



Economic Labour Market Status of Individuals Aged 50 and Over Since 1984

Data for 1984 to 2015

● Annual

Published: 28 July 2016
United Kingdom

Official
Experimental

This publication details the trends in the economic labour market status of individuals who are aged 50 and over from 1984 to 2015. A more detailed breakdown by 5 year age bands and gender, and a full time/part time split of employment rates is also included.

The UK has an ageing population and workforce meaning it is of growing importance to understand the economic labour market status of individuals approaching, at and above State Pension age (SPa) and how trends are changing over time.

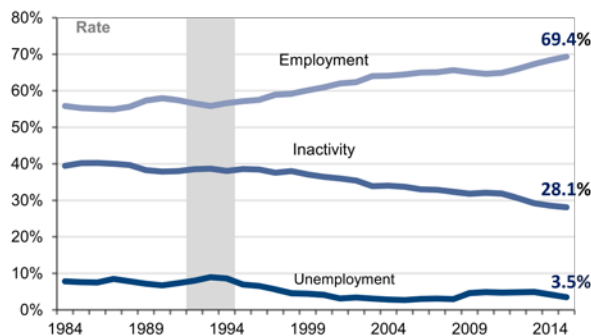
Main stories

Note: Throughout this publication, data refers to the UK except for 1992 – 1994 which is GB only. A grey area in a graph indicates when data is GB only. The pre-1992 estimates are not directly comparable to later periods due to changes in survey design and a different reference period; before 1992, data refers to March-May rather than April-June.

Therefore pre-1994 data are used to indicate broad trends rather than make direct comparisons.

50 – 64 Employment Rates

Are at their highest levels since 1984



In 2015, 8.3million individuals aged 50-64 were in employment representing an employment rate of 69.4%. This is 12.2 percentage points higher than the rate in 1995 (57.2%).

65+ Employment Rates

Are at their highest levels since 1984



In 2015, there were over 1.1million individuals aged 65+ employed – an employment rate of 10.2% which is more than double the rate in 2001 (4.9%).

Lowest Rates in Recent Years

Of unemployment and economic inactivity

Unemployment rates in 2015:

- 3.3% (individuals aged 50+)
- The lowest rate since 2009.

Economic Inactivity rates in 2015:

- 28.1% (individuals aged 50 – 64)
- The lowest rate since 1984.

What you need to know

This statistical release takes a closer look at the economic labour market status of individuals aged 50 and over, providing more detailed breakdowns of their employment, economic inactivity and unemployment rates over time than is routinely published by the Office for National Statistics (ONS) in their Labour Market statistics.

In the last few years there has been growing interest in the importance of later life working for individuals, employers and the economy. DWP has published a number of reports providing evidence on this topic, including “Fuller Working Lives: Background Evidence”¹.

To put recent trends in employment into context we must consider the increases in State Pension age (SPa) for women. Since 2010 it has been gradually increasing from 60 years of age, rising to 65 by November 2018, at which point it will be equal to men’s SPa. After this point, SPa for all individuals will increase to 66 by October 2020 and to 67 by 2028, under the schedule established by the Pensions Act 2014.

Academic research² has so far explored the impacts of SPa equalisation on women aged 60 and 61 and has found that these SPa increases have caused a statistically significant boost to employment. However, the increased female state pension age is not wholly responsible for increased labour force participation of women over 50, as the average age of exit from the labour market has been rising for both women and men since before the changes to female SPa.

These statistics measure 3 rates

The **employment rate** is calculated by dividing the employment level for those in the age group by the population for that age group.

The **unemployment rate** is calculated by dividing the unemployment level for those in the age group by the total number of economically active individuals for that age group. Economically active is defined as those in employment plus those who are unemployed.

The **inactivity rate** is calculated by dividing the inactivity level for those in the age group by the population for that age group.

It is best practice to exclude individuals aged 65 years and over from the headline rate of economic inactivity (unless specifically focussed on 65+ age groups), due to the large impact made by the retired population.

See the section called “About these Statistics” (page 8) for precise definitions of employment, unemployment and inactivity levels.

This publication shows trends over time from 1984 to 2015 by year. For the most recent labour market statistics, see the monthly [UK Labour Market Statistical bulletins](#) published by ONS.

