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for Work &
Pensions



Social Science in Government

Attitudes to Working in Later Life: British Social Attitudes 2015

December 2016

DWP ad hoc research report no. 44

A report of research carried out by Leanne Dew and Caroline Smith, the Department for Work and Pensions.

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Executive summary

The British Social Attitudes Survey (BSAS) is an annual face to face survey of approximately 4,300 people in private households, aged 18 and over. They are selected at random to provide a representative picture of attitudes of the population.

This report outlines headline findings from the subset of questions included in the 2015 BSAS questionnaire focused on Fuller Working Lives - the policy that looks to address the main reasons why older workers fall out of the labour market. A list of the questions is included at Annex A.

The key findings are:

- Nearly two-thirds of employees say they expect to retire in their 60s, and 17 per cent expect to retire in their 70s.
- Those in younger age groups were more likely to say they expect to retire in their 70s (37 per cent of 18-24s, 21 per cent of 25-34s).
- Of those who expected to retire at 65 or before, the most likely reason given was because they wanted to (36 per cent) followed by being able to afford to (20 per cent).
- Of those already retired, 39 percent said they did so because they wanted to; 20 per cent said they retired due to ill-health.
- Currently employed adults said that their employer could offer the following tools to keep them working:
 - Flexible hours (47 per cent).
 - Part-time working (46 per cent).
 - Taking on a less demanding role (30 per cent).
- The proportion of respondents saying that they would take up the option to update their skills to help them work longer decreased as household income increased.
- Pensions knowledge has increased: more people report a good or reasonable knowledge of pensions issues in the 2015 survey in comparison to the same questions in 2011 (33 per cent in 2011 and 47 per cent in 2015).

This report highlights a number of areas where employers could make changes to retain older workers. It also shows that there is increasing awareness of pensions in the general population.

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1 Background

The British Social Attitudes Survey (BSAS) is an annual face to face survey of approximately 4,300 people in private households, aged 18 and over. They are selected at random to provide a representative picture of attitudes of the population.

The Department for Work and Pensions (DWP) is one of a number of funders of the survey and each year includes a specific module of questions. This report covers attitudes to welfare spending, fuller working lives and wider pensions issues.

This report outlines headline findings from this subset of questions on Fuller Working Lives - the policy that looks to address the main reasons why older workers fall out of the labour market - included in the 2015 BSAS questionnaire. A list of the questions is included at Annex A.

1.1 Methodology

Full methodological details are available in the Technical Report produced by NatCen Social Research who lead the British Social Attitudes survey.¹ The methodological details below are taken from this report.

In 2015, the sample for the British Social Attitudes survey was split into four equally-sized portions. Each portion was asked a different version of the questionnaire (versions A, B, C and D). Depending on the number of versions in which it was included, questions were thus asked either of the full sample (4,328 respondents) or of a random quarter, half or three-quarters of the sample. The Fuller Working Lives set was asked on versions A, C and D with some questions routed depending on if a person was currently retired or not.

The sample size for each question is given as it varies depending on which versions of the questionnaire they were included in:

- Full survey (A, B, C, D) : 4,328 respondents.
- Fuller working lives (A, C and D): 3,266 respondents.

Where a difference has been highlighted in this report, this difference is significant at the 95 per cent level.

¹ http://www.bsa.natcen.ac.uk/media/39042/bsa33_technicaldetails.pdf

2 Findings

2.1 Spending on retired people

2.1.1 Spending more or less on social security

BSAS asks whether government should spend more or less on social security than they do now for various groups:

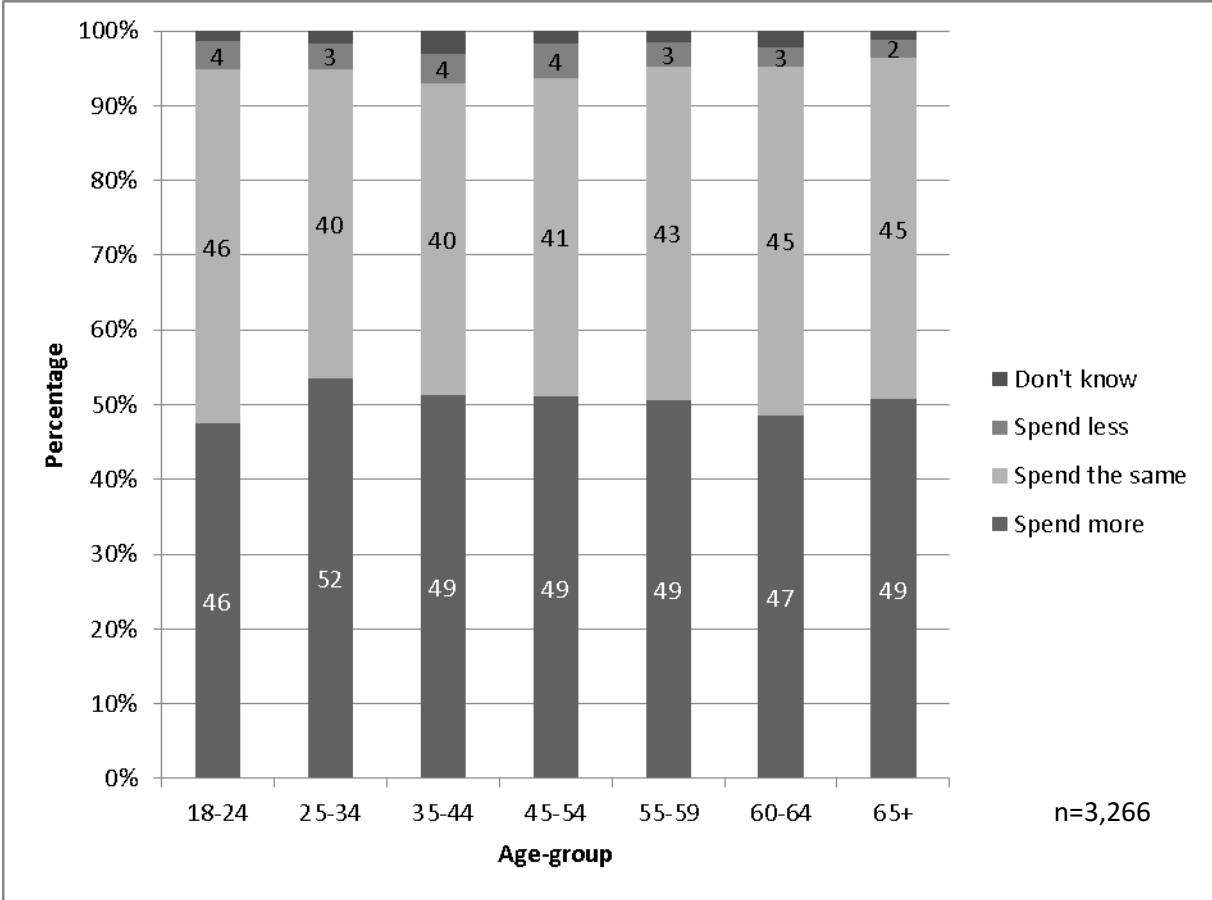
- Three quarters (75 per cent) answered that government should spend more on benefits for people who care for those who are sick or disabled.
- This is higher than the proportion of people who want more spent on disabled people who can't work (61 per cent).
- Nearly half (49 per cent) want more spending on benefits for retired people.

This question is asked in the context of a set of questions about government spending, and in particular questions about government spending on social security. Before answering the question, respondents are prompted to “bear in mind that if you want more spending, this would probably mean that you would have to pay more in taxes. If you want less spending, this would probably mean paying less taxes.” The question then asks about spending on benefits for retired people.

The proportion of people who want more spending on benefits for retired people has remained fairly constant over the last few years; in 2011 the proportion was 57 per cent, which dropped to 48 per cent in 2013 and has remained fairly stable since.

The proportion of respondents who want more or less spending on benefits for retired people is fairly constant across age groups (see Figure 1).

Figure 1: Whether respondents want more spending on retired people, by age



2.1.2 Priorities for welfare spending

BSAS varies the question that they ask on priorities for welfare spending each year. When respondents to the 2014 survey were asked for their first and second priorities for extra spending on social benefits, retirement pensions remained the most popular choice. The proportion selecting this option as their first or second choice for extra spending had fallen from 78 per cent in 2007 to 67 per cent in 2014.² This information is reported in the annual British Social Attitudes report as part of the Welfare chapter.

² As reported in http://www.bsa.natcen.ac.uk/media/39058/bsa33_welfare.pdf

2.2 Attitudes to Fuller Working Lives

2.2.1 Expected retirement age

In both the BSAS and the Wealth and Assets survey respondents were asked when they expected to retire, rather than when they would like to retire.³

Nearly two-thirds (65 per cent) of respondents to BSAS 2015 who were employees said they expected to retire in their 60s, and 17 per cent of employees expected to retire in their 70s.

Those in younger age groups were more likely to say they expect to retire in their 70s (37 per cent of 18-24s, 21 per cent of 25-34s).

Change over time

This has not changed compared with 2014, when this question was last asked. However, there are significant changes when looking over a longer time series. In 2004, when this question was first asked 22 per cent of respondents expected to retire in their 50's compared with nine per cent in 2015; in 2004 four percent of respondents expected to retire in their 70's compared to 17 per cent in 2015. This should be considered in the context of the 2007, 2011 and 2014 Pensions Acts which both increased the pace of equalising of State Pension Age for men and women and extended State Pension age to 68.

