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@TheIFS

Changing retirement behaviour

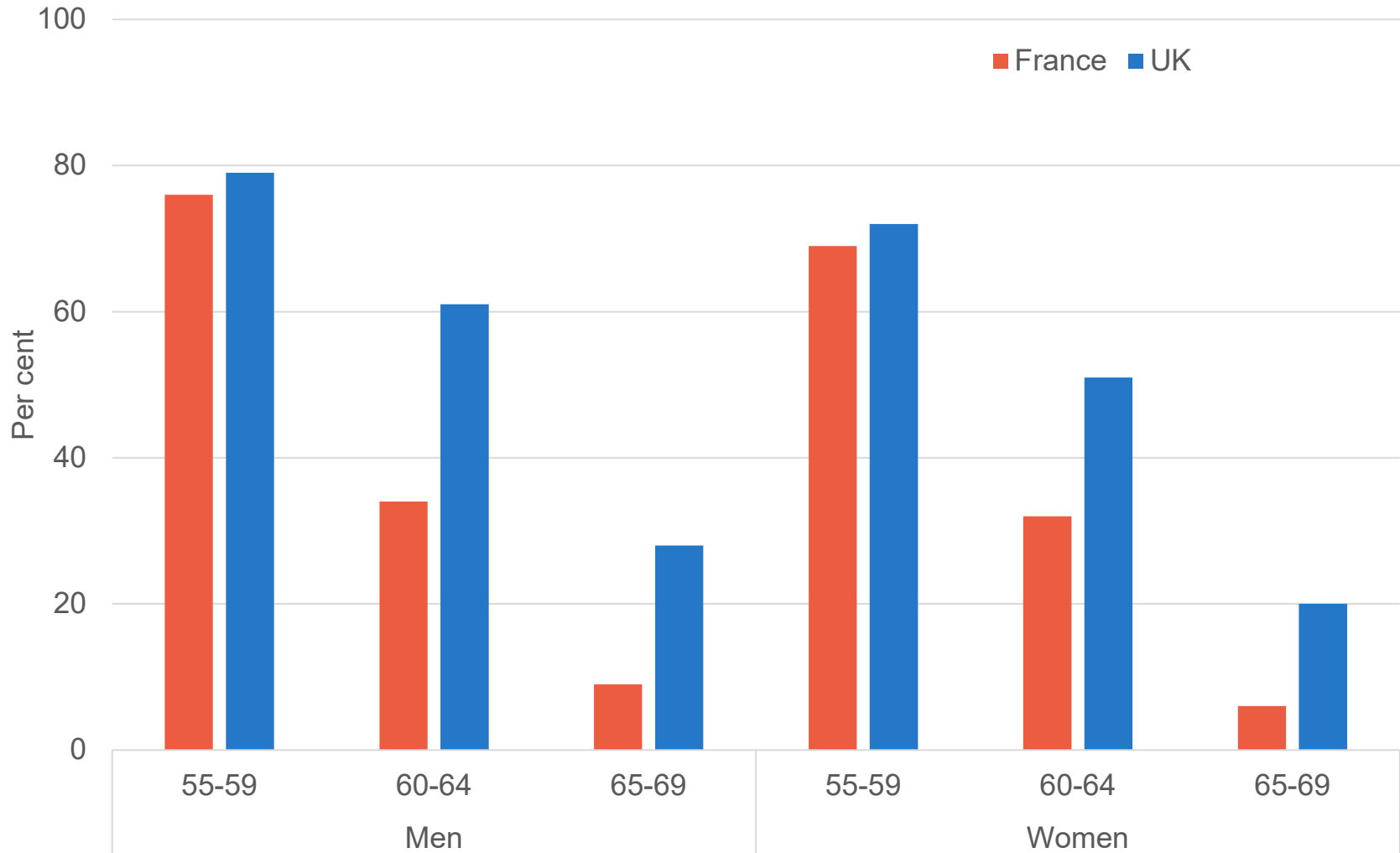


Economic
and Social
Research Council

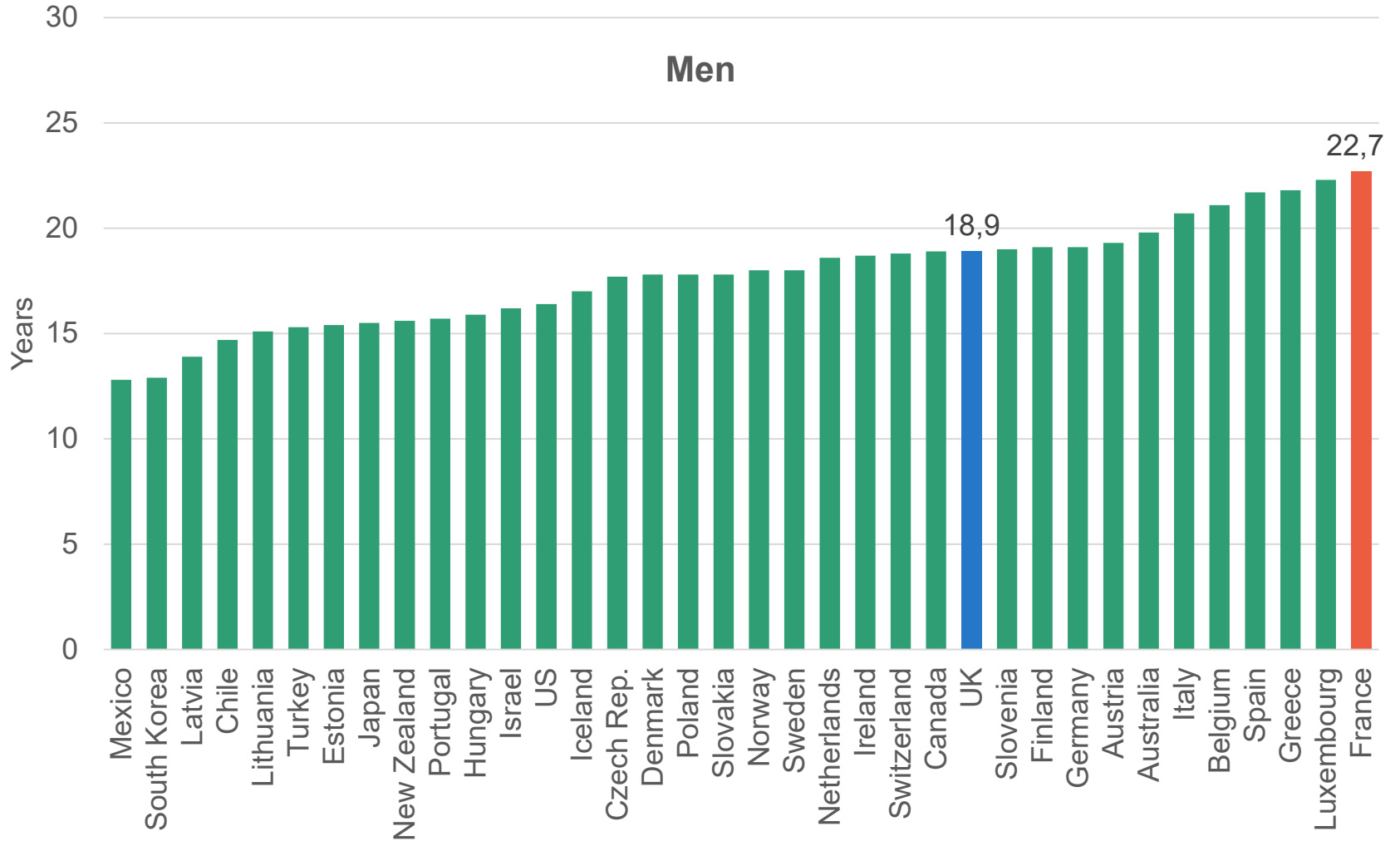
“The staple conversation on the farms around was on the uselessness of saving money; and smockfroked arithmeticians, leaning on their ploughs or hoes, would enter into calculations of great nicety to prove that parish relief was a fuller provision for a man in his old age than any which could result from savings out of their wages during a whole lifetime”