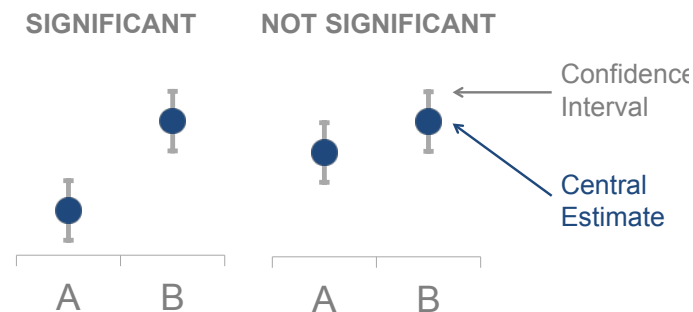
¹ <https://www.gov.uk/government/statistics/fuller-working-lives-background-evidence>

² “Labour supply effects of increasing the female state pension age in the UK from age 60 to 62” J. Cribb, C. Emmerson and G. Tetlow (IFS 2014). “Incentives, shocks or signals: labour supply effects of increasing the female state pension age in the UK” J. Cribb, C. Emmerson and G. Tetlow (IFS 2013).

Statistical significance

Statistical significance is a technical concept that says whether an estimated value is likely to have arisen only from random variations in the sampling. It is most often used when talking about a change or a difference: a significant change or difference is one that is not likely to be due only to the sampling, and therefore likely to be a real change/difference. Plotting estimates and their confidence intervals (a measure of the uncertainty of an estimate) gives an indication of whether or not a difference is significant. If the confidence intervals of two estimates do not overlap, the estimates are significantly different.

All of the changes discussed in the narrative of this release have been tested at the 95% significance level and are statistically significant unless specifically stated.



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Comments? Feedback is welcome

Published: 28 July 2016

Next edition: July 2017

ISBN: 978-1-78425-811-5

Economic Status: 1984 – 2015 (as a proportion of the population)

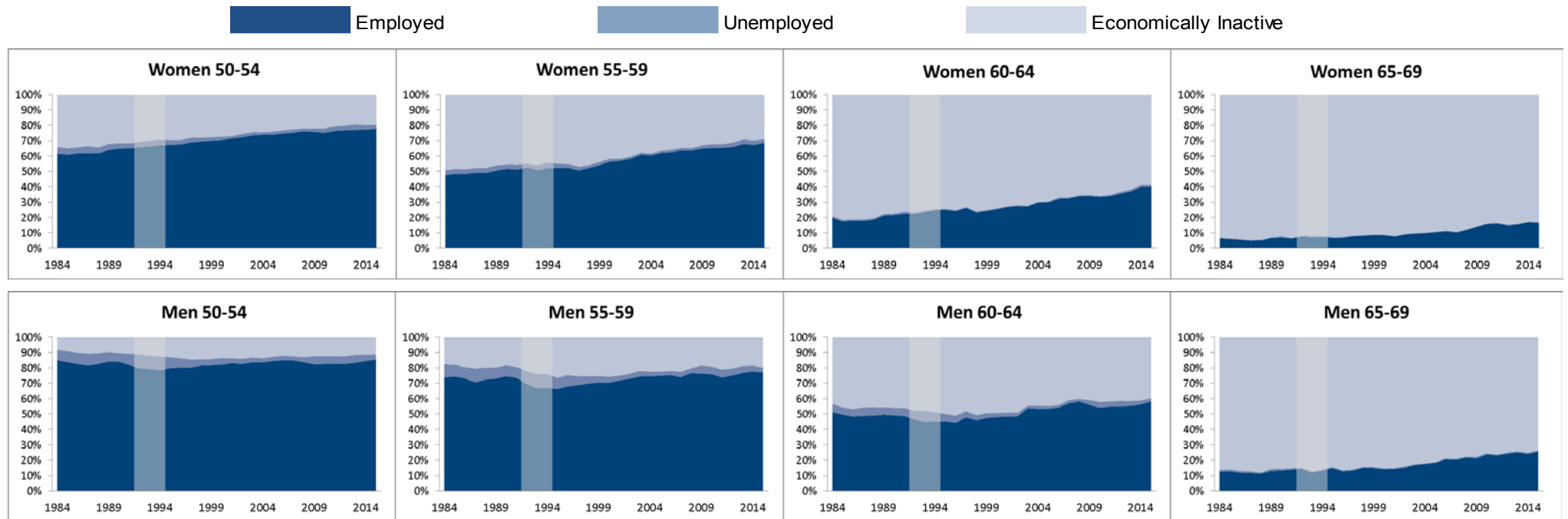
Trends over time: Across all age bands, employment rates have increased over time for both genders.

