

Economic labour market status of individuals aged 50 and over, trends over time: September 2019

Data for 1950 to 2019

● Annual

Published: 12th September 2019
United Kingdom

Official
Experimental

This publication details the trends over time in the economic labour market status of individuals aged 50 and over. Analysis is provided on the three headline measures announced in the Fuller Working Lives (FWL) Strategy 2017 that the government use to monitor progress on FWL.¹

The UK has an ageing population and workforce, therefore, 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

Average Age of Exit

Has increased over the past two decades

Male



2019: 65.3 years old
1999: 63.2 years old

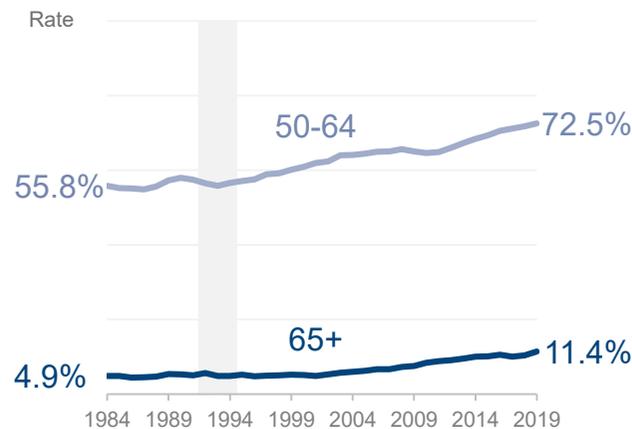
Female



2019: 64.3 years old
1999: 60.8 years old

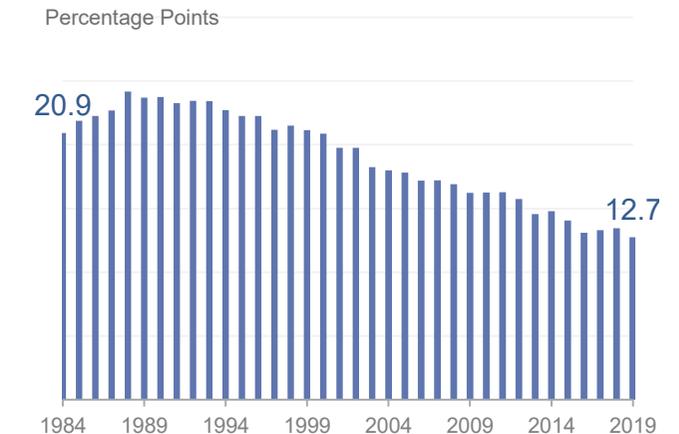
50+ Employment Rates

Have increased over time



Employment Rate Gap

Between 50-64 & 35-49 year olds is closing



¹ DWP (2017). *Fuller Working Lives: A Partnership Approach*. Available at: <https://www.gov.uk/government/publications/fuller-working-lives-a-partnership-approach>

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Comments? Feedback is welcome

Published: 12th September 2019

Next edition: September 2020

ISBN: 978-1-78659-162-3

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What you need to know

This is the fourth annual publication on the economic labour market status of individuals aged 50 and over. It provides more detailed breakdowns of the labour market outcomes of older workers over time than those routinely published by the Office for National Statistics (ONS) in their monthly Labour Market Statistics.

Recent trends in employment should be considered in the context of changes to SPa. Since 2010, female SPa gradually increased from 60 years, rising to 65 years old by November 2018, at which point it equalled male SPa. By October 2020, SPa for both males and females will increase to 66 years, then to 67 years by 2028. The 2017 SPa Review outlined a planned increase in SPa to 68 years by the period 2037-2039.²

More detailed tables containing statistics used in this release can be viewed [here](#)

Statistical Measures

All of the changes over time discussed in this release have been tested at the 95 per cent significance level and are statistically significant unless specifically stated. This publication includes data on several statistical measures including:

- The **average age of exit** from the labour market, which is the age at which people aged 50 and over are most likely, on average, to leave the labour force and is calculated using the static model³.
- The **employment rate** is calculated by dividing the employment level for those in the age group by the population for that age group. The data is also split by full time and part time, although this may not sum to total employment as not everyone reports their full time/part time status in the survey.
- The **employment rate gap** is calculated by comparing the employment rates of 50-64 and 35-49 year olds.
- The **inactivity rate** is calculated by dividing the inactivity level for those in the age group by the population for that age group⁴.
- 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.