Other surveys

A similar question was asked on the Wealth and Assets survey in the last three waves, which found a similar trend of people expecting to retire at an older age.⁴ As stated in the accompanying report, it was found that the proportion of respondents expecting to retire between the ages of 60 and 64 fell from 27 per cent in July 2010 to June 2012 to 21 per cent in July 2014 to December 2015. In the period July 2014 to December 2015, 15 per cent of respondents stated they expected to retire from their main job later in life, aged 70 or over, compared with 12 per cent in July 2010 to June 2012.

³ The Wealth & Assets Survey (WAS) is a source of information on how households in Great Britain are managing economically. The survey focuses on household assets and debts, borrowing and saving, and plans for retirement.

⁴ Early indicator estimates from the Wealth and Assets Survey, wave 5: July 2014 to Dec 2015 - <http://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/articles/earlyindicatorsestimatesfromthewealthandassetsurvey/july2014todec2015>

2.2.2 Reasons for expecting to retire early (before or at aged 65)

Of those who expected to retire at 65 or before (n=729):

- 36 per cent said this was because they wanted to;
- 20 per cent because they can afford to;
- 16 per cent because they can receive an occupational or personal pension;
- 8 per cent said this was because they can receive state benefits; and
- 7 per cent don't expect their employer to allow them to work longer.

Women were more likely than men to say they expect to retire early because they want to (44 per cent of women, compared with 29 per cent of men). However, men were more likely to say they expect to retire at age 65 or before because they could afford to (26 per cent of men, compared with 15 per cent of women). Only a very small percentage (two per cent) said they expected to retire early due to ill health.

2.2.3 Reasons for retiring

The survey also asked those who were retired (n=912) the reasons why they retired (respondents could select all that applied).

- 39 per cent of retired people say that they retired because they wanted to;
- 20 per cent retired due to ill health (this was the same for men and women);
- 11 per cent retired because of their employer's policy on retirement age; and
- 11 per cent retired due to losing their job/being made redundant/their firm closing down.

When looking at difference by income, 49 per cent of those in the highest income quartile retired because they wanted to compared with 29 per cent of those in the lowest income quartile.

Eight per cent of respondents said that they retired to look after someone else. A greater proportion of women (11 per cent) compared with men (five per cent) said this was a reason they retired.

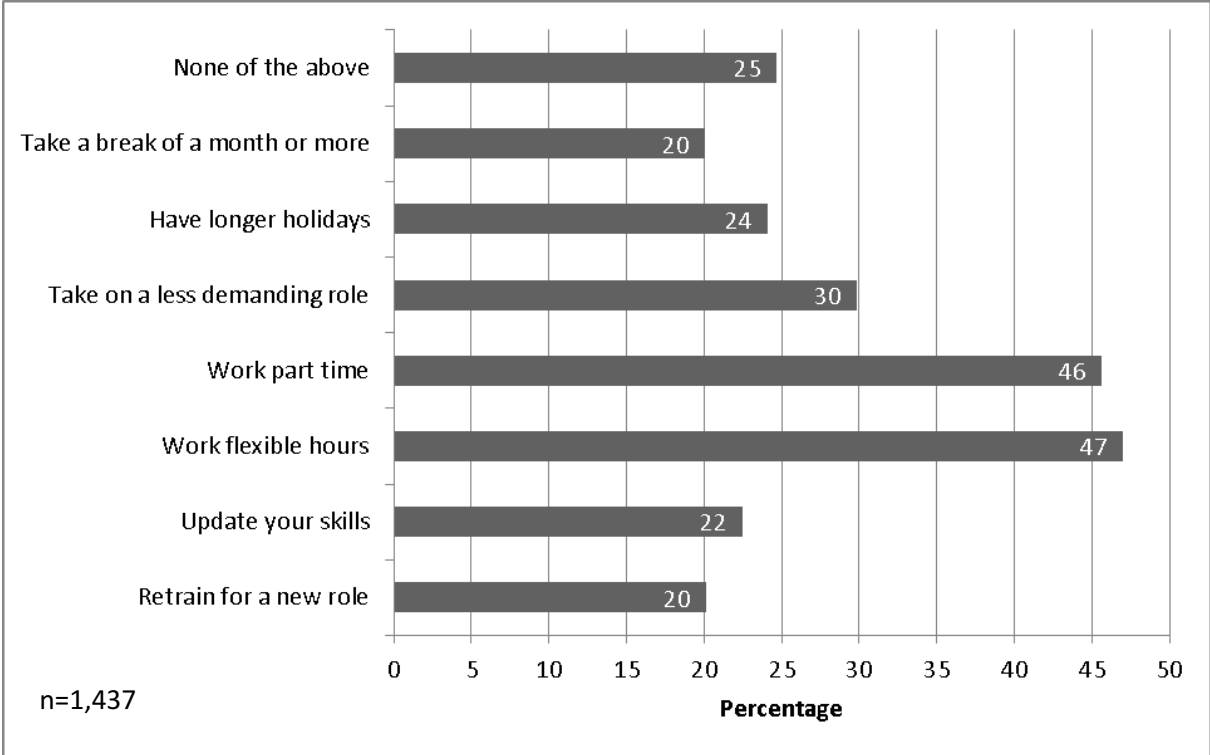
2.2.4 What might support people to work longer?