- The largest percentage point increases from 1995 to 2015 occurred for women in the 55 – 59 and 60 – 64 age groups, as they are approaching and passing SPa:
 - In the 55 – 59 age group, the employment rate of women has increased in the last twenty years from 52.5% in 1995 to 68.8% in 2015, an increase of 16.3 percentage points.
 - For women in the 60 – 64 age group, this increase is 15 percentage points from 25.2% in 1995 to 40.2% in 2015.
- For men, the largest percentage point increase from 1995 to 2015 occurred in the 60 – 64 age group (13 percentage point increase from 45.5% in 1995 to 58.5% in 2015.)

Comparisons between age bands: For both genders, the employment rate in a given year decreases as the age band increases.

- The biggest decrease occurs for women from the 55-59 age band to the 60-64 age band, and for men from the 60-64 to 65-69 age band.
- The number of individuals unemployed as a proportion of the population is relatively small for both genders across all the age bands. Note that for individuals aged 65 – 69 years old, this proportion is negligible and therefore it is not clear on the charts.

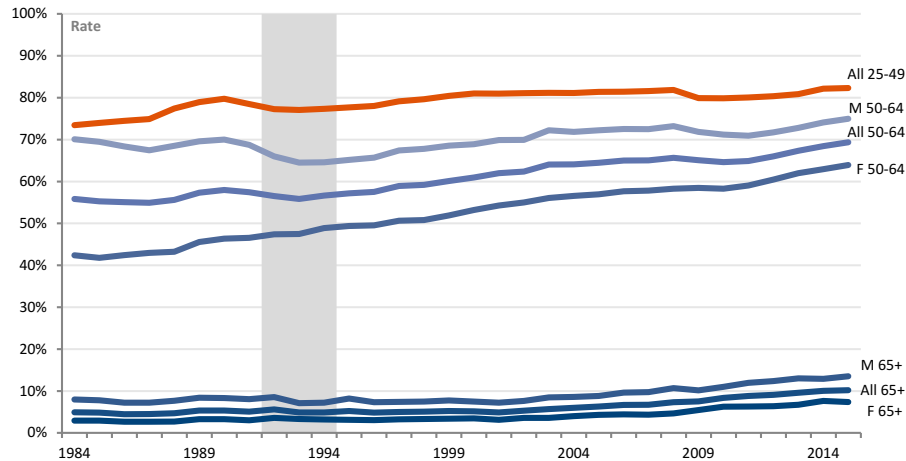
Five year age bands, by gender



Please note: the number of individuals unemployed as a proportion of the population (shown in the charts above) is not the same as the unemployment rate; the **unemployment rate** is the number of individuals unemployed in an age group as a proportion of **economically active individuals** for that age group.

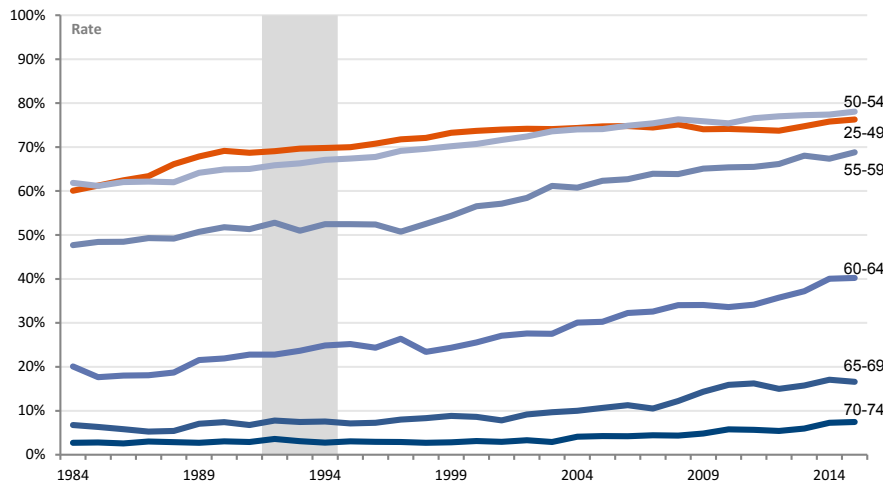
Employment rates: 1984 – 2015, by age bands and gender

