

Key Facts

Age, Demographics and Employment

This document summarises key facts about age, employment, training, retirement, debt and pension provision.

Demographic change

- The resident population of the UK was 60.98 million in mid-2007. The average age was 39. (*Office for National Statistics, August 2008*)
- People of working age (16-64 for men; 16-59 for women) represented 62% of the total mid-2007 population. Of those within this age group, 52% were aged under 40 and 48% were aged between 40 and 59/64 years. (*Office for National Statistics, August 2008*)
- According to population estimates, there were 20.7 million people aged 50 and over in the UK in 2007, of whom 9.2 million were aged between 50 and state pension age and 11.5 million were over state pension age (SPA). (*Government Actuary's Department, October 2007*)
- Life expectancy in Britain increased by about 30 years in the 20th century. (*Government Actuary's Department*)
- Life expectancy is increasing by more than two years each decade which means that every day the average life extends by five hours. (*Government Actuary's Department*)
- Within the UK, life expectancy varies by country. England has the highest life expectancy at birth: 77.5 years for males and 81.7 years for females, whilst Scotland has the lowest at 74.8 years for males and 79.7 for females. In Wales it is 76.7 years for males and 81.1 for females; and in Northern Ireland, it is 76.2 years for males and 81.2 for females. (*Office for National Statistics, October 2008*)
- The gender gap in life expectancy has been closing. Over the past 25 years it has narrowed from 6.0 to 4.3 years. Based on mortality rates in 1980-82, 26% of newborn males in the UK would die before the age of 65 but this has reduced to 16% based on 2005-2007 rates. The equivalent figures for newborn females were 16% in 1980-82 and 10% in 2005-2007. (*Office for National Statistics, October 2008*)
- Based on 2005-2007 mortality rates, a man aged 65 in the UK could expect to live until 82 (another 17.2 years) and a woman aged 65 until almost 85 (another 19.9 years). (*Office for National Statistics, October 2008*)
- Today, four out of five people survive to collect their state pension. They live, on average, for a further 24 years, spending a third of their lives in retirement. (*100th Anniversary of the State Pension Statistics, Department for Work and Pensions, 2008*)
- In 1950, a 65 year-old man could expect on average to live until age 76. Today he can expect to live until 85. (*Security in Retirement, Department for Work and Pensions, May 2006*)
- The average growth in the population aged over state pension age between 1981 and 2007 was less than 1% per year; however, between 2006 and 2007 the growth rate was nearly 2%. (*Office for National Statistics, August 2008*)

- In 2007, for the first time ever, there were more people of state pension age (65 for men; 60 for women) than under-16s. This reflects a decline in the number of under-16s, which fell to 18.9% of the population at mid-2007, compared with rising numbers of men and women of state pension age, who accounted for 19%. (*Office for National Statistics, August 2008*)
- The rise in the population over state pension age is partly due to the number of women born in 1947 in the post Second World War baby boom who turned 60 in 2007. Men born in the same year will reach state pension age in 2012. (*Office for National Statistics, August 2008*)
- There are currently 9.9 million people aged 65+ in the UK (2008). The number is projected to rise to 12.2 million by 2018. (*100th Anniversary of the State Pension Statistics, Department for Work and Pensions, 2008*)
- The UK birth rate has increased each year since 2001 when it had dropped to a record low of 1.63 children per women. In 2007 it reached 1.90, the highest rate since 1980. However, it is still considerably lower than its peak, in 1964, of 2.95 children per woman. The population replacement rate is 2.1. (*Office for National Statistics, August 2008*)
- The past five years have seen rising fertility in all four UK countries. Northern Ireland continued to have the highest fertility rate. In 2007 it was 2.93 children per woman, whilst Scotland's fertility remained lower at 1.73. The rates for England (1.92) and Wales (1.90) were close to the UK average. (*Office for National Statistics, August 2008*)
- The trend is towards later childbearing. In 1977, women aged 25-29 were twice as likely to give birth as were women aged 30-34. However, in 2007, women aged 30-34 had the highest fertility of any age group. (*Office for National Statistics, August 2008*)
- Because fertility is rising faster among women over age 30 than among younger women, the average age of childbearing has continued to increase slowly. The mean age for giving birth in the UK in 2007 was 29.3 years, compared with 28.6 years in 2001. (*Office for National Statistics, August 2008*)
- There is a clear North-South divide in the age at which women are most likely to give birth in England and Wales. In 2006, fertility rates among women in the southern regions of England were highest at ages 30-34 whereas in northern regions and in Wales the most fertile age group was 25-29. (*Office for National Statistics, September 2008*)