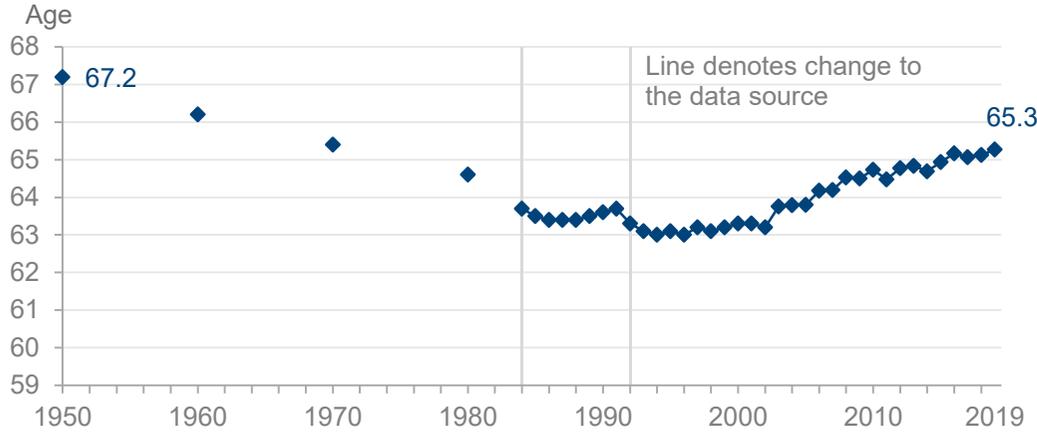
² DWP (2017). *State Pension age review*. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/630065/state-pension-age-review-final-report.pdf

³ For more information on the static model please refer to the Background Information and Methodology document released alongside these statistics

⁴ 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. Please see the "About These Statistics" section for further definitions.

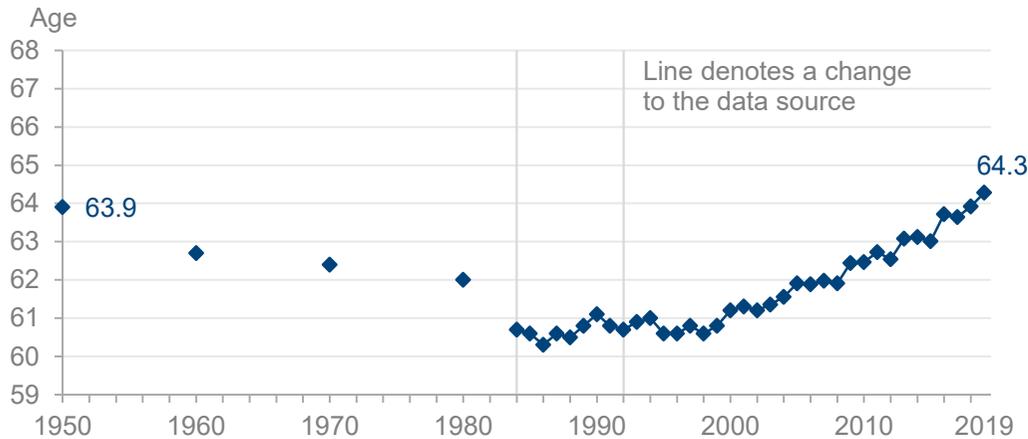
Average Age of Exit from the Labour Market (see table 1 for full data)

Male



- In 2019, the male average age of exit from the labour market was 65.3 years old.
- The average age of exit has increased by 2.3 years since 1996 when it reached its lowest point at 63.0 years old.
- The current average age of exit is lower than it was in 1950 (67.2 years old), but similar to the point in 1970 (65.4 years old).