Women, men and all individuals, ages 50-64 and 65+

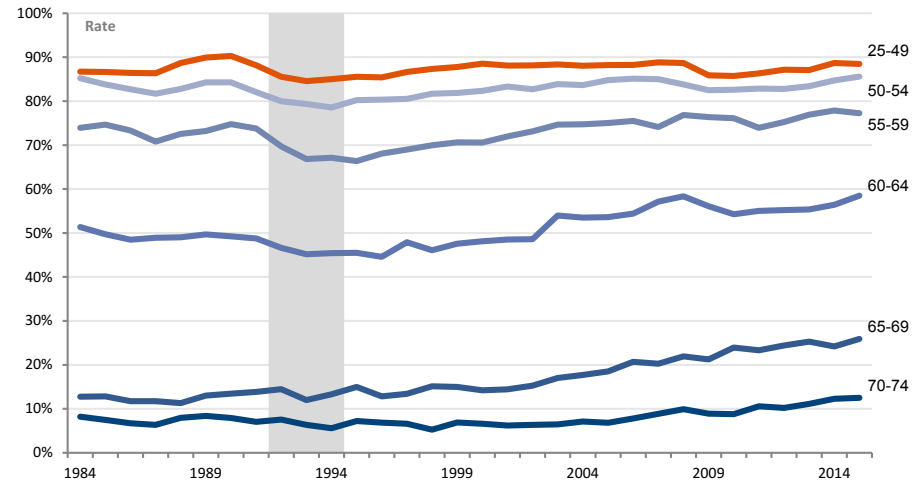


- The employment rate gap between individuals aged 50 – 64 and individuals aged 25 – 49 has decreased in the last twenty years from 20.5 percentage points in 1995 (25 – 49 employment rate of 77.7%, 50 – 64 employment rate of 57.2%) to 12.9 percentage points in 2015 (25 – 49 employment rate of 82.3%, 50 – 64 employment rate of 69.4%)
- There have been increases in employment for both genders across all 5 year age bands, with the largest percentage point rise occurring for women in the 55 – 59 age group and those aged 60 – 64. To note: SPa increases have occurred for women aged 60 – 64.
- In 2006, the employment rate for women aged 50 – 54 overtook the rate for 25 – 49 year old women.
- For both genders, employment rates have risen for the 65 – 69 and 70 – 74 age bands showing that a greater proportion of individuals are working after SPa.

