gov.uk

**Working Life**

Age Positive
Promotes the benefits of employing a mixed-age workforce, including older people.
Email agepositive@dwp.gsi.gov.uk
Website www.agepositive.gov.uk

Jobcentre Plus
Can help you find the right kind of job: full-time or part-time, temporary or permanent.
Phone 0845 6060 234 (textphone 08456 044 022)
Open weekdays 9am to 6pm, and Saturdays 9am to 1pm
Website www.jobcentreplus.gov.uk

New Deal 50 plus
A programme for people aged 50 or over who have been out of work and claiming benefits for at least six months.
Phone 08456 062 626 (textphone 08456 060 680)
Website www.jobcentreplus.gov.uk/JCP/Customers/New_Deal/index.html

**Learning opportunities and leisure**

Learndirect
Provides online courses, and information about the network of learndirect centres.
Phone 0800 100 900
Website www.learndirect-advice.co.uk

Career Development Loan Information Line Freephone 0800 585 505

UK online
Their network of centres provide access to computers, Internet and email locally.
Phone 0800 77 1234
Email ukonlinecentredata@ufi.com
Website www.ufi.com/ukol

Money matters

Financial Services Authority
An independent body which regulates the financial services industry in the UK.
Phone FSA Consumer Helpline 0845 606 1234
Open Monday to Friday, 8am to 6pm
Email consumerhelp@fsa.gov.uk
Website www.fsa.gov.uk
HM Revenue & Customs
The new department responsible for the business of the former Inland Revenue and HM Customs and Excise.
Website www.hmrc.gov.uk/menus/contactus.shtml

The Pension Service
The Pension Service is a part of the Department for Work and Pensions, that works out and pays pension entitlements.
Phone 0845 6060 265 (textphone 0845 6060 285)
Open Monday to Friday, 8am to 6pm
Website www.thepensionservice.gov.uk

Pensions information
For leaflets.
Phone 0845 7 31 32 33 (textphone 0845 604 0210)
See ‘Pensions: the basics’ on the website.
Website www.thepensionservice.gov.uk

Pension Tracing Service
Provides help with tracing an old pension.
Phone 0845 600 2537 (textphone 0845 300 0169) General enquiries when calling from overseas +44 19 1218 2466
Website www.thepensionservice.gov.uk/atoz/atozdetailed/pensiontracing.asp

The Pensions Advisory Service (TPAS)
Helps the public with pensions problems and provides information and guidance on State Pension; company, personal, stakeholder and occupational pensions.
Phone 0845 601 2923
Email enquiries@pensionsadvisoryservice.org.uk
Website www.pensionsadvisoryservice.org.uk

THANK YOU FOR TAKING PART
Appendix C
Round 2: Topic guide and stimulus materials

WORK AND RETIREMENT ROUND TWO:  
  Topic guide

Notes
This is the topic guide for the second round of focus groups to be conducted on this project. It is a ground plan of the topics to be covered in the groups, but is not intended to be rigidly prescriptive. Respondents will have more to say about some issues than others, may raise matters that we have not anticipated and may prefer to discuss topics in a different order to the one laid out in the guide. Questions and prompts that appear on the guide will not necessarily be used verbatim.

The discussion during this second round of groups will focus heavily on exploring responses to messages and information identified in the first round as potentially important in promoting more positive attitudes towards extending working life.

The guide is arranged in four key overlapping sections as follows:

• Section 1: Introductions, work and stopping work, the language of retirement
• Section 2: Hard messages about the need for extending working life (‘push’ factors – societal and individual level)
• Section 3: Options for extending working life
• Section 4: Positives of extending working life (motivators and ‘pull’ factors)
Template introduction for respondents

The research

- Today’s session is about the transition between work and retirement, when and how it happens.
- We are interested in hearing what you think and feel about this
  - both in general terms
  - and in relation to your own life
- We are going to spend a bit of time talking around the subject including getting your reactions to some information that we will present that could affect your views.

Confidentiality

“Before we begin, I would just like to remind you that the session will last 90 minutes and will be tape-recorded to make sure that we don’t lose any information. Anything you say today will be kept completely confidential. Your views will be included in the research findings but not your identity. At no stage in the analysis and reporting will it be possible to link your name with anything you say.”
SECTION 1: INTRODUCTIONS, WORK AND STOPPING WORK, LANGUAGE OF RETIREMENT

This section will be quite brief and will be used to:

• Make introductions and break the ice
• Open discussion about work and stopping work
• Develop discussion about the language of retirement.

1.1 Introductions

• First name
• Where they live
• Household
• Occupation
• Full-time/part-time

1.2 Work and stopping work

• How old do they expect to be when they stop doing any kind of paid work?
• In an ideal world would they like to stop paid work before then, or not (or even after)?
• Do they think that they will just come to a sudden stop (cliff edge) or that the transition is likely to be more gradual?
• What would they like to happen (in an ideal world)?
• What difference, if any, do they think there will be between the work they are doing now and the work they will be doing at the point when they finally stop?
• Is there an ideal way for work life to change and progress as people move into later life? What? Why?
• Does anyone see themselves carrying on doing some kind of paid work more or less their whole life? (Because they want to or have to? Why?)

1.3 Language of retirement

• What does the word ‘retirement’ mean nowadays?
• What ideas are commonly associated with the word ‘retirement’?
• How does someone who is retired differ from someone who is not?
  – Eg eligible to receive their pension (State, Occupational)
  – Not in paid work
  – In a position to choose how to spend their time (including working if they want to)
  – Other
• Has the meaning of the word retirement changed over the past twenty years? How and why?
• When (if ever) would it be possible to describe someone as retired who was in
- Part-time paid work
- Full-time paid work?
- Is retirement something that happens overnight or is it a process?
- If it is a process, what is a good way to describe someone who is in the middle of the process?
- Is it possible objectively to say whether someone is retired or not retired (or is in the process of retiring?) What are the criteria?
- How far is it up to each individual to say whether or not they are retired (or in the process of retiring)?
- Any other terminology that people think better describes this situation/process?

SECTION 2: HARD MESSAGES

This section will be used to explore responses to the ‘hard messages’ about extending working life – why as a country and as individuals we have to accept the fact that we need to be in paid work for longer. This is likely to be an important strand of Government communications about extending working life aimed at:

- Spelling out the macro-economic reasons why we all need to work for longer (Changing demographics)
- Showing how years spent in work has decreased in the past 60 years.
- Outlining Government policy aimed at increasing the length of time that people work (Equalisation and changes to SPA)
- Injecting financial realism into vague personal plans to stop paid work well before SPA (Financial penalties of early retirement)

2.1 ‘Push’ imperatives

INTRODUCE STIMULUS AND EXPLORE:
- First responses to the material
- How far is the information already familiar?
- Anything surprising or new? Or is it all old hat?
- What do they feel about the story that the material tells?
- Does it clarify anything for them or not?
- How far do people understand the facts presented in the material?
- What if anything they find difficult to understand?
- How far do people believe the facts presented to them?
- What, if anything, do they not believe? Why?
- Do the facts affect how they think about possibly working for longer? Which have the most impact? Which have the least? Why?
- How far do people accept the (Turner) conclusion to these facts that people need to work for longer?
• How far is their response coloured by the fact that the information comes from Government?
• How, if at all, would their response differ if the facts were coming from a different source, for example:
  • A charity such as Age Concern that promotes the interests of older people
  • An organisation such as Citizen’s Advice Bureau that looks after the interests of ordinary people
  • An organisation such as the CBI that promotes the welfare of British industry
  • An organisation such as the Trades Union Council (TUC) that looks after the interests of employees
• What sort of organisation would these facts or messages be most acceptable coming from?

2.2 Effects of early retirement

INTRODUCE STIMULUS AND DISCUSS:
• General response to the stimulus
• Did they understand the examples?
• What, if anything, did they not understand?
• How far do people feel they have learned something from the material?
• What have they learned?
• Are the calculations surprising in any way? (What way?)
• How persuasive do they feel the examples are likely to be to people considering stopping work early?
• How far do they find the examples personally persuasive?
• Again, who do they feel the public would be most likely to accept this kind of information from?

WHO AND HOW STIMULUS:
• What is the best way to get these kinds of messages across to people?
• Why (Sources)?
• How (Channels)?

SECTION 3: OPTIONS FOR CONTINUING IN WORK

This section is designed to examine reactions and responses to information and messages about the options for extending working life. The purpose of these communications is to foster thinking about different ways of extending working life, expanding minds to consider the possibilities. Key topics include:

• A simple menu of options
• The possibilities for flexible working and phased retirement
• Case studies to illustrate and illuminate alternatives
• Possibilities for retraining and support
3.1 Simple options for extending working life

INTRODUCE AND DISCUSS MYTHS AND FACTS STIMULUS
• What kind of picture do they have in their heads when they hear talk about people carrying on doing paid work for longer?
• What do they think the options are for someone who has decided they want to carry on in paid work for a bit longer?

INTRODUCE STIMULUS AND DISCUSS:
• Are any surprises or options that they hadn’t really thought about.
• Discuss the pros, cons and feasibility of the four main options for someone who was thinking about stopping work in their:
  – Early to mid-fifties
  – Late fifties – early sixties
  – Mid sixties
• How far do they feel the options are different for:
  – Men and women
  – People in professional, skilled manual and non-manual, unskilled occupations
    (Use examples, e.g. accountants, lawyers, electricians, plumbers, labourers, supermarket assistants)

3.2 Phased retirement and flexible working

A lot of people in the later years of their working life want to carry on working but in ways that they feel are more suited to, or better meet the demands of their stage of life. In some cases people are looking to make a gradual transition from paid work to doing no paid work. In other cases people are looking for ways of adding flexibility to their working lives – for example so that they can do other things.

INTRODUCE STIMULUS – INCLUDING CASE STUDIES – AND DISCUSS. PROBE RESPONSES FULLY, EXPLORING PERCEIVED PROS AND CONS OF DIFFERENT OPTIONS.
• Which options have respondents heard of?
• Which seem most/least relevant for their personal circumstances (line of work, domestic set up, etc)
• How far would people be influenced to stay in paid work longer if they felt that options such as these were available?
• How far do these different options feel ‘accepted’ and ‘acceptable’ in the world of work they inhabit? How far do they feel ‘normal’?
• How far do they feel like ‘employee rights’ and how far like ‘employer favours’?
• What do they feel would get in the way of their personal pursuit of any of these options?
• Do they think flexible working is something that they could raise with their employer?
• And what information and support do they feel they would need to pursue them?
• How much before the session they had ever thought about or talked about different ways in which they might continue in paid work for longer?
• How far they feel that the discussion (and stimulus) has provoked some new thoughts about it?
• How helpful do they think that messages about options (and case studies illustrating them) are likely to be in encouraging people to think afresh about staying in paid work?
• What sort of information and support do people need most?

WHO AND HOW STIMULUS:
• What is the best way of getting information about options for extending working life across to members of the public?
• Who should be providing it?
• How?

(MODERATOR TO USE CRIB SHEET FOR THIS SECTION AS NEEDED)

3.3 Retraining and support

Some people acquire new skills and experience (‘retrain’) at a later stage in their working life. This can enable them to carry on working for longer than they might otherwise have done by changing the kind of work they do and/or who they do it for.
• What does the term ‘retrain’ mean to respondents? What connotations does it have? What pictures does it conjure up?
• Have any respondents retrained in ‘later’ life and gained skills that (may) make it easier for them to carry on working for longer? PROBE FOR DETAILS.
• Do they know (of) anyone else who has? PROBE FOR DETAILS.
• How interested are people in the principle or idea of retraining in order to be able to go on working for longer?
• What do they feel positive about? What would be the incentives?
• And what puts them off? What do they see personally as the main barriers?
• If they were interested in retraining what would they do to to find out about opportunities and available support?
• What sort of avenues would they pursue?
• Who might they talk to?