Employment trends

- The employment rate of the 50 to state pension age group fell to 64% in the mid-1990s after a 30-year decline. But since 1997 it has increased by over seven percentage points. This represents an extra 1.4 million more people in this group in employment. (*No one written off; reforming welfare to reward responsibility, Department for Work and Pensions, July 2008*)
- The employment rate of 72% for people aged 50 to state pension age compares with a rate of 82% for people aged 35-49, and of 74% for people of working age (16-65 for men and 16-59 for women), and the government ambition of an overall rate of 80%. (*No one written off; reforming welfare to reward responsibility, Department for Work and Pensions, July 2008 / Labour Market Statistics December 2008, Office for National Statistics*)
- There are 1.3 million people working beyond state pension age, representing 12% of people over state pension age, and 500,000 more compared with 1997. (*No one written off; reforming welfare to reward responsibility, Department for Work and Pensions, July 2008 / Labour Market Statistics December 2008, Office for National Statistics*)
- In England, the South East has the highest proportion of people aged between 50 and state pension age in employment (77%) whilst the North East has the lowest at 66%. In Scotland the percentage is 72% and in Wales it is 65%, the lowest in the UK. (*Labour Market Statistics December 2008, Office for National Statistics*)
- London and the South East have the highest percentage of people over state pension age in employment (13%) whilst in the North East only 8% are working, the lowest proportion in the

UK. In Scotland, 9% of people over state pension age are in work and in Wales 10%. (*Labour Market Statistics December 2008, Office for National Statistics*)

- The gender difference in the employment rate has narrowed but almost half of working women work part-time compared with around one in six of men. In the 1970s, the employment rate was 85% for men aged 50 to state pension age and 58% for women. Now it is 73% for men and 70% for women. (*Focus on Gender, September 2008 / Labour Force Statistics December 2008, Office for National Statistics*)
- The transition from work to retirement involves a move towards part-time employment. The majority of men and women employed after state pension age work part-time. In April – June 2008, 7% of men and 9% of women of state pension age were in part-time work. (*Labour Market & Retirement, Office for National Statistics, October 2008*)
- In April to June 2008, the average age at which people over 50 retired was 64.6 years for men, the highest level since data first became available in 1984, and was 61.9 years for women, up from 60.7 years in 1984. (*Office for National Statistics, October 2008*)
- In the last year, 31% of employees reaching age 65 asked if they could postpone their retirement and 81% of those requests were granted according to the latest CBI/Pertemps Employment Trends Survey of 500 employers. (*CBI, September 2008*)

Attitudes to employment and retirement

- Research conducted for the Department for Work and Pensions among 1,000 people aged 55 and over revealed mixed emotions for those on their first day of retirement. Under a third said they felt relaxed, under a quarter had a new sense of freedom but one in ten said they felt anxious, sad or lost. (*Department for Work and Pensions, April 2008*)
- When asked for their reasons for still working – among those working - money was the top motivator, cited by 63% of respondents. Over half (57%) said they enjoyed their jobs and 38% said their job helped keep their mind active.

Just under a third (32%) said they did not feel old enough to stop working and a similar percentage said they would miss it if they gave up work. Nearly one in four felt their job helped them keep fit and just under one in five were worried they would be bored in retirement. (*Department for Work and Pensions, 2008*)

- A survey of more than 2,000 people aged 50-65 found that 56% planned to continue working beyond state pension age. The majority did not think they would be comfortably off in retirement: 40% said they would only just get by if they stopped working and 14% said they would not be able to cope financially. (*Aegon At Retirement Report, 2008*)
- A survey on the career ambitions of the over-50s showed that nearly half (46%) said they were not too old to start a new career and one in five (19%) were seriously contemplating a career change to fulfil a lifetime ambition; 26% wanted more job satisfaction in their next career move; and for 77% that meant doing something 'worthwhile'. Construction, education and the creative arts were the most sought after jobs. (*learndirect, 2008*)
- Views about working longer are often 'gendered' in the sense that the incentives and disincentives differ for women and men. (*Encouraging Labour Market Activity Among 60-64 Year Olds, Department for Work and Pensions Research Report 531, November 2008*)

Age barriers in employment

- An online survey of 370 jobseekers aged 50 and over revealed that only 10% could say with certainty that they had never experienced age discrimination while looking for work and, although half believed they had experienced it, a great many pointed out how difficult it would be to prove. Just 13% said they thought the age discrimination legislation introduced in 2006 had helped older people find work. (*Survey of Jobseekers Aged 50+, TAEN, October 2008*)
- In the same survey, 38% said they had experienced age discrimination at work and a further 34% were unsure on the point. (*Survey of Jobseekers Aged 50+, TAEN, October 2008*)

