

# Who works beyond the state pension age and are there health benefits?

Giorgio Di Gessa , KCL

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**Abstract** The relationships between work, retirement and health in later life are complex and much of the evidence base examines early retirement. In the context of extending working lives in the UK, we use data from the English Longitudinal Study of Ageing to examine work beyond the state pension age (SPA) to better understand who is 'extending' their working life, how employment beyond SPA is related to prior labour market experiences, and the implications of post-SPA work for health. We find gender differences in the predictors of working beyond SPA but good health is important for both men and women. Working beyond SPA is associated with positive evaluations of health; however, it is only the healthiest who continue in paid employment.

**Speaker** Giorgio Di Gessa Research Associate ,Wellbeing, Health, Retirement and the Lifecourse project, KCL

**Notes** ICLS hosted a policy seminar on Extending working life and Health at UCL in June 2015. The seminar was chaired by Richard Bartholomew, (former), Chief Research Officer, Children, Young People and Families Directorate, Department for Education and the presentations co-ordinated by Tarani Chandola, Professor of Medical Sociology University of Manchester and ICLS Co-investigator. Transcripts from this event, including this paper, have been made available via the ICLS Occasional Paper Series. This series allows all (those who were or were not able to attend) to read an account of the presentation. Other papers in the series include:

**OP16.1 Working longer: paid employment beyond age 65 years. David Blane, UCL**

**OP 16.3 The impact of working beyond state pension age on volunteering, caregiving and well-being.** Katey Mathews, Manchester University

**OP16.4 Geographic inequalities, health and exit from the work force.** Emily Murray, UCL

# Who works beyond the state pension age and are there health benefits?

Giorgio Di Gessa , KCL, June 2015

## SLIDE 1

*Good afternoon. My name is Giorgio Di Gessa and I'm currently a Research Associate with the Wellbeing, Health, Retirement and the Lifecourse project – one of the Extending Working Lives Consortia Grants – funded by the ESRC and MRC.*

*Today I will be presenting a paper on “Who works beyond the state pension age and are there any health benefits?”, using data from the English Longitudinal Study on Ageing.*

*This is a collaborative effort with colleagues from King's College London, Stockholm University and the University of Toronto.*



Slide 1 content: The slide features the WHERL logo (Wellbeing, Health, Retirement and the Lifecourse) in the top right corner. The title "Who works beyond the state pension age and are there health benefits?" is centered. Below the title, the authors are listed: Giorgio Di Gessa<sup>1</sup>, Laurie M. Coma<sup>1</sup>, Karen Glaser<sup>1</sup>, Loretta G. Platts<sup>2</sup>, Diana Worts<sup>3</sup>, Debora Price<sup>1</sup> and Peggy McDonough<sup>3</sup>. Footnotes indicate: <sup>1</sup> King's College London; <sup>2</sup> Stockholm University; <sup>3</sup> University of Toronto. At the bottom, there is a funding statement: "WHERL is funded by the Economic and Social Research Council (ESRC) and Medical Research Council (MRC) through an Extended Working Lives Consortia Grant." and logos for ESRC 50th Anniversary, ESRC, and MRC.

## SLIDE 2

*As the title suggests I will describe the socioeconomic, demographic and health characteristics of men and women who extend their working lives beyond the state pension age. Then I will move on to examining whether there are any positive or negative associations between working beyond state pension age and health.*



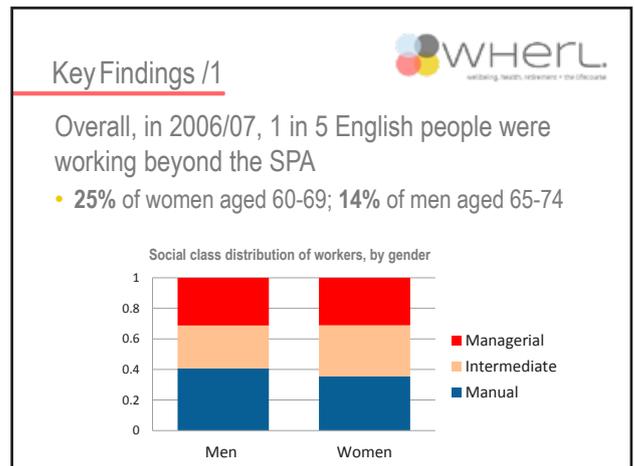
Slide 2 content: The slide features the WHERL logo in the top right corner. The title "Overview" is centered. Below the title, there are two bullet points: "Describe the characteristics of men and women who 'extend' their working life beyond the State Pension Age (SPA)." and "Examine the longitudinal relationship between employment beyond SPA and health." At the bottom, there are logos for ESRC and MRC.

### SLIDE 3

Overall in England in 2006/7 there were about 20% of people working beyond state pension age. This figure is slightly different from the one that David Blane showed before in his presentation 'Working longer: paid employment beyond age 65 years' because we looked at different age groups for men and women.

Among women between the ages of 60 and 69 and men ages 65 to 74, about a quarter and 14 per cent, respectively, were working beyond State Pension Age.