Female



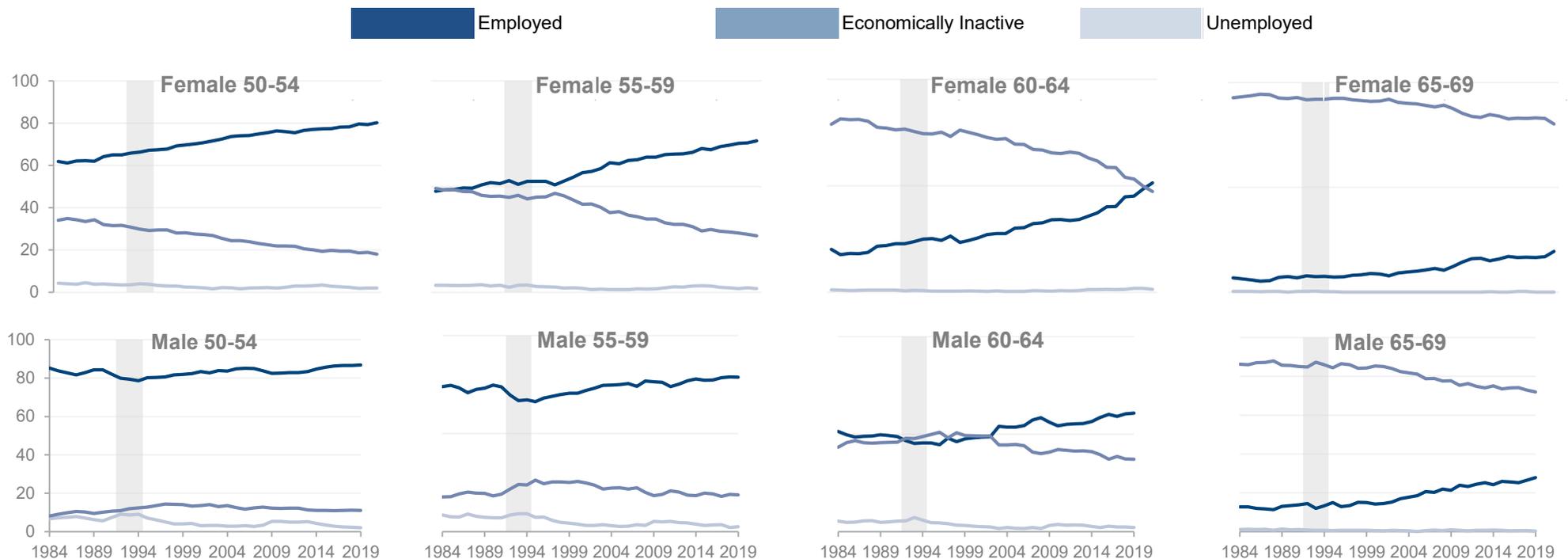
- In 2019, the female average age of exit from the labour market was 64.3 years old.
- The average age of exit has increased by 4.0 years since 1986 when it reached its lowest point at 60.3 years old.
- The current average age of exit is higher than the 1950 level of 63.9 years old.
- Between 2009 (before the change to female SPa) and 2014, when female SPa increased to 62, the average age of exit increased by 0.7 years to 63.1 years. It has increased by a further 1.2 years to 64.3 years old in 2019, during which time, female SPa increased to 65 years old in November 2018.

Note:

1. Changes in average age of exit have not been significance tested.
2. Although the methodology is consistent across the period presented, users should be aware of the change in data source. For more information see the Background Information and Methodology.

Economic Status (see tables 2, 6, and 8 for full data)

- The employment rates across both genders and all age groups have all increased since 1999. For the first time, the employment rate for females in the 60-64 year old age group is higher than the economically inactive rate.
- The largest increase since 1999 amongst both males and females was in the 60-64 year old age group (up from 24.3 per cent to 51.4 per cent for females, and up from 47.6 per cent to 60.8 per cent for males)
- For both males and females, the employment rate decreases as age increases, with the transition between 60-64 year olds and 65-69 year olds resulting in the largest fall in employment rate (State Pension age at November 2018 was 65 years for both males and females).