- A majority (60%) felt that employers put too much emphasis on qualifications rather than experience and many implied in their comments that they felt their skills and experience were as valid as a formal qualification. (*Survey of Jobseekers Aged 50+, TAEN, October 2008*)
- Another survey found a fifth of older workers felt they were pressurised by their employers into retiring early, despite the introduction of the Age Regulations in 2006; and that three out of five UK retirees stopped working before the default retirement age of 65. (*AXA international retirement scope survey, February 2008*)
- A Recruitment Confidence Index survey of public and private sector employers revealed that respondents, which included HR professionals and senior managers, still held stereotypical views of older and younger workers. A quarter were aware of a current policy or practice within their organisations that could be perceived as discriminating on the basis of age. Only 3% felt they had been discriminated against in the past year for being too young against 9% who felt they had been discriminated against for being too old. (*Recruitment Confidence Index, Cranfield School of Management, April 2008*)
- Earnings of workers aged over 50 are lower than those of people in their 30s and 40s. This is true for gross annual, weekly and hourly earnings. (*Annual Survey of Hours and Earnings, 2008*)
- For full-time employees aged in their 50s, median gross annual earnings are £26,091 compared with £27,951 for their counterparts in their 40s (representing a decline of 7%) and £27,384 for those in their 30s. For full-time employees aged 60+, median gross annual earnings drop to £22,611. (*Annual Survey of Hours and Earnings, 2008*)
- Median gross weekly earnings for full-time employees are highest for 40-49 year olds. Male employees reached their highest earnings in this age group, whereas women reach theirs in the 30-39 year old group. Earnings increase until employees reach these age groups and steadily decrease thereafter. (*Annual Survey of Hours and Earnings 2008*)
- Median gross hourly earnings for full-time employees in their 50s are 6% lower than for full-time workers in their 30s and 40s; and for those aged 60 and over, the difference widens to 20%. (*Annual Survey of Hours and Earnings 2008*)
- There is a significant gender gap in the earnings of hourly paid part-time workers in their 50s. The median gross hourly earnings of part-time male workers is 14% higher than for their female counterparts. (*Annual Survey of Hours and Earnings, 2008*)
- Once out of work, older people remain unemployed for longer than younger people: from August – October 2008, 33% of those aged 50 and over had been unemployed for more than 12 months compared with 29% of 25-49 year olds. (*Labour Market Statistics December 2008, Office for National Statistics*)

The impact of not working

- Gross value added (GVA) is an indicator of economic prosperity. It measures the contribution to the economy. In terms of GVA per head, London had the highest figure in 2006, followed by the South East and the East of England. Wales, Northern Ireland and the North East had the lowest. (*Economic & Labour Market Review, Office for National Statistics, November 2008*)
- There is extensive evidence of a link between unemployment and poorer physical and mental health and early mortality. (*Is Work Good for Your Health and Well-being? Waddell/Burton, Department for Work and Pensions, 2006*)
- In the UK, life expectancies for both males and females are generally higher in the south of England and lower towards the north and Scotland, although there are distinct areas of lower life expectancies in local authorities within each region. (*Office for National Statistics, October 2008*)
- Across regions, the highest life expectancy for males is in the South East (78.9 years) and for females it is in the South West (82.9 years). The lowest regional life expectancies are in the North East for males (76.3 years) and in Scotland for females (79.7 years). (*Office for National Statistics, October 2008*)

- In 2006, the local authority area with the highest life expectancy for both males (83.7 years) and females (87.8 years) was Kensington and Chelsea. The local area with the lowest life expectancy in 2006 was Glasgow City (70.8 years for males and 77.1 years for females). This represents a difference of 12.9 years for males and 10.7 years for females between the two areas. (*Office for National Statistics, October 2008*)