When looking at the social class distribution of those people who were working beyond state pension age in 2006/7, about two third



were working in managerial and intermediate positions with very few differences between male and female workers.

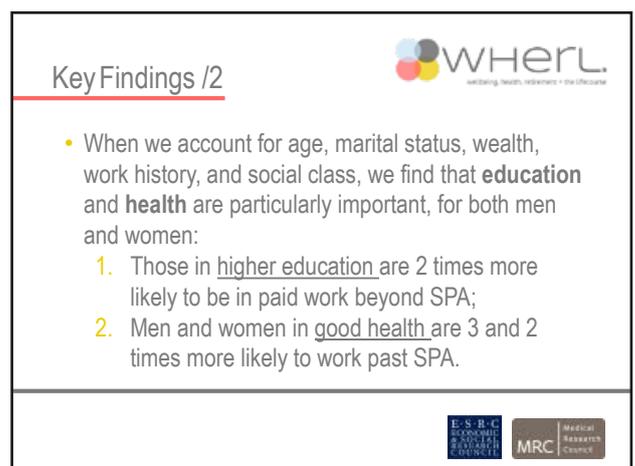
### SLIDE 4

So who is actually working beyond state pension? We accounted for several socioeconomic and demographic characteristics as well as for health indicators.



### SLIDE 5

We found that the two most important characteristics which might affect the likelihood of being in paid work beyond state pension age were education and health. In particular, for both men and women, we found that those who had a high level of education were two times more likely to be in paid work beyond state pension age compared to those who had low levels of education. As for health, we found that both men women in good health were respectively three and two times more likely to be working beyond state pension age compared to those who reported poor or fair health.



## SLIDE 6

*We also found that marital status seemed to affect the likelihood of working beyond state pension age only among women: women who were divorced, single or separated were more likely to be working beyond state pension age than women who were married. In our analyses we also tested whether the work histories of both men and women affects the likelihood of working beyond state pension age. Among women, there is no difference in the likelihood of being in paid work beyond state pension age between those who never interrupted their careers throughout their lives and those who took some years off in their late twenties or in their thirties. Women who interrupted*

Key Findings /3



- We also found that
  1. Women who were married were less likely to work beyond SPA;
  2. Women whose careers were characterised by labour market interruptions and periods of care leave were as likely to extend work past SPA as women who had been working throughout their lives without interruptions.



*their careers are as likely as those who worked throughout to be working beyond state pension age.*

## SLIDE 7

*Having described the characteristics of those who are working beyond state pension age, we next asked if there any health benefits? In other words, are there any positive associations between working beyond state pension age and health?*



Are there health benefits associated with working beyond SPA?



## SLIDE 8

*Our results suggest that there is a health selection into work beyond state pension age. If we account for the fact that it is mostly the healthiest people who keep working beyond state pension age, then paid work post state pension age is not significantly associated with better health among men. Among women, only those working in managerial positions show a clear health benefit and are more likely to be reporting better health compared to women who were not in paid work.*

Key Findings /4



- Once we take into account that the healthiest people are more likely to continue to be in paid employment, we found that:
  - work beyond SPA is not significantly related to good health among men;
  - for women, it is only those in the managerial classes who show a clear health benefit.



## SLIDE 9

*These findings come from the English Longitudinal Study of Ageing, an ongoing study which follows individuals aged 50+ every two years, and which is representative of older people living in private accommodation in England.*

*ELSA started in 2002, and so far 6 waves of data have been collected. For our analysis, however, we only considered waves 2, 3 and 4 which were collected between 2004/5 and 2008/9.*

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Data /1

- English Longitudinal Study of Ageing (ELSA), an ongoing multidisciplinary longitudinal biennial survey representative of individuals aged 50+ in England. Household response rate: 70%.
- We used waves 2, 3, and 4 collected respectively in 2004/05, 2006/07, and 2008/09

## SLIDE 10

*In each of the waves respondents were asked a wide range of questions about their socioeconomic and demographic characteristics, such as their wealth, whether they owned their houses, their marital status, level of education as well as their household composition. Respondents were also asked a variety of health questions about depressive symptoms, disabilities, limiting conditions and self-rated health.*

*On top of these characteristics, in wave 3, which was collected in 2006/7, respondents were also asked questions about their retrospective working history from the age of 16 until the age of the interview.*

*In our analysis we restricted the sample to men who were aged 65-74 in 2006/7 and to*

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Data /2

- Key variables: socio-economic, demographics, and health characteristics. Wave 3 includes also retrospective information on work history.
- We restricted our analyses to:
  1. **Male** respondents aged **65-74** in 2006/07 (i.e. born between 1933 and 1942)
  2. **Female** respondents aged **60-69** in 2006/07 (i.e. born between 1938 and 1947)for whom information was collected at w2 (N~2,500)

*women who were aged 60-69 in the same year for whom we also had information about their socioeconomic and demographic characteristics collected from the previous wave two years earlier. We ended up with about 2,500 people in our sample.*

## SLIDE 11

*The two main variables of interest for our study were “working beyond state pension age” and “health”. Respondents in our restricted sample who reported being in paid work the month prior to the interview were considered as working beyond state pension age.*