INTRODUCE STIMULUS AND EXPLORE RESPONSES
SECTION 4: THE POSITIVES OF WORKING LONGER

The fourth section of the guide deals with messages to focus attention on the positive reasons for working longer. The first round of groups showed that while (for a variety of mainly linked reasons) there is some resistance to the idea of Government enforced or initiated extending working life, the seeds of more positive ways of looking at or thinking about extending working life are detectable in many if not most people. The messages in this section are designed to nurture and develop these thoughts and include:

- Reminding people about important social, psychological and financial positives/motivators
- Using real case studies that illustrate and illuminate key themes
- Better-off scenarios aimed at demonstrating in a range of ways how much better off financially people can be who work past SPA. These will:
  - Inform people about changes to NI and tax for older people
  - Reinforce information with worked examples re impact on pay
  - Show how much is added to weekly pension income by continuing in paid work after reaching SPA
  - Demonstrate the amounts involved in other ways (particularly for lower income groups), for example by showing how much would be added proportionately to pension income if wages for an extra number of years were spread over ten or twenty years.

4.1 Why work longer?

- What do respondents think are the main arguments, if any, for stopping paid work as early as you can afford (when pensions start paying out or before)?
- What do they think are the arguments, if any, for carrying on doing paid work even after someone could afford to stop (because pensions start paying out or other investments make it financially possible)?
- Do they know anyone (or of anyone) who has carried on working after an age where they could start getting their pension:
  - Someone whose pension started paying out in their fifties or early sixties
  - Someone who has carried on after State Pension age (60 for women, 65 for men)?
  Why have they done it? What positive have they got out of it?
USE REASONS AND CASE STUDIES ON CRIB SHEET TO PROBE AND EXPAND DISCUSSION AS APPROPRIATE

- How much before the session they had ever thought about or talked about *positive* reasons for continuing in paid work for longer?
- How far do they feel that the discussion has provoked some new thoughts about it?
- Whether they think having some real examples was:
  - Interesting?
  - Thought provoking?
- How useful they think this kind of approach is likely to be in encouraging people to think afresh about staying in paid work?
- What would improve the examples/case studies?
- What would be the best way of delivering these kinds of messages to people?
  Who should do it? How?

4.2 Better off scenarios

- Ask how many people:
  - Are aware of what happens to NI payments at SPA
  - Know about tax breaks for older people
  - Know what these are

Say: *Some people think that it is not worth doing paid work once you start claiming your pension (from the State or from other sources) because any financial gains will just be taxed away.*

Ask:

- How many people lean towards agreeing with the statement?
- How far would it affect their decision to carry on working after pension age?

INTRODUCE STIMULUS (INFORMATION ABOUT TAX BREAKS FOR OLDER PEOPLE AND CESSATION OF NI PAYMENTS AT SPA PLUS BETTER OFF SCENARIOS)

Work through selected examples (men and women), then ask about:

- Overall reactions to the scenarios (together and separately)
- Were there any surprises?
- Leaving pensions aside, what do they think about the difference made to income on specific cases when:
  - NI contributions stopped?
  - The tax allowance came into force?
- Did the extra amounts of money in the hand seem substantial/worthwhile or not?
- For someone claiming their pension(s), what do they think about the extra amounts gained in specific cases by continuing to work?
- The total income (wages plus pension) above the higher tax allowance is subject to tax but is still higher than the person would get if they didn’t work. What do they think about the extra amounts gained by continuing to work?
• How much before the session had they thought about or talked about how much better off they could be from continuing in paid work for longer?
• How far they feel that the discussion has provoked some new thoughts about it?
• Whether they think the better off scenarios were:
  – Interesting?
  – Thought provoking?
• How useful they think this kind of approach is likely to be in encouraging people to think afresh about staying in paid work?
• What would improve the scenarios?
• What would be the best way of getting messages/information about the better-off aspects of working for longer across to people?
• Who should deliver it and how?
• Would it be useful for people to be able to request similar calculations for their own circumstances?
• Should these calculations be provided automatically to people e.g. through pension forecasts and if so at what age?

WHO AND HOW STIMULUS:
• What is the best way to try and put these and similar facts and messages across to people?
• Who (Sources)?
• How (Channels)?
## Index of stimuli used in Round 2

| STIMULUS 2A: ‘Hard messages’ | Changes which affect retirement and pensions |
| A handout of three A4 sheets | |

| STIMULUS 2B: Effects of early retirement | An A4 handout of two pages as follows: |
| | - What happens if you retire early? |
| | - Retiring at different ages: Gary’s example |

| STIMULUS 2C: Myths and facts about working on | Myths and facts about working on – Q & A with respondents for moderator use only |
| | |

| STIMULUS 2D: Options as retirement approaches | Single sheet A4 hand out |
| | |

| STIMULUS 2E: Transition to retirement | Sheets with grids for respondent completion |
| | |

| STIMULUS 2F: Phased retirement case studies | Used selectively – read out by moderator |
| | |

| STIMULUS 2G: Phased retirement and flexible working | Moderator ‘Crib Sheet’ – use as required |
| | |

| STIMULUS 2H: Retraining and support case studies | Used selectively – read by moderator |
| | |

| STIMULUS 2I: Training and older people: common beliefs (and some answers) | Sheet for moderator use as Q & A with respondents |
| | |

| STIMULUS 2J: What training opportunities are there and how can I find out about them? | A4 handout |
| | |

| STIMULUS 2K: How can I pay for training? | A4 handout |
| | |

| STIMULUS 2L: Reasons that people give for working on | A4 handout |
| | |

| STIMULUS 2M: Why work longer case studies | Used selectively; read out by moderator |
| | |

| STIMULUS 2N: NI and income tax | Information sheet for moderator only |
| | |

| STIMULUS 2O: Benefits of carrying on working | A set of A4 hand outs: What you get from staying in work (with six worked examples) |
| | |

| STIMULUS 2P: Sources and channels of information | Two A4 sheets |
| | |
Changes which affect retirement and pensions

Over the next 40 years the age of retirement needs to go up a bit. There’s been a lot of publicity about this. People will be encouraged not to retire early, and to stay longer in work where possible. The government plans to raise the age when you can start claiming your state pension to 68 by 2050.

Why is this happening?

There are three main reasons:

- People are living longer so there are more pensioners – and they claim their pensions for more years.
- Many are also giving up paid work earlier, which again extends retirement.
- At the same time the birthrate has fallen, so there are fewer people in young working age groups.

All this is aggravated by the baby boom of the 1940s and 1950s – a lot more babies were born when the troops came back from the Second World War, and this ‘bulge’ is now at or near pension age, which again swells the number of pensioners and reduces the number of workers.

Back in 1950 men spent 70% of their entire lives working on average, but by 2005 they were spending only 57% of their lives in work.

They now spend longer in education before they start work. And they live longer after they stop working. In 1950 men lived on average for just over 10 years after retirement, but by 2005 this was up to almost 21 years.

And people are retiring earlier. In 1950 men retired on average at 67, but this dropped to 64 by 2003.

Rising cost of pensions

All these changes have had a big effect on the cost of providing pensions.

If people live longer and retire earlier their pensions cost more to provide, because they have to be paid for more years.

On average a man now claims his pension for 20 years, as against 11 years in 1950. That’s nearly twice as long – so costs nearly twice as much.

A pension of £100 a week amounts to £57,800 over 11 years, but £104,000 if paid for 20 years.

So the system has to find a lot more money to pay the same weekly amount – whether it’s paid by the state or through private sector pensions.

This example assumes for simplicity that the pension stays the same year on year. In reality, many pensions go up over time, but the principle is the same – the longer it lasts the more it costs.

Fewer people to pay the cost

This rising cost falls on fewer shoulders, since there are now fewer pensioners and fewer people in work to support them.

State pensions are paid by the taxes of those still in work.

- In 1950 there were over 5 people of working age for each pensioner.
- By 2005 this had gone down to around 4.
- The forecast is that by 2050 it will fall to just over 2 people.
Changing pension policy

From 1974 state pension growth was tied to average earnings, but in the 1980s the rules were changed and it was linked to inflation instead. Since then the state pension has grown more slowly than it did when linked to earnings. The government has just announced that the earnings link will be restored.

People were to be encouraged to put more into private pensions to give them a better income when they retired, but the public has been slow to do this, opening up a gap between what many people would like to retire on and what they can actually expect to get.

This has been aggravated in the past five years by:
- falls in the stock market after a long run of growth, which has reduced the value of some pension investments;
- a number of employers cutting back on ‘final salary’ pension schemes.

Options for the future

This is the situation we’re now in.

The 2006 Pensions Commission report put it like this:

*Faced with the increasing proportion of the population aged over 65, society and individuals must choose between four options. Either:
  i) pensioners will become poorer relative to the rest of society; or
  ii) taxes/National insurance contributions devoted to pensions must rise; or
  iii) savings must rise; or
  iv) average retirement ages must rise.*

But the first option (poorer pensioners) appears unattractive and there are significant barriers to solving the problem through any one of the other three options above. Some mix of higher taxes/National Insurance contributions, higher savings and later average retirement is required.*
Stimulus 2B

What happens if you retire early?

In the 1980s some people were able to stop work early and start claiming their pensions, sometimes in their mid-50s. This was because a lot of companies wanted to reduce their workforce, and their pension funds had a lot of spare cash at the time.

Otherwise stopping work in your 50s has never been an option for many people because:
- You don’t get the state pension till you’re 65 (60 for women, but that’s changing)
- This means you’d need to have a private pension to retire on – either through your employer or as a personal pension.

The earlier you claim a private pension the less you get paid. This is because:
- If you don’t work so long you don’t build up such a big pension pot
- The same sized pension pot pays less pension at 55 than it would at 65.

Let’s look at an example – call him Gary.

Retiring at different ages: Gary’s example

Gary is 30 and earns £25,000 a year.
A regular 8% of his earnings go into his company pension – that’s about one pound in every twelve he earns.
He and his employer each pay part of that.

What happens to Gary’s pension if he stops work at different ages?

<table>
<thead>
<tr>
<th>Age</th>
<th>Pension pot of £70,000 pays a pension of about</th>
</tr>
</thead>
<tbody>
<tr>
<td>55</td>
<td>£80 a week £4,100 a year</td>
</tr>
<tr>
<td>60</td>
<td>£95,000 pays a pension of about</td>
</tr>
<tr>
<td>65</td>
<td>£120 a week £6,250 a year</td>
</tr>
<tr>
<td>70</td>
<td>£124,000 pays a pension of about</td>
</tr>
<tr>
<td></td>
<td>£175 a week £9,100 a year</td>
</tr>
<tr>
<td></td>
<td>£160,000 pays a pension of about</td>
</tr>
<tr>
<td></td>
<td>£265 a week £13,800 a year</td>
</tr>
</tbody>
</table>

Here’s another way of showing this.

If Gary decided at 65 to work just two more years at 67 he’d expect a pension of about £205 a week – that’s £30 more than he’d have got at 65.

On a yearly basis that’s about £10,700. An extra £1,600.

So your pension increases by a larger amount each year if you continue working and don’t draw it.

Basis of Gary’s example
Pension pot build up over time – partly because you go on paying in, and partly because the money is invested and its value grows. The amounts assume that:
- Real growth is 2.5% a year
- Gary’s pay goes up as he gets older
- Pension annuity rates are at today’s levels
STIMULUS 2C: Myths and facts about working on

Q & A with respondents for moderator use only

“As I get older my health will get worse – I won’t be able to work”

Health is as much to do with things like lifestyle, exercise and diet as it is to do with age. A fit 62 year old may be much healthier than an unfit 22 year old.

It is also the case that in general people can expect to stay healthy for longer with serious health problems emerging later in life.

“Younger workers are better mentally – as I get older I won’t be as sharp as I was”

Although natural ageing does result in changes to the body that can affect the ability to do certain kinds of jobs, mental capacity is not noticeably affected in the age ranges that span working life.

Differences between people of the same age are much bigger than differences between younger and older people.

Evidence does not support the idea that performance declines with age. Older workers may use knowledge, skills, experience, anticipation and motivation to maintain their performance at or above the levels of younger workers.

(Faculty of Occupational Medicine, Royal College of Physicians)

“Employers don’t welcome older people in the work place”

From this October (2006) it is against the law for employers to treat people differently either in work or in vocational training because of their age.

They are not allowed to force anyone to retire below the age of 65 unless they have specific reasons for using a lower retirement age and can justify them.