Respondents who were currently employed were offered a list of things that their employer could do to help them keep working, and asked which they would take up (note: respondents could select all that applied; there were 1,437 responses to this question).

The opportunity to work flexible hours was the most commonly chosen option, with nearly half (47 per cent) saying they would take this up to help them work longer. A similar proportion (46 per cent) would take up part-time working. Figure 2 shows the full range of options and proportion of respondents who would take up each one.

One in four (25 per cent) of respondents said that they would take up none of the options listed to help them work longer before retiring.

Figure 2: What would encourage people to work longer before retiring?



The proportion of respondents saying that they would take up the option to update their skills to help them work longer decreased as household income increased. For example, over a third (36 per cent) of those in the lowest household income quartile said it would help them work longer, compared with 19 per cent of those in the highest household income quartile.

However, the proportion of respondents who said that the option to work part-time would help them work longer increased as household income increased (from 33 per

cent of those in the lowest income quartile to 51 per cent of those in the highest income quartile).

2.2.5 Flexible working

Just over half (54 per cent) of those who were currently employed (n=1,450) say it is likely that someone in their organisation aged 55 would be allowed by their employer to work flexibly for their remaining years at work (34 per cent see this as unlikely).

Women are more likely than men to see this as a likely scenario (59 per cent compared with 49 per cent).

This finding is similar to DWP employee polling research in late 2014, which found that 51 per cent of respondents said that their employer allows people to work flexibly as they get older.⁵

2.3 Wider pensions issues

2.3.1 Saving in a Pension

Sixty-three per cent of those not already retired (n=2,350) agree that putting money into a pension is the most secure way of saving for your retirement. Seventeen per cent disagree, and 19 per cent neither agree nor disagree.

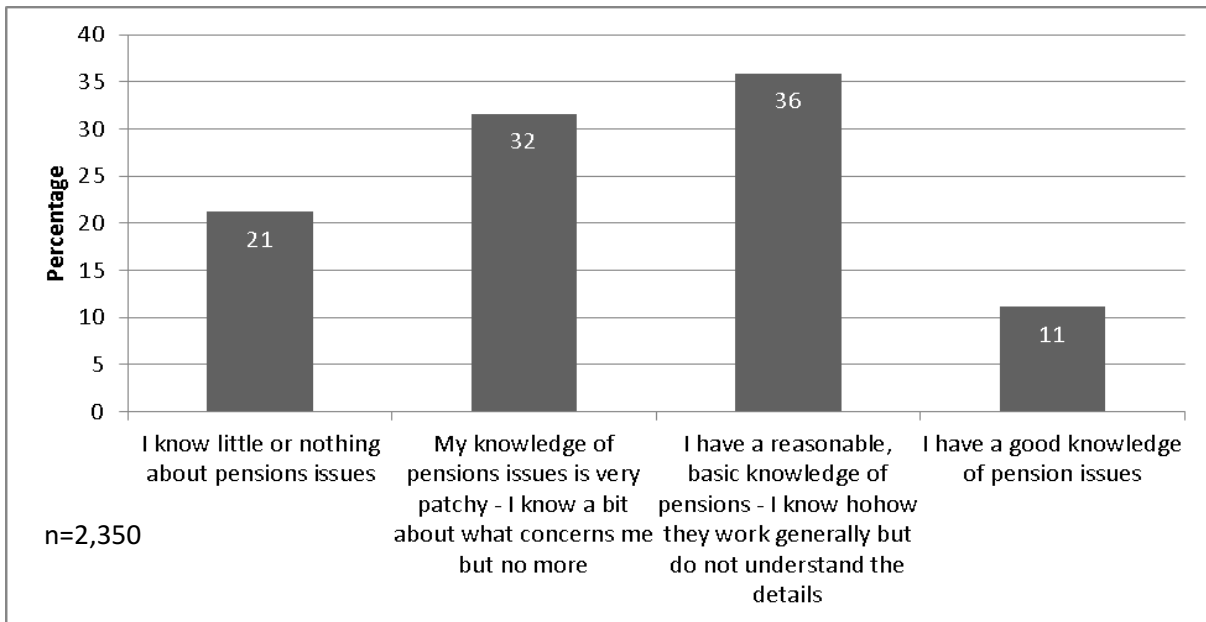
Agreement is higher among younger age groups, with 18-24s more likely to agree (71 per cent) than those aged 65 plus (60 per cent).