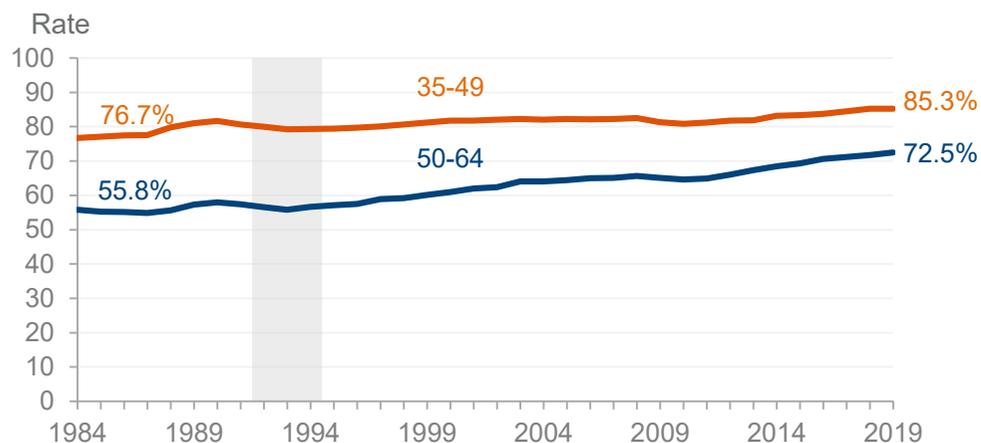


Note:

1. Data refers to the United Kingdom (UK) except for 1992 – 1994 which is Great Britain (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.
2. 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 the total number of **economically active individuals** for that age group.

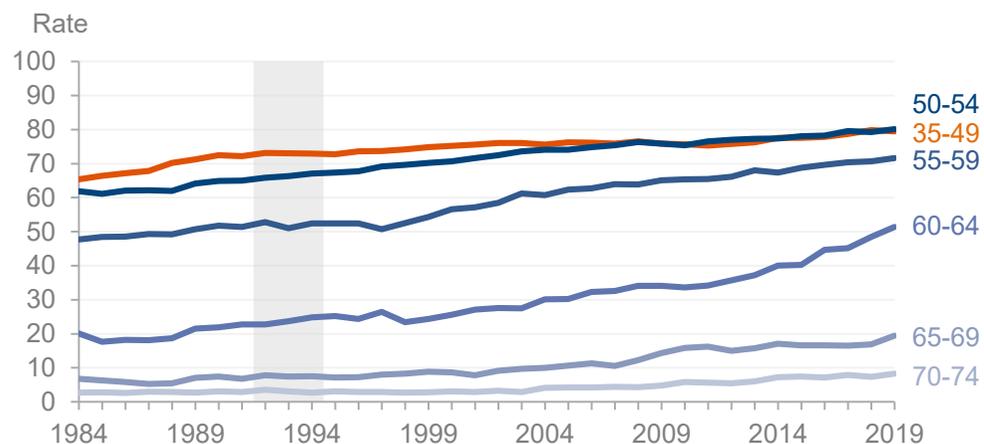
Employment rates and employment rate gap (see table 2 for full data)

All Individuals, aged 35-49 and 50-64

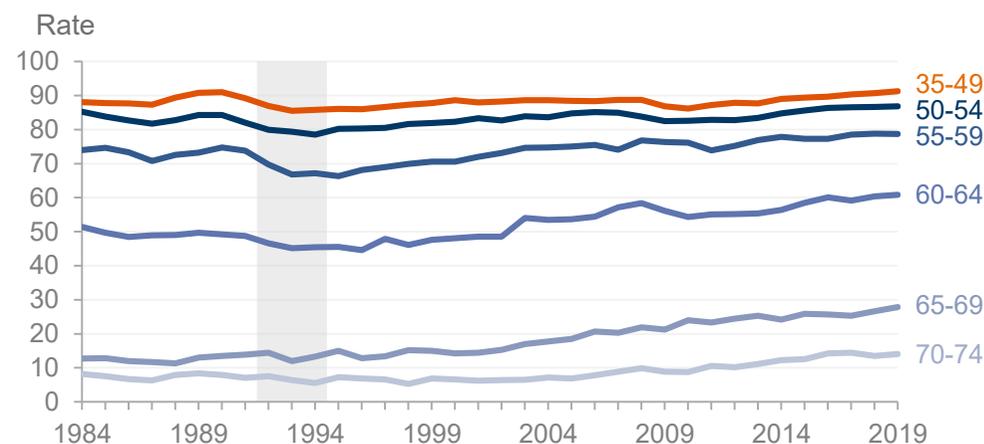


- The gap between the employment rate of 35-49 year olds and 50-64 year olds has continued to narrow.
- In 2019, the employment rate gap was 12.7 percentage points (pp), compared to a gap of 21.1pp in 1999.
- This narrowing trend is largely driven by increases in the female 60-64 year old employment rate, although increases in the employment rate for both males and females in every age group above 50 years have occurred since 1999.