People also now have the right to ask to be kept on after any retirement age operated by their employer, and their employer will have formally to consider the request.
Stimulus 2D: Options as retirement approaches

Options as retirement approaches

<table>
<thead>
<tr>
<th>Stop work completely</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stay in same job</td>
</tr>
<tr>
<td>Carry on as normal</td>
</tr>
<tr>
<td>Lighter duties,</td>
</tr>
<tr>
<td>shorter hours,</td>
</tr>
<tr>
<td>more flexible working</td>
</tr>
<tr>
<td>Change job</td>
</tr>
<tr>
<td>Same employer</td>
</tr>
<tr>
<td>Different employer</td>
</tr>
<tr>
<td>Using existing skills</td>
</tr>
<tr>
<td>Retrain, new skills</td>
</tr>
<tr>
<td>Work for yourself,</td>
</tr>
<tr>
<td>self-employed</td>
</tr>
</tbody>
</table>
Stimulus 2E: Transition to retirement
Sheets with grids for respondent completion.

Reduce hours – shorter days, or fewer days in the week

<table>
<thead>
<tr>
<th>Would you be able to do this in your situation as retirement approaches?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, certainly</td>
</tr>
<tr>
<td>Done it already</td>
</tr>
</tbody>
</table>

If you could do this would it encourage you to stay in work a bit longer?

| Yes, certainly | Yes, probably | Possibly | Not very likely | Certainly not |
| Done it already | Doesn’t apply to me |

Lighter work – physically less demanding

<table>
<thead>
<tr>
<th>Would you be able to do this in your situation as retirement approaches?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, certainly</td>
</tr>
<tr>
<td>Done it already</td>
</tr>
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If you could do this would it encourage you to stay in work a bit longer?

| Yes, certainly | Yes, probably | Possibly | Not very likely | Certainly not |
| Done it already | Doesn’t apply to me |

Flexi-time – you choose own working hours each day (although you may have to work some fixed ‘core’ hours).

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**Less stressful work** – less pressured duties or less responsibility

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**Job sharing** – a full-time job is split between two workers who agree the time each one works

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**Compressed hours** – work the same number of hours a week, but on fewer days (eg an extra hour a day, and alternate Fridays off)

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### Homeworking, teleworking – do all or part of the job at home communicating by phone and/or computer

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### Working for yourself – if you’re self-employed you can decide for yourself what to do and when

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### Zero hours contracts – no set working week, you work only the hours you’re needed

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Stimulus 2F: Phased retirement case studies
(Used selectively – read out by moderator)

**Phased retirement and flexible working case studies**

**Reduce hours 1**
Howard Clarke’s the name. I was working as an engineer, but I got made redundant at 57. I managed to get an interview with a company making furniture, and they offered me a full-time job. But I didn’t really want that, so asked if I could work part-time. They agreed to that so I’m now using my engineering skills to build furniture. I’ve also taken training on the company computer system – that’s a complete change for me! So now I’m coming up to the age I might think of retiring I’ve managed to reduced my hours, and opened up a path into a less physical kind of work. (Age Positive)

**Reduce hours 2**
At 57 I just felt like a change of pace from my full-time engineering job. I felt I wanted a bit more free time. Now I’ve got a part-time job on an early morning shift – so I can keep my interest in work but at the same time I’ve got plenty of spare time through the day. (Age Positive)

**Reduce hours 3**
I’m Beryl, I’m was an Administration Assistant in the Education and Leisure Department. When I got to 60 I asked for reduced hours, and I’m now working 18 hours a week. This is helping me adjust to the prospect of retirement. My daughter’s recently had a baby and I’m now able to spend more time at home with my grandchild – but I still enjoy the contact I have with people when I come to work. (Age Positive)

**Job sharing less stressful and enables caring**
At 60 I started thinking about retiring so I could devote more time to my parents, who were getting on. But then I thought my pension income would be very limited. I spoke to my boss, and he suggested I didn’t need to stop work altogether, I could do a job share, working half weeks so it wouldn’t be stressful. That’s great! I can now enjoy my work because I feel more relaxed – and I have time to look after my parents.

**Working for yourself**
I’m in my middle sixties now. I’d been a management accountant, but I’d retired. Shortly after retiring I thought I’d try taking a completely different kind of job producing the local community magazine. That worked out quite well, and before long an on-line town information company offered me their local franchise. Now I can work what hours I like – so even though I’m working I can still see my grandchildren and pursue my hobbies. I like the fact that I can still earn a bit of money – and I really think that taking this job has given me a new lease of life.
Stimulus 2G: Phased retirement and flexible working

Moderator ‘Crib Sheet’ – use as required

What is the Government doing?

Legal rights for carers
The flexible working law gives parents with a child under 6 or a disabled child under 18 the right to ask their employer for flexible working. It places a duty on employers to take such requests seriously and to reject them only for good business reasons.

From April 2007 this right should extend to carers of adults, especially to people between the ages of 45 and 65 – the peak years for caring.

Age Positive Campaign
The Government's Age Positive campaign promotes the benefits of employing a mixed-age workforce that includes older and younger people. It also promotes the benefits of flexible working.

Directgov website tool
This website offers people guidance about working patterns that would suit them by first taking them through a set of questions about their current job circumstances and their ideal working arrangements.

As well as suggesting suitable flexible working patterns it gives advice on presenting a case to an employer and outlines any rights to flexible working.

Statistics for moderators

Reduced hours (LFS 2004)
Two thirds of working women aged 60-64 are in part-time employment, compared with just under half of those aged 55-59.

Three fifths of working men aged 65-69 are in part-time employment compared with about a quarter aged 60-64.

Flexi-time (LFS 2004)
Around 10% of working men and women aged 50 or over work flexi-time (including same hours and responsibilities but on more flexible terms).

Homeworking (EOC Literature Review)
12% of working women over 50 and 22% of men work mainly from home.

Deferring pensions
People who decide to go on working for a year or two after State Pension age have two choices. They can start to draw the State Pension even though they are still earning or they can decide to put off claiming the pension.
**That’s called ‘deferring’ the State Pension**

If they defer it they have two choices when they do finally decide to draw it. They can either have:

- Extra pension – paid for life on top of the normal State Pension
  or
- A one-off lump sum payment: after which the normal State Pension is paid

**How deferring works**

People can keep their options open:

- You don’t have to decide to defer your pension until the time comes to claim it:
- You don’t have to choose between extra pension and a lump sum until you’re ready to start drawing it
- You don’t have to decide in advance how long you want to defer for
- And you can change your mind about deferring and claim for back payment of your pension instead
- You can even decide to stop drawing your pension for a time once you’ve actually started getting it
- You can defer your pension for as long or short a time as you like

But to get **extra pension** you must defer your claim for at least **five weeks**
And to get a **lump sum** payment you’d need to put off claiming for **at least a year**

For further information about pension deferral people should contact The Pension Service.
Stimulus 2H: Retraining and support case studies

Used selectively – read by moderator

**Eileen**

At 60 my nursing job was getting to be a physical strain. I was beginning to think I’d have to cut my hours – maybe even leave my job altogether.

Then I was given the chance to become a trainer on an induction and foundation training programme for nurses. It was an opportunity for me because it 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.

But to be honest I wouldn’t have looked for this kind of opportunity if it hadn’t just offered itself. 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’s extended my thoughts of working – because if I had to do 18 to 24 hours of nursing I’d be thinking of restricting it, whereas now I can do 18 hours with a mix of nursing and training.

**Ro**

I took early retirement at 50 from my job in marketing. But I still needed to earn a living, and I had no idea what I’d do. I had to kind of re-invent my working life. So I decided to buy a computer and teach myself the Internet and email. First I enrolled on a course at my local college – but I found the college environment intimidating, so I felt there must be a better way to teach older people. After a bit I found a resource centre and offered to teach beginners in their computer suite. Since then I’ve not looked back. I set up the first of several computer clubs – and now I run six clubs and make my living from teaching IT to all ages.

**Sandra**

I’m Sandra, and I’ve worked in the music and hospitality industries, and in the public sector. My mother was ill, so I gave up work to look after her. But it left me feeling isolated, and when my mother passed away, I thought I’d go back to work. I didn’t really think of applying for a professional position – I reckoned they’d think I was too old. So I got a job as an office cleaner – and I was quickly made supervisor. I got talking to professional staff in the office I was cleaning, and they encouraged me to apply for a new role in their customer support team. That role involved understanding computers and banking – I didn’t have any experience of that. But they liked my skills as a ‘people person’, so they trained me up for the new role.
Susan
My name’s Susan. When I was 56 I’d been working for 15 years as a deputy head teacher. I decided I’d have a career break – and a change of direction. Now I’m working part-time in customer services and enjoying the interaction with customers and meeting different people.

Edwina
I was 54, I’d been in sales for an awful long time when the company was taken over and shut down. So there I was, out of a job. Then I took a range of courses at the local college to bring my skills up to date. I started applying for jobs again, and I spotted a vacancy at an Internet company – that really took my fancy. My friends and family all said I was too old to work in an Internet firm, but that was like waving a red rag to a bull. So I applied anyway – and I got the job. I never let anyone tell me I’m too old to do something. Once I knew what I wanted to do, I got the right skills and training and then just kept knocking on the door until it opened.

Robin
I’m Robin. When I was 62 I retired after 35 years with a utilities company. But then I thought I’d like to go on doing a bit of work, so now I work in the morning at a superstore, and then I do a second job in the afternoon as a builder. I enjoy the variety of that, having the two part-time jobs.

Ken
I’d been at sea over years, and I worked my way up to be master of a giant methanol tanker. At 57 I was entitled to take early retirement on a full pension. But I found retirement started to weigh heavy on me – well, I didn’t suddenly become a different person the moment I retired, and I’d built up a useful lot of skills – not only seamanship of course, but also general things like management and IT. So I went to a careers agency, one that specialises in helping older people back into work. I thought, well, I could just brush up on my IT skills and get a few qualifications. But the agency thought I had some useful qualities, and they took me on themselves, as a member of their own staff. Now I spends three days a week training other people looking for a fresh start. You see I had what they call ‘transferable skills’ – general skills and abilities I’d built up over a lifetime in one profession which could be usefully applied in another.
Pam

As a child I missed out on learning, because I spent quite a lot of time in hospital. I was told by a teacher before I left school the only place I was fit for was to work in a factory – so that’s what I did.

But it wasn’t till I reached 64 I really started my learning. I’d retired, and then I went to the college in Barnsley. I got my European Computer Driving License in 2003, and since then I’ve tutored 144 older people in basic computer skills. I get on well with them, and eventually I was taken on as a full-time Development Officer for a charity, supporting older people on a city-wide basis.

Well, when I started out on my adult learning journey it was just for me, I had no intention of getting a job. If someone had told me years ago that I’d be doing what I’m doing today, I’d have laughed at them. I’ve gained so much.
Stimulus 2I: Training and older people: common beliefs (and some answers)

Sheet for moderator use as Q & A with respondents:

1. **Training (or retraining) is like ‘going back to school’**
   There are many different ways in which people can learn new skills that
   - Are not just classroom based
   - Don’t have to involve training from scratch in a completely new field.
   - Might mean retraining for another career
   - Include learning new skills (e.g., IT skills) to help you get a different job which is perhaps less demanding, nearer to home or simply more flexible
   - Also include updating skills, even with a current employer

2. **Older workers don’t have the same capacity so they will never be as good as younger workers however much they train.**
   Research has shown that older workers can reach the same skill standards as younger people, given the same level of training. A recent report concluded that ‘except in a very limited range of jobs, work performance does not deteriorate with age at least up until the age of 70’. (Meadows, 2003)
   It has also been shown that people over 56 who took part in the Government’s Train to Gain programme, were 20% more likely than younger people to complete their training and get their qualification.

3. **Employers are better off training younger workers who will be in a company longer.**
   Most skills have a 3-5 year ‘shelf-life’ before they have to be renewed or updated so it’s worth investing in anyone that will stay that long.
   Also older workers tend not to change jobs as often as younger people so they may well stay on for another 10 years compared with the average 20 year old who will only stay for 2 or 3.

4. **‘You can’t teach an old dog new tricks’ – or older people to learn new technologies or developments.**
   Not true. Older workers can be as successful in learning new skills, including new technologies, as younger workers. According to the Faculty of Occupational Medicine, ‘although older workers may be less adaptable or able to accept change, training design and methods of introduction can easily overcome this.’