2.3.2 Knowledge of pension issues

Just over one in ten people (11 per cent) say they have a 'good knowledge of pension issues', whilst just over one in five (21 per cent) say they 'know little or nothing' about pensions. This leaves around a third who say they have 'a reasonable basic knowledge' (36 per cent), or say that their knowledge 'is very patchy' (32 per cent) - see Figure 3.

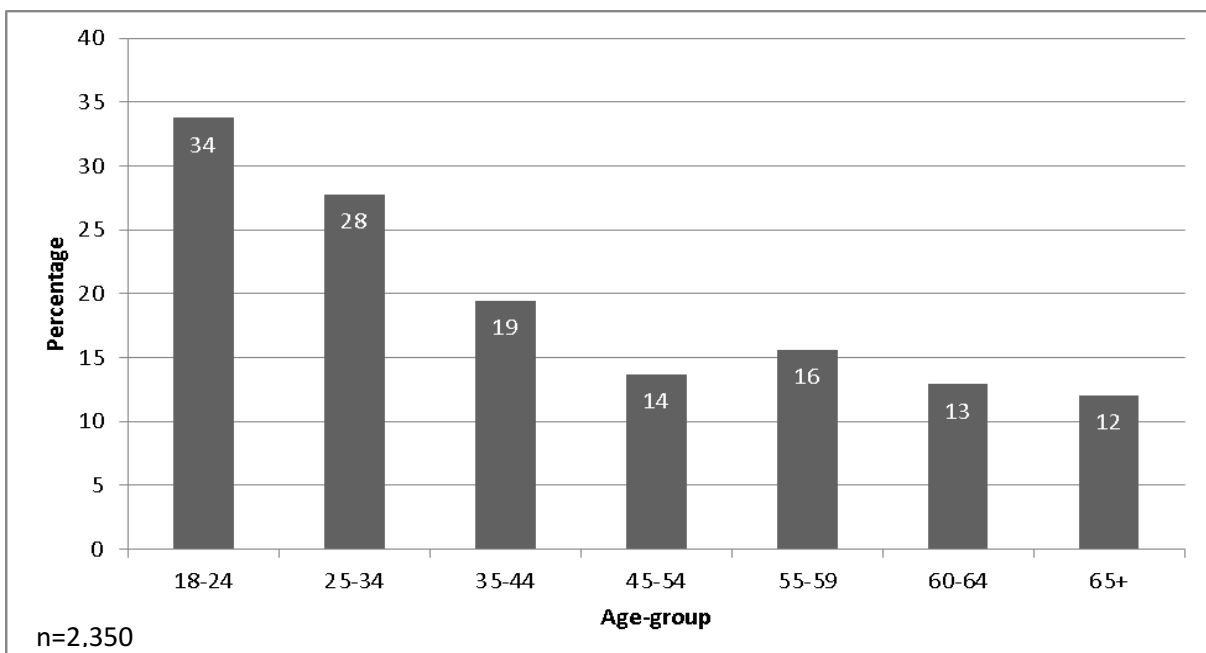
⁵ Attitudes of the over 50s to Fuller Working Lives - https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/394642/attitudes-over-50s-fuller-working-lives.pdf

Figure 3: Knowledge of pension's issues



- Women are more likely than men to say they know little or nothing about pensions (25 per cent and 17 per cent respectively).
- Younger people were also more likely to say they 'know little or nothing' (and knowledge increases with age), see Figure 4, below.
- People on lower incomes are more likely to say they 'know little or nothing' about pension issues, as are those in lower occupational groups.

