



European Foundation for the Improvement of Living and Working Conditions

Income from work after retirement

Webinar

*Conseil des Communes et Régions d'Europe (CCRE)
Council of European Municipalities and Regions (CEMR)
Brussels & Dublin, 28 February 2012*

Hans Dubois

Eurofound, Living Conditions & Quality of Life unit



European Foundation research on ageing workforce

1996-7: Age barriers in employment

1997-8: Case studies of ergonomic measures

2001-2: Survey on working conditions

2004-5: Employment initiatives for an ageing workforce

‘Good practice’ in age management in EU15 and NMS

2006: Database of good practice – 200 company case studies

Report on developments over last decade

Guide to good practice in age management

2007: Working conditions of an ageing workforce

2010: Older workers and company restructuring in recession

European Working Conditions Survey

Company initiatives for workers with care responsibilities for disabled children or adults

2011 & 2012: Income from work after retirement



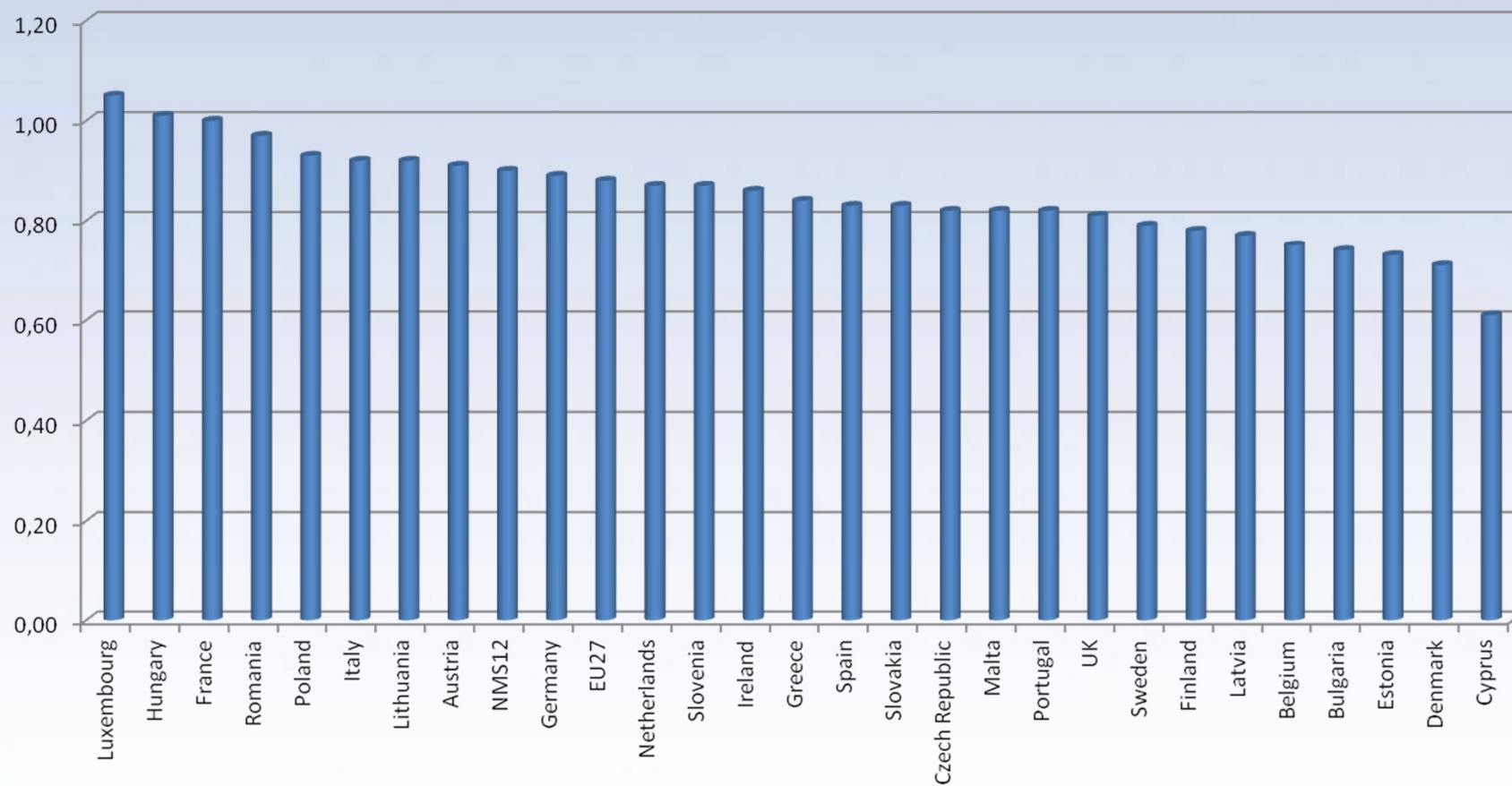
1. Background

Pension adequacy & sustainability concerns

- There are concerns about the adequacy and sustainability of pensions, especially following the economic and financial crisis.



Relative median income ratio, 65+ vs 65- (2010)



Observed short/medium-term responses