Thomas Hardy, *Tess of the D’Urbervilles*, 1891

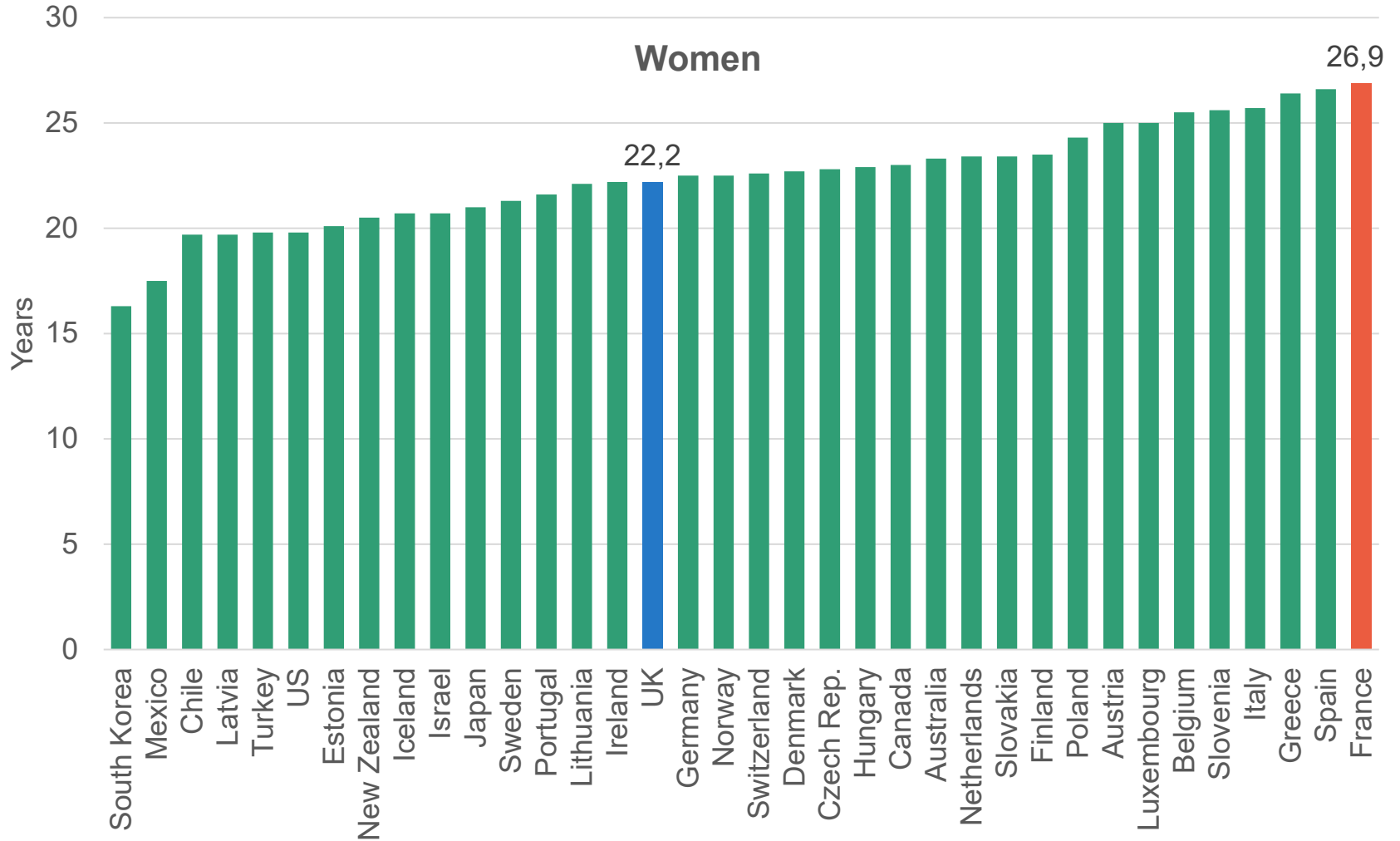
Employment at older ages



Average retirement length



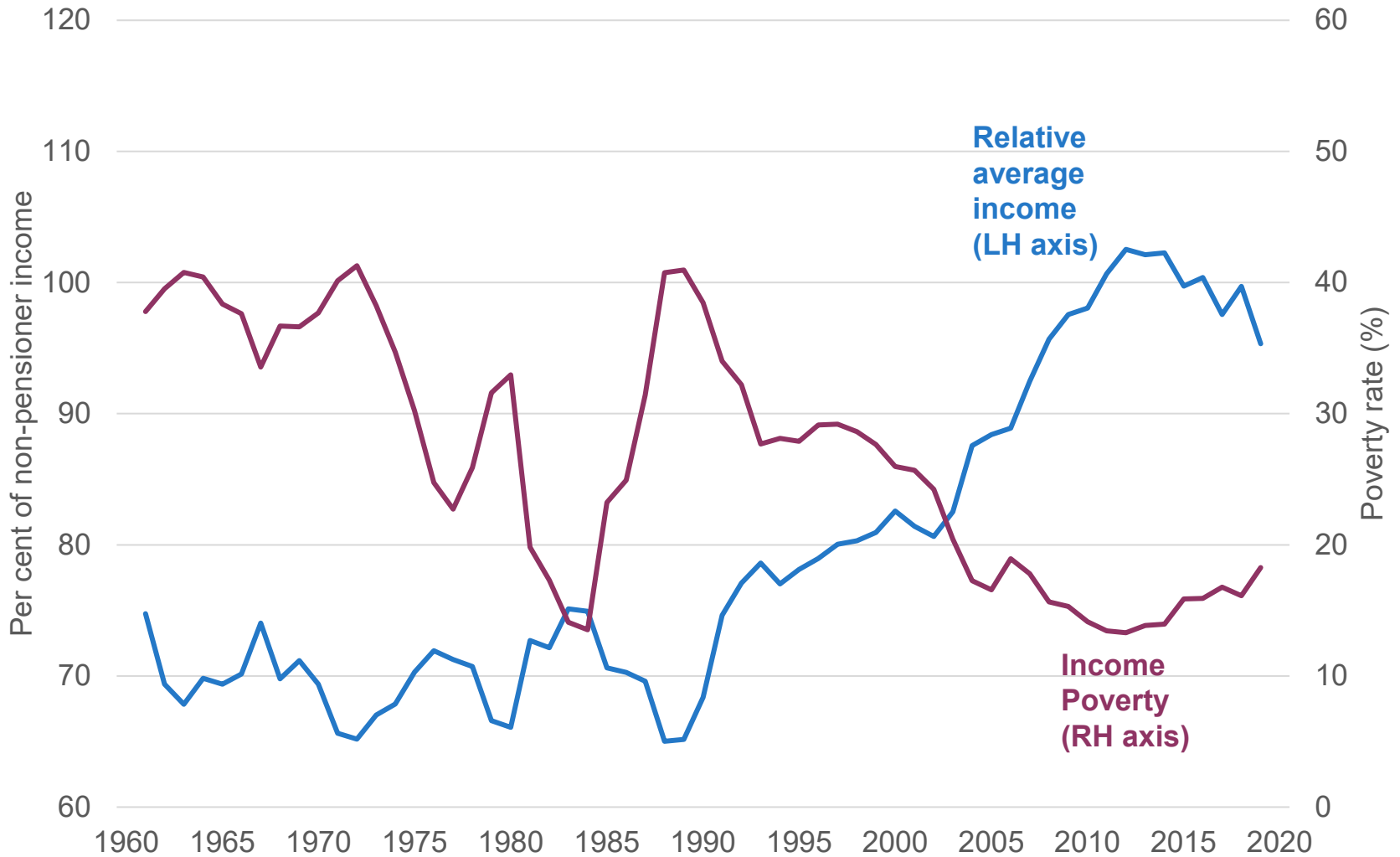
Average retirement length