5. **Even if I learn something new I won’t necessarily find work at the end of it.**
   Government statistics show a number of encouraging developments: The annual Recruitment and Retention Survey published this year showed 70% of employers were actively looking to recruit people over 55 and a third wanted to employ people already over State Pension age.
   The employment rate among people between 50 and State Pension age has gone up over the past 10 years from 65% to over 70%, a bigger increase than for any other age group. Even among people old enough to draw their State Pension, there has been an increase of 12% in the employment rate.
Stimulus 2J

What opportunities for training are there and how do I find out about them?

In general age limits do not apply to training provision, with the exception of apprenticeships which are currently age capped at 25.

Information about training opportunities is available from a number of sources. These include:

1. Employers
2. Union learning representatives
3. Local educational institutions
4. Public library or learning resource centre
5. Local Learning and Skills Council
6. Learndirect website and the Learndirect telephone helpline

*Every adult in England can access a free information and advice service with no limit on the number of enquiries or advice sessions.*

*The national Learndirect telephone and on-line advice gives priority – among others – to adults aged 50 or over. The guidance service gives callers the chance to talk about their longer-term job plans and any possible barriers to these.*
Stimulus 2K

How can I pay for training (courses and living costs)?

All adults are eligible for free training to achieve their first Level 2 qualification (equivalent to 5 GCSEs). For other training, advice about funding is available from the Learndirect helpline.

Some employers will invest in training or retraining of employees. Other main options for financial support include:

**Career Development Loans (CDLs)**

These are bank loans which the Learning and Skills Council operates in partnership with three high street banks – Barclays, The Co-operative and The Royal Bank of Scotland.

Individuals can borrow between £300 and £8,000 to pay for vocational courses lasting up to two years plus up to one year's practical work experience where it forms part of the course. CDL Information Line on Freephone 0800 585 505.

**Higher Education**

From this year (2006) there will be no age limit attached to higher education fee loans.

No full-time student will have to pay fees before they start their course or whilst they are studying. All eligible full-time students will be able to take out a loan for fees which does not need to be repaid until the student has left university or college and is earning over £15,000 a year.

The age limit for Student Loans for Maintenance has also been raised to 60 for all students. Students aged 50 to 54 no longer have to prove that they intend to return to work following their course.

**Adult Learning Grant**

A new grant, the Adult Learning Grant, is being piloted for adult learners on low incomes.

This offers a means-tested weekly grant of up to £30 for adults over 19 studying full-time for a first full Level 2 qualification or a first Level 3 (A level equivalent) qualification.

**Train to Gain**

This Government initiative started this year (2006) offers a free package of training in the workplace in basic skills and a first full Level 2 qualification (equivalent of 5 GCSEs). Financial support is also available for employees capable of progressing straight to level 3 (A level equivalent qualification).

Free information, advice and guidance for employees, accessible through the workplace will also be available. Train to Gain is only available to people whose employers have joined this initiative. The Government anticipates that this will be up to 50,000 employers a year.
Stimulus 2L

Reasons that people give for working on

• Work gives me a sense of purpose and direction
• I love my job and what I do
• I enjoy being with people
• Work makes me feel useful
• When I am working I feel that I am a part of things
• Work helps me to fill the day, it gives me something to do
• I find that work keeps me mentally and physically active
• Work helps me to afford life’s ‘extras’, it gives me a better lifestyle
• With the money from work I can pay for things for my children and grandchildren
• I work so that I can be more financially secure when I am older
• I am waiting for my partner to stop work so we can start our retirement together
Stimulus 2M: Why work longer case studies

Used selectively – read out by moderator

**Henry**

I’m Henry, I’m 67 now, and still working full-time as a building site manager. I’m in a fortunate position now, ‘cos I’ve no mortgage to pay, all I have is utility bills. I did try and retire, but I went back – I think I was getting under the wife’s feet. I picked up the evening paper and there was a job there and I rang them up and said, ‘You’re looking for a site manager’ and they said, ‘Come in’, and they started me straight away. I *don’t* have to work, I wouldn’t go hungry or be cold – it’s my choice to work. I have friends who’ve retired and I’ve watched ‘em deteriorate. I’m definitely more alert than my non-working friends are.

**Rose**

I’m Rose, I’m nearly 65 now, but I still work in a bar for 21 hours a week. And I don’t have any real plans to retire – although I’ve given up evening work. You see, I wouldn’t meet as many people if I was retired, you know what I mean? You meet a lot more people. I fear not being motivated of a morning – not having something to get up for if I was at home on my own. I enjoy work and I’m not ready to retire – and I fear being at home sort of vegetating. If I’ve got days off and I haven’t got family coming round and I’m not going out I can waste a complete day, whereas if I’m working I’m so organised. Work puts some structure in your life. People who work usually know the date and what day of the week it is.

**Anne**

I work as a support worker for a mental health charity. I’m over 60 and I work 30 hours a week. I think I’ll carry on working at least until my husband retires. Otherwise I’d be on my own at home. I work for the money, because it’s nice to be able to afford extras – but I think I’m nervous about retiring as well. In two years time he’ll retire at 70, and that’ll make my mind up. Retirement at the moment would leave me on my own more. I think people are feeling healthier and younger in themselves and they aren’t ready for retirement, and this is what’s making them go on. People are living longer – I mean at one time you were old if you were 65.

**Mike**

I work for Royal Mail filling in at Christmas, Easter and over the summer. Over the year I put in nearly six months on a full-time basis. The rest of the year I spend pursuing my interests, climbing and walking. I don’t have any fixed plans to retire completely. I enjoy the time I’m not working, I have a lot of interests – but when I’m at work I enjoy that. So I have the best of both worlds.
Felicity

I’m over 60 and I work as a mystery shopper. That means I do anonymous live testing of the services different organisations provide. I take work when it’s available, ‘cos I work on a contract basis for a number of companies. You have a lifestyle, and possibly if you stopped work you wouldn’t be able to continue that lifestyle, because you wouldn’t have the finances. I think while you can, and you feel you’re enjoying the life and your lifestyle, there’s no reason to stop work, is there? I’m sure the mental stimulus has a lot to do with it as well. I don’t know what you’re supposed to feel like when you are 60, but if we still feel the same as we felt at 50 we don’t want to stop what we’re doing – because we’ve only reached a number, haven’t we? In a way we can work with a different attitude because of the stage we’re at. We don’t have mortgages and are comfortable, so this money we’re earning has no stress attached to it.

Ken

My name’s Ken I’m self-employed. I’m a skilled mechanic, and I work on other people’s cars – and I also do some deliveries. I reckon I’ll carry on indefinitely. I’ll keep working while my health’s OK and I can manage. Most of my personal friends are self-employed and three of them are getting on for 70 with businesses of their own, but they can’t really get out of it without taking a big dive, so they keep on working. I just work for money, just to make a living – just to maintain a modest lifestyle, that’s all I work for. I don’t particularly enjoy working, I’m just working for the money.
Stimulus 2N

An information sheet for moderator use only:

**NI and Income Tax breaks**

- National Insurance (NI) payments end at 60 for women and 65 for men\(^{24}\).
- After the age of 65 personal tax allowance (the amount you are allowed to earn before income tax is payable) goes up for both men and women:

  From **£5,035** if you are under 65, to:
  - **£7,280** if you are between 65 and 74
  - **£7,420** if you are 75 or over

\(^{24}\) The point at which women stop paying NI contributions will rise between 2010 and 2020 over which time women's State Pension age will go up from 60 to 65. This will apply to all women born after 5 April 1950.
Stimulus 20

What you get from staying in work

Sometimes people wonder if it's worth working past state pension age. Will you be any better off? Won't the earnings just get taxed away?

But once you reach state pension age you don't pay national insurance, and your tax allowance goes up.

That means if you carry on working you keep more of your income.

There are three main choices you can make when you reach state pension age. You can:

1. stop work and draw your pensions
2. carry on working and don't draw your pensions - take them later
3. carry on working and draw your pensions as well.

Let's see how it works.

What you get from staying in work: Example A

Roger is aged 64 and earns £15,000 a year.

He takes home £230 a week after tax and national insurance (NI).

Roger gets council tax benefit and Pension Credit, but not housing benefit.

He has no income other than the pensions, earnings and benefits shown.

Let's look at his three options at age 65:

1. If he stops working and claims his pensions at 65
   he'll be able to draw:
   + £50 a week state pension
   + £50 a week from the State Second Pension (S2P)
   + £20 a week pension from his employer
   + £12 a week council tax benefit and Pension Credit
   That adds up to £162. After tax that leaves him with £160 a week

2. If he carries on working at 65 but doesn't draw his pensions
   he'll take home £200 a week.

   That's more than when he was 64 - because he pays less tax and no NI.

3. If he carries on working at 65 and draws his pensions
   he'll take home £380 a week.

So here's his weekly pension after tax for the three options:

1. stops work at 65, takes pensions £100
   2. works at 65, doesn't draw pensions £200
   3. works and draws pensions £380

   earnings at 64 £230

   £100 more
   £220 more

These are typical examples for Roger's income level. Of course the actual amounts of pension, benefits and earnings would vary from person to person, but the effects of stopping work at different ages would be similar in pattern.
What you get from staying in work: Example B

Tony is aged 64 and earns £24,500 a year.
He takes home £350 a week after tax and national insurance (NI).
Tony has no income other than the pensions, earnings and benefits shown.
Let’s look at his three options at age 65.

1. If he stops working and claims his pensions at 65
   he’ll be able to draw
   £60 a week state pension
   + £85 a week from the State Second Pension (S2P)
   + £35 a week pension from his employer
   That adds up to £200. After tax that leaves him with £155 a week

2. If he carries on working at 65 but doesn’t draw his pensions
   he’ll take home £460 a week.
   That’s more than when he was 64 – because he pays less tax and no NI.

3. If he carries on working at 65 and draws his pensions
   he’ll take home £560 a week.

Here’s how his three choices compare (weekly pension after tax):

1. Stops work at 65, takes pensions
   £105

2. Works on, doesn’t draw pensions
   £400

3. Works and draws pensions
   £560

Earnings at 64
£350

This is a typical example for Tony’s income level. Of course the actual amounts of
pension, benefits and earnings would vary from person to person, but the effects
of stopping work at different ages would be similar in pattern.

What you get from staying in work: Example C

Dick is aged 64 and earns £40,000 a year.
He takes home £560 a week after tax and national insurance (NI).
Dick has no income other than the pensions, earnings and benefits shown.
Let’s look at his three options at age 65.

1. If he stops working and claims his pensions at 65
   he’ll be able to draw
   £130 a week state pension
   + £135 a week from the State Second Pension (S2P)
   + £55 a week pension from his employer
   That adds up to £220. After tax that leaves him with £245 a week

2. If he carries on working at 65 but doesn’t draw his pensions
   he’ll take home £605 a week.
   That’s more than when he was 64 – because he pays less tax and no NI.

3. If he carries on working at 65 and draws his pensions
   he’ll take home £800 a week.

Here’s how his three choices compare (weekly pension after tax):

1. Stops work at 65, takes pensions
   £245

2. Works on, doesn’t draw pensions
   £535

3. Works and draws pensions
   £800

Earnings at 64
£550

This is a typical example for Dick’s income level. Of course the actual amounts of
pension, benefits and earnings would vary from person to person, but the effects
of stopping work at different ages would be similar in pattern.
Appendices – Round 2: Topic guide and stimulus materials

What you get from staying in work: Example D

Karen is aged 59 and earns £15,000 a year.
She takes home £230 a week after tax and national insurance (NI).
Karen gets council tax benefit, but not housing benefit.
She has no income other than the pensions, earnings and benefits shown.
She took eight years off work to look after her children.
Let’s look at her three options at age 60.

1. If she stops working and claims her pensions at 60
   she’ll be able to draw
   - £80 a week state pension
   - £45 a week from the State Second Pension (S2P)
   - £10 a week pension from her employer
   - £10 a week council tax benefit
   That adds up to £145. She wouldn’t pay any tax or NI, so that leaves her
   with £145 a week.