Age and qualifications

- In the second quarter of 2008, one-fifth of the UK working-age population had a degree or equivalent qualification; 8% had a higher education qualification below degree level; 23% had GCE A level or equivalent and apprenticeships; 23% had GCSEs or equivalent; 13% had other qualifications and 13% had no qualifications. (*Economic & Labour Market Review, Office for National Statistics, November 2008*)
- London (32%) and the South East (22%) had the highest proportions of the working age population with the highest levels of qualification and the North East the lowest proportion (15%). Northern Ireland had the highest proportion of the population with no qualifications (22%) whereas the South West and the South East had the lowest proportions (both at 9%). (*Economic & Labour Market Review, Office for National Statistics, November 2008*)
- In 2007 there was a clear relationship between higher earnings and higher qualifications for full-time employees; each additional qualification level is associated with higher gross hourly earnings than its preceding level. The earning differential is greatest between level 3 (equivalent to two A Levels) and level 4 (degree level or equivalent), with full-time workers whose highest qualification was level 4 or above earning 46% more than those at level 3. (*The Level of Highest Qualification Held by Adults: England 2007, Department for Innovation, Universities and Skills, June 2008*)
- The proportion of people with no qualifications tends to increase with age. Fewer than 8% of those aged 19-34 have no qualifications compared with 12% of those aged 45-49, 16% of those aged 50-54 and 20% of those aged 55-64. (*The Level of Highest Qualification Held by Adults: England 2007, Department for Innovation, Universities and Skills, June 2008*)
- While more than three-quarters of 19-34 year-olds have a qualification at level 2 (equivalent to 5 GCSEs) or above, the percentage drops to 66% of 50-54 year-olds and 64% of 55-64 year-olds. (*The Level of Highest Qualification Held by Adults: England 2007, Department for Innovation, Universities and Skills, June 2008*)
- More than 57% of 25-34 year-olds have a qualification at level 3 or above compared with 49% of 40-49 year-olds, 47% of 50 year-olds but only 44% of 55-64 year-olds. (*The Level of Highest Qualification Held by Adults: England 2007, Department for Innovation, Universities and Skills, June 2008*)
- Just over a quarter of 55-64 year-olds (26%) hold a qualification at level 4 or above, compared with 30% of 50-54 year-olds and 39% of 30-34 year-olds. (*The Level of Highest Qualification Held by Adults: England 2007, Department for Innovation, Universities and Skills, June 2008*)
- 15% of undergraduates at UK universities are aged 50+. (*Institute of Education, University of London, 2008*)

Age and Learning

- Participation rates for all types of learning decrease with age. In 2008, 40% of people aged 45-54 described themselves as current or recent learners, compared with 29% of those aged 55-64 and 19% of those aged 65-74. (*Keeping the Grey Matter Ticking Over, Age Concern, 2008/The NIACE Survey on Adult Participation in Learning, 2008*)
- In a survey of the career ambitions of the over-50s, 61% of those working said they wanted the chance to learn new skills as did 16% of those who had retired. Almost one in three (31%) said they felt they were not equipped with the skills to make a career change or fulfil a job ambition. (*learnirect, April 2008*)

- There was a drop of 1.4 million adult learners from publicly funded education between 2004 and 2006:
 - In **Further Education**, there was a fall of 40% among 50-54 year olds, a fall of 46% among 55-59 years olds and a fall of 51% among those aged 60 and over.
 - In **Adult and Community Learning**, the falls were 32% among 50-54 year olds, 31% among 55-59 year olds and 25% among those aged 60 and over. (NIACE, 2008)
- Following the government's announcement in June 2008 that it would introduce a new right for employees to ask for paid time off for training, research conducted for the TUC and unionlearn found that two-thirds of respondents aged 55+ agreed there should be a legal right and 41% said they would use it. The strongest supporters were those aged 18-24, with 82% agreeing there should be a right and 59% saying they would request more training if such a right existed. (TUC, September 2008)

Debt

- The ratio of household debt to post-tax income in the UK has risen to over 160%, from around 100% at the beginning of 2001. (Financial Stability Report, Bank of England, April 2008)
- According to a report by an equity release firm, 36% of over-55s face retirement owing thousands of pounds. They have outstanding unsecured debts of £66 billion, working out at some £11,100 per head. This figure does not include mortgage debt which is on average £37,300 per person in this age group. (Key Retirement Solutions Debt Report, August 2008)

Pensions

- In 1981, the full basic state pension represented 24% of mean average earnings but in 2006 it only represented 16%. (Department for Work and Pensions, Hansard, January 2007)
- The largest source of income for pensioners is 'benefit income' which includes state pension income and benefits. Among single pensioners,

single women are the most dependent on state pensions income and benefits. (Office for National Statistics, 2007)