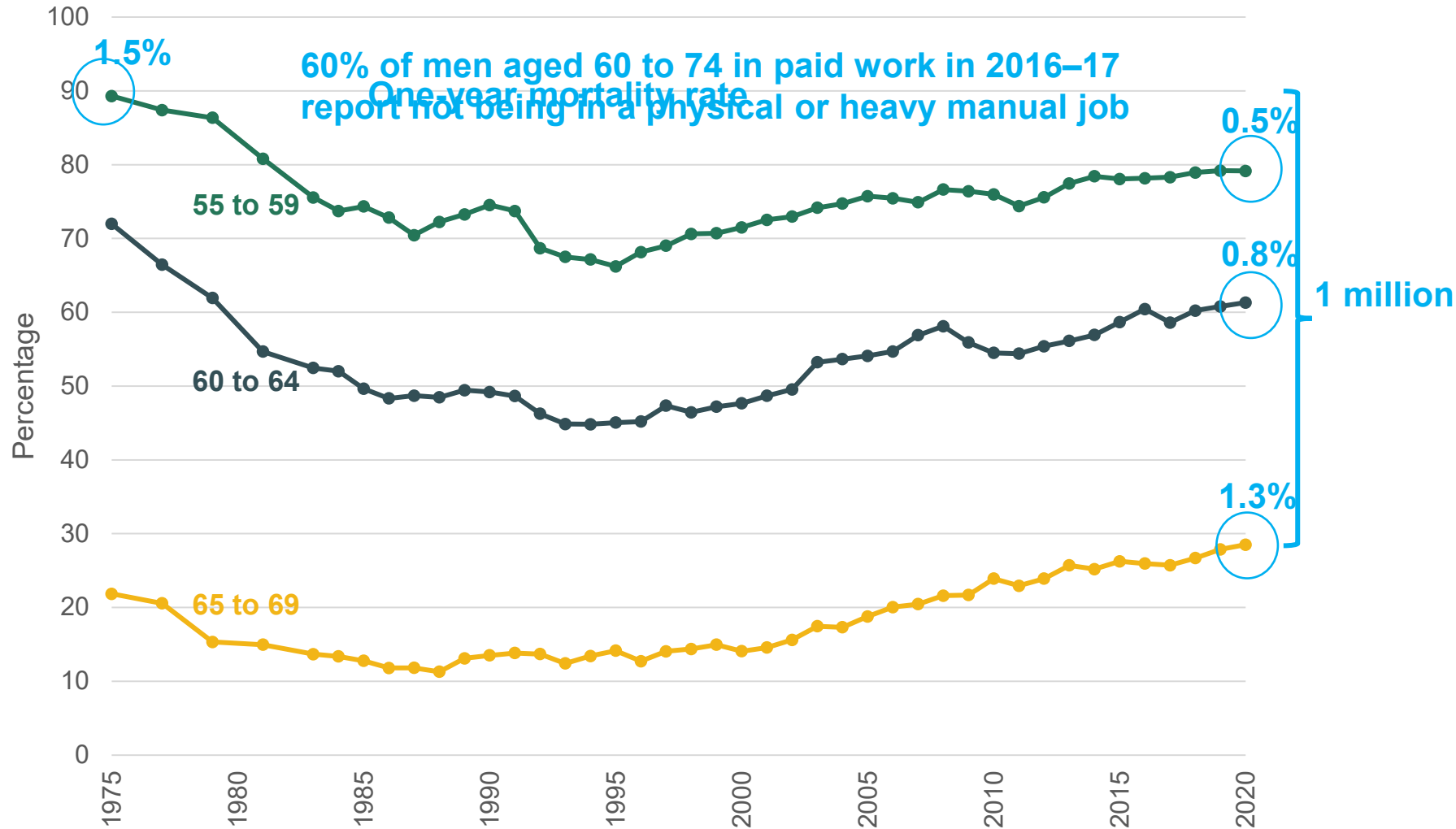


Incomes and employment

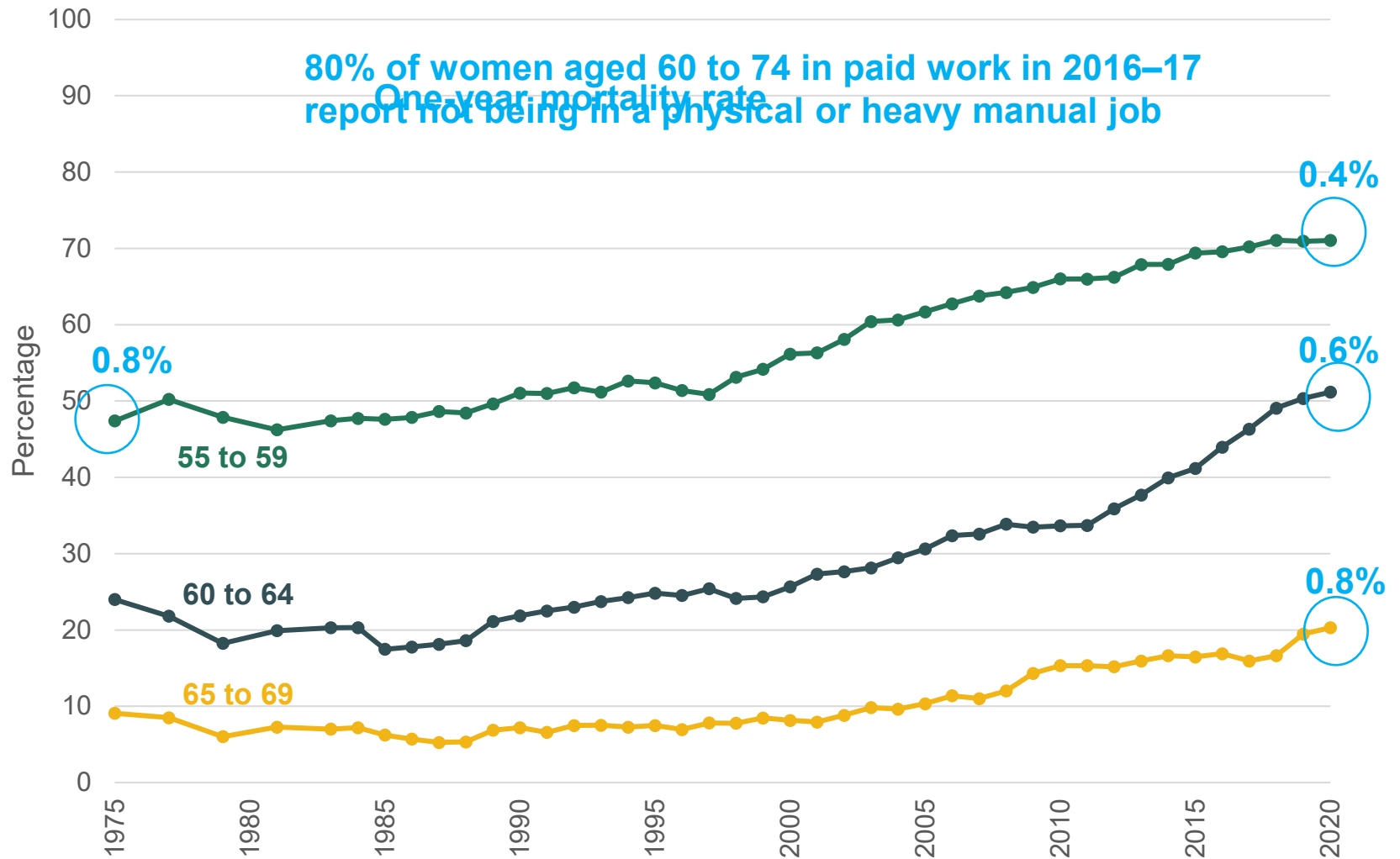
Much improved pensioner incomes



The fall and rise of male employment



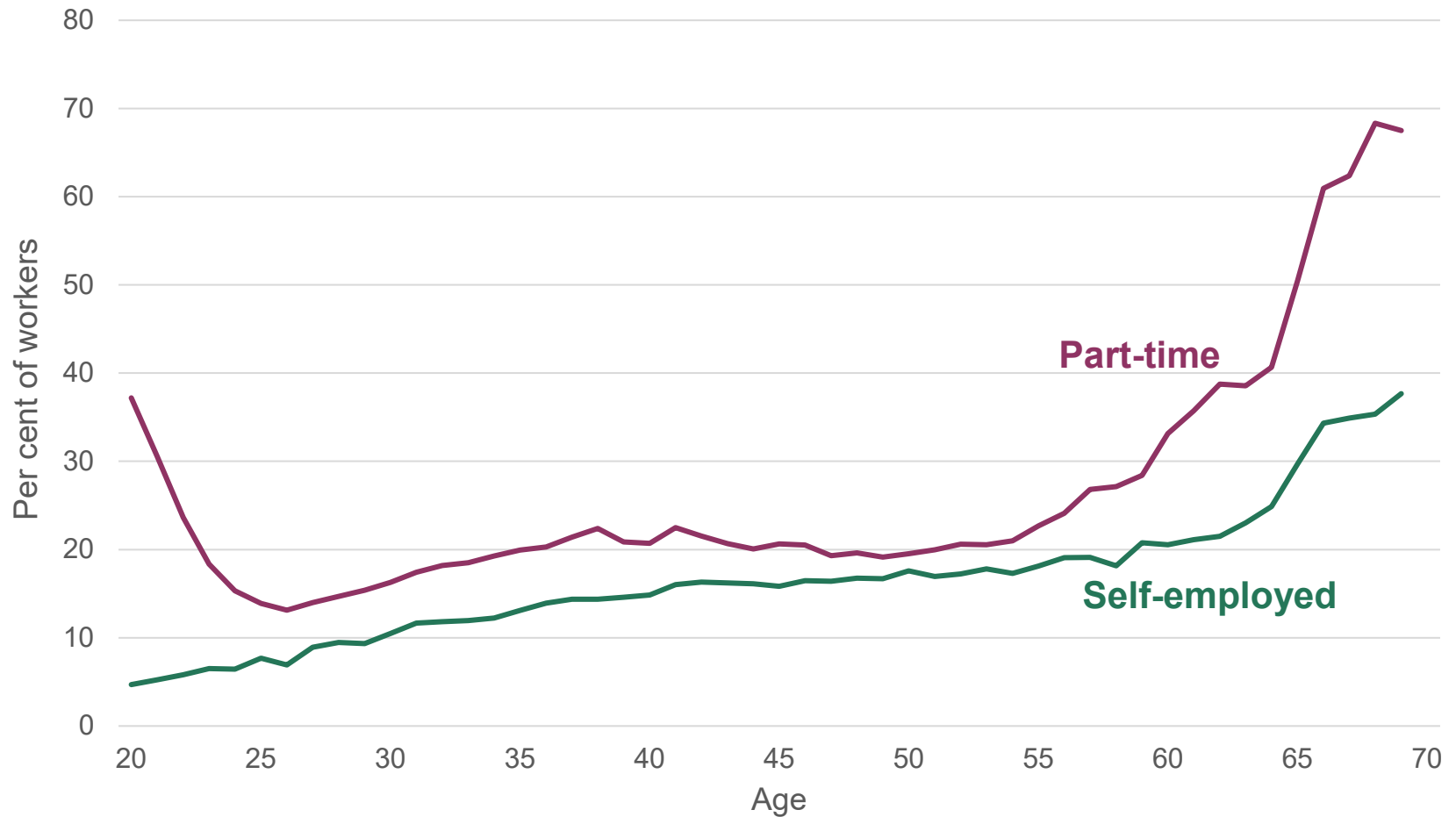