Female, five year age band



Male, five year age band

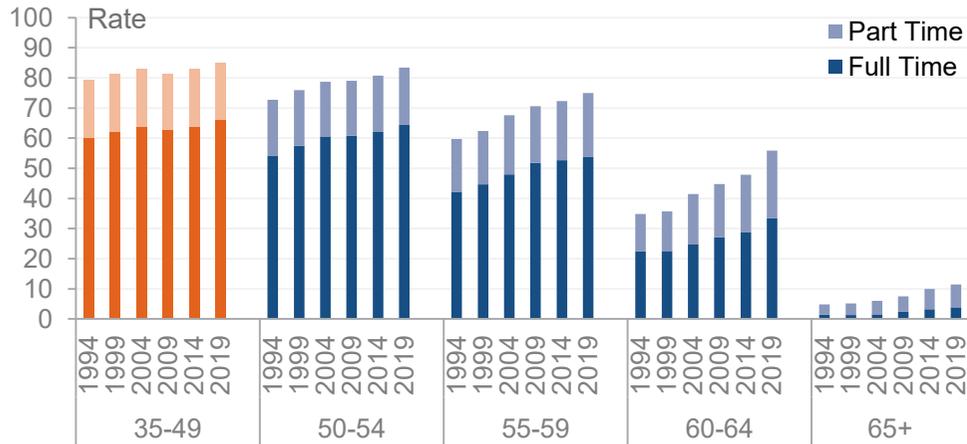


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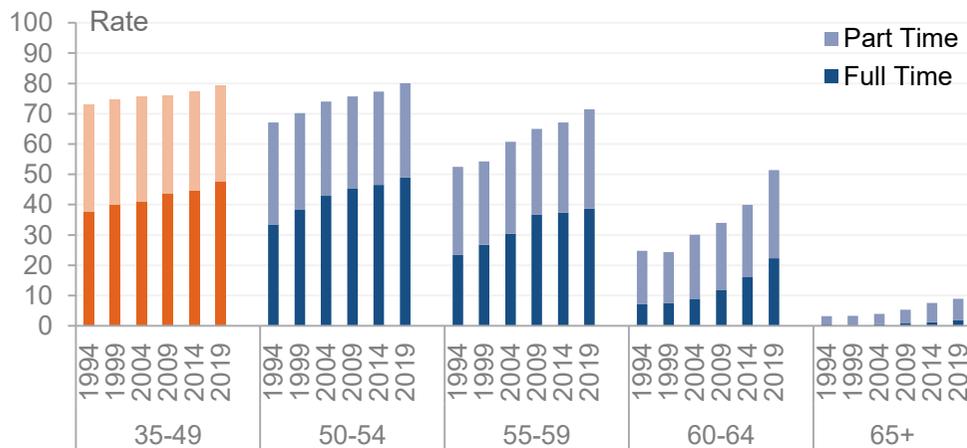
Proportion in full time and part time employment (see table 4 for full data)