2. If she carries on working at 60 but doesn’t draw her pensions
   she’ll take home £260 a week.
   That’s more than when she was 59 – because she pays less tax and no NI.

3. If she carries on working at 60 and draws her pensions
   she’ll take home £365 a week.

So here’s her weekly pension after tax for the three options:

<table>
<thead>
<tr>
<th>Option</th>
<th>Pensions</th>
<th>Earnings</th>
<th>Total</th>
</tr>
</thead>
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<td>3</td>
<td>£365</td>
<td></td>
<td>£365</td>
</tr>
</tbody>
</table>

These are typical examples for Karen’s income level. Of course the actual amounts
of pension, benefits and earnings would vary from person to person, but the
effects of stopping work at different ages would be similar in pattern.

What you get from staying in work: Example E

Andrea is aged 59 and earns £19,300 a year.
She takes home £285 a week after tax and national insurance (NI).
Andrea gets council tax benefit but not housing benefit.
She has no income other than the pensions, earnings and benefits shown.
She took eight years off to look after her children.
Let’s look at her three options at age 60.

1. If she stops working and claims her pensions at 60
   she’ll be able to draw
   - £80 a week state pension
   - £50 a week from the State Second Pension (S2P)
   - £13 a week pension from her employer
   + £5 a week council tax benefit
   That adds up to £160. She wouldn’t pay any tax or NI, so that leaves her
   with £160 a week.

2. If she carries on working at 60 but doesn’t draw her pensions
   she’ll take home £325 a week.
   That’s more than when she was 59 – because she pays less tax and no NI.

3. If she carries on working at 60 and draws her pensions
   she’ll take home £445 a week.

So here’s her weekly pension after tax for the three options:

<table>
<thead>
<tr>
<th>Option</th>
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<th>Earnings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>£160</td>
<td></td>
<td>£160</td>
</tr>
<tr>
<td>2</td>
<td>£325</td>
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</tr>
<tr>
<td>3</td>
<td>£445</td>
<td></td>
<td>£445</td>
</tr>
</tbody>
</table>

These are typical examples for Andrea’s income level. Of course the actual amounts
of pension, benefits and earnings would vary from person to person, but the
effects of stopping work at different ages would be similar in pattern.
What you get from staying in work: Example F

Mary is aged 50 and earns £40,000 a year. She takes home £500 a week after tax and national insurance (NI). Mary has no income other than the pensions and earnings shown. She took eight years off to look after her children.

Let's look at her three options at age 60.

1. If she stops working and claims her pensions at 60
   she'll be able to draw
   £60 a week state pension
   + £125 a week from the State Second Pension (£29)
   + £30 a week pension from her employer
   That adds up to £215. After tax that leaves her with £220 a week

2. If she carries on working at 60 but doesn't draw her pensions
   she'll take home £635 a week.
   That's more than when she was 59 - because she pays less tax and no NI.

3. If she carries on working at 60 and draws her pensions
   she'll take home £775 a week.

   So here's her weekly pension after tax for the three options:

   1. stops work at 60, takes pensions £220
   2. works on, doesn't draw pensions £635
   3. works and draws pensions £775
   earnings at 59 £560

   £415 more
   £555 more

These are typical examples for Mary's income level. Of course the actual amounts of pension, benefits and earnings would vary from person to person, but the effects of stopping work at different ages would be similar in pattern.
Information channels

- Radio
- Television
- Newspapers, magazines
- Leaflets, literature
- Telephone
- Letter
- Face-to-face conversation
- Email
- Internet, website
Appendix D
Round 3: Topic guide and stimulus materials

In Round 3 we used a ‘framing device’ for the stimulus material: an audio-recorded first-person narrative read by an actor and played to participants with the pieces of printed stimulus and discussion slotted into it in a meaningful sequence. Earlier rounds of research had given us a sense of the structure of people’s perceptions to base this on.

We prepared four versions of the narrative featuring four different characters:

• Heather, a female care assistant in her mid-50s, on £13,000 a year.
• Peter, a male carpenter in the building trade, coming up to 60, on £18,000 a year.
• Elizabeth, a female teacher in her mid-50s, on £30,000 a year.
• Gareth, a male building surveyor, coming up to 60, on £35,000 a year.

The four narratives were essentially the same apart from personal details such as earnings and some minor tuning of language to fit each persona. The characters and speech were fictional but the text was modelled closely on what participants told us in earlier rounds.

There were 12 main segments to each character’s recorded narrative, listed below with the points at which the printed stimulus was shown:

1. Reflections on uncertainties about approaching retirement.
2. Thoughts about when to retire, but uncertainties about what happens then.
3. a) Uncertainties about what they’ll have to live on:
   * Show Stimulus 3A: ‘Sorting out retirement money: what you’ll get’
   b) Uncertainties about what they’ll need to live on:
   * Show Stimulus 3B: ‘Sorting out retirement money: what you’ll need’
4. Attractions of retiring before it’s too late.
5. Gloomy feeling that the Government wants them to work for ever.
6. Talked with friends about early retirement plans:
   * Show Stimulus 3C: ‘How retiring at different ages affects pensions’
7. So working longer sounds attractive – but will it all go in tax?
   * Show Stimulus 3D: ‘What you get from staying in work’:
     – Choosing the closest of six prepared examples:
       • Which varied by gender and income.
8. Surprise about the notion of deferring pensions.
9. Doubts about availability of employment past 65:
   * Show Stimulus 3E: ‘Talking to your employer’
   * Show Stimulus 3F: local employer case studies – examples of Age Positive employers
10. Effects of ageing – current job can get harder or less appealing:
    * Show Stimulus 3G: ‘Suitable work patterns’
11. Maybe working not just a ‘necessary evil’ – social and motivational benefits:
    * Show Stimulus 3H: ‘Benefits of working case studies’
12. Father’s retirement was sudden and total, but maybe that makes less sense these days:
    * Show Stimulus 3I: ‘Stepping down to retirement’
    * Show Stimulus 3J: Laterlife ideas about finding work past 65:
      – ‘How to find part-time work after retirement age’
    * Finally hand out Stimulus 3K: ‘Where to go for information and advice’:
      – A sheet of contact details of relevant organisations:
        • Usually handed out at the end, and not discussed.

We aimed to include all the narrative and stimulus at each session, but in some cases we omitted particular items because they were clearly not relevant to those particular participants, or we simply ran out of time.

Below, we have reproduced the moderator’s topic guide used for this round. At the appropriate points, we have inserted the scripts for the sections of narrative recordings (using the character Peter on this occasion). We have also interspersed the sheets of written stimulus handouts at the points where these would typically have been raised.
WORK AND RETIREMENT ROUND 3

Topic guide

PETER (Male Carpenter low income)

Introduction
Fieldwork for this round of the project is based around pre-recorded ‘narratives’, structured stories that pull together the more promising strands of the case for working longer tried out in earlier rounds. The purpose of the narrative framework is to take the respondent on a ‘journey’ towards looking in a favourable (and optimistic) way at the possibility of extending working life. The report of this round of fieldwork will comment on the appeal of and response to the narrative vehicle as well as to the different messages embedded within it.

Using the guide
After each section of the narrative (track), the interviewer/moderator will introduce the relevant stimulus and probe respondent reactions to it. A short list of suggested probes for each section are given in the guide.

Introducing the research
Introduction – cover:
- ISR
- Research commissioned by DWP
- Going to ask them to listen to a ‘story’ read out by someone else
- Based on the sorts of things people have said to us
- Pause from time to time to ask them:
  - What they think of what they have heard
  - Show them bits of information and ask about their reactions

REMINDER ABOUT TAPE-RECORDING AND CONFIDENTIALITY.

General introduction
Briefly ask about:
- Household composition
- Job (pt/ft)
- Thoughts so far about retirement
1. **(Peter1) Approaching retirement**

*Narrative*

> My name’s Peter, and I work full-time as a carpenter in the building trade. I’m coming up to 60 now, so I’m expecting to retire in a few years, and I’m just starting to think about it. It’s hard to imagine, really – what it’ll be like, what I’ll have to live on, what I’ll do with myself. Maybe I ought to give it a bit of thought – find out more about it, talk to a few people.

> I think I’ll have a chat with some of the people at work – and some of my retired friends – see what they think about it. Maybe I’ll get advice from somewhere, or read it up a bit. **Pause**

*Topic guide*

Approaching retirement

- How easy is to relate to Peter’s situation?
- How much have you started to think about what is going to happen when you reach retirement age?
- Do you find it easy to imagine:
  - What it will be like?
  - What you will live on?
  - What you will do with yourself?
- Is it something you are talking about or trying to get information about? Why (not)? Who/where from?

2. **(Peter1) When to retire**

*Narrative*

> I’ve been thinking I can’t wait to retire. Seems obvious really. All these years I’ve worked, now I think I’ve done my bit. I want some time to myself, do what I want to do for a change, instead of dancing to other people’s tune all the time. I’d like to choose for myself how I spend my time.

> Thing is, I don’t know whether I’ll be able to retire. Or what sort of lifestyle I’ll have when I do. **Pause**

*Topic guide*

When to retire

- How in tune are you with Peter’s thoughts on this?
- How far do you feel as he does about not being able to wait to retire?
- What about the reservations that Peter has, how far in tune with him over this do you feel?
3. (Peter1) What I’ll have to live on

[Narrative]

So I guess one of the first things I have to think about is what I’ll have to live on. Actually that’s not so easy, because I don’t have much clue how much I’ll have coming in when I stop work. I don’t suppose I’ll get much from my State Pension. I’ve got a few bits and pieces of private pension – I used to be in a pension scheme for a while when I worked at…, and I put a bit of money into a personal pension a few years ago. But what all that amounts to I have no idea. Not much I expect. I’ve got a bit of savings, but not enough to live on. I own the house – that must be worth quite a bit by now – so maybe I could downsize and live off that.

At the moment I’m getting near enough £350 a week coming in from work – that’s about £18,000 a year. Obviously my pensions aren’t going to give me the same as that? So there’s bound to be a bit of a drop. Well, I suppose quite a big drop.

Maybe I can live more cheaply after I’ve retired, so I shouldn’t need quite as much money then. But on the other hand I want to enjoy my free time – and it costs money to get out, go on holiday and so on.

So that’s a bit of a poser, really. I don’t know how much I’ll have coming in, and I don’t really know what I can live on. It’s all a bit uncertain. I don’t feel too happy about it – but I don’t have anything firm to go on. **End of Peter1**

[Topic guide]

What I will get

- Peter is concerned about what he will have to live on and rather uncertain about how much it is actually going to be, how far do you feel the same way about your own situation?

- Do you know how much you will have to live on?

Show Stimulus 3A: ‘Sorting out your retirement money: what you’ll get’

[Stimulus 3A]
Sorting out your retirement money: What you’ll get

1. You should be able to put together a fair idea of what sort of pension income you’ll have when you retire. When you’ve done this you’ll know where you stand – until then you may not have much clue.

2. No-one can tell you exactly how much you’ll get, because that depends on a lot of things that haven’t happened yet – like how long you work, how much more you put into pensions, and how investments perform. But you should be able to get a rough ball-park idea of what you might have coming in.

3. You can find out what you are likely to get from your State Pension by getting in touch with The Pension Service.

4. You should also get regular statements each year from any private pensions you’ve taken out – whether they’re part of an employer’s scheme, or a personal pension you’ve taken out yourself. These statements should tell you how much your pension is likely to be. If you don’t understand what they tell you, ask your pension provider to explain them, or take advice.

5. Make sure you include any bits of pension you may have left over from earlier schemes – these may still give you some income, and you need to know how much.

6. Make a list of all the pensions you expect to get and add up the amounts, so you know what they’re likely to bring you in. You can contact the Pensions Tracing Service who may be able to help you with this.

7. Then think what else is likely to bring in money once you stop work:

   - Savings, for example – including any ISAs you may have. If you have money in a good interest-paying account you might get income of between 2% and 6% from it, depending on interest rates at the time – could be a bit more or less. That’s money you could draw off without reducing the amount of savings. If you start spending the lump sum you’ve saved then the income will go down.

   At these interest rates this is what you could draw without touching the lump sum:
   - £10,000 saved would give you £200 to £600 a year in interest
   - £50,000 saved would give you £1,000 to £3,000 a year
   - £100,000 saved would give you £2,000 to £6,000 a year
   - £500,000 saved would give you £10,000 to £30,000 a year.
Property can bring in an income in various ways.