The rise and rise of female employment



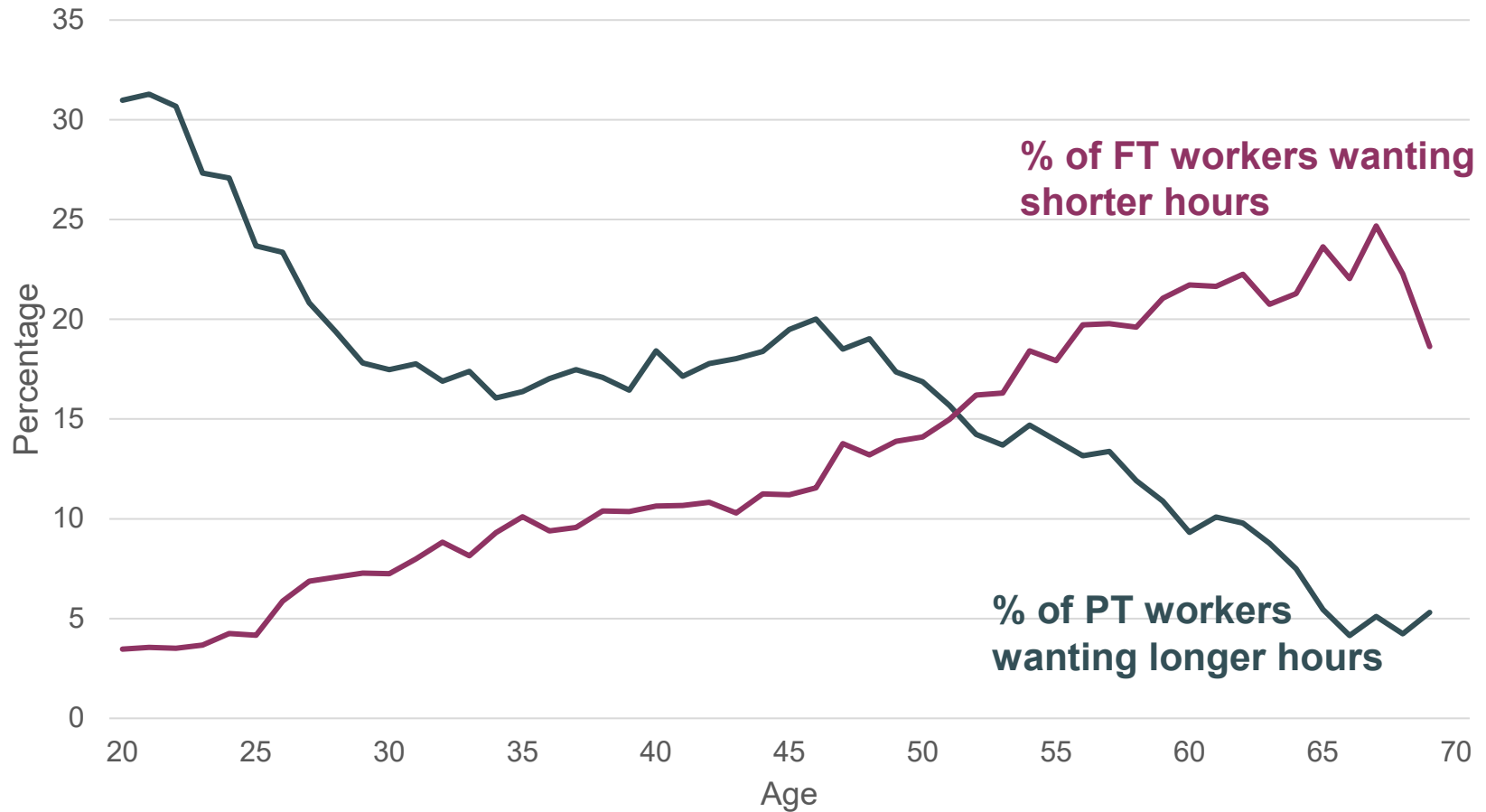


Type of work

Self-employment and part-time work



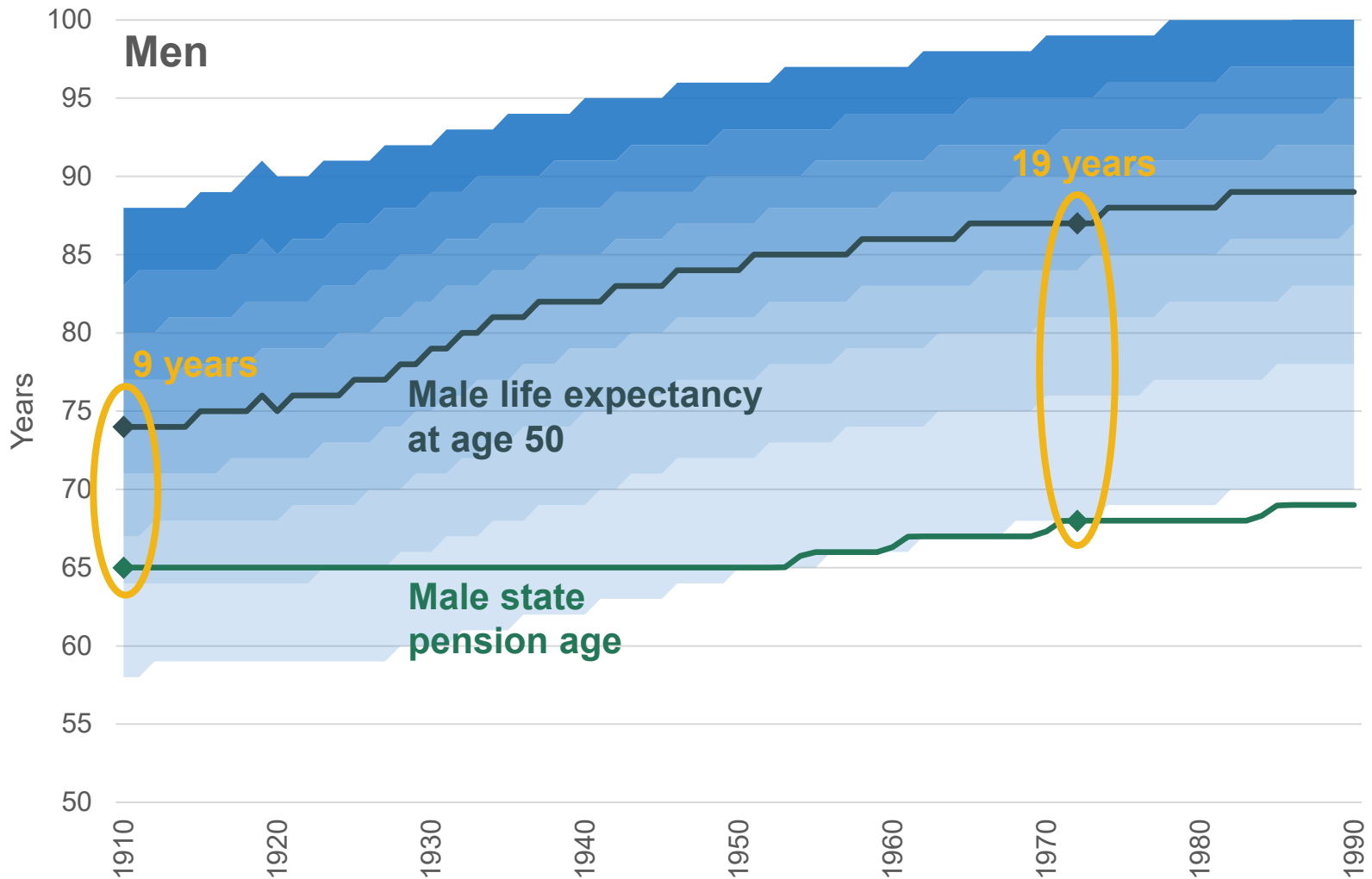
Large share of older workers still want shorter hours