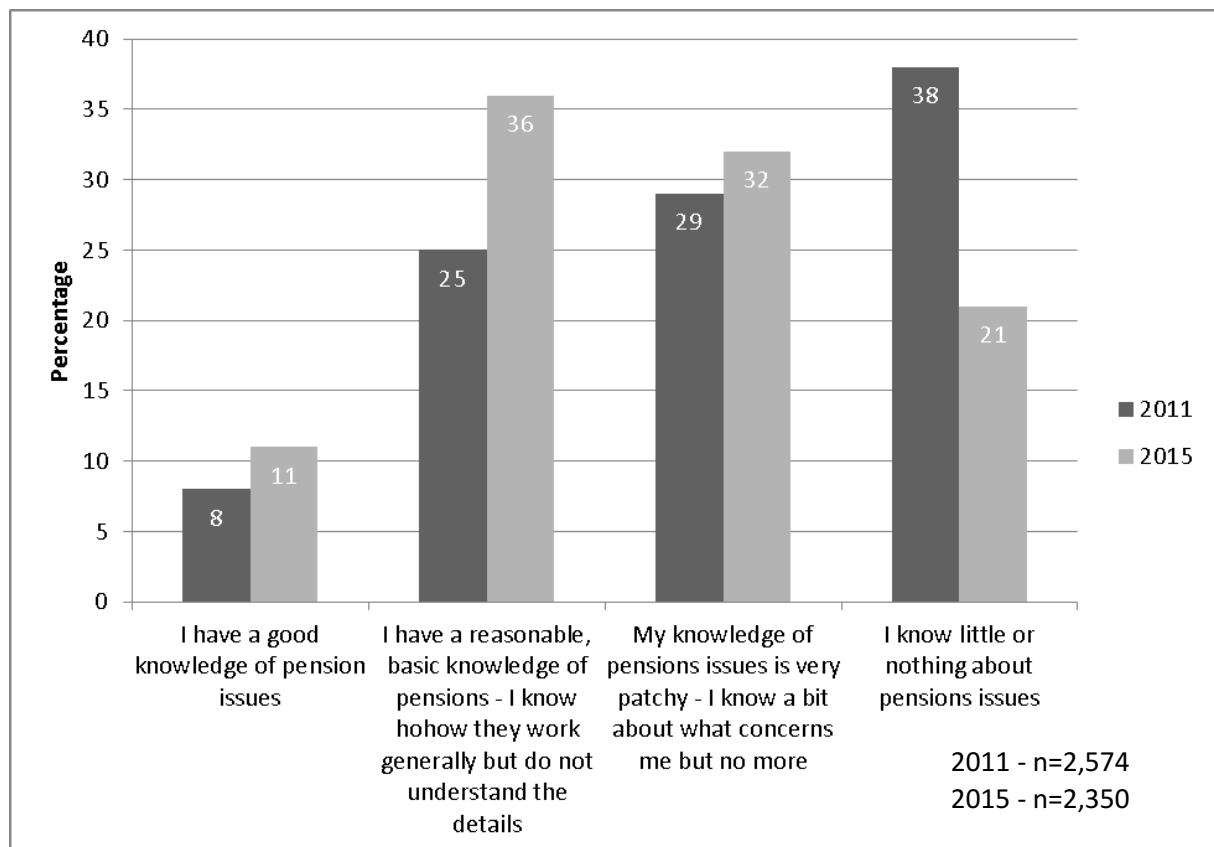
Figure 4: I know little or nothing about pensions issues, by age-group



Change over time

This question was last asked in the 2011 BSAS, and the proportion of respondents who say that they have a 'good knowledge of pension issues' has increased slightly (see Figure 5), there has been a greater decrease in the proportion of respondents saying they 'know little or nothing about pension issues' (of 16 percentage points), and an increase (of 11 percentage points) in the proportion of respondents who say they have 'a reasonable basic knowledge of pensions'.

Figure 5: Pensions knowledge, 2015 and 2011



There have been significant changes in the age-profile of respondents who say they have little or no knowledge of pension's issues. For example, in 2011 62 per cent of 18-24 year olds said they knew little or nothing about pensions; this was 34 per cent of this age group in 2015.