Women, 5 year age bands

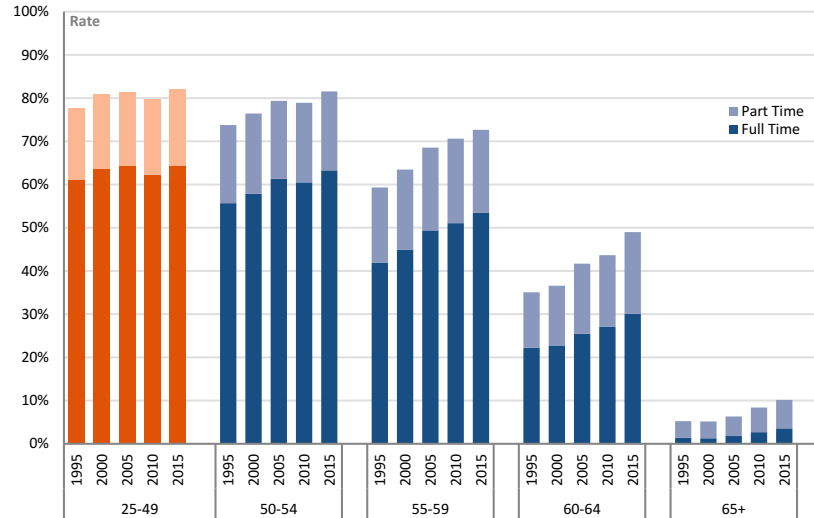


Men, 5 year age bands



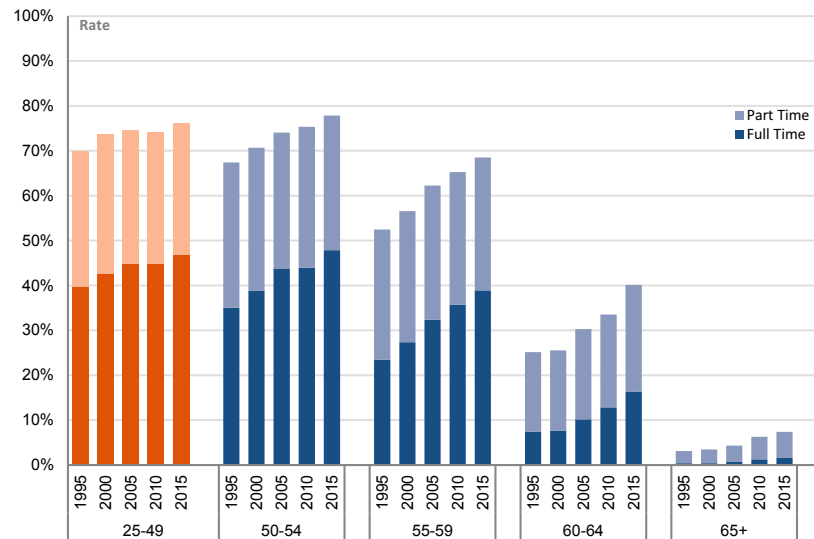
Employment rates over time: by gender, 5 year age bands and full time/part time

All individuals

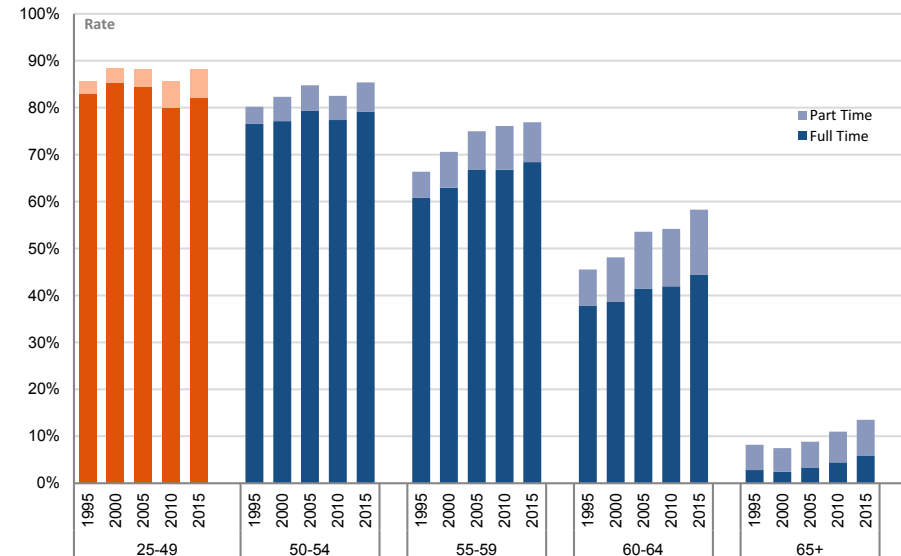


- The full time/part time split of employment rates for 25 – 49 year olds is similar to the split of employment rates for 50 – 54 year olds. In 2015, 64.3% of 25 – 49 year olds were in full time work compared to 63.3% of 50 – 54 year olds (note: the difference between these rates is not statistically significant). 17.7% of 25 – 49 year olds were in part time work compared to 18.3% of 50 – 54 year olds (note: the difference between these rates is not statistically significant.)
- For a given year, as age bands increase from 50 – 54 to 60 – 64 there is a decline in the proportion of women in full time employment and a decline in the proportion of women in part time employment.
- For men, as age bands increase from 50 – 54 to 60 – 64 in a given year, there is a decline in the proportion in full time employment but the proportion in part time employment increases.