- Pension payments provided only modest levels of income for many pensioner households in 2006/2007: 61% of single pensioners had total pension income of less than £10,000 and 45% of pensioner couples had less than £15,000. (Office for National Statistics, July 2008)
- In 2006/2007 around two-thirds of pensioner households had private pension income. Average private pension income was £11,059 for pensioner couples, while for single men pensioners it was £6,812 and for single women pensioners it was £5,519. (Office for National Statistics, July 2008)
- As a result of the decline in financial markets, the value of employees' defined contribution pensions (money purchase) has fallen by nearly a third since October 2007 – from £552 billion to £395 billion, representing a loss of £46,417 for each of the 3.4 million members who pay into such schemes. (Aon Consulting, October 2008)
- Also because of the impact of the financial crisis on pension fund investments, 64% of the UK's largest final salary pension schemes are in deficit. The scale of deficit reached £15 billion at the end of October 2008, reflecting a fall in the value of funds of £9 billion. (Aon Consulting, November 2008)
- Every two years of increased life expectancy adds between 5% and 10% to the final salary pension scheme liabilities of companies. (Pensions Regulator, February 2008)
- Research by Fidelity International revealed that the average UK household can expect to see its income fall by 53% on retirement: a worker on the UK's median salary of £457 a week, will receive just £215 a week in retirement, including savings and state benefits. This is £6 below the minimum wage. (Third annual Fidelity International Retirement Index, May 2008)
- Whilst final salary pensioners can expect to retire on two-thirds of salary after 40 years of service, pensioners in money purchase schemes can expect, on average, to replace only 38% of their final salary. (Third annual Fidelity International Retirement Index, May 2008)

- Another survey found that 13 million adults in the UK have no financial savings or investments and a third of people would rather enjoy a good standard of living today than save for retirement. Most of these have no pension. (*Wealth and Assets Survey, Office for National Statistics, January 2008*)
- The survey's respondents aged 45-54 were most likely to be members of employer-based occupational pension schemes, with 60% of male employee and 61% of female employees in this group being members. (*Wealth and Assets Survey, Office for National Statistics, January 2008*)
- Final salary schemes in 2007 had average contribution rates of 20.5% while money purchase schemes had average contribution rates of just 9.2%. (*Annual Survey of Occupational Pension Scheme Provision, Office for National Statistics, September 2008*)
- Only 47% of final salary scheme members in the private sector were in schemes still open to new joiners. Nowadays money purchase schemes are often the only type of occupational pension on offer to new recruits. (*Annual Survey of Occupational Pension Scheme Provision, Office for National Statistics, September 2008*)
- Employee membership of private sector defined benefit (final salary) occupational pensions schemes continues to decline. It fell from 3.0 million in 2006 to 2.7 million in 2007. Employee membership of public sector defined benefit schemes rose slightly to 5.2 million in 2007. (*Annual Survey of Occupational Pension Scheme Provision, Office for National Statistics, September 2008*)
- However, employee membership of private sector defined contribution (money purchase) schemes has changed little in recent years. It stood at 0.9 million in 2007. (*Annual Survey of Occupational Pension Scheme Provision, Office for National Statistics, September 2008*)
- In 2007, there were just over 54,000 company pension schemes in the UK – both final salary and money purchase. But 1,780 (covering 307,000 pensioners or deferred members) were in the process of winding up. (*Annual Survey of Occupational Pension Scheme Provision, Office for National Statistics, September 2008*)
- In 2006-2007, 25% of women over age 60 were living below the poverty line (defined as a household with an income of 60% of the UK's median household, adjusted for family size). The proportion of female pensioners in poverty had increased by three percentage points over a three-year period. (*Households Below Average Income Series, 2003-04, 2006-07, Department for Work and Pensions*)
- Currently around only 35% of women retire on a full state pension (compared with 85% of men); but with proposed reforms to the state pension system, this proportion is expected to rise to 75% by 2010 and to over 90% by 2025. (*Department for Work and Pensions, October 2008*)
- State pension age for women will rise gradually from 60 to 65 between 2010 and 2020 so that it matches men's.

TAEN

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TAEN – The Age and Employment Network

TAEN's mission is to promote an effective job market that serves the needs of people in mid and later life, employers and the economy.

TAEN informs and advocates for effective age management policies and practices to be adopted at all levels: in employing organisations, by individuals and across the labour market.

TAEN's role is to interpret demographic change and help society - individuals and organisations - build advantage from it. We seek to remove age barriers to opportunity. We learn from the best, most forward-looking practices in human capital development, particularly those aimed at maintaining health, optimising work design, planning and delivering learning, and changing the structures of careers.

We work with individuals and organisations seeking progress in these areas. These include government agencies, academic bodies, employers and unions.

Our members are drawn from across the labour market. We offer all of them the possibility of sharing knowledge and influencing policy in this crucial sphere.

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