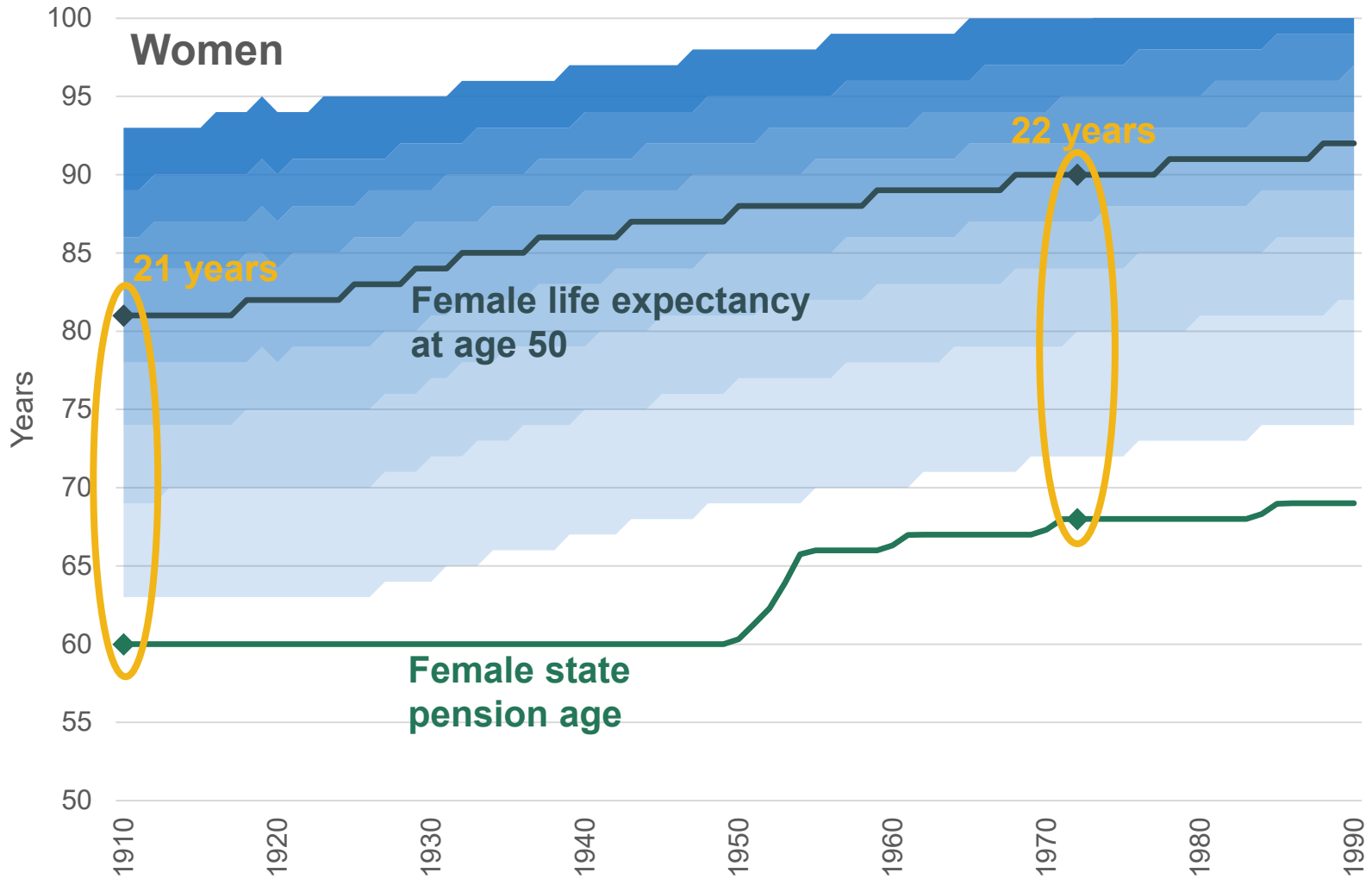


State pension age increases

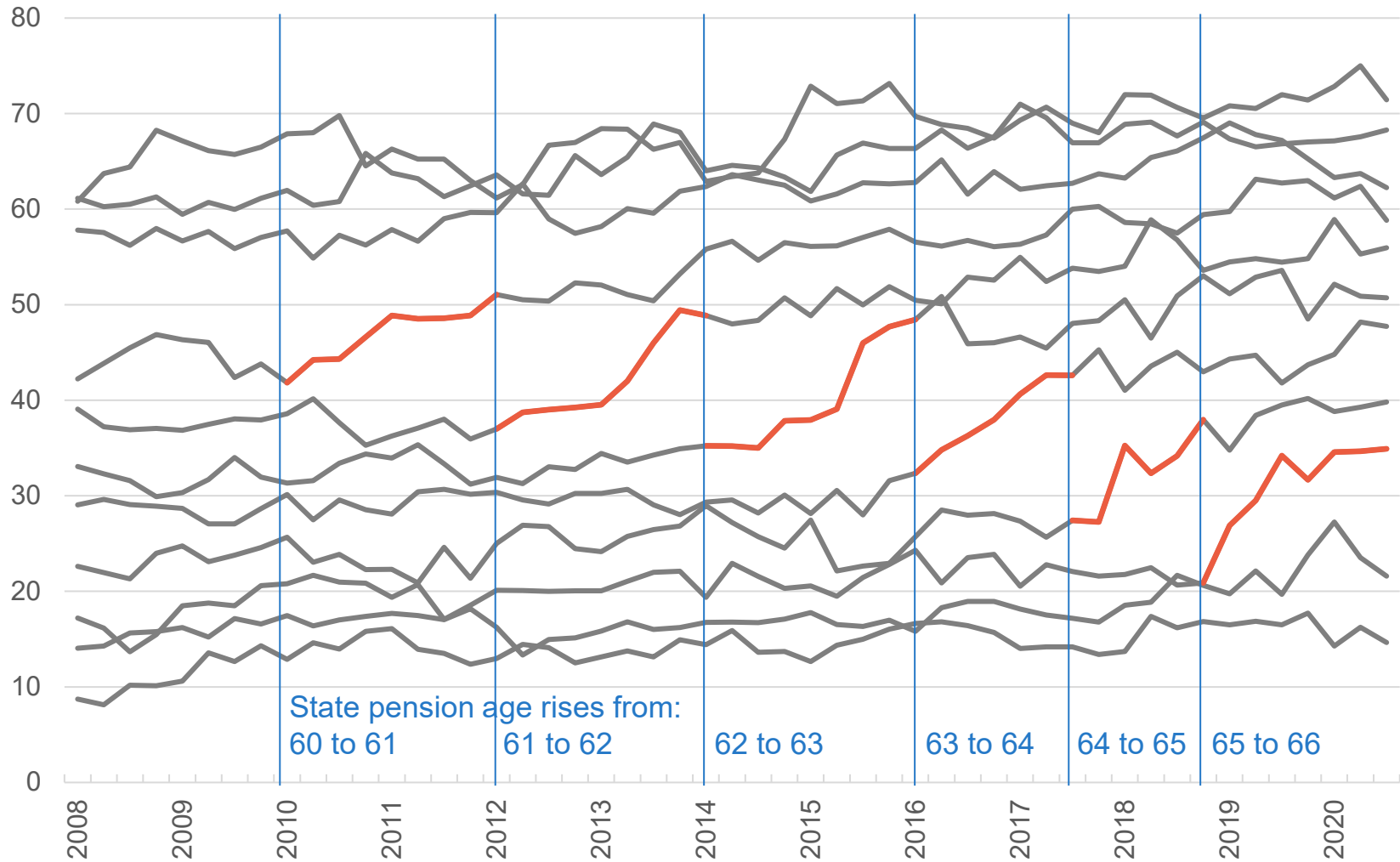
Rising longevity and state pension age



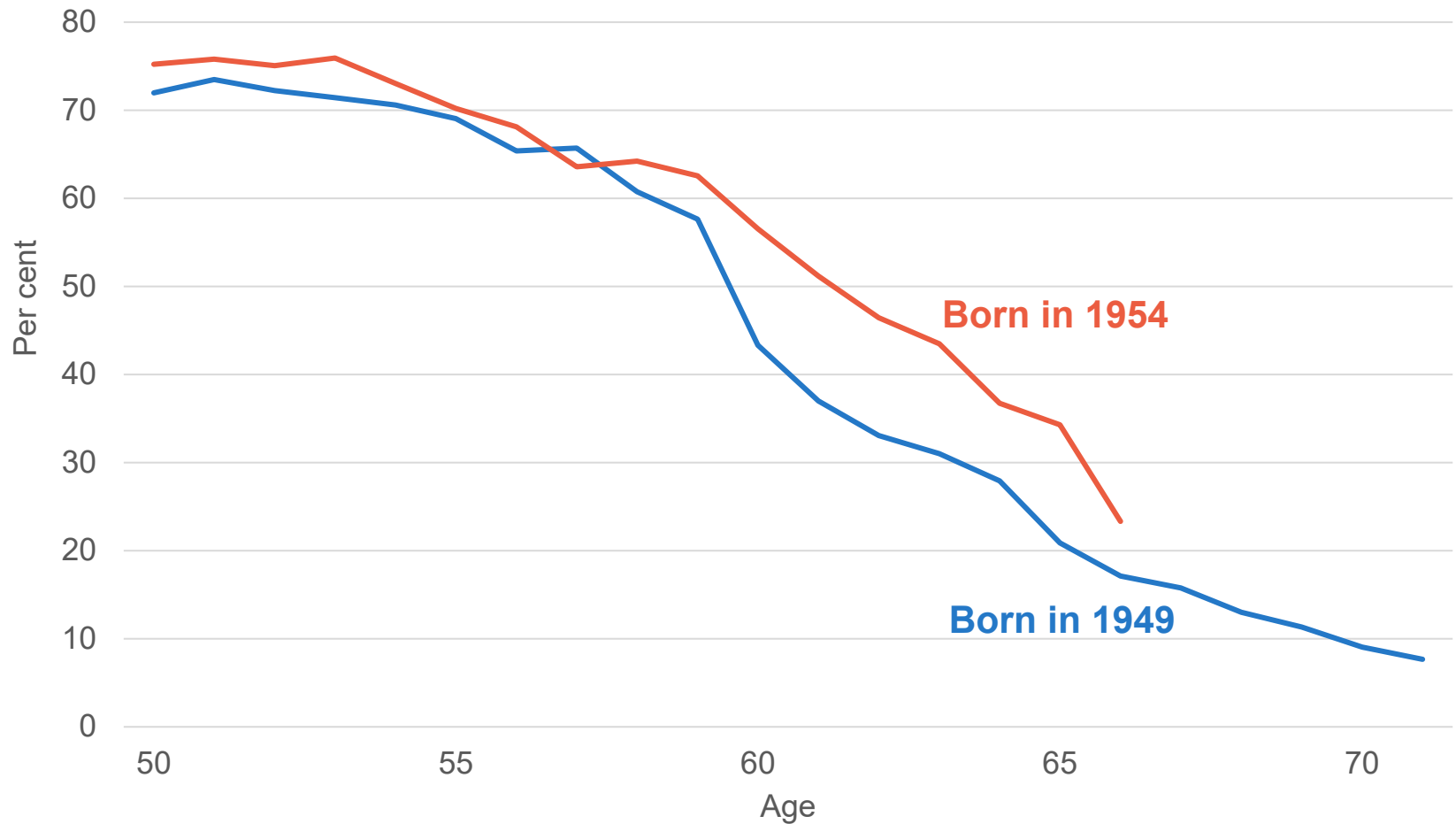
Rising longevity and state pension age



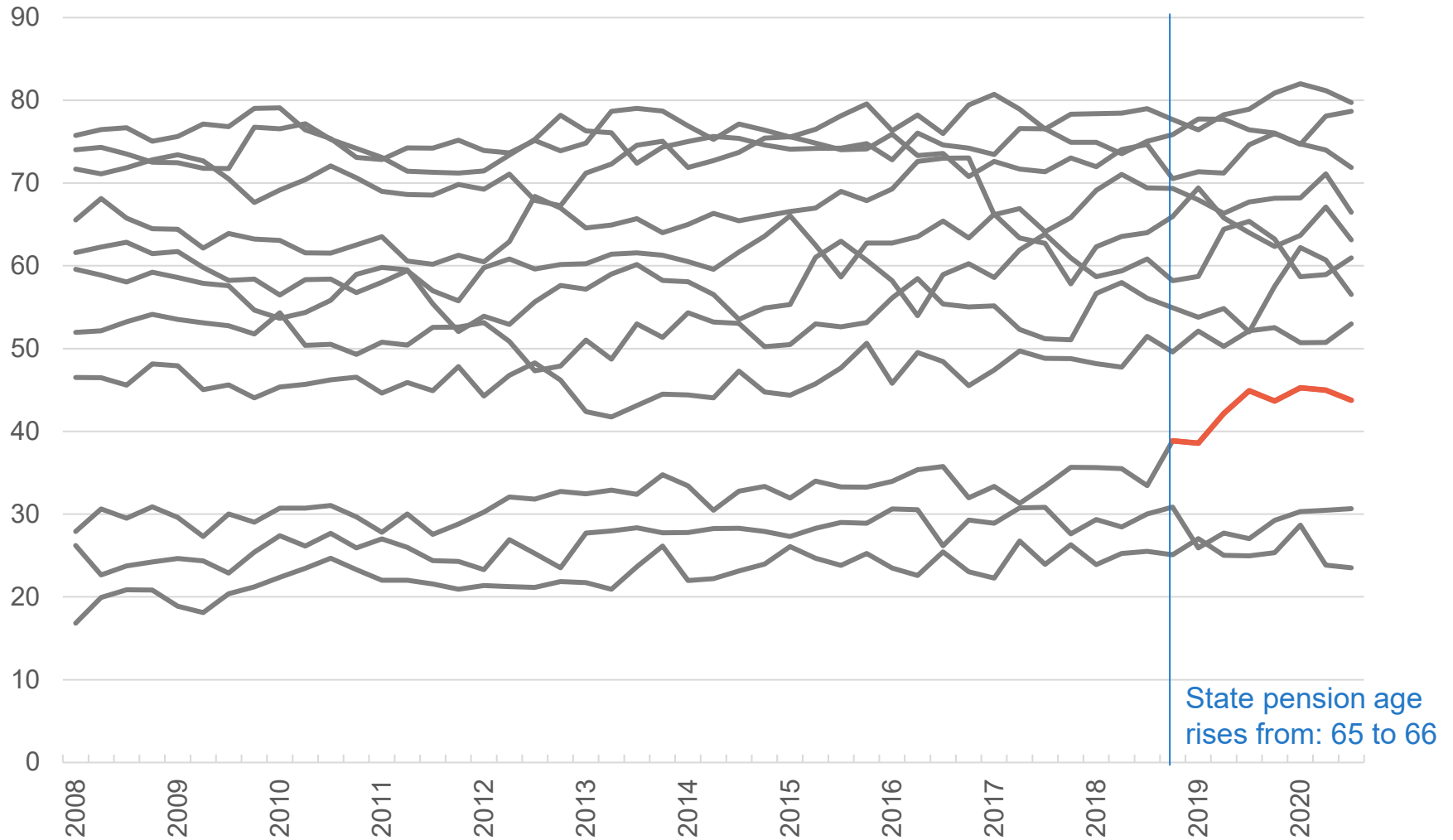