Women

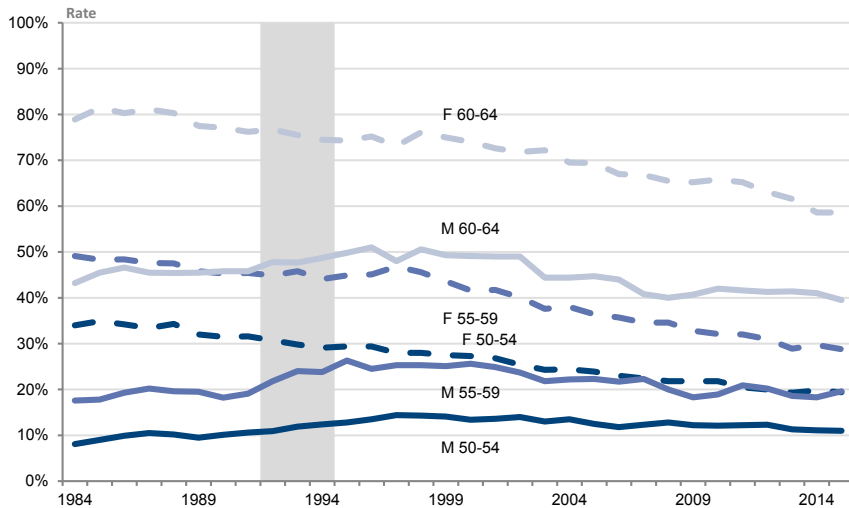


Men



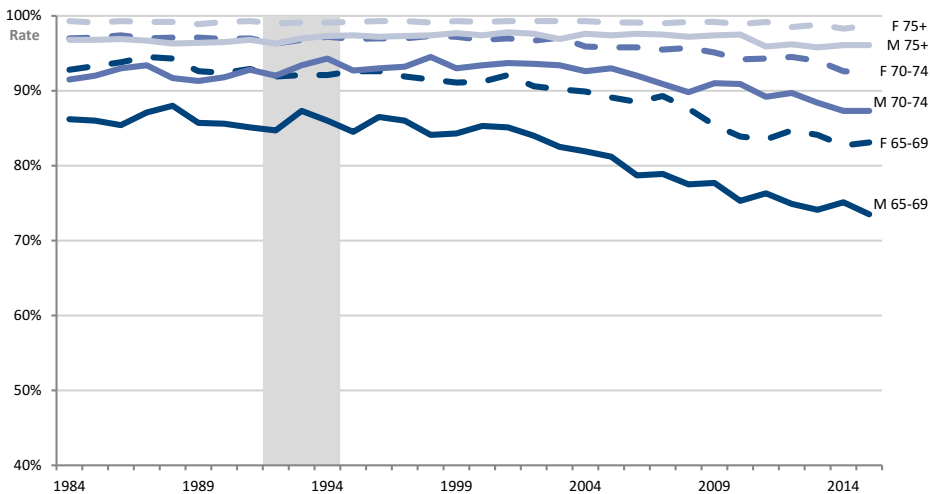
Economic Inactivity Rates: 1984 – 2015, by 5 year age bands and gender

Individuals aged 50-64 years old



- Over the last twenty years, the largest percentage point declines in economic inactivity rates occurred for women aged 55 – 59 and 60 – 64; this corresponds with increases in employment rates over this time period for these groups. To note: SPa increases have occurred for women aged 60 – 64.
- Economic inactivity rates have declined in the last twenty years by 16.1 percentage points for 55 – 59 year old women (from 44.9% in 1995 to 28.8% in 2015) and 15.7 percentage points for 60 – 64 year old women (from 74.3% in 1995 to 58.6% in 2015).
- Men's economic inactivity rates are similar now to the levels seen in 1984, after increasing to a peak towards the end of the 1990's and subsequently falling away.