Other surveys

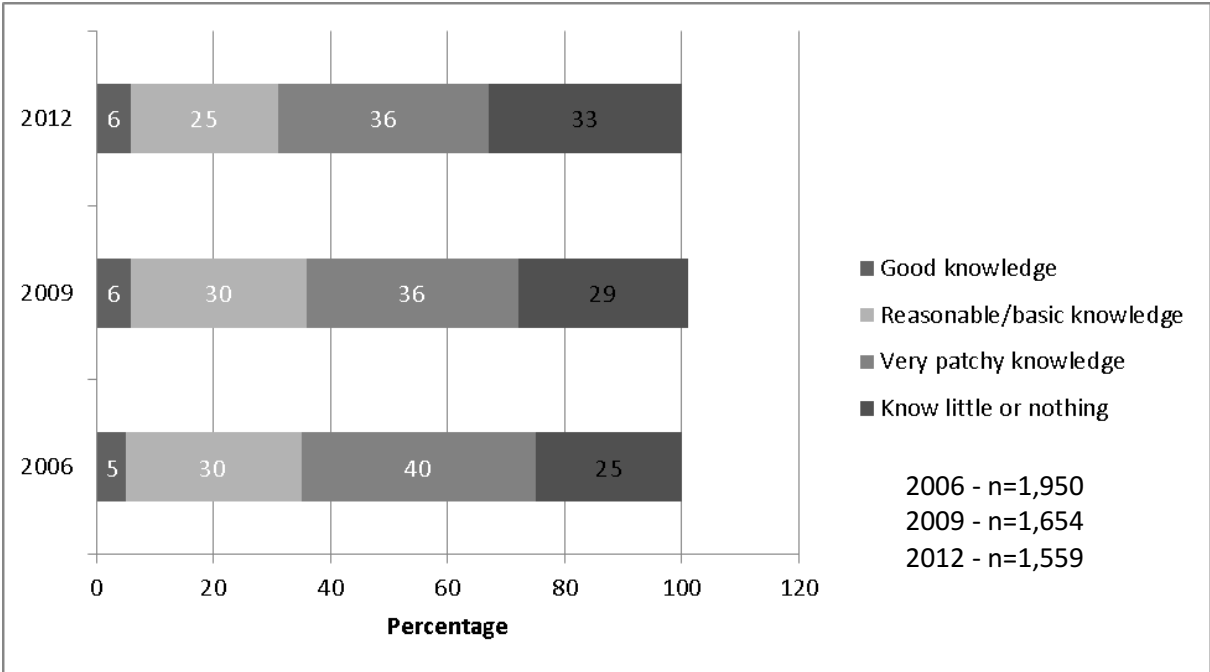
A similar question was asked in DWP's Attitudes to Pensions (ATP) surveys (2006, 2009 and 2012).⁶ Between 2006 and 2012, ATP found that the proportion of people saying that they knew 'little or nothing' about pensions increased (from 25 per cent in 2006 to 33 per cent), see Figure 6. The ATP results for this question in 2012 were

⁶ Attitudes to Pensions: The 2012 survey - <https://www.gov.uk/government/publications/attitudes-to-pensions-the-2012-survey-rr813>

similar to when BSAS asked it in 2011, however ATP had a slightly higher proportion of respondents rating their knowledge as 'very patchy' and a smaller proportion who said they 'know little or nothing'. Due to the different methodologies and contents of the two surveys, we cannot treat this as a time series, but taken together they do suggest that the proportion of people who feel that they have 'little or no' knowledge of pension issues has been decreasing between 2011 and 2015, and the results from earlier ATP surveys suggest that it had been increasing up to this point.

These surveys cannot tell us why the proportion of people who think their knowledge of pensions issues is poor has decreased, but there have been a number of changes to pension policy, both state and private, between 2011 and 2015 (Automatic Enrolment, new State Pension, changes to State Pension age, Pension Flexibilities), and communications around, or awareness of these changes may have caused people to feel more knowledgeable about pension issues.

Figure 6: Self-assessed knowledge of pensions issues, by year⁷



⁷ Data for 2009 add to 101 per cent due to rounding.

3 Conclusions

The data collected in BSAS 2015 updates that which was collected in previous Attitudes to Pensions and BSAS surveys.

The key findings are:

- Nearly two-thirds of employees say they expect to retire in their 60s, and 17 per cent expect to retire in their 70s.
- Those in younger age groups were more likely to say they expect to retire in their 70s (37 per cent of 18-24s, 21 per cent of 25-34s).
- Of those who expected to retire at 65 or before the most likely reason given was because they wanted to (36 per cent) followed by being able to afford to (20 per cent).
- Of those already retired, 39 percent said they did so because they wanted to.
- Currently employed adults said that their employer could offer the following tools to keep them working:
 - Flexible hours (47 per cent);
 - Part-time working (46 per cent);
 - Taking on a less demanding role (30 per cent).
- The proportion of respondents saying that they would take up the option to update their skills to help them work longer decreased as household income increased.
- Pensions knowledge has increased: more people report a good or reasonable knowledge of pensions issues in the 2015 survey in comparison to the same questions in 2011 BSAS (33 per cent in 2011 and 47 per cent in 2015).

This report highlights a number of areas where employers could make changes to retain older workers. It also shows that there is increasing awareness of pensions in the general population.

4 Annex A: Questionnaire

Q878 [BStart]

Now for some questions about retirement and pensions.

- 1 Press 1 and <Enter> to continue.
- 8 (Don't know)
- 9 (Refusal)

IF 'Employee' OR 'Don't know' AT [EmployB]

Q880 [RetExp]

At the moment when do you expect to retire from your main job? In your ...READ
OUT...