- The rent of any property you let out (after any expenses) is obviously income for you.
- If you’re relying on your home to provide your pension, remember you still need somewhere to live when you retire! Suppose you sold your home for £200,000 and bought another for £100,000, you’d have £100,000 left over to put in a savings account. That might bring in something like £2,000 to £6,000 interest a year.
- In a typical Equity Release scheme a company advances you money on condition that your house is sold when you die, and they take part or all of the proceeds.

- Stockmarket investments might give a bigger return on your money, but they’re more risky – you might get more, but you could also lose part of your savings if the market falls.

8. You should be able to list all your sources of income, with at least a rough idea of how much each one might bring in. That’ll tell you roughly what you’re likely to have to live on once you retire.

9. Remember that the cost of living usually goes up from year to year. To allow for this pension forecasts are usually given in ‘today’s prices’. This gives you an idea of what your pension will buy by the time you collect it. By then you’ll get more pounds, but they’ll only buy you roughly what the ‘today’s prices’ amount would buy you now. Of course the cost of living goes on rising after you retire, so if you don’t arrange for your income to grow in line with inflation it’ll be worth less and less as time goes on. Remember also that you could well live more than 20 years after you retire.
[Topic guide]

Sorting out retirement money – get
• Does this information seem useful to you?
• All or parts?
• Which bits and why?
• Have you learned anything that you feel is important that you didn’t know before?
• Which? Why important?
• Any surprises?
• Does it seem easy to understand?
• How far does something like this encourage you to think about your retirement income? Why?

Peter2

[Narrative]

The other thing is how much I’ll need to have coming in when I retire. To be honest I don’t find it easy to get my mind round that.

Sometimes I think I won’t need so much money. I hope I’ll have paid off my mortgage, my home’s furnished, I won’t have to pay fares to work – and I’m told my tax will go down.

But sometimes I think differently – well, with all that leisure time you’re going to want money to spend on trips, meals out, holidays and so on. End of Peter2

[Topic guide]

What I will need
• Peter also has trouble working out how much money he will need when he retires. He thinks his needs may go down but at the same time worries about having enough to spend on leisure activities. Are these thoughts that you share?
• Have you thought about what sort of lifestyle you want or will be able to have?

Show Stimulus 3B: ‘Sorting out your retirement money: what you’ll need’ (if time)

[Stimulus 3B]
Appendices – Round 3: Topic guide and stimulus materials

Sorting out your retirement money: What you’ll need

It helps to know how much money you’re likely to have coming in when you retire, but to complete the picture it’s good to have some idea what you’ll need to live on. That’s not always easy to work out.

The simplest approach is to think what proportion of your pre-retirement income you can live on in the way you want. A traditional rule of thumb was that a ‘good’ pension would give you two-thirds of what you’d just been earning. In other words, someone who had been earning £300 a week would aim for a pension of £200.

But whether that’s too little or too much to aim for depends on what your situation is and how you want to live:

- For example, someone who’s paid off their mortgage, owns their own house and has no major debts or loans to pay off can live more cheaply than someone with a big mortgage or a lot of debt payments.

- And someone who’s content to live simply without buying or spending a lot obviously won’t need as much money as someone who expects to take luxury holidays, go out a lot and buy fashionable clothes.

You might want to make yourself a simple budget:

- Work out roughly how much you spend at present on things like (for example):
  - Housing, rent, mortgage
  - Motoring and travel
  - Food
  - Leisure and entertainment
  - Clothes and personal items
  - Gas, electricity, phone
  - Running the house and garden
  - And so on

- Then think how each of them is likely to change after you’ve retired. That way you can work out a ‘retirement budget’. Then see how this compares with your expected retirement income.

Bear in mind that you’ll need to replace durable items from time to time. These days consumer goods aren’t built to last, and technology and fashions change quickly.

You could always try the Financial Services Authority (FSA) website to see what help they can offer for comparing products and working out budgets. (See the Information Sheet for details)
[Topic guide]

**Sorting out retirement money – need**

- Does this information seem useful to you?
- All or parts?
- Which bits and why?
- Have you learned anything that you feel is important that you didn’t know before?
- Which? Why important?
- Any surprises?
- Does it seem easy to understand?
- How far does something like this encourage you to think about your retirement income? Why?

(Peter3) Before it's too late

[Narrative]

I keep thinking that if I really want to enjoy my retirement I ought to stop work sooner rather than later. I mean you just don’t know how long you’re going to live – or how long your health will last. You want some time when you’re fit enough to get about and do things. The time comes when you can’t do it any more – or you don’t have the energy, or you just can’t be bothered.

Pause

[Topic guide]

- Are the thoughts you have just heard expressed ones familiar to you?
- How far do they coincide with your own?
- What has influenced your views on this?

(Peter3) They want you to go on working

[Narrative]

You get the feeling the Government want you to go on working and not retire at 65 anyway. Well, you saw a lot of stories on the television about it a while back – in the papers too. There was talk about putting up the age when you can draw your State Pension. It almost seems like I’ll have to work for ever, not retire at all. Bit of a gloomy prospect really.

Pause

[Topic guide]

- Do you agree with Peter’s view on this?
- How far do you feel that pressure is being exerted on people to work into later age? Why do you feel that?
- Does working on seem like a gloomy prospect to you, or not?
(Peter3) Stopping early

[Narrative]

I was talking to people at work about when they thought they’d retire. Several of them said they wanted to stop work early – maybe even in their fifties. That sounds nice – but how would they manage? What would happen to their pensions then? What would they have to live on? They don’t tell you this sort of thing – but it could make a difference. End of Peter3

[Topic guide]

• What about stopping work at 55, is that a common ambition among people that you know?
• Is it one you share (have shared)?
• How do you (did you) plan to pay for it?

Show Stimulus 3C: ‘How retiring at different ages affects pensions’

[Stimulus 3C]
How retiring at different ages affects pensions

In the 1980s some people were able to stop work in their mid-50s and start claiming their pensions. This was because many companies wanted to reduce their workforce, and their pension funds had a lot of spare cash at the time.

Otherwise stopping work in your 50s has never been an option for many people because:

- You don't get the state pension till you're 65 (60 for women, but that's changing)*
- So you'd need a good private pension to retire on.

But the later you claim a private pension the more you get paid when you draw it, because:

- Your pension pot builds up – you pay in longer, and the invested money goes on growing
- The same sized pot pays a smaller pension at 55 than it would at 65.

Imagine a man earning £25,000 a year who's been putting 8% of his earnings into his pension scheme every year of his working life.

This chart shows the amount of pension he'd be likely to get if he starts drawing the pension at different ages. The actual level of pension would vary from person to person, but the way the amount grows is likely to follow this kind of pattern.

<table>
<thead>
<tr>
<th>Age</th>
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<td>55</td>
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<td>£11,700</td>
</tr>
<tr>
<td>70</td>
<td>£13,800</td>
</tr>
</tbody>
</table>

- If he retires at 55 he gets less than half the pension he could expect at 65.
- On the other hand, what if he worked on for three years till he's 68? At 68, he'd get £2,600 a year more than he would get at 65 – that's almost 30% more.

* Between 2010 and 2020, the state pension age for women is being gradually raised to equal that of men. By 2020, it will be 65 for everyone.
[Topic guide]

How retiring at different ages affects pensions

- What do you think of the information?
- Does it seem clear and easy to understand?
- Have you learned anything from it? What?
- Is this the kind of information that might make people think twice about retiring early do you think?
- How would it influence you?

4. (Peter4) Working on: is it worth it?

[Narrative]

Well, that makes it pretty clear that I shan’t be able to retire early. In fact it makes the idea of working on another couple of years past 60 sound quite attractive – at least in money terms.

But we were talking about this at work the other day. Some of them were saying they didn’t reckon you’d gain anything by working on after you get to retirement age. Betty said, well, if you draw whatever pensions you’d get, and then do a bit of work on top of that for a few years you’d have a nice sum coming in. But the others were saying you’d be wasting your time, because they’d only take it off you again in tax, so you wouldn’t be any better off. I don’t know who’s right. I think I need to find out more about this. End of Peter4

[Topic guide]

- What about these concerns?
- What have you heard and who do you think is right?

Show Stimulus 3D: ‘What you get from staying in work’. Choose example by gender and income

[Stimulus 3D] – NB only one example from the following pages would be chosen to examine in detail, typically.
What you get from staying in work

Sometimes people wonder if it’s worth working past state pension age. Will you be any better off? Won’t the earnings just get taxed away?

But once you reach state pension age you don’t pay national insurance, and your tax allowance goes up. That means if you carry on working you keep more of your income.

This gives you various choices when you reach 65. For example you can:

1. stop work and draw your pensions
2. carry on working and don’t draw your pensions, take them later
3. carry on working and draw your pensions as well.
4. carry on working but shorten your hours - with or without drawing your pensions.

Let’s see how it works by looking at a few examples.

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But remember, these only give general examples. You should check your own personal position before you make any decisions, because everyone’s situation and pensions are different.

Talk to:
- the Pension Service about your state pension
- your pension provider about any private pensions.

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What you get from staying in work: Example A

Roger is aged 64 and earns £15,000 a year.

He takes home £230 a week after tax and national insurance (NI).

Roger gets council tax benefit and Pension Credit, but not housing benefits. He has no income other than the pensions, earnings and benefits shown.

Let’s look at some options at age 65.

1. He could stop working and claim his pensions at 65

   £170 a week

   Then he’d be able to draw:
   - £35 a week state pension
   - £52 a week from the State Second Pension (S2P)
   - £21 a week pension from his employer
   - £12 a week council tax benefit and Pension Credit

   He needn’t pay NI after 65, and wouldn’t pay tax on this amount – so that leaves him with the whole £170 a week.

2. He could carry on working at 65 but not draw his pensions

   £260 a week

   That’s £30 more than when he was 64 – because he pays less tax and no NI.

3. He could carry on working at 65 and draw his pensions

   £385 a week

   Suppose he decided to work on but cut back his hours

4. He could knock off four hours a week

   After tax and NI this is no loss of earnings at all – and that’s without drawing any pension.

   £230 a week

5. He could drop back to working three days a week

   His income goes down by 23%, but his hours drop by 40%
   Again that’s without drawing any pension.

   £176 a week

6. He could drop to three days a week, but draw his pensions as well

   ‘That’s for a three day week.’

   £295 a week

Remember that if he doesn’t draw his pensions for a few years he’d expect to get a bigger pension when he does – and he’d get that extra for the rest of his life.
What you get from staying in work: Example B

Tony is aged 64 and earns £24,500 a year.
He takes home £355 a week after tax and national insurance (NI).
He has no income other than the pensions, earnings and benefits shown.

Let’s look at some options at age 65.

1. He could stop working and claim his pensions at 65
   £200 a week
   Then he’d be able to draw
   £85 a week state pension
   + £63 a week from the State Second Pension (SSP)
   + £37 a week pension from his employer
   That adds up to £210. After tax he takes home £200 a week.

2. He could carry on working at 65 but not draw his pensions
   £405 a week
   That’s £50 more than when he was 64, because he pays less tax and no NI.

3. He could carry on working at 65 and draw his pensions
   £570 a week
   Suppose he decided to work on but cut back his hours

4. He could knock off four hours a week
   £355 a week
   After tax and NI this is no loss of earnings at all – and that’s without drawing any pension.

5. He could drop back to working three days a week
   £256 a week
   His income goes down by 27%, but his hours drop by 40%. Again that’s without drawing any pension.

6. He could drop to three days a week, but draw his pensions as well
   £421 a week
   That’s for a three day week.

Remember that if he doesn’t draw his pensions for a few years he’d expect to get a bigger pension when he does – and he’d get that extra for the rest of his life.

What you get from staying in work: Example C

Dick is aged 64 and earns £40,000 a year.
He takes home £560 a week after tax and national insurance (NI).
Dick has no income other than the pensions, earnings and benefits shown.

Let’s look at some options at age 65.

1. He could stop working and claim his pensions at 65
   £200 a week
   Then he’d be able to draw
   £85 a week state pension
   + £142 a week from the State Second Pension (SSP)
   + £58 a week pension from his employer
   That adds up to £285. After tax he takes home £250 a week.