Individuals aged 65 years old and above*

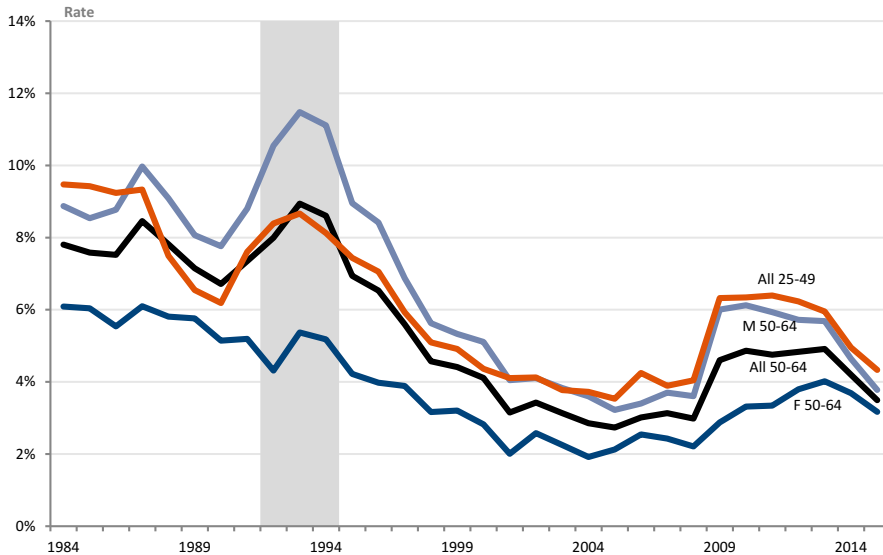


- The effects of individuals working past SPa are shown by the fall in economic inactivity rates for both genders in the 65 – 69 and 70 – 74 age bands.
- For individuals aged 65 years and above, the largest decrease in economic inactivity rates since 1995 occurs in the 65 – 69 age band. For women in this age group, a 9.5 percentage point decline occurred (from 92.6% in 1995 to 83.1% in 2015) and for men, an 11 percentage point decline occurred (from 84.5% in 1995 to 73.5% in 2015).

* Note that the scale on this chart starts at 40% to give a more detailed look at the changes in economic inactivity rates

Unemployment Rates: 1984 – 2015, by gender

Individuals aged 50-64**



- To note: smaller sample sizes in this group can lead to fluctuations in the time series.
- Unemployment rates decline from the early 1990's; this decline flattens off around 2005.
- Spikes in unemployment rates occur in the early 1990's and late 2000's, which coincide with economic recessions.
- Unemployment rates for individuals aged 50 – 64 years old follow a similar trend to the rates for those aged 25 – 49.
- Although the trends have been similar, the unemployment rate for individuals aged 50 – 64 is lower than the rate for 25 – 49 year olds in 2015 (3.5% for 50 – 64 year olds in 2015 compared to 4.3% for 25 – 49 year olds.)
- Unemployment rates continue to recover from the recent recession with the 50 – 64 unemployment rate in 2015 at 3.8% for men and at 3.2% for women. This is 0.2 percentage points above the pre-recession level in 2008 for men (note: not statistically significant), and 1 percentage point above for women.

** Note that five year age bands have not been presented because sample sizes are too small

About these statistics

Everybody aged 16 or over is defined as either employed, unemployed or economically inactive.

- The **employment level** is the number of individuals in work including those working part-time.
- The **unemployment level** is the number of individuals who are classed as unemployed. Individuals that are not working are classed as unemployed if they have been looking for work within the last 4 weeks and are able to start work within the next 2 weeks. A common misconception is that the unemployment statistics are a count of individuals on benefits; this is not the case as they include unemployed individuals not claiming benefits.
- The **economic inactivity level** is the number of jobless individuals who have not been looking for work within the last 4 weeks or who are unable to start work within the next 2 weeks. Examples of economically inactive individuals include individuals not looking for work because they are students, looking after the family or home, because of illness or disability or because they have retired.

These Official Statistics have been compiled using data from the Labour Force Survey (LFS) which is produced by the ONS, and follow the same definitions used by ONS in their Labour Market Statistics bulletin. The sample consists of approximately 40,000 responding UK households and 100,000 individuals per quarter. Respondents are interviewed for 5 successive waves at 3-monthly intervals with 20% of the sample being replaced every quarter. The LFS is intended to be representative of the entire UK population.

They have been developed using guidelines set out by the UK Statistics Authority, and are new Official Statistics undergoing evaluation. They have, therefore, been designated as [Experimental](#) Official Statistics. Users are invited to comment on the development and relevance of these statistics at this stage.

Where to find out more

This document, the summary tables and background information for the statistics, can be found here:

<https://www.gov.uk/government/statistics/economic-labour-market-status-of-individuals-aged-50-and-over-since-1984-experimental>

A release strategy for pensions and ageing society statistics can be found here:

<https://www.gov.uk/government/publications/pensions-and-ageing-society-statistics-release-strategy>

More information about the LFS can be found here:

<http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/qmis/labourforcesurvey/lfsqmi>