All individuals

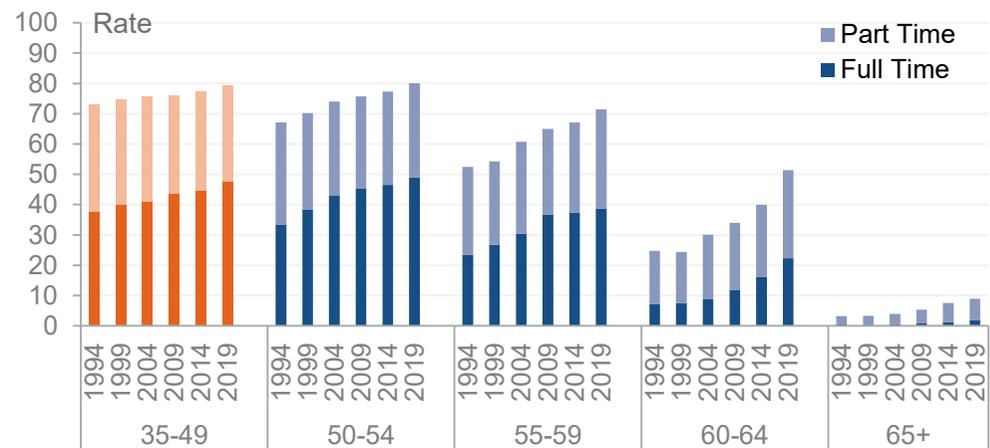


- The proportion of people in full-time employment is increasing across all age groups, and for male and females.
- The sharpest increase in the proportion in full-time employment between 2014 and 2019 has been amongst 60-64 year olds (up 4.6pp), particularly amongst female 60-64 year olds (up 6.2pp).
- The proportion in part-time employment is broadly static between 2014 and 2019 for both 35-49 year olds and 50-54 year olds.

Female

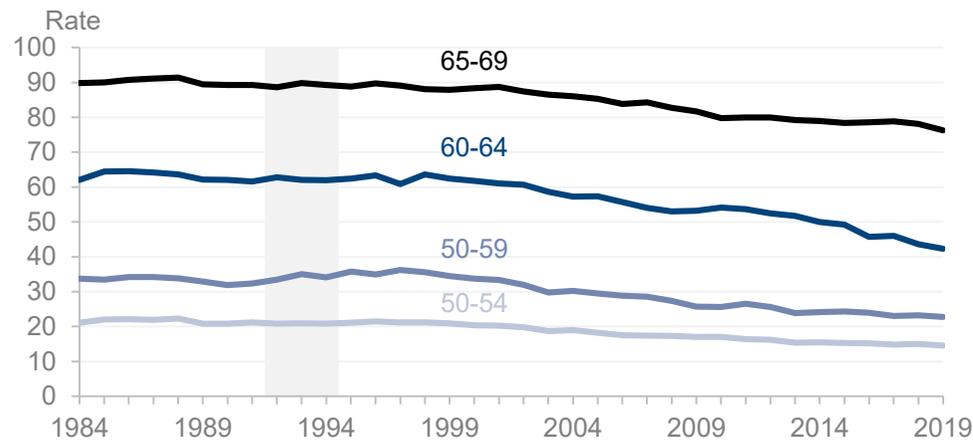


Male



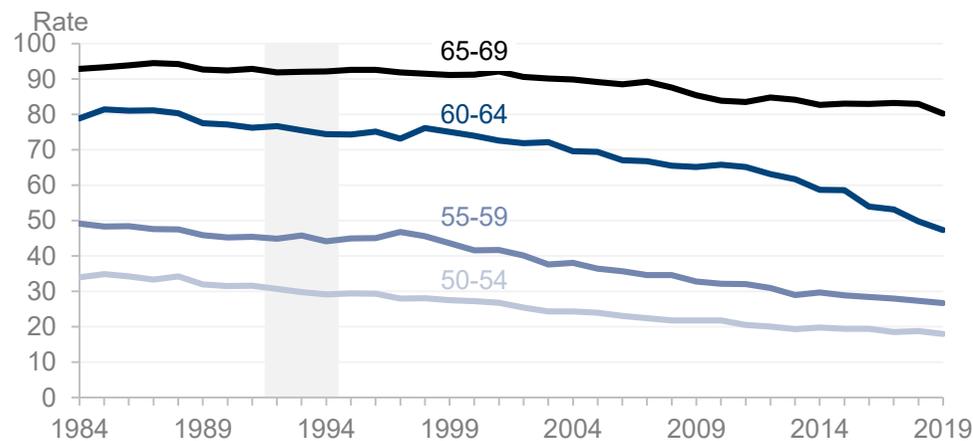
Economic Inactivity Rates (see table 6 for full data)

All individuals

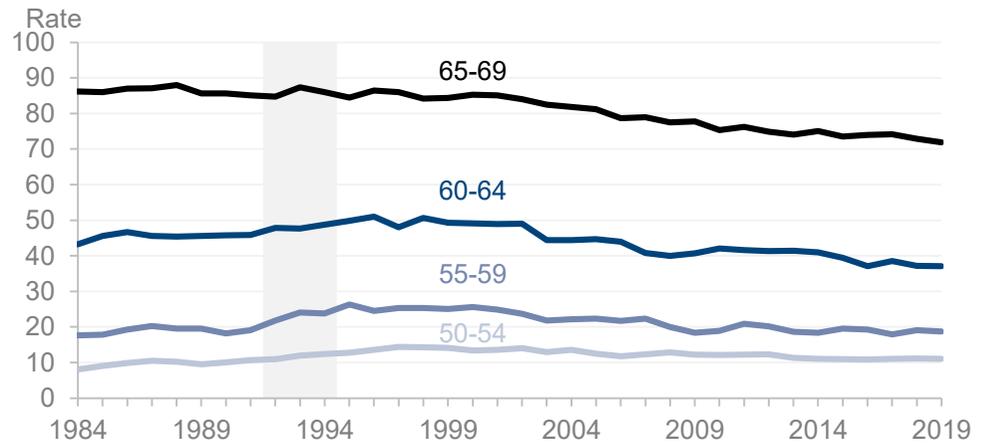


- Since 1999, the largest percentage point decrease in economic inactivity rates has occurred for females aged 55-59 and 60-64; this corresponds with the increases in employment rates over this time period.
- Economic inactivity rates have declined since 1999 by 16.9pp for 55–59 year old females (from 43.6 per cent in 1999 to 26.7 per cent in 2019) and 27.7pp for 60–64 year old females (from 75.0 per cent in 1999 to 47.3 per cent in 2019).
- Apart from the 65-69 year old age group, male economic inactivity rates have remained relatively constant since 1984.

Females



Males

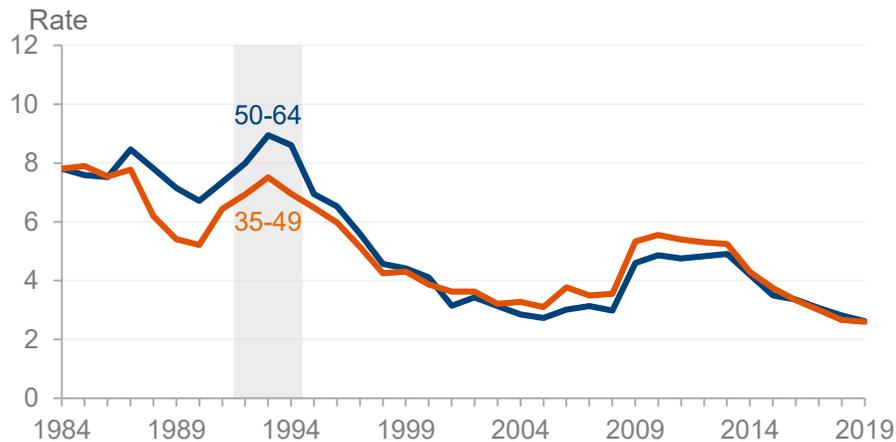


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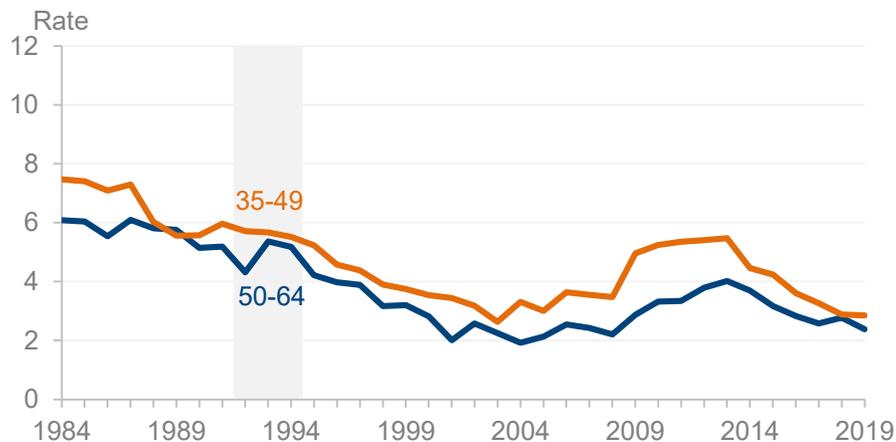
Unemployment Rates (see table 8 for full data)