- 1 ...40s,
- 2 50s,
- 3 60s,
- 4 70s,
- 5 80s,
- 6 or, at some other time?
- 7 (Not planning to retire)
- 8 (No main job)
- 98 (Don't know)
- 99 (Refusal)

IF '60's' OR 'some other time' AT [RetExp] OR AGED OVER 34 AND ANY ANSWER FROM '40s' TO 'some other time' AT [RetExp]

Q881 [RetExpb]

And specifically, at what age do you expect to retire from your main job?
Range: 18 ... 150

- 998 (Don't know)
- 999 (Refusal)

ASK ALL NOT RETIRED (AT [REconAct])

Q882 [DVRetAge]

Computed variable - whether expects to retire before, at, or after 65

- 1 before 65
- 2 at 65
- 3 after 65 including not planning to retire
- 4 other - no main job/DK when will retire
- 8 (Don't know)
- 9 (Refusal)

IF 'before 65' OR 'at 65' AT [DVRetAge]

Q883 [WhyRtE]

CARD N2

You have told us that you expect to retire from your main job (*before/at*) age 65. Using this card, which is the main reason for this?

- 1 Because you can receive state benefits (e.g State Pension or Pension Credit)
- 2 Because you can receive occupational or personal pension
- 3 To retire at same time as partner
- 4 Because you can afford to
- 5 Because you want to
- 6 Because of ill-health
- 7 Because you don't expect your employer will allow you to work beyond this age
- 8 Some other reason (PLEASE SPECIFY)
- 98 (Don't know)
- 99 (Refusal)

ASK ALL: EMPLOYEES ('employee' AT [EmployB])

Q886 [WkOKeep]

-Q893 CARD N3

Here is a list of things that your employer could do to help you keep working. Which of these, if any, would you take up so that you could work longer before retiring?

PLEASE CODE ALL THAT APPLY

Multicoded (Maximum of 8 codes)

- | | | |
|----|--|------------|
| 1 | Being able to retrain for a new role | [WkOKeep1] |
| 2 | Being offered a course to update your skills | [WkOKeep2] |
| 3 | Being able to work flexible hours | [WkOKeep3] |
| 4 | Being able to work part-time | [WkOKeep4] |
| 5 | Taking on a less demanding role | [WkOKeep5] |
| 6 | Having longer holidays | [WkOKeep6] |
| 7 | Being able to take a long break of a month or more | [WkOKeep7] |
| 8 | None of these would help me work longer | [WkOKeep8] |
| 98 | (Don't know) | |
| 99 | (Refusal) | |

Q894 [WkOFI55]

CARD N4

Imagine someone in your organisation who is aged 55. How likely or unlikely is it that your employer would let them work flexibly for their remaining years at work. This could involve working fewer hours, shorter weeks or just part of the year?

- 1 Very likely
- 2 Quite likely
- 3 Neither likely nor unlikely
- 4 Quite unlikely
- 5 Very unlikely
- 8 (Don't know)
- 9 (Refusal)

ASK ALL NOT RETIRED (AT [REconAct])

Q895 [PENSEC]

CARD N5 (AGAIN)

How much do you agree or disagree that...

...Putting money into a pension is the most secure way of saving for your retirement?

- 1 Agree strongly
- 2 Agree
- 3 Neither agree nor disagree
- 4 Disagree
- 5 Disagree strongly
- 8 (Don't know)
- 9 (Refusal)

ASK ALL NOT RETIRED AT [REconAct]

Q896 [PenKnow2]

CARD N6

Which of the statements on this card best describes how knowledgeable you feel about pension issues?

- 1 I have a good knowledge of pension issues
- 2 I have a reasonable, basic knowledge of pensions - I know how they work generally but do not understand the details
- 3 My knowledge of pensions issues is very patchy - I know a bit about what concerns me but no more
- 4 I know little or nothing about pensions issues
- 8 (Don't know)
- 9 (Refusal)

ASK ALL RETIRED (AT [REconAct])

Q897 [RetirAg2]

At what age did you retire from work?

NEVER WORKED, CODE: 00

Range: 0 ... 90

- 98 (Don't know)
- 99 (Refusal)

ASK ALL EVER WORKED ([RetirAg2] > 0 OR DON'T KNOW OR REFUSAL at [RetirAg2])

Q898 [RwhyRe2]

-Q905 CARD N7

Why did you retire?

Please choose a phrase from this card.

CODE AS MANY AS APPLY.

Multicoded (Maximum of 8 codes)

- | | | |
|----|--|------------|
| 1 | I left because of my employer's policy on retirement age | [RRetEPol] |
| 2 | I left because of ill health | [RRetIll2] |
| 3 | I left to look after someone else | [RRetCar2] |
| 4 | I left because my husband/wife/partner retired | [RRetPrt2] |
| 5 | It was made attractive to me to retire early | [RRetPac2] |
| 6 | I lost my job/I was made redundant/My firm closed down | [RRetLJb2] |
| 7 | I just wanted to retire | [RRetWnt2] |
| 97 | Other answer (WRITE IN) | [RRetOth2] |
| 98 | (Don't know) | |
| 99 | (Refusal) | |