SPA and female employment



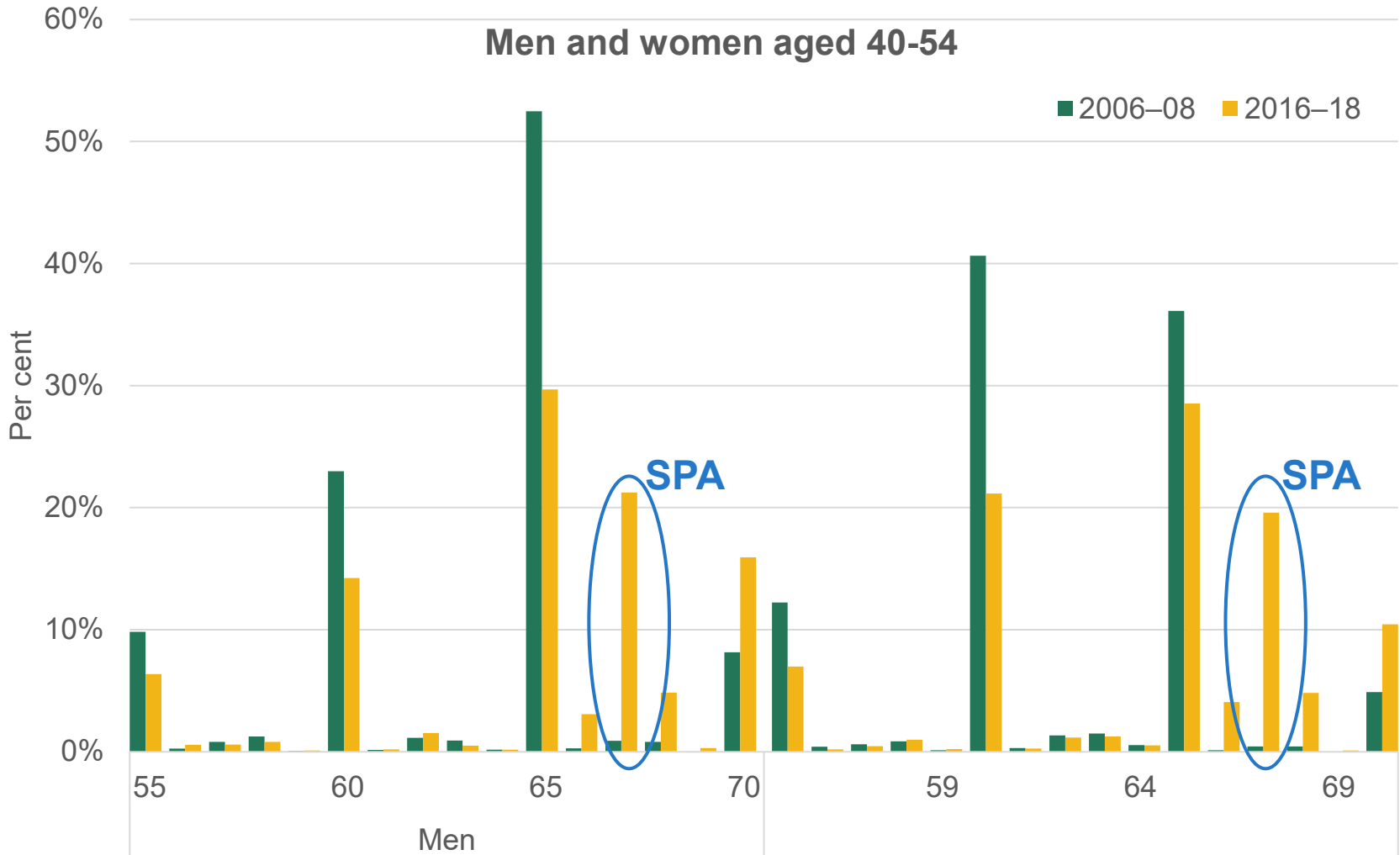
Female cohort employment rate



SPA and male employment



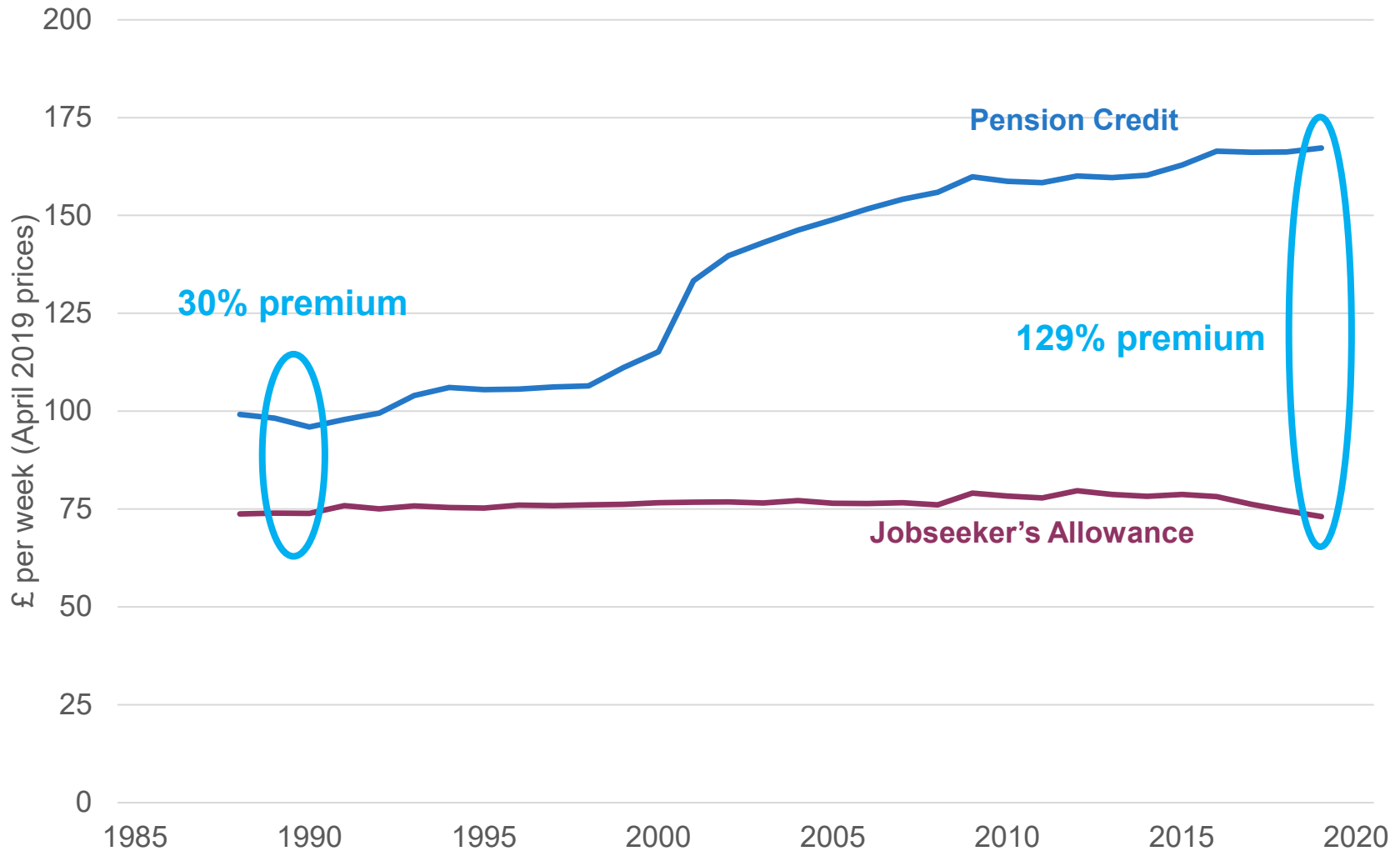
SPA and retirement expectations



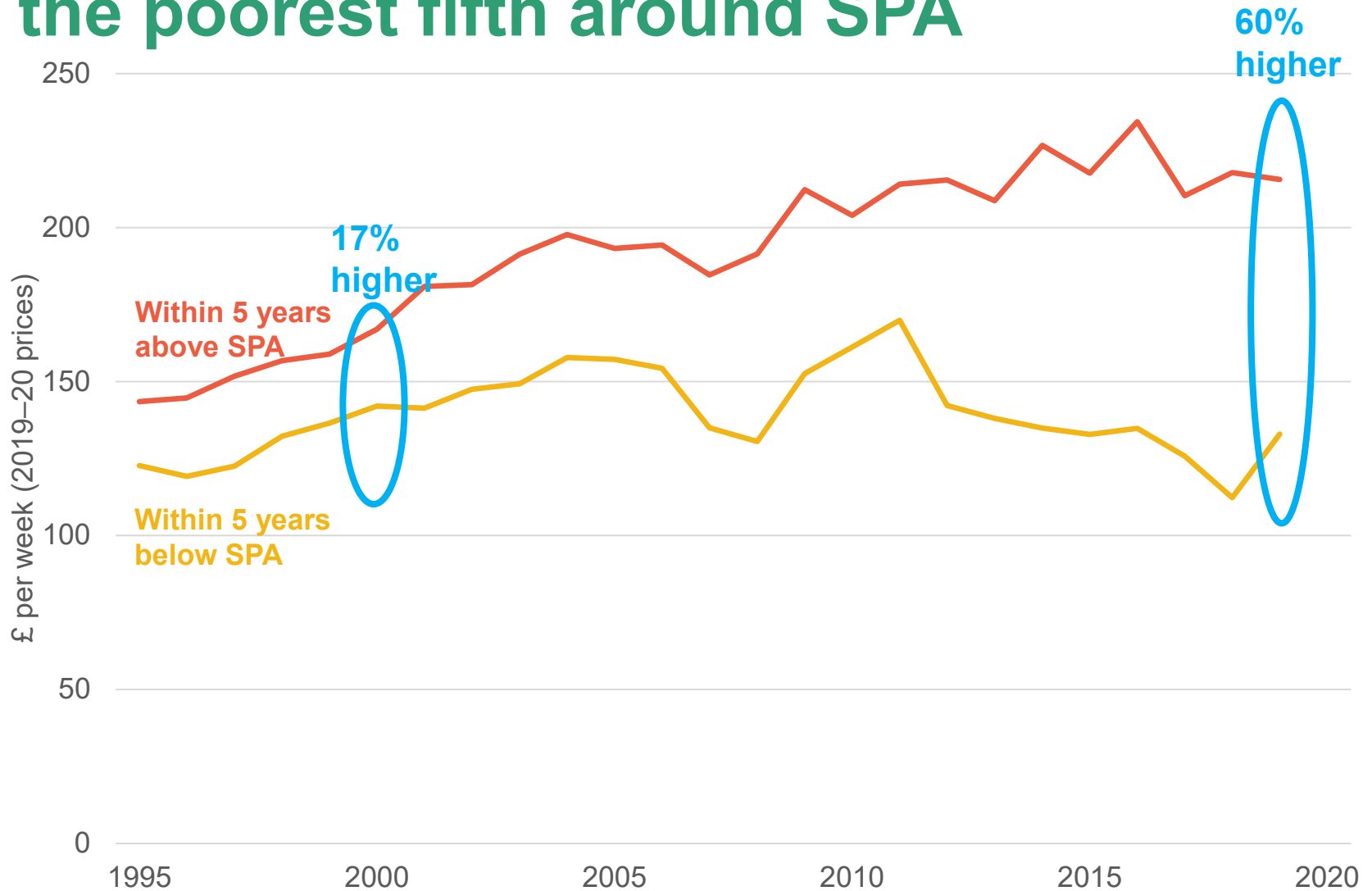


Those who can't work to new SPA?

Big – and growing – boost in support at SPA



Growing gap in average incomes of the poorest fifth around SPA



Conclusions



- Rising pension ages a coherent response to the public finance challenge of rising longevity at older ages
- UK state pension age increases have pushed up employment at older ages and expected retirement ages of younger workers
- Increased retirement ages also improves adequacy of private retirement saving
- Growing gap in state support either side of the state pension age matters especially for those unable to work at older ages