- In the longer run, adaptation of pension systems, increased employment and increased productivity can contribute to solving issues of inadequacy, in the shorter term retirees have been up-taking paid work
- Not only because they need, but also because many want to work after the retirement age and improved health and employer attitudes allows for this



What is the phenomenon? – Increasing numbers of people are engaged in paid work after retirement

Increasingly visible e.g.

- Guardian, July 13, 2011: **‘Significant’ rise in numbers of over 50s in workforce** (report of new analysis by the UK Trades Union Congress)
- Proportion of people aged over 64 in the working population rose from 5.5% in 1992 to 9% in 2010 (and about 20% of people aged 65-69)
- Guardian, July 22, 2011: **Not the retiring kind**: more older women than ever are becoming entrepreneurs

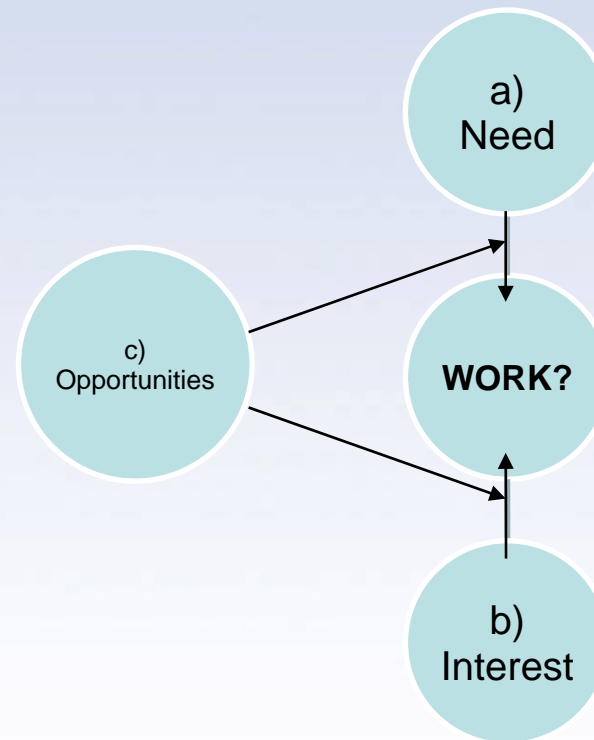


The project

- Focus
 - ▶ in which types of paid work retired workers are found and what trends can be observed over the past five years;
 - ▶ how companies, including small, medium and large enterprises, seek to recruit and/or retain pensioners;
 - ▶ what governments are doing to facilitate employment after retirement, including self-employment.
- Final Report to be published autumn 2012 (draft ready to be sent around by 15 June) draws on:
 - ▶ literature review (including experiences and evidence from the US), 7 country reports & data analysis (mainly Eurostat)



The drivers of work after retirement

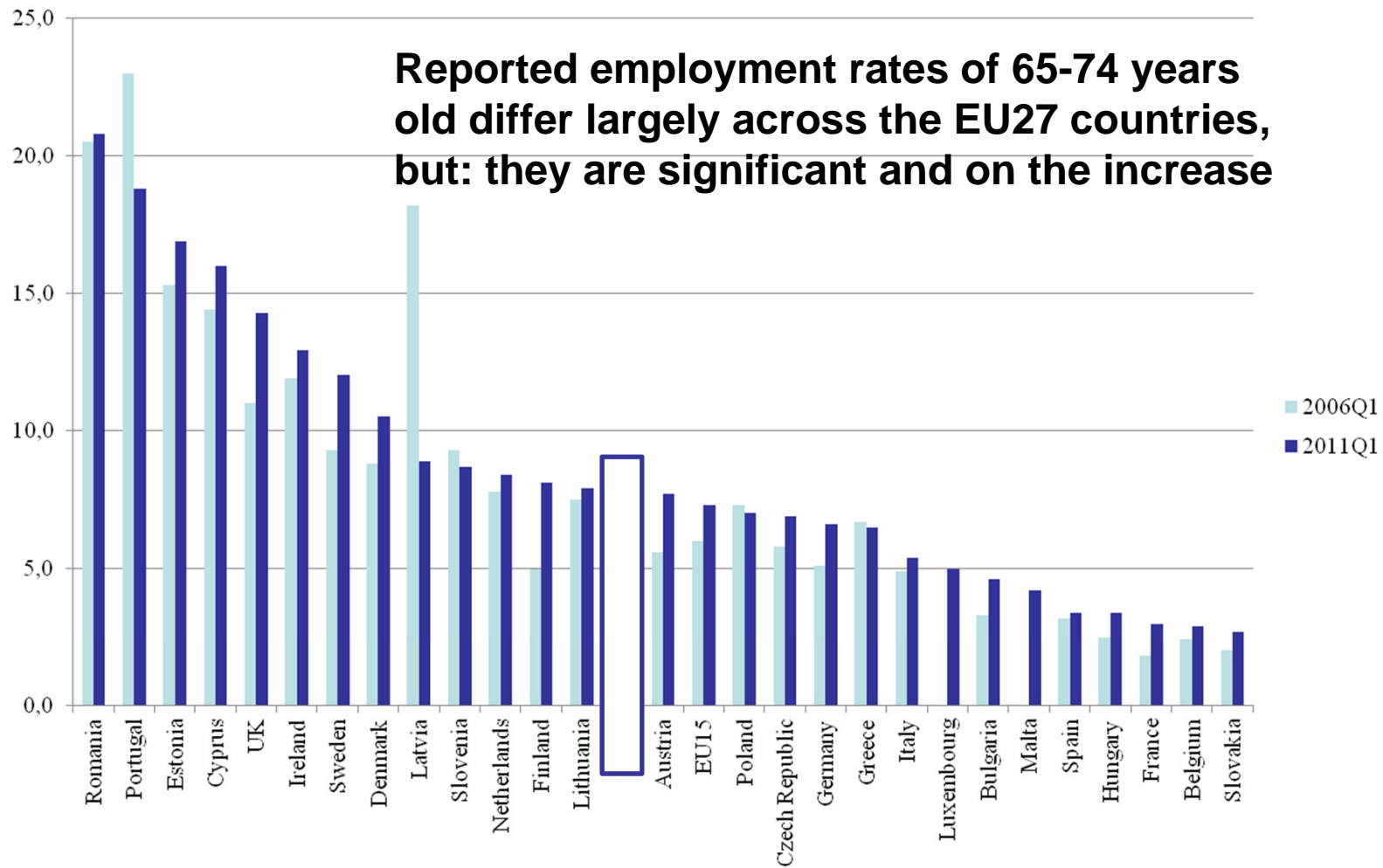


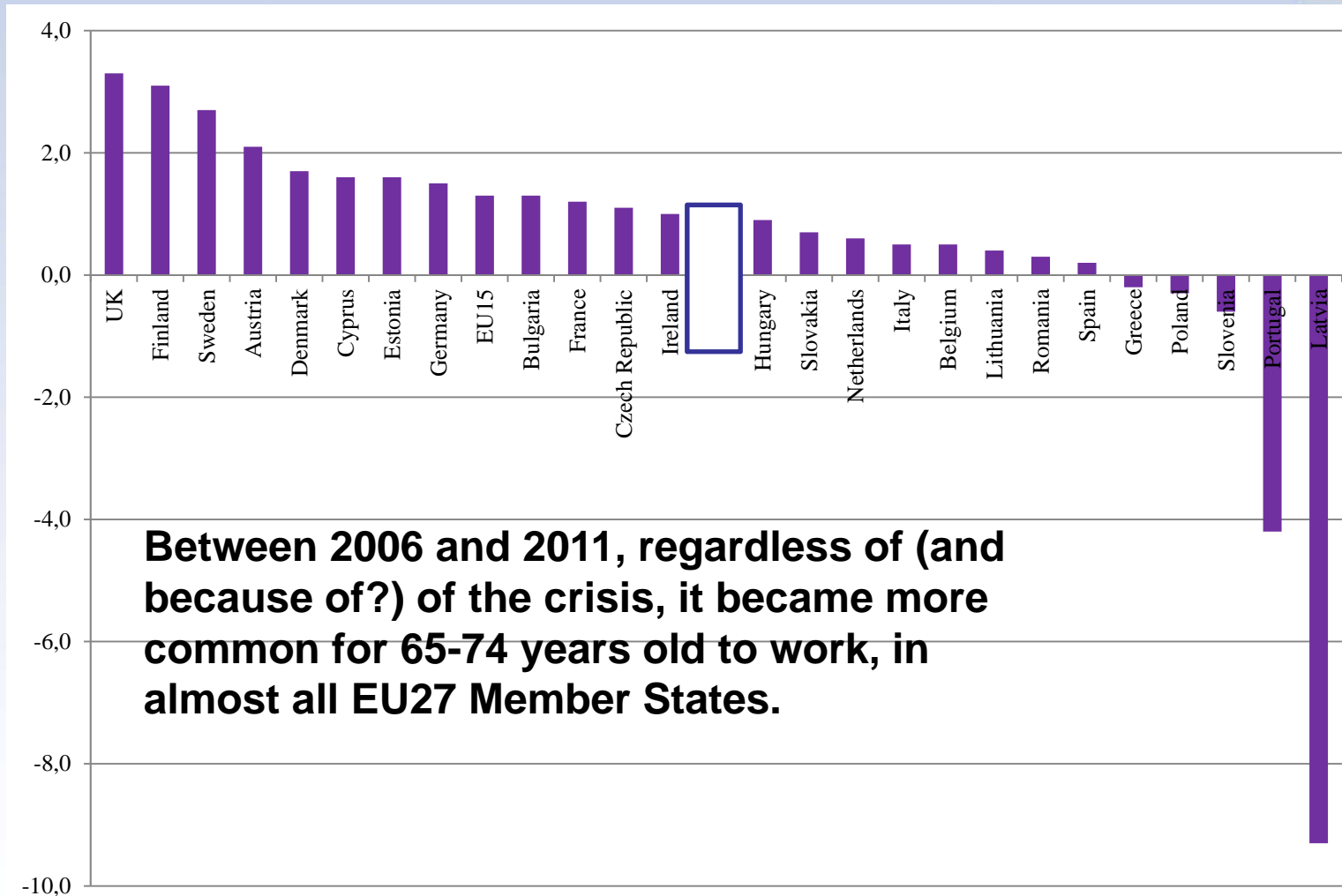
With regard to opportunities...