2. He could carry on working at 65 but not draw his pensions
   £635 a week
   That’s £75 more than when he was 64, because he pays less tax and no NI.

3. He could carry on working at 65 and draw his pensions
   £813 a week
   Suppose he decided to work on but cut back his hours

4. He could knock off four hours a week
   £560 a week
   After tax and NI this is no loss of earnings at all – and that’s without drawing any pension.

5. He could drop back to working three days a week
   £380 a week
   His income goes down by 29%, but his hours drop by 40%. Again that’s without drawing any pension.

6. He could drop to three days a week, but draw his pensions as well
   £620 a week
   That’s for a three day week.

Remember that if he doesn’t draw his pensions for a few years he’d expect to get a bigger pension when he does – and he’d get that extra for the rest of his life.
What you get from staying in work: Example D

Karin is aged 50 and earns £15,000 a year.
She takes home £230 a week after tax
and national insurance (NI).
Karin gets council tax benefit, but not housing benefit.
She has no income other than the pensions, earnings
and benefits shown.
She took eight years off work to look after her children.

1. She could stop working and claim her pensions at 60
   Then she'd be able to draw
   £85 a week state pension
   + £50 a week from the State Second Pension (S2P)
   + £10 a week pension from her employer
   + £10 a week council tax benefit
   She needn't pay NI after 60 and pays only a small amount
   of income tax – so that leaves her with £150 a week.

2. She could carry on working at 60
   but not draw her pensions
   That's £20 more than when she was 59,
   because she pays less tax and no NI.

3. She could carry on working at 60
   and draw her pensions
   £305 a week

Suppose she decided to work on
but cut back her hours

4. She could knock off four hours a week
   After tax and NI that's only £10 less than when
   she was 59 – and that's without drawing any pension.

5. She could drop back to working three days a week
   £105 a week
   Again that's without drawing any pension.

6. She could drop to three days a week,
   but draw her pensions as well
   £275 a week
   That's for a three day week.

Remember that if she doesn't draw her pensions for a few years she'd expect to get
a bigger pension when she does – and she'd get that extra for the rest of her life.

What you get from staying in work: Example E

Andrea is aged 59 and earns £19,000 a year.
She takes home £285 a week after tax
and national insurance (NI).
Andrea gets council tax benefit but not housing benefit.
She has no income other than the pensions, earnings
and benefits shown.
She took eight years off to look after her children.

1. She could stop working and claim her pensions at 60
   Then she'd be able to draw
   £95 a week state pension
   + £63 a week from the State Second Pension (S2P)
   + £15 a week pension from her employer
   + £7 a week council tax benefit
   That adds up to £170. She wouldn't pay any NI,
   so that leaves her with £160 a week.

2. She could carry on working at 60
   but not draw her pensions
   £315 a week
   That's £30 more than when she was 59,
   because she pays less tax and no NI.

3. She could carry on working at 60
   and draw her pensions
   £445 a week

Suppose she decided to work on
but cut back her hours

4. She could knock off four hours a week
   After tax and NI this is no loss of earnings at all –
   and that's without drawing any pension.

5. She could drop back to working three days a week
   £200 a week
   Her income goes down by 20%, but her hours drop by 40%.
   Again that's without drawing any pension.

6. She could drop to three days a week,
   but draw her pensions as well
   £325 a week
   That's for a three day week.

Remember that if she doesn't draw her pensions for a few years she'd expect to get
a bigger pension when she does – and she'd get that extra for the rest of her life.
## What you get from staying in work: Example F

Mary is aged 50 and earns £40,000 a year.  

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Stop working and claim her pensions at 60</td>
<td>£220 a week</td>
</tr>
<tr>
<td>2. Carry on working at 56, but not draw her pensions</td>
<td>£625 a week</td>
</tr>
<tr>
<td>3. Carry on working at 56, and draw her pensions</td>
<td>£770 a week</td>
</tr>
<tr>
<td>4. Knock off four hours a week</td>
<td>£560 a week</td>
</tr>
<tr>
<td>5. Drop back to working three days a week</td>
<td>£300 a week</td>
</tr>
<tr>
<td>6. Drop to three days a week, but draw her pensions as well</td>
<td>£580 a week</td>
</tr>
</tbody>
</table>

Mary has no income other than the pensions and earnings shown.  
She took eight years off to look after her children.

Remember that if she doesn’t draw her pensions for a few years she’d expect to get a bigger pension when she does – and she’d get that extra for the rest of her life.
[Topic guide]

What you get from staying in work

- What do you think of the information?
- Does it seem clear and easy to understand?
- Have you learned anything from it? What?
- Is this the kind of information that might encourage people to work on for a year or so? Why?
- How would it influence you, if at all? Why?

(Peter5) Deferring pensions

[Narrative]

Well, I’ve learned something there, because I didn’t know you could delay taking your pensions. It seems a bit odd. I’d’ve thought I’d lose the money if I didn’t collect it – or I might die before I collected anything, and lose the lot. But they were saying pensions usually get bigger if you take them later. I was told that if you put off drawing the State Pension you get a choice of a bigger pension or a cash lump sum when you do finally take it.

I asked what happens if you die before you draw it, but it seems I can pass most of it on to the wife, somehow. I need to find out how this works with my own pension scheme. Pause

[Topic guide]

- Did you know it was possible to defer pensions?
- Does it seem like a good idea?
- Are you interested in finding out more?

(Peter5) Could I carry on working after I got to 60 even if I wanted to?

[Narrative]

It’s all very well saying you could work on after 65, but I’m not sure I’d have the chance even if I wanted to. Where I work everyone seems to leave at 65. I think there are rules. I don’t think my employer wants a lot of old people clogging up the place. And then no-one wants to take you on once you’re in your 60s. End of Peter5
[Topic guide]

• What do you think that your employer feels about people working on after 65?
• What makes you say that?
• What do you believe the chances are of your getting a new job after the age of 60?
• Why do you say that?

Show Stimulus 3E & 3F: ‘Talking to your employer’ with any case history or other materials.

[Stimulus 3E & 3F] – 2 sets of stimulus follow, the second being a selection of employer case studies. Not all would be discussed in any session.
Talking to your employer as retirement approaches

It’s worth talking to your employer as retirement approaches.

There are some signs that employer attitudes to employing older people are beginning to change:

- A lot of employers are beginning to realise that older workers have a lot to offer – things like experience, maturity, motivation, reliability and loyalty.
- And there are new laws to curb age discrimination – employers are no longer allowed to hire or fire people just on the basis of age.

The new rules don’t give you the right to go on working past 65, but you do have the right to ask your employer to let you work on, and they’re now obliged to consider your request.

If your employer wants you to retire automatically at 65 they must give you six months’ notice.

If you want to go on working for the same employer it’s worth thinking how you can demonstrate that your experience and skills are valuable. Show that you’re flexible, and take the initiative in suggesting how your job could develop in ways that benefit both you and your employer.
Local employer – case studies

Asda Stores – Birmingham (an Age Positive champion)

Asda tries to recruit employees that reflect the local population and actively encourages the recruitment of older workers. It is now the biggest employer of people over 50 and offers a range of flexible working options to suit people who do not want to work full-time anymore. Asda offers unpaid leave to carers and grandparents and will keep people’s jobs open for them if they want a few months off during the coldest months (‘Benidorm Leave’). The ‘Seasonal Squad’ at Asda consists of people who work only during the busiest weeks of the year (e.g., Christmas) without having to leave and rejoin the company between sessions. Asda says that it has the benefit of a pool of employees who stay with them and flexibility in how they are deployed. They believe that an older workforce offers maturity, commitment and knowledge that customers value.

South Downs NHS Health Trust (an Age Positive champion)

South Downs Health Trust offers people who want to carry on working after 65 the right to do so for as long as they like. They employ people aged up to 74 and have introduced a range of new options – including flexible hours – to help people who want to work on after 65. The numbers of people choosing to work on has increased dramatically since the new arrangements were brought in.

Housing Solutions Group (an Age Positive champion)

HSG is a housing association based in Berks, Bucks, Hants and Oxfordshire. Employees range in age from 17 to 73. HSG recruits people who are close to 65 and gives people the right to carry on after the normal retirement age if they want to and are able to continue to contribute. If possible HSG will find alternative jobs for people who want to carry on but who find the job too physical as they get older. This employer also allows employees to reduce their hours gradually in the year before retirement in order to get used to spending time away from work. HSG says that they have a useful mix of skills and are holding on for longer to key skills and experience.
<table>
<thead>
<tr>
<th>Hertfordshire Partnership NHS Trust (an Age Positive champion)</th>
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<tbody>
<tr>
<td>At this Trust, one-third of staff are over 50 and the workforce employs 15 people aged between 65 and 70. The organisation helps people who want to carry on working but perhaps change their pattern of work by allowing them to work fewer hours or days per week, move to a less demanding job, take retirement but continue to do paid work for the Trust on an ‘as and when’ basis. One of the Trust’s recent employees is a woman who at 74 was working 37 hours each week as a medical secretary. She has carried on working in order to live more comfortably and because she finds the work interesting and worthwhile.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>London Borough of Enfield (an Age Positive champion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enfield Borough Council is a major employer with 113 employees working beyond the usual retirement age of 65. The organisation says that it allows people the choice to carry on working as long as they are able to do so, based on a mutual agreement. The Council believes that older workers have valuable skills and experience to pass on to younger workers and that they are very reliable with low rates of absenteeism and few periods of short-term sickness.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Barclays Bank (an Age Positive champion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barclays enables people to work past retirement age by giving employees the right to request flexible work, and to request work beyond the normal retirement age of 60. It has tried to find out what people over 50 look for in their employer. Nearly two-thirds of employees who reach bank retirement age in the last two years have continued to work for Barclays, in a range of jobs from telephonists to senior leaders. There are arrangements at work, including career breaks and paid leave, that make the Bank more attractive to older people with carer responsibilities who want to go on working.</td>
</tr>
</tbody>
</table>
[Topic guide]

Talking to your employer (plus case histories)
- Is this interesting information for you?
- Any parts in particular? Why?
- Are you aware that some employers are starting to think differently about employing older people?
- How does this make you feel?
- Would you like to hear more about this kind of thing?
- Did you like having real examples of employers who welcome older employees? Why?
- Would it encourage you to think in positive terms about your chances of having paid work after 65 if you wanted to?
- How far were you aware of the new legislation?
- Do you know of anyone who has benefited from it?
- Is it encouraging hearing stories about the legislation working?

(Peter6) Changing jobs

[Narrative]

Sometimes the work you’ve been doing doesn’t suit you so well as you get older. I know I get tired more easily now than I used to. And when you’re getting on in years you don’t want the stress any more.

I was talking to Derek at work. He does a very physical job, and he says he’s finding it hard to keep going with it now he’s turned 60.

Then there’s Muriel in accounts. She says she finds it a struggle now to keep up with all the changes, and new skills, and the computerised this and that.

And I suppose even if you enjoy your job you can eventually get bored doing the same thing all the time. I’m beginning to feel a bit that way myself – and some of those I work with never liked the job in the first place, so they just want to stop as soon as they can.

I don’t see any answer to this, but I’ll ask around and give it some thought. End of Peter6

[Topic guide]

- Have you given thought to the possibility of changing your job as you get older, either to one that better suits your stage of life or just to ring the changes?
- Any views about what kind of working patterns or arrangements would be ideal for you?
- What do you know about the range of possibilities?

Show Stimulus 3G: ‘Suitable work patterns’

[Stimulus 3G]
Suitable work patterns

If you find your work is getting too hard or losing its appeal as you get older you might think of making a change:

- Cutting back your hours:
  - shorter working week
  - going part-time
  - job sharing
  - seasonal work
- Lighter duties:
  - less stressful work
  - less physically hard work
- A different type of activity, a different sort of job

You might start by talking to your own employer about the scope for change within the same firm. Or you could look around for a more suitable job with another organisation.

Or you might think about going self-employed and working for yourself, if you have skills or interests that might earn you a living. Some people turn something they like doing as a hobby into a money-earner as they approach retirement.

Sometimes people feel they haven’t got much to offer a new employer, but it’s worth asking yourself:

- What did I get out of work that was good?
- What didn’t I like about work?
- What do I enjoy doing?
- What am I really good at?
- What skills have I picked up in a lifetime of work and experience – not just professional skills but personal ones as well?

It may also be worth thinking about taking some training:

- to freshen up your skills; or
- to give you new skills that will help you find the kind of work you would like at that stage in your life.
Even in their 50s people could start looking ahead, and perhaps planning to move at some stage to a different type or pattern of work:

- to make life comfortable as retirement draws near
- to give them more choice about when and how they retire.

There are now organisations and websites that have greater experience in finding jobs and providing training for people in their later years. Ask at your local library or council offices for details of what’s available in your area – or if you can use the Internet try searching there.
[Topic guide]

Suitable work patterns
• What do you think about this material?
• Any ideas that new to you?
• Does any of this provide food for thought?
• Which bits if any are of particular interest to you?
• Or that you want to know more about? Why?

(Peter7) Benefits of working

[Narrative]

Somehow you come to think about working as something you only do because you’re paid to – like a kind of ‘necessary evil’. But from what I’ve heard my friends and colleagues saying maybe that’s not the whole story. Sometimes you hear of people who find being retired isn’t all they thought it would be.

My sister’s friend says that now she and her husband are both home all the time they just get on each other’s nerves, much worse than when they were both working.

Also you can miss the people you worked with. It’s all right if you’ve got a lot of friends and a busy social life, but at least when you went out to work you met people and you had someone to talk to.

You also hear of people who just go to seed when they stop working – as if they don’t have a reason to get out of bed in the morning if they don’t have to get up and go to work. You need to keep active, I suppose, keep your brain ticking over – “use it or lose it”, as they say. A life of leisure is fine if you know how to handle it and can keep yourself motivated. I wouldn’t want to vegetate.

And then of course if you’re still bringing in money you can afford to do more of the things you want to do. Leisure’s lovely – but it costs. End of Peter7

[Topic guide]

• What do you think about some of the things you have just heard
• Do you think that perhaps there are some advantages to doing some kind of paid work after you retire, or not?
• What would appeal to you if anything and why?

Use verbatim/case history material to support this

[Stimulus 3H] – Again, not all examples might be discussed
Benefits of working – Case studies

Henry is 67 and works full-time as a building site manager. ‘The extra money is alright. I’m in a fortunate position now. I have no mortgage to pay, all I have is utility bills. It’s got to the stage where I am very fortunate financially. I did try and retire, but I went back. I think I was getting under the wife’s feet. I picked up the evening paper and there was a job there and I rang them up and said “you are looking for a site manager” and they said “come in” and they started me straight away. I don’t have to work. I wouldn’t go hungry or be cold. It is my choice to work. I have friends who have retired and I have watched them deteriorate. I am definitely more alert than my non-working friends are.’

Rose is just under 65. She works in a bar for 21 hours a week and has no real plans to retire although she has given up evening work. ‘I wouldn’t meet as many people if I was retired, you know what I mean? You meet a lot more people. I fear not being motivated of a morning. Not having something to get up for if I was at home on my own. I enjoy work and I am not ready to retire and I fear being at home sort of vegetating. If I have got days off and I haven’t got family coming round and I am not going out I can waste a complete day. Whereas if I am working I am so organised. Work puts some structure in your life. People who work usually know the date and what day of the week it is.’

Sidney was 77 when his second career began as a customer adviser at B&Q garden centre in Wimbledon. He is still in the job 14 years later and says: ‘working with younger people of all ages gives youngsters the chance to learn a little from an old timer like myself…and they keep me young at heart.’

Anne works as a support worker for a mental health charity. She is over 60 and works 30 hours a week. She plans to carry on working at least until her husband retires ‘Otherwise I’d be on my own at home. I work for the money because it is nice to be able to afford extras. But I think I fear retiring as well. In two years time he will retire at 70 and that will make my mind up. Retirement at the moment would leave me on my own more. I think people are feeling healthier and younger in themselves and they aren’t ready for retirement and this is what is making them go on. People are living longer. I mean at one time you were old if you were 65.’

Mike works for Royal Mail filling in at Christmas, Easter and over the summer. He puts in nearly six months each year on a full-time basis. The rest of the year he spends pursuing his interests climbing and walking. He has no fixed plans to retire. ‘I enjoy the time that I am not working. I have a lot of interests. But when I am at work I enjoy it, so I have the best of both worlds. That is the way I look at it.’
Felicity is over 60 and works as a mystery shopper, doing anonymous live testing of the services offered by different companies and organisations. She takes work when it is available, working on a contract basis for a number of companies. ‘You have a lifestyle and possibly if you stopped work you wouldn’t be able to continue that lifestyle because you wouldn’t have the finances. I think while you can and you feel you are enjoying the life and your lifestyle there is no reason to stop work is there? I am sure the mental stimulus has a lot to do with it as well. I don’t know what you are supposed to feel like when you are 60. But if we still feel the same as we felt at 50 we don’t want to stop what we are doing because we have only reached a number haven’t we? In a way we can work with a different attitude because of the stage we are at. We don’t have mortgages and are comfortable, so this money we are earning has no stress attached to it. We can go to work with a different attitude.’
[Topic guide]

Verbatim case history material
• What do you think of these real life stories?
• Do they ring true?
• Do they echo at all with your own thoughts?
• Do you relate to any of the circumstances you have heard about?
• To what extent are these kinds of case histories helpful? How and why?

(Peter8) Sudden or gradual

[Narrative]

When my father retired it seemed as though one day he was working, next
day he’d finished. It was just sudden, bang, like that! I suppose that’s how
I’ve been thinking about retiring, too.

But now I’m wondering if maybe that doesn’t make so much sense these
days. End

[Topic guide]

Show Stimulus 3I & 3J: ‘Stepping down to retirement’, with any case history
or other materials.

[Stimulus 3I & 3J] – two sets of stimulus follow.
Stepping down to retirement

The old idea of ‘retiring’ as something that happens suddenly overnight isn’t really in tune with the times we now live in.

It seems silly to say you have to retire just because you’ve reached a set age. People have different needs, different circumstances, different hopes and fears:

• Some people hate their jobs and can’t wait to stop work; others enjoy what they do and want to go on as long as they can.

• Some have good pensions or other money to live on and can afford to stop work when they like, but many people would feel the pinch if they stopped earning completely.

• Some are fit, active and energetic as they approach retirement, others start to feel their age, or develop health problems or disabilities.

• Traditionally when people retired they’d usually paid off the mortgage and the kids were off their hands – but now some retire with children still in education, or with mortgages or other debts to pay off.

• Our expectations about retirement have changed. It used to be a quiet (and sometimes brief) period of respite between stopping work and eventual death. Now many people expect a long, active and fulfilling retirement.

People are also living much longer than they used to do. A man can expect to live over 20 years on average after retirement – his 1950 counterpart could expect less than 11 more years. Women can now expect 25 more years, compared to 16 in 1950.

Because we’re living longer it costs more money to pay for our pensions. As the Government has been telling us, we have to get used to the idea of working a few years longer to make all the pension sums add up. The alternative is that either we have to pay more into the pensions system while we’re working, or we get ever smaller pensions when we stop.

With all this going on it seems sensible to take a more flexible approach to retirement, so we can tune it to match our own particular goals and circumstances.

So we should think of retirement not as a sudden, complete and automatic cut-off but as a process of stepping down from working life. Some people might decide to do this in one step, but others might find it better to take several steps, perhaps spread over a number of years.

The advantage of looking at it like this is that it gives you scope for keeping a foot in the world of work as long as you want or need to, without being locked into a pattern of full-time working that no longer meshes with your age or interests.
You might choose to go on doing some work for a number of reasons:

- You want to keep a bit of money coming in to supplement your pensions.
- It keeps you active, motivated, and connected with other people.

Work can be a drudge, but it can also be stimulating and rewarding. If you do decide to carry on doing some work, aim for something that enhances your retirement and make it more satisfying.

There’s a widening range of options now. You don’t just have to say ‘I’m 65, that’s it!’ You have choices, and more flexibility than many earlier generations.

- On the one hand you probably want more free time and more leisure.
- But on the other hand you may want to balance that with some of the satisfactions that the right kind of work can provide.
- And all that has to be balanced with what you can afford.

The thing is to find the balance that best suits you. That may not be easy for everyone – but it’s likely to work out better if you recognise what’s coming, and plan ahead as far as you can.
How to find part-time paid work after retirement age (Excerpts from Laterlife website)

Work for yourself

- Go it alone, using skills and experience from a lifetime at work to set yourself up.

- Turn something you like doing or a hobby into paid work. Advertise in your local paper or in the local shop and set yourself up as the local odd job man, someone who can make curtains and alter clothes for people, a craftsman who can make stained glass windows for people’s houses or whatever. Or you can restore your furniture or make your wood pieces and then advertise in the appropriate papers and magazines.

- People who like wheeling and dealing make money by buying and selling things on eBay. Car boot sales offer another outlet for people’s entrepreneurial skills.

- Another outlet is taking up a franchise. This will involve some capital outlay and can be very demanding. However, it can also be very rewarding.

Work for someone else

- Start with your existing or former employer. Ask them if they would be willing to let you go part-time, maybe through a job share. Alternatively, have a look at www.jobsharepartners.com, where you might find someone who would like to share a job with you. There are also links on the site to organisations that have job share policies and who welcome job sharing.

- Speak to the employment agencies in your area. The larger ones usually have someone dedicated to part-time jobs and/or temporary vacancies and they are usually very helpful. Since the Age Discrimination legislation came into force at the start of October 2006, the agencies have to be very careful to treat people of all ages exactly the same so you have the same chance of gaining employment (whichever route you take) as anyone else.

- Use your own network. More retired people get back into work through people they know than through any other single method.

- Go to your local Jobcentre Plus and look there.

- Look in the local papers.

- Approach organisations that you know employ older workers. Some firms have done so for some time and now that there is Age Discrimination legislation in place, all companies will have to treat everyone equally.

• Contact employers advertising full-time positions and ask them if they would consider part-time instead.

• If you have senior management experience, one route may be that of non-executive director. There are some websites that will be of help to you if you do consider this route. Try www.nedexchange.co.uk and www.executivesonline.co.uk/executive_recruitment and click on Non Executive Director Recruitment, where you can register as a candidate. Alternatively, joining a business start-up may be the ideal thing for you. If you contact your local Chamber of Commerce or Business Link, they may be able to help you with this.

• Consider working from home doing something such as telesales. There are many organisations that employ tele-sales people both in offices and at home. By typing ‘tele sales’ into Google, you will be able to access them. Try www.applegate.co.uk/recruitment and type in ‘tele sales recruitment’ in the search bar.

• At the opposite end of the scale, many people like to get out and about. So a courier job may appeal, where you drive and deliver things around the country. Look at www.redgoldfish.co.uk/courier-jobs.html. You might also contact some of the airlines to ask about couriering packets around the globe!

• You might want to write yourself an Action Plan and then follow it. Think about:
  – organisations to cold contact;
  – papers and magazines to buy;
  – your network;
  – local employment agencies to register Internet sites to look at;
  – other local avenues to explore.
[Topic guide]

• How have you imagined the last years of your working life?
• Sudden or gradual stopping work? Why?

Stepping down to retirement

• How do you feel about the idea of retirement as a process, stepping down from work in stages?
• Is it attractive or not? Why?
• Would it suit you? Why (not)?
• What would be ideal for you?
• If you could find a way of striking the right balance, getting it right, would you feel positively about having the chance to do paid work after retirement or pension age?

Concluding section

• How do you feel about the session we have just gone through?
• Interesting or not?
• Which bits in particular did you like/not like? Why?
• Do you feel you have learned anything?
• How far has the session helped to pull things together for you?
• Did you enjoy the ‘story’ or not? Why?
• Did you find it helped you to think about the issues, or not? Why?
• Having gone through the session, how do you feel now about the prospect of working on after SPA?
• Do you feel that your views have shifted at all as a result of what we have told you, or not? Why (not)?
• How?

[Stimulus 3K: ‘Sources and channels’] – See Round 1 stimulus (Stimulus 1F)
References