*As for health, the focus of this paper was self rated health, a validated measure that can predict outcomes such as mortality as well as wellbeing even when other health characteristics are accounted for. Respondents were asked how*

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Key Variables

- Work beyond SPA: Respondents who reported being in paid work in the month prior to the interview;
- Self-rated health (SRH), a validated measure which predicts outcomes such as quality of life and mortality. We distinguished between ‘fair or poor’ versus better health

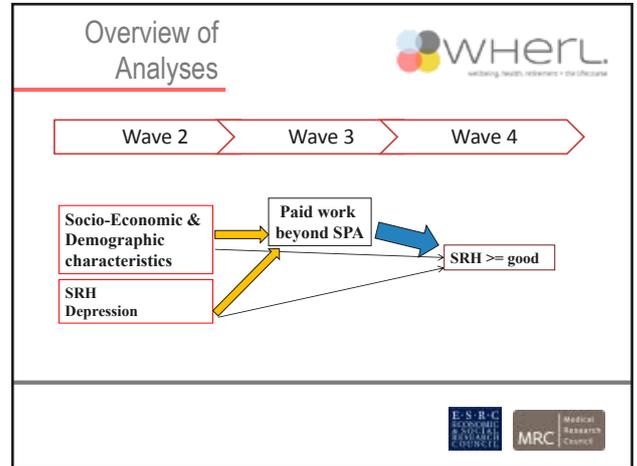
## SLIDE 11 ... CONTINUED

they would rate their health, with answers ranging from poor to excellent. In this case we distinguished between respondents reporting

fair and poor health versus those reporting good, very good or excellent health.

## SLIDE 12

This is a graphic representation of the analysis that we carried out. We looked at men and women who were interviewed at wave 2 and then followed up for the next four years. First we examined the baseline socioeconomic, demographic as well as the health characteristics which were associated with paid work after two years. Second, we tested whether being in paid work in 2006/7 would affect the likelihood of reporting good health after two years, once those factors which influence the likelihood of being in paid work beyond state pension age were accounted for.



## SLIDE 13

OR=1 Exposure does not affect odds of outcome  
OR>1 Exposure associated with higher odds of outcome

This table shows the odds ratios of reporting good, very good or excellent health at wave 4 (in 2008/9) for both men and women by their work status in 2006/7, before and after controlling for health at baseline. Odds ratios greater than 1 indicate that respondents are more likely to report their health as good or better compared to those not in paid work in 2006/7, i.e. the reference category. Figures highlighted in red mean that the relationship is statistically significant.

The value 3.7, for instance, shows that men who were in routine and manual work in 2006/7 were almost four times more likely to report their health as good or better after two years compared to men not in paid work in the same year if we don't account for the health selection effect. However, if we take that into account, the

Key Findings /5

Odds ratios of reporting 'good health' at wave 4 by work status at wave 3

	MEN		WOMEN	
	No Health at baseline	Controlling for previous health	No Health at baseline	Controlling for previous health
Routine	3.71	1.68	2.04	1.64
Intermediate	1.87	1.19	1.95	1.70
Managerial	1.73	1.33	5.88	4.37
Not in paid work	Reference			

Controlling for age, level of education, work histories, marital status, and lowest wealth

direction of association remains the same but is no longer significant.

A similar picture also can be seen among women. However among women, those who were in managerial positions were significantly more likely to report good or better health compared to women in the same age group who were not in paid work, even after accounting for the fact that it is the healthiest and the more highly educated women who keep working beyond state pension age.

## SLIDE 14

*In conclusion, in our study we found that education and health seemed to be important factors that affect the likelihood of working beyond state pension age. This is consistent with previous studies which found that it is mostly those in poor health who are more likely to withdraw from the labour market before state pension age. Looking at the other side of the story, in our study we found that indeed it is actually those who are in good health who keep working up to and beyond state pension age.*

## SLIDE 15

*However, when we look at the actual health benefits of being in paid work beyond state pension, the picture is a more complicated given that we must take into account the fact that it is mostly those in good health to start with who are more likely to be working beyond state pension age in the first place. This likely represents a selected group of individuals who not only enjoy good health, but have the opportunity to continue working.*

*Interestingly, although one might assume that those in managerial positions might have better work conditions, more power, balance and rewards in their workplace, we found such positive effect only for women and not for men. This gender difference requires more attention.*

### Discussion /1



- Consistent %s of men and women working beyond the SPA (Smeaton & McKay 2003)
- Education is a well known predictor of post-SPA work (Campbell 1999; Smeaton & McKay 2003; Whiting 2005)
- Poor health selects individuals out of the labour market (Börsch-Supan et al. 2009; Disney et al. 2006; Doshi et al. 2008; Rice et al. 2011; van den Berg et al. 2010)



### Discussion /2



- Potential health benefits of working beyond SPA need to be considered in light of the fact that *those in good health are much more likely to be working past SPA in the first place.*
- Gender differences require more attention.



*These are still preliminary findings, and I welcome any suggestions which might help us better understand such gender differentials.*

*If you have any comments and questions, I'm more than happy to answer them.*

## SLIDE 16

### References



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## SLIDE 17

### Questions



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