

March 2012 Statistical Feature Report – Economic Activity of the Older Population

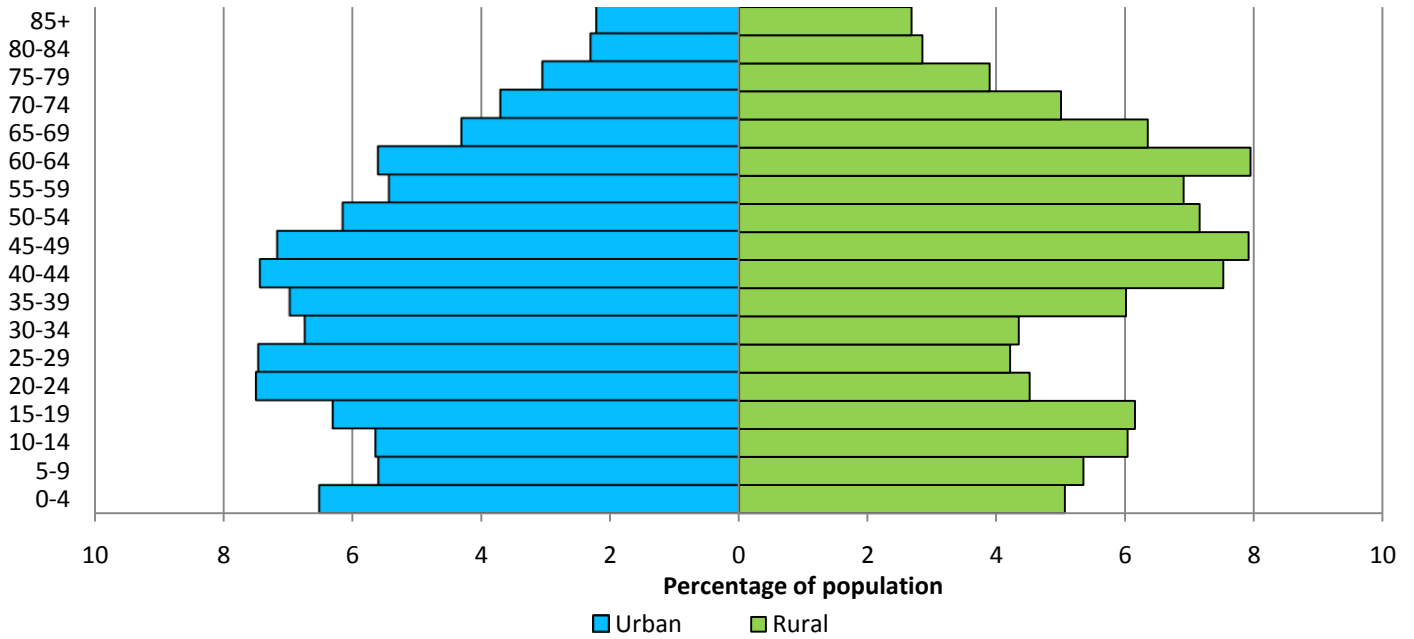
This report disseminates key findings on the Economic Activity of older people. Men aged 65 and women aged between 60 and 65 are eligible to claim their state pension, which means that many people this age are in the position to retire. However, this is optional and some people may choose to continue to work or decide to retire before they reach this age. This report aims to understand the contribution that this group of people make towards the economy and the changes in economic activity amongst this group of people as a result of reaching 65. For the purpose of this report older people are defined as people aged 65 and over.

Key Findings:

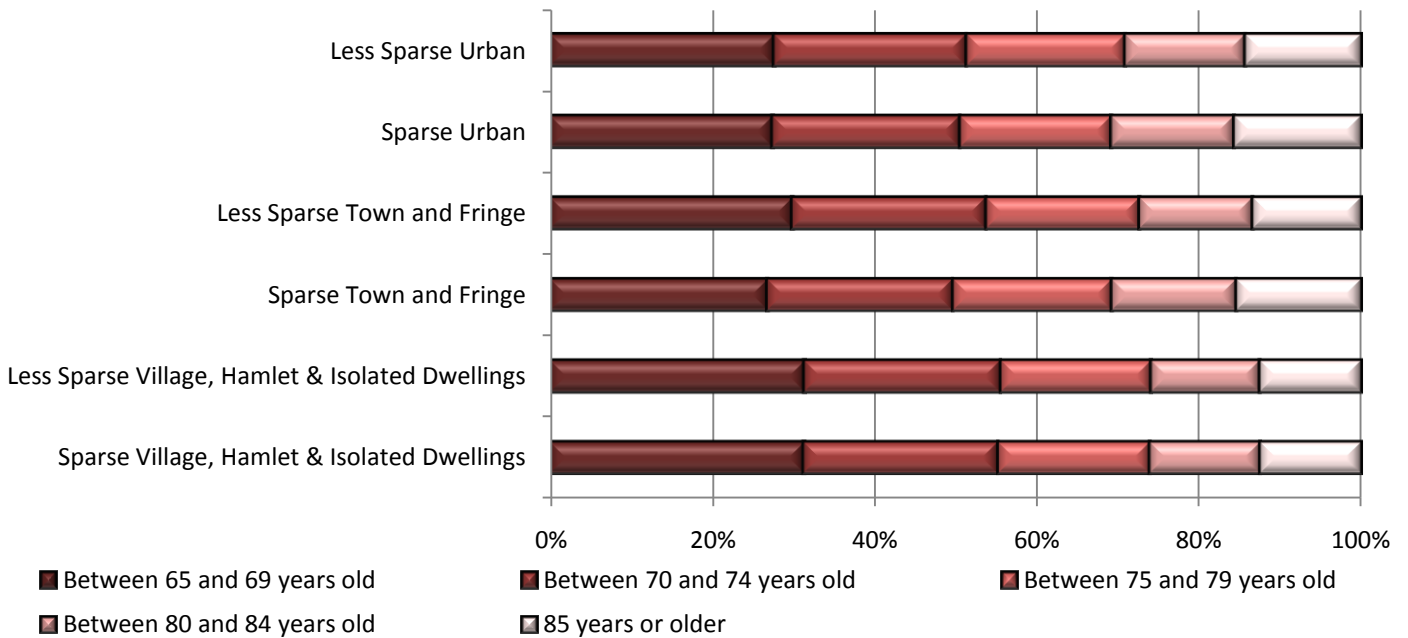
- The older population represents 16.6% of the population in England and 20.8% of the population in rural areas.
- The older population tends to be slightly younger in rural areas than urban areas, where those aged 75 and older represent 45.4% of the older population in rural areas and 48.6% in urban areas.
- 11.4% of the older population living in rural areas are employed or self-employed, which is higher than the proportion employed and self-employed in urban areas (7.3%).
- Self-employment rates of older people living in rural areas were higher than urban areas, 5.3% and 2.5% respectively.
- 0.3% of older people living in rural areas are ILO unemployed, compared to 2.7% of older people living in urban areas.
- In rural areas, 65.5% of the older population who are employed or self-employed work part-time (compared with 70.5% in urban areas).
- 28.9% and 26.3% of self-employed older people living in rural areas work in the Agriculture and Banking and Finance industries respectively.
- 33.6% of employed older people living in rural areas work in Public administration, education and health.

Population Pyramid

Population Pyramid, 2010



Age Distribution of the Older Population, 2010



Population by Age in Urban and Rural Areas, 2010

	Under five years	Between 5 and 9 years old	Between 10 and 14 years old	Between 15 and 19 years old	Between 20 and 24 years old	Between 25 and 29 years old	Between 30 and 34 years old	Between 35 and 39 years old	Between 40 and 44 years old	Between 45 and 49 years old	Between 50 and 54 years old
Urban	6.5%	5.6%	5.6%	6.3%	7.5%	7.5%	6.7%	7.0%	7.4%	7.2%	6.1%
Rural	5.1%	5.4%	6.0%	6.2%	4.5%	4.2%	4.4%	6.0%	7.5%	7.9%	7.2%
England	6.2%	5.5%	5.7%	6.3%	6.9%	6.8%	6.3%	6.8%	7.4%	7.3%	6.3%

	Between 55 and 59 years old	Between 60 and 64 years old	Between 65 and 69 years old	Between 70 and 74 years old	Between 75 and 79 years old	Between 80 and 84 years old	85 years or older
Urban	5.4%	5.6%	4.3%	3.7%	3.1%	2.3%	2.2%
Rural	6.9%	8.0%	6.4%	5.0%	3.9%	2.9%	2.7%
England	5.7%	6.1%	4.7%	4.0%	3.2%	2.4%	2.3%

Population of Older People by Age, 2010

	Between 65 and 69 years old	Between 70 and 74 years old	Between 75 and 79 years old	Between 80 and 84 years old	85 years or older
Less Sparse Urban	27.6%	23.8%	19.6%	14.8%	14.2%
Sparse Urban	27.4%	23.2%	18.7%	15.1%	15.6%
Less Sparse Rural Town and Fringe	29.9%	24.0%	18.9%	14.0%	13.3%
Sparse Rural Town and Fringe	26.8%	23.0%	19.6%	15.3%	15.3%
Less Sparse Village, Hamlet and Isolated Dwelling	31.3%	24.3%	18.5%	13.4%	12.5%
Sparse Village, Hamlet and Isolated Dwelling	31.2%	24.0%	18.7%	13.6%	12.4%
Urban	27.6%	23.8%	19.6%	14.8%	14.2%
Rural	30.6%	24.1%	18.7%	13.7%	12.9%
England	28.3%	23.8%	19.4%	14.5%	13.9%

Interpretation: The charts above show the age distribution of the rural and urban populations. In 2010, the population of older people in rural areas was 4.6 million people and 14.6 million in urban areas, which accounted for 42.8% of the population in rural areas and 32.7% in urban areas.

Of the older population, people aged between 65 and 69 years old accounted for the highest proportion of the population in rural and urban areas, representing 30.6% and 27.6% of the older population in rural and urban areas respectively. People aged 85 years or older accounted for the smallest share of the older population, at 14.2% and 12.9% in urban and rural areas respectively.

The data shows that **older people are more prominent in rural areas than urban areas**, as they account for a larger share of the overall population. However, when looking at the distribution of the older population (aged 65 and over) alone there is evidence to suggest that **the older population in rural areas is slightly younger than urban areas**, as the oldest age groups account for a larger proportion of this population in urban areas.

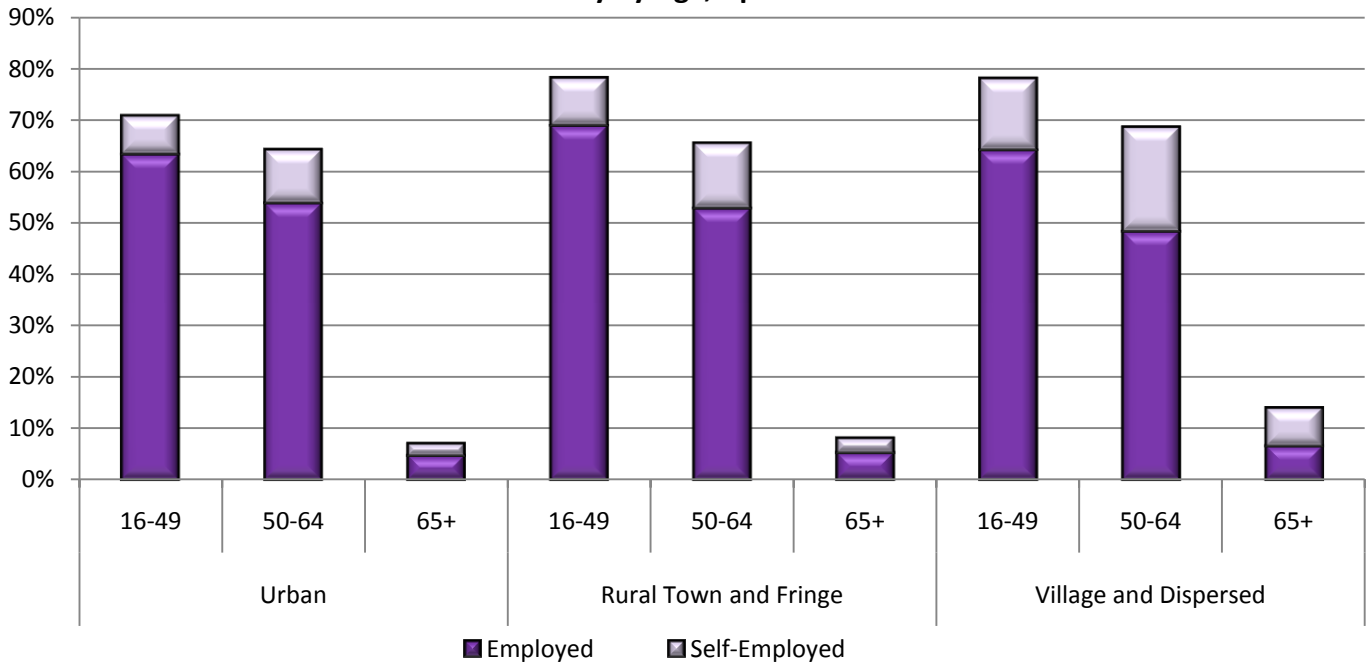
Notes: Further rural population statistics have been published as part of the Statistical Digest of Rural England. This can be found here:

<http://www.defra.gov.uk/statistics/rural/rural-publications/>

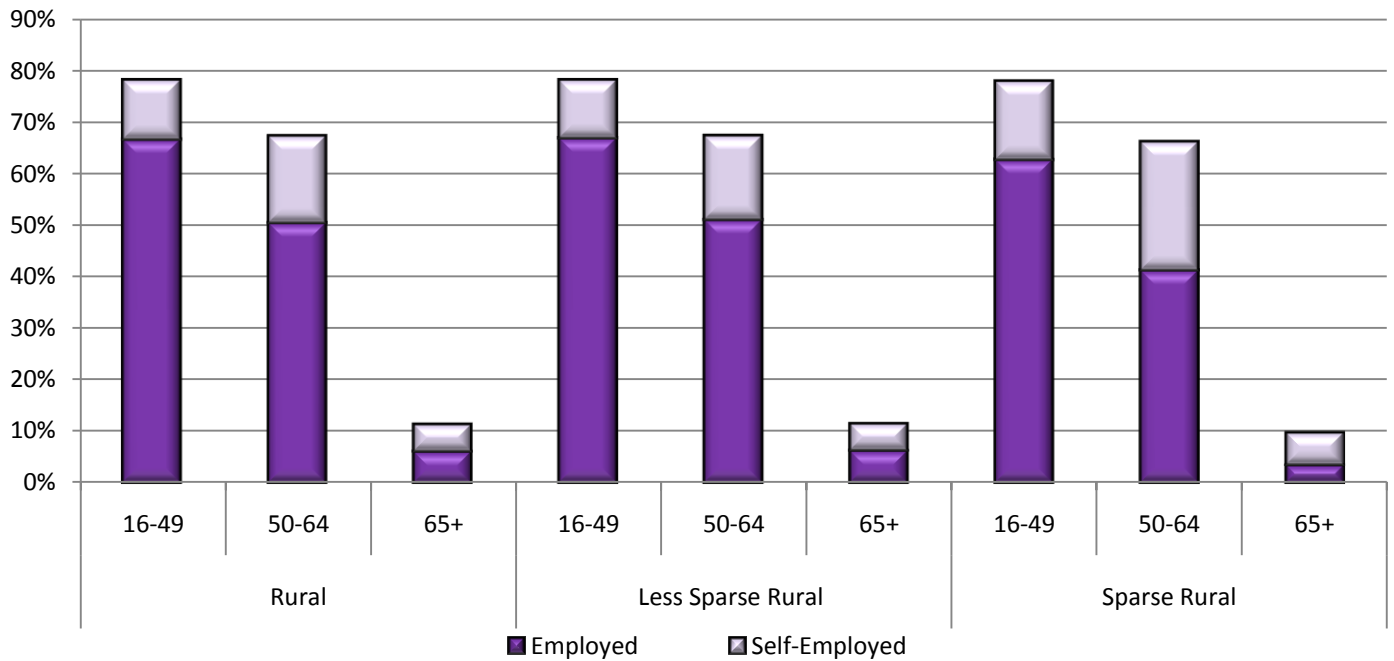
Source: ONS Mid Year Population Estimates, 2011, <http://www.ons.gov.uk/ons/publications/all-releases.html?definition=tcm:77-22371>

Economic Activity

Economic Activity by Age, April 2010 to March 2011



Economic Activity of People Living in Rural Areas by Age, April 2010 to March 2011



Proportion of people that are Employed or Self-Employed, April 2010 to March 2011

		Employed	Self-Employed	Total
Urban	16 - 49	63.3%	7.5%	70.8%
	50 - 64	53.8%	10.4%	64.2%
	65+	4.8%	2.5%	7.3%
Rural Town and Fringe	16 - 49	68.9%	9.3%	78.2%
	50 - 64	52.8%	12.6%	65.5%
	65+	5.4%	2.9%	8.3%
Village and Dispersed	16 - 49	64.1%	13.9%	78.0%
	50 - 64	48.3%	20.3%	68.6%
	65+	6.7%	7.4%	14.1%
Rural	16 - 49	66.4%	11.7%	78.1%
	50 - 64	50.3%	17.0%	67.2%
	65+	6.1%	5.3%	11.4%
Less Sparse Rural	16 - 49	66.7%	11.4%	78.1%
	50 - 64	50.9%	16.4%	67.3%
	65+	6.3%	5.2%	11.5%
Sparse Rural	16 - 49	62.5%	15.3%	77.9%
	50 - 64	41.1%	25.0%	66.1%
	65+	3.5%	6.3%	9.8%
England	16 - 49	63.8%	8.2%	72.0%
	50 - 64	53.0%	12.0%	64.9%
	65+	5.1%	3.2%	8.3%

Interpretation: The chart above shows the percentage of people that are employed or self-employed broken down by type of employment. The data has also been broken down by age to recognise that there may be differences in employment activities between different age groups. We are particularly interested in the differences between those approaching the State Pension Age (SPA) of 65 and those who are older. The data shows that in rural areas, 78.1% of people aged between 16 and 49 years, 67.2% of those aged between 50 and 64 years and 11.4% of people aged 65 and over were employed or self employed.

The employment rate was lower in urban areas for those aged under 65, where 63.3% of those aged between 16 and 49 years and 53.8% of 50 to 64 year olds living in urban areas were employed. However, for the oldest age group, the employment rate was higher in rural areas, 6.1% and 4.8% in urban areas.

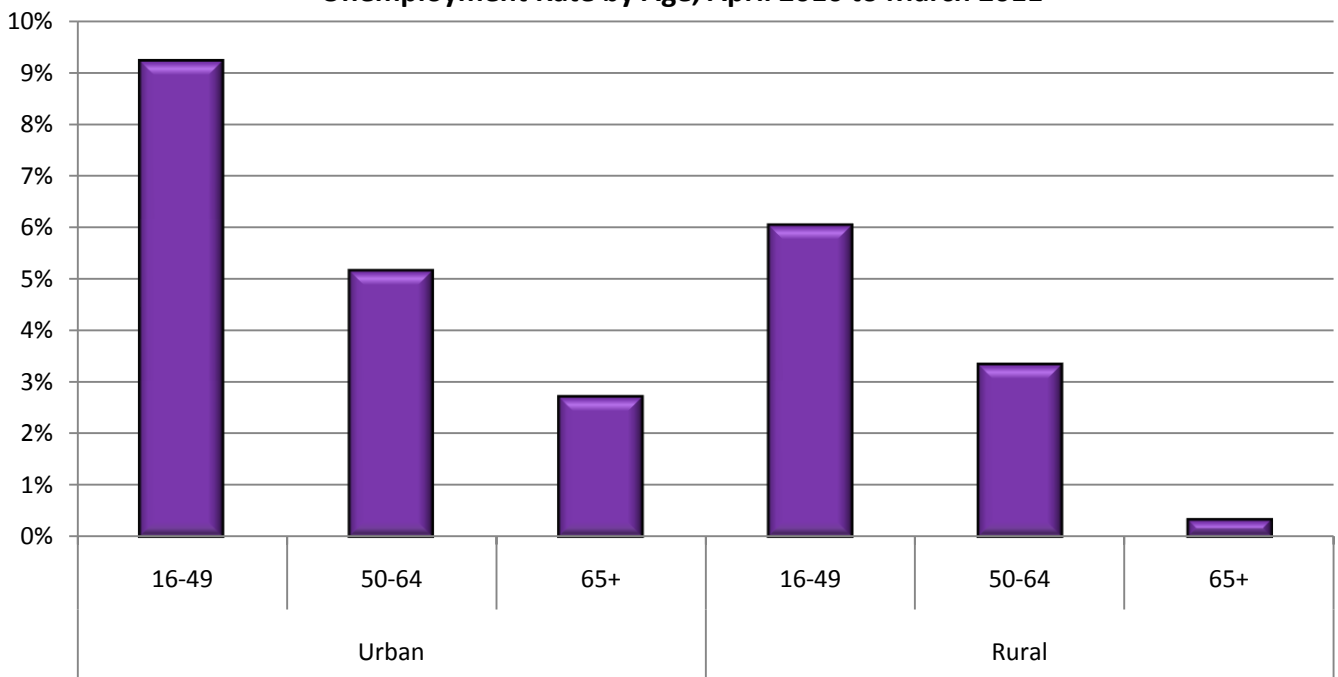
Self-employment rates are higher in rural areas with rates of 11.7% (16-49), 17.0% (50-64) and 5.3% (65+) for each age group, compared to 7.5% (16-49), 10.4% (50-64), 2.5% (65+) in urban areas. The rate is highest in Village and Dispersed areas with self-employment rates of 13.9% (16-49), 20.3% (50-64), 7.4% (65+). In all settlement types, older people are more likely to be employed than self-employed. However, this is not the case when looking at sparse rural areas where the self-employment rate is higher than those employed for people aged 65 and over.

The age at which people can claim their state pension is 65 for men and between 60 and 65 for women, and so the data above shows the percentage of older people that are choosing to continue to work when they can claim their pension. There are a variety of reasons why people may choose to continue working. For example, there may be financial reasons, they may still feel healthy enough to work, they may want the social interaction, or they enjoy their work. The drop in the proportion of people employed or self-employed from the 50-64 age group age to the 65 and older group shows that **most people choose to stop working around the age of 65**. There is also evidence to suggest that **older people living in rural areas are more likely to be employed or self-employed than older people living in urban areas**.

The **self-employment rates of older people are also shown to be higher in rural areas than urban areas, particularly for sparse rural areas** where there are more self-employed older people than employed people. However, this is also the case for the 50 to 64 age group where self-employment rates are higher in rural areas than urban. Based on this data alone it is not possible to explain why self-employed older people living in rural areas are more likely to work than those living in urban areas.

Unemployment

Unemployment Rate by Age, April 2010 to March 2011



Unemployment Rate of Older People, April 2010 to March 2011

		ILO Unemployed
Urban	16 - 49	9.2%
	50 – 64	5.2%
	65+	2.7%
Rural	16 - 49	6.0%
	50 – 64	3.3%
	65+	0.3%
England	16 - 49	8.7%
	50 – 64	4.7%
	65+	1.9%

Interpretation: The chart above shows the percentage of economic active people that are unemployed. The data shows that in urban areas, 9.2% of economically active people aged between 16 and 49 years old were unemployed and 5.2% of people aged between 50 and 64 were unemployed, which is considerably greater than the unemployment rate for people aged 65 and over, 2.7%.

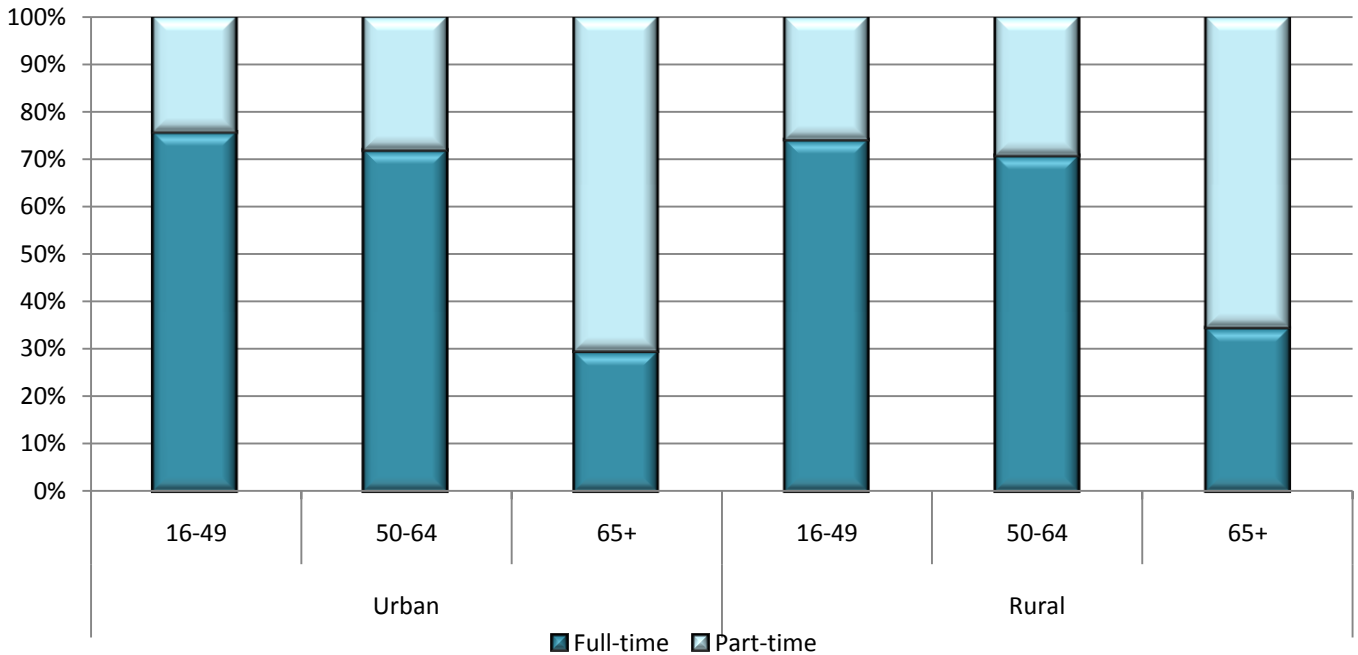
The unemployment rates was also extremely low for older people living in rural areas – 3.3% for people aged between 50 and 64 and 0.3% for those aged 65 and over.

ILO unemployment is the internationally agreed definition of unemployment, defined by the International Labour Organisation. Using this guideline, ILO unemployed people are out of work, want a job and have actively sought work in the last four weeks and are available to start work in the next two weeks or out of work, have a job and are waiting to start in the next two weeks. So, the data above captures the older people who still want to work, however, are unable to find employment.

The data shows that **older people living in urban areas are more likely to be unemployed than older people living in rural areas**. The data also shows that **those who are older than 65 are less likely to be unemployed than those aged between 50 and 64**. This may be because people who were unemployed when they were approaching the SPA decide to stop seeking employment and start claiming their pension when they are eligible to claim it.

Working Patterns of Employed People

Working patterns of Employed Population, April 2010 to March 2011



Interpretation: The chart above shows the working patterns of the employed population by age. The data shows that the majority of the employed older population work part-time rather than full-time, 70.5% and 65.5% of people aged between 65 and over working part-time in urban and rural areas respectively.

The proportion of employed people working part-time is much higher for the older population in both rural and urban areas. For example, in rural areas, 26.0% of employed people aged between 16 and 49 and 29.4% of people aged between 50 and 64 worked part-time.

The area type with the smallest proportion of employed older people working part-time is Village and Dispersed settlements, where 63.2% of employed people aged 65 and over working part-time.

Working Pattern of Employed and Self-Employed Older People, April 2010 to March 2011

		Full-time	Part-time
Urban	16 - 49	75.6%	24.4%
	50 - 64	71.7%	28.3%
	65+	29.5%	70.5%
Rural Town and Fringe	16 - 49	74.2%	25.8%
	50 - 64	72.2%	27.8%
	65+	30.0%	70.0%
Village and Dispersed	16 - 49	73.7%	26.3%
	50 - 64	69.4%	30.6%
	65+	36.8%	63.2%
Rural	16 - 49	74.0%	26.0%
	50 - 64	70.6%	29.4%
	65+	34.5%	65.5%
Less Sparse Rural	16 - 49	74.0%	26.0%
	50 - 64	70.7%	29.3%
	65+	34.5%	65.5%
Sparse Rural	16 - 49	73.1%	26.9%
	50 - 64	69.7%	30.3%
	65+	34.3%	65.7%
England	16 - 49	75.3%	24.7%
	50 - 64	71.5%	28.5%
	65+	31.2%	68.8%

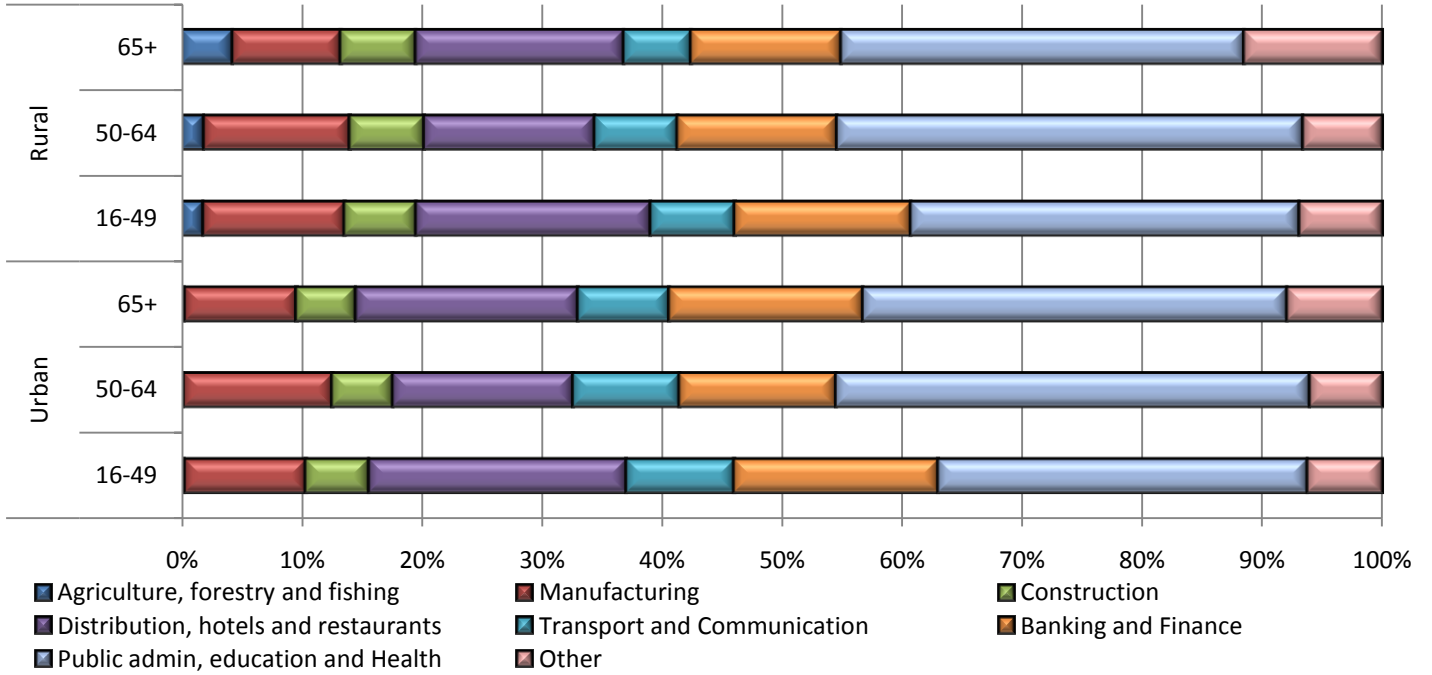
Once people reach the age at which they can claim their state pension, they may decide to continue working but reduce the number of hours they work. There are a range of reasons why older people might make the decision to work part-time, including less financial pressure meaning they don't have to work as much as before or deteriorating health restricting the amount they are able to work. The data shows that the majority of people remaining in employment when they reach 65 work part-time.

The proportion of people aged 65 and over whom work part-time is more than double of the proportion for those aged between 50 and 64 in England. Therefore, **employed older people are more likely to work part-time than younger employed people**. The sharp drop between these two age groups does suggest that reaching the SPA does influence an individual's decision to change their working pattern. This is the case for older people living in both urban and rural areas, but **employed older people living in urban areas are more likely to work part-time than those in rural areas**.

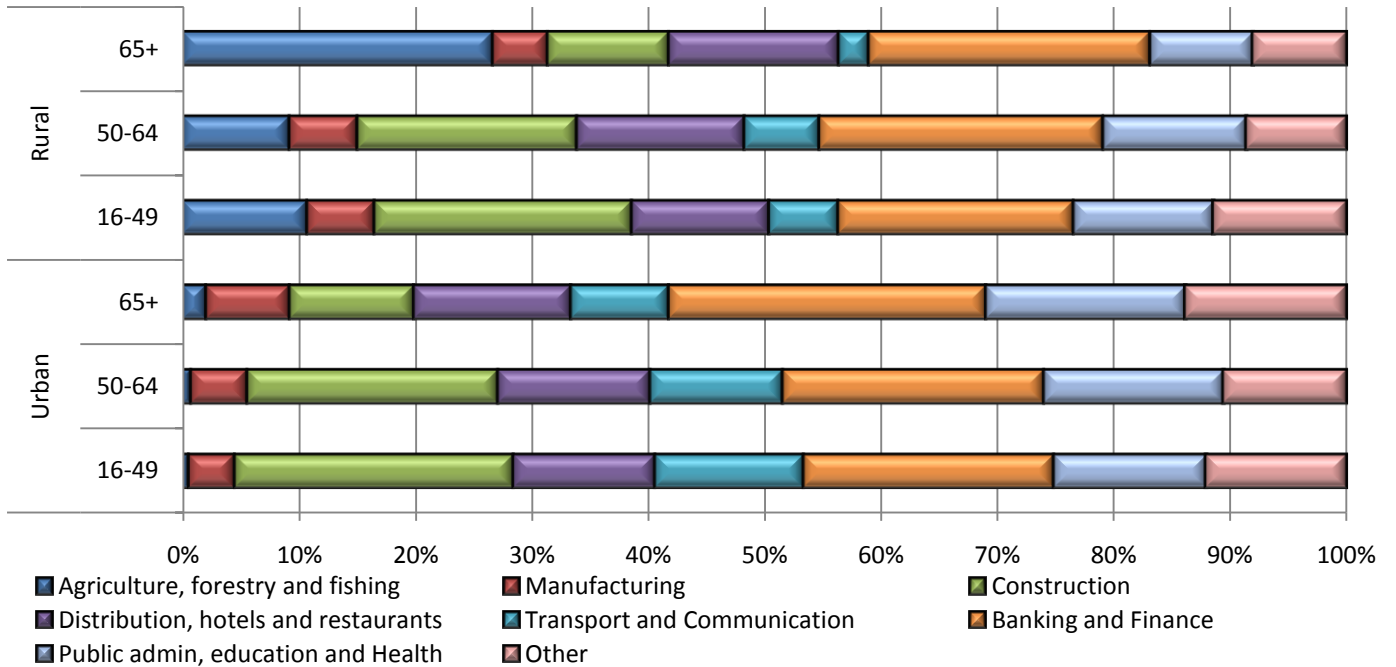
It might also be the case that those working part-time continue to work beyond 65 and those who were previously working full-time stop working, which would also have an influence on the proportion of older people working part-time.

Industrial Breakdown of Employment

Industrial Breakdown of Employed People, April 2010 to March 2011



Industrial Breakdown of Self-Employed People, April 2010 to March 2011



Industrial Breakdown of Employment by Age Group, April 2010 to March 2011

		Agriculture, forestry and fishing	Manufacturing	Construction	Distribution, hotels and restaurants	Transport and Communication	Banking and Finance	Public admin, education and Health	Other
Urban	16 - 49	0.2%	10.1%	5.2%	21.4%	9.0%	17.0%	30.7%	6.2%
	50 – 64	0.2%	12.3%	5.1%	15.0%	8.9%	13.1%	39.4%	6.0%
	65+	0.3%	9.3%	4.9%	18.5%	7.6%	16.2%	35.3%	7.9%
Rural	16 - 49	1.8%	11.8%	5.9%	19.5%	7.1%	14.7%	32.3%	6.9%
	50 – 64	1.8%	12.1%	6.2%	14.2%	6.9%	13.3%	38.8%	6.6%
	65+	4.2%	9.0%	6.2%	17.4%	5.7%	12.5%	33.6%	11.5%
England	16 - 49	0.5%	10.4%	5.3%	21.1%	8.7%	16.6%	31.0%	6.3%
	50 – 64	0.6%	12.3%	5.3%	14.9%	8.5%	13.1%	39.3%	6.2%
	65+	1.4%	9.2%	5.3%	18.2%	7.0%	15.1%	34.8%	9.0%

Industrial Breakdown of Self-Employment by Employment Status, April 2010 to March 2011

		Agriculture, forestry and fishing	Manufacturing	Construction	Distribution, hotels and restaurants	Transport and Communication	Banking and Finance	Public admin, education and Health	Other
Urban	16 - 49	0.6%	4.5%	27.1%	13.8%	14.5%	24.3%	14.8%	13.6%
	50 – 64	0.7%	4.8%	21.5%	13.1%	11.4%	22.5%	15.4%	10.6%
	65+	2.3%	8.3%	12.3%	15.6%	9.7%	31.4%	19.8%	15.9%
Rural	16 - 49	11.9%	6.5%	24.8%	13.3%	6.7%	22.7%	13.5%	12.8%
	50 – 64	9.1%	5.9%	18.8%	14.4%	6.5%	24.4%	12.3%	8.6%
	65+	28.9%	5.2%	11.3%	15.9%	2.8%	26.3%	9.6%	8.7%
England	16 - 49	3.2%	4.9%	26.5%	13.7%	12.6%	24.0%	14.5%	13.4%
	50 – 64	3.5%	5.2%	20.6%	13.5%	9.8%	23.1%	14.4%	9.9%
	65+	13.6%	6.9%	11.9%	15.7%	6.8%	29.2%	15.4%	12.8%

Industrial Breakdown of Employment and Self-Employment, April 2010 to March 2011

		Agriculture, forestry and fishing	Manufacturing	Construction	Distribution, hotels and restaurants	Transport and Communication	Banking and Finance	Public admin, education and Health	Other
Urban	16 - 49	0.3%	9.4%	7.2%	20.5%	9.4%	17.5%	28.9%	6.8%
	50 - 64	0.3%	11.1%	7.7%	14.7%	9.3%	14.6%	35.4%	6.8%
	65+	0.8%	8.6%	6.9%	16.8%	7.9%	19.9%	29.1%	9.9%
Rural	16 - 49	3.1%	10.9%	8.4%	18.4%	6.9%	15.5%	29.3%	7.6%
	50 - 64	3.9%	10.7%	9.0%	14.4%	6.9%	16.1%	31.9%	7.1%
	65+	14.6%	7.0%	8.2%	16.1%	4.2%	17.9%	22.1%	9.9%
England	16 - 49	0.8%	9.7%	7.4%	20.1%	9.0%	17.2%	29.0%	7.0%
	50 - 64	1.1%	11.0%	8.0%	14.7%	8.7%	15.0%	34.6%	6.9%
	65+	5.5%	8.1%	7.3%	16.6%	6.7%	19.3%	26.8%	9.9%

Interpretation: The largest proportion of employed older people work in Public Administration, Education and Health in both urban and rural areas (35.3% and 33.6% respectively), followed by Distribution, hotels and restaurants (18.5% and 17.4%) and Banking and Finance (16.2% and 12.5%).

When looking at the self-employed, the case is different in rural areas where the largest proportion of older self-employed people worked in Agriculture (28.9%). In urban areas, Banking and Finance account for the largest proportion of self-employed older people, at 31.4%.

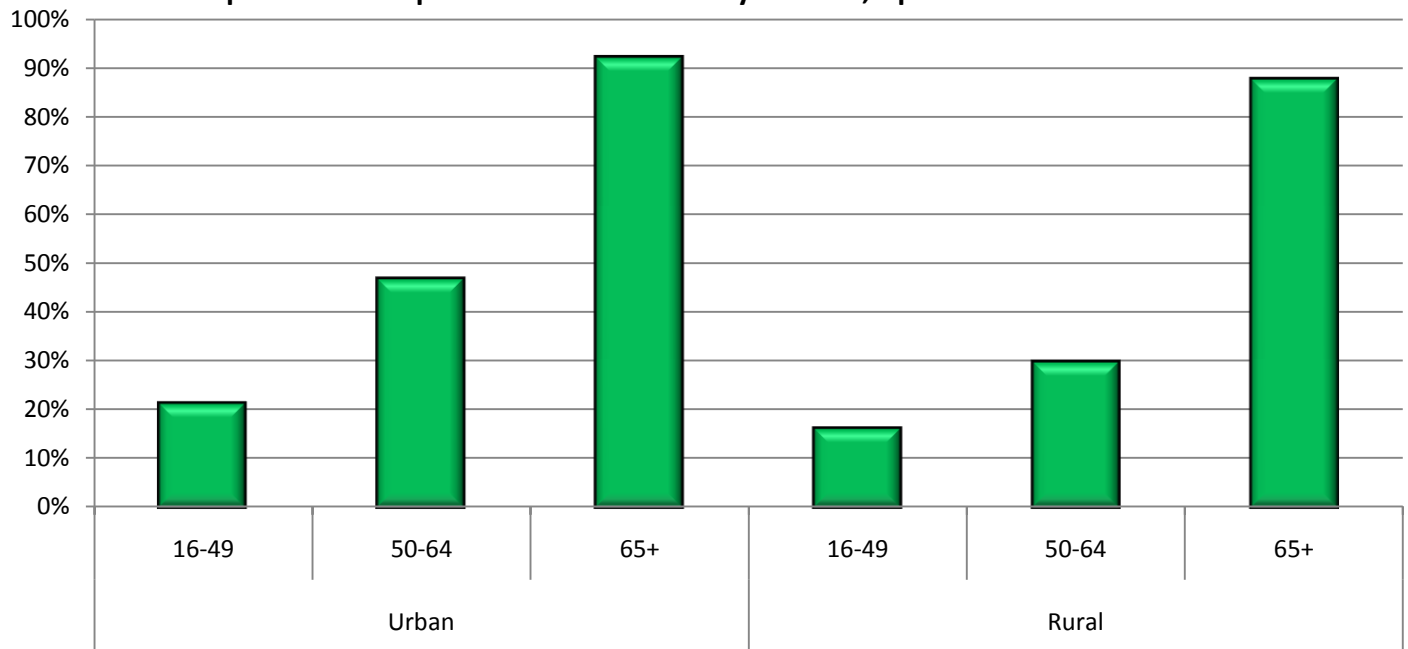
Older people who are employed and self employed are most likely to work in Public Administration, Education and Health, Banking and Finance or Distribution, hotels and restaurants, which account for most of the employment of older people – both in rural and urban areas. When comparing the industrial breakdown of employment for older people and people that are younger, a higher proportion of employed older people work in Agriculture and Banking and Finance.

A higher proportion of self-employed people work in the Agriculture, Construction or Banking and Finance industries than employed people for both older people and the younger age groups across England. However, **self-employed older people are more likely to work in Agriculture and Banking and Finance than self-employed people younger than 65**. For employed people there is very little difference in the breakdown of employment by industry between older people and other age groups.

There appears to be very little difference in the industries that employed older people working between the rural and urban populations. However, **self-employed older people living in rural areas are more likely to work in the Agriculture industry than self-employed older people living in urban areas.**

Economic Inactivity

Proportion of People that are Economically Inactive, April 2010 to March 2011



Proportion of People that are Economically Inactive by Age and Reason, April 2010 to March 2011

	Age Group	Economic Inactive	Of Economic Inactive:		
			Retired	Seeking or wanting to work	Other
Urban	16 - 49	21.5%	*	28.3%	71.7%
	50 - 64	47.0%	40.0%	17.4%	42.6%
	65+	92.3%	95.8%	1.5%	2.8%
Rural	16 - 49	16.4%	*	27.3%	72.6%
	50 - 64	30.0%	53.8%	12.8%	33.4%
	65+	87.9%	96.0%	1.5%	2.5%
England	16 - 49	20.7%	*	28.2%	71.8%
	50 - 64	31.5%	43.1%	16.3%	40.5%
	65+	91.2%	95.8%	1.5%	2.7%

*Sample size too small

Interpretation: The data shows that 87.9% of older people living in rural areas are economically inactive, and in urban areas the proportion is 92.3%. For people aged between 50 and 64, 30.0% and 47.0% are economically inactive in rural and urban areas respectively.

Of the older people who are economically inactive in England, 95.8% are retired and 1.5% want to work but are unable to.

It is important to ensure that older people still have the opportunity to work if they still want to. Economic inactive people are not in work and do not meet the ILO unemployment definition. They are people without a job who have not actively sought work in the last four weeks and/or are not available to start work in the next two weeks. Economically inactive people include students, retired people and also include people who would like to work but are unable to do so.

The vast majority of older people are economically inactive and most of these people are retired. However, there is a small minority who were seeking work or would like to continue working but are unable to do so. Although economic inactivity rates of older people are slightly higher in urban areas, there appears to be very little difference in trends of economic inactivity of older people between rural and urban areas.

Economic inactivity for the 50 to 64 age group is higher than the rest of the working age population (16-49 years) and for this age group, rates of economic inactivity are notably higher in urban areas than in rural areas. In rural areas, just over half of the economic inactive people have retired but there are still people who would like to continue to work. In urban areas, the rates of retirement amongst economically inactive people aged between 50 and 64 is lower than in rural areas, suggesting that there are other reasons why these people do not work. Part of this can be explained by people who are seeking work or are unable to work.

Notes: Further rural Economic Activity statistics have been published as part of the Statistical Digest of Rural England. This can be found here: <http://www.defra.gov.uk/statistics/rural/rural-publications/>

DWP publish quarterly statistics on Older Workers, which can be found here <http://research.dwp.gov.uk/asd/asd5/rports2011-2012/owsib2011.pdf>

For more information on the State Pensions Age, see

http://www.direct.gov.uk/en/Pensionsandretirementplanning/StatePension/DG_4017919

Source: Labour Force Survey