- Labour market
 - ▶ Sufficient jobs
 - ▶ Suitable jobs (e.g. skills mismatch)
- Individual
 - ▶ Health
 - ▶ Caring commitments
- Company/government/ collective labour agreements (institutional structures)
 - ▶ Supporting services (public/private)
 - ▶ Age-adapted workplaces
 - ▶ No discrimination against older workers
 - ▶ Flexible work arrangements
 - ▶ Legal arrangements
- Society
 - ▶ Cultural: perceived to be ‘normal’/’acceptable’



Reported employment rates of 65-74 years old differ largely across the EU27 countries, but: they are significant and on the increase





Between 2006 and 2011, regardless of (and because of?) of the crisis, it became more common for 65-74 years old to work, in almost all EU27 Member States.



Working retirees & the work they do

% employed

	2006Q1	2011Q1
65 and over	6.7	7.7
65-69	8.7	10.0

% employed, EU27 (ISCED education codes)

	2005		2010	
	15-64	65-69	15-64	65-69
Level 0-2	47.4	8.4	45.1	8.2
Level 3-4	68.2	8.9	68.4	9.6
Level 5-6	82.5	18.2	82.3	18.0

% employed, 65 to 69 year olds

	2006Q1	2011Q1
EU27	8.7	10.0
EU27 (female)	6.0	7.6
EU15	7.9	9.9

Part-time employment (% of employed)

	2006Q1	2011Q1
65 and over	54.2	56.9
20 to 64	17.1	18.3

Mainly relatively young retirees

Mainly highly educated, but more medium as well

Mainly male, but the gap is decreasing

No EU15-EU12 distinction in terms of up-take anymore

Mainly doing part-time work, relatively often as self-employed

Note: different clusters! E.g. male fishermen in Portugal who mostly work because the need, and female entrepreneurs in UK and academics in Sweden who work because they want.



Examples

a) specialised temporary job agencies

SeniorJobbarna



Mainly household work, gardening work, etc

Work with simpler task different from workers' earlier profession

Motivations: willingness to do good, be needed and retain a social network, but also –secondary– financial reasons.

Institutional facilitators: company benefit on tax rebates on household work and retirees' payroll taxes.

Source: Data collected by Oxford Research (2011) for Eurofound.

pittig[®]
65+ uitzendbureau



Teachers, drivers, nurses, etc.

Attract employers: loyal, motivated (choice) & flexible

Attract retirees: way to stay active and socially integrated, society needs them, flexible working times, extra income (info on consequences for pension)

Source: www.pittig.nl

b) continued work for select groups



SIEMENS



Electronics development & production (20,000 employees)
Normal procedure is to retire at 60. However, on individual basis, agreements on work after retirement may be signed.

Attract:

- employer: financial incentives and part time work
- government: additional employment contributes to higher public pension, with a bonus of 4.2 % per year.



Maritime R&D (140 employees)

Specialised professionals, in areas with demand in a particular moment

Contracts: part-time, flexible work (health & family circumstances taken into account), specific tasks

c) continued work for self-employed

**Ledningskonsulterna
i Stockholm AB**



Consultancy, e.g. banking (2 employees)

Decision to retire includes termination of company

Part-time work and large network with other companies to avoid this definite decision.

Both financial and social motivations:
Extra income,
Social relations to colleagues and clients



4. Discussion

- With early retirement becoming rarer, more & more work after retirement and mostly part-time: transition from work to retirement finds place more and more after the pensionable age
- Different groups have different sets of motivations, with a tension between need & desire on the one hand, and opportunities on the other
- Especially facilitating those who want to work after retirement can be beneficial for all, and ideally ‘need’ should be avoided and addressed in other ways, but in the short-term facilitated as well





Thank you very much!

Hans.Dubois@eurofound.europa.eu

Dublin