All individuals

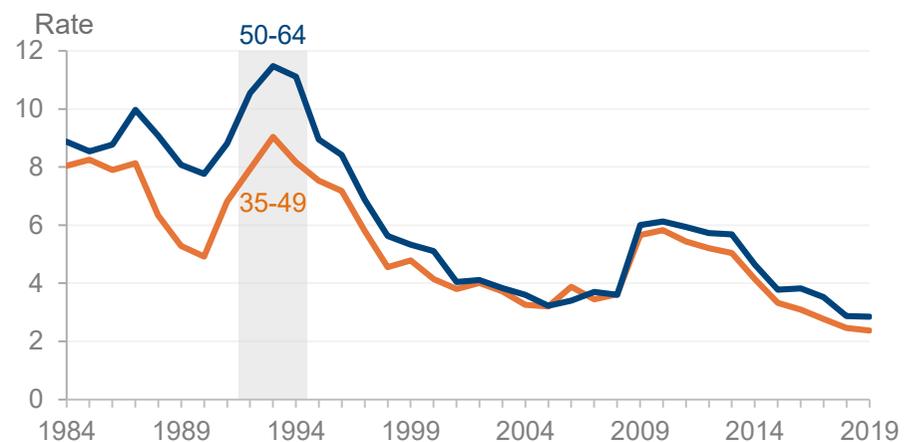


- Unemployment rates for individuals aged 50–64 years old follow a similar overall trend to the rates for those aged 35–49.
- In 2019, the unemployment rate for all individuals aged 50-64 years old and 35-49 year olds was the same, at 2.6 per cent.
- Since 2014, the unemployment rate for females has narrowed between 35-49 year olds and 50-64 year olds.

Female



Male



Note:

1. Data refers to the United Kingdom (UK) except for 1992 – 1994 which is Great Britain (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.

About these statistics

These Official Statistics have been compiled using data from the LFS which is produced by the ONS, and follow the same definitions used in their Labour Market Statistics bulletin.⁵ They have been developed using guidelines set out by the UK Statistics Authority. They continue to be badged as Experimental Official Statistics and include average age of exit from the labour market and in depth statistics on the employment rate gap between 50-64 year olds and 35-49 year olds. These align with the three headline FWL measures announced in the FWL Strategy 2017.⁶ The methodology of using static average age of exit will be considered for future iterations of this release.⁷ Users are invited to comment on the development and relevance of these statistics at this stage.

Statistical significance

Statistical significance is a technical concept that states whether or not 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 is 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.

Definitions and Methodology

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 four weeks and are able to start work within the next two 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 four weeks or who are unable to start work within the next two weeks. Examples of economically inactive individuals include individuals not looking for work either because they are students, looking after the family or home, because of illness or disability or are retired.
- Economically active** is defined as those in employment plus those who are unemployed.

These statistics also measure the **average age of exit from the labour market** by linking LFS Q2 analysis and ONS data (from 1984 onwards) to Blöndal and Scarpetta's data (pre-1984). For this reason, comparisons to pre-1984 data are for illustrative purposes only. As mentioned above, average age of exit is currently modelled using the static model, also used by the International Labour Organisation (ILO) and ONS, but this has its limitations. More information on this is provided in the **Background Information and Methodology**.

The analysis throughout this publication is based on unrounded rates and levels, whereas the rates and levels presented in the Data Tables are rounded to the nearest decimal place and 1,000. For this reason, secondary analysis on the tables may not match what is presented throughout these statistics.

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-trends-over-time-september-2019>

More information about the LFS can be found here:

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

⁵ For more information on the LFS see the Background Information and Methodology document released alongside these statistics.

⁶ DWP (2017). *Fuller Working Lives: A Partnership Approach*. Available at: <https://www.gov.uk/government/publications/fuller-working-lives-a-partnership-approach>

⁷ For more information on the average age of exit from the labour market see the Background Information and Methodology document released alongside